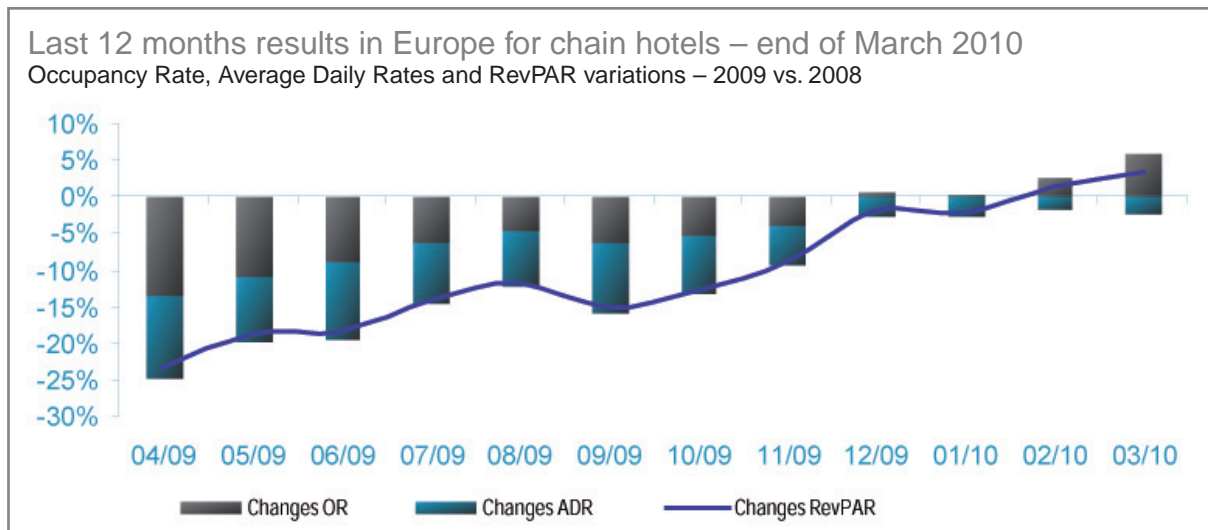


Paris, 6th May 2010

ANALYSIS BY MKG HOSPITALITY

European end of the crisis becomes clearer

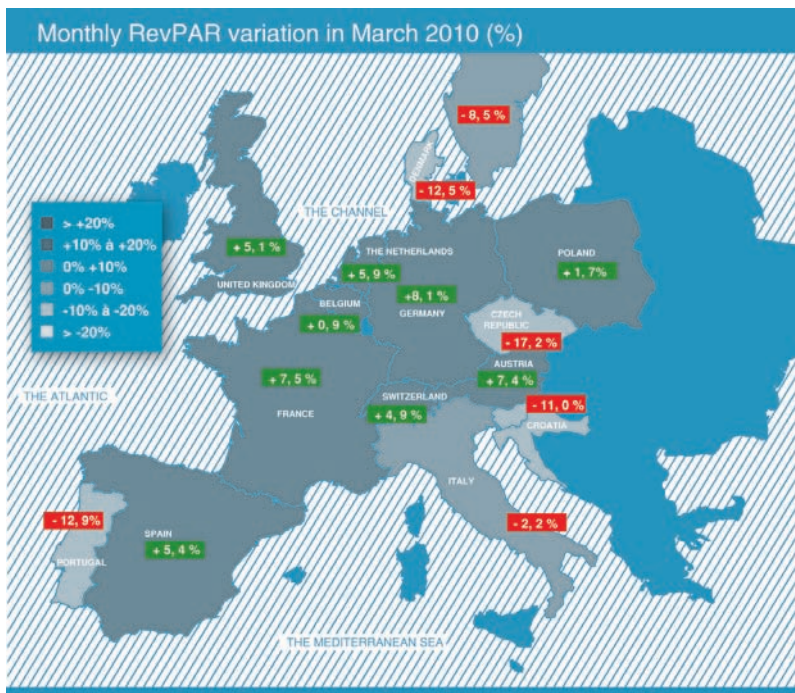
After a long series of completely negative figures, the trend of European hospitality industry has been reversed in a vast majority of countries. They are not all at the same upturn level but the reversal is noticeable in the 3 leader countries that are Germany, France and the United Kingdom. The initiation of the end of the crisis is made possible thanks to a favourable evolution of the occupancy rates since last December. It is at last combined with a recovery of the average rates, especially in France and Germany (thanks to the VAT rates modification), where they're increasing, and also in the United Kingdom, Benelux, Switzerland and even Spain where the rates' decline starts to be under control.



After a rather timid movement in January and February, March shows a sharp increase in 3 major countries: Germany, France and the United Kingdom, all of which presents a particular face:
In Germany, the occupancy rates progression is still fragile but the fiscal boost given to hoteliers, who thus gained a 10-points margin with the decreased VAT, will prompt them to lower the rates, which should boost the occupancy.

In France, on the national scale, the 3.5-point occupancy rates improvement allows to limit the aggressive rate policies and give some slack to the budget segments, as their average rates improvement was giving signs of weakness. We find again a classical pattern of strong reactivity from the upscale categories and globally from the Parisian hospitality (a double upturn powerhouse), and a stabilization in the budget segment and provincial hotels because of a more sluggish growth.

In the United Kingdom, after 2 successive months of increase in January (+1.1%) and February (+2.3%), the average rates are slightly receding. The national average is actually affected by a rate decrease in the budget segment, a phenomenon that should only be temporary.



In Spain, seriously hit by the big cities overcapacity, the important decrease of the rates finally reflates occupancy that gains 5 points. Nonetheless, the RevPAR is one of the lowest of European developed countries.

The situation is rather the same in Italy, 4 months of an OR positive increase are the result of a rather sharp rates drop. But the RevPAR is still way more superior than in Spain. The market is still hesitant to up the rates again, in case it would break the process.

In this global improvement flow, Portugal is alone and shows results that are completely the opposite of the general pattern. Despite a slight improvement of the occupancy rates, the average rates plummet when compared with March 2009 and the RevPAR is still plunging in a 2-digit abyss. March is catastrophic for the upscale segment, after a positive spurt at the beginning of the year.

ABOUT MKG Group

Established in 1985 by Georges Panayotis, MKG Group has built a solid reputation for business expertise and substantial European-based know-how in the fields of tourism, lodging and food service. MKG Group meets the needs of each of its clients by providing valuable analytical and decision-making skills necessary for success. www.mkg-group.com

METHODOLOGY

For 25 years, MKG Hospitality has been a global leader in tourism, hotel and catering consulting, with the largest database in the world (excluding the US), representing all segments from budget to upscale hotels. 45 000 hotels and over 2.5 million rooms are compiled in MKG's database.

MKG's market monitoring database, HotelCompSet, contains a sample of over 250 brands in 150 countries (over 800 markets) and 11 000 corporate chain hotels, representing more than 1,000,000 rooms. HotelCompSet provides daily, monthly and yearly monitoring of hotel indicators and analyses of its sample.

MKG's statistical samples provide an accurate and strong measure of the hospitality industry.

Together with other specialised brands, MKG Qualiting, OlaKala, Worldwide Hospitality Awards, Global Lodging Forum, as well as sector publications HTR Magazine and Hotel Restau Hedbo, MKG Group supports investors, hoteliers and key tourism players to improve performance, boost productivity and achieve results.

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