



13th Annual Lodging Industry Update

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- How we weathered the economy
- Improvements for 2011
- Industry Trends – 2011 and beyond
- Future development

How we weathered the economy



Disclaimer

IMPORTANT: The following three charts are based upon historic performance information for mature, franchised and Hilton-Managed properties. Because your hotel will not be mature, it is especially important not to rely on this information to project future performance, which will likely differ from the results shown. Even if you are acquiring a mature property through purchase or other transfer, your results will likely differ due to the change of management and/or other factors. If you rely on our figures in the tables and charts above, you must also accept the risk that your hotel may not do as well.

Occupancy

	2008	2009	2010
Garden Inn	69.2%	64.0%	68.0%
Homewood	73.0%	67.9%	72.8%
Hampton	68.5%	62.3%	65.0%

ADR Change (Percentage)

	2008	2009	2010
Garden Inn	3.0%	-8.5%	-1.3%
Homewood	2.3%	-6.0%	-2.2%
Hampton Inn	3.6%	-6.0%	-1.0%

RevPAR Index

	2008	2009	2010
Garden Inn	118.2	120.4	121.2
Homewood	119.6	126.5	126.1
Hampton	122.7	123.7	122.4

Improvements for 2011

- RevPar
- Unit Growth

RevPar

Revenue management education

Proactive communication

Improved new hotel ramp-up time

Unit Growth

Focused-Service **COMPSET**: 2010 OCCUPANCY TOP TEN



RANK	MARKET	%
1.	New York, NY	83.8%
2.	San Francisco/San Mateo, CA	76.6%
3.	Miami-Hialeah, FL	76.4%
4.	San Diego, CA	69.8%
5.	Pittsburgh, PA	69.1%
6.	Anaheim-Santa Ana, CA	69.1%
7.	Seattle, WA	68.9%
8.	Los Angeles-Long Beach, CA	68.6%
9.	Long Island	67.7%
10.	Washington, DC-MD-VA	67.5%

Focused-Service **COMPSET**: 2010 OCCUPANCY BOTTOM TEN



RANK	MARKET	%
41.	Norfolk-Virginia Beach, VA	57.1%
42.	Tampa-St Petersburg, FL	56.7%
43.	Charlotte, NC-SC	56.6%
44.	Texas East	56.5%
45.	Indianapolis, IN	55.7%
46.	Detroit, MI	55.3%
47.	Ohio Area	54.7%
48.	Indiana North	54.2%
49.	North Carolina West	53.8%
50.	Georgia South	53.5%

Focused-Service **COMPSET**: 2010 ADR TOP TEN



RANK	MARKET	\$
1.	New York, NY	\$178.60
2.	Washington, DC-MD-VA	\$119.08
3.	San Diego, CA	\$116.62
4.	Long Island	\$116.24
5.	Seattle, WA	\$107.26
6.	Albany/Schenectady, NY	\$106.82
7.	Philadelphia, PA-NJ	\$106.24
8.	Austin, TX	\$105.61
9.	Boston, MA	\$105.61
10.	New York State	\$105.50

Focused-Service **Compset**: 2010 ADR BOTTOM TEN



RANK	MARKET	\$
41.	Richmond-Petersburg, VA	\$84.78
42.	Texas East	\$84.37
43.	Mississippi	\$83.95
44.	Raleigh-Durham-Chapel Hill, NC	\$83.15
45.	St Louis, MO-IL	\$82.98
46.	Atlanta, GA	\$82.10
47.	Ohio Area	\$80.92
48.	Detroit, MI	\$79.86
49.	Georgia South	\$76.61
50.	Orlando, FL	\$76.12

Focused-Service **COMPSET**: 2010 REVPAR **Δ** TOP TEN



RANK	MARKET	%
1.	New Orleans, LA	14.1%
2.	Boston, MA	12.7%
3.	Nashville, TN	11.7%
4.	New York, NY	11.2%
5.	Mississippi	11.1%
6.	Pennsylvania Area	10.3%
7.	New York State	8.6%
8.	Ohio Area	8.0%
9.	Chicago, IL	7.4%
10.	Charlotte, NC-SC	7.4%

Focused-Service **COMPSET**: 2010 REVPAR **Δ** BOTTOM TEN



RANK	MARKET	%
41.	Florida Panhandle	0.7%
42.	Raleigh-Durham-Chapel Hill, NC	0.1%
43.	Long Island	-0.6%
44.	Indianapolis, IN	-1.1%
45.	Norfolk-Virginia Beach, VA	-1.4%
46.	Richmond-Petersburg, VA	-1.6%
47.	Georgia South	-2.8%
48.	Tampa-St Petersburg, FL	-4.2%
49.	Texas East	-6.8%
50.	Houston, TX	-6.9%

Future Development

Key brand differences



ADR	\$40 < than Homewood Suites	\$40 > than Home2
Target Guests	Mid-tier extended stay (10+ nights)	Upscale, extended stay (5-9 nights)
Breakfast	“Inspired” continental	Hot, full breakfast
Evening Meal	N/A	Weeknights (Mon – Thurs)
Suite Size	323 ft ²	100 ft ² bigger than Home2
Kitchen	Microwave only	Stovetop and microwave
HHonors	5 points per dollar	10 points per dollar

- Revenue Management - managing the mix of business
- Sustainability
- Changing Guest Demographic - Baby Boomers to Gen X and Gen Y
- Social Media