

Paris, the 15th of June 2010

EU Reaches 5.2 Million Rooms

European Union hotel supply has recorded a similar growth to last year to now reach 147,000 hotels and 5.2 million rooms.

Over 80,000 hotel rooms have been added to EU hotel supply, half of which in Spain, Germany and Italy – markets with an already mature, if not oversupply.

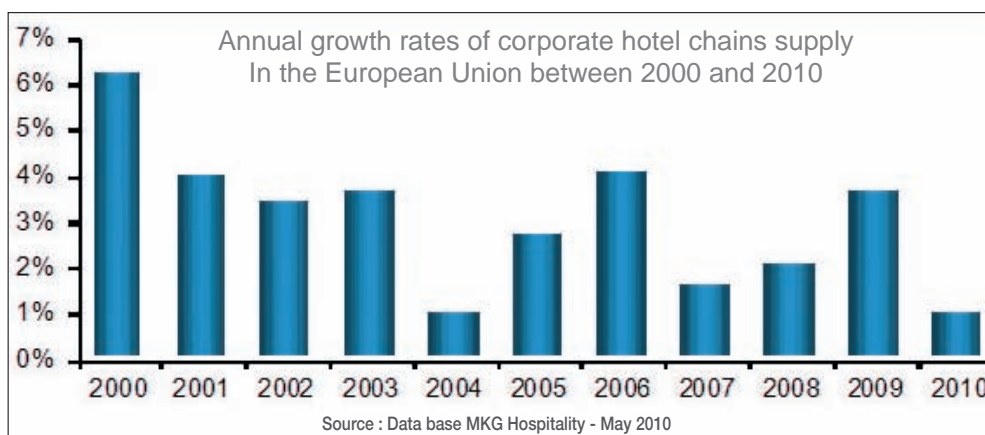
According to MKG Hospitality, the EU is experiencing a certain level of restructuring, with outdated independent properties fading in favour of new economy-budget hotel products, particularly in France, Germany and the UK. Chain hotel are also strengthening their position, now with almost 11,500 hotels and 1.3 million rooms, representing just over 26% of total number of rooms.

“This is still much lower compared to the chain penetration rate in the US, where it reaches 70%, as Europe historically revolves around independently- and family-owned properties. However this is changing fast, with brands becoming the preferred option,” sates Director of Development, MKG Hospitality, Vangelis Panayotis.

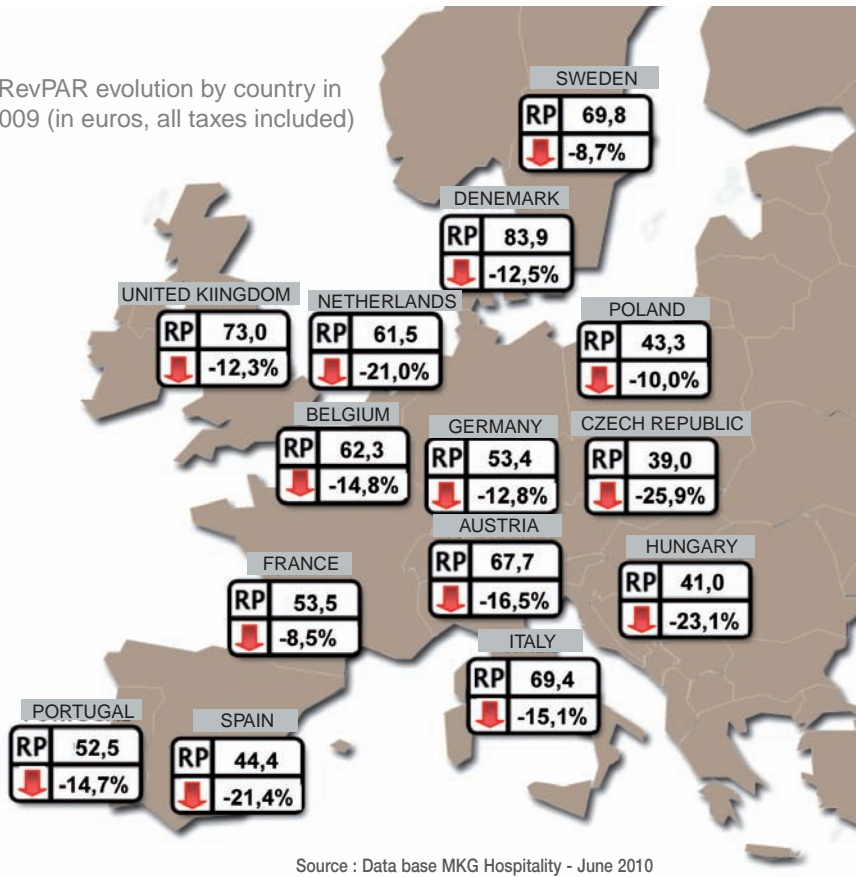
“As expected, the growing difficulties to find good sites, especially downtown locations, and at reasonable prices, has compelled most European-based hotel groups to favour franchising during this period of development,” adds Panayotis.

Despite traditionally low bank rates, repayment due dates should also force more real estate asset transactions throughout Europe. As the recovery continues, investors in a financially healthy position will be encouraged to pursue these new opportunities.

This year, MKG Hospitality's EU hotel supply benchmark report looks at Spanish and Dutch market volatility, French budget hotel resilience during the economic crisis, strong turnaround in the UK driven by London, as well as a country-by-country analysis and each market's position within the hospitality cycle.



RevPAR evolution by country in 2009 (in euros, all taxes included)



Source : Data base MKG Hospitality - June 2010

The MKG Hospitality annual report on hospitality in the European Union offers a thorough analysis of market diversities, concerning each market: Spanish and Dutch markets volatility confronted with hospitality cycles, French budget hospitality resiliency confronted to the current crisis, the strong upturn of the British market based on London metropolis, hospitality supply and demand evolution cycles are among the numerous analyses that this study reveals.

ABOUT THE REPORT

Since 1991, this annual publication is the most comprehensive study of the European Hotel Industry. This report is available under the four formats: • European file • Reports by Country • France file • Full Report

Further information is available under: http://www.mkg-hospitality.com/Communication/EHR/EHR_Clients_UK.pdf

For any further information about the report, please contact us by email: hcs@mkg-hospitality.com or by phone +33 (0)1 56 56 87 87

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 a comprehensive and accurate 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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