

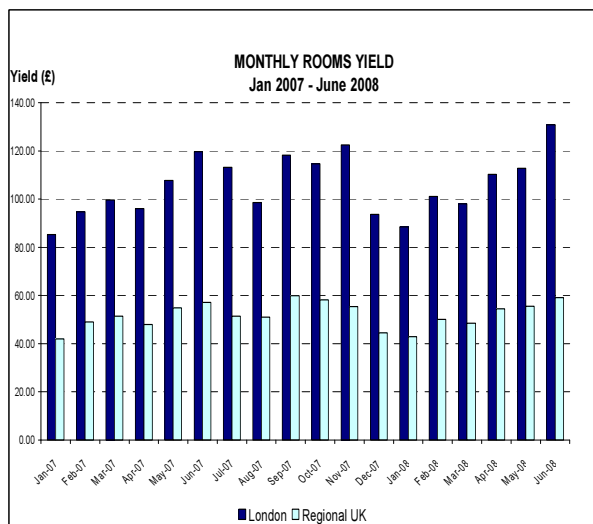
Monthly UK Hotel Trends

June 2008

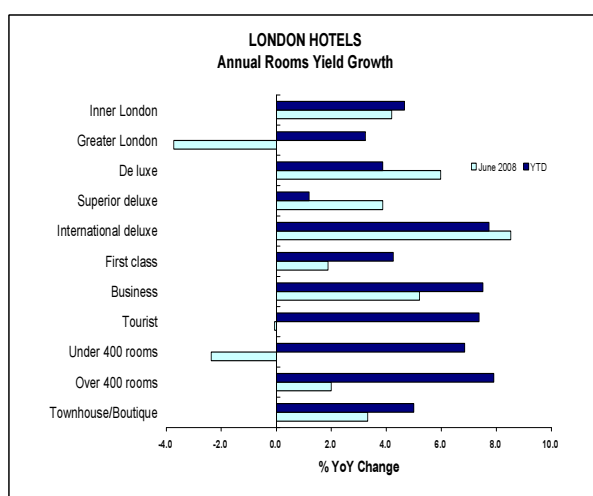
UK hotels reported a positive rooms yield growth rate of 6.6% in June compared to the same period last year. This was driven by a substantial increase in AARR of 10.1% to £106.08, despite the overall fall in occupancy of -3.2%. Hotels in London reported a rise in rooms yield of 4.1%, whereas the regions ended with a slight drop of -0.7%.

June 2008 Summary of performance

Hotel type / location		Available rooms/day	Occupancy (%)			AARR (£)			Rooms Yield (£)		
			2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.
Total UK	Jun 08	114,700	78.2	80.7	-3.2	106.08	96.34	10.1	82.94	77.79	6.6
	YTD		72.8	73.6	-1.0	98.64	90.43	9.1	71.85	66.55	8.0
London Hotels	Jun 08	38,200	84.8	87.3	-2.9	154.22	143.96	7.1	130.78	125.68	4.1
	YTD		79.0	79.4	-0.5	138.08	130.96	5.4	109.08	103.98	4.9
Regional UK	Jun 08	76,500	74.9	76.9	-2.6	78.86	77.34	2.0	59.07	59.47	-0.7
	YTD		69.7	70.1	-0.6	75.85	74.50	1.8	52.85	52.25	1.1



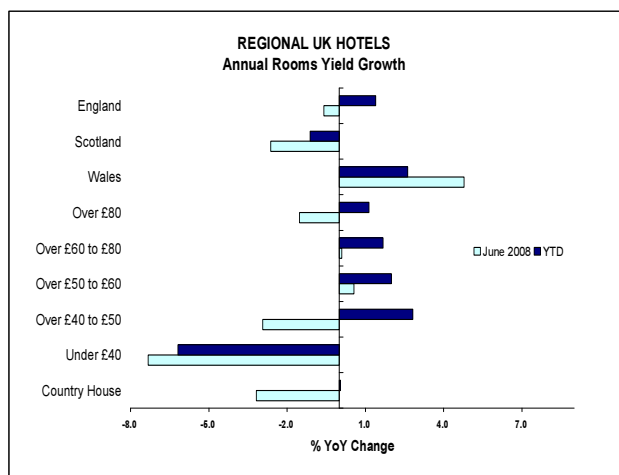
London's results in June were driven by a 7.1% growth in AARR to £154.22. Occupancy in the capital fell by 2.9% but remains strong at 84.8%. In the face of this slight drop, compared to last year performance has been good due to the considerable increase in AARR, resulting in impressive rooms yield. London hosted a number of events throughout June including the annual Trooping the Colour, Wimbledon Tennis Tournament and the Hyde Park Calling rock music festival which brought crowds to the city, thus helping occupancy rates. Meanwhile, the marginal fall in yield growth in regional hotels was driven by an increase in AARR of 2.0%, as occupancy dropped slightly.



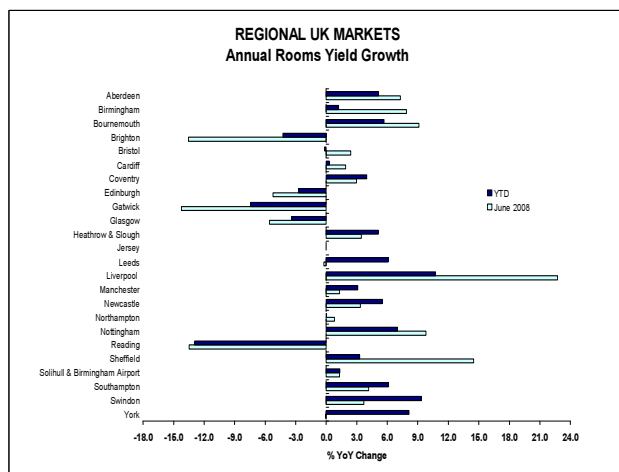
London hotels experienced strong rooms yield growth across most segments of the market. The strongest performance for the month was achieved by International deluxe hotels with a yield growth of 8.5% over last year. This impressive rate was achieved in spite of the 0.7% decrease in occupancy, as AARR rose by an impressive 9.3% to £195.46. Other strong performers for the month were De luxe hotels and business hotels driven by the increase in AARR with rooms yield growths of 6.0% and 5.2% respectively.

The fall in yield growth of Greater London, Tourist and Under 400 room hotels shows the rise in demand for

higher-end, inner city hotels. This could be due to visitors looking to be more central for easier access to the vast number of events during June.



just 0.6% over last year's results. The poorest figure came from hotels with AARR of under £40, a large fall of 7.3%. This was on the back of a decrease in occupancy of 5.5% and 1.9% in AARR.



reflecting figures from 2007 were very high with inflated occupancy rates of 90.2%. This year occupancy fell to a more familiar but respectable level of 84.9%. Not far behind were Brighton and Reading both with rooms yields of -13.5%. Both achieved successful results last year and are feeling the sting of a fall in occupancy 13.5% for Brighton and 12.8% for Reading.

Hotels in Wales reported good growth in rooms yield of 4.8%. English hotels reported a meagre drop in rooms yield of 0.6% and hotels in Scotland suffering a slightly larger fall of 2.6% in June. These results have transpired as a result of occupancy rates in England and Scotland falling by 2.6% and 4.5% respectively, combined with rises in AARR of 1.8% and 2.0%. This could be partly attributed to the strong performance posted by hotels in Scotland last year. Within the rate bandings, the strongest performance was posted by hotels with AARR £50-£60 with a rooms yield growth of

This year Liverpool was awarded the title of The European Capital of Culture. This has seen a boom in the number of domestic and international tourists visiting the city and has assisted the large growth in rooms yield of 22.7%. Sheffield was also able to achieve strong rooms yield growth of 14.5%. This result is supported by and increase in occupancy and AARR of 3.1% and 11.0% respectively. Most regions across the UK recorded positive rooms yield growth. However, Gatwick suffered the worst figures of the month falling by 14.2%. The

PKF Monthly Trends

London		Month end June									Year to date									
Hotel type/ location	Available rooms/day	Occupancy (%)			AARR (£)			Rooms Yield (£)			Occupancy (%)			AARR (£)			Rooms Yield (£)			
		2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.	
De luxe	<i>AARR >£150</i>	10,900	83.1	85.1	-2.3	272.94	251.54	8.5	226.81	214.04	6.0	75.1	76.5	-1.8	239.84	226.71	5.8	180.12	173.41	3.9
Superior deluxe	<i>>£200</i>	6,550	83.6	86.6	-3.5	323.55	300.57	7.6	270.49	260.41	3.9	74.6	77.1	-3.3	281.74	269.34	4.6	210.18	207.69	1.2
International deluxe	<i>>£150 to £200</i>	4,350	82.3	82.9	-0.7	195.46	178.80	9.3	160.86	148.23	8.5	75.8	75.6	0.2	177.99	165.62	7.5	134.92	125.24	7.7
First class	<i>>£100 to £150</i>	11,600	84.8	88.0	-3.6	134.78	127.50	5.7	114.29	112.19	1.9	80.1	80.5	-0.4	122.82	117.30	4.7	98.38	94.37	4.3
Business	<i>>£75 to £100</i>	9,350	86.9	88.6	-2.0	99.59	92.81	7.3	86.54	82.26	5.2	81.3	81.3	0.0	92.69	86.23	7.5	75.36	70.10	7.5
Tourist	<i>under £75</i>	6,350	84.6	88.0	-3.9	70.38	67.69	4.0	59.54	59.58	-0.1	80.6	80.0	0.7	67.05	62.91	6.6	54.04	50.33	7.4
Under 400 rooms		3,200	82.2	85.9	-4.3	67.77	66.40	2.1	55.71	57.06	-2.4	76.7	75.4	1.8	64.56	61.49	5.0	49.52	46.35	6.8
Over 400 rooms		3,100	87.0	90.2	-3.6	72.95	68.98	5.8	63.47	62.23	2.0	84.6	84.7	-0.2	69.38	64.20	8.1	58.70	54.40	7.9
Townhouse/Boutique		1,300	84.6	86.5	-2.1	246.46	233.43	5.6	208.51	201.80	3.3	73.7	74.9	-1.5	228.28	214.05	6.6	168.24	160.24	5.0
Greater London		1,950	78.7	83.5	-5.7	72.66	71.13	2.2	57.18	59.39	-3.7	72.6	71.5	1.6	68.46	67.34	1.7	49.70	48.14	3.2
Inner London		35,950	85.2	87.6	-2.7	157.86	147.44	7.1	134.50	129.08	4.2	79.4	80.0	-0.7	140.93	133.73	5.4	111.90	106.92	4.7
All London hotels		38,200	84.8	87.3	-2.9	154.22	143.96	7.1	130.78	125.68	4.1	79.0	79.4	-0.5	138.08	130.96	5.4	109.08	103.98	4.9

Based on the Average Achieved Room Rate (AARR) in 2007

Available rooms/day relates to 2008 figures only and is rounded to the nearest 50

Nationality Mix (%)		Domestic UK			Europe			USA & Canada			Japan			Other		
		2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.
De luxe	Jun 08	30.4	16.2	87.7	14.5	18.4	-21.2	25.0	26.0	-3.8	1.5	1.5	0.0	28.6	37.9	-24.5
	YTD	31.5	25.7	22.6	20.5	21.6	-5.1	23.1	27.4	-15.7	1.6	1.9	-15.8	23.3	23.4	-0.4
First class	Jun 08	31.4	30.3	3.6	22.0	15.6	41.0	9.6	23.5	-59.1	21.4	10.7	100.0	15.6	19.9	-21.6
	YTD	34.5	32.8	5.2	24.9	25.6	-2.7	15.0	15.4	-2.6	7.1	12.0	-40.8	18.5	14.2	30.3
Business	Jun 08	29.2	19.2	52.1	17.3	17.1	1.2	12.7	15.7	-19.1	1.9	1.1	72.7	38.9	46.9	-17.1
	YTD	30.8	29.7	3.7	19.9	22.4	-11.2	9.6	9.6	0.0	1.2	1.7	-29.4	38.5	36.6	5.2
Tourist	Jun 08	61.1	52.7	15.9	29.4	27.3	7.7	5.1	13.3	-61.7	0.7	0.7	0.0	3.7	6.0	-38.3
	YTD	61.4	46.7	31.5	26.7	33.5	-20.3	7.6	12.5	-39.2	0.4	1.2	-66.7	3.9	6.1	-36.1
All London hotels	Jun 08	32.3	23.8	35.7	18.1	18.1	0.0	15.1	20.9	-27.8	4.2	3.2	31.3	30.3	34.0	-10.9
	YTD	34.4	30.3	13.5	21.5	23.7	-9.3	13.5	17.9	-24.6	2.3	4.1	-43.9	28.1	22.1	27.1

Regional UK		Month end June									Year to date									
Hotel type / location		Available rooms/day	Occupancy (%)			AARR (£)			Rooms Yield (£)			Occupancy (%)			AARR (£)			Rooms Yield (£)		
			2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.	2008	2007	% ch.
Regional UK Total		76,500	74.9	76.9	-2.6	78.86	77.34	2.0	59.07	59.47	-0.7	69.7	70.1	-0.6	75.85	74.50	1.8	52.85	52.25	1.1
England		63,400	73.9	75.7	-2.3	77.51	76.16	1.8	57.28	57.62	-0.6	69.4	69.5	-0.2	75.20	74.05	1.6	52.19	51.47	1.4
Scotland		10,100	79.3	83.1	-4.5	86.68	84.97	2.0	68.74	70.59	-2.6	69.8	72.4	-3.6	79.42	77.45	2.5	55.44	56.07	-1.1
Wales		2,200	80.2	80.7	-0.6	75.80	71.89	5.4	60.79	58.02	4.8	73.2	73.8	-0.7	75.41	72.94	3.4	55.20	53.79	2.6
AARR Over £80		23,550	75.6	78.7	-4.0	106.55	103.88	2.6	80.55	81.80	-1.5	70.5	71.5	-1.3	99.90	97.45	2.5	70.43	69.64	1.1
Over £60 to £80		34,850	77.1	78.2	-1.4	72.54	71.42	1.6	55.93	55.87	0.1	71.2	71.4	-0.2	70.67	69.34	1.9	50.32	49.49	1.7
Over £50 to £60		11,100	75.7	77.4	-2.2	58.66	57.07	2.8	44.41	44.16	0.6	70.1	70.0	0.1	56.97	55.91	1.9	39.94	39.15	2.0
Over £40 to £50		4,400	62.7	65.6	-4.3	46.62	45.94	1.5	29.23	30.11	-2.9	59.8	59.5	0.5	47.39	46.33	2.3	28.34	27.56	2.8
Under £40		2,600	57.3	60.7	-5.5	36.07	36.77	-1.9	20.67	22.30	-7.3	54.5	56.4	-3.3	35.88	36.97	-2.9	19.55	20.84	-6.2
Country house		7,650	71.4	73.1	-2.3	98.02	98.91	-0.9	69.99	72.28	-3.2	63.2	63.8	-0.9	89.58	88.70	1.0	56.61	56.59	0.0
Aberdeen		1,350	75.3	79.1	-4.8	84.77	75.22	12.7	63.83	59.49	7.3	71.2	75.5	-5.7	83.18	74.56	11.6	59.22	56.32	5.2
Birmingham		2,150	66.9	64.6	3.6	70.20	67.39	4.2	46.96	43.53	7.9	69.7	70.2	-0.7	72.25	70.92	1.9	50.36	49.76	1.2
Bournemouth		700	78.1	77.8	0.4	88.14	81.07	8.7	68.84	63.08	9.1	68.8	67.1	2.5	77.32	75.00	3.1	53.20	50.34	5.7
Brighton		950	70.5	81.5	-13.5	103.27	103.31	0.0	72.81	84.20	-13.5	64.0	68.1	-6.0	94.32	92.63	1.8	60.36	63.05	-4.3
Bristol		1,550	75.1	74.9	0.3	73.87	72.33	2.1	55.48	54.17	2.4	68.0	69.7	-2.5	76.54	74.77	2.4	52.05	52.14	-0.2
Cardiff		1,800	79.9	82.3	-2.9	76.56	72.93	5.0	61.17	60.03	1.9	73.3	74.9	-2.2	76.53	74.64	2.5	56.10	55.93	0.3
Coventry		700	66.6	67.0	-0.6	60.99	58.90	3.5	40.62	39.45	3.0	68.6	64.6	6.2	60.46	61.72	-2.0	41.48	39.88	4.0
Edinburgh		3,150	84.1	89.1	-5.6	101.35	100.99	0.4	85.24	89.95	-5.2	72.6	76.1	-4.5	90.68	88.97	1.9	65.83	67.66	-2.7
Gatwick		2,150	84.9	90.2	-5.9	77.62	85.18	-8.9	65.90	76.83	-14.2	78.2	82.1	-4.8	79.18	81.47	-2.8	61.92	66.90	-7.5
Glasgow		2,850	82.2	87.1	-5.7	69.70	69.65	0.1	57.29	60.69	-5.6	73.8	76.7	-3.7	68.99	68.72	0.4	50.91	52.69	-3.4
Heathrow & Slough		5,300	88.3	89.2	-1.0	88.88	85.07	4.5	78.48	75.86	3.5	81.8	81.0	1.1	83.69	80.44	4.0	68.46	65.12	5.1
Leeds		2,050	75.1	75.9	-1.0	73.35	72.77	0.8	55.09	55.21	-0.2	73.8	71.0	3.9	70.82	69.34	2.1	52.27	49.26	6.1
Liverpool		1,100	82.6	73.4	12.5	78.41	71.85	9.1	64.77	52.77	22.7	77.8	73.5	5.8	81.42	77.78	4.7	63.34	57.19	10.8
Manchester		3,750	79.9	80.5	-0.7	86.45	84.71	2.1	69.07	68.17	1.3	77.0	76.4	0.8	86.70	84.79	2.3	66.76	64.75	3.1
Newcastle		1,650	80.9	79.8	1.4	74.14	72.76	1.9	59.98	58.03	3.4	76.7	74.2	3.4	74.51	73.00	2.1	57.15	54.17	5.5
Northampton		550	70.3	70.0	0.5	69.70	69.50	0.3	49.00	48.62	0.8	65.0	66.1	-1.6	68.94	67.83	1.6	44.81	44.82	0.0
Nottingham		1,150	72.2	72.1	0.2	68.61	62.61	9.6	49.54	45.11	9.8	67.4	67.4	-0.1	66.24	61.87	7.1	44.65	41.73	7.0
Reading		800	63.4	72.7	-12.8	84.75	85.40	-0.8	53.73	62.09	-13.5	57.9	63.8	-9.3	85.96	89.57	-4.0	49.77	57.18	-13.0
Sheffield		750	75.9	73.6	3.1	60.48	54.49	11.0	45.90	40.10	14.5	73.0	74.7	-2.2	58.57	55.43	5.7	42.76	41.39	3.3
Solihull & Birmingham Airport		1,700	58.3	64.4	-9.5	94.82	84.74	11.9	55.28	54.56	1.3	63.4	66.9	-5.2	98.51	92.18	6.9	62.46	61.62	1.4
Southampton		1,050	77.3	75.8	2.0	74.65	73.06	2.2	57.70	55.39	4.2	67.9	67.1	1.3	71.09	67.84	4.8	48.27	45.49	6.1
Swindon		900	72.8	73.7	-1.2	63.61	60.60	5.0	46.31	44.65	3.7	69.8	69.1	1.0	66.16	61.11	8.3	46.18	42.23	9.3
York		450	79.8	81.3	-1.8	76.43	75.13	1.7	60.99	61.04	-0.1	78.0	73.1	6.7	71.58	70.65	1.3	55.83	51.63	8.1