

# Buyers Drove Rate Cuts In Worst Year Ever For Hotels

BY MICHAEL B. BAKER

Directions and projections for the hotel industry varied wildly throughout the last year, but hoteliers and analysts could agree on at least one point: 2009 ranks as the worst year the industry has seen in its history.

For the full year, U.S. hoteliers saw occupancy drop to 55.1 percent, down 8.7 percent from 2008 levels, and average daily rates plummeted by 8.8 percent, according to Smith Travel Research. As a result, revenue per available room dropped by 16.7 percent, year over year. Corporate travel buyers, meanwhile, found themselves constantly returning to the negotiation table to keep up with rate drops.

"What happened last year was really the perfect storm," Best Western CEO David Kong said at this month's New York University International Hospitality Industry Investment Conference. "Demand went down substantially, almost 6 percent, and at the same time supply grew by 3.2 percent."

Corporate demand was at the heart of that drop, leaving few possible directions besides up this year. "Corporate business just fell off

a cliff, group and transient," said Monty Bennett, CEO of upscale and upper upscale hotel owner Ashford Hospitality. "When all these companies cut back all corporate travel, they made their profits by cutting expenses. Now that they're looking to grow profits, they can't cut expenses anymore."

As that demand has begun to improve, however, hoteliers are seeing increasingly sunnier forecasts for 2010. Both Smith Travel Research and PKF Hospitality in recent weeks have reversed calls for year-over-year declines in revenue per available room this year, instead expecting a slight increase.

To this point, upticks in occupancy have not translated into upticks in rates, though they have largely stabilized. Marriott president and COO Arne Sorenson said he expected they would, however, "very, very soon."

"If you look at the cycles in history, the years after a recession have been spectacular," Sorenson said. "In some markets, we're already seeing positive rate growth."

Richard Kelleher, CEO of full-service hotel owner Pyramid Hotel Group, said the depth of the drop could indicate a speedy rebound. "Looking at the five cycles since the 1970s,

this one has been the worst and the deepest, and this one can be the fastest recovery," he said. "Based on the numbers we've seen through the first quarter into May, let's just hope that this trend line continues."

Sorenson said corporate and group rates negotiated in the past year were the reason industry figures have not yet shown a recovery in rate. "We booked whatever group business we could find with a pulse in the last year, and the rates of that business are not great," he said. "We've got to work our way through some of that."

InterContinental Hotels Group chief executive Andrew Cosslett said the Asia/Pacific region in particular already is seeing rate increases. Best Western's Kong said increasing corporate rates at hotels across other regions would be a necessity this year.

"We have to raise the rates," Kong said. "The rates we have up to this point are not sustainable. We have to increase rates to have a viable business."

Adam Weissenberg, vice chairman and U.S. leader of Deloitte & Touche's tourism, hospitality and leisure sector, said results will vary by market, but buyers should expect rate hikes at least in the quicker rebounding markets, such as New York. Some markets outside the United States, particularly in the Asia/Pacific region, already are recording rate increases.

"No one wants to say anything too aggressive, but there will be some increases," Weissenberg said. "I can't imagine it's going to be flat across the board."

Analysts and hoteliers said group business recovery would be key to any rate growth.

## Between The Lines

With little major merger and acquisition activity in 2009, the top hotels by systemwide revenues, number of hotels and number of rooms changed little from 2008. Both **Marriott** and **Hilton** overtook **Wyndham**, the company with the most hotels, in terms of number of rooms, but **IHG** remained the largest both in rooms and revenue.

A joint venture of **Thayer Lodging Group** and **Shanghai Jin Jiang International Hotels Co.** acquired **Interstate Hotels and Resorts** in March.

**Wyndham Hotel Group** acquired the 91-property, midprice **Tryp** hotel brand from **Sol Melia Hotels & Resorts** in June 2010. Pending its close, the \$43 million deal gives Wyndham development control of the brand, though Sol Melia will continue to own and operate the existing Tryp hotels.

Dallas-based investment firm **Lone Star Funds** completed an acquisition of **Lodgian** for \$270 million in April. Lodgian had significantly trimmed its portfolio in recent years and reported more than a \$50 million loss in 2009.

**Extended Stay Hotels** filed for bankruptcy in June 2009, facing \$7.6 billion in debt compared with \$7.1 billion in assets at the end of 2008. A group led by **Centerbridge Partners** successfully bid \$3.9 billion for the company in May.

## About These Charts

These charts cover hotel companies that own, manage or franchise hotels globally and break down the hotels by type of ownership wherever possible.

Hotels in which companies hold a minority interest are not included, unless otherwise indicated. For companies based outside the United States, revenue figures were converted to U.S. dollars using the exchange rate from Dec. 31 of the year for which the revenues were reported. Unless otherwise noted, the companies provided all data as of Dec. 31, 2009.

Chain	2009 Rank	Chainwide Revenue 2009 (\$000)	Chainwide Revenue 2008 (\$000)	Majority Owned	Managed Under Contract	Franchised	Total Hotels	% Of Business Travel	Total Rooms	Hotels Under Construction	Number of Non-U.S. Hotels
<b>ACCOR</b>	4	7,493,020 <sup>1</sup>	8,500,000	2,262	574	1,275	4,111	NA	492,675	NA	3,059
Paris, France											
Adagio				8	20	1	29				
All Seasons				18	10	47	75				
Coralia Club				0	6	0	6				
ETAP Hotel				200	7	196	403				
Formule 1				294	10	47	351				
Ibis				489	90	282	861				
Mercure				241	206	252	699				
Motel 6				640	0	361	1,001				
Novotel				241	105	49	395				
Pullman				24	18	4	46				
Sofitel				31	84	6	121				
Studio 6				40	0	19	59				
SuiteHotel				17	3	6	26				
Other				19	15	5	39				
<b>AMERICINN</b>	52	174,000	190,000	6	23	192	221	60	12,285	NA	0
Chanassen, Minn.											
<b>ASHFORD HOSPITALITY <sup>1</sup></b>	22	916,595	1,136,460	102	0	0	102	NA	22,141	NA	0
Dallas, Texas											
Courtyard by Marriott				20	0	0	20				
Crowne Plaza				2	0	0	2				
Doubletree				1	0	0	1				
Embassy Suites				14	0	0	14				
Fairfield Inn				2	0	0	2				
Hampton Inn				6	0	0	6				
Hilton Garden Inn				1	0	0	1				
Hilton				11	0	0	11				
Historic Inns				1	0	0	1				
Homewood Suites				1	0	0	1				
Hyatt				1	0	0	1				
JW Marriott				1	0	0	1				
Marriott				6	0	0	6				
One Ocean Resort				1	0	0	1				
Renaissance				1	0	0	1				
Residence Inn				14	0	0	14				
Sheraton				5	0	0	5				
SpringHill Suites				12	0	0	12				
TownePlace Suites				1	0	0	1				
Westin				1	0	0	1				
<b>BEST WESTERN INT'L</b>	5	6,600,000 <sup>2</sup>	7,800,000 <sup>2</sup>	NA	NA	NA	4,038	NA	308,237	29	1,806
Phoenix, Ariz.											
<b>CARLSON HOTELS WORLDWIDE</b>	8	5,800,000	7,500,000	9	33	1016	1058	NA	159,756	249	452
Minnetonka, Minn.											
Country Inns & Suites				4	5	485	494				

Chain	2009 Rank	Chainwide Revenue 2009 (\$000)	Chainwide Revenue 2008 (\$000)	Majority Owned	Managed Under Contract	Franchised	Total Hotels	% Of Business Travel	Total Rooms	Hotels Under Construction	Number of Non-U.S. Hotels
Park Inn				0	0	100	100				
Park Plaza Hotels & Resorts				0	5	30	35				
Radisson Hotels & Resorts				5	21	396	422				
Regent Hotels & Resorts				0	2	5	7				
<b>CHOICE HOTELS INT'L</b>	<b>7</b>	<b>6,200,000<sup>3</sup></b>	<b>5,600,000<sup>3</sup></b>	<b>0</b>	<b>0</b>	<b>6,021</b>	<b>6,021</b>	<b>NA</b>	<b>487,410</b>	<b>843</b>	<b>1,124</b>
Silver Spring, Md.											
Ascend Collection				0	0	29	29				
Cambria Suites				0	0	18	18				
Clarion				0	0	296	296				
Comfort Inn				0	0	1,985	1,985				
Comfort Suites				0	0	618	618				
Econo Lodge				0	0	846	846				
MainStay Suites				0	0	37	37				
Quality				0	0	1,354	1,354				
Rodeway Inn				0	0	375	375				
Sleep Inn				0	0	402	402				
Suburban Extended Stay				0	0	61	61				
<b>CRESTLINE HOTELS &amp; RESORTS</b>	<b>35</b>	<b>550,000</b>	<b>630,000</b>	<b>6</b>	<b>60</b>	<b>0</b>	<b>66</b>	<b>90</b>	<b>13,519</b>	<b>0</b>	<b>0</b>
Fairfax, Va.											
Courtyard by Marriott				2	7	0	9				
Crowne Plaza				0	3	0	3				

Hilton Worldwide president and CEO Christopher Nassetta said group business in recent months has rebounded much more quickly than expected. While group business in November and December was down about 15 percent year-over-year, by the end of April, it was 7 percent up from the previous year.

"It's not the kind of group we're necessarily used to, and it's not necessarily altogether the groups we want longer-term: very short-window, small- and medium-sized groups," according to Nassetta, "but that's where we're seeing the most momentum."

Typically in downturns, group and transient business demand decline in comparable levels, said W. Edward Walter, president and CEO of Host Hotels & Resorts, which owns 110 hotels largely in the upper upscale and luxury tiers. In the past two years, however, Host saw group room nights fall in the 18 percent to 20 percent range, compared with a 4 percent to 5 percent decline in transient room nights, he said. While group typically represents about 42 percent of Host's business, it has fallen to about 37 percent, he said.

Even so, Host has been investing heavily in group business infrastructure, including about \$250 million in its ballrooms in Chicago, Atlanta, Fort Lauderdale and San Diego, Walter said. "As



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Fairfield Inn & Suites				0	2	0	2				
Four Points by Sheraton				0	1	0	1				
Hampton Inn				0	1	0	1				
Holiday Inn				0	3	0	3				
Homewood Suites				2	1	0	3				
Hilton				0	3	0	3				
Hilton Garden Inn				1	7	0	8				
Marriott				0	6	0	6				
Renaissance				0	2	0	2				
Residence Inn				0	2	0	2				
Sheraton				0	3	0	3				
SpringHill Suites				0	1	0	1				
Staybridge Suites				0	1	0	1				
TownePlace Suites				0	1	0	1				
Westin				0	3	0	3				
Other				1	13	0	14				
<b>DAVIDSON HOTEL CO.</b>	<b>39</b>	<b>406,343</b>	<b>465,000</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>37</b>	<b>75</b>	<b>10,420</b>	<b>0</b>	<b>0</b>
<b>Memphis, Tenn.</b>											
Crowne Plaza				0	1	0	1				
Doubletree				0	3	0	3				
Embassy Suites				0	1	0	1				
Hilton				0	10	0	10				
Hilton Garden Inn				0	1	0	1				
Holiday Inn				0	1	0	1				
Hyatt				0	2	0	2				
Marriott				0	1	0	1				
Radisson				0	1	0	1				
Renaissance				0	3	0	3				
Sheraton				0	6	0	6				
Westin				0	3	0	3				
Other				0	4	0	4				
<b>DENIHAN HOSPITALITY GROUP</b>	<b>48</b>	<b>207,000</b>	<b>206,000</b>	<b>9</b>	<b>3</b>	<b>0</b>	<b>12</b>	<b>80</b>	<b>2,984</b>	<b>1</b>	<b>0</b>
<b>New York, N.Y.</b>											
Affinia				6	1	0	7				
The Benjamin				1	0	0	1				
The Buckingham				0	1	0	1				
The Eastgate Plaza				0	1	0	1				
The James				1	0	0	1				
The Surrey				1	0	0	1				
<b>DESTINATION HOTELS &amp; RESORTS</b>	<b>34</b>	<b>561,833</b>	<b>599,527</b>	<b>1</b>	<b>31</b>	<b>2</b>	<b>34</b>	<b>48.3</b>	<b>8,140</b>	<b>0</b>	<b>0</b>
<b>Englewood, Colo.</b>											
Embassy Suites				0	0	1	1				
InterContinental				0	0	1	1				
Other				1	31	0	32				

we see group business recover, our expectation is that we'll not only get back to the 42 percent level but that we'll get higher than that," he said.

The affiliate company that manages about half of upscale and upper upscale hotel owner Ashford Hospitality's properties hit its monthly group booking goals in March for the first time in two years, Bennett said, "and that's not because we're lowering the goals."

Demand growth is not tied solely to group resurgence. La Quinta Inns & Suites, which does relatively little group business, has seen its demand return quicker than expected, said executive vice president and chief marketing officer Julie Cary.

"We performed better than expected these last two months," Cary said. "We didn't expect to turn positive until June."

Mark Lomanno, president of Smith Travel Research, said that while hotels might begin to see year-over-year upticks in average daily rate as early as this month, full rate recovery for U.S. hotels is still several years off. Following the previous downturn, it took four years to regain rate levels in absolute dollars, and with rates falling for the past year and a half, it probably will take longer this time, he said.

Currently, U.S. group demand is down about 5 million room nights on a monthly basis from where it was in 2008, according to Lomanno. For rates to recover, not only will that group demand have to come back, but meeting planners also will have to move away from the short-term booking windows that have come to dominate the industry.

"The group part of the business is where the foundation is, where there are rooms on the books to give confidence in pricing rooms," Lomanno said. "The fact that there's not that foundation of rooms on the books, and people are booking late, really conspire to make it a difficult pricing environment."

Deloitte's Weissenberg said recent airline capacity cuts actually would help hotels in that regard. As their passenger volumes rebound and they operate nearer to full capacity, corporate and group travelers once again will have to make their bookings further in advance, he said.

Beyond 2010, the supply picture has hoteliers even more bullish on potential pricing, meaning travel buyers in a few years could be facing difficult pricing situations, similar to what they saw in 2006 and 2007. Many projects, particularly in the upper upscale and luxury tiers, have been delayed or scuttled

### Hotel Company Statistics, 2009 Top 10 By Revenue

1	IHG	\$16.8 billion
2	Marriott	\$11 billion
3	Hilton	\$7.8 billion*
4	Accor	\$7.5 billion
5	Best Western	\$6.6 billion
6	Wyndham	\$6.5 billion*
7	Choice	\$6.2 billion*
8	Carlson	\$5.8 billion*
9	Starwood	\$4.8 billion
10	Host	\$4.2 billion

\*BTN estimate

### Top 10 By Number Of Rooms

1	IHG	646,679
2	Marriott	595,461
3	Hilton	590,621
4	Wyndham	587,674
5	Accor	492,675
6	Choice	487,410
7	Best Western	308,237
8	Starwood	298,522
9	Carlson	159,756
10	Hyatt	120,031

completely during the downturn, and financing for new projects has remained tight.

Laurence Geller, president and CEO of Strategic Hotels & Resorts, said that if demand continued on its present upward trajectory with little supply entering the market, it would be leading to a situation in which hoteliers "in theory have infinite pricing capacity for the first time ever in this industry."

It's not that the major hotel companies are not developing. Much of that development, however, is on the international front. Starwood Hotels & Resorts, for example, has reported that 70 percent of its hotel openings this year will be outside of North America.

Lalia Rach, divisional dean of NYU's Tisch Center for Hospitality, Tourism and Sports Management, said the development focus for most major brands will continue to center around development in India and China. Hoteliers are looking to capitalize on the rising middle class in those countries, who soon will travel more frequently, she said.

"Together, these countries have 2.4 billion

people," she said. "The middle class in China as estimated is larger than our entire country, and it's the rising middle class that then will become domestic tourists."

Brazil also would be a developmental focal point, as the country is poised to become a dominating member of the global society, Rach said. Hotels also are looking for further development in Eastern Europe, though financial and structural problems preclude some of that growth, she said.

Within the United States, most development is expected to center on adding mid-price and limited-service properties into urban markets lacking in those tiers. "Does that mean you won't see any four- or five-star builds? No, but the luxury model for the last decade has been built upon mixed-use," Rach said. "That's how they got the funding and went forward. Are they going to be able to sell that business model anymore, because who's buying those apartments?"

Although the overall sentiment in the hotel industry has shifted to optimism, it still faces some potential snags that could derail a recovery. IHG's Cosslett said hotels' pricing strength also could be undercut as governments begin to crack down on their travel costs, particularly in Europe.

"Whilst corporations have taken the axe to their travel programs, it has not been true of governments," Cosslett said. "The austerity measures which now every government across Europe in particular and the rest of the world are looking at are going to take vast amounts out of the marketplace. That could potentially be a problem, because we are an industry that relies on government business."

During the downturn, many corporations increased their use of remote conferencing technology, particularly for internal meeting purposes, and they have indicated that they would continue to use the technology even after economic recovery. At the same time, both Marriott and Starwood in the past year have added remote conferencing capabilities to gateway properties as an added revenue source.

"We're trying to offer that technology to businesses that can't afford the installment in their offices," Marriott's Sorenson said. "It seems reasonably clear that they are best suited for relatively small meetings, maybe a dozen people max."

Hoteliers, however, remain confident that such technology will not replace larger groups and customer-facing travel.

"For now, there's something to being in a

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<b>DIAMONDROCK HOSPITALITY CO. <sup>1</sup></b>	32	575,681	693,234	20	0	0	20	NA	9,586	NA	0
Bethesda, Md.											
Conrad Hotels & Resorts				1	0	0	1				
Courtyard by Marriott				2	0	0	2				
Marriott				11	0	0	11				
Renaissance				4	0	0	4				
Westin				2	0	0	2				
<b>DOLCE HOTELS &amp; RESORTS</b>	44	260,000	316,000	0	25	0	25	81.9	4,997	1	8
Montvale, N.J.											
<b>DONOHUE HOSPITALITY SERVICES</b>	56	119,400	120,100	0	11	0	11	70	2,477	0	0
Washington, D.C.											
Courtyard by Marriott				0	1	0	1				
Hilton Garden Inn				0	2	0	2				
Holiday Inn				0	3	0	3				
Holiday Inn Express				0	1	0	1				
Residence Inn				0	4	0	4				
<b>DRURY HOTELS CO.</b>	43	325,000	346,000	124	0	0	124	60	17,208	3	0
St. Louis, Mo.											
Best Western				2	0	0	2				
Broadview Hotel				1	0	0	1				
Drury Inn				98	0	0	98				
Hampton Inn				3	0	0	3				
Holiday Inn Express				1	0	0	1				
Marv Herzog Hotel				1	0	0	1				
Posada Ana Inn				1	0	0	1				
Pear Tree Inn				13	0	0	13				
Staybridge Suites				1	0	0	1				
Thrifty Inn				3	0	0	3				
<b>EXTENDED STAY HOTELS</b>	23	900,000*	1,000,000*	686	0	0	686	NA	76,384	0	3
Spartanburg, S.C.											
Crossland Economy Suites				34	0	0	34				
Extended Stay America				365	0	0	365				
Extended Stay Deluxe				109	0	0	109				
Homestead Studio Suites				132	0	0	132				
Studio-PLUS Deluxe Studios				46	0	0	46				
<b>FAIRMONT RAFFLES HOTELS INT'L</b>	12	2,500,000*	2,400,000*	7	85	2	94	NA	35,831	22	76
Toronto, Canada											
Fairmont Hotels & Resorts				4	55	0	59				
Raffles Hotels & Resorts				2	6	0	8				
Swissotel Hotels & Resorts				1	24	2	27				
<b>FELCOR LODGING TRUST <sup>1</sup></b>	18	908,701	1,102,912	83	0	0	83	NA	23,854	NA	2
Irving, Texas											
Doubletree				7	0	0	7				
Embassy Suites				47	0	0	47				
Hilton				2	0	0	2				

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Holiday Inn				15	0	0	15				
Marriott				1	0	0	1				
Renaissance				2	0	0	2				
Sheraton/Westin				9	0	0	9				
<b>FOUR SEASONS HOTELS &amp; RESORTS<sup>4</sup></b>	13	2,400,000*	3,000,000*	0	83	0	83	NA	19,418*	NA	NA
Toronto, Canada											
<b>HEI HOSPITALITY</b>	40	400,000	400,000*	32	0	0	32	NA	8,000	1	0
Norwalk, Conn.											
Crowne Plaza				1	0	0	1				
Hilton/Embassy Suites				9	0	0	9				
Marriott/Renaissance				10	0	0	10				
Starwood brands				11	0	0	1				
Other				1	0	0	1				
<b>HERSHA HOSPITALITY TRUST<sup>1</sup></b>	45	220,490	245,193	65	0	0	65	NA	7,570	NA	0
Philadelphia, Pa.											
Comfort Inn				2	0	0	2				
Courtyard				7	0	0	7				
Fairfield Inn				2	0	0	2				
Hampton Inn				11	0	0	11				
Hawthorne Suites				1	0	0	1				
Hilton Garden Inn				3	0	0	3				
Holiday Inn				1	0	0	1				
Holiday Inn Express				8	0	0	8				
Holiday Inn Express & Suites				2	0	0	2				
Marriott				1	0	0	1				
MainStay Suites				1	0	0	1				
Residence Inn				10	0	0	10				
Sheraton				1	0	0	1				
Sleep Inn				1	0	0	1				
SpringHill Suites				2	0	0	2				
Summerfield Suites				7	0	0	7				
TownePlace Suites				1	0	0	1				
Other				4	0	0	4				
<b>HILTON WORLDWIDE</b>	3	7,800,000*	8,500,000*	NA	NA	NA	3568	NA	590,621	247	424
McLean, Va.											
Conrad Hotels & Resorts							17				
Doubletree							227				
Embassy Suites							204				
Hampton							1,744				
Hilton							532				
Hilton Garden Inn							492				
Hilton Grand Vacations							37				
Homewood Suites by Hilton							286				
Waldorf Astoria Hotels							21				
Other							8				

Chain	2009 Rank	Chainwide Revenue 2009 (\$000)	Chainwide Revenue 2008 (\$000)	Majority Owned	Managed Under Contract	Franchised	Total Hotels	% Of Business Travel	Total Rooms	Hotels Under Construction	Number of Non-U.S. Hotels
<b>THE HONGKONG &amp; SHANGHAI HOTELS <sup>1</sup></b>	38	418,306	553,190	7	3	0	10	NA	3,109	1	6
Hong Kong											
Peninsula Hotels				6	3	0	9				
Other <sup>5</sup>				1	0	0	1				
<b>HOSPITALITY PROPERTIES TRUST</b>	27	715,615	899,474	289	0	0	289	NA	42,880	NA	2
Newton, Mass.											
Carlson brands				11	0	0	11				
Hyatt brands				22	0	0	22				
IHG brands				131	0	0	131				
Marriott brands				125	0	0	125				
<b>HOST HOTELS &amp; RESORTS <sup>1</sup></b>	10	4,158,000	5,139,000	110	0	0	110	NA	60,794	NA	7
Bethesda, Md.											
Four Seasons				2	0	0	2				
Fairmont				1	0	0	1				
Hilton/Embassy Suites				2	0	0	2				
Hyatt				6	0	0	6				
Marriott brands				66	0	0	66				
Ritz-Carlton				9	0	0	9				
Sheraton				7	0	0	7				
Swissotel				1	0	0	1				
W				2	0	0	2				
Westin				11	0	0	11				
Other				3	0	0	3				
<b>HYATT HOTELS CORP.</b>	11	3,332,000	3,837,000	102	188	109	399	NA	120,031	NA	108
Chicago, Ill.											
Andaz				2	NA	NA	2				
Grand Hyatt				5	NA	NA	37				
Hyatt				6	NA	NA	17				
Hyatt Place				50	NA	NA	146				
Hyatt Regency				28	NA	NA	142				
Hyatt Summerfield Suites				5	NA	NA	30				
Park Hyatt				6	NA	NA	25				
<b>INDIAN HOTELS CO. LTD. <sup>1-6</sup></b>	37	427,699	419,680	NA	NA	NA	99	NA	11,754	NA	64
Mumbai, India											
Gateway							24				
Ginger Hotels							18				
Taj Luxury Hotels							23				
Taj Premium Hotels							34				
<b>INLAND AMERICAN <sup>1</sup></b>	36	479,887	531,584	NA	NA	NA	97	NA	15,121	NA	0
Oak Brook, Ill.											
Baymont Inn							1				
Comfort Inn							5				
Courtyard by Marriott							20				
Doubletree							2				

Chain	2009 Rank	Chainwide Revenue 2009 (\$000)	Chainwide Revenue 2008 (\$000)	Majority Owned	Managed Under Contract	Franchised	Total Hotels	% Of Business Travel	Total Rooms	Hotels Under Construction	Number of Non-U.S. Hotels
Embassy Suites							2				
Fairfield Inn							1				
Hampton Inn							8				
Hilton Garden Inn							14				
Hilton							2				
Holiday Inn							1				
Holiday Inn Express							1				
Homewood Suites							12				
Hyatt Place							1				
Hyatt Regency							1				
Marriott							3				
Quality Suites							1				
Residence Inn							16				
SpringHill Suites							1				
TownePlace Suites							5				
<b>INTERCONTINENTAL HOTELS GROUP</b>	<b>1</b>	<b>16,800,000</b>	<b>19,100,000</b>	<b>17</b>	<b>622</b>	<b>3,799</b>	<b>4,438</b>	<b>NA</b>	<b>646,679</b>	<b>400</b>	<b>1,299</b>
Atlanta, Ga.											
Candlewood Suites				0	78	176	254				
Crowne Plaza Hotels & Resorts				0	111	255	366				
Holiday Inn Club Vacations				0	0	6	6				
Holiday Inn Hotels & Resorts				5	207	1,107	1319				
Holiday Inn Express				1	27	2,041	2069				
Hotel Indigo				1	3	29	33				
InterContinental Hotels & Resorts				8	116	42	166				
Staybridge Suites				2	49	131	182				
Other				0	31	12	43				
<b>INTERSTATE HOTELS</b>	<b>14</b>	<b>1,767,100</b>	<b>2,320,200</b>	<b>6</b>	<b>222</b>	<b>0</b>	<b>228</b>	<b>NA</b>	<b>46,129</b>	<b>13</b>	<b>16</b>
Arlington, Va.											
InterContinental				0	18	0	18				
Hilton				4	57	0	61				
Marriott				0	72	0	72				
Sheraton				2	12	0	14				
Wyndham				0	22	0	22				
Other				0	41	0	41				
<b>JAL HOTELS CO. LTD.</b>	<b>51</b>	<b>175,000*</b>	<b>202,639</b>	<b>0</b>	<b>58</b>	<b>0</b>	<b>58</b>	<b>NA</b>	<b>18,754</b>	<b>7</b>	<b>57</b>
Tokyo, Japan											
Hotel JAL City				0	13	0	13				
Nikko Hotels International				0	45	0	45				
<b>KEMPINSKI HOTELS</b>	<b>29</b>	<b>628,000*</b>	<b>718,000*</b>	<b>1</b>	<b>53</b>	<b>6</b>	<b>60</b>	<b>NA</b>	<b>14,993</b>	<b>28</b>	<b>60</b>
London, U.K.											
<b>KIMPTON HOTELS &amp; RESTAURANTS</b>	<b>33</b>	<b>574,000</b>	<b>638,000</b>	<b>13</b>	<b>35</b>	<b>0</b>	<b>48</b>	<b>65</b>	<b>9,300</b>	<b>2</b>	<b>0</b>
San Francisco, Calif.											
Kimpton				7	25	0	32				
Monaco				4	5	0	9				
Palomar				2	5	0	7				

Chain	2009 Rank	Chainwide Revenue 2009 (\$000)	Chainwide Revenue 2008 (\$000)	Majority Owned	Managed Under Contract	Franchised	Total Hotels	% Of Business Travel	Total Rooms	Hotels Under Construction	Number of Non-U.S. Hotels
<b>LA SALLE HOTEL PROPERTIES <sup>1</sup></b>	31	590,746	663,006	NA	NA	NA	31	NA	8,494	NA	0
Bethesda, Md.											
Hilton							3				
Hyatt							1				
Marriott							1				
Sheraton							1				
Westin							3				
Other							22				
<b>LANE HOSPITALITY</b>	60	93,130	109,789	10	12	0	22	NA	3,292	0	0
Northbrook, Ill.											
Best Western				0	1	0	1				
Comfort Inn				0	1	0	1				
Courtyard by Marriott				3	0	0	3				
Crowne Plaza				2	1	0	3				
Doubletree				1	0	0	1				
Hampton Inn				0	2	0	2				
Hilton				2	1	0	3				
Holiday Inn				1	3	0	4				
Hotel Indigo				0	1	0	1				
SpringHill Suites				0	1	0	1				
Other				1	1	0	2				
<b>LARKSPUR HOTELS &amp; RESTAURANTS <sup>4</sup></b>	59	95,000*	111,922	11	12	0	23	NA	2,800	NA	0
Larkspur, Calif.											
Larkspur Collection				8	0	0	8				
Larkspur Hotels				2	0	0	2				
Larkspur Landing				0	11	0	11				
Other				1	1	0	2				
<b>LARRY BLUMBERG &amp; ASSOC.</b>	57	113,001	109,052	0	62	0	62	75	5,605	5	0
Dothan, Ala.											
Courtyard				0	16	0	16				
Fairfield Inn				0	14	0	14				
Hampton Inn				0	5	0	5				
Hilton Garden Inn				0	6	0	6				
Holiday Inn/Holiday Inn Express				0	3	0	3				
Homewood Suites				0	3	0	3				
Medical Center Inn				0	1	0	1				
Residence Inn				0	5	0	5				
SpringHill Suites				0	5	0	5				
TownePlace Suites				0	4	0	4				
<b>LODGEWORKS</b>	58	107,405	104,436	22	10	0	32	85	4,536	4	0
Wichita, Kan.											
Aloft				1	0	0	1				
Avia				4	0	0	4				
Hampton Inn				0	1	0	1				
Hawthorn Suites				1	0	0	1				

Chain	2009 Rank	Chainwide Revenue 2009 (\$000)	Chainwide Revenue 2008 (\$000)	Majority Owned	Managed Under Contract	Franchised	Total Hotels	% Of Business Travel	Total Rooms	Hotels Under Construction	Number of Non-U.S. Hotels
Hilton Garden Inn				1	0	0	1				
Hyatt Place				0	1	0	1				
Hyatt Summerfield Suites				2	8	0	10				
Sierra Suites				13	0	0	13				
<b>LODGIAN <sup>1</sup></b>	50	188,544	228,194	33	0	0	33	NA	6,272	NA	0
Atlanta, Ga.											
Courtyard by Marriott				7	0	0	7				
Crowne Plaza				7	0	0	7				
Fairfield Inn				1	0	0	1				
Four Points by Sheraton				1	0	0	1				
Hilton				2	0	0	2				
Holiday Inn				8	0	0	8				
Marriott				1	0	0	1				
Radisson				2	0	0	2				
Residence Inn				2	0	0	2				
SpringHill Suites				1	0	0	1				
Wyndham				1	0	0	1				
<b>LOEWS HOTELS</b>	28	636,000	817,000	9	9	0	18	50	8,073	NA	2
New York, N.Y.											
<b>MANDARIN ORIENTAL HOTEL GROUP</b>	24	838,300 <sup>1</sup>	1,016,100	9	12	0	21	NA	7,430	16	19
Hong Kong											
<b>MARITIM HOTELSGESELLSCHAFT</b>	30	595,933	652,190	17	7	8	32 <sup>7</sup>	NA	14,530	NA	32
Bad Salzuflen, Germany											
<b>MARRIOTT INTERNATIONAL</b>	2	11,000,000	13,000,000	NA	NA	2279	3420	NA	595,461	NA	435
Bethesda, Md.											
Bulgari				0	2	0	2				
Courtyard				NA	NA	531	858				
Fairfield				0	3	626	629				
JW Marriott				NA	NA	6	43				
Marriott Conference Centers				NA	NA	0	11				
Marriott Executive Apartments				NA	NA	1	23				
Marriott Hotels & Resorts				NA	NA	218	491				
Renaissance Hotels & Resorts				NA	NA	56	143				
Residence Inn				1	141	466	608				
Ritz-Carlton				NA	NA	0	74				
SpringHill Suites				0	31	225	256				
TownePlace Suites				0	34	150	184				
Other				NA	NA	0	98				
<b>MILLENNIUM &amp; COPTHORNE HOTELS <sup>1</sup></b>	19	1,041,540	1,017,290	NA	NA	NA	104	NA	29,124	NA	84
London, U.K.											
Best Western							1				
Comfort Inn							1				
Copthorne Hotels							35				
Grand Hyatt							1				
Grand Millennium							4				

Chain	2009 Rank	Chainwide Revenue 2009 (\$000)	Chainwide Revenue 2008 (\$000)	Majority Owned	Managed Under Contract	Franchised	Total Hotels	% Of Business Travel	Total Rooms	Hotels Under Construction	Number of Non-U.S. Hotels
JW Marriott							1				
Kingsgate							14				
Millennium Hotels							40				
Nikko Hotels							1				
Other							6				
<b>MORGANS HOTEL GROUP <sup>1</sup></b>	46	217,572	296,167				15	NA	4,873	NA	3
New York, N.Y.											
Hard Rock				0	1	0	1				
Morgans				1	0	0	1				
Other				7	6	0	13				
<b>NH HOTELES <sup>1</sup></b>	15	1,733,840	2,052,960	NA	NA	NA	394	NA	58,844	54	393
Madrid, Spain											
<b>OMNI HOTELS</b>	21	960,000*	925,000*	31	6	4	41	75	15,000	3	3
Irving, Texas											
<b>ORIENT EXPRESS HOTELS <sup>1</sup></b>	41	397,166	439,780	36	6	0	42	NA	3,595	NA	37
Hamilton, Bermuda											
<b>PAN PACIFIC HOTEL GROUP <sup>1</sup></b>	49	204,781	218,506	13	14	0	27	NA	8,372	1	26
Singapore											
Crowne Plaza				2	0	0	2				
Pan Pacific				1	14	0	15				
ParkRoyal				7	0	0	7				
Sheraton				2	0	0	2				
Sofitel				1	0	0	1				
<b>PEABODY HOTEL GROUP</b>	55	*136,500	182,000	3	0	0	3	90	2,187	1	0
Memphis, Tenn.											
<b>RED LION HOTELS CORP. <sup>1</sup></b>	53	165,388	187,570	19	13	13	45	NA	8,671	NA	1
Spokane, Wash.											
<b>REZIDOR HOTEL GROUP</b>	20	970,290	1,106,340	0	212	74	286	75	60,646	103	286
Brussels, Belgium											
Country Inns & Suites				0	1	1	2				
Hotel Missoni				0	1	0	1				
Park Inn				0	57	30	87				
Radisson Blu Hotels & Resorts				0	148	43	191				
Regent				0	3	0	3				
Other				0	2	0	2				
<b>ROSEWOOD HOTELS &amp; RESORTS</b>	42	368,100	438,200	0	17	0	17	51	1,969	5	9
Dallas, Texas											
<b>SHANGRI-LA HOTELS &amp; RESORTS</b>	17	1,230,000	1,353,000	47	18	0	65	74	29,940	17	65
Hong Kong											
Shangri-La				42	12	0	54				
Traders				5	6	0	11				
<b>SOL MELIÁ HOTELS &amp; RESORTS</b>	16	1,646,770	1,802,790	88	122	37	278 *	NA	76,944	NA	277
Palma de Mallorca, Spain											
Melia				23	45	8	99				
Premium				12	12	0	25				

Chain	2009 Rank	Chainwide Revenue 2009 (\$000)	Chainwide Revenue 2008 (\$000)	Majority Owned	Managed Under Contract	Franchised	Total Hotels	% Of Business Travel	Total Rooms	Hotels Under Construction	Number of Non-U.S. Hotels
Sol				33	39	4	85				
Tryp				7	26	13	94				
<b>SONESTA INT'L HOTELS CORP.</b>	54	138,571	180,146	1	14	15	30	75	6,244	5	26
Boston, Mass.											
<b>STARWOOD HOTELS &amp; RESORTS</b>	9	4,756,000 <sup>1</sup>	5,754,000	63	440	476	992	NA	298,522	NA	459
White Plains, N.Y.											
Aloft				2	2	35	39				
Element				1	0	5	6				
Four Points by Sheraton				2	24	122	148				
Le Meridien				0	91	14	105				
Luxury Collection				9	26	28	63				
Sheraton				18	174	200	392				
St. Regis				4	14	1	19				
Vacation Ownership				NA	NA	NA	13				
W				9	25	0	34				
Westin				12	82	71	165				
Other				6	2	0	8				
<b>STRATEGIC HOTEL CAPITAL <sup>1</sup></b>	25	723,799	928,389	17	0	0	17	NA	7,245	NA	5
Chicago, Ill.											
Fairmont				2	0	0	2				
Four Seasons				2	0	0	2				
Hyatt Regency				1	0	0	1				
InterContinental				3	0	0	3				
Loews				1	0	0	1				
Marriott				4	0	0	4				
Ritz-Carlton				2	0	0	2				
Westin				1	0	0	1				
Other				1	0	0	1				
<b>SUNSTONE HOTEL INVESTORS <sup>1</sup></b>	26	717,823	881,494	29	0	0	29	NA	10,962	NA	0
San Clemente, Calif.											
Courtyard by Marriott				1	0	0	1				
Doubletree				1	0	0	1				
Embassy Suites				2	0	0	2				
Fairmont				1	0	0	1				
Hilton				3	0	0	3				
Hyatt Regency				1	0	0	1				
Marriott				10	0	0	10				
Renaissance				5	0	0	5				
Residence Inn				1	0	0	1				
Sheraton				1	0	0	1				
Other				3	0	0	3				
<b>SUPERTEL HOSPITALITY <sup>1</sup></b>	61	88,970	99,256	82	0	0	82	NA	9,929	NA	NA
Norfolk, Neb.											
Baymont Inn & Suites				1	0	0	1				
Booneslick Lodge				2	0	0	2				

Chain	2009 Rank	Chainwide Revenue 2009 (\$000)	Chainwide Revenue 2008 (\$000)	Majority Owned	Managed Under Contract	Franchised	Total Hotels	% Of Business Travel	Total Rooms	Hotels Under Construction	Number of Non-U.S. Hotels
Comfort Inns & Suites				21	0	0	21				
Days Inn				10	0	0	10				
Guesthouse Inn				2	0	0	2				
Hampton Inn				2	0	0	2				
Holiday Inn Express				2	0	0	2				
Key West Inn				1	0	0	1				
Masters Inn				14	0	0	14				
Ramada Limited				1	0	0	1				
Savannah Suites				7	0	0	7				
Sleep Inn				2	0	0	2				
Super 8				15	0	0	15				
Supertel Inn				1	0	0	1				
Tara Inn				1	0	0	1				
<b>WINDSOR HOSPITALITY GROUP <sup>4</sup></b>	<b>47</b>	<b>209,090*</b>	<b>264,630</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>NA</b>	<b>5,582</b>	<b>NA</b>	<b>0</b>
<b>Santa Monica, Calif.</b>											
Courtyard by Marriott				1	0	0	1				
Embassy Suites				18	0	0	18				
Marriott				1	0	0	1				
Renaissance				1	0	0	1				
Residence Inn				1	0	0	1				
<b>WYNDHAM HOTEL GROUP</b>	<b>6</b>	<b>6,500,000 <sup>3</sup></b>	<b>7,000,000*</b>	<b>0</b>	<b>27</b>	<b>7,076</b>	<b>7,114</b>	<b>NA</b>	<b>587,674</b>	<b>NA</b>	<b>1,108</b>
<b>Parsippany, N.J.</b>											
Baymont Inn & Suites				0	0	240	240				
Days Inn				0	0	1,858	1,858				
Hawthorn Suites				0	0	89	89				
Howard Johnson				0	0	492	492				
Knights Inn				0	0	343	343				
Microtel Inns & Suites				0	0	314	314				
Ramada				0	2	908	910				
Super 8				0	0	2,137	2,137				
Travelodge				0	0	460	460				
Wingate by Wyndham				0	0	166	166				
Wyndham Hotels & Resorts				0	25	69	94				
Other				0	0	0	11 <sup>9</sup>				

Notes:

\*BTN estimate

1 Company reports

2 Does not include franchise fees, membership dues or revenue from properties outside North America

3 Chainwide revenues determined by RevPAR reported in annual reports.

4 Information obtained from company website.

5 The company closed Quail Lodge and Resort, its one non-Peninsula property, in November

6 Based on an April-to-March fiscal year

7 Maritim also has 17 properties under a leasing contract.

8 Totals include rented hotels.

9 Represents unbranded properties affiliated with the Wyndham brand for which it receives a fee for reservations and/or other services provided and properties managed under a joint venture with CHI Hotels & Resorts.