



Data, Dollars and Decisions

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Luxury Hotel Overview

Supply / Demand Imbalance Drove Last 12 Months

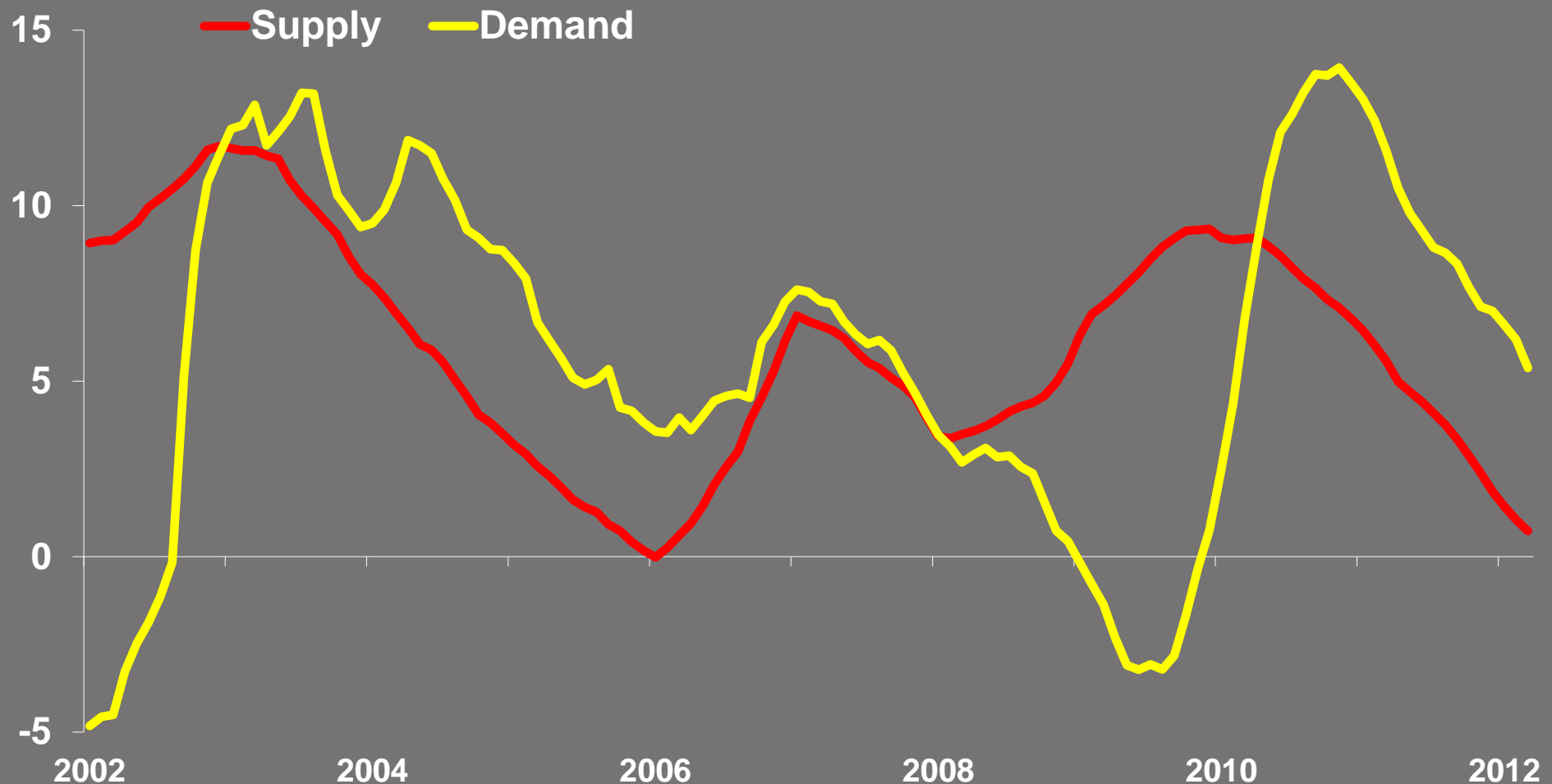
		<u>% Change</u>
• Room Supply	38.5 mm	0.7%
• Room Demand*	27.6 mm	5.4%
• Occupancy	71.7%	4.6%
• A.D.R.	\$264	5.1%
• RevPAR	\$189	10.0%
• Room Revenue*	\$7.3 bn	10.8%

12 Months Ending March 2012, Total US Results

* All Time High

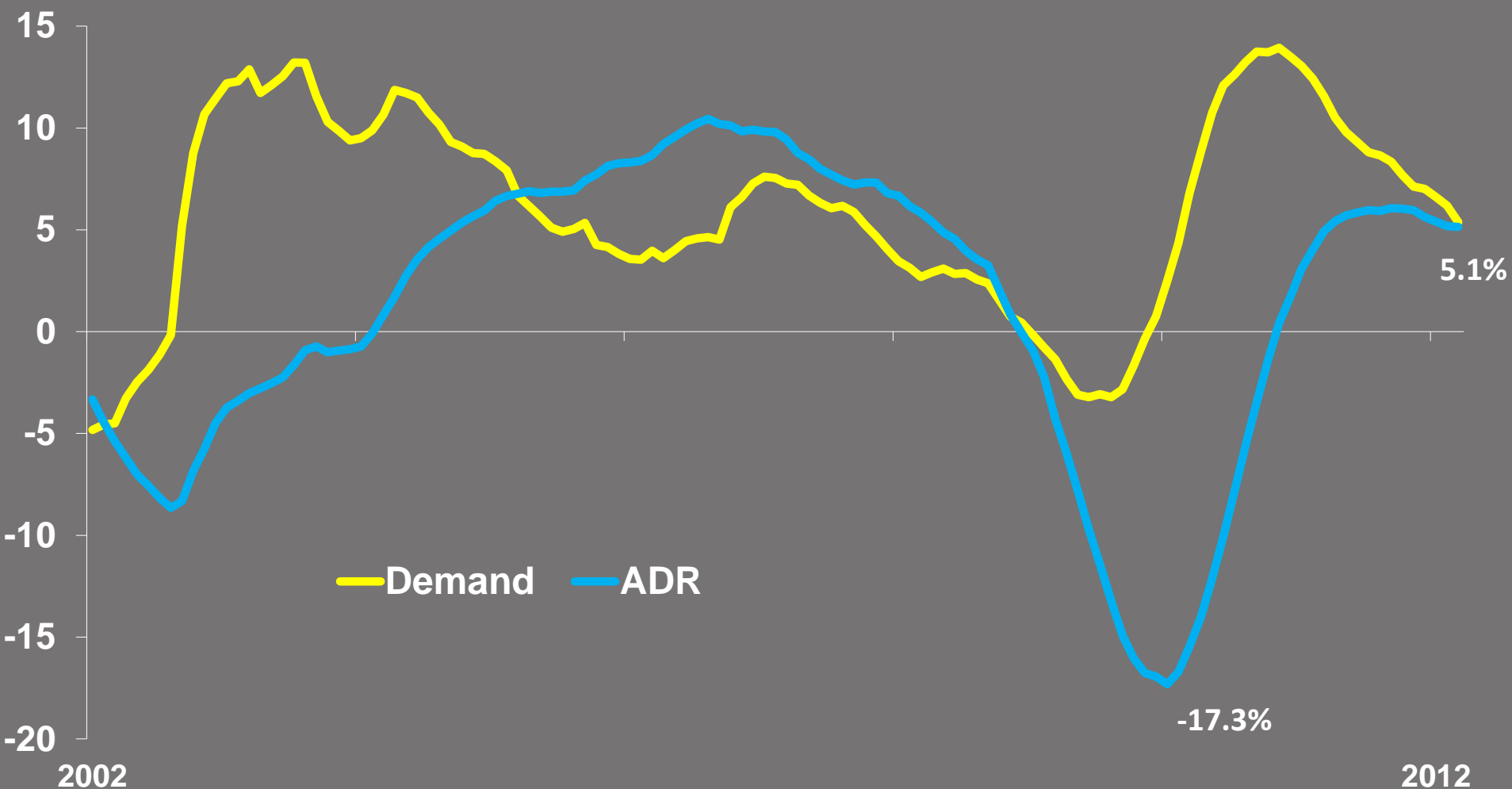
Q1 2012:
Highest Demand - EVER
(6.75 Million Rooms Sold)

Demand Growth Expected To Revert To Mean. Supply Not An Issue



*Luxury Hotels, Supply & Demand % Change, 12 MMA 2002 – 3/2012

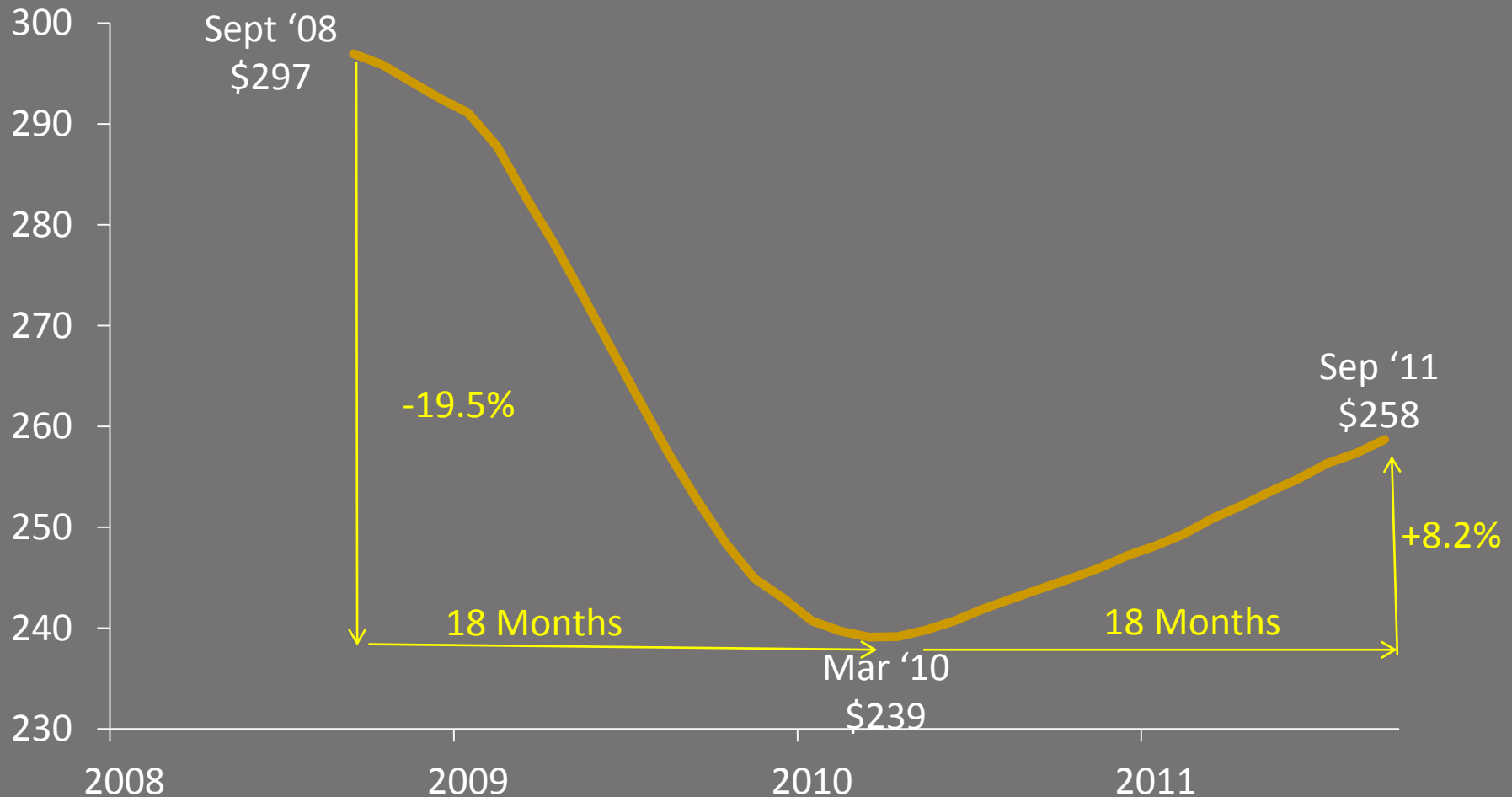
ADR Rebound Strong (But Not As Strong As Expected)



*Luxury Hotels, ADR & Demand % Change, 12 MMA 2002 – 3/2012



ADR Discounting at Twice The Speed of ADR Increases



*Luxury Hotels, ADR \$, 12 MMA 2008 - 2011

Total United States

Chain Scale Key Performance Indicator Outlook 2012F by Chain Scale

Chain Scale	Occupancy (% chg)	ADR (% chg)	RevPAR (%chg)
Luxury	+2.6%	+5.1%	+7.9%
Upper Upscale	+1.5%	+4.2%	+5.7%
Total United States	1.5%	4.0%	5.5%



Spa STAR Overview

Spa STAR Data Points

- Total Treatment Revenue
- Total Number of Treatments
- Total Treatment Room Hours Available
- Total Treatment Room Hours Used
- Total Salon Revenue
- Total Number of Salon Treatments
- Total Salon Station Hours Available
- Total Salon Station Hours Used
- Total Retail Revenue

Definitions

- **Treatment:**

Any service booked under Massage or Skin Care Revenue including but not limited to relaxation massage, therapeutic massage, specialty massage, hydrotherapy, wraps, scrubs, specialty body treatments, standard facials, specialty facials, body hair removal and or facial hair removal (USFRS Major Account Number 250-100 and / or 250-150)

- **Salon:**

Any service booked under Hair and/or Nail Revenue including but not limited to color, perms, relaxers, extensions, haircuts, specialty styling, nail enhancements, specialty manicure / pedicure and standard manicure / pedicure (USFRS Major Account 250-200 and/or 250-250). Excludes make-up and medically supervised services.

- **Retail:**

Any revenues generated including but not limited to apparel, gifts and accessories, products and other retail (USFRS Major Account number 250-500).

Spa STAR Metrics

- Treatment Room Utilization Rate
(= Hours Used / Hours Available)
- Average Treatment Rate
(= Revenue / # of Treatments)
- Revenue Per Available Treatment Hour
(= Revenue / Hours Available)
- Salon Station Utilization Rate
(= Hours Used / Hours Available)
- Average Salon Rate
(= Revenue / # of Services)
- Revenue Per Available Salon Hour
(= Revenue / Hours Available)

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So, how much is it, Jan?

- Free

Report compares to total US numbers
(more countries as sample builds)

- Fee

Report Compares to Comp Set

\$600 / yr for 12 reports

\$400 / yr in Year 1 for ISPA members



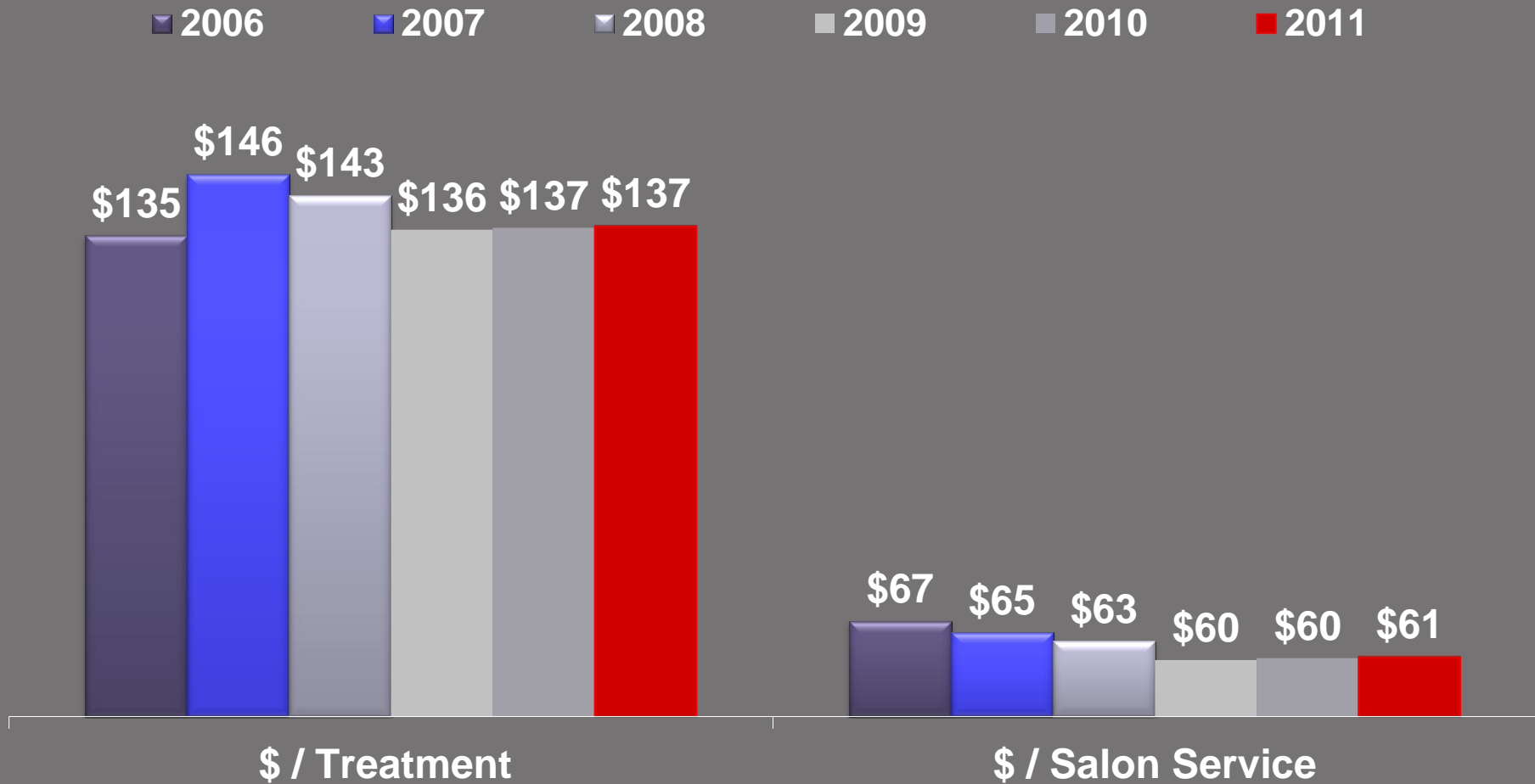
Luxury Hotel Spa Overview

Average Treatment Rate Still ~\$10 Off Peak



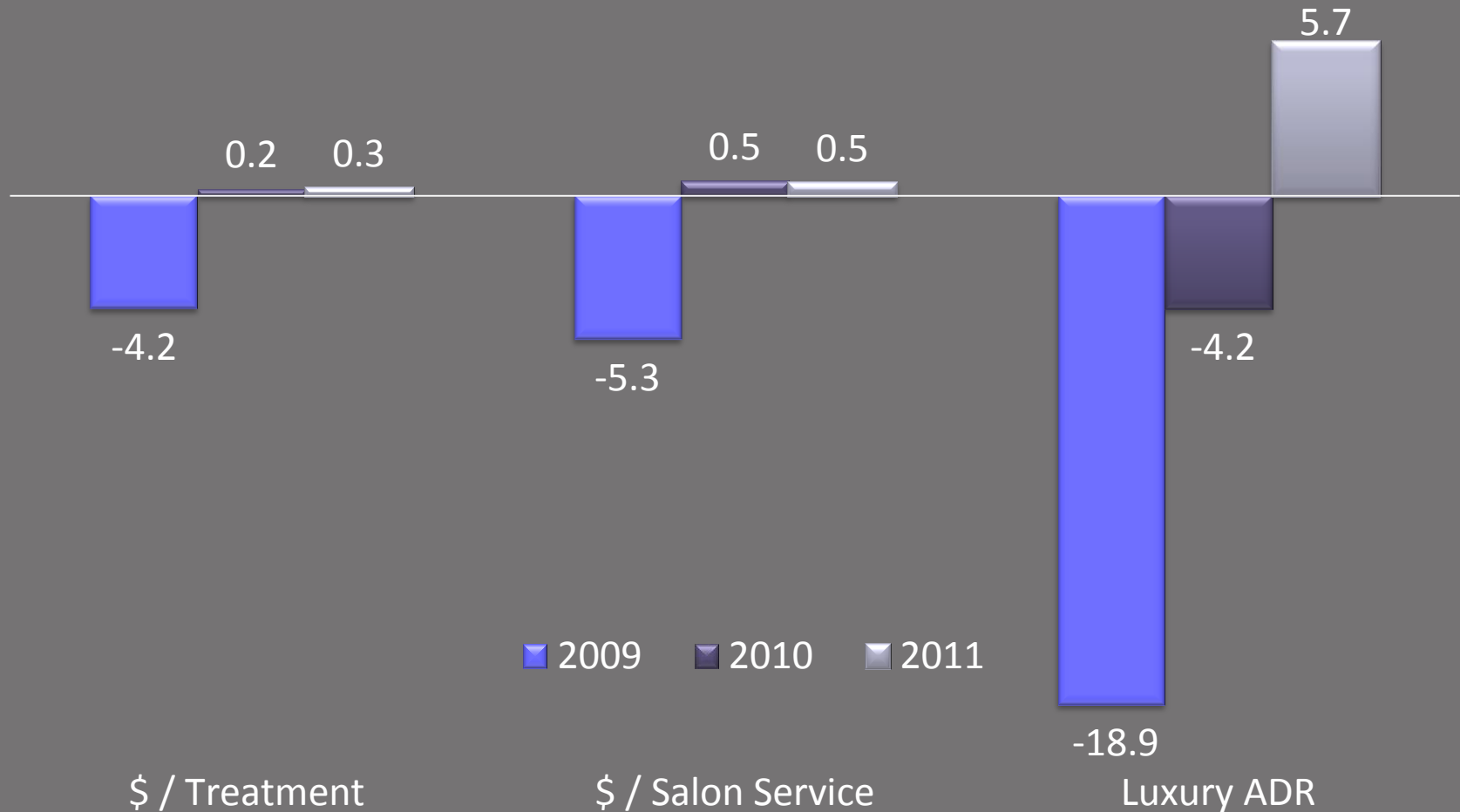
*Luxury Hotel Spas, Average Treatment Rate \$, 2006 - 2011

Not Much Upward Movement Since 2008



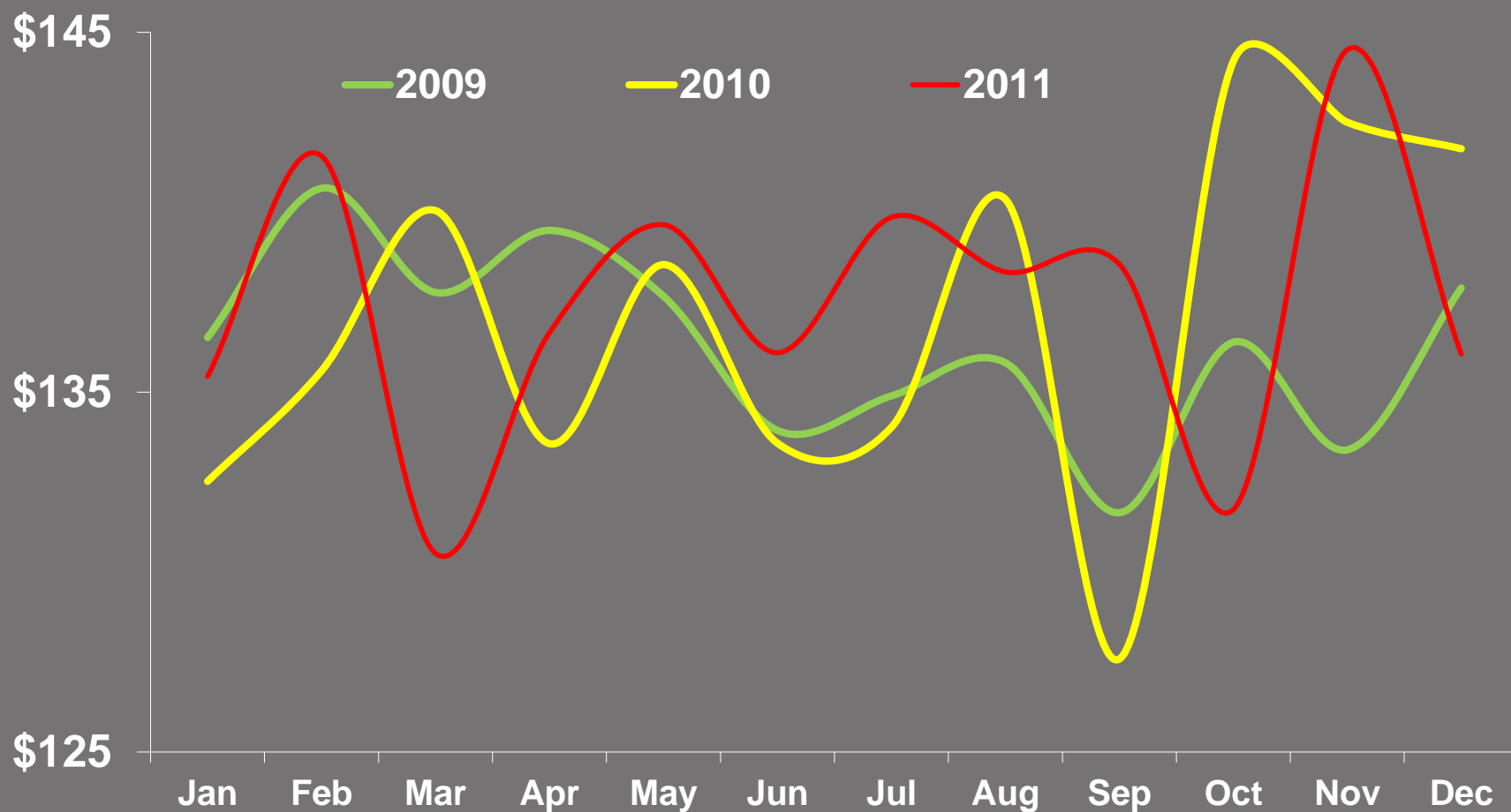
*Luxury Hotel Spas, Average Treatment Rate \$ & Average Salon Service \$, 2006 - 2011

% Change: Flat Pricing For The Last 2 Years



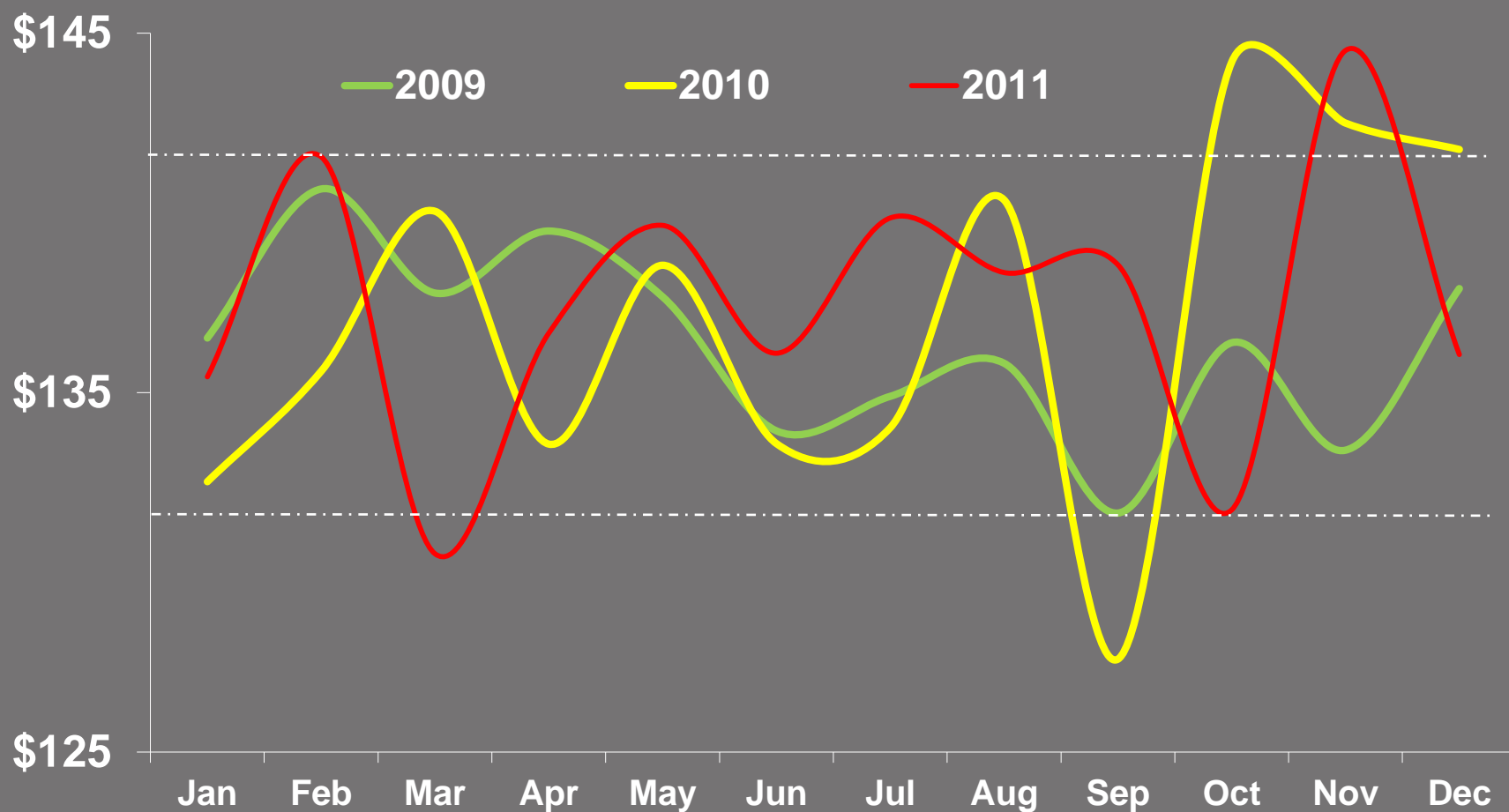
*Luxury Hotel Spas, Year End % Change 2009 - 2011

Average Treatment Rate (Mostly) In Same Range Over 3 Years



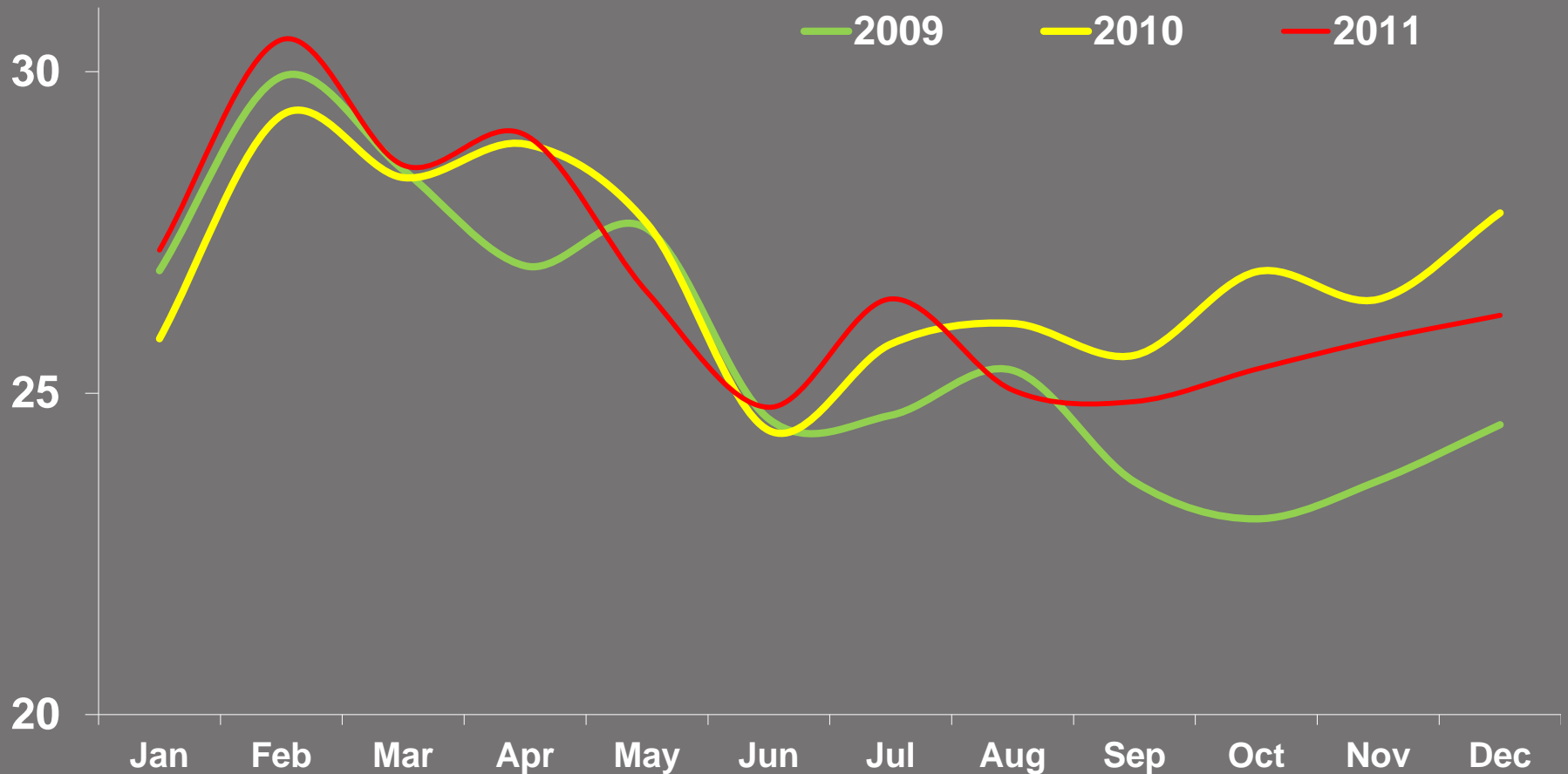
*Luxury Hotel Spas, Average Treatment Rate, \$,

Average Treatment Rate (Mostly) In Same Range Over 3 Years



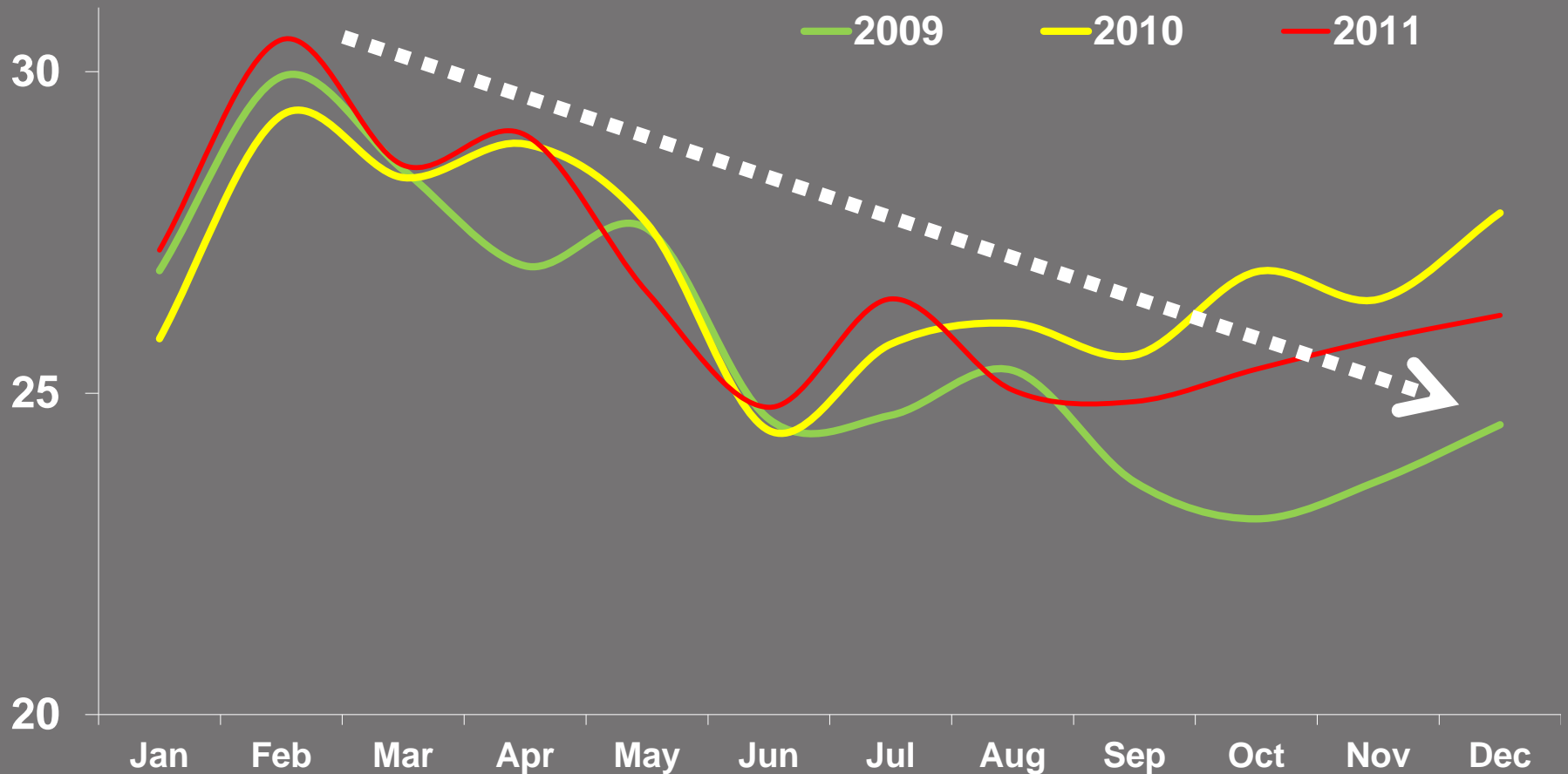
*Luxury Hotel Spas, Average Treatment Rate, \$,

Treatment Room Utilization Dips In the Summer



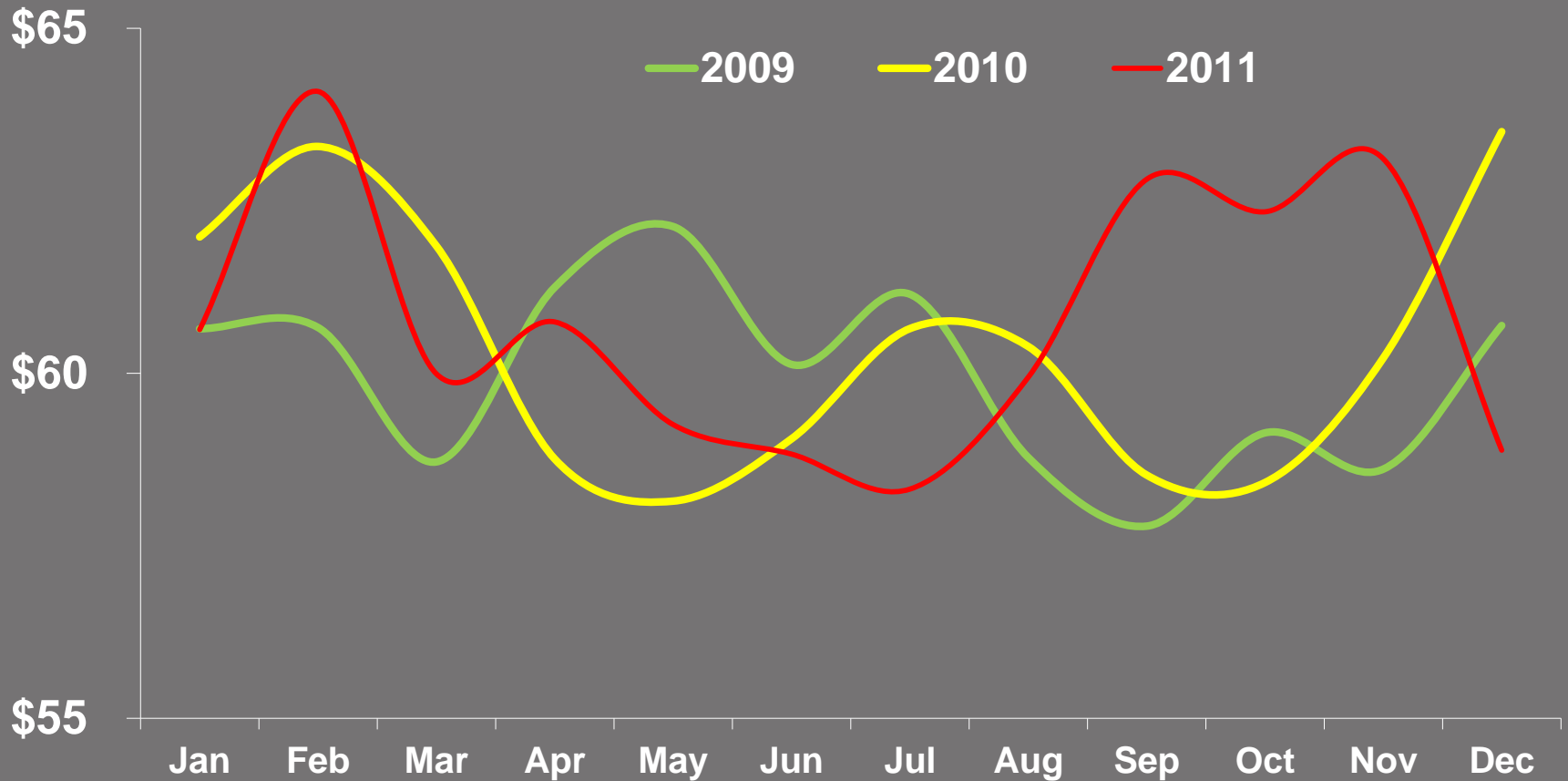
*Luxury Hotel Spas, Monthly Treatment Room Utilization, 2009 - 2011

Treatment Room Utilization Dips In the Summer



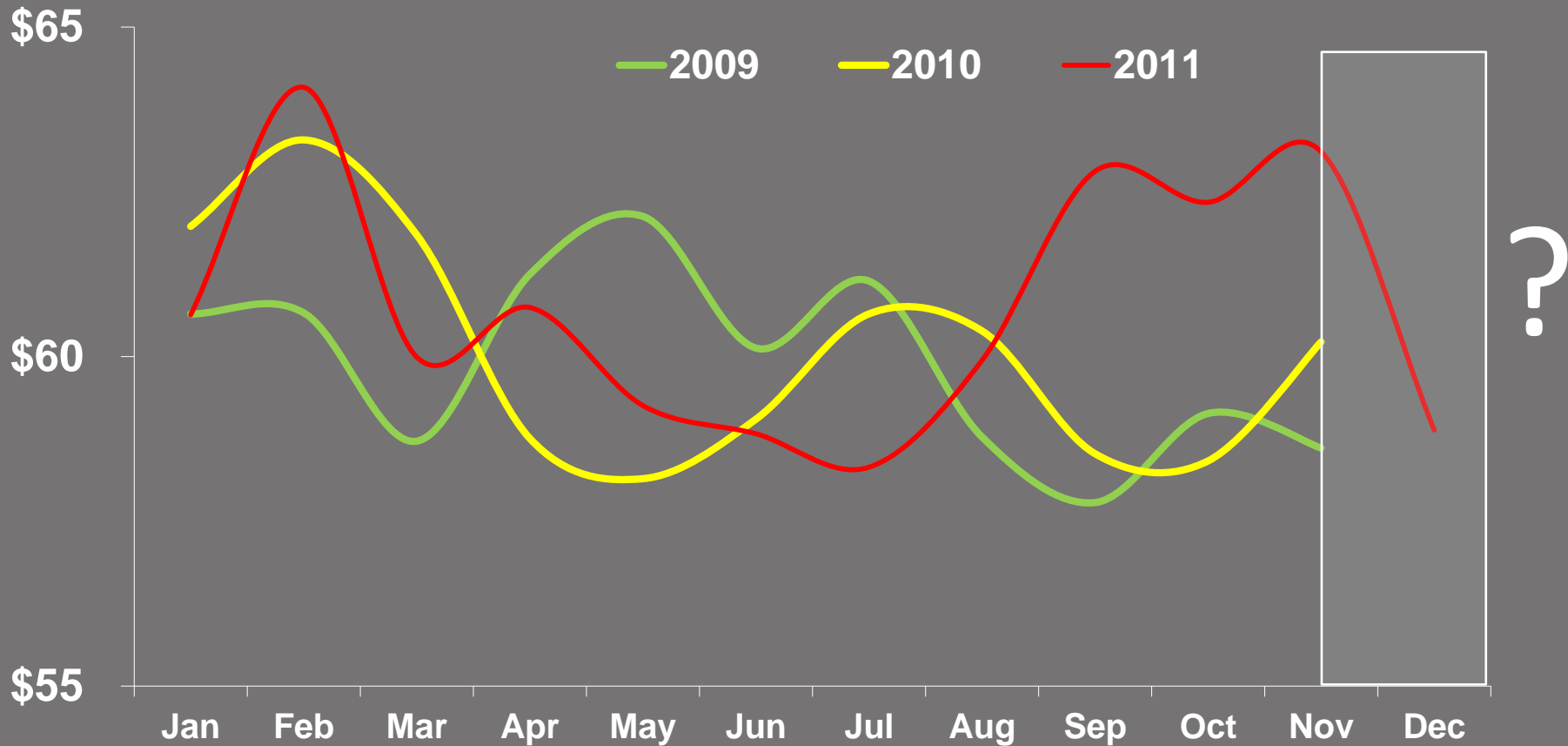
*Luxury Hotel Spas, Monthly Treatment Room Utilization, 2009 - 2011

Salon Rate: Upswing Interrupted?



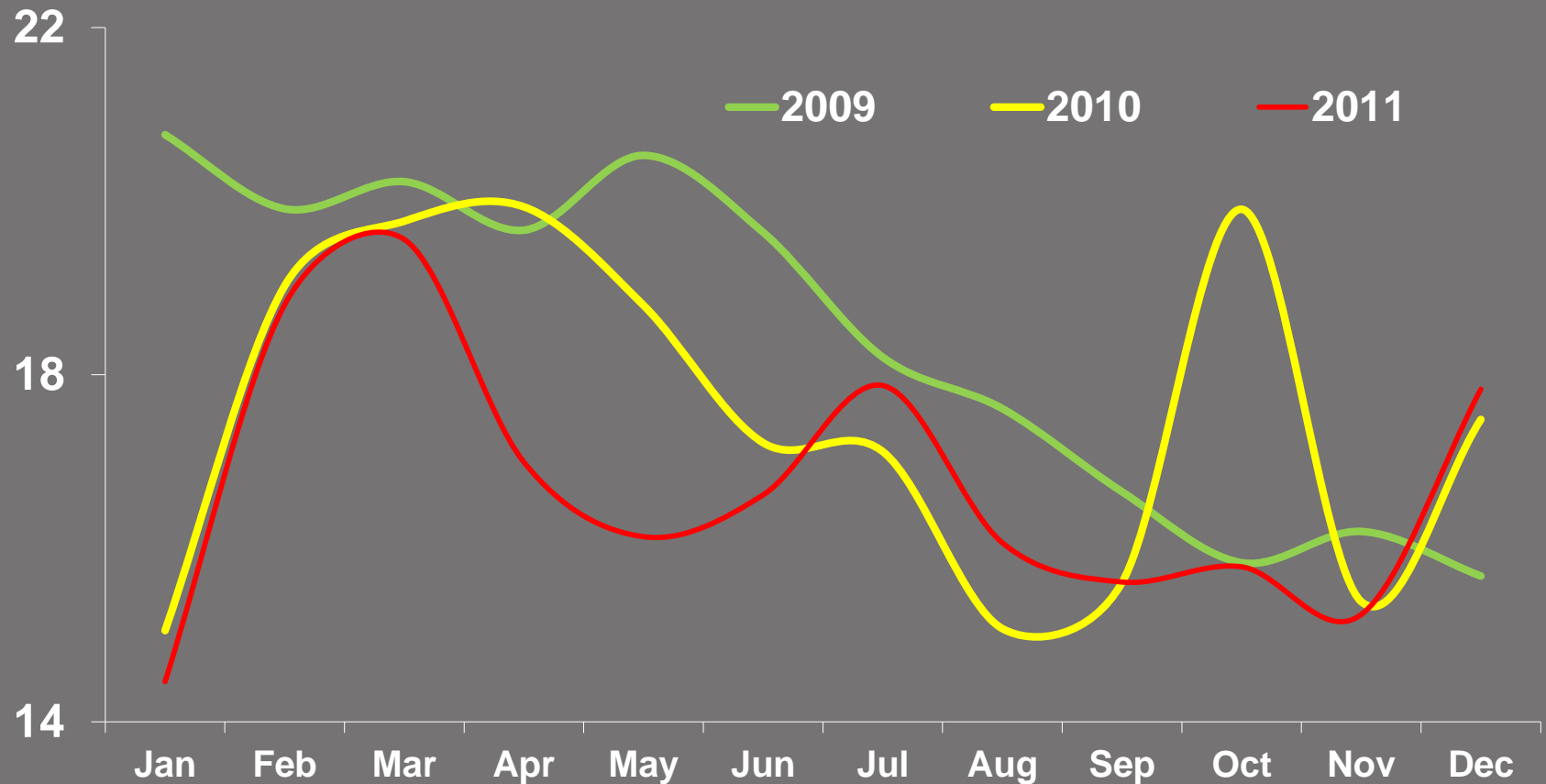
*Luxury Hotel Spas, Monthly Average \$ / Salon Service, 2009 - 2011

Salon Rate: Upswing Interrupted?



*Luxury Hotel Spas, Monthly Average \$ / Salon Service, 2009 - 2011

Salon Utilization: 18% Seems To Be The Average



*Luxury Hotel Spas, Monthly Salon Station Utilization %, 2009 - 2011

Without You It's Nothing But An Idea

Thank You:

Anne McCall Wilson, Fairmont
Andrew Gibson, Mandarin Oriental
Mary Tabacchi, Cornell
ISPA

... and, of course,
GSWS12



Questions?

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