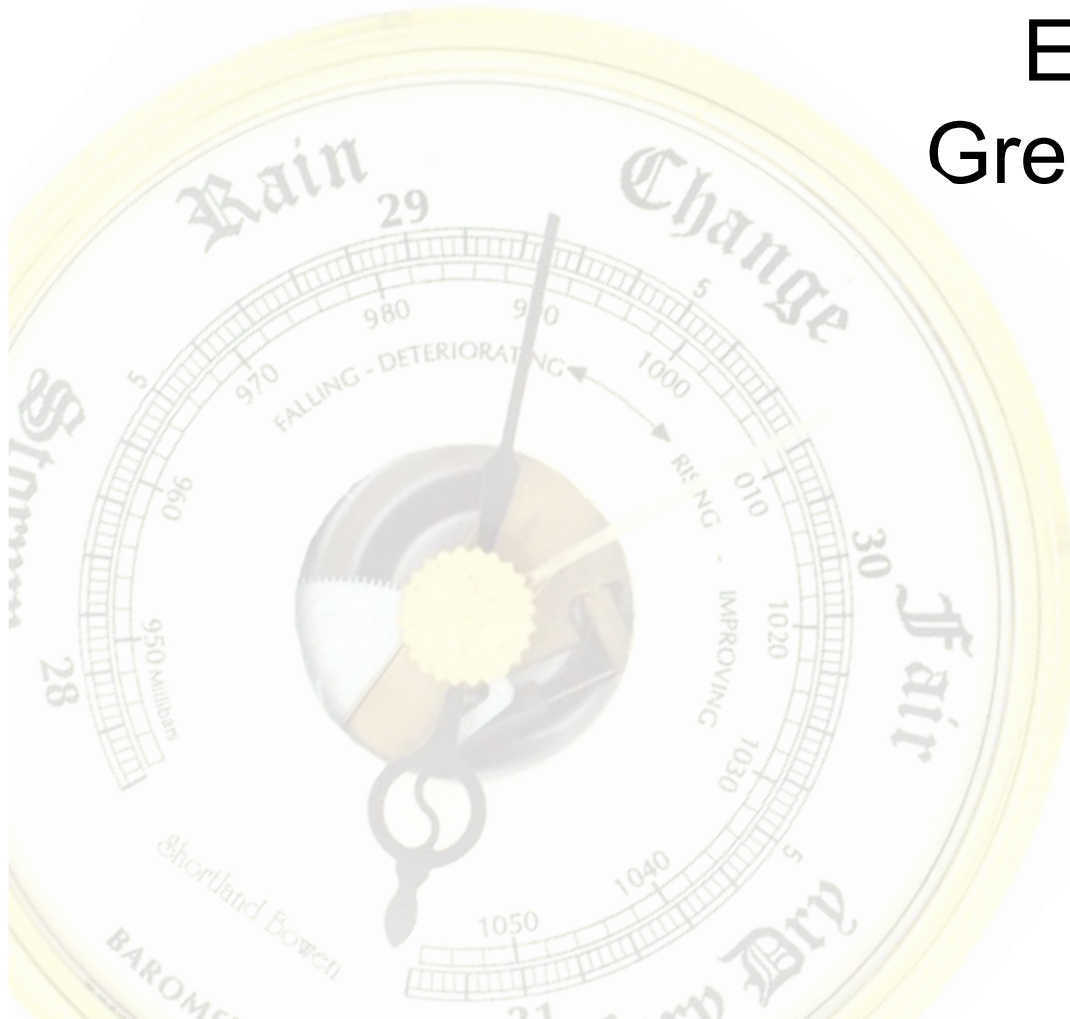


Tourism Barometer

Q3 - 2011

Expectations of the
Greek Hospitality Sector



gbr
consulting

July 2011

Survey characteristics

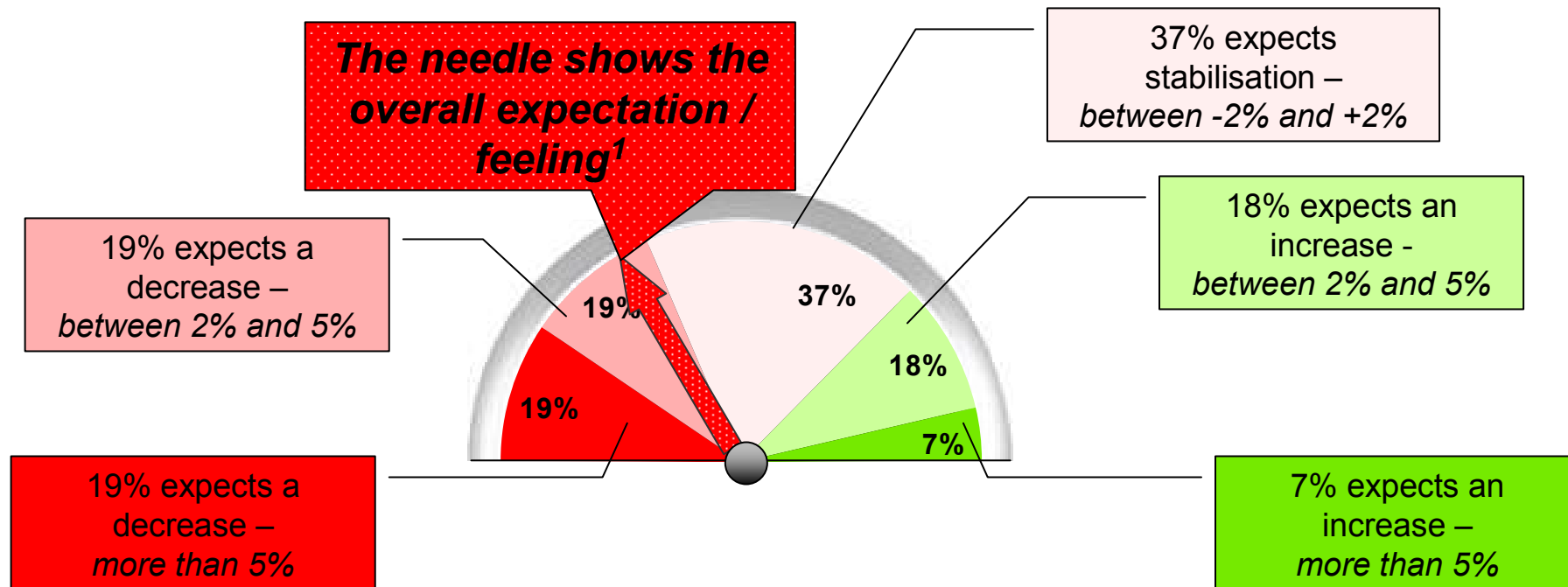
- The Q3 Survey ran from 18 – 27 July 2011, among hotels of all hotel categories (1 – 5*) all over Greece;
- The survey was anonymous and 235 hotels completed the online questionnaire, of which 186 fully. The distribution of those was as follows:
 - 40% are city hotels and 60% resort hotels;
 - 31% are 5*, 37% 4*, 17% 3*, 13% 2* and 3% 1* hotels.
- Survey results are published in the press and on www.gbrconsulting.gr/barometer

Main Conclusions

- After a sharp increase in optimism in the Q2 barometer survey, expectations have stabilised in Q3 at about the same level as in Q2.
- With respect to occupancy hoteliers are generally optimistic in Q3, while ARR expectations vary from slightly pessimistic to neutral as we have also seen in previous quarters.
- The most optimistic hoteliers in Q3 are from Crete, expecting increases in occupancy levels as well as in prices. Next most optimistic group is the 5 star hoteliers.
- The 3 star hoteliers are the most pessimistic of the entire Q3 survey, expecting sharp drops in occupancy as well as ARR. Hoteliers in Thessaloniki expect the biggest drop in ARR.
- Hoteliers throughout the survey expect their own hotel to fare slightly better than the market as a whole.

How to read the Quarter meters

- All the meters reflect the hoteliers' projections for current Quarter with respect to Occupancy (OCC) and the Average Room Rate (ARR) for:
 - their Own Hotels, in the top half of each page
 - the Market Overall, in the bottom of each page



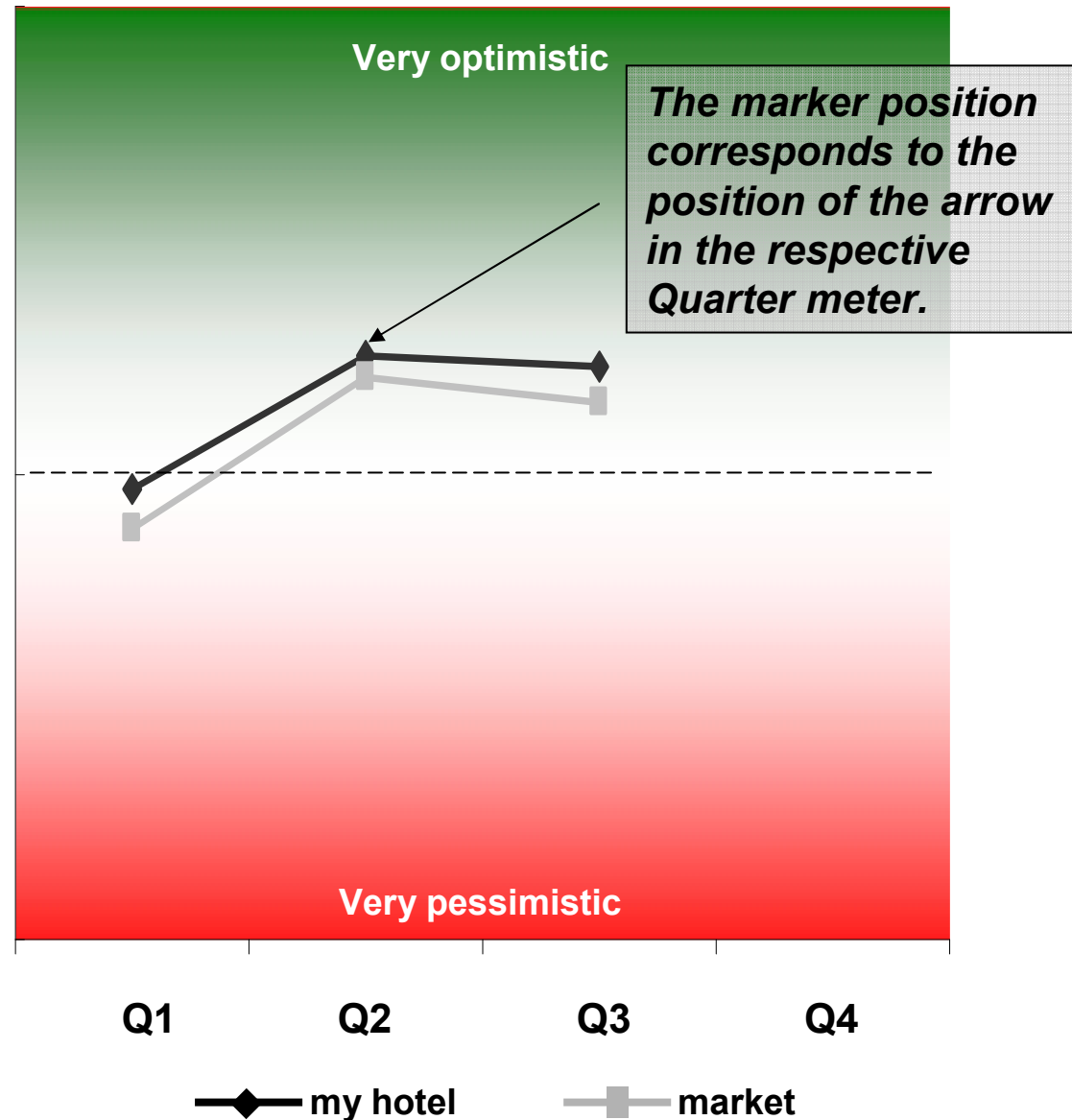
¹ The position of the arrow is based on the weighted average of the projections for increases and decreases, where the increases / decreases of more than 5% have a weight twice as high as the increases / decreases of between 2% and 5%

How to read the Trend graphs

In the green zone, hoteliers are rather optimistic; the more we move into the green zone the more optimistic they become.

At this point, hoteliers' expectations are neutral.

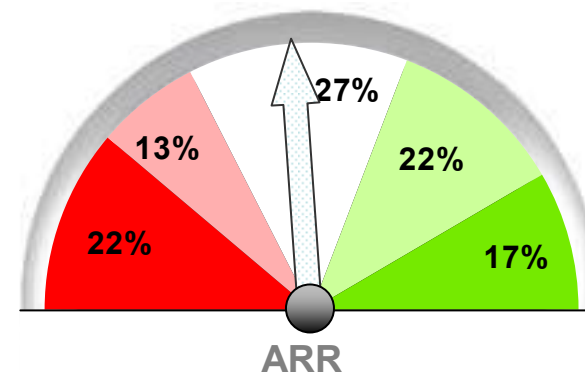
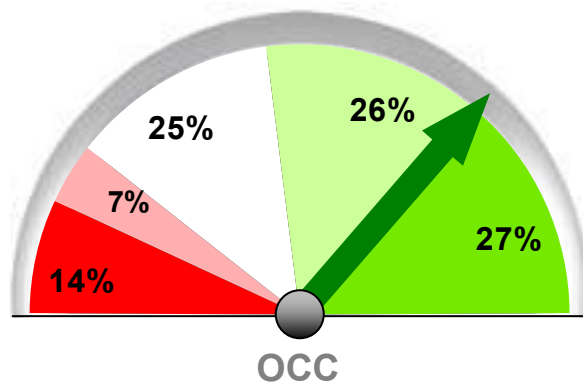
In the red zone, hoteliers are rather pessimistic; the more we move into the red zone, the more pessimistic they become



«MY HOTEL»

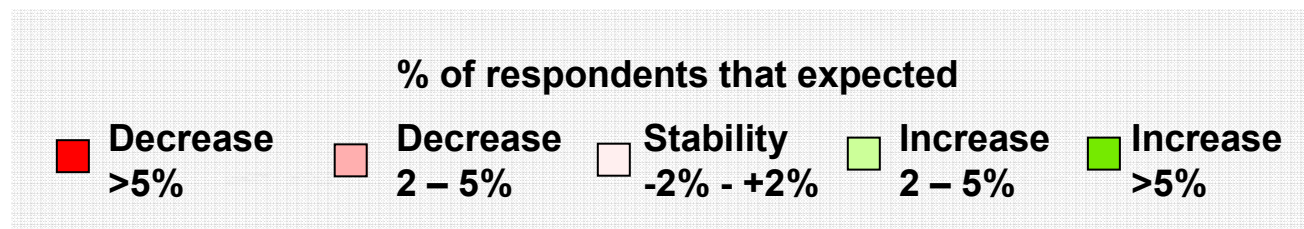
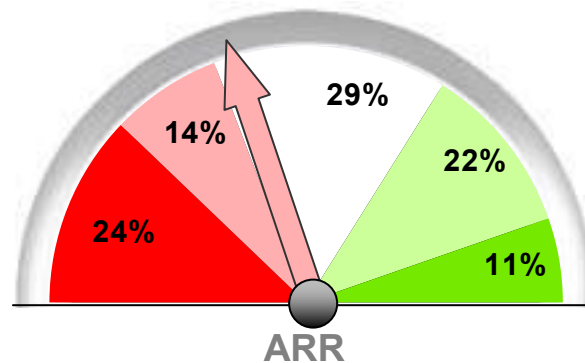
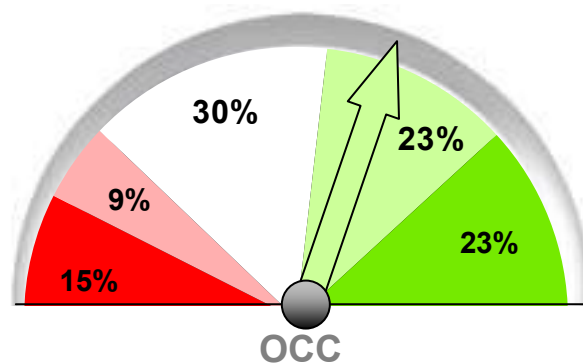
All hotels

For the industry as a whole hoteliers are optimistic for Q3 with respect to the occupancy levels of their own hotel and less so for the market as a whole.



«MARKET IN GENERAL»

Regarding ARR, levels vary from slightly negative to stable as we have also seen in the previous quarters. The very negative forecasts outnumber the very positive forecasts. Again, outlook for “my hotel” is better than for “market in general”.

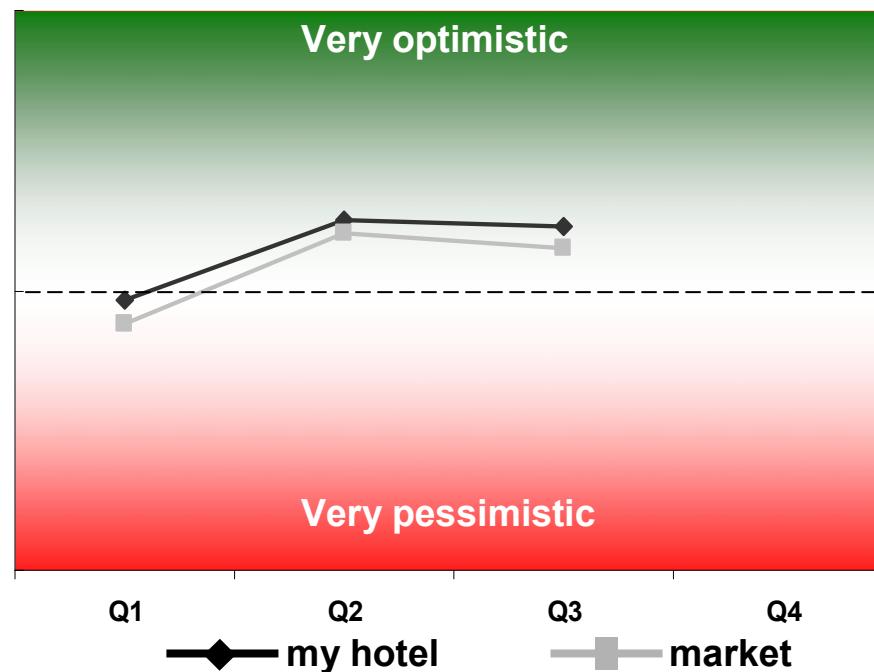


All hotels

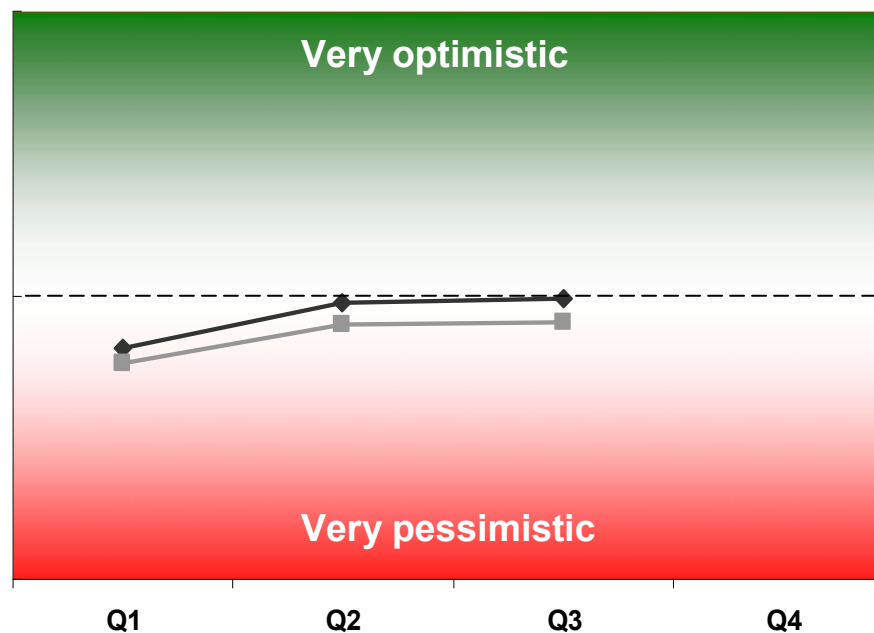
After a sharp increase in optimism in Q2, the barometer expectations for occupancy have stabilised in Q3.

With respect to ARR, hoteliers remain slightly pessimistic for Q3, but at the same level as for Q2.

Occupancy



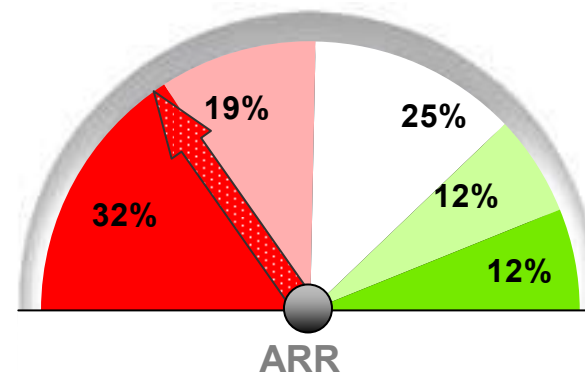
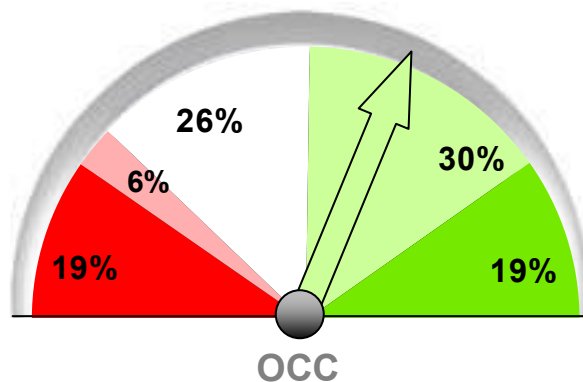
ARR



«MY HOTEL»

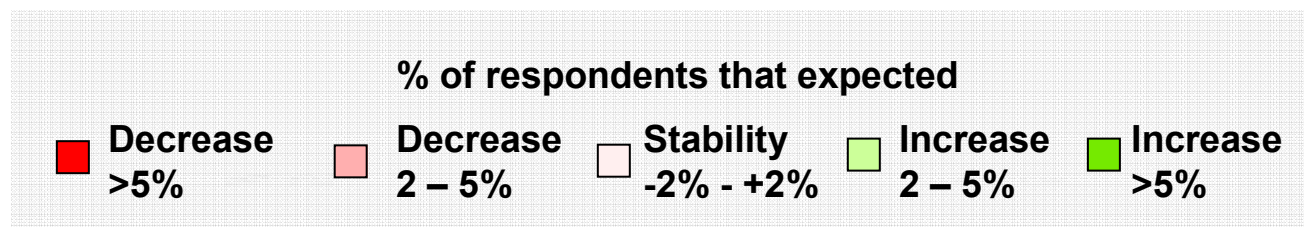
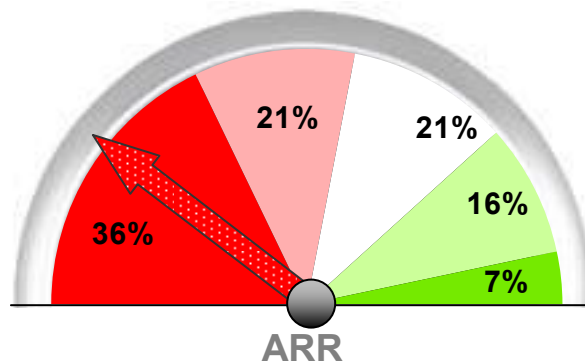
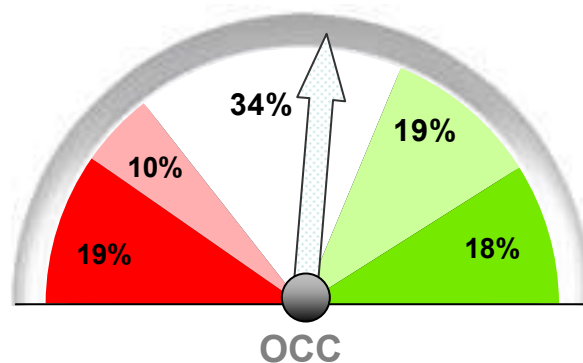
City hotels

City hoteliers overall expect a slight improvement in their occupancy, but expect a drop in their ARR. For the market as a whole they are even more negative.



«MARKET IN GENERAL»

About 32% expect a drop of more than 5% of the ARR of their own hotel, 36% expect a similar drop for the market as a whole.

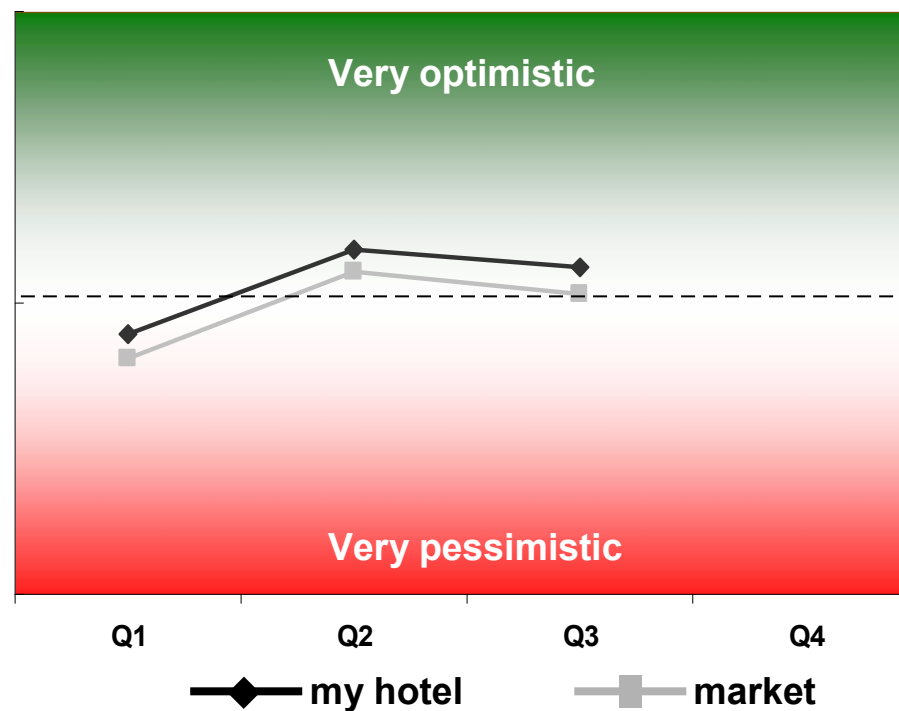


City hotels

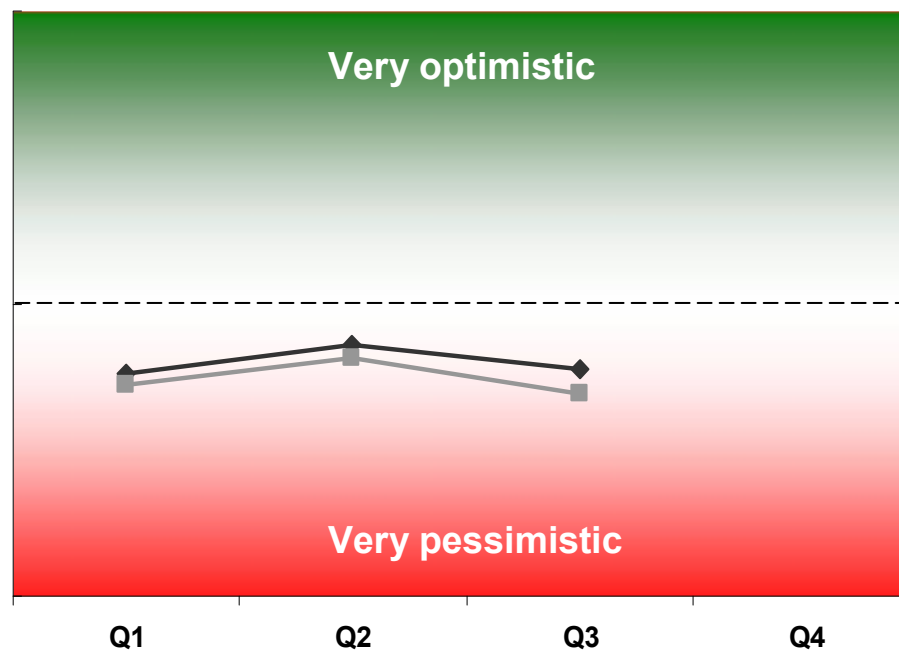
Hoteliers of City hotels are less optimistic regarding occupancy, while for ARR their expectations turn markedly negative in the Q3.

The Greek economy recession, continuing strikes and social unrest have undoubtedly contributed to this deterioration of sentiment forecasts for Q3.

Occupancy



ARR

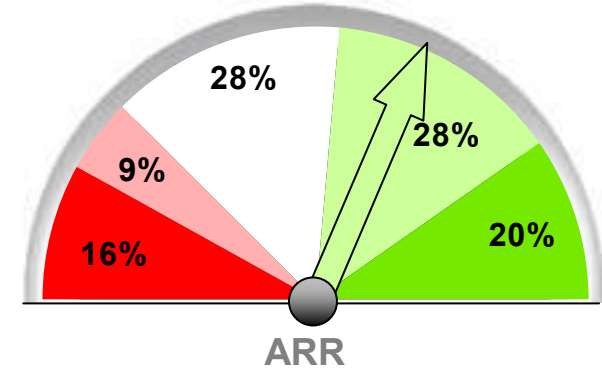
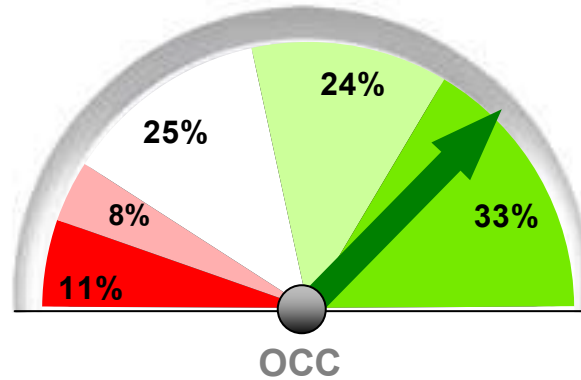


«MY HOTEL»

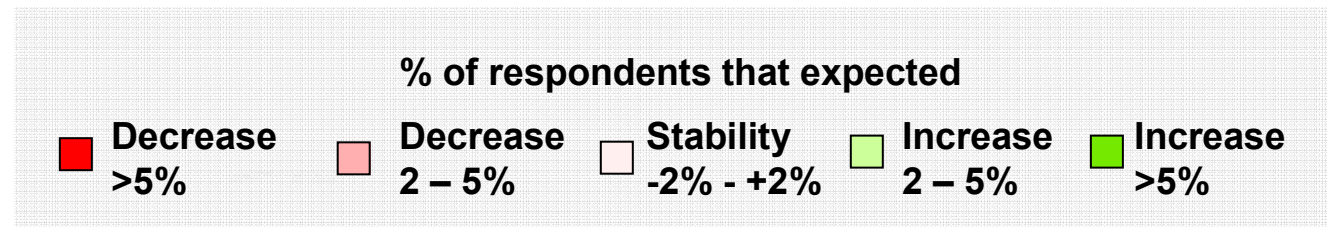
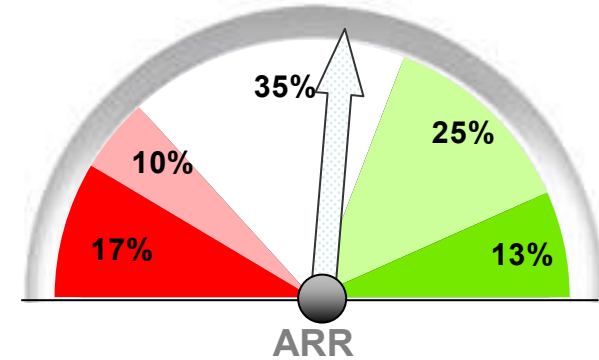
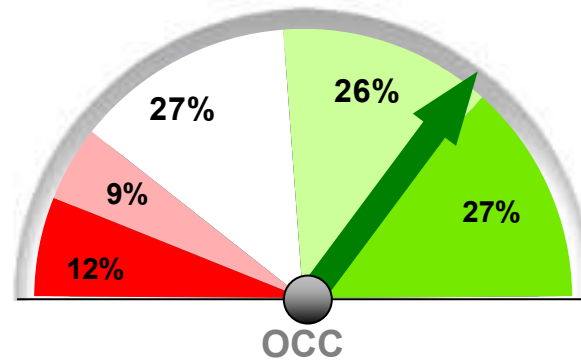
Resort hotels

Resort hoteliers remain optimistic for Q3 in terms of occupancy, while for ARR development, the outlook ranges from stable to slightly optimistic.

In general hoteliers are less optimistic for the market than for themselves.



«MARKET IN GENERAL»

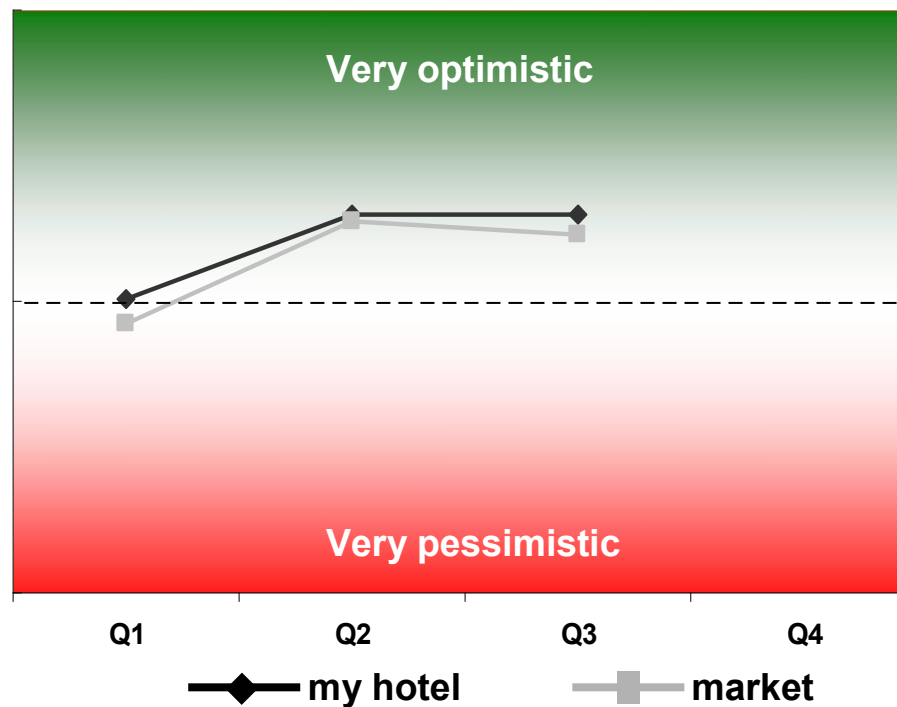




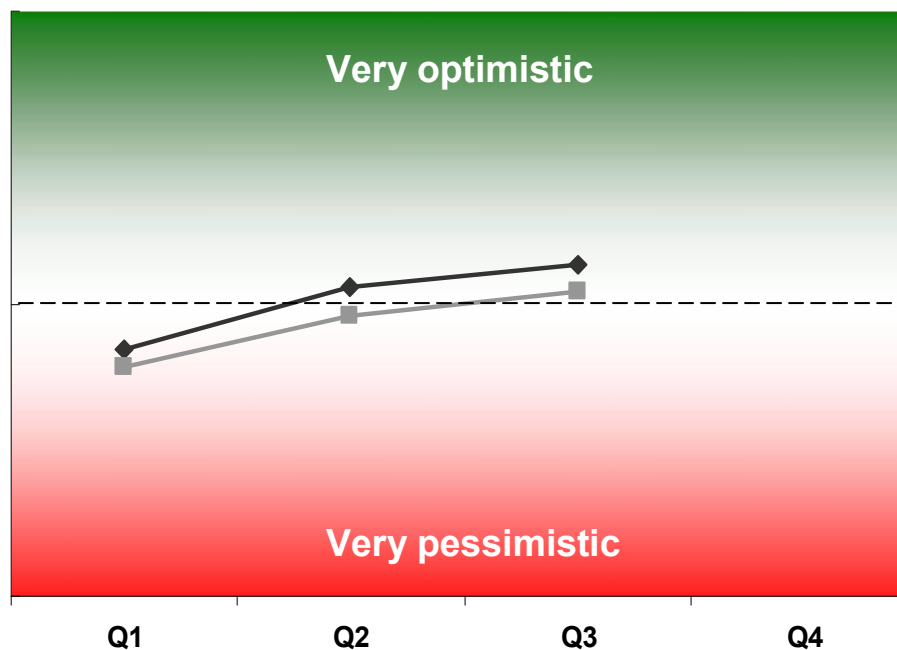
Resort hotels

Hoteliers of resorts remain overall positive on the outlook of their occupancy. Prices show a rising optimism with an index in Q3 of just above the neutral level, for both the market and own hotels

Occupancy



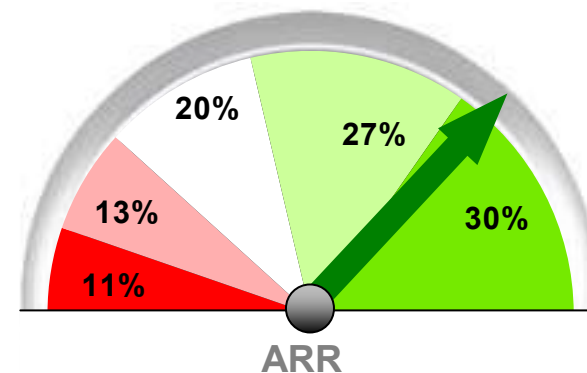
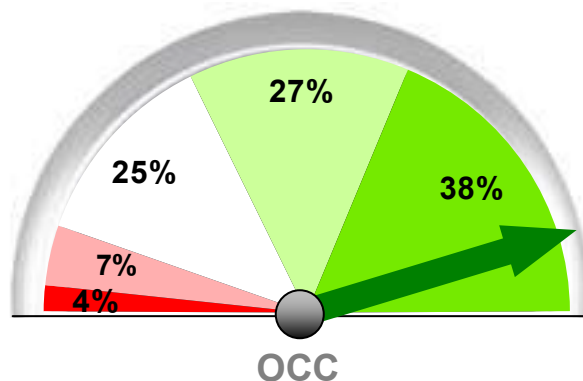
ARR



«MY HOTEL»

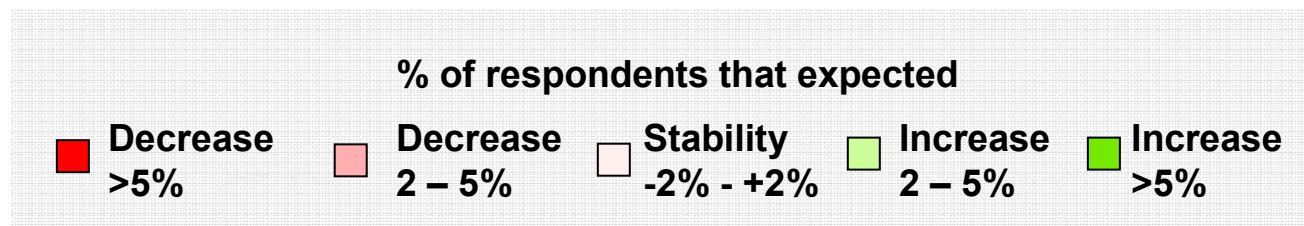
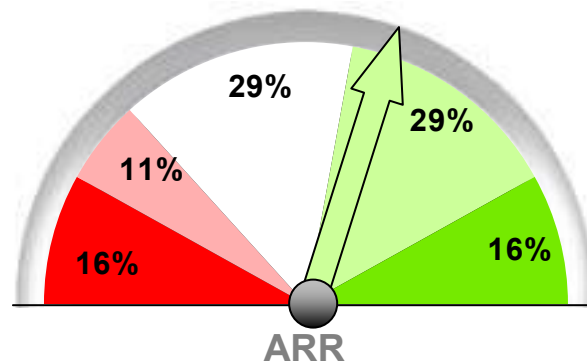
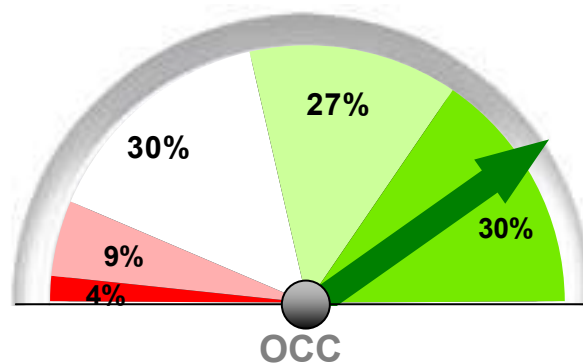
5 star hotels

Expectations for Q3 are very positive, especially for their own hotels.



Only 11% / 13% expect a drop of 2% or more in occupancy for their own hotels / the market, while 65% expect an increase of more than 2% for their hotels and 57% for the market as a whole.

«MARKET IN GENERAL»

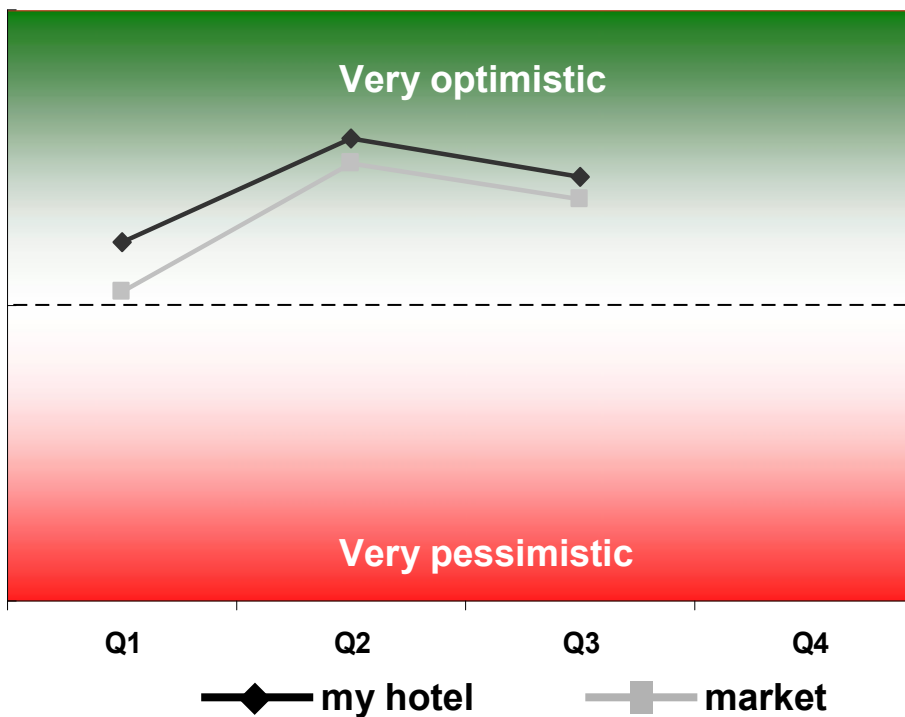




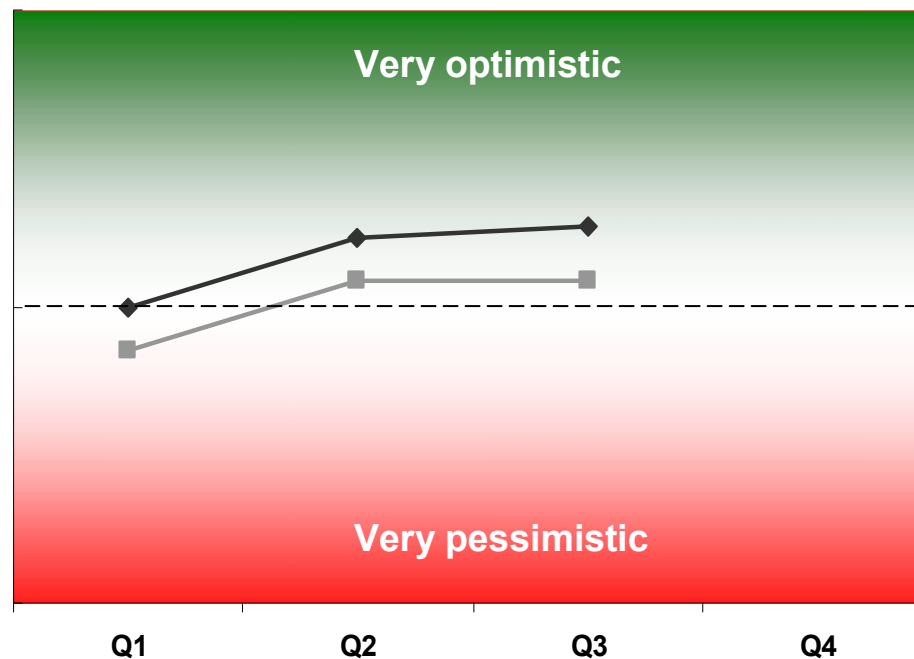
5 star hotels

The 5 star hoteliers remain optimistic for Q3, albeit at a lower level regarding occupancy and ARR for the market.

Occupancy



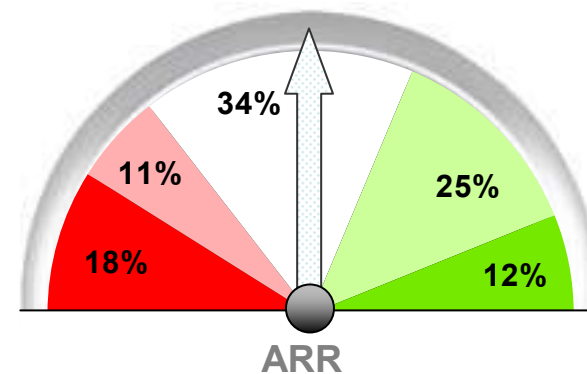
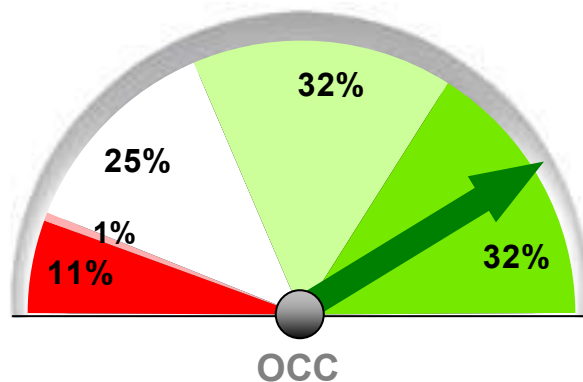
ARR



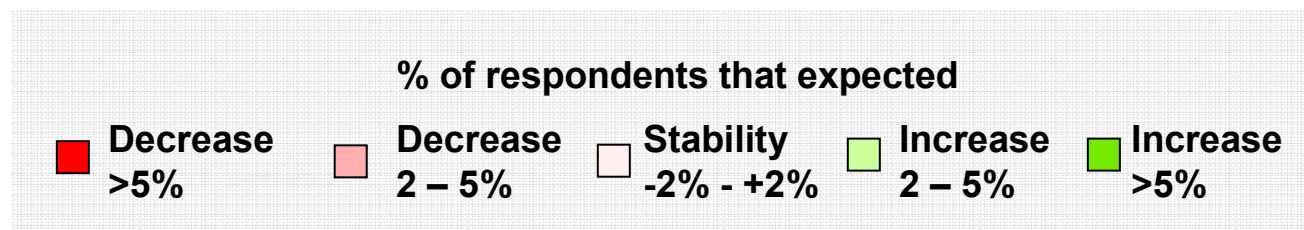
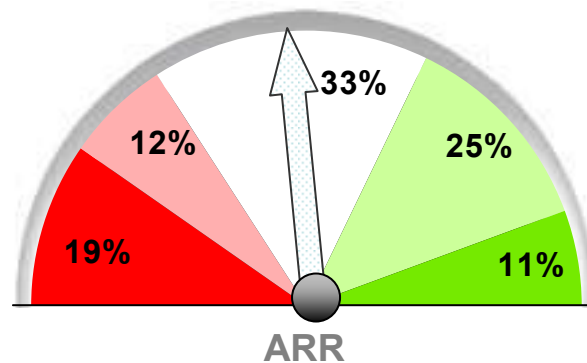
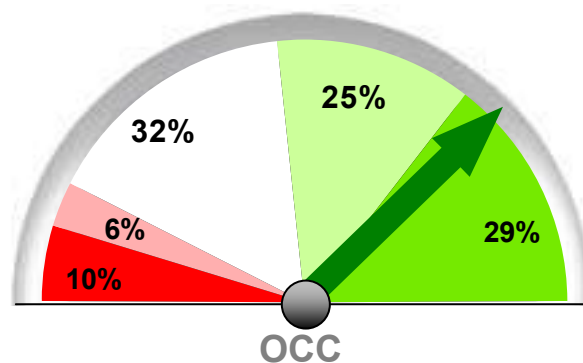
«MY HOTEL»

4 star hotels

Hoteliers of the 4 star hotels are quite optimistic in their forecasts for occupancy, while they believe that their prices will stabilise for their own hotels as well as for the market as a whole.



«MARKET IN GENERAL»

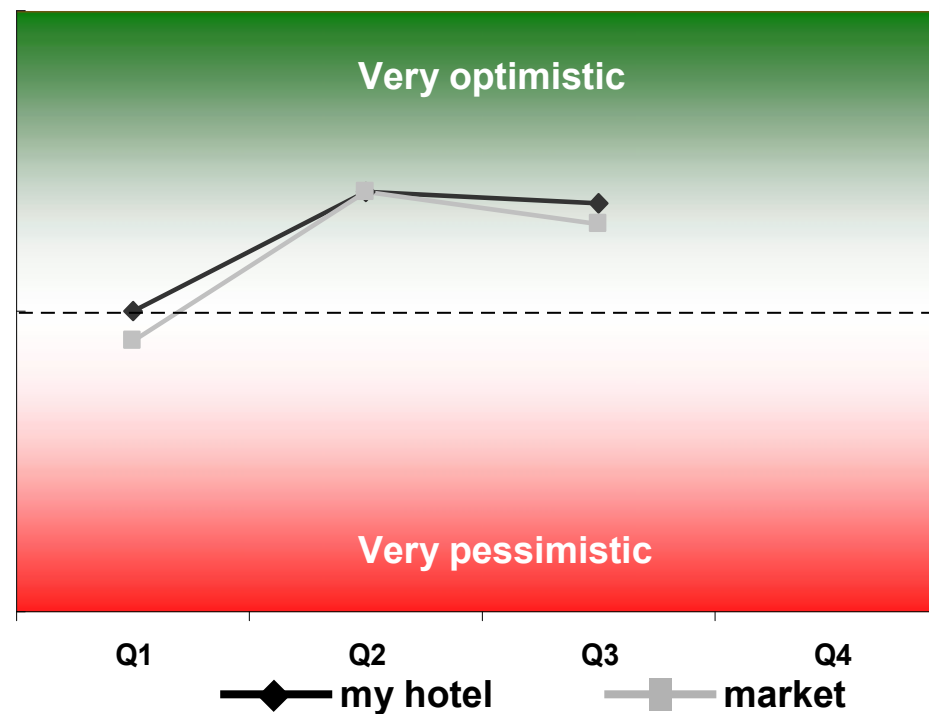




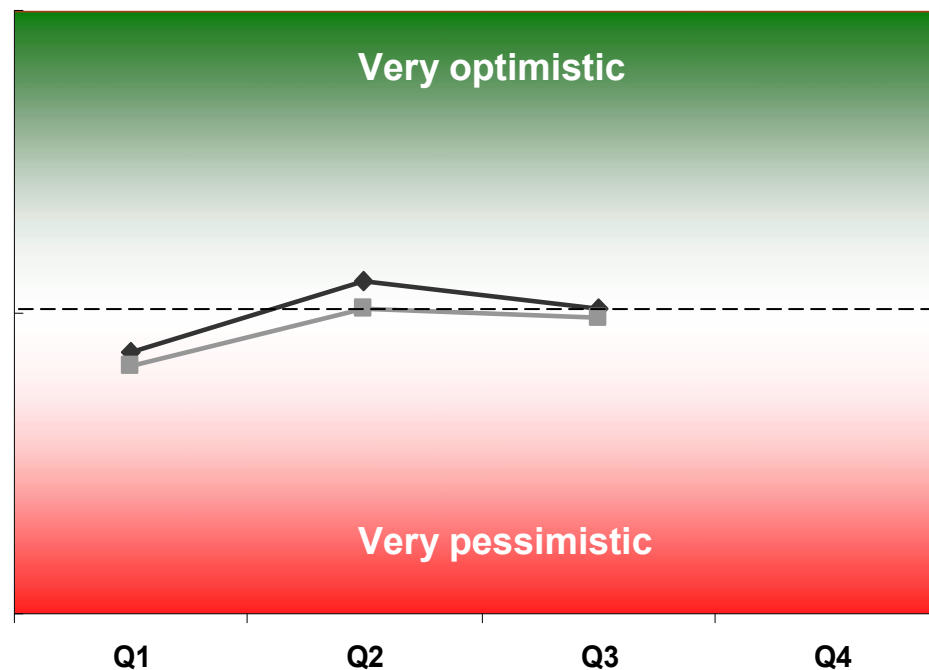
4 star hotels

The 4 star hoteliers have become a bit more pessimistic in Q3 compared to Q2 for the outlook on occupancy as well as ARR. This applies for forecasts for their own hotels as well as for the market.

Occupancy



ARR

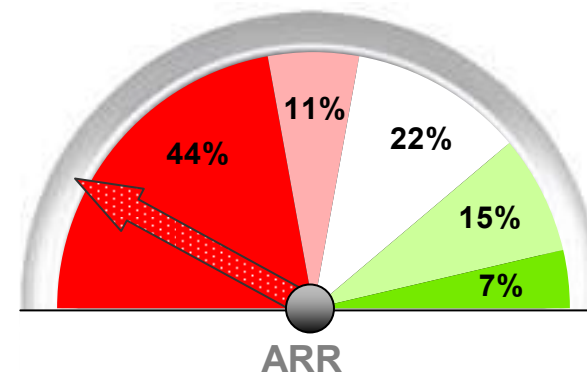
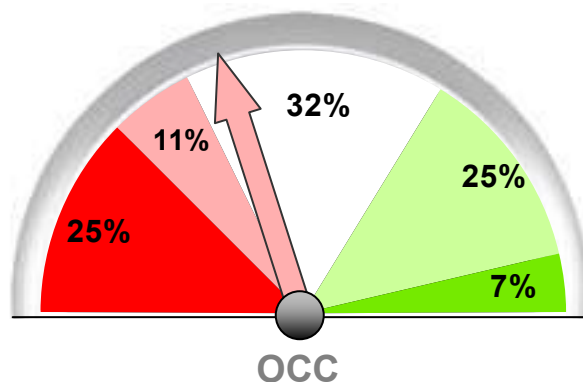


«MY HOTEL»

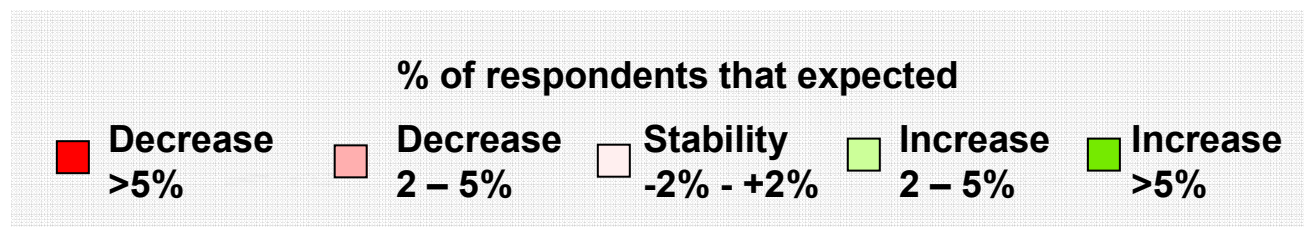
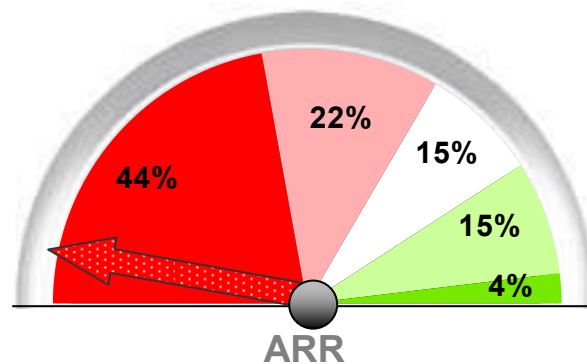
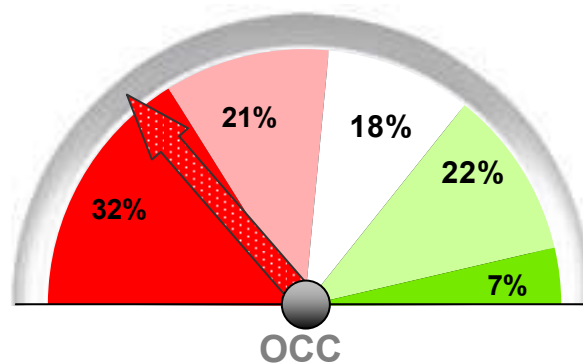
3 star hotels

The 3 star hoteliers are pessimistic for Q3 as 36% expect a drop of more than 2% in occupancy levels for their own hotel and 55% of more than 2% with respect to prices of their hotel. For the market in general they are even more negative in their outlook.

We should note that the participating 3 star hotels are equally divided between city and resort.



«MARKET IN GENERAL»



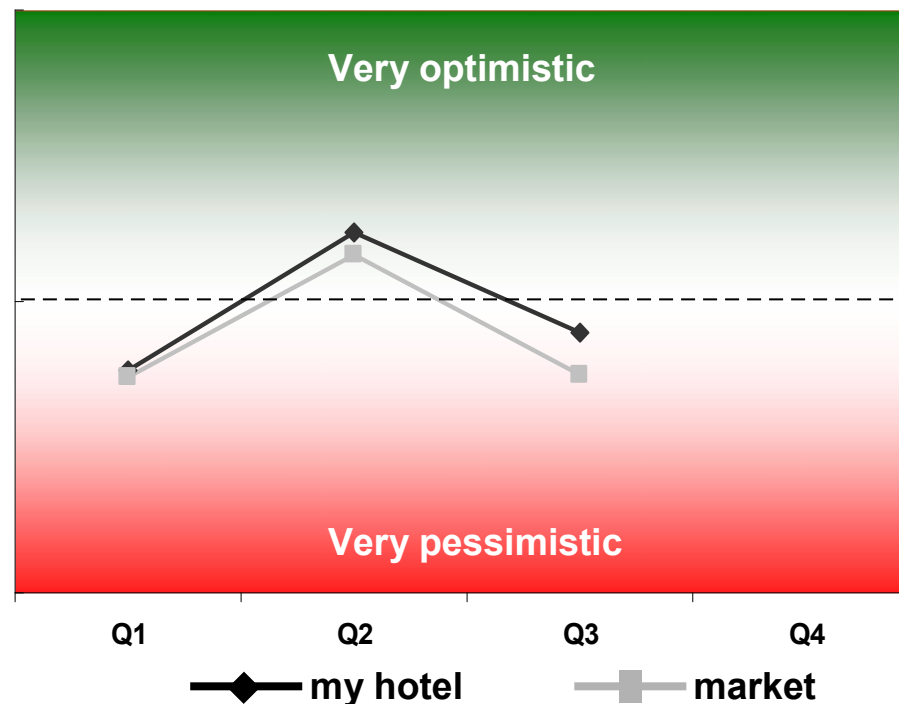


3 star hotels

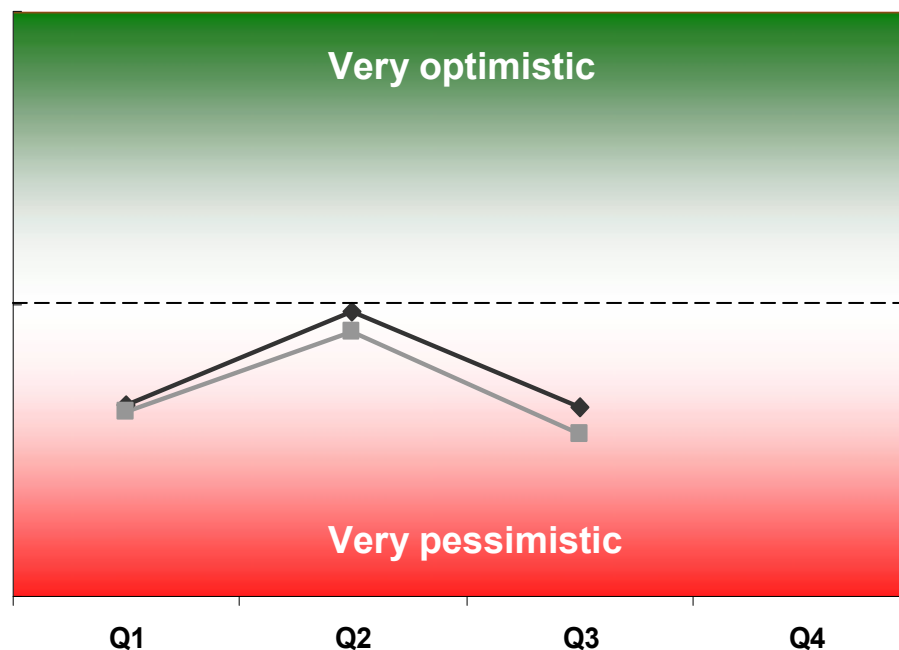
The 3 star hoteliers have revised their outlook for Q3 markedly for the worse for both occupancy and ARR, with both indicators moving into the red zone.

We believe this to be a strong signal that the recession of the Greek economy is biting strongly into the earnings of 3 star hotels

Occupancy



ARR

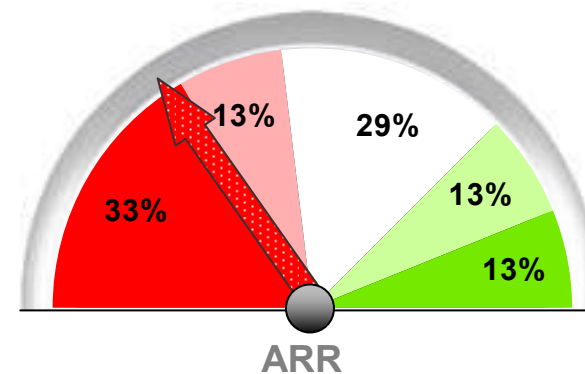
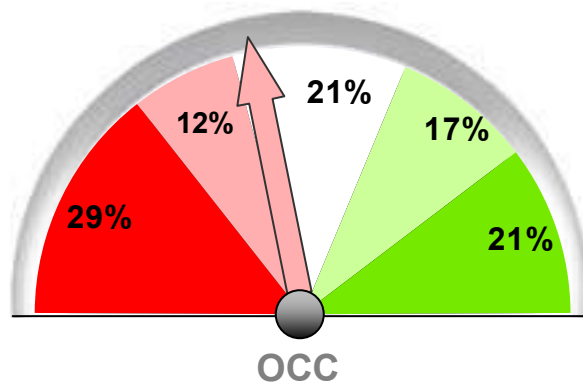


«MY HOTEL»

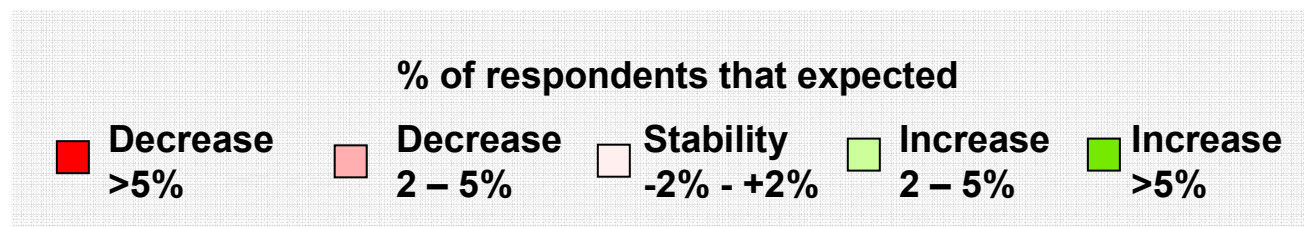
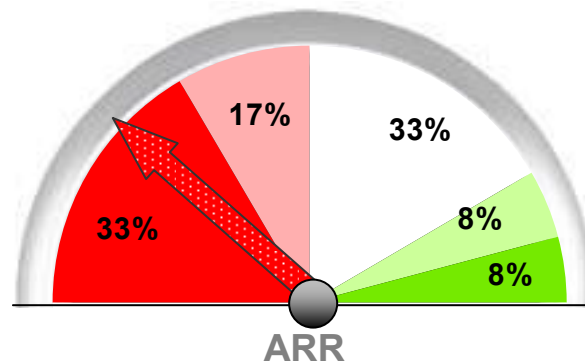
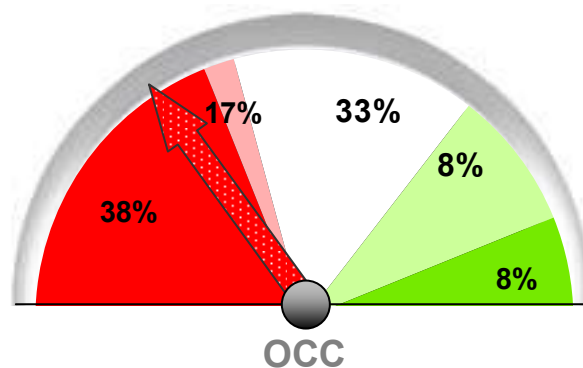
2 star hotels

The 2 star hoteliers present another pessimistic outlook for Q3. About 41% expect a fall in occupancy of more than 2% for their own hotels, while this is 55% for the market as a whole. With respect to ARR 46% expects a fall in prices of 2% or more for their own hotel and 50% for the market as a whole.

A very small percentage expects increases of more than 2%.



«MARKET IN GENERAL»



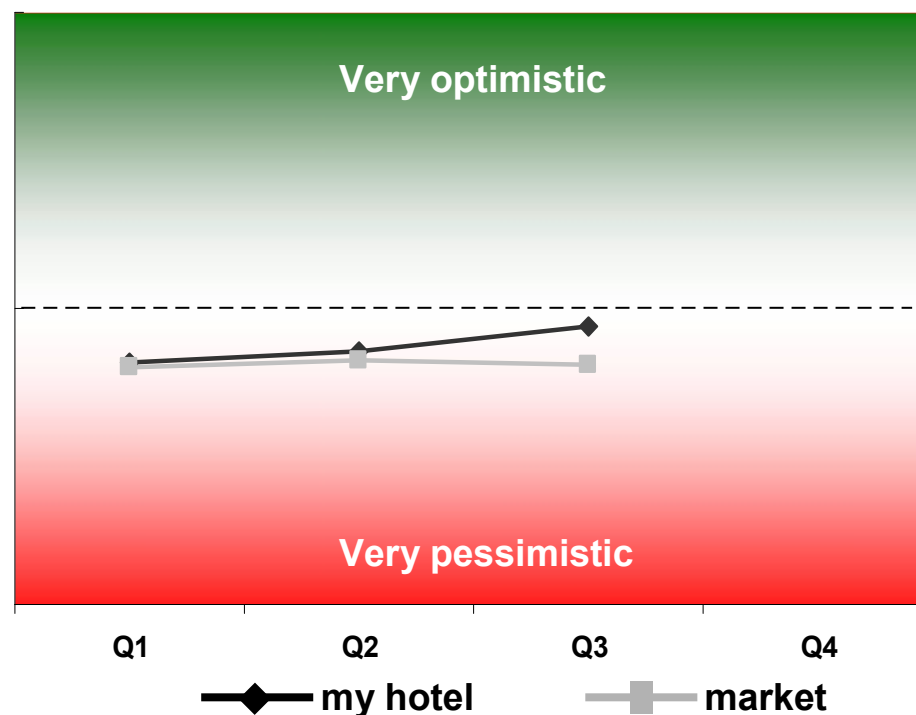


2 star hotels

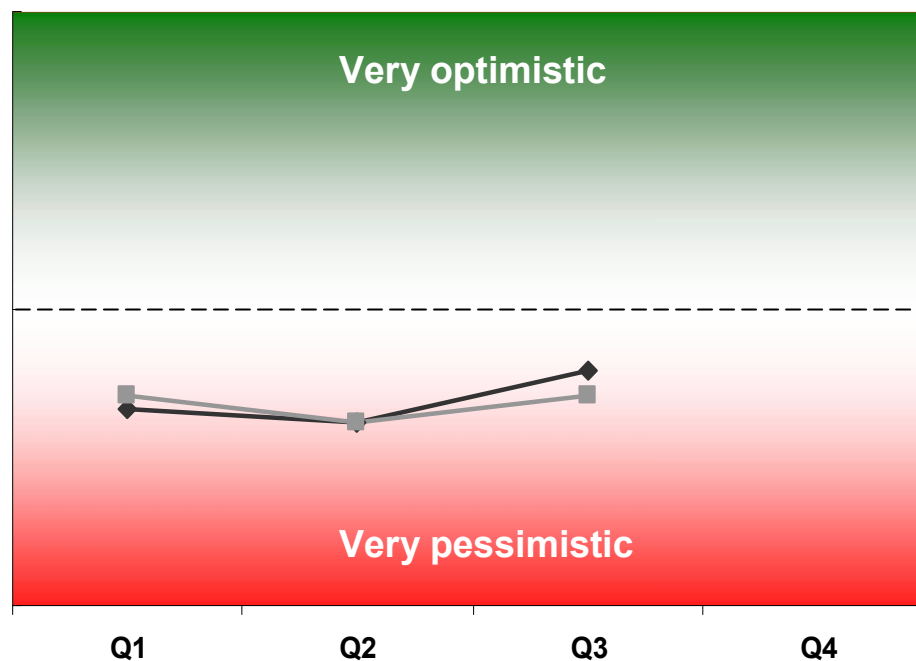
The 2 star hoteliers remain pessimistic with respect to occupancy as well as ARR development. For their own hotels we see a small improvement comparing the 3 first quarters of 2011, but for the market they are steadily pessimistic.

Could this also be a sign of the Greek economy recession, with 3 star clientele turning to 2 star hotels?

Occupancy



ARR

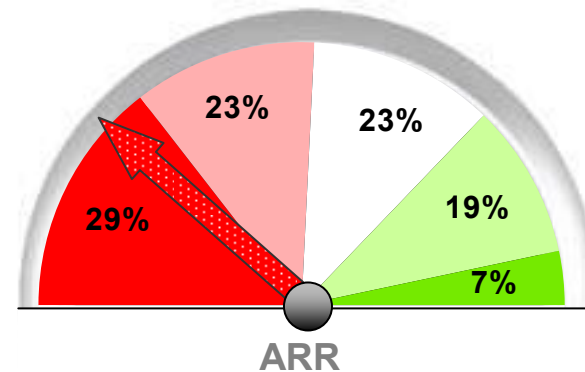
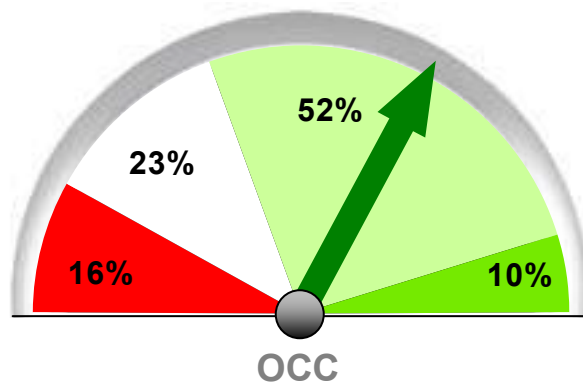


«MY HOTEL»

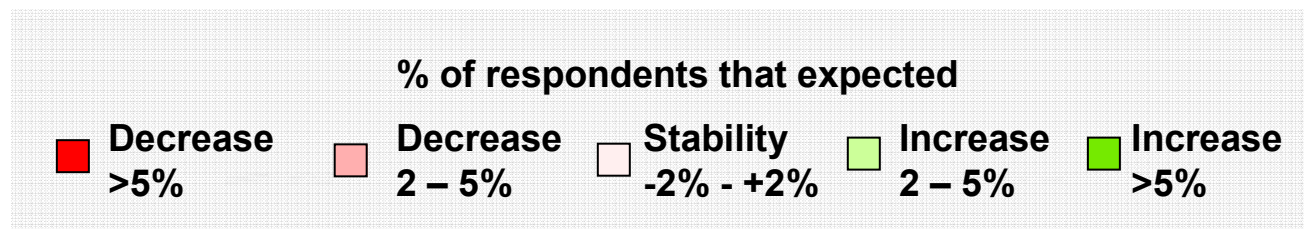
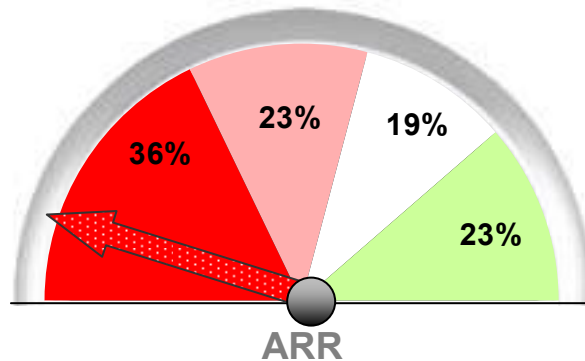
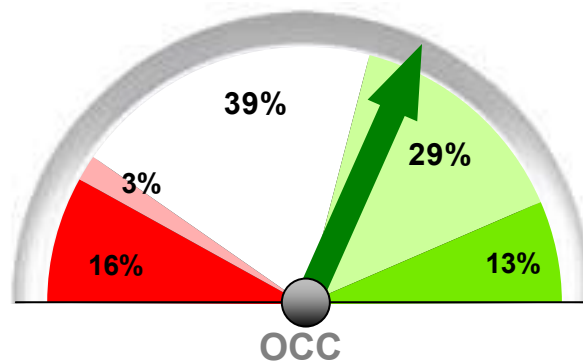
Athens hotels

Even though Q2 was a difficult quarter for Athens with strikes and unrest, hoteliers are optimistic for Q3 in terms of occupancy levels. This applies for themselves as well as for the market. We understand that the Expedia campaign has contributed to that.

For ARR development they expect pressure on their prices.



«MARKET IN GENERAL»

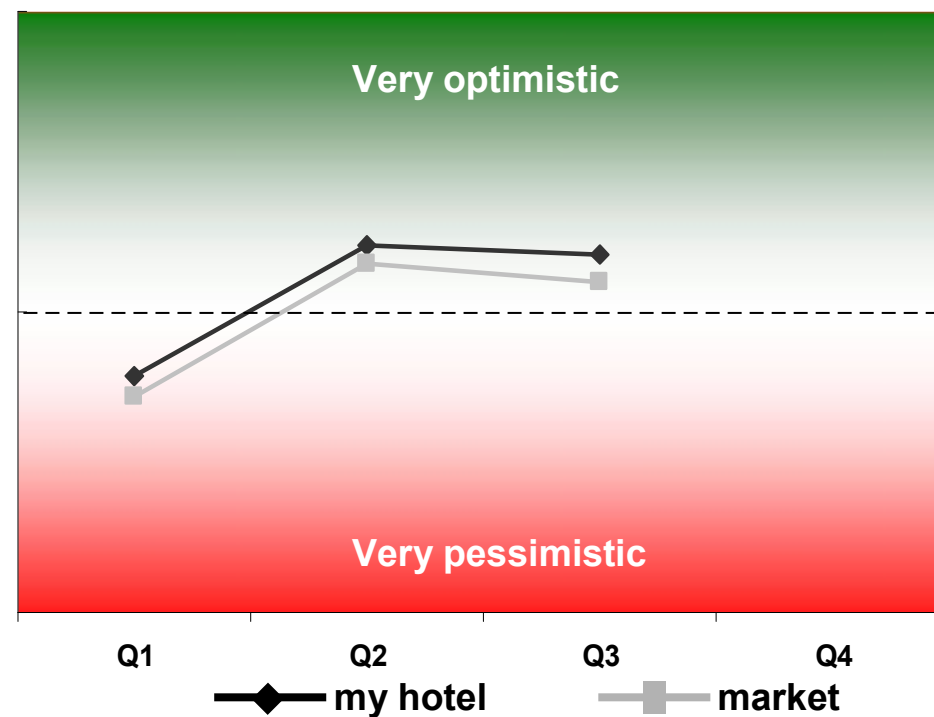


Athens hotels

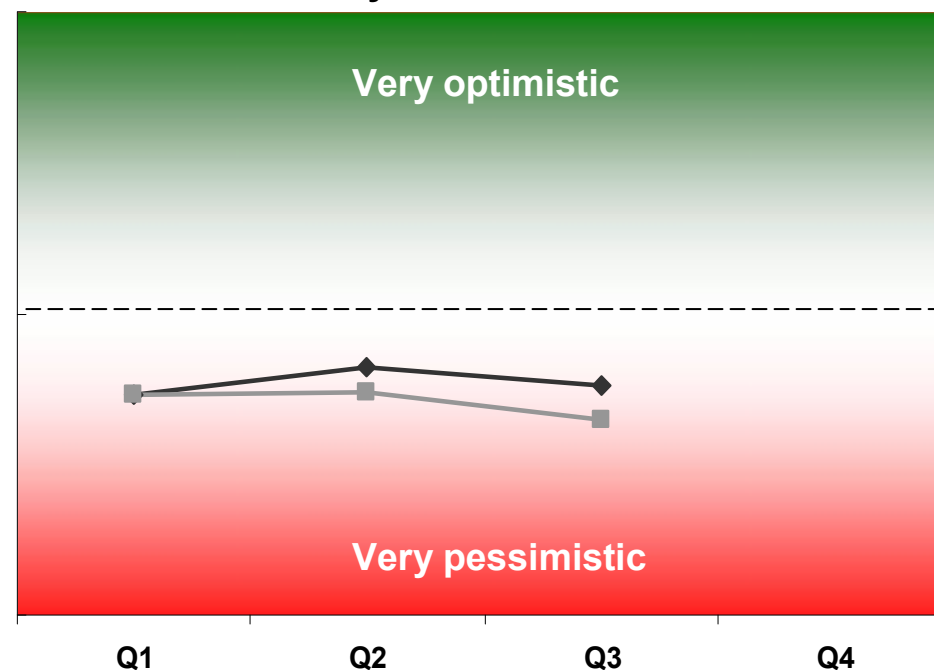
The rise of the occupancy index from Q1 to Q2 is impressive, but expectations of the Athens hoteliers stabilise in Q3 at a slightly optimistic level.

On the other hand, they have become more pessimistic regarding the ARR.

Occupancy



ARR

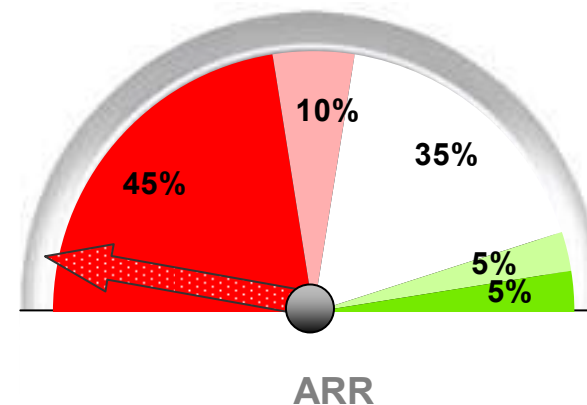
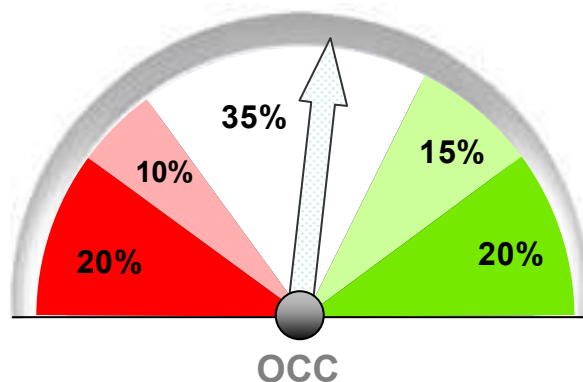


**Thessaloniki
hotels**

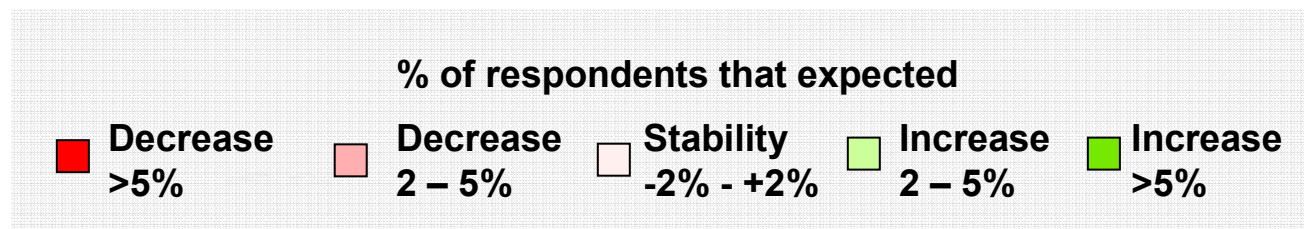
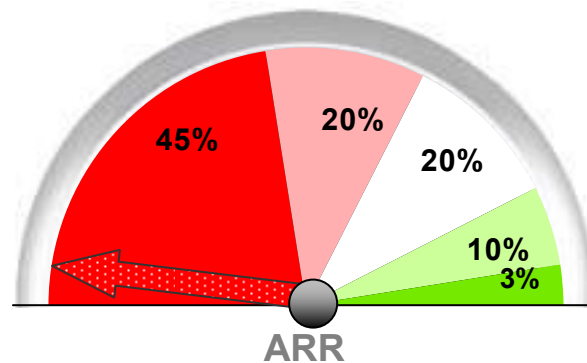
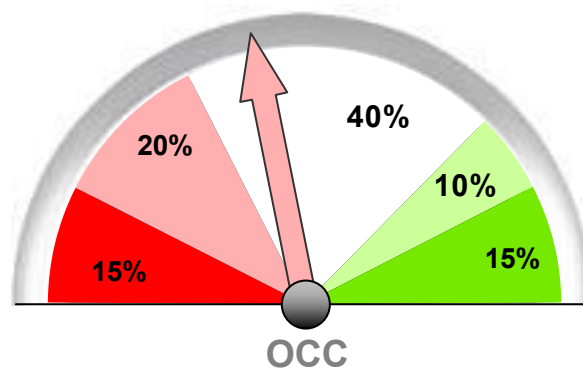
Hoteliers are very pessimistic in terms of price development and expect much lower ARR's.

For occupancy the picture is more mixed, with stabilisation in occupancy for their own hotels, but a moderate drop for the market in general.

«MY HOTEL»



«MARKET IN GENERAL»



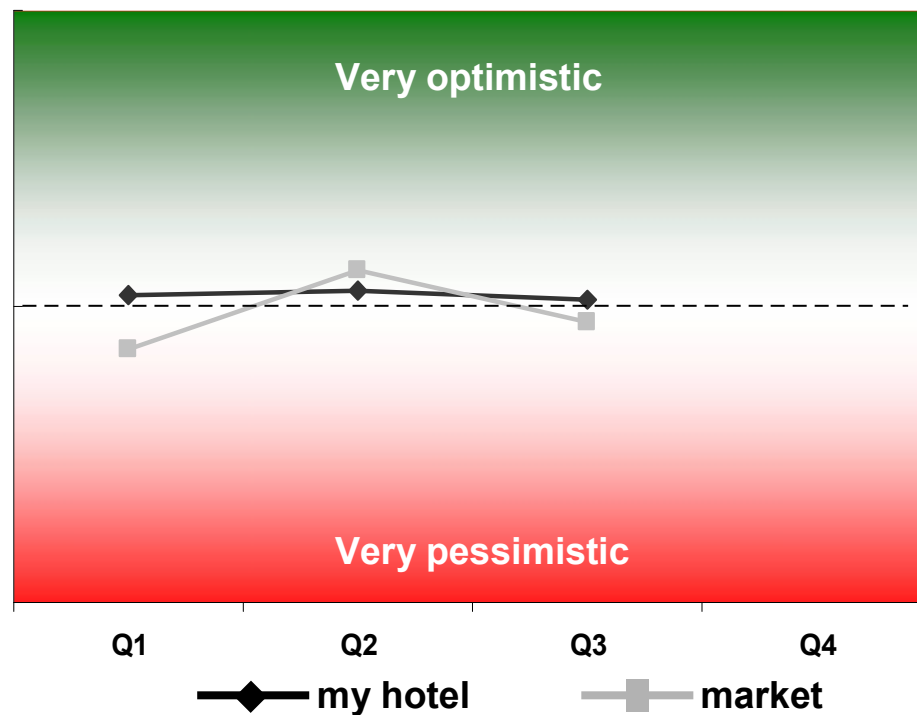
Thessaloniki hotels

The hoteliers in Thessaloniki are the most pessimistic of all hotels in the barometer concerning price development entering well into the red zone of the trend graph.

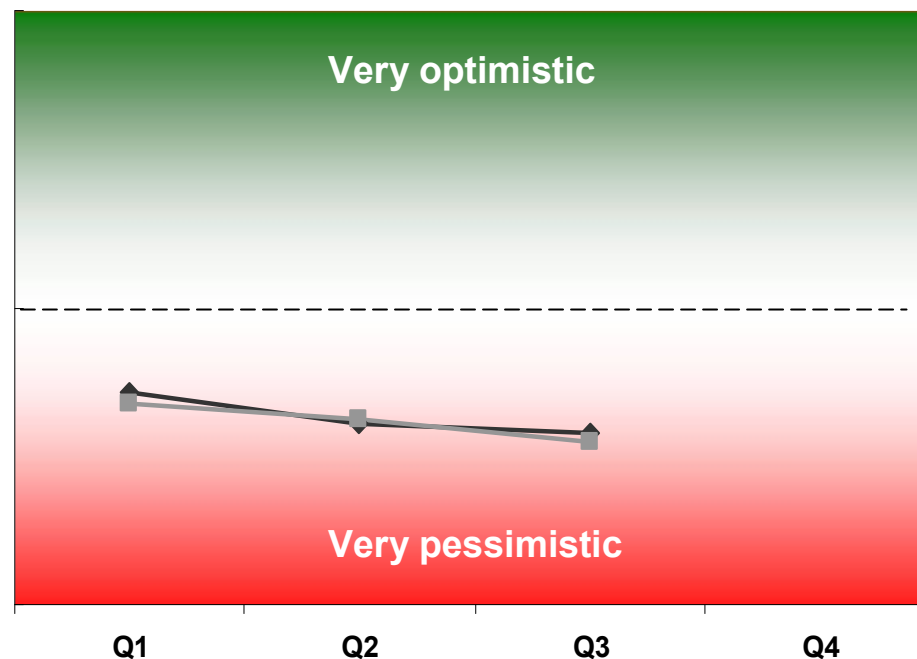
With respect to occupancy, expectations stabilise.

It appears that the recession together with the increase in bed supply have taken their toll.

Occupancy



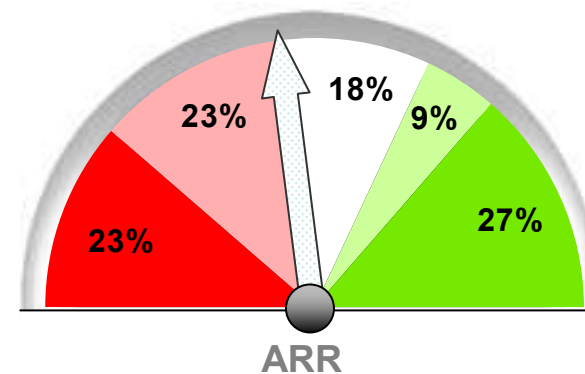
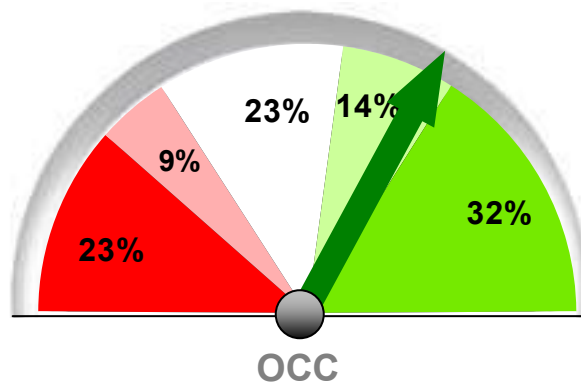
ARR



«MY HOTEL»

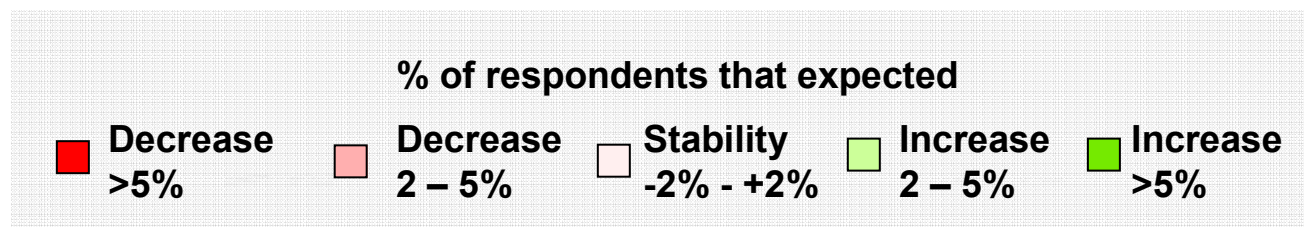
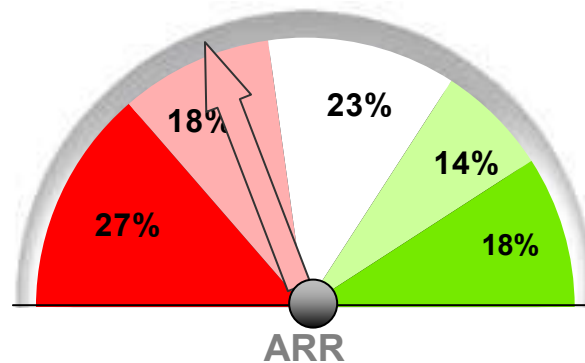
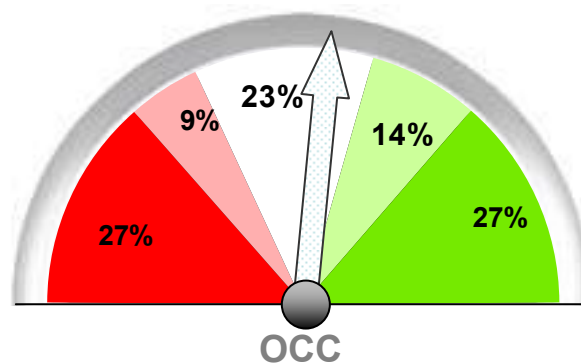
Other city hotels

Hoteliers of city hotels outside Athens and Thessaloniki expect overall an increase in occupancy and stabilisation of prices as far as their own hotel is concerned.



«MARKET IN GENERAL»

For the market in general the outlook is more pessimistic, but overall no extremes are seen.



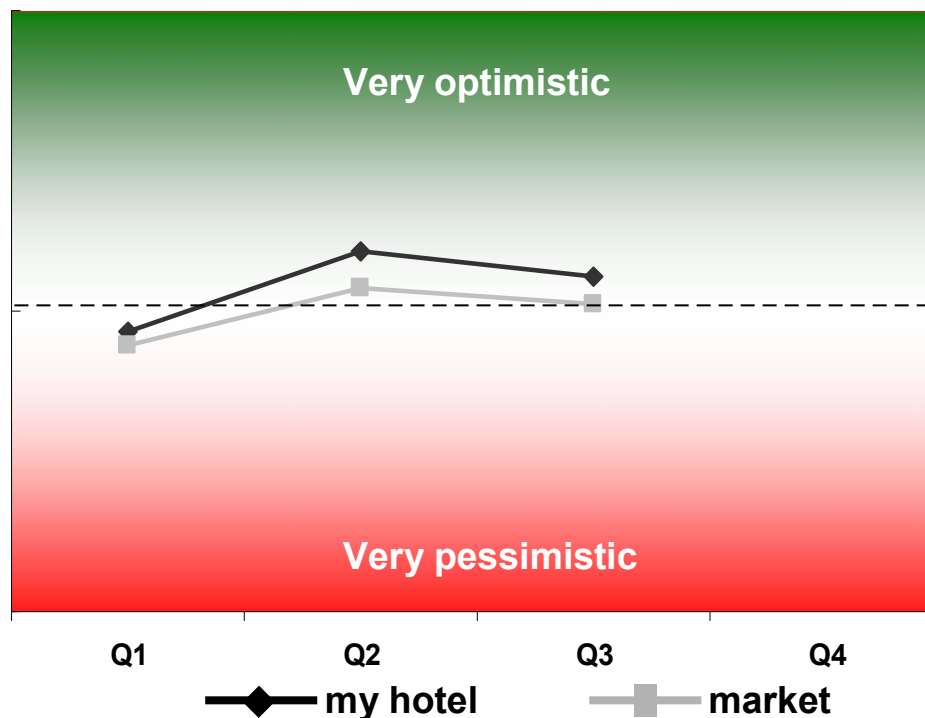


Other city hotels

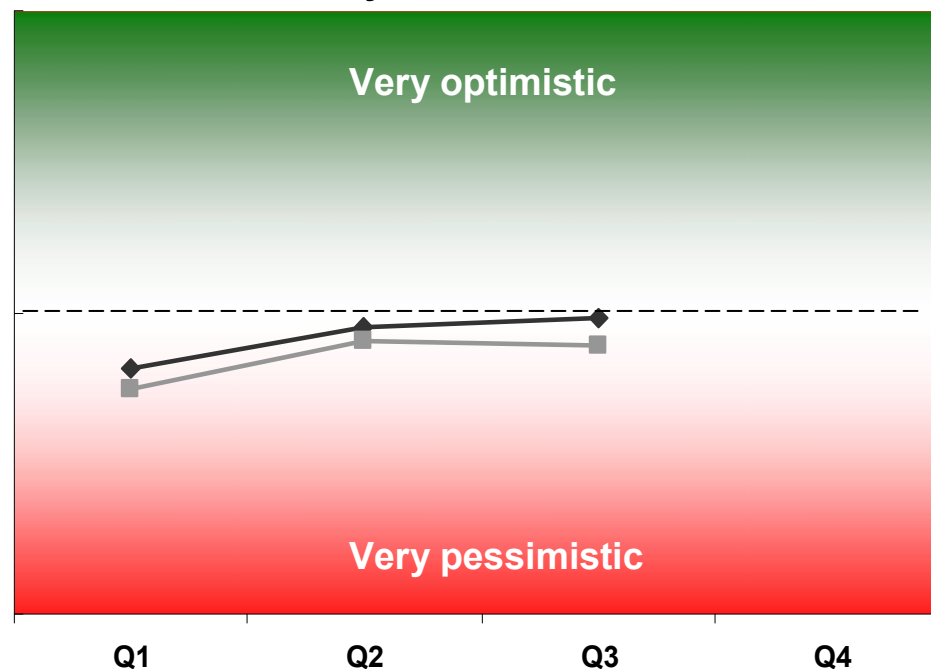
City hoteliers are quite neutral in their forecasts throughout the 3 quarters. Comparing Q1 with Q3 a small improvement can be seen.

Again, expectations regarding occupancy are better than those regarding ARR.

Occupancy



ARR

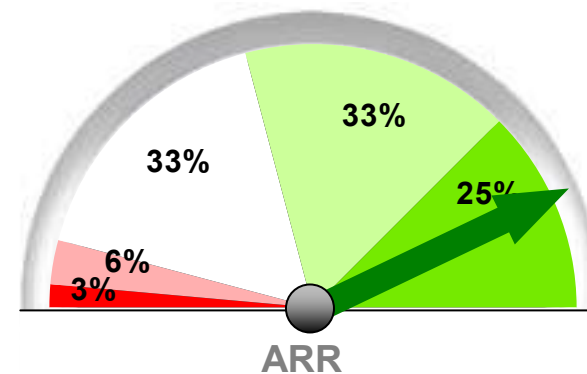
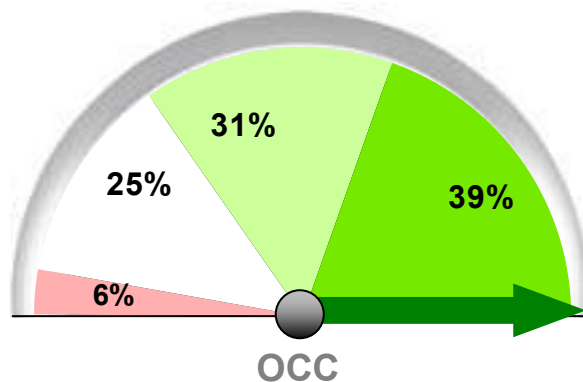


«MY HOTEL»

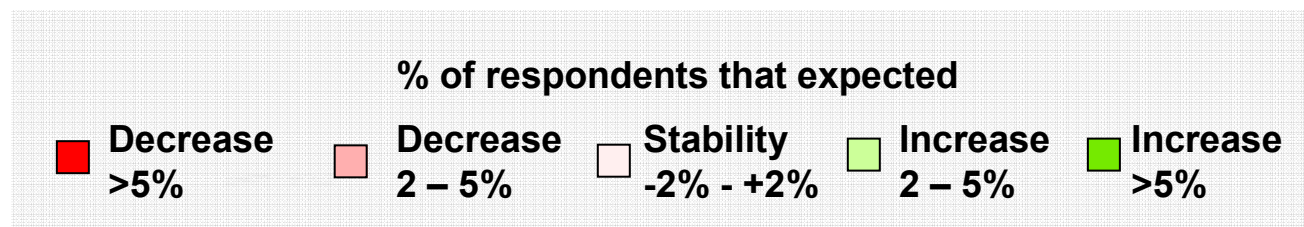
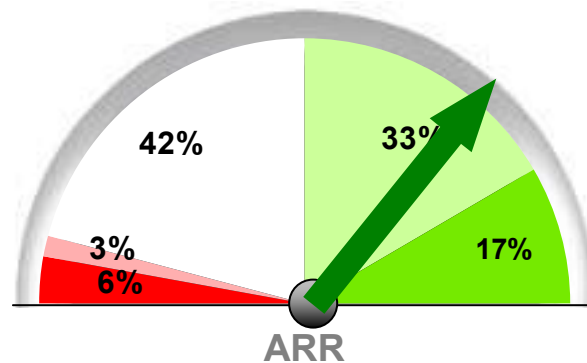
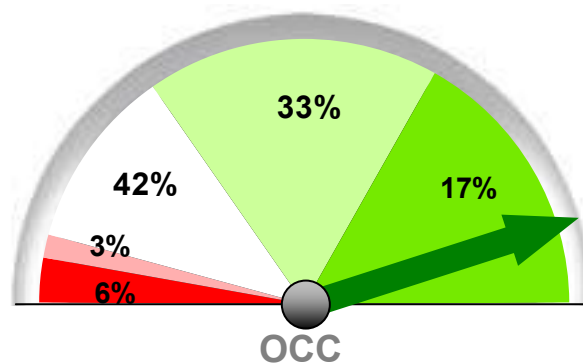
Hotels in Crete

Hoteliers remain very optimistic in Q3. None of the hoteliers in Crete expect a drop of more than 5% in occupancy for their hotels. In fact a majority of 70% expects an increase of more than 2%, while for ARR this percentage reaches 58%.

Expectations for the market in general are lower, but still very positive.



«MARKET IN GENERAL»

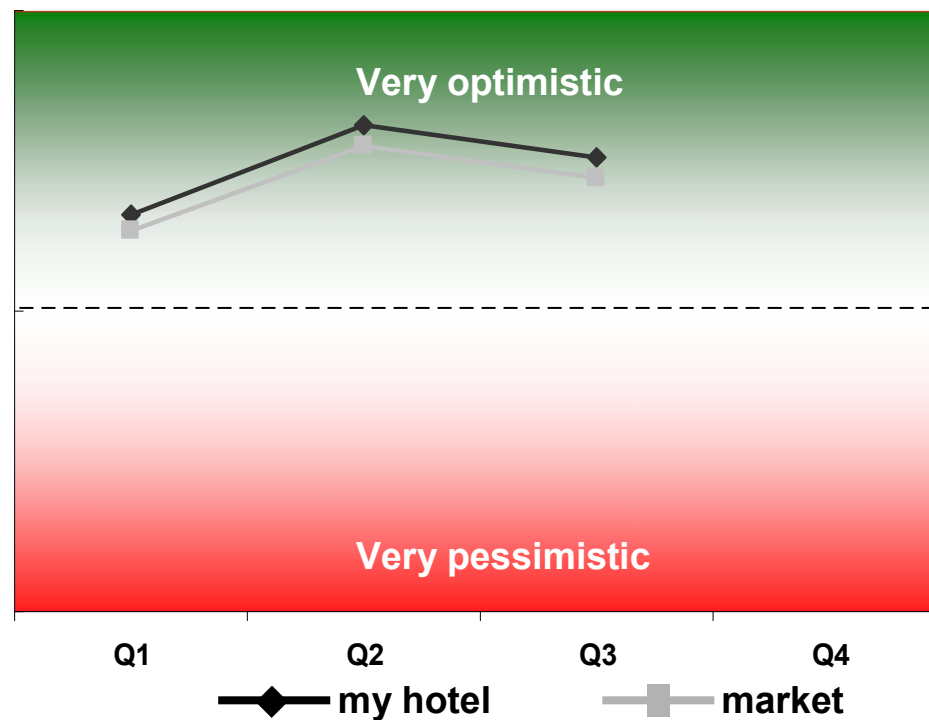




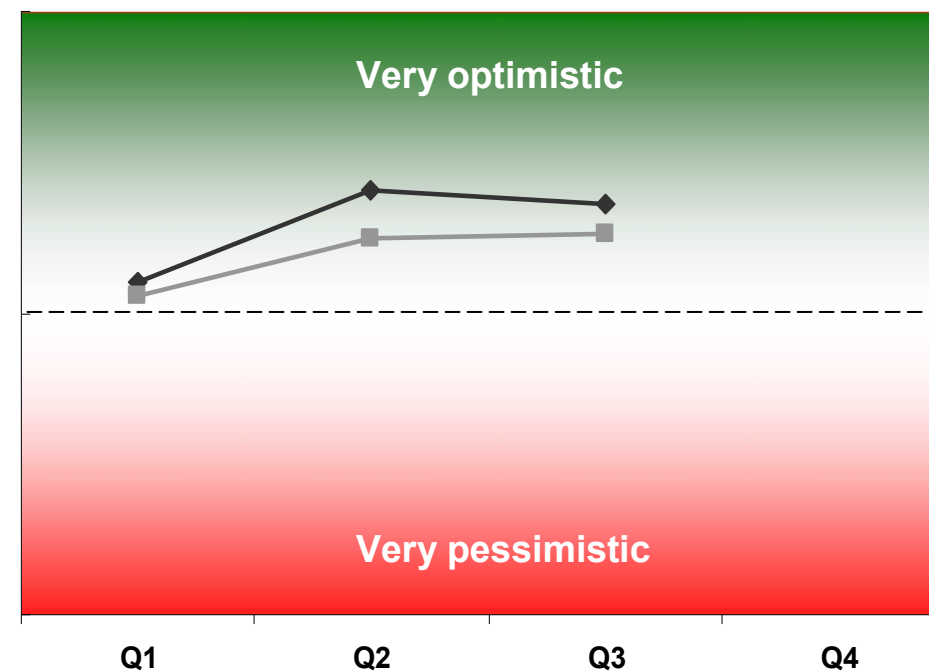
Hotels in Crete

Hoteliers in Crete are the most optimistic of all participating hotels in the barometer survey and this also applies for Q3.

Occupancy



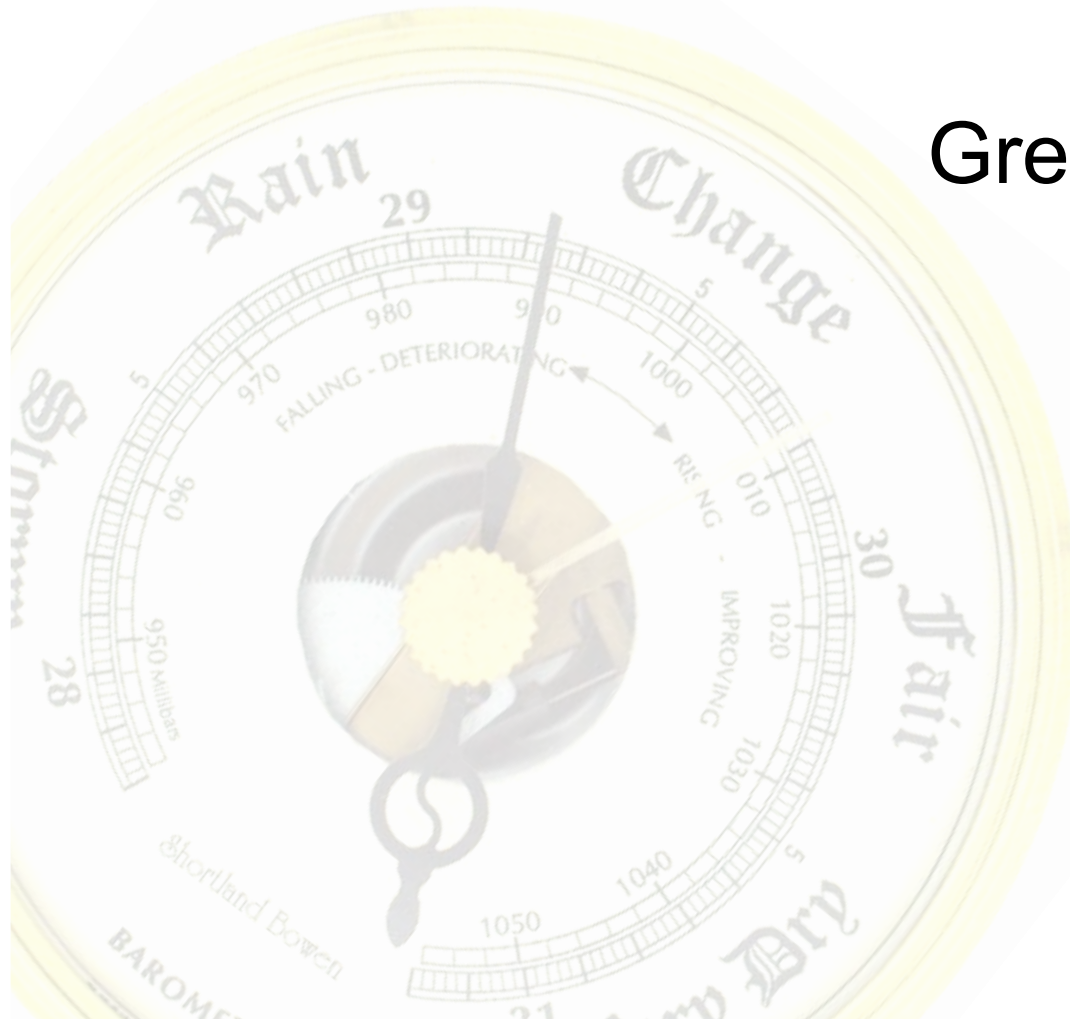
ARR



Tourism Barometer

Q3 - 2011

Expectations Greek Hospitality Sector



gbr
consulting

4, Sekeri Street
106 74 Athens
Phone: +30 210 3605002
Fax: +30 210 3606935

Web: www.gbrconsulting.gr
Email: info@gbrconsulting.gr