

Press Release

Optimism abounds at the 10th ANZPHIC; Hotel Deal of the Year and inaugural Legends Hall of Fame Announced

Sydney July 8th, 2010

The 10th Anniversary of the Annual Australian, New Zealand and Pacific Hotel Industry Conference (ANZPHIC) kicked off officially today at the Hilton Sydney, Australia. More than 400 hotel owners, investors, developers, operators, lenders, advisers and other stakeholders joined in this annual event to get updated with the latest market happenings, share experiences and network.

There was a strong sense of optimism expressed at ANZPHIC this year, after a challenging 2009 in the aftermath of the global financial crisis. As of May 2010 year-to-date, all major cities in Australia saw a growth in Revenue per Available Room (RevPAR), largely driven by growth in hotel occupancy. Hotel leaders have also further identified tourism hot spots in the near future, such as Brisbane, Adelaide, Gold Coast and Perth; with key consumer source markets to Australia as China, Southeast Asia and New Zealand.

According to Bill Evans, Chief Economist of Westpac Bank, the government will likely be tightening fiscal policies in the next few years, and economic growth will range between 3 and 3.5% in the near future. It is believed that the links with Asia will provide Australia with strong medium term prospects, particularly given continued strong demand for steel. Several key areas demanding attention in this new competitive hotel landscape were also discussed by industry leaders, including the inevitable participation in social media, collaboration with online travel agents (OTAs), lessons from the global financial crisis, changes in consumer behaviour, importance in capturing key source markets, and the continuing significance of innovation within the industry.

One of the highlights of the day's event was the award ceremony for the 2010 Hotel Deal of the Year award and the inaugural Legend Hall of Fame. The 2010 Hotel Deal of the Year award was given to LM Investment Management for its AUD 185 million acquisition of the Four Points by Sheraton, Darling Harbour Sydney in 2009. This acquisition stood out among other hotel purchases due to its excellent location in Sydney, good performance, further revenue and profit growth potential, and transaction price. Singapore magnate Mr. Michael Kum, Chairman of LM Investment Management, received the award personally and expressed his continued interest in investments in Australia. LM Investment Management also acquired the Swissotel Sydney for AUD 90 million.

The inaugural Legend Hall of Fame award was given to Mr. Koos Klein. A native of the Netherlands, Mr. Klein first arrived in Australia in 1990 as the General Manager of Accor's first hotel in Australia – the Novotel Sydney at Darling Harbour, and then was appointed to a regional capacity responsible for Accor's rapidly growing hotel operations in Australia, New Zealand and Japan. In the 6 years under his leadership, Accor's presence in these regions grew from 1 to 55. He returned to Europe in 1996 where he headed the Novotel Central Europe organization until 1998, when Mr Klein took on the role with Hilton Hotels as President of Asia Pacific and grew the company's portfolio from 25 to 60 hotels. Hilton's revenue doubled and profits quadrupled in the decade under the Mr. Klein's reigns. Mr. Klein retired in late 2008.

About the Conference

ANZPHIC is an "all industry" event that services the needs of a diverse group of senior executives in the hospitality industry – ranging from CEO's, General Managers and Department Heads of hotel companies, through to similar functions within hotel ownership groups, investors, developers, lenders, consultants/advisors, lawyers, suppliers, government and industry bodies and other industry stakeholders.

Attendees range from the most senior global, regional and local industry executives to new management entrants to the industry. Industry sectors covered include: hotels, resorts and serviced apartments, from luxury to backpacker standard.

About Horwath HTL

Horwath HTL is a member of Crowe Horwath International, a professional association of accounting and management consulting firms founded in New York in 1915. Crowe Horwath International is currently ranked among the top ten international professional service groups with offices in close to 400 cities in 88 countries.

Horwath HTL (Hotels Tourism and Leisure) is one of the pre-eminent consulting specialists in the hotel, tourism and leisure industries, providing unequalled experience and expertise for client projects around the world through a combination of detailed local knowledge and international understanding. Horwath HTL is currently the world's largest consulting organization specialized in the hospitality industry, with 47 offices in 37 countries.

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