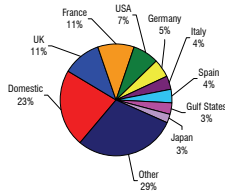


The Geneva hotel market is fundamentally prosperous and stable. Commercial demand in the city is driven mainly by the many international and government organisations and by banking institutions in and around Geneva.

#### Main Feeder Markets



Source: Canton of Geneva Statistics Office

Leisure demand is strong in the winter months, as European tourists travel through Geneva to go skiing in the Swiss and French Alps. In summer, Geneva is frequented by mostly Middle Eastern clients, as they consider the city a shopping haven. Geneva registered around 1.3 million arrivals in 2008, with around 77% of them coming from abroad.

The Geneva hotel market owes much of its stability to the very high barriers to entry: these have essentially prevented new supply from entering the market. Stability is also conferred by resilient levels of demand generated by international and government organisations. These factors helped hedge the city against a slowdown in 2008, but hotels in Geneva saw their performance decline in the first quarter of 2009. The most recent transaction in the market was that of a 50% stake in the Four Seasons Hotel des Bergues that was sold in March 2009.

#### Hotel Transactions

Property	Sale Date	Rooms	Sale Price (SFr)	Price/Room (SFr)
Le Richemond Hotel	Jul-04	98	100,700,000	1,028,000
Hotel des Bergues *	Apr-05	103	Undisclosed	Undisclosed
Nash Rex **	Dec-07	70	28,200,000	403,000

\* 50% stake      \*\* Now NH Rex Hotel

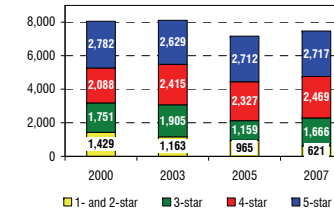
Source: HVS Research



# Market Snapshot Geneva, Switzerland

June 2009

#### Rooms Supply

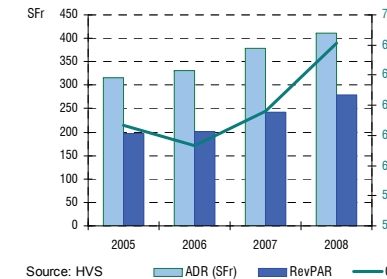


Source: Canton of Geneva Statistics Office

Rooms supply in Geneva has been fairly stable over the last few years. Various hotels, especially the somewhat dated, but iconic, luxury hotels, have recently undertaken renovation and expansion programmes.

The Four Seasons Hotel des Bergues, the Mandarin Oriental and the Grand Hotel Kempinski are all undertaking renovation and expansion projects; the work includes guest room expansion and new restaurant and spa concepts.

#### Upscale Hotel Performance

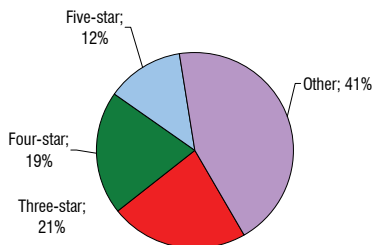


Source: HVS

Average daily rate (ADR) has increased by an average of 7.0% a year and revenue per available room (RevPAR) by 9% a year since 2005, indicating the strong levels of demand in recent years. The dip in occupancy in 2006 reflects the partial closure of certain hotels

undergoing renovation. In the first quarter of 2009, occupancy declined by more than 10%, although rate remained fairly stable. The upshot of this was a decline in RevPAR of slightly less than 10%. Geneva first felt the impact of the economic downturn in November 2008, when occupancy dropped sharply and ADR declined too.

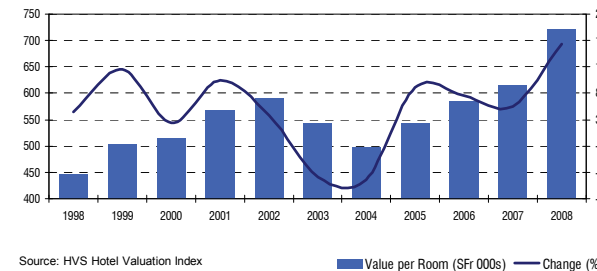
#### Hotels by Category



Source: Office fédéral de la statistique

There are currently some 93 hotels in Geneva, providing a total of 6,400 guest rooms and 10,400 beds. Geneva has a well-balanced profile in terms of product offering by category, with the luxury market more pronounced than it is in other cities. The luxury hotels line the city's Quai, on the shores of Lake Geneva. The Geneva hotel market accommodated around 2.9 million overnights in 2008.

#### Value per Room



Source: HVS Hotel Valuation Index

Hotel values per room hit a record high in 2008 of around SFr723,000: an increase of 17% on the figure recorded in 2007. The increase was driven mainly by an increase in RevPAR of 16%. Geneva ranks third in terms of value per room, behind London and Paris. Geneva is considered to be a highly rewarding hotel market in which to invest, based on risk-adjusted capital appreciation from 1998 to 2008, ranking third behind Zürich and Vienna.