



## Explanation of Terms and Bases Used

### ACCOMMODATION

#### Occupancy Percentage

Rooms occupied by hotel guests on a paid basis.

#### Average Room Rate

The average room rate is defined as room sales divided by the total number of rooms occupied.

#### RevPAR

Revenue per available room is calculated by multiplying average room rate by annual occupancy level.

#### Rooms Cost %

Room costs as a percentage of room sales.

### OVERALL REVENUE BREAKDOWN

#### Rooms

Revenues derived from the rental of sleeping rooms at the hotel, net of Value Added Tax and any rebates and discounts.

#### Food

Revenues derived from the sale of food, including coffee, milk and tea.

#### Beverage

Revenues derived from the sale of beverages, including beer, ale, wine and liquors.

#### Other

Revenues derived from all other sources, e.g. health club, spa, conferences, telephone, service charge etc.

### EXPENSES DATA

#### Payroll

Payroll costs to include labour costs such as salaries, wages and employee benefits for all staff members.

#### Utility Costs

Utility Costs typically include electricity, fuel (oil, gas and coal), purchased steam and water, waste removal etc.

#### Administrative and General (A&G)

Included in this category are office supplies, computer services, accounting and legal fees, liability insurance, cash overages and shortages, bad debt expenses, travel insurance and credit card commissions.

#### Marketing & Franchise Fees

Marketing expense includes direct sales expenses, advertising and promotions, travel expenses for the sales staff and civic and community projects.

Franchise Fees includes all fees charged by franchise company including royalty fees.

#### Property Operation and Maintenance

This category includes the cost of maintenance supplies, cost of repairs and maintenance of the building, furniture and equipment and the grounds.

### GROSS OPERATING PROFIT

Gross operating profit is defined as total revenue less all departmental and undistributed operating expenses.

### DEPARTMENTAL PROFIT

Departmental profit is defined as the departmental sales less the departmental costs.

#### Rooms

Room costs (payroll and expenses) divided by room revenue, expressed as a percentage.

#### Food and Beverage (F&B)

F&B costs (payroll, cost of sale and payroll) divided by F&B revenue, expressed as a percentage.

#### Other Department Profit

Other expenses would comprise of those expenses, including labour, which offset the revenue generated by items in the corresponding revenue areas.

### PROFIT BEFORE TAX

Profitability after accounting for operational costs. Profit before debt service.

### GROSS MARGIN

Gross Margin is defined as revenue less costs of sales (excluding payroll).

### COUNTRY OF ORIGIN

The country in which the booking originated in.

### CHANNEL OF BUSINESS

The distribution channel which delivered the business to the hotel.

### MARKET SEGMENT

#### Corporate / Business

Consortia, corporate direct and GDS bookings

#### Leisure

Direct individual leisure, FIT, leisure promotional rates

#### Groups

Groups delivering 10 rooms or more

#### MICE

Guests attending a meeting, incentive conference, conference or exhibition

#### Web/Internet

3<sup>rd</sup> party intermediary bookings, web direct bookings (if a promo code is given to a corporate booker these room nights should be allocated to the Corporate / Business market segment)

#### Airline

Aircrew room nights and delayed flight crew / passengers

#### Other

Room nights generated that do not pertain to the above market segments