

Hilton's Online Strategy Nets Four-Star Rating

Hotel chain uses Internet to increase sales, link to customers and cut procurement costs

Introduction

The hotel industry is about as brick-and-mortar as you can get. But Hilton Hotels wants to put to rest the idea that the world is divided between dotcom companies that understand the Internet and old-economy companies that don't.

Tony Nieves, senior VP for purchasing, and Bruce Rosenberg, senior VP for e-business and distribution, are driving the company's e-transformation. Hilton was one of the first hotels to offer bookings over the Internet and does about 30 percent of its \$1 billion annual procurement over the Web.

Hilton, which counts the ritzy Waldorf-Astoria in New York and historic Palmer House in Chicago among its 1,800 hotels worldwide, is pursuing an aggressive online strategy. The company was one of the first in its industry to offer bookings over the Internet, provides business reservation services through extranets and does about 30 percent of its \$1 billion annual procurement over the Web.

Hilton's E-commerce Service

In year 2000, Hilton announced a partnership with e-commerce service and software provider PurchasePro.com to build Hilton's next-generation procurement system and start a purchasing exchange that will be opened up to other hotel chains.

The PurchasePro.com having the name Perfect Commerce Professional Services, specializes in enterprise Supplier Relationship Management (SRM): the enterprise-wide process of establishing, negotiating and memorializing supply and supplier arrangements, executing procurement transactions and managing ongoing supplier performance. Their services span five main SRM business processes:

1. Planning, Analysis and Coordination
2. Sourcing Event Execution
3. Supplier Management
4. Procurement Execution and Compliance
5. Invoice Presentment, Reconciliation, Payment and Finance

Perfect Commerce Services are based on the essential ingredients needed to deliver immediate and sustainable results: world-class people and a proven methodology. This combination has enabled their customers to achieve break-through improvements in performance:

- Cost savings of 10-40% in less than 2 weeks
- Cycle-time reductions of up to 25-50% in sourcing process execution
- Enterprise-wide collaboration across de-centralized global organizations

Wireless Connection To Hilton

Hilton is also a pioneer in offering bookings over wireless connections. In another effort to take advantage of a recent Internet trend, Hilton is testing a Web site for access from mobile devices. While wireless access to the Web is still a niche market, Hilton expects it to become more prevalent. "You have to put the infrastructure [for wireless communications] out today," Rosenberg says. "If you're not working on it now, by the time it becomes popular, you will be too far behind."

Forrester's Harteveltdt agrees. He says only 8 percent of mobile phones today are Internet-enabled, but that is expected to rise to 97 percent by 2005. "Travel is an application that is clearly ideally suited to wireless connectivity," Harteveltdt says. For example, guests could use connections to let the hotel know they're running late, to place an advance order for room service before they arrive or to change accommodations when travel plans change.

"One of our main focuses is we want to enable the customer to do business with us in whatever medium they happen to be in," says Bruce Rosenberg, Hilton's senior vice president for e-business and distribution. "If you want to access us on a Web site, you can do it on a Web site. From a wireless device or a Palm, you can do that. Whatever channel you're in, you should be able to access Hilton."

The Hilton Wireless Reservation System allows to make reservations at any Hilton Hotel worldwide utilizing a wireless device. There is no charge to use this wireless application. The Hilton database of cities includes only cities which have major airports. Besides bookings, customers can also cancel their reservations. Also an email address is required in order to send the reservation or cancellation confirmation. Hilton Wireless Reservation System can be used via WAP/GPRS enabled cellular phones and Palms.

Hilton is doing business in a growing market. This year, 13 million households will make at least one travel purchase on the Internet. Online hotel bookings amounted to \$592 million in the first quarter of 2000 alone. Consumers are expected to spend \$11.9 billion on leisure travel online this year and will spend an estimated \$25.4 billion in 2003, according to Forrester Research Inc. Business travel services bought online are projected to increase from \$4.8 billion this year to \$15.4 billion in 2003.

Among the hospitality and travel companies in the InternetWeek 100 qualifying survey, Hilton scored high in terms of the breadth of its customer services available on the Internet, the high rate of expansion of its customer base through online activities and its use of the Internet to build revenue and cut costs.

Hospitality industry analysts give Hilton high marks on its e-business endeavors. "They've got a comprehensive effort. They are one of the leading hotel brands in how they interact with customers and do procurement using the Internet," says Forrester Research analyst Henry Hartevelt.

Gomez Advisors ranked Hilton the highest in its scorecards evaluating hotels' use of the Internet. "In general, the sense is that hotels have been rather late getting into the Internet game," says Gomez analyst Alan Alper. But Hilton has made greater strides, he says. While most hotels rely on third parties to handle online bookings, for example, Hilton has its own booking engine.

Hilton earned high scores in the Gomez report for using its Web site to build a relationship with customers, ease-of-use features, online searches and the ability to offer travelers alternatives if their first-choice accommodations don't pan out.

Branching Out

The company is extending its use of the Internet throughout its growing hotel empire. In addition to the Hilton brand, the company owns Doubletree, Embassy Suites and Hampton Inn. It has properties in 14 countries, although most of its holdings, including 20 vacation resorts, are in the United States. Hilton bought Promus Hotel Corp. for \$4 billion in 1999, more than tripling the number of hotels it owns and making it one of the four largest hotel chains worldwide.

Through its Web sites, Hilton provides customers with more information about its facilities and the surrounding areas than it can through phone interactions. The Internet thus makes it easier for Hilton to book rooms and meeting facilities, Rosenberg says.

"We believe content is crucial," Rosenberg says. "People who visit our Web site stay on the site for five or six minutes, and if they talk to us on the phone, they talk to us for less than two minutes. People want to know more about the hotel, destination, services and rooms. The online environment is less structured, and people will spend the time they think they need to spend."

In phone conversations, he says, potential guests often feel pressured to close the deal, but that pressure doesn't seem to exist online. "They know when they call us, we'll ask for their business," Rosenberg says. "But at the Web site they go at their own pace; they feel comfortable asking questions, digging deeper and have no pressure to make up their mind."

For those times when prospective guests need more help from Hilton personnel, Hilton is integrating its call center with the Web site using Push to Talk technology from eFusion Inc. If a visitor fills out a form incorrectly several times, for example, a button appears onscreen giving the option to set up a voice conversation with a call center rep. That can be over the phone--the visitor is prompted to enter a phone number and a rep calls--or via Microsoft NetMeeting, software that allows voice communication over the Web.

Hilton is also operating business-to-business extranets to communicate with companies that have contractual agreements to use Hilton facilities for business travel. Hilton's corporate customers install links to the Hilton Web site on their own intranets, and those links call up Web pages that are customized for the customer, with contractual prices and travel limitations. The extranet connections are provided to a limited number of customers. "We have a good degree of penetration in the accounts we have targeted," Rosenberg says, but he declined to provide specifics on the adoption rate.

One of the biggest benefits the extranet provides to Hilton's corporate customers is that it helps them control spending on travel. Before Internet reservations, employees booked travel on their own, and companies found it difficult to ensure that they were using approved accommodations. By providing bookings over their corporate intranets, many of Hilton's customers have improved compliance with their travel policies by making it easy for employees to book travel in the approved manner, Rosenberg says.

Company executives believe that the Web site has generated much new business. "If I have one person calling me on the phone today, there are five people on the Web site. There is almost a 4-to-1 or 5-to-1 ratio today of people interacting with Hilton online," Rosenberg says. "I don't know what those people were doing [before online booking]--calling a travel agent, maybe, looking at a guidebook--or maybe not bothering with us."

Hilton says about 98 percent of the online bookings are perfect, meaning that a customer made no claims later that Hilton had messed up a reservation. Hilton includes in the 2 percent failure rate all the people who started to make a reservation then failed to follow through and complete the transaction for whatever reason.

To help ensure accuracy, Hilton links its Web site to its central reservation system via an internally developed XML interface. The interface has been licensed by application service provider OpenGrid Inc., which builds and runs custom business travel systems for companies.

OpenGrid is the first wireless applications company to exclusively focus on the Lodging, Travel Distribution and Meetings Industries, leveraging many years of experience within the fast-growing wireless applications market. OpenGrid's leaders bring proven expertise, together with a deep knowledge of wireless technologies, travel distribution and CRM capabilities. OpenGrid's technologies allow for superior user interaction and advanced scalability. They focus on mission-critical business processes that benefit from mobility, anywhere/ anytime access and real-time information management, offering both cost savings and productivity gains. Founded in 1999 and based in San Mateo, California, OpenGrid has assembled a remarkable team with expertise in lodging, travel distribution, meetings management and mobility solutions.

OpenGrid's has developed the first true wireless hotel booking platform, Fastbook, accessible from any mobile device, with full integration capability into existing GDS, CRS or single-property PMS and Group Sales systems. Fastbook™ allows Hotels, global Travel Distribution Leaders and Travel Companies to offer their customers real-time travel reservations, loyalty program access and location based services like hotel directions, from mobile devices including Palm™, PocketPc™, RIM™ and WAP-enabled cell phones.

Buying Materials Online

Hilton also views buying materials online as critical. It began online purchasing about two years ago and provides hardware to franchisees that lack their own systems for accessing the Internet. Hilton is merging its online purchasing system with that of Promus. Before the merger, Promus was testing its own online procurement. It had national contracts for purchasing and left local properties on their own

to procure merchandise from local suppliers. Hilton is trying to provide end-to-end procurement for all of its properties and supplies, says Tony Nieves, senior vice president of purchasing.

Processing for the procurement application is handled centrally; the only functionality located at hotel sites is the Web browser. The former Promus hotels, which have no significant supply chain automation, will be automated by PurchasePro. It's XML-based, which will make it easier for Hilton to connect to suppliers' systems.

Hilton is using the Internet to build its business of renting space one night at a time in brick-and-mortar buildings. It uses the Web to increase sales, connect to its business customers and improve supply chain management. But rest assured, even though much of Hilton's business is moving online, the chocolate mints on the pillow will always be hand-delivered.

EXHIBITS

EXHIBIT 1.

HILTON FACTS



Chairman : Barron Hilton

President & CEO : Stephen F. Bollenbach

Senior Vice President : Brand Management & Marketing : Robert E. Dirks

Hilton owns, manages and franchises hotels

Hilton Grand Vacation - vacation ownership product

Hilton HHonors - Hilton's great reward program

Number of properties : 499 hotels worldwide

Number of Rooms : 147,667 rooms worldwide

Other brand facts : 98% brand awareness worldwide

72% overall guest satisfaction

Hilton Has Become And Is Synonymous For The Word "Hotel."

Conrad Hilton purchased his first hotel in Cisco, Texas back in 1919. The first hotel to carry the Hilton name was built in Dallas in 1925. In 1943, Hilton became the first "coast-to-coast" hotel chain in the United States; and in 1949, open its first hotel outside the U.S. in San Juan, Puerto Rico. Hilton went on the New York Stock Exchange in 1946, and Conrad Hilton purchased the Waldorf Astoria in 1949. Hilton has several world-renowned, marquee properties; some of which are: Beverly Hilton, Cavalieri Hilton in Rome, Hilton Athens, Hilton San Francisco, Hilton New York, Hilton Hawaiian Village, Hilton Waikoloa Village, Paris Hilton, and others.

EXHIBIT 2.

HILTON SALES TECHNOLOGY MAKES GROUP BOOKINGS EASIER FOR PLANNERS TO MANAGE

Hilton Hotels Corporation (ticker: HLT, exchange: New York Stock Exchange) News Release - 1/5/2004

Introducing The Group Reservations Identification Program Now Available At Hilton Hotels

BEVERLY HILLS, Calif., Jan. 5, 2004 --- Hilton Hotels Corporation is excited to introduce Group Reservations Identification Program (GRIP) – an innovative software application that works with the Hilton proprietary property management system called OnQ™. The ground-breaking technology allows meeting planners to access an automated cross-reference of group registration lists against hotel rooms reserved in select Hilton properties.

For meeting professionals and convention services, GRIP eliminates the tedious and labor intensive process of manually reviewing lists to identify the source of reservations made for a particular event.

According to Steven Armitage, senior vice president, sales – Hilton Hotels Corporation, “Hilton is committed to working closely with meeting professionals to help them manage the reservation process for their meeting or event.”

The GRIP reports provide detailed summaries of attendee booking activity, which can be accessed anytime after the reservation has begun through a post meeting at no charge to the planner – reducing the time-consuming process from what could have been days with the old manual process, to minutes with the fully automated and integrated GRIP.

Another major benefit of GRIP is the ability to provide accurate historical data that the planner and hotel can capture to assist in making future business decisions.

GRIP has been tested by a large number of groups who have stayed at select Hilton branded convention and resort hotels and has received rave reviews from both meeting professionals and hotel management. Over the next six weeks, the program will be installed at 25 additional Hilton convention and resort locations, including The Waldorf=Astoria®, Hilton Pittsburgh and Hilton Hawaiian Village® Beach Resort & Spa.

For more information on GRIP or a complete list of participating GRIP hotels or to book a group meeting and make reservations at any one of our Hilton Family of Hotels, contact Hilton Sales Worldwide at 1-800-321-3232 or visit www.hiltondirect.com.

EXHIBIT 3.

LIGHTWARE TO USE EFUSION'S PUSH TO TALK PRODUCT

eFusion, Inc., a Beaverton, Ore. provider of online communication services for e-commerce and Internet business, announced today that Lightware, manufacturer of affordable, lightweight LCD projectors, has adopted Push to Talk on its Web site to connect Internet users with their inside sales staff.

Push to Talk lets surfing customers initiate a phone call from a PC without interrupting their Internet session and establish an immediate call with the sales representative when talking to them over a traditional telephone connection.

October 11, 2000

© 2000 American City Business Journals Inc.

ANOTHER RADIO STATION SELECTS EFUSION SERVICE

eFusion Inc., provider of online voice communication services, announced today that News Talk 89 WLS Chicago has joined News Talk 750 KXL Portland in adopting eFusion's Push to Talk (PtT)(TM) service, enabling the talk radio station's Web-based audience to contact the station through a phone call initiated from their Web site, <http://www.wlsam.com>.

Using the Push to Talk button on the WLS Web site, listeners can now interact with talk show hosts or leave comments for station management without having to disconnect from the Internet. This new channel of communication will improve audience loyalty and increase the geographic reach of WLS in a way that was once impossible.

"As more and more radio stations are establishing an online presence, they're facing new challenges. People can enjoy our content online, but they haven't been able to participate easily in real-time as they are accustomed to, with stations in their local area," says Mike Elder, WLS Station Manager.

"Push to Talk lets listeners from anywhere communicate with us -- bringing the audience and the hosts together. It also enhances communication between our sales reps and our advertising customers."

September 26, 2000

© 2000 American City Business Journals Inc.

All contents of this site © American City Business Journals Inc. All rights reserved.

EXHIBIT 4.

OPENGRID INC.

Partners

OpenGrid focuses on creating strong partnerships with customers. To deliver complete wireless solutions to the hospitality industry, OpenGrid's wide-reaching relationships extend to hotels, CRS (central reservation systems) and GDS (global distribution systems) companies, wireless device manufacturers, wireless carriers, and location-based service companies. Some of OpenGrid's partners, customers and companies we work closely with include:

- Hilton Hotels
- Pegasus
- Wizcom
- Palm
- Microsoft (Pocket PC Division)
- AT&T Wireless
- Motorola
- Ericsson

Products & Services

As mobile devices become more pervasive and wireless data networks continue to expand, enterprise mobility moves from a nice-to-have to a strategic necessity. OpenGrid's wireless reservation platform helps Lodging and Travel Distribution companies gain competitive advantage, improve operational efficiencies and build customer communications and loyalty. We build proprietary, enterprise-level, mobile booking and transaction solutions that integrate with your existing systems for seamless, effective wireless communication. With OpenGrid's solutions, hotels have another touch point to their customers, can improve customer loyalty and ultimately increase bookings. Let OpenGrid help you move into the new frontier of wireless.

FastBook

FastBook, a transaction-based wireless platform, enables hotels and hospitality companies to extend their online hotel database and booking engine to mobile devices. Utilizing FastBook, your customers are able to: view hotel description and contact information; make, change or cancel reservations; access their loyalty account; or find driving directions--all from their mobile devices. Hilton Hotels is already using FastBook technology to power its wireless reservations, with more companies to follow.

Wireless Data

Why wireless now? Industry trends continue to predict steady growth in mobile data usage, and staying ahead of the competition is key in this economic climate. OpenGrid's FastBook solution gives lodging and travel professionals the tools they need to tap into this emerging market. Here are just a few statistics to consider:

- Mobile travel services, including bookings and flight updates from mobile phones and PDAs, will increase to 22 million by 2004.
- There will be 23 million wireless data subscribers by the end of 2003, growing to 129 million by 2006. Wireless data revenue will grow from \$70 million this year to \$5.8 billion in that period. (The Yankee Group)
- Close to 1.3 billion subscribers will be on second and third generation (newest, fastest speeds, etc.) wireless systems by 2005. (All Net Devices)



System Overview of FastBook

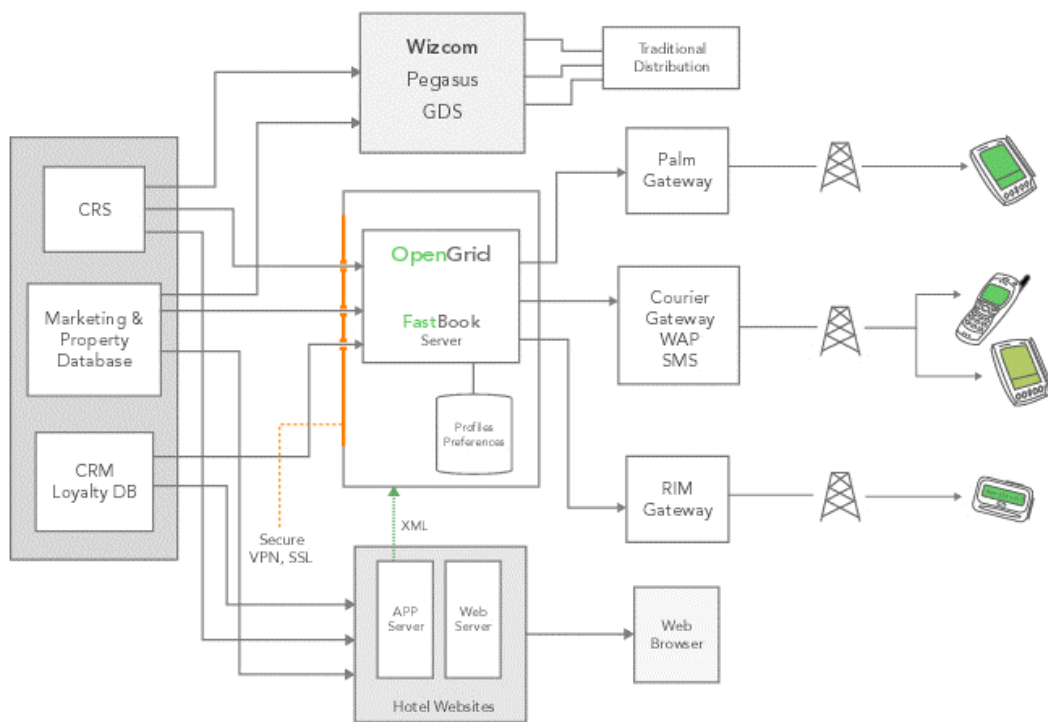


EXHIBIT 5.

PERFECT COMMERCE INC.

Company Overview

Perfect Commerce delivers leading On-Demand Supplier Relationship Management (SRM) solutions and the Open Supplier Network™ (OSN™). Perfect Commerce has more than 115 Global 2000 clients, 150,000 users and 7,500 suppliers. Perfect Commerce is focused on maximizing the buyer - supplier relationship and has enabled large volumes of transactions and savings for its clients. In the first half of 2003, the company's consolidated purchasing volume exceeded 1.8 million transactions, with dollar volumes reaching nearly \$1.9 billion. The company's solutions have helped customers reduce costs by more than 15 percent, compress cycle time by up to 75 percent and significantly enhance the buyer - supplier relationship. Headquartered in the metropolitan area of Kansas City, Missouri, Perfect Commerce can be reached by phone at 888-726-8848 or via the Internet at www.perfect.com.

Market Overview

Supplier Relationship Management SRM is a large and high-growth market driven by the need for enterprises to more efficiently manage the financial and operational impact of their supply base on their top and bottom lines. Perfect Commerce provides an On-Demand SRM offering that includes all the tools necessary to meet this need. Perfect Commerce solutions combine everything from spend analysis, sourcing and purchasing, to invoicing, payment and finance, all connected to the Open Supplier Network. Our On-Demand delivery model provides outside-the-firewall applications and services that deliver immediate efficiencies to companies of all sizes when they need them.

Solutions Overview

The Open Supplier Network enables access to thousands of fully connected suppliers and maintains over 21 million catalogue items in Catalogue Manager. The OSN addresses key supplier network functionality requirements, including transaction management, catalogue management, and supplier enablement. Connect Manager enables any of the PerfectSource, PerfectProcure and PerfectFinance solutions or any other purchasing and procurement applications to connect to the OSN.

PerfectSource addresses key enterprise-sourcing functions with an integrated suite of modules, including Event Manager, Contract Manager and Scorecard Manager. Users identify new savings opportunities with Event Manager, monitor savings with Contract Manager, and ensure savings and supplier performance with Scorecard Manager. Combined, these modules allow sourcing managers to rapidly simplify and find savings in the sourcing process, easily locating suppliers, direct or indirect goods and services, and the lowest total cost of purchase. PerfectSource rapidly automates the sourcing process from events to contracts to results. In concert with your existing procurement and ERP systems, PerfectSource brings speed, visibility and control to the purchase order process and enables new levels of supplier performance management.

PerfectProcure addresses key enterprise-procurement functions with an integrated suite of modules, including Procurement Manager and Search Manager. Together, these solutions enable control of spending and rapid automation of the purchase-to-pay process. Complementing existing purchasing and ERP systems, PerfectProcure brings speed, visibility and control to the procurement process.

PerfectFinance addresses key finance management requirements with an integrated suite of modules, including Invoice Manager and Payment Manager. PerfectFinance facilitates the finance process from invoice delivery and matching, to invoice approval and payment. Complementing existing

purchasing and ERP systems, PerfectFinance brings a new level of visibility and control to the management of the invoicing and payment functions.

Perfect Commerce Professional Services can be brought to bear immediately to implement the Perfect Commerce solution suite or to advance your existing Supplier Relationship Management initiatives. We will tailor a program specifically designed to meet your unique needs.

PerfectAccelerator enables the creation of shareholder value through world-class supply management practices. PerfectAccelerator transforms supply management objectives into day-to-day business reality. PerfectAccelerator allows organizations to identify and assemble the appropriate mix of people, streamlined processes and enabling technology to achieve their supply management objectives. Too often, organizations throw technology at a problem with the expectation that the fact of the investment is sufficient to ensure success. At Perfect Commerce, we recognize that technology is an enabler of world-class processes - not a solution in and of itself. PerfectAccelerator involves a two-phase project designed to transform strategic objectives into supply management results.

Perfect Commerce Operations provides these solutions to customers in a secure and stable environment and has built world-class methodologies and procedures. Perfect Commerce was one of the first e-business services providers to achieve level 2 certification of the Software Engineering Institute's Capability Maturity Model (CMM). The Perfect Commerce operation environment is owned and managed by the company, whose partners and technology represent the best-of-class in e-business solutions. Perfect Commerce has extensive experience and operational capabilities that are unmatched by any other e-purchasing systems provider in North America.

Customer Overview

Perfect Commerce customers use our solutions to source and procure everything from direct and indirect goods to services and capital equipment. Our customers routinely realize the following results:

- An average of 15 - 20% immediate hard-dollar cost savings
- An additional 10 - 15% soft-dollar savings
- Increased value from suppliers
- Reduced sourcing cycle times of 25 - 50%
- 100% visibility into all sourcing and procurement decisions
- Best practices deployed globally
- Improved supplier relationships with higher product and service quality

We are proud to include among our 115 Global 2000 clients such leading companies as: America West Airlines, Interstate Bakeries Corporation, Bayer, Bechtel, Bell South, Eli Lilly, ITT, Northrop Grumman, FMC Technologies, Aquila, Behr, Honeywell, Owens Corning, Smurfit-Stone Container Corporation, Sun Trust Banks, UMB Bank, American Italian Pasta Company and National Bank of Canada.

Management Overview

The company's experienced management team has a strong background in web-based enterprise software, banking and finance, and supply chain management.

- Sandy Kemper - Chairman & CEO
- James McCormick - President & COO
- Andrew Mies - CFO
- Ian Sullivan - VP Product Strategy & Business Development
- Edward Foster - VP, General Counsel
- Greg Mark - VP Sales & Account Management
- William Graff - VP, Operations



EXHIBIT 6.

HILTON HOTELS CORPORATION U.S. Owned Statistics ⁽¹⁾

	Three Months Ended September 30			Nine Months Ended September 30		
	2001	2002	%/pt Change	2001	2002	%/pt Change
<u>Hilton</u>						
Occupancy	71.1 %	74.5 %	3.4 pts	73.0 %	72.8 %	(0.2) pts
Average Rate	\$ 153.06	\$ 147.68	(3.5) %	\$ 165.40	\$ 154.66	(6.5) %
RevPAR	\$ 108.81	\$ 110.07	1.2 %	\$ 120.78	\$ 112.60	(6.8) %
<u>All Other</u>						
Occupancy	64.9 %	69.3 %	4.4 pts	68.6 %	68.2 %	(0.4) pts
Average Rate	\$ 109.50	\$ 105.54	(3.6) %	\$ 116.03	\$ 107.81	(7.1) %
RevPAR	\$ 71.07	\$ 73.16	2.9 %	\$ 79.62	\$ 73.57	(7.6) %
<u>Total</u>						
Occupancy	70.1 %	73.7 %	3.6 pts	72.3 %	72.0 %	(0.3) pts
Average Rate	\$ 146.51	\$ 141.13	(3.7) %	\$ 157.77	\$ 147.34	(6.6) %
RevPAR	\$ 102.69	\$ 103.97	1.2 %	\$ 114.08	\$ 106.16	(6.9) %

(1) Statistics are for comparable hotels, and include only those hotels in the system as of September 30, 2002 and owned by us since January 1, 2001.

HILTON HOTELS CORPORATION
U.S. Owned Statistics ⁽¹⁾

	Three Months Ended December 31			Twelve Months Ended December 31		
	2001	2002	%/pt Change	2001	2002	%/pt Change
<u>Hilton</u>						
Occupancy	61.7 %	69.3 %	7.6 pts	70.2 %	71.9 %	1.7 pts
Average Rate	\$ 157.84	\$ 160.73	1.8 %	\$ 163.71	\$ 156.13	(4.6) %
RevPAR	\$ 97.45	\$ 111.38	14.3 %	\$ 114.87	\$ 112.29	(2.2) %
<u>All Other</u>						
Occupancy	59.3 %	63.3 %	4.0 pts	66.2 %	67.0 %	0.8 pts
Average Rate	\$ 104.49	\$ 102.31	(2.1) %	\$ 113.38	\$ 106.50	(6.1) %
RevPAR	\$ 61.93	\$ 64.72	4.5 %	\$ 75.07	\$ 71.34	(5.0) %
<u>Total</u>						
Occupancy	61.3 %	68.3 %	7.0 pts	69.5 %	71.1 %	1.6 pts
Average Rate	\$ 149.33	\$ 151.76	1.6 %	\$ 155.88	\$ 148.41	(4.8) %
RevPAR	\$ 91.59	\$ 103.65	13.2 %	\$ 108.37	\$ 105.53	(2.6) %

(1) Statistics are for comparable hotels, and include only those hotels in the system as of December 31, 2002 and owned by us since January 1, 2001.

REFERENCES

- <http://www.purchasepro.com>
- <http://www.opengrid.com>
- <http://www.hilton.com>
- <http://www.e-fusion.net>