Information sectorielle : quelle place dans les rapports des analystes financiers ? Une étude empirique du secteur hôtelier international

Résumé

Notre recherche propose d'identifier comment les analystes se réfèrent à l'information sectorielle publiée par les groupes et quelle place occupe l'information sectorielle dans leurs modèles financiers. Nombreuses sont les recherches qui se fondent sur l'analyse des consensus, peu s'intéressent au contenu réel des rapports réalisés par les analystes. Nous avons déterminé les références faites à l'information sectorielle tant obligatoire que volontaire au sein des rapports rédigés en 2006 par les analystes financiers des groupes hôteliers internationaux publiant selon la norme SFAS 131 et IAS 14. Nous avons aussi observé si les rapports des analystes financiers présentaient des modèles de prévisions ou de valorisations construits selon une base sectorielle. Nos résultats montrent que les analystes financiers se réfèrent très massivement à l'information sectorielle, qu'il s'agisse de l'information normalisée ou d'une information volontaire. Plus spécifiquement, si elle est disponible, l'information géographique sectorielle est très souvent utilisée. Toutefois, l'approche sectorielle demeure occasionnelle dans les modèles utilisés pour argumenter les prévisions ou les valorisations ; l'approche selon les « secteurs d'activité » étant alors privilégiée. La pertinence des résultats obtenus d'après une approche sectorielle dans les modèles financiers pourra faire l'objet d'une recherche future. La récente adoption de la norme IFRS 8, convergence des référentiels IFRS et US GAAP, pourrait bien aussi impacter les outils de modélisation utilisés par les analystes.

Mots clés :

Information sectorielle, analystes financiers, groupes hôteliers

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How do financial analysts refer to segment information? An empirical study within the international hotel industry

Abstract

We address whether financial analysts dealing with international hotel groups reporting under SFAS 131 and IAS 14 refer to segment information and use segmental models in their recommendation reports. Although the analysts' forecasts through consensus are frequently analyzed, research does not often focus on the real contents of their reports. Through the reports of analysts on international hotel groups published in 2006, we picked out the references to voluntary and compulsory segment information. We also determined whether financial analysts present segmental models of forecast or valuation in their recommendation reports. We found that financial analysts widely refer to voluntary and compulsory segment information, especially to geographic segment information when reported. Segmental models of forecast or valuation are sometimes presented; mainly with LOB segmentation. Whether segmental information balances with financial choices will be confirmed by further research. The convergence between the American and international standards could impact financial analysts' models.

Key words :

Segment information, financial analysts, hotel groups

1. Introduction and Background

The objective of this study is to determine how financial analysts refer to segment information in their recommendation reports. Financial analysts are frequently considered as main stakeholders of the financial information reported by groups. Thus, it is interesting to study how financial analysts deal with the financial information through their reports. Financial analysts are particularly concerned by the consistency between internal or managerial information and external or financial information. In this way, segment information could be a good field of investigation to measure or to observe the financial information effectiveness and usefulness for the financial analysts. Recent adoption of IFRS 8 opens the way of convergence but leads also several questions about segment reporting such as the impact of non compulsory geographic disclosure or the reality of managerial reporting in the financial information. We decided to keep a comparison between both standards, US GAAP and IFRS during the year 2006, after the adoption of IFRS by European groups but before the convergence between IAS 14 and SFAS 131. This study supplements a prior research focused on the practices of segment information within the hotel industry between 2004 and 2006.
The principal contribution of this descriptive study is to compare the reference and the use of segment information by financial analysts worldwide dealing with both accounting standards within the same industry. The study is different from previous ones to the extent that it deals with the content of reports when most studies focus on the consensus aggregated from financial analysts' forecasts. We assume that the identification of the real use of segment information by analysts should moderate the statistic relation between the evolution of a standard and the improvement of the consensus.

Segment information research is mainly focused on segment disclosure practices (Gray, 1978; Gray & Radebaugh, 1984) and on segmental reporting determinants such as country of domicile, firm size or exchange listing (Herrmann & Thomas, 1996) or such as competitive structure of the industry (Tsakumis, Doupnik, & Seese, 2006). The enforcement of the standards (transition from SFAS 14 to SFAS 131, from IAS 14 to IAS 14 Revisited…) and the convergence effort between US GAAP and IFRS question accounting researchers about the real improvement of segmental reporting worldwide. Mainly, segment information disclosure has improved for several years (greater number of Lines of Business – LOB; better geographic information; better transparency) thanks to US GAAP enforcement and to IFRS enforcement. Transition from SFAS 14 to SFAS 131 led to an improvement of Lines of Business (LOB) and geographic segments disclosures (Doupnik & Seese, 2001). Street & Al. (2000), using descriptive statistics, showed that the adoption of SFAS 131 conducted to a greater number of LOB segments reported, to more meaningful and transparent geographic groupings (Street, Nichols, & Gray, 2000). Adoption of SFAS 131 resulted in more information disaggregation and induced firms to reveal information about their diversification strategies (Berger & Hann, 2003). According to several authors, the adoption of the IAS 14R has improved segment information under IAS (greater number of LOB segments reported, more meaningful and transparent geographic groupings, more items of information about each LOB and/or geographic segment) but the compliance with IAS 14R is still imperfect (Street & Nichols, 2002) ; (Prather-Kinsey & Meek, 2004).

The differences between SFAS 131 and IAS 14 and more recently, the convergence between SFAS 131 and IFRS 8 raise some fundamental issues at stake. The management approach of the segment information reported under SFAS 131 and now IFRS 8 seems to be better even if managers persist to aggregate segments in some conditions (Nichols & Street, 2007; Paul & Largay III, 2005). Where IAS 14 compelled firms to report geographic segment disclosures, SFAS 131 and IFRS 8 are much more flexible. Despite the efforts of accounting researchers and regulators to encourage geographic segment reporting, such information is still poorly reported. Geographic segment reporting of quality improves forecasts (Behn, Nichols, & Street, 2002; Herrmann, 1996). One of the issues at stake remains the consistency between the segment information "audited" (reported in the notes of the financial statements) and other sources of segment information (management reports and presentations…) (Schipper, 2007).

Few papers deal with segment information within an industry. One paper determines ways of bank industry segment information improvement (Homölle, 2003). This paper does not assess the practices of the companies. Link evaluated the potential consistencies existing between the segment disclosures of eight US banks and concluded to a poor uniformity (Link, 2003).

Taken as a whole the accuracy of analysts' forecasts is linked to the level of annual report disclosure and the degree of enforcement of accounting standards (Hope, 2003). Concerning segment disclosures, it has been known for a long time that financial analysts are looking for qualitative and quantitative segment information reported by firms (Backer, 1971). Most researches focus on the improvement of the quantitative output of financial analysts: the forecasts. The enforcement of the standards concerning segment reporting approach and LOB segment reporting is usually linked to an improvement of the financial forecasts. Baldwin demonstrated that the implementation of the SEC's line-of-business disclosure requirements that became effective in 1971 generated a decrease in analysts' forecasts errors (Baldwin, 1984). In this study Baldwin analyzed the analysts' forecasts extracted from Value Line for 188 firms and measured the errors between estimate and actual performance. Analysts' forecasts accuracy was also positively impacted by the adoption of SFAS 14. Lobo & Kwon (1998), analyzing a sample of 76 Pre-SFAS14 and Post-SFAS 14, find an increase in the analysts' forecasts accuracy (Lobo & Kwon, 1998). As SFAS 131 is the first standard to specifically address financial analysts' complaints (Botosan & Stanford, 2005), its adoption is a point that is worth thinking about. Consequently similar methodology was adopted to assess the impact of the adoption of SFAS 131 on forecasts accuracy of 25 early adopters firms (Alliouallа & Laurin, 2002).
A Pre-SFAS 131 and Post-SFAS 131 research (21,698 firm-years observations) also demonstrates a positive impact of SFAS 131 on the forward earnings response coefficient (FERC - association between current-year returns and next-year earnings) (Ettredge, Soo Young, Smith, & Zarowin, 2005). Pre / Post SFAS 131 research was also conducted over 177 firms in order to estimate its impact on foreign earnings pricing (Hope, Kang, Thomas, & Vasvari, 2008). The authors "find strong evidence that the introduction of the standard is positively associated with the pricing of foreign earnings". Geographic segment disclosures also tend to impact market valuation (Thomas, 2000) or to improve financial forecasts especially if such disclosures are qualitative (Seese & Doupnik, 2003).
However the relation between segment information and financial analysts' outputs is still discussed. Some authors demonstrate that nondisclosure of geographic earnings has no effect on analysts' forecasts accuracy (Hope, Thomas, & Winterbotham, 2006). Then the relevance of segment information for financial analysts is not fully proved. Most of these studies are mainly built upon regressions based on the analysis of the consensus edited by data bases such as IBES.

As a large theoretical literature does not explain fully the practical usage of financial information by analyst some authors adopt a qualitative approach in order to identify the behaviour of financial analysts and their real need for financial information. During interviews, case situations or questionnaire surveys, analysts expressed their need for annual reports (Vergoossen, 1993), their need for accounting normalisation (Saghroun, 2003), their quest for segment information when they analyse a firm with different lines of business (Bouwman, Frishkoff, & Frishkoff, 1995; Day, 1986) and their sensitivity to managerial segment information (Maines, McDaniel, & Harris, 1997). Analysts use annual reports but also pay attention to other sources of information such as directors' reports, industry statistics, press releases.

Finance and accounting researchers begin to work upon recommendation reports written by financial analysts in order to understand how "the machine runs inside", what are the models used by financial analysts. The study of 103 recommendation reports demonstrates how analysts use target prices as justifications for their for their stock recommendations (Bradshaw, 2002). The content analysis of the reports can also bring valuable information about valuation practices (Demirakos, Strong, & Walker, 2004) and analysts' needs for financial information such as for non financial information (Previts, Bricker, Robinson, & Young, 1994).

We decided to analyse how financial analysts refer to voluntary and compulsory segment information through their recommendation reports. We decided to focus on the international hospitality industry. This industry is very concentrated and proposes comparable management indicators through the wide spread Uniform System of Accounts for the Lodging Industry among international hotel groups. We presumed that this qualitative information must concern financial analysts.

2. Research Questions

To the best of our knowledge, few studies deal with the contents of financial analysts' reports regarding segment reporting and voluntary disclosures. Our research focuses principally on the study of these.
The first objective of our research is to determine whether financial analysts' reports dealing with international hotel groups refer to segment information, which can use Lines Of Business segmentation (called LOB segmentation) or geographic segmentation. The research question we ask is as follows:
(Q1) Do financial analysts refer to segment information, given by the segment information note to either financial statements (standard information) or by any other source (voluntary segment information, not contained in the standard notes to financial statements)? The underlying core question deals with the type of segmentation: Is it "audited" segmentation, segmentation used in the note to financial statements, or is it voluntary segmentation used either outside the notes in the annual report or in other financial documents? We assume that in case the report refers to segment information, this means that the analyst who wrote the report is inclined to use that information. Moreover, if the disclosed information is different from that used in the note to financial statements, this means either that the financial analyst has reprocessed the information or that the financial analyst has access to other information sources.

The second objective is to measure the use of indicators that are specific to the hotel industry in financial analysts' reports. These indicators usually allow measuring and comparing each group's performance.
(Q2) Do financial analysts use indicators that are specific to the hotel sector in their report?
It was also interesting for us to process this observation with the type of segmentation used when there is a segmental one.
Finally, it is essential to look at whether financial analysts' reports show segment financial elements worked out by financial analysts themselves. We have focused on three main elements: reference to segmental ratios, reference to segmental financial forecasts and reference to segmental group valuation.
(Q3) What do financial analysts use in their analysis, their forecasts or their evaluation? LOB segmentation or geographic segmentation? If they do, it is also interesting to determine whether the segmentation used comes from the segmentation found in the segment information note to the financial statements or not.

3. Sample and Methodology

The study has been conducted based on English and French financial analysts' reports extracted from the Thomson Database (Thomson One Banker) regarding the fourteen (14) American hotel groups (US GAAP) and European hotel groups (IFRS) (Appendix 1).

3.1. Hotel groups :

The hotel industry, as a part of the tourism industry, benefits from the global growth of tourism in 2004. The global turnover was 4 trillion euros. "The world hotel accommodation capacity worked out to close to 17 million rooms in 2004" and "Europe, the leading tourism area in the world, had 34% of total hotel accommodation capacities, coming far ahead of North America (28%) and Asia (23%)" (XERFI-IMA, 2005).
The hotel industry is lead by a few number of big international hotel groups, integrated and franchised groups. Small independent hotel companies are the most numerous (2 rooms out of 3) but hardly compete with international hotel groups. Independent hotels must join a network in order to survive the competition and to enjoy the benefits of such a network: advertising, reputation, booking centre, management tools… (Best Western is a good example of hotel network worldwide).

The hotel industry is now concentrated in North America and Europe. International hotel groups are redeploying over areas with high growth potential. Asia presents the highest potential due to social and economic development and due to tourism growth, especially with the hosting of the Olympic Games in 2008. Another common attitude in hotel groups management is the sale of real assets. Hotel groups benefit from the global growth of real estate prices enabling them to finance their strong development in high potential areas. The development is mainly based on franchising structures (57% of chain hotels were franchised in 2004) allowing to hotel group concentrate on their core competence: hotel management.
We see in Appendix 1 that American hotel groups dominate the industry.

Potential sample hotel groups were identified from a cross selection of different data bases or rankings of year 2005. InFinancials data base gave us a first potential sample (the lists were obtained from the following request: ICB Classification, -, reference HOTELS). We crossed the results from InFinancials with a Datastream request.
We wanted to have a representative sample of international hotel groups. We decided to complete the sample selection by analysing the rankings of MKG Consulting. MKG Consulting is an international consulting group specialised in hotel management. Their worldwide data base is now a reference (40 000 hotels, 2.2 million rooms…) and supplies different rankings. The rankings are based on the economic size, the numbers of hotels, the number of rooms. We especially analysed the international and European rankings (MKG-Consulting, 2005a, 2005b, 2005c) in which the smallest hotel groups appear.
We selected international hotel groups financial information under US GAAP and/or IFRS. Hotel groups were deleted if they didn't comply with US GAAP or IFRS (some companies report under other GAAP), if they didn't report financial information directly (for example private companies, hotel groups linked to investment funds), or if they represent a hotel network (such as Best Western).

The final sample is made up of fourteen (14) international hotel groups. Six (6) companies comply with US GAAP and eight (8) companies comply with IFRS.
The small size of the sample is mainly linked to the concentration of the hotel industry. The first six hotel groups accounts for more than 80 % of the total number of rooms and more than 85% of the sales revenue (except TUI, a German tourism specialist).
The hotel groups selected are concentrated on the hotel management competence. The average hotel income (in these companies) represents more than 75% of the total income. The most diversified companies of the sample are TUI, SAS (which has split in 2006 its hotel activities –The Rezidor Hotel Group - from their travel activities) and Cendant Corporation (which has split in 2006 its hotel activities – Wyndham Worldwide - from their real estate activities).

The size of the sample leads essentially to descriptive statistics.

3.2. Financial analysts' reports

The research focuses on financial analysts' reports published in 2006. The first selection criterion was thus the release date of the report: between January the 1st, 2006 and December the 31st, 2006. The published reports deal with data results from 2005. Table 1 shows the gross number of financial analysts' reports given by the database (1st column). Some reports appear twice, others are an update of one report several days later, and other reports are accessible no longer on the database…Also, in spite of the high number of reports "extracted" by Thomson, we have not retained all of them for this study. Moreover, we have established some complementary criteria.

The second selection criterion is the number of pages of the report. We wanted to study the reports with the highest number of pages, the minimum number being five. Generally, reports with very few pages are mostly "informative" and "reactive" reports: they exclusively deal with the latest information and only deliver an update on the forecasts. The average number of pages of our sample reports is 18 pages (Table 2).

The third selection criterion concerns the content of the report. The reports that give an analysis and provisional information and figures have been retained (the ones with at least earning forecasts). The reports that only give an update have been excluded.
Finally, we have retained the reports which come from the most important financial companies. Those reports given by Thomson show that only a company profile have been excluded, as well.

Table 1: Sample

	Gross Number of reports	Gross Number of Reports with number of pages >4	Gross Number of Reports with number of pages >9	Sample	Sample % of gross total
IFRS Sample					
Intercontinental Hotels Group	101	51	18	9	8.9%
NH Hoteles	36	13	8	4	11.1%
Whitbread	40	18	12	3	7.5%
Millenium and Copthorne Hotels	15	8	3	2	13.3%
SAS Groups - Rezidor	40	35	16	4	10.0%
Accor	82	24	12	5	6.1%
Sol Melia	28	15	9	9	32.1%
TUI	65	38	14	6	9.2%
IFRS Total	***407***	***202***	***92***	***42***	***10.3%***
US GAAP Sample					
Interstate Hotels and Resorts	32	27	7	1	3.1%
Cendant Corporation (Wyndham)	34	20	8	1	2.9%
Marriott International	130	46	24	4	3.1%
Choice Hotels International	51	27	16	3	5.9%
Hilton Hotels Corporation	117	35	16	7	6.0%
Starwood Hotels and Resorts	127	68	30	6	4.7%
US GAAP Total	***491***	***223***	***101***	***22***	***4.5%***
TOTAL	***898***	***425***	***193***	***64***	***7.1%***

Table 2: Number of pages of the sample reports

Standard	Company	Mean	Minimum	Maximum
IFRS	Intercontinental Hotels Group	23.22	11	55
	NH Hoteles	19.25	11	36
	Whitbread	20.67	12	27
	Millenium and Copthorne Hotels	9.50	8	11
	SAS Group (Rezidor)	24.75	11	40
	Accor	24.40	10	44
	Sol Melia	13.67	7	35
	TUI	13.00	7	24
	Total	18.79	7	55
US GAAP	Interstate Hotels and Resorts	16.00	16	16
	Cendant Corporation (Wyndham)	14.00	14	14
	Marriott International	13.50	11	17
	Choice Hotels International	15.67	10	19
	Hilton Hotels Corporation	14.57	10	27
	Starwood Hotels and Resorts	26.17	8	74
	Total	17.73	8	74

The final sample consists of forty two (42) financial analysts' reports regarding European hotel groups and twenty two (22) financial analysts' reports regarding American groups. As a consequence, there are sixty four (64) reports, published in 2006 that deal with hotel groups. Demirakos & Al. analyzed 104 analysts' reports of 26 UK listed companies from various industries (Demirakos et al., 2004).

The sample deals with seventeen (17) different European or American financial institutions (Appendix 2). Eleven (11) financial institutions only for the IFRS sample and three (3) only for the US GAAP sample. Among those financial institutions, only three are on both samples IFRS and US GAAP (they are CIBC, Deutsche Bank and Jefferies). Indeed, among the institutions that have been retained by the Thomson database, few publish complete reports about several international groups. Those financial institutions are firms of greatest importance in firms' valuation. This result is consistent with prior research (Barker, 1999).
The financial institutions retained in our sample come from seven (7) different countries, but they are mainly American and British (Appendix 3).
The retained reports have been written by thirty three (33) teams composed of fifty one (51) analysts (Appendix 4). We can note that those financial analysts are specialized in the sector: the same names come up several times. Only four (4) analysts of the sample appear on both IFRS firms' reports and US GAAP firms' reports. It is to be said that the Sol Melia group is slightly over represented. In 2006, several complete reports have been published about the Sol Melia group, in particular by Kepler.
Proportionally fewer reports about American groups have been retained.

The study is mainly qualitative and rests on the reading of the financial analysts' reports selected. When reading them, we have selected different variables.

- Reference to segment information

Several variables allow determining whether the reports refer to segment information or not. It is also interesting to describe the segmentation type that has been chosen.
First of all, we have compared the segmentation used in the financial analysts' reports (LOB segmentation or geographic segmentation) with the segmentation used in the segment information notes to financial statements. There are three different situations:

- the segmentation of financial analysts' reports is the same as the one in the note
- the segmentation of the reports is more accurate or detailed
- the segmentation of analysts' reports is completely different

In the two latter situations, the financial analysts have used segment information found outside financial statements.
In their "outside notes" communication, international hotel groups often refer to segmentations based on the management type (ownership), on brands or with a market approach. As a consequence, we have tried to check whether such segmentations were used in financial analysts' reports.

- Reference to indicators specific to the hotel industry

Like every industry, the hotel industry has specific indicators that allow measuring and comparing better the performances of each group. Those indicators are often communicated by the groups themselves, generally in the form of voluntary information and sometimes in a segment format.
The indicators chosen in our study are the same as the ones we have studied before:

Commercial performance and profitability indicators:

- Revenue per available room (RevPAR): this is a central indicator of commercial performance. It is composed of both performance in terms of occupancy and performance in terms of revenue per rented room.
- Occupancy rate: this is the ability to "fill" as much as possible the hotel capacity.
- Average daily rate per rented room: this is the optimisation of income per rented room.
- Gross profit (EBITDAR): this is the capacity to make an operational margin before imputation of occupation costs (financial result, rents and lease credits, depreciation and amortisation).

Those indicators are clearly influenced by the standing of service delivered, by the location, the competitive exposition…So the indicators perfectly lend themselves to a segment study.
We have then determined whether those indicators were given in the financial analysts' reports, but we have also and especially checked whether there was a reference to a segmentation (using LOB segmentation or geographic segmentation) when the indicators were shown.
The segmentation used for those indicators has also been compared to the segmentations used in the segment information note to financial statements.

The reference to volume indicators (number of rooms, number of hotels, number of projects…) has been studied in one single point: reference or absence of volume indicators.

- Segmental Forecasts and Valuations

Financial analysts' reports are often aimed at adjusting the set objectives performances of the group in consideration. We have then retained in our sample the reports showing financial forecasts. We wanted to determine whether the groups' forecasts and valuation given by the financial analysts were segmental (using LOB segmentation or geographic segmentation).
If so, this segmentation and the one used in the segment information note to financial statements have been processed.

The observed indicators are the following:

- Financial ratios: do financial analysts refer to segmental financial ratios?
- Revenue forecasts

- Earnings forecasts: in this case, the "earnings" concept in broaden to the intermediate earnings (EBITDAR, EBITDA, EBIT)
- Group valuation: is the group valuation carried out in the segmental way (using LOB segmentation or geographic segmentation)?

4. Results and Comments

All the financial analysts' reports refer to segmental data (appendix 5), be it taken from the segment information note (standard information) or not (information not contained in the note). As a consequence, it can be deduced that financial analysts appropriate published segmental information to put into their reports. This result is consistent with prior researches dealing with analysts' behaviour regarding financial information. Reference to LOB segmentation prevails in many reports while reference to geographic segment information remains poor.

All our sample's financial analysts' reports refer to LOB segmentation (appendix 5). Nevertheless, the results clearly differ, be it the IFRS sample or the US GAAP sample.

As far as the IFRS sample is concerned, analysts largely refer to LOB segmentation found in the segment information note to financial statements (40 reports refer to the "audited" segmentation). So there is almost no reprocessing of the offered segmentation. This can be explained in different ways. The segment information given by financial statements is accurate and complete enough (cf. paper n°1). European hotel groups communicate little additional voluntary "outside the note" segmental information with a different activity segmentation.

As far as the US GAAP sample is concerned, we can note that the financial analysts reprocess the offered segmentation or even use a different segmentation (20 reports refer to the same segmentation or reprocessed segmentation). Indeed, American groups give in the segment information note to financial statements segmental information that is not much developed, but more weighty voluntary information outside the note. Financial analysts are more "tempted" to process segmental information coming from different sources. This result confirm one of the main conclusions of Previts & Al. (1994) who note that "analysts disaggregate company performance into a greater number of operating units (segments) than required under Generally Accepted Accounting Principles (GAAP)" (Previts et al., 1994).
For some analysts this is the real value of their work. They have their own sources of information that really value the financial information reported by the firm.

Reference to geographic information is more developed in the European sample than in the American one (appendix 5).

Concerning the European sample, 11 reports do not refer to any geographic segmentation. Most of the remaining ones use the same geographic segmentation as the one found in the segment information note to the financial statements. We had already noticed that European groups published more geographic segment information within their financial statements than American groups. This encourages financial analysts to use this geographic segment information as it is available. Let's note that this concerns the biggest groups, like Intercontinental whose first segmentation level that can be found in its financial statements is the geographic one.

Only 5 financial analysts' reports dealing with American groups refer to a geographic segmentation. This concerns two big groups, Hilton and Starwood. American groups publish much less standard or voluntary geographic segment information.

Those results confirm that when geographic segment information is available, it is inserted by the financial analysts.

To the same extent, when ownership-type segment information is available, it is widely used by the financial analysts (appendix 6).

In 2005, five (5) European hotel groups (out of the 8 groups that have been retained in our sample) published ownership-type segment information. For 4 of them, the financial analysts have used this ownership-type segment information in their report.
In the same year, all American groups published ownership-type segment information. We can note that this information is used by the financial analysts only when the information has an economic meaning. Indeed both Choice group, which has been created mostly with a franchise, and Cendant group, which has several activities that are not specific to the hotel industry, did not generate an ownership-type segment presentation by the financial analysts.

Some financial analysts' reports refer to brands segmentation when this information is available (appendix 7).
This is especially visible with the European sample: we note that reference to brands segmentation is frequent when the group publishes this type of information.
All American groups communicate using brands segmentation. 14 reports out of the 22 studied ones refer to that type of segmentation.

Reference to market segmentation (appendix 8) demonstrates that some analysts refer to it whereas this segmentation is not presented in the group's annual report. This presumes that the analysts take information in other sources (presentations to analysts…).
In general, there are few references to this type of segmentation in the financial analysts' reports. Segmentation may be more difficult to compare between different companies, and the brands approach can seem more efficient since it is often used by consulting firms.

Reference to industry indicators is mainly focused on the RevPAR indicator, reference to other industry indicators appears secondary.

Most financial analysts refer to RevPAR when this information is available (Table 3). This is the case when the hotel "specialization" is strong. In the European sample, both groups SAS and TUI do not communicate a lot about that purely hotel-related indicator. American analysts' reports almost always refer to that indicator.

Table 3: reference to RevPAR

Standard				Reference to RevPAR		
				Yes	No	Total
IFRS	Company	Intercontinental Hotels Group	Count	7	2	9
			% within Company	77.8%	22.2%	100.0%
		NH Hoteles	Count	4		4
			% within Company	100.0%	.0%	100.0%
		Whitbread	Count	1	2	3
			% within Company	33.3%	66.7%	100.0%
		Millenium and Copthorne Hotels	Count	1	1	2
			% within Company	50.0%	50.0%	100.0%
		SAS Group (Rezidor)	Count	1	3	4
			% within Company	25.0%	75.0%	100.0%
		Accor	Count	2	3	5
			% within Company	40.0%	60.0%	100.0%
		Sol Melia	Count	9		9
			% within Company	100.0%	.0%	100.0%
		TUI	Count		6	6
			% within Company	.0%	100.0%	100.0%
		Total	Count	25	17	42
			% within Company	59.5%	40.5%	100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1		1
			% within Company	100.0%	.0%	100.0%
		Cendant Corporation (Wyndham)	Count	1		1
			% within Company	100.0%	.0%	100.0%
		Marriott International	Count	4		4
			% within Company	100.0%	.0%	100.0%
		Choice Hotels International	Count	2	1	3
			% within Company	66.7%	33.3%	100.0%
		Hilton Hotels Corporation	Count	7		7
			% within Company	100.0%	.0%	100.0%
		Starwood Hotels and Resorts	Count	6		6
			% within Company	100.0%	.0%	100.0%
		Total	Count	21	1	22
			% within Company	95.5%	4.5%	100.0%

In general, the reports from the European sample (appendix 9) do not refer a lot to a segment approach using LOB segmentation for the RevPAR (only 8 reports out of 42). For the same group, some analysts refer to the RevPAR using LOB segmentation, and others do not.
Ten American reports (out of 22) refer to the RevPAR by activity segments. In those cases, most reports use a different segmentation from the one shown in the segment information note to financial statements.

Eighteen reports taken from the European sample refer to a geographic segment approach of the RevPAR (appendix 9). Only four American reports refer to that type of information. Geographic information seems to be more widely used when it is available.

The average daily rate is a hotel-related indicator that is frequently used in comparative studies. It is quite visible in annual American reports.
European analysts do not refer to it as much as American analysts (appendix 10). As far as reference to the average daily rate using LOB segmentation is concerned, the important feature is that the segmentation presented by American analysts almost each time differs from the segmentation used in the segment information note to financial statements.
Few analysts give information concerning the average daily rate using geographic segmentation.

As a complementary indicator to the average daily rate, the occupancy rate is also one of the major performance indicators within the hotel industry. Nevertheless, even though this indicator is widely present in the annual reports of international groups, it is not often used in the studied analysts' reports (appendix 11).
Reference to the segmental occupancy rate, principally concerning the US GAAP sample, is based on a LOB segmentation, and is more particularly using a different segmentation than the one shown in the financial statements.

Reference to EBITDAR only concerns half of the European analysts' reports (appendix 12). Segment reference is principally based on LOB segmentation. In those cases, the segmentation used is the same as the one of the financial statements.

Both real and provisional inventory data (expressed in number of hotels, number of rooms…) are sometimes used in the European or American financial analysts' reports, but almost never with a segment approach (appendix 13).

Analysts don't use the same financial methodology. Therefore, reference to segment information in their reports doesn't necessary lead to segmental analysis, forecasts or valuation.

Financial analysts' reports principally aim at analysing a company financial and economic situation, possibly establishing activity forecasts in order to justify the proposed valuation of the company.
Financial analysis usually uses financial ratios. As a consequence, the first step of observation has been focused on the segment use of financial ratios.

Only three reports from the European sample and one report from the American sample show financial reports using LOB segmentation (appendix 14). This is very few. No report shows financial ratios using geographic segmentation.

All the studied reports present global revenue forecasts and global margins forecasts. In order to measure the use of segment information by financial analysts, it was interesting to check the presence or absence of segment forecasts (using LOB or geographic segmentation). Those forecasts may come from the group itself, but they are often reprocessed by the analyst as they are the basis of his work.

Only five reports from the European sample out of sixty four studied reports don't give revenue forecasts using activity segmentation (table 4). This confirms that financial analysts use and appropriate segment information.
When they give revenue forecasts using activity segmentation, the reports studying European groups use the segmentation given by the segment information note to financial states. There is no reprocessing in this case (additional or more detailed information). This shows how much the quality and the segmentation offered by segment information found in the financial statements are important.

As far as the American sample is concerned, although all reports give revenue forecasts using activity segmentation, most of them use reprocessed information. The question is to know the source of this reprocessing.

Table 4: Revenue forecasts using LOB segmentation

Standard				Revenue forecasts using LOB segmentation			
				No	Same LOB	Same & Other LOB	Total
IFRS	Company	Intercontinental Hotels Group	Count	2	7		9
			% within Company	22.2%	77.8%		100.0%
		NH Hoteles	Count		4		4
			% within Company	.0%	100.0%		100.0%
		Whitbread	Count		3		3
			% within Company	.0%	100.0%		100.0%
		Millenium and Copthorne Hotels	Count		2		2
			% within Company	.0%	100.0%		100.0%
		SAS Group (Rezidor)	Count		4		4
			% within Company	.0%	100.0%		100.0%
		Accor	Count	1	4		5
			% within Company	20.0%	80.0%		100.0%
		Sol Melia	Count	2	7		9
			% within Company	22.2%	77.8%		100.0%
		TUI	Count		6		6
			% within Company	.0%	100.0%		100.0%
		Total	Count	5	37		42
			% within Company	11.9%	88.1%		100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count		1		1
			% within Company		100.0%	.0%	100.0%
		Cendant Corporation (Wyndham)	Count		1		1
			% within Company		100.0%	.0%	100.0%
		Marriott International	Count			4	4
			% within Company		.0%	100.0%	100.0%
		Choice Hotels International	Count			3	3
			% within Company		.0%	100.0%	100.0%
		Hilton Hotels Corporation	Count			7	7
			% within Company		.0%	100.0%	100.0%
		Starwood Hotels and Resorts	Count		1	5	6
			% within Company		16.7%	83.3%	100.0%
		Total	Count		3	19	22
			% within Company		13.6%	86.4%	100.0%

Likewise, financial analysts are used to appropriating geographic segment information. (Table 5). More than half of the studied European reports give revenue forecasts using geographic segmentation (22 reports). Two third of them use the same geographic segmentation than the one found in the financial statements, and the remaining third uses a different one.
American groups do not give a lot of geographic segment information, thus financial analysts' reports about those groups do not give revenue forecasts using geographic segmentation.

As a consequence, the impact, especially in terms of segment information, of convergence of IFRS standards towards US GAAP standards can be questioned. It is to be feared that geographic segment information offered by European groups becomes impoverished to the detriment of the quality of the concerned financial analysts' work.

Table 5: Revenue forecasts using geographic segmentation:

Standard				Revenue forecasts using Geo. segmentation			
				No	Same Geo Segment	Other Geo Segment	Total
IFRS	Company	Intercontinental Hotels Group	Count		9		9
			% within Company	.0%	100.0%	.0%	100.0%
		NH Hoteles	Count		4		4
			% within Company	.0%	100.0%	.0%	100.0%
		Whitbread	Count	3			3
			% within Company	100.0%	.0%	.0%	100.0%
		Millenium and Copthorne Hotels	Count		2		2
			% within Company	.0%	100.0%	.0%	100.0%
		SAS Group (Rezidor)	Count	4			4
			% within Company	100.0%	.0%	.0%	100.0%
		Accor	Count	5			5
			% within Company	100.0%	.0%	.0%	100.0%
		Sol Melia	Count	3		6	9
			% within Company	33.3%	.0%	66.7%	100.0%
		TUI	Count	5	1		6
			% within Company	83.3%	16.7%	.0%	100.0%
		Total	Count	20	16	6	42
			% within Company	47.6%	38.1%	14.3%	100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1			1
			% within Company	100.0%			100.0%
		Cendant Corporation (Wyndham)	Count	1			1
			% within Company	100.0%			100.0%
		Marriott International	Count	4			4
			% within Company	100.0%			100.0%
		Choice Hotels International	Count	3			3
			% within Company	100.0%			100.0%
		Hilton Hotels Corporation	Count	7			7
			% within Company	100.0%			100.0%
		Starwood Hotels and Resorts	Count	6			6
			% within Company	100.0%			100.0%
		Total	Count	22			22
			% within Company	100.0%			100.0%

The majority of the studied reports (50 out of 64) show earning forecasts using LOB segmentation (Table 6). As far as the reports from the European sample are concerned, the segmentation used is based on the segmentation found in the segment information note to the groups' financial statements. The reports from the American sample do not refer to earning forecasts using LOB segmentation as much. When segment forecasts can be found, this is often a reprocessed segmentation.

Concerning earning forecasts using geographic segmentation, the results are the same as the ones found when observing revenue forecasts (Table 7).

Table 6: Earnings forecasts using LOB segmentation (Earnings / EBIT / EBITDA / EBITDAR)

Standard				Earnings forecasts using LOB segmentation			
				No	Same LOB	Same & Other LOB	Total
IFRS	Company	Intercontinental Hotels Group	Count	2	7		9
			% within Company	22.2%	77.8%		100.0%
		NH Hoteles	Count		4		4
			% within Company	.0%	100.0%		100.0%
		Whitbread	Count		3		3
			% within Company	.0%	100.0%		100.0%
		Millenium and Copthorne Hotels	Count		2		2
			% within Company	.0%	100.0%		100.0%
		SAS Group (Rezidor)	Count		4		4
			% within Company	.0%	100.0%		100.0%
		Accor	Count		5		5
			% within Company	.0%	100.0%		100.0%
		Sol Melia	Count	4	5		9
			% within Company	44.4%	55.6%		100.0%
		TUI	Count		6		6
			% within Company	.0%	100.0%		100.0%
		Total	Count	6	36		42
			% within Company	14.3%	85.7%		100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1			1
			% within Company	100.0%	.0%	.0%	100.0%
		Cendant Corporation (Wyndham)	Count		1		1
			% within Company	.0%	100.0%	.0%	100.0%
		Marriott International	Count		1	3	4
			% within Company	.0%	25.0%	75.0%	100.0%
		Choice Hotels International	Count	3			3
			% within Company	100.0%	.0%	.0%	100.0%
		Hilton Hotels Corporation	Count	4		3	7
			% within Company	57.1%	.0%	42.9%	100.0%
		Starwood Hotels and Resorts	Count		4	2	6
			% within Company	.0%	66.7%	33.3%	100.0%
		Total	Count	8	6	8	22
			% within Company	36.4%	27.3%	36.4%	100.0%

Table 7: Earnings forecasts using geographic segmentation (Earnings / EBIT / EBITDA / EBITDAR)

Standard				Earnings forecasts using Geo segmentation			
				No	Same Geo Segment	Other Geo Segment	Total
IFRS	Company	Intercontinental Hotels Group	Count		9		9
			% within Company	.0%	100.0%	.0%	100.0%
		NH Hoteles	Count		4		4
			% within Company	.0%	100.0%	.0%	100.0%
		Whitbread	Count	3			3
			% within Company	100.0%	.0%	.0%	100.0%
		Millenium and Copthorne Hotels	Count		2		2
			% within Company	.0%	100.0%	.0%	100.0%
		SAS Group (Rezidor)	Count	4			4
			% within Company	100.0%	.0%	.0%	100.0%
		Accor	Count	5			5
			% within Company	100.0%	.0%	.0%	100.0%
		Sol Melia	Count	3		6	9
			% within Company	33.3%	.0%	66.7%	100.0%
		TUI	Count	5	1		6
			% within Company	83.3%	16.7%	.0%	100.0%
		Total	Count	20	16	6	42
			% within Company	47.6%	38.1%	14.3%	100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1			1
			% within Company	100.0%			100.0%
		Cendant Corporation (Wyndham)	Count	1			1
			% within Company	100.0%			100.0%
		Marriott International	Count	4			4
			% within Company	100.0%			100.0%
		Choice Hotels International	Count	3			3
			% within Company	100.0%			100.0%
		Hilton Hotels Corporation	Count	7			7
			% within Company	100.0%			100.0%
		Starwood Hotels and Resorts	Count	6			6
			% within Company	100.0%			100.0%
		Total	Count	22			22
			% within Company	100.0%			100.0%

The key information within analysts' reports is the valuation of the company and its calculation. Almost a third of the studied reports (22 out of 64) give a valuation using LOB segmentation. The proportion is slightly higher with the reports from the European sample (Table 8). This underlines the interest that some analysts show to segment information. For the calculations, analysts generally use the segmentation found in the segment information note to financial statements.
This finding emphasizes the fact that financial analysts don't apply the same financial methodology : segmental earnings forecasts should lead to segmental valuation forecasts.

Table 8: Company valuation using LOB segmentation

Standard				Valuation using LOB segmentation			
				No	Same LOB	Same & Other LOB	Total
IFRS	Company	Intercontinental Hotels Group	Count	6	3		9
			% within Company	66.7%	33.3%		100.0%
		NH Hoteles	Count	4			4
			% within Company	100.0%	.0%		100.0%
		Whitbread	Count		3		3
			% within Company	.0%	100.0%		100.0%
		Millenium and Copthorne Hotels	Count	2			2
			% within Company	100.0%	.0%		100.0%
		SAS Group (Rezidor)	Count	4			4
			% within Company	100.0%	.0%		100.0%
		Accor	Count		5		5
			% within Company	.0%	100.0%		100.0%
		Sol Melia	Count	9			9
			% within Company	100.0%	.0%		100.0%
		TUI	Count	1	5		6
			% within Company	16.7%	83.3%		100.0%
		Total	Count	26	16		42
			% within Company	61.9%	38.1%		100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1			1
			% within Company	100.0%	.0%	.0%	100.0%
		Cendant Corporation (Wyndham)	Count		1		1
			% within Company	.0%	100.0%	.0%	100.0%
		Marriott International	Count	4			4
			% within Company	100.0%	.0%	.0%	100.0%
		Choice Hotels International	Count	3			3
			% within Company	100.0%	.0%	.0%	100.0%
		Hilton Hotels Corporation	Count	4	2	1	7
			% within Company	57.1%	28.6%	14.3%	100.0%
		Starwood Hotels and Resorts	Count	4	2		6
			% within Company	66.7%	33.3%	.0%	100.0%
		Total	Count	16	5	1	22
			% within Company	72.7%	22.7%	4.5%	100.0%

The analysts' reports from the American sample do not give valuation using geographic segmentation (Table 9). We can assume that this is caused again by the lack of geographic segment information given by the American groups. Twelve European reports show a valuation using geographic segmentation.
For the Intercontinental groups, whose first level of reporting is the geographic level, it is interesting to note that the financial analysts' reports do not give geographic valuation. Valuation technique does not depend on the broker.

Table 9: Company valuation using geographic segmentation

Standard				Valuation using Geo segmentation			
				No	Same Geo Segment	Other Geo Segment	Total
IFRS	Company	Intercontinental Hotels Group	Count	8	1		9
			% within Company	88.9%	11.1%	.0%	100.0%
		NH Hoteles	Count		4		4
			% within Company	.0%	100.0%	.0%	100.0%
		Whitbread	Count	3			3
			% within Company	100.0%	.0%	.0%	100.0%
		Millenium and Copthorne Hotels	Count	2			2
			% within Company	100.0%	.0%	.0%	100.0%
		SAS Group (Rezidor)	Count	4			4
			% within Company	100.0%	.0%	.0%	100.0%
		Accor	Count	5			5
			% within Company	100.0%	.0%	.0%	100.0%
		Sol Melia	Count	3	1	5	9
			% within Company	33.3%	11.1%	55.6%	100.0%
		TUI	Count	5	1		6
			% within Company	83.3%	16.7%	.0%	100.0%
		Total	Count	30	7	5	42
			% within Company	71.4%	16.7%	11.9%	100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1			1
			% within Company	100.0%			100.0%
		Cendant Corporation (Wyndham)	Count	1			1
			% within Company	100.0%			100.0%
		Marriott International	Count	4			4
			% within Company	100.0%			100.0%
		Choice Hotels International	Count	3			3
			% within Company	100.0%			100.0%
		Hilton Hotels Corporation	Count	7			7
			% within Company	100.0%			100.0%
		Starwood Hotels and Resorts	Count	6			6
			% within Company	100.0%			100.0%
		Total	Count	22			22
			% within Company	100.0%			100.0%

5. Conclusions and Future Research

In analysing financial analysts' recommendation reports our aim was to appreciate whether financial analysts refer or not to segment information. We found that (1) financial analysts largely refer to segment information in their recommendation reports showing that they remain very sensitive to the qualitative and quantitative segment information reported by the groups. Financial analysts take advantage of IAS 14 regarding geographic segment information. (2) Financial analysts use segmental forecasting models and segmental valuation models, mostly based on LOB segmentation as reported in the segment information note of the financial statements. We think that financial analysts keep the reported format and value it with qualitative information. (3) We presume that voluntary segment information and specific hospitality segmental information is considered "qualitative" information, which gives more consistency to forecasts and valuations.
These conclusions could be confirmed by qualitative research based on financial analysts' interviews and questionnaires. Such research could also be extended to other industries.
After the recent convergence between SFAS 131 and IFRS 8, it will be very interesting to observe and analyse the behaviour of financial analysts as regards segment information.
Another means of investigation might be to study the consistency of the use of segmental models to forecast and valuate. Does the use of such models generate better predictability? Do segmental indicators lead to better or more accurate financial models?
Reporting segment information has always been an issue for firms, understanding its uses remains essential for managers, regulators and researchers.

APPENDIXES

Appendix 1: Sample selection and key data (2005)

	Country	*Accounting Standards*	*Rooms (2)*	*Hotels (2)*	*Revenue*	*Hotels revenue*	*Total Equity*	*In Financials ICB : Hotels*	*Datastream*	*Auditors*
Intercontinental Hotels Group	Great Britain	***IFRS***	532 701	3 532	1,910 £m	1,910 £m	1,104 £m	✓	✓	Ernst & Young LLP
Cendant Corporation	United States	***US GAAP***	520 860	6 396	18,236 $m	1,527 $m	11,292 $m	✓	✓	Deloitte & Touche LLP
Marriott International , Inc.	United States	***US GAAP***	469 218	2 564	11,550 $m	11,129 $m	3,252 $m	✓	✓	Ernst & Young LLP
Accor SA	France	***IFRS***	463 427	3 973	7,622 €m	5,195 €m	4,396 €m	✓	✓	Ernst & Young Deloitte et associés
Choice Hotels International	United States	***US GAAP***	403 806	4 987	477.4 $m	477.4 $m		✓	✓	PricewaterhouseCoopers LLP
Hilton Hotels Corporation	United States	***US GAAP***	354 312	2 226	4,437 $m	3,883 $m	2,811 $m	✓	✓	Ernst & Young LLP
Best Western (1)	United States		308 131	4 097						
Starwood Hotels and resorts	United States	***US GAAP***	230 667	733	5,977 $m	4,995 $m	5,236 $m	✓	✓	Ernst & Young LLP
Carlson Hospitality worlwide (1)	United States		147 093	890						
Global Hyatt (1)	United States		111 651	355						
Hilton International (1)	Great Britain	***IFRS***	99 257	395		1,770.8 £m		✓		
Sol Melia	Spain	***IFRS***	80 834	328	1,165 €m	911 €m	944 €m	✓	✓	Ernst & Young S.L.
TUI AG	Germany	***IFRS***	74 454	283	19,619 €m	14,097 €m (tourism)	4,375 €m		✓	PricewaterhouseCoopers
Louvre Hôtels (1)	France		67 532	895						
La Quinta (1)	United States		65 110	582				✓		
MGM Mirage (1)	United States		37 867	24						
US Franchise Systems (1)	United States		35 683	462						
NH Hoteles	Spain	***IFRS***	35 241	242	994 €m	910 €m	820 €m	✓	✓	Deloitte and Touche PricewaterhouseCoopers
Le Meridien (1)	United States		33 287	135						
Fairmont hotels and resorts (1)	Canada		32 967	81				✓		
Interstate hotels and resorts	United States	***US GAAP***	env. 66000	env. 290	222.48 $m	222.48 $m	131.33 $m	✓		KPMG LLP
Whitbread PLC	Great Britain	***IFRS***	31 000	470	1,584 £m	408 £m	1,547 £m		✓	Ernst & Young LLP
Millenium and Copthorne Hotels PLC	Great Britain	***IFRS***	26 270	97	595 £m	581 £m	1,378 £m	✓	✓	KPMG Audit PLC
SAS Group	Sweden	***IFRS***	10 158	217	6592 €m	581 €m	1,287 €m			Deloitte AB

(1) : Not integrated in this study

(2) : MKG's 2005 world ranking of hotel groups, March 30th, 2005; MKG Group
The 2005 ranking of hotel groups in the 25 European Union member states, January 27th 2005; MKG Group

Appendix 2: Sample, classification of financial analysts' reports by financial institution

Company * Name of the company of the analyst * Standard Crosstabulation

Count

Standard			Name of the company of the analyst																	
			CIBC	Société Générale	ABN AMRO	Deutsche Bank	Crédit Suisse	Grupo Santander	Kepler Teather & Greenwood Merrion	ING	Jefferies	M.M. Warburg & Co.	WestLB	Natexis Bleichroeder - DZ Bank	Carnegie	Danske Equities	Bear Stearns	Edwards	Davenport & Company LLC	Total
IFRS	Company	Intercontinental Hotels Group	4	2	1	1	1	0	0	0	0	0	0	0	0	0				9
		NH Hoteles	0	0	0	2	0	1	1	0	0	0	0	0	0	0				4
		Whitbread	0	0	1	2	0	0	0	0	0	0	0	0	0	0				3
		Millenium and Copthorne Hotels	0	0	0	0	2	0	0	0	0	0	0	0	0	0				2
		SAS Group (Rezidor)	0	0	2	0	0	0	0	0	0	0	0	0	1	1				4
		Accor	0	1	0	2	2	0	0	0	0	0	0	0	0	0				5
		Sol Melia	0	0	0	1	0	1	4	2	1	0	0	0	0	0				9
		TUI	0	1	1	1	0	0	0	0	0	1	1	1	0	0				6
		Total	4	4	5	9	5	2	5	2	1	1	1	1	1	1				42
US GAAP	Company	Interstate Hotels and Resorts	0			0					0						0	0	1	1
		Cendant Corporation (Wyndham)	1			0					0						0	0	0	1
		Marriott International	2			0					0						1	1	0	4
		Choice Hotels International	1			0					1						1	0	0	3
		Hilton Hotels Corporation	2			1					0						2	2	0	7
		Starwood Hotels and Resorts	2			1					0						2	1	0	6
		Total	8			2					1						6	4	1	22

Appendix 3: Sample, classification of financial analysts' reports by nationality

Country of the financial company * Name of the company of the analyst * Standard Crosstabulation

Count

Standard			Name of the company of the analyst																	
			CIBC	Société Générale	ABN AMRO	Deutsche Bank	Crédit Suisse	Grupo Santander	Kepler Teather & Greenwood Merrion	ING	Jefferies	M.M. Warburg & Co.	WestLB	Natexis Bleichroeder - DZ Bank	Carnegie	Danske Equities	Bear Stearns	Edwards	Davenport & Company LLC	Total
IFRS	Country of the financial company	Great Britain	0	0	5	6	5	0	0	0	1	0	0	0	0	0				17
		United States	4	0	0	0	0	0	0	0	0	0	0	0	0	0				4
		France	0	4	0	0	0	0	0	0	0	0	0	0	0	0				4
		Spain	0	0	0	3	0	2	5	2	0	0	0	0	0	0				12
		Germany	0	0	0	0	0	0	0	0	0	1	1	1	0	0				3
		Denmark	0	0	0	0	0	0	0	0	0	0	0	0	1	1				2
		Total	4	4	5	9	5	2	5	2	1	1	1	1	1	1				42
US GAAP	Country of the financial company	United States	8			2					1						6	4	1	22
		Total	8			2					1						6	4	1	22

Appendix 4: Sample, classification of financial analysts

	IFRS Reports	US GAAP Reports	Number of analysts' teams	Number of analysts	IFRS analysts	US GAAP analysts	Both IFRS and US GAAP analysts
CIBC	4	8	5	6	1	1	4
Société Générale	4	-	3	5	5	-	-
ABN AMRO	5	-	3	6	6	-	-
Deutsche Bank	9	2	5	9	6	3	-
Crédit Suisse	5	-	3	7	7	-	-
Grupo Santander	2	-	1	2	2	-	-
Kepler Teather & Greenwood Merrion	5	-	1	1	1	-	-
ING	2	-	1	1	1	-	-
Jefferies	1	1	2	3	1	2	-
M.M. Warburg & Co.	1	-	1	1	1	-	-
WestLB	1	-	1	1	1	-	-
Natexis Bleichroeder - DZ Bank	1	-	1	1	1	-	-
Carnegie	1	-	1	1	1	-	-
Danske Equities	1	-	1	2	2	-	-
Bear Stearns	-	6	2	3	-	3	-
Edwards	-	4	1	1	-	1	-
Davenport & Company LLC	-	1	1	1	-	1	-
TOTAL	**42**	**22**	**33**	**51**	**36**	**11**	**4**

Appendix 5: Reference to segment information

Standard				Reference to Segment Information data		Reference to Segment Information LOB segmentation			Reference to Segment Information Geographic segmentation				
				Yes	Total	Same LOB	Same & Other LOB	Total	No	Same Geo Segment	Other Geo Segment	Same & Other Geo Segment	Total
IFRS	Company	Intercontinental Hotels Group	Count	9	9	7	2	9		9			9
			% within Company	100.0%	100.0%	77.8%	22.2%	100.0%	.0%	100.0%	.0%	.0%	100.0%
		NH Hoteles	Count	4	4	4		4		2		2	4
			% within Company	100.0%	100.0%	100.0%	.0%	100.0%	.0%	50.0%	.0%	50.0%	100.0%
		Whitbread	Count	3	3	3		3	3				3
			% within Company	100.0%	100.0%	100.0%	.0%	100.0%	100.0%	.0%	.0%	.0%	100.0%
		Millenium and Copthorne Hotels	Count	2	2	2		2		2			2
			% within Company	100.0%	100.0%	100.0%	.0%	100.0%	.0%	100.0%	.0%	.0%	100.0%
		SAS Group (Rezidor)	Count	4	4	4		4	3	1			4
			% within Company	100.0%	100.0%	100.0%	.0%	100.0%	75.0%	25.0%	.0%	.0%	100.0%
		Accor	Count	5	5	5		5	2	3			5
			% within Company	100.0%	100.0%	100.0%	.0%	100.0%	40.0%	60.0%	.0%	.0%	100.0%
		Sol Melia	Count	9	9	9		9			9		9
			% within Company	100.0%	100.0%	100.0%	.0%	100.0%	.0%	.0%	100.0%	.0%	100.0%
		TUI	Count	6	6	6		6	3	1		2	6
			% within Company	100.0%	100.0%	100.0%	.0%	100.0%	50.0%	16.7%	.0%	33.3%	100.0%
		Total	Count	42	42	40	2	42	11	18	9	4	42
			% within Company	100.0%	100.0%	95.2%	4.8%	100.0%	26.2%	42.9%	21.4%	9.5%	100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1	1	1		1	1				1
			% within Company	100.0%	100.0%	100.0%	.0%	100.0%	100.0%		.0%	.0%	100.0%
		Cendant Corporation (Wyndham)	Count	1	1	1		1	1				1
			% within Company	100.0%	100.0%	100.0%	.0%	100.0%	100.0%		.0%	.0%	100.0%
		Marriott International	Count	4	4		4	4	4				4
			% within Company	100.0%	100.0%	.0%	100.0%	100.0%	100.0%		.0%	.0%	100.0%
		Choice Hotels International	Count	3	3		3	3	3				3
			% within Company	100.0%	100.0%	.0%	100.0%	100.0%	100.0%		.0%	.0%	100.0%
		Hilton Hotels Corporation	Count	7	7		7	7	6		1		7
			% within Company	100.0%	100.0%	.0%	100.0%	100.0%	85.7%		14.3%	.0%	100.0%
		Starwood Hotels and Resorts	Count	6	6		6	6	2		2	2	6
			% within Company	100.0%	100.0%	.0%	100.0%	100.0%	33.3%		33.3%	33.3%	100.0%
		Total	Count	22	22	2	20	22	17		3	2	22
			% within Company	100.0%	100.0%	9.1%	90.9%	100.0%	77.3%		13.6%	9.1%	100.0%

Appendix 6: Reference to ownership-type segmentation

Within the Annual Reports (Segment information note to the financial statement not included)

Year	Standard	Company	LOB segmentation : ownership type
2004	IFRS	Intercontinental Hotels Group	Yes
		NH Hoteles	Yes
		Whitbread	No
		Millenium and Copthorne Hotels	No
		SAS Group (Rezidor)	No
		Accor	Yes
		Sol Melia	Yes
		TUI	No
	US GAAP	Interstate Hotels and Resorts	Yes
		Cendant Corporation (Wyndham)	Yes
		Marriott International	Yes
		Choice Hotels International	Yes
		Hilton Hotels Corporation	Yes
		Starwood Hotels and Resorts	Yes
2005	IFRS	Intercontinental Hotels Group	Yes
		NH Hoteles	Yes
		Whitbread	No
		Millenium and Copthorne Hotels	No
		SAS Group (Rezidor)	Yes
		Accor	Yes
		Sol Melia	Yes
		TUI	No
	US GAAP	Interstate Hotels and Resorts	Yes
		Cendant Corporation (Wyndham)	Yes
		Marriott International	Yes
		Choice Hotels International	Yes
		Hilton Hotels Corporation	Yes
		Starwood Hotels and Resorts	Yes

Within the financial analysts‘ reports

Standard				Reference to ownership structure		
				Yes	No	Total
IFRS	Company	Intercontinental Hotels Group	Count	9		9
			% within Company	100.0%	.0%	100.0%
		NH Hoteles	Count	3	1	4
			% within Company	75.0%	25.0%	100.0%
		Whitbread	Count		3	3
			% within Company	.0%	100.0%	100.0%
		Millenium and Copthorne Hotels	Count		2	2
			% within Company	.0%	100.0%	100.0%
		SAS Group (Rezidor)	Count		4	4
			% within Company	.0%	100.0%	100.0%
		Accor	Count	4	1	5
			% within Company	80.0%	20.0%	100.0%
		Sol Melia	Count	5	4	9
			% within Company	55.6%	44.4%	100.0%
		TUI	Count		6	6
			% within Company	.0%	100.0%	100.0%
		Total	Count	21	21	42
			% within Company	50.0%	50.0%	100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1		1
			% within Company	100.0%	.0%	100.0%
		Cendant Corporation (Wyndham)	Count		1	1
			% within Company	.0%	100.0%	100.0%
		Marriott International	Count	4		4
			% within Company	100.0%	.0%	100.0%
		Choice Hotels International	Count		3	3
			% within Company	.0%	100.0%	100.0%
		Hilton Hotels Corporation	Count	7		7
			% within Company	100.0%	.0%	100.0%
		Starwood Hotels and Resorts	Count	6		6
			% within Company	100.0%	.0%	100.0%
		Total	Count	18	4	22
			% within Company	81.8%	18.2%	100.0%

Appendix 7: Reference to brands segmentation

Within the Annual Reports (Segment information note to the financial statement not included)

Year	Standard	Company	LOB segmentation : brands
2004	IFRS	Intercontinental Hotels Group	Yes
		NH Hoteles	No
		Whitbread	Yes
		Millenium and Copthorne Hotels	No
		SAS Group (Rezidor)	No
		Accor	Yes
		Sol Melia	No
		TUI	No
	US GAAP	Interstate Hotels and Resorts	Yes
		Cendant Corporation (Wyndham)	Yes
		Marriott International	Yes
		Choice Hotels International	Yes
		Hilton Hotels Corporation	Yes
		Starwood Hotels and Resorts	Yes
2005	IFRS	Intercontinental Hotels Group	Yes
		NH Hoteles	No
		Whitbread	Yes
		Millenium and Copthorne Hotels	No
		SAS Group (Rezidor)	No
		Accor	Yes
		Sol Melia	No
		TUI	Yes
	US GAAP	Interstate Hotels and Resorts	Yes
		Cendant Corporation (Wyndham)	Yes
		Marriott International	Yes
		Choice Hotels International	Yes
		Hilton Hotels Corporation	Yes
		Starwood Hotels and Resorts	Yes

Within the financial analysts‘ reports

Standard				Reference to brands segmentation		
				Yes	No	Total
IFRS	Company	Intercontinental Hotels Group	Count	7	2	9
			% within Company	77.8%	22.2%	100.0%
		NH Hoteles	Count		4	4
			% within Company	.0%	100.0%	100.0%
		Whitbread	Count	1	2	3
			% within Company	33.3%	66.7%	100.0%
		Millenium and Copthorne Hotels	Count		2	2
			% within Company	.0%	100.0%	100.0%
		SAS Group (Rezidor)	Count		4	4
			% within Company	.0%	100.0%	100.0%
		Accor	Count	4	1	5
			% within Company	80.0%	20.0%	100.0%
		Sol Melia	Count		9	9
			% within Company	.0%	100.0%	100.0%
		TUI	Count		6	6
			% within Company	.0%	100.0%	100.0%
		Total	Count	12	30	42
			% within Company	28.6%	71.4%	100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1		1
			% within Company	100.0%	.0%	100.0%
		Cendant Corporation (Wyndham)	Count		1	1
			% within Company	.0%	100.0%	100.0%
		Marriott International	Count	1	3	4
			% within Company	25.0%	75.0%	100.0%
		Choice Hotels International	Count	2	1	3
			% within Company	66.7%	33.3%	100.0%
		Hilton Hotels Corporation	Count	5	2	7
			% within Company	71.4%	28.6%	100.0%
		Starwood Hotels and Resorts	Count	5	1	6
			% within Company	83.3%	16.7%	100.0%
		Total	Count	14	8	22
			% within Company	63.6%	36.4%	100.0%

Appendix 8: Reference to market segmentation

Within the Annual Reports (Segment information note to the financial statement not included)

Year	Standard	Company	LOB segmentation : marketing segmentation
2004	IFRS	Intercontinental Hotels Group	No
		NH Hoteles	No
		Whitbread	No
		Millenium and Copthorne Hotels	No
		SAS Group (Rezidor)	No
		Accor	Yes
		Sol Melia	Yes
		TUI	No
	US GAAP	Interstate Hotels and Resorts	No
		Cendant Corporation (Wyndham)	Yes
		Marriott International	No
		Choice Hotels International	No
		Hilton Hotels Corporation	No
		Starwood Hotels and Resorts	No
2005	IFRS	Intercontinental Hotels Group	No
		NH Hoteles	No
		Whitbread	No
		Millenium and Copthorne Hotels	No
		SAS Group (Rezidor)	Yes
		Accor	Yes
		Sol Melia	Yes
		TUI	No
	US GAAP	Interstate Hotels and Resorts	No
		Cendant Corporation (Wyndham)	Yes
		Marriott International	No
		Choice Hotels International	No
		Hilton Hotels Corporation	No
		Starwood Hotels and Resorts	No

Within the financial analysts‘ reports

Standard				Reference to market segmentation		
				Yes	No	Total
IFRS	Company	Intercontinental Hotels Group	Count	3	6	9
			% within Company	33.3%	66.7%	100.0%
		NH Hoteles	Count		4	4
			% within Company	.0%	100.0%	100.0%
		Whitbread	Count		3	3
			% within Company	.0%	100.0%	100.0%
		Millenium and Copthorne Hotels	Count		2	2
			% within Company	.0%	100.0%	100.0%
		SAS Group (Rezidor)	Count		4	4
			% within Company	.0%	100.0%	100.0%
		Accor	Count	3	2	5
			% within Company	60.0%	40.0%	100.0%
		Sol Melia	Count		9	9
			% within Company	.0%	100.0%	100.0%
		TUI	Count		6	6
			% within Company	.0%	100.0%	100.0%
		Total	Count	6	36	42
			% within Company	14.3%	85.7%	100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1		1
			% within Company	100.0%	.0%	100.0%
		Cendant Corporation (Wyndham)	Count		1	1
			% within Company	.0%	100.0%	100.0%
		Marriott International	Count		4	4
			% within Company	.0%	100.0%	100.0%
		Choice Hotels International	Count		3	3
			% within Company	.0%	100.0%	100.0%
		Hilton Hotels Corporation	Count	1	6	7
			% within Company	14.3%	85.7%	100.0%
		Starwood Hotels and Resorts	Count	3	3	6
			% within Company	50.0%	50.0%	100.0%
		Total	Count	5	17	22
			% within Company	22.7%	77.3%	100.0%

Appendix 9: Reference to RevPAR

Standard			Reference to RevPAR			Reference to RevPAR - LOB segmentation					Reference to RevPAR - Geo. segmentation				
			Yes	No	Total	No	Same LOB	Other LOB	Same & Other LOB	Total	No	Same Geo Segment	Other Geo Segment	Same & Other Geo Segment	Total
IFRS	Intercontinental Hotels Group	Count	7	2	9	5	2	2		9	4	5			9
		% within Company	77.8%	22.2%	100.0%	55.6%	22.2%	22.2%		100.0%	44.4%	55.6%	.0%	.0%	100.0%
	NH Hoteles	Count	4		4	4				4	1	2		1	4
		% within Company	100.0%	.0%	100.0%	100.0%	.0%	.0%		100.0%	25.0%	50.0%	.0%	25.0%	100.0%
	Whitbread	Count	1	2	3	2	1			3	3				3
		% within Company	33.3%	66.7%	100.0%	66.7%	33.3%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Millenium and Copthorne Hotels	Count	1	1	2	1	1			2	1	1			2
		% within Company	50.0%	50.0%	100.0%	50.0%	50.0%	.0%		100.0%	50.0%	50.0%	.0%	.0%	100.0%
	SAS Group (Rezidor)	Count	1	3	4	4				4	4				4
		% within Company	25.0%	75.0%	100.0%	100.0%	.0%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Accor	Count	2	3	5	3	2			5	5				5
		% within Company	40.0%	60.0%	100.0%	60.0%	40.0%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Sol Melia	Count	9		9	9				9			9		9
		% within Company	100.0%	.0%	100.0%	100.0%	.0%	.0%		100.0%	.0%	.0%	100.0%	.0%	100.0%
	TUI	Count		6	6	6				6	6				6
		% within Company	.0%	100.0%	100.0%	100.0%	.0%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Total	Count	25	17	42	34	6	2		42	24	8	9	1	42
		% within Company	59.5%	40.5%	100.0%	81.0%	14.3%	4.8%		100.0%	57.1%	19.0%	21.4%	2.4%	100.0%
US GAAP	Interstate Hotels and Resorts	Count	1		1				1	1	1				1
		% within Company	100.0%	.0%	100.0%	.0%	.0%	.0%	100.0%	100.0%	100.0%		.0%		100.0%
	Cendant Corporation (Wyndham)	Count	1		1	1				1	1				1
		% within Company	100.0%	.0%	100.0%	100.0%	.0%	.0%	.0%	100.0%	100.0%		.0%		100.0%
	Marriott International	Count	4		4	3		1		4	4				4
		% within Company	100.0%	.0%	100.0%	75.0%	.0%	25.0%	.0%	100.0%	100.0%		.0%		100.0%
	Choice Hotels International	Count	2	1	3	2		1		3	3				3
		% within Company	66.7%	33.3%	100.0%	66.7%	.0%	33.3%	.0%	100.0%	100.0%		.0%		100.0%
	Hilton Hotels Corporation	Count	7		7	2	1	2	2	7	5		2		7
		% within Company	100.0%	.0%	100.0%	28.6%	14.3%	28.6%	28.6%	100.0%	71.4%		28.6%		100.0%
	Starwood Hotels and Resorts	Count	6		6	3		3		6	4		2		6
		% within Company	100.0%	.0%	100.0%	50.0%	.0%	50.0%	.0%	100.0%	66.7%		33.3%		100.0%
	Total	Count	21	1	22	11	1	7	3	22	18		4		22
		% within Company	95.5%	4.5%	100.0%	50.0%	4.5%	31.8%	13.6%	100.0%	81.8%		18.2%		100.0%

Appendix 10: Reference to average daily rate

Standard			Reference to Average Daily Rate			Reference to Average Daily Rate - LOB segmentation					Reference to Average Daily Rate - Geo. segmentation				
			Yes	No	Total	No	Same LOB	Other LOB	Same & Other LOB	Total	No	Same Geo Segment	Other Geo Segment	Same & Other Geo Segment	Total
IFRS	Intercontinental Hotels Group	Count	1	8	9	8		1		9	9				9
		% within Company	11.1%	88.9%	100.0%	88.9%	.0%	11.1%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	NH Hoteles	Count	3	1	4	4				4	2	1		1	4
		% within Company	75.0%	25.0%	100.0%	100.0%	.0%	.0%		100.0%	50.0%	25.0%	.0%	25.0%	100.0%
	Whitbread	Count	1	2	3	2	1			3	3				3
		% within Company	33.3%	66.7%	100.0%	66.7%	33.3%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Millenium and Copthorne Hotels	Count		2	2	2				2	2				2
		% within Company	.0%	100.0%	100.0%	100.0%	.0%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	SAS Group (Rezidor)	Count	1	3	4	4				4	4				4
		% within Company	25.0%	75.0%	100.0%	100.0%	.0%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Accor	Count		5	5	5				5	5				5
		% within Company	.0%	100.0%	100.0%	100.0%	.0%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Sol Melia	Count	4	5	9	9				9	5		4		9
		% within Company	44.4%	55.6%	100.0%	100.0%	.0%	.0%		100.0%	55.6%	.0%	44.4%	.0%	100.0%
	TUI	Count		6	6	6				6	6				6
		% within Company	.0%	100.0%	100.0%	100.0%	.0%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Total	Count	10	32	42	40	1	1		42	36	1	4	1	42
		% within Company	23.8%	76.2%	100.0%	95.2%	2.4%	2.4%		100.0%	85.7%	2.4%	9.5%	2.4%	100.0%
US GAAP	Interstate Hotels and Resorts	Count	1		1				1	1	1				1
		% within Company	100.0%	.0%	100.0%	.0%		.0%	100.0%	100.0%	100.0%		.0%		100.0%
	Cendant Corporation (Wyndham)	Count		1	1	1				1	1				1
		% within Company	.0%	100.0%	100.0%	100.0%		.0%	.0%	100.0%	100.0%		.0%		100.0%
	Marriott International	Count	2	2	4	3		1		4	4				4
		% within Company	50.0%	50.0%	100.0%	75.0%		25.0%	.0%	100.0%	100.0%		.0%		100.0%
	Choice Hotels International	Count	1	2	3	2		1		3	3				3
		% within Company	33.3%	66.7%	100.0%	66.7%		33.3%	.0%	100.0%	100.0%		.0%		100.0%
	Hilton Hotels Corporation	Count	4	3	7	3		3	1	7	6		1		7
		% within Company	57.1%	42.9%	100.0%	42.9%		42.9%	14.3%	100.0%	85.7%		14.3%		100.0%
	Starwood Hotels and Resorts	Count	4	2	6	4		2		6	4		2		6
		% within Company	66.7%	33.3%	100.0%	66.7%		33.3%	.0%	100.0%	66.7%		33.3%		100.0%
	Total	Count	12	10	22	13		7	2	22	19		3		22
		% within Company	54.5%	45.5%	100.0%	59.1%		31.8%	9.1%	100.0%	86.4%		13.6%		100.0%

Appendix 11: Reference to occupancy rate

Standard			Reference to Occupancy Rate			Reference to Occupancy Rate - LOB segmentation					Reference to Occupancy Rate - Geo. segmentation				
			Yes	No	Total	No	Same LOB	Other LOB	Same & Other LOB	Total	No	Same Geo Segment	Other Geo Segment	Same & Other Geo Segment	Total
IFRS	Intercontinental Hotels Group	Count		9	9	9				9	9				9
		% within Company	.0%	100.0%	100.0%	100.0%	.0%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	NH Hoteles	Count	3	1	4	4				4	2	1		1	4
		% within Company	75.0%	25.0%	100.0%	100.0%	.0%	.0%		100.0%	50.0%	25.0%	.0%	25.0%	100.0%
	Whitbread	Count	1	2	3	2	1			3	3				3
		% within Company	33.3%	66.7%	100.0%	66.7%	33.3%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Millenium and Copthorne Hotels	Count		2	2	2				2	2				2
		% within Company	.0%	100.0%	100.0%	100.0%	.0%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	SAS Group (Rezidor)	Count	1	3	4	4				4	4				4
		% within Company	25.0%	75.0%	100.0%	100.0%	.0%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Accor	Count	1	4	5	4		1		5	5				5
		% within Company	20.0%	80.0%	100.0%	80.0%	.0%	20.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Sol Melia	Count	4	5	9	9				9	5		4		9
		% within Company	44.4%	55.6%	100.0%	100.0%	.0%	.0%		100.0%	55.6%	.0%	44.4%	.0%	100.0%
	TUI	Count		6	6	6				6	6				6
		% within Company	.0%	100.0%	100.0%	100.0%	.0%	.0%		100.0%	100.0%	.0%	.0%	.0%	100.0%
	Total	Count	10	32	42	40	1	1		42	36	1	4	1	42
		% within Company	23.8%	76.2%	100.0%	95.2%	2.4%	2.4%		100.0%	85.7%	2.4%	9.5%	2.4%	100.0%
US GAAP	Interstate Hotels and Resorts	Count	1		1				1	1	1				1
		% within Company	100.0%	.0%	100.0%	.0%		.0%	100.0%	100.0%	100.0%		.0%		100.0%
	Cendant Corporation (Wyndham)	Count		1	1	1				1	1				1
		% within Company	.0%	100.0%	100.0%	100.0%		.0%	.0%	100.0%	100.0%		.0%		100.0%
	Marriott International	Count	1	3	4	3		1		4	4				4
		% within Company	25.0%	75.0%	100.0%	75.0%		25.0%	.0%	100.0%	100.0%		.0%		100.0%
	Choice Hotels International	Count	2	1	3	2		1		3	3				3
		% within Company	66.7%	33.3%	100.0%	66.7%		33.3%	.0%	100.0%	100.0%		.0%		100.0%
	Hilton Hotels Corporation	Count	5	2	7	3		3	1	7	6		1		7
		% within Company	71.4%	28.6%	100.0%	42.9%		42.9%	14.3%	100.0%	85.7%		14.3%		100.0%
	Starwood Hotels and Resorts	Count	2	4	6	4		2		6	4		2		6
		% within Company	33.3%	66.7%	100.0%	66.7%		33.3%	.0%	100.0%	66.7%		33.3%		100.0%
	Total	Count	11	11	22	13		7	2	22	19		3		22
		% within Company	50.0%	50.0%	100.0%	59.1%		31.8%	9.1%	100.0%	86.4%		13.6%		100.0%

Appendix 12: Reference to EBITDAR

Standard			Reference to EBITDAR			Reference to EBITDAR - LOB segmentation			Reference to EBITDAR - Geo segmentation				
			Yes	No	Total	No	Same LOB	Total	No	Same Geo Segment	Other Geo Segment	Same & Other Geo Segment	Total
IFRS	Intercontinental Hotels Group	Count		9	9	9		9	9				9
		% within Company	.0%	100.0%	100.0%	100.0%	.0%	100.0%	100.0%	.0%	.0%	.0%	100.0%
	NH Hoteles	Count	2	2	4	4		4	2	1		1	4
		% within Company	50.0%	50.0%	100.0%	100.0%	.0%	100.0%	50.0%	25.0%	.0%	25.0%	100.0%
	Whitbread	Count	2	1	3	1	2	3	3				3
		% within Company	66.7%	33.3%	100.0%	33.3%	66.7%	100.0%	100.0%	.0%	.0%	.0%	100.0%
	Millenium and Copthorne Hotels	Count		2	2	2		2	2				2
		% within Company	.0%	100.0%	100.0%	100.0%	.0%	100.0%	100.0%	.0%	.0%	.0%	100.0%
	SAS Group (Rezidor)	Count	3	1	4	2	2	4	4				4
		% within Company	75.0%	25.0%	100.0%	50.0%	50.0%	100.0%	100.0%	.0%	.0%	.0%	100.0%
	Accor	Count	4	1	5	1	4	5	4	1			5
		% within Company	80.0%	20.0%	100.0%	20.0%	80.0%	100.0%	80.0%	20.0%	.0%	.0%	100.0%
	Sol Melia	Count	6	3	9	9		9	5		4		9
		% within Company	66.7%	33.3%	100.0%	100.0%	.0%	100.0%	55.6%	.0%	44.4%	.0%	100.0%
	TUI	Count	2	4	6	5	1	6	6				6
		% within Company	33.3%	66.7%	100.0%	83.3%	16.7%	100.0%	100.0%	.0%	.0%	.0%	100.0%
	Total	Count	19	23	42	33	9	42	35	2	4	1	42
		% within Company	45.2%	54.8%	100.0%	78.6%	21.4%	100.0%	83.3%	4.8%	9.5%	2.4%	100.0%
US GAAP	Interstate Hotels and Resorts	Count		1	1	1		1	1				1
		% within Company		100.0%	100.0%	100.0%		100.0%	100.0%				100.0%
	Cendant Corporation (Wyndham)	Count		1	1	1		1	1				1
		% within Company		100.0%	100.0%	100.0%		100.0%	100.0%				100.0%
	Marriott International	Count		4	4	4		4	4				4
		% within Company		100.0%	100.0%	100.0%		100.0%	100.0%				100.0%
	Choice Hotels International	Count		3	3	3		3	3				3
		% within Company		100.0%	100.0%	100.0%		100.0%	100.0%				100.0%
	Hilton Hotels Corporation	Count		7	7	7		7	7				7
		% within Company		100.0%	100.0%	100.0%		100.0%	100.0%				100.0%
	Starwood Hotels and Resorts	Count		6	6	6		6	6				6
		% within Company		100.0%	100.0%	100.0%		100.0%	100.0%				100.0%
	Total	Count		22	22	22		22	22				22
		% within Company		100.0%	100.0%	100.0%		100.0%	100.0%				100.0%

Appendix 13: Reference to inventory data

Standard				Reference to inventory data (#hotels, # rooms)		
				Yes	No	Total
IFRS	Company	Intercontinental Hotels Group	Count	6	3	9
			% within Company	66.7%	33.3%	100.0%
		NH Hoteles	Count	2	2	4
			% within Company	50.0%	50.0%	100.0%
		Whitbread	Count	1	2	3
			% within Company	33.3%	66.7%	100.0%
		Millenium and Copthorne Hotels	Count		2	2
			% within Company	.0%	100.0%	100.0%
		SAS Group (Rezidor)	Count		4	4
			% within Company	.0%	100.0%	100.0%
		Accor	Count	4	1	5
			% within Company	80.0%	20.0%	100.0%
		Sol Melia	Count	2	7	9
			% within Company	22.2%	77.8%	100.0%
		TUI	Count		6	6
			% within Company	.0%	100.0%	100.0%
		Total	Count	15	27	42
			% within Company	35.7%	64.3%	100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1		1
			% within Company	100.0%	.0%	100.0%
		Cendant Corporation (Wyndham)	Count		1	1
			% within Company	.0%	100.0%	100.0%
		Marriott International	Count	1	3	4
			% within Company	25.0%	75.0%	100.0%
		Choice Hotels International	Count	1	2	3
			% within Company	33.3%	66.7%	100.0%
		Hilton Hotels Corporation	Count	3	4	7
			% within Company	42.9%	57.1%	100.0%
		Starwood Hotels and Resorts	Count	3	3	6
			% within Company	50.0%	50.0%	100.0%
		Total	Count	9	13	22
			% within Company	40.9%	59.1%	100.0%

Appendix 14: Reference to financial ratios using LOB segmentation

Standard				Reference to financial ratios - LOB segmentation		
				No	Same LOB	Total
IFRS	Company	Intercontinental Hotels Group	Count	9		9
			% within Company	100.0%	.0%	100.0%
		NH Hoteles	Count	4		4
			% within Company	100.0%	.0%	100.0%
		Whitbread	Count	2	1	3
			% within Company	66.7%	33.3%	100.0%
		Millenium and Copthorne Hotels	Count	2		2
			% within Company	100.0%	.0%	100.0%
		SAS Group (Rezidor)	Count	4		4
			% within Company	100.0%	.0%	100.0%
		Accor	Count	4	1	5
			% within Company	80.0%	20.0%	100.0%
		Sol Melia	Count	9		9
			% within Company	100.0%	.0%	100.0%
		TUI	Count	5	1	6
			% within Company	83.3%	16.7%	100.0%
		Total	Count	39	3	42
			% within Company	92.9%	7.1%	100.0%
US GAAP	Company	Interstate Hotels and Resorts	Count	1		1
			% within Company	100.0%	.0%	100.0%
		Cendant Corporation (Wyndham)	Count		1	1
			% within Company	.0%	100.0%	100.0%
		Marriott International	Count	4		4
			% within Company	100.0%	.0%	100.0%
		Choice Hotels International	Count	3		3
			% within Company	100.0%	.0%	100.0%
		Hilton Hotels Corporation	Count	7		7
			% within Company	100.0%	.0%	100.0%
		Starwood Hotels and Resorts	Count	6		6
			% within Company	100.0%	.0%	100.0%
		Total	Count	21	1	22
			% within Company	95.5%	4.5%	100.0%

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