

The Hotel Price Index™

Review of global hotel prices: January - December 2012



Hotels.com

INTRODUCTION

The Hotels.com Hotel Price Index™ (HPI®) is a regular survey of hotel prices in major destinations across the world. The HPI is based on bookings made on Hotels.com and prices shown are those actually paid by customers per room per night, rather than advertised rates.

Now in its ninth year, the HPI is respected as the definitive report on hotel prices paid around the world and is increasingly used as a reference tool by the media, hoteliers, financial analysts,

investors, tourism bodies and academics.

The HPI tracks the real prices paid per room per night by Hotels.com customers around the world, using a weighted average based on the number of rooms sold in each of the markets in which Hotels.com operates.

The international scale of Hotels.com, in terms of the number of customers, properties and destinations covered, makes the Hotel Price Index one of the most comprehensive benchmarks available. It incorporates both chain and independent hotels,

as well as options such as self-catering and bed & breakfast properties.

This edition looks at the full year 2012, comparing the results with 2011. More than 155,000 properties around the world make up the sample set of hotels from which prices are taken of the 200,000 hotels on offer on the site.



FOREWORD

Welcome to the latest edition of the Hotels.com Hotel Price Index, our review of global hotel prices for the full year 2012.

The headline must be one of continuing recovery. Over the year, guests around the world paid 3% more for their hotel rooms than in 2011. In fact, several major regions grew faster than this, but the Eurozone's problems combined to pull down the

global average and slow growth in the second half of the year. This means that, whilst we're reporting the third consecutive year of price increases, the average price of a hotel room has only risen to where it was back in 2005.

Leaders of the pack

It was still a tough year for many but three regions drew away from the rest, building on increasing business travel and higher consumer spending. The Caribbean saw a 6% rise, North America had one of its best results in recent years growing at 5% and the Pacific gained 4%, all outpacing the global figure. Asia added 2%, Latin America 1% and the Europe and Middle East region registered a slight fall.

Europe trailing

Europe is lagging behind as domestic markets stutter. The Eurozone crisis not only impacted prices in

its own territory but had a knock-on effect across the region as financial insecurity dampened the propensity to travel. With a resurgence of economic prosperity unlikely in the immediate future, hotels have to adapt to new market conditions, to reach out to those travellers who are still on the move, particularly from China and Russia. My advice to consumers? Start packing for that European trip. It is unlikely that prices will continue to fall at this rate and there are some great deals around now just waiting to be snapped up.

The London effect

Anyone who was in London in the summer of 2012 would have been caught up in the atmosphere of excitement and optimism that permeated the city during the Diamond Jubilee celebrations and the Olympic and Paralympic Games. Overall hotel

occupancy was healthy but did not reach the heady heights predicted, with many travellers avoiding the higher prices initially charged during the Olympic period. The average cost of a room in the capital certainly fell as the event approached and, for the rest of the year, hotels lowered their prices further to drive demand.

London has been left with a legacy of much improved stock with new hotel openings and many other rooms refurbished and it remains one of the best value global cities across all star ratings. The unprecedented worldwide exposure that its time in the spotlight brought will certainly encourage visitors going forward, particularly with the prospect of the royal birth this summer.

It will be interesting to see what lessons were learned in London for hotel pricing strategy in Rio de Janeiro as the city prepares to

host two major sporting events with the 2014 World Cup and the 2016 Olympic Games.

Build it and they will come

International tourism is expected to climb again in 2013*. Much of the focus of the hospitality industry is now moving east, where the rate of increase is the highest and new infrastructure is helping to drive travel patterns. The Asia/Pacific region added twice as many new rooms as Europe in 2012, with expansion in both the upmarket and economy sectors, and will account for 40% of the world's new builds in 2013**. China has plans to build 70 new airports in the next few years and to expand its 100 existing airports***. New airlines have come onto the scene offering lower prices, fuelling the desire to travel.

At Hotels.com, we are

looking forward to 2013. It is a landmark time for us, particularly in Europe. It was ten years ago that we took the strategic step in expanding our company by launching localised websites in 13 European countries as well as Australia and Canada. Over the last decade, we have expanded further into Europe as well as Latin America, Asia, the Pacific and Africa and now have more than 85 localised sites around the world.

The scope of our network means that the data and consumer insight gathered for this report is substantial and reliable. What's up, what's down, what's blooming or fading, the answer is here.

Thanks for reading and happy travelling.

David Roche
President
Global Lodging Group
Expedia, Inc.

* UNWTO World Tourism Barometer

** China CAA Chief Li Jiaxing, IATA AGM, June 2012

*** Smith Travel Research

The HPI report focuses on two main sources of data:

The first section (Chapter 1) shows the global Hotel Price Index for 2012, comparing it with previous years.

The Index is compiled from all relevant transactions on Hotels.com during this period, weighted to reflect the size of each market. By representing hotel price movements in an index, Hotels.com can illustrate the actual price movements as paid by consumers, without foreign exchange fluctuations distorting the picture.

The Index was started in 2004 at 100 and includes all bookings across all star ratings from 1- to 5-star.

The second section (Chapters 2-8) shows hotel prices across the world per room per night as paid by travellers from Australia in 2012 compared with 2011. This shows the changes in real prices paid by Australian consumers, reflecting both movements in exchange rates and hotel pricing. In Chapter 4, figures are compiled from global bookings in all currencies.

Prices are rounded to the nearest Australian Dollar



and percentage figures to the nearest percentage point.

Chapter 9 covers the most popular overseas destinations for Australian travellers and those within Australia for overseas visitors in 2012.

The final chapter focuses on some additional, more light-hearted travel facts identified by Hotels.com.

Reports are also available in other currencies. Please contact hotelsteam@sefiani.com.au. Follow the discussions on Twitter at #HotelExperts.

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GLOBAL PRICE CHANGES

The average price of a hotel room around the world rose by 3% during 2012 compared with the previous year, having reached 107, just seven points higher than when the Index was launched in

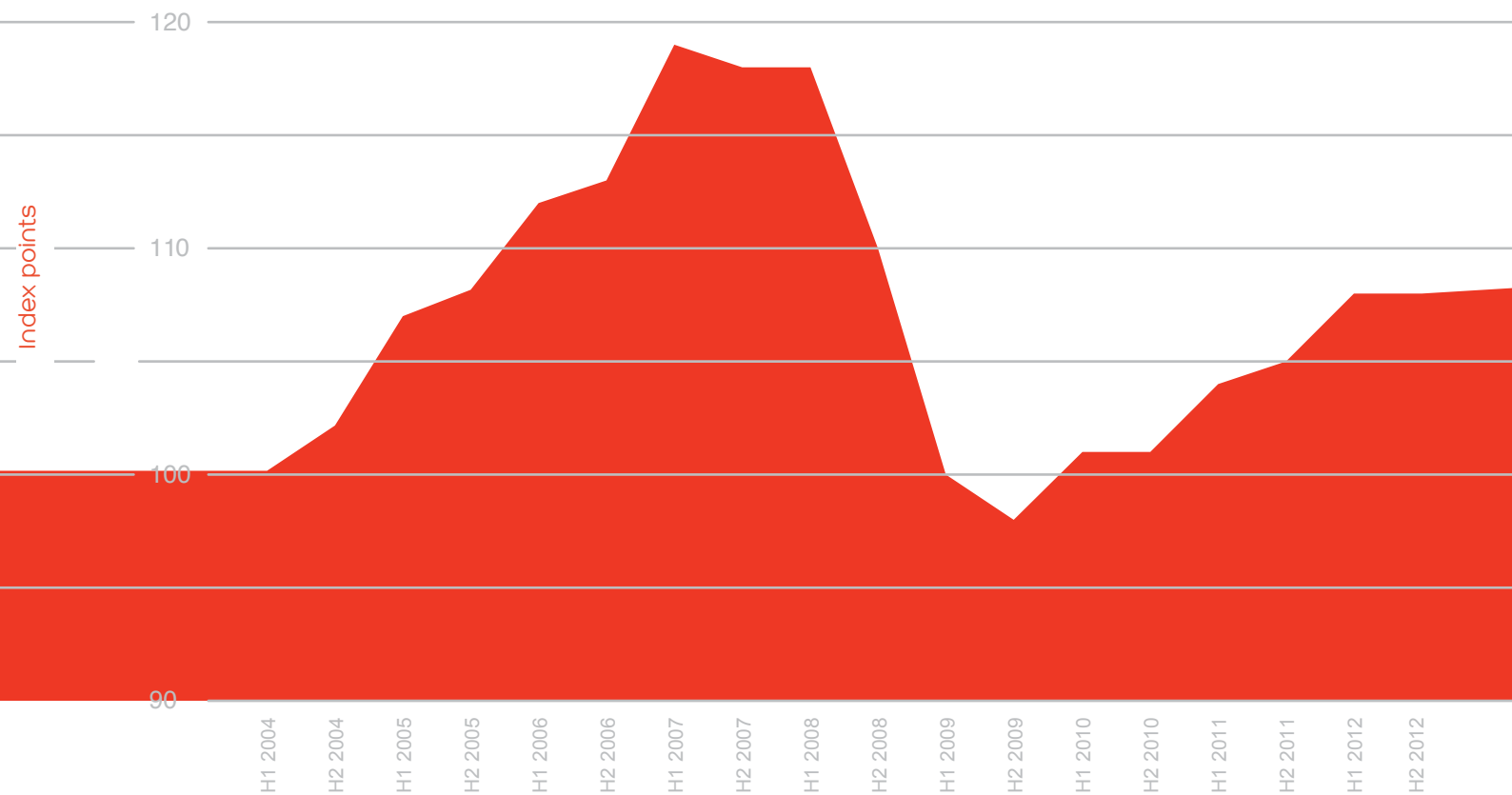
2004. The rate of increase has slowed when judged against the 4% rise in 2011.

This highlights the fact that hotel prices remained great value for travellers throughout the year as the global Index for 2012 was still ten points behind its 2007 peak of 117 and only

just ahead of its 2005 level of 106.

Prices rose in all regions for the year, apart from Europe and the Middle East where there was a slight fall. There were particularly strong showings in the Caribbean, North America and the Pacific. More

Figure 1 HPI half-yearly breakdown from H1 2004 to H2 2012 globally



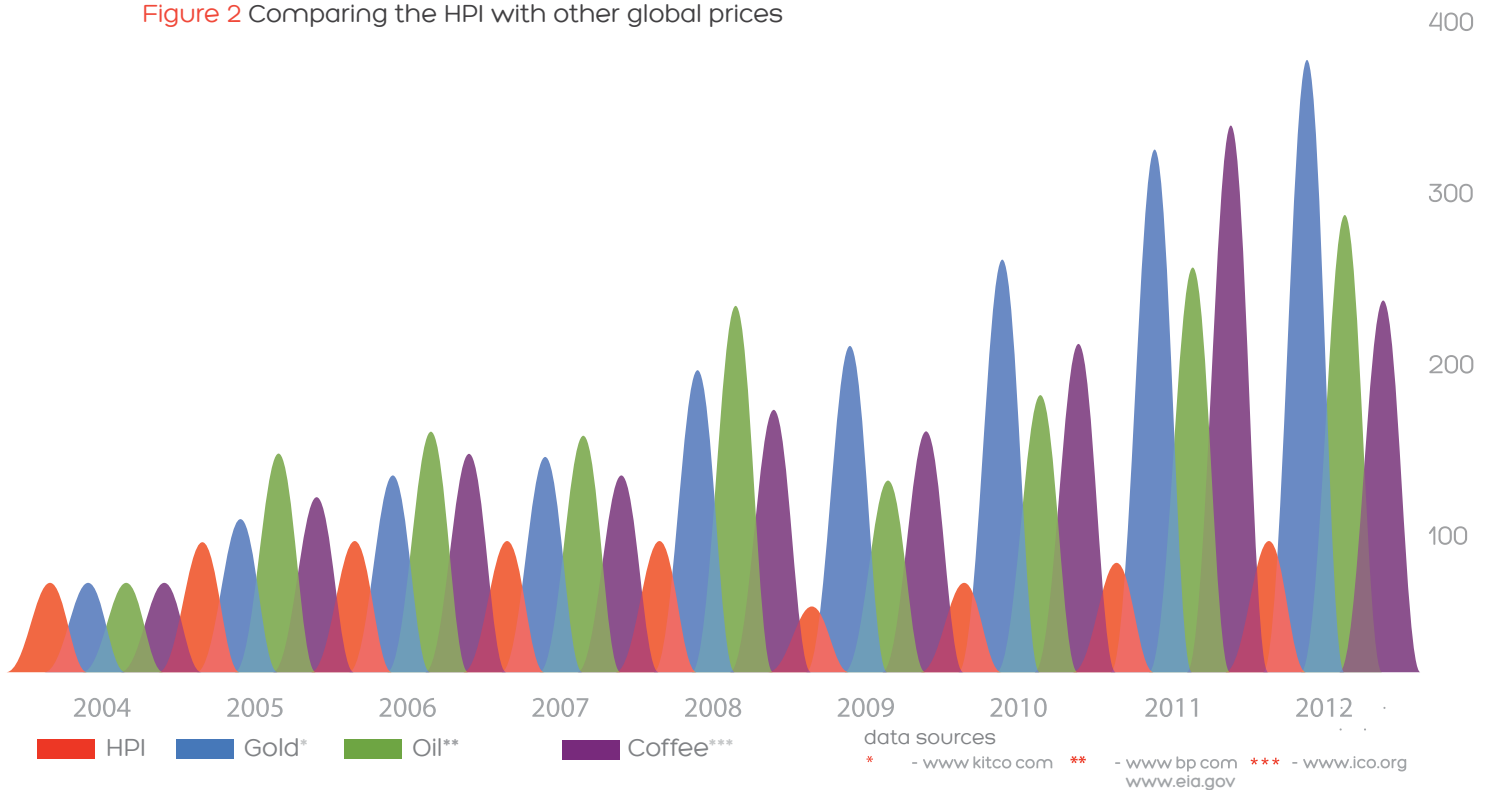
in-depth analysis into what caused these changes and how they influenced individual cities and countries can be found below and in subsequent chapters.

Although not directly comparable, the relative

stability of global hotel prices can also be seen in a less technical fashion by comparing the fluctuation of the HPI with other global commodities such as gold, oil and coffee in an index. Swings there have been considerably more volatile and prices have risen

substantially, reinforcing the great value that hotel prices still represent. At the end of 2012, the index for gold, for instance, was four times higher than in 2004, with oil three times and coffee more than double.

Figure 2 Comparing the HPI with other global prices





Johan Svanström
Vice President
Hotels.com APAC

Overall the Asian continent saw a price rise of 2% compared to 2011, backed up by a generally positive travel economic and travel industry trend. The overall rates however were still some way off from the peak level in 2007, meaning travellers could find good value in several destinations.

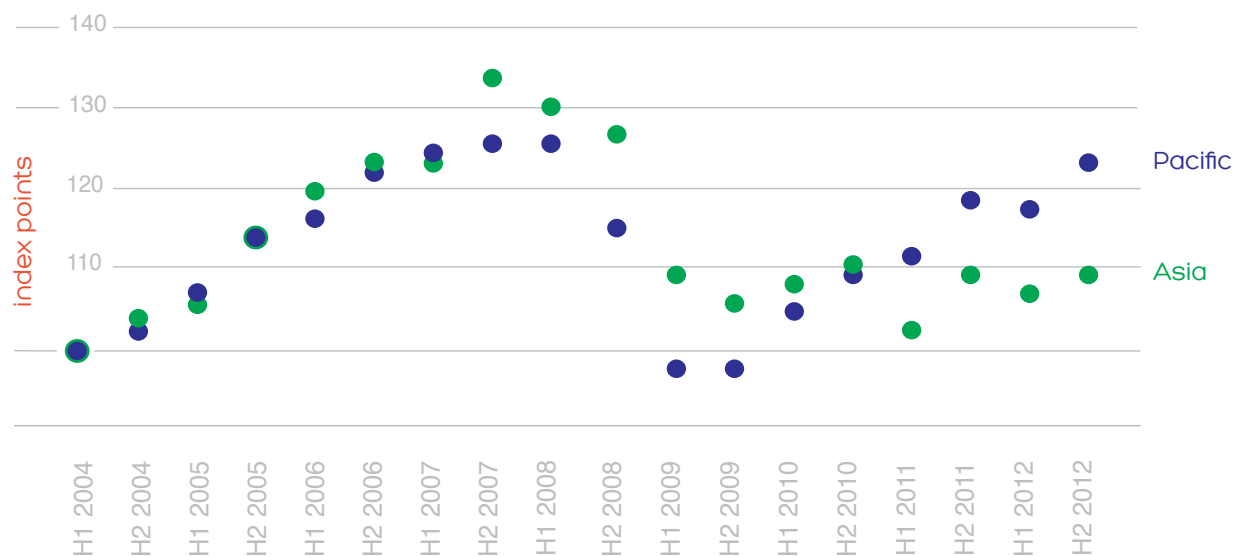
Behind the average number in 2012 is quite a number of events moving prices up and down across the region. Examples include downward pressure on rates in India, due to a precipitous fall of the Rupee, travel demand shifts due to the politically sensitive situation around the islands in the East China Sea, and price bounce-backs when compared against the 2011 tsunami and nuclear disaster in Japan and flooding in Thailand. Big business and tourism destinations like Singapore and Hong Kong saw continued demand but rate rises were more moderate because of the 25 new hotel openings in Hong Kong, and further room openings in the Singapore mega hotels.

The mineral and natural resources boom in Australia continued to drive strong city hotel rates, but made it somewhat difficult for leisure destinations

dependent on inbound demand. China overtook the UK to become the second largest inbound source market, a trend that is only expected to continue.

Looking forward, two mega trends are affecting the region positively in 2013 and beyond: the continued rise of the Chinese outbound travellers, both the sheer number of them and the amount of money they spend, as well as the rapid build-up of the low cost and alternative carrier market in North East Asia. Both trends invariably mean more travellers, and will drive hotel industry development and investment for years to come.

Figure 3 HPI half-yearly breakdown APAC from H1 2004 to H2 2012



Strong performance in the Pacific

Average hotel prices in the Pacific region rose another 4% during 2012, driven primarily by increases in its main market of Australia. This was higher than the global rise but the speed of growth has slowed when compared with the two previous years which registered an 11% rise in 2010 and 8% in 2011.

The Pacific HPI for 2012 reached 123, tying in second place with Latin America, another region that has seen significant movement in its hotel rates over recent years.

The Pacific HPI is now not far behind its 2007 peak of 127.

Asia on the rise

Hotel prices in Asia rose 2% during the year, failing to keep track with the global

rise but a more robust result than in 2011 when prices fell by 2% following the natural and nuclear disasters in Japan which deterred travel both within and to the region.

The Asia HPI stood at 109 for 2012 and has the farthest ground to make up on its 2007 peak of 131. In fact, it is still behind its 2005 level of 110, although individual cities have performed well.



Javier Escobedo
Vice President
Hotels.com LatAm

Latin America has witnessed a sustained period of growth in prices paid by customers over the past few years, driven primarily by the booming economies in the two key markets of Brazil and Mexico. The slowdown now could be explained by two trends: a more stable region in terms of economic and political scenarios and strong

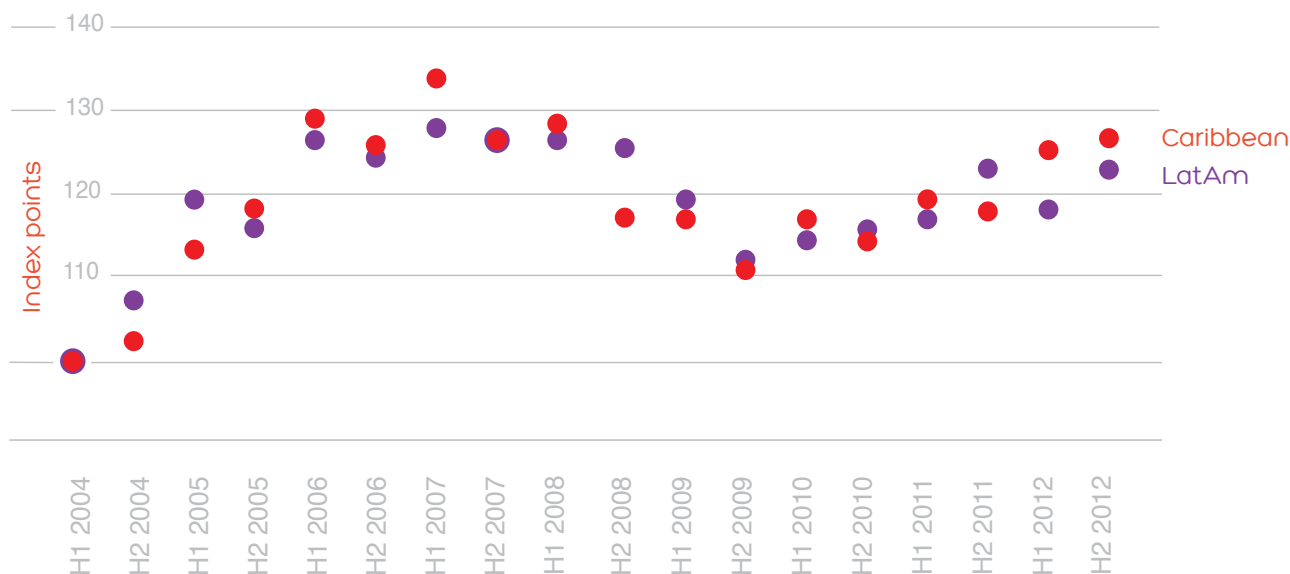
domestic activity that has led to a more competitive scenario with plenty of promotions and discounts as hotels worked to attract local visitors.

Brazil, a giant and strategic player for Latin America, has moved away from a scenario of monetary exchange instability with fewer abrupt oscillations in its exchange rate, thus setting the right conditions for a more secure market.

Mexico has also witnessed a robust twelve months for the travel industry and has coped positively with the challenges of an election year. The country has also benefited from enhancements in local infrastructure that helped develop less explored regions. Travel to international destinations, in particular the United States, has remained strong for the region, and Europe has emerged as another favourite for Latin Americans, particularly

with the lower prices there as a result of the economic downturn.

Figure 4 HPI half-yearly breakdown LatAm from H1 2004 to H2 2012



Latin American rise slowed

Average hotel prices in Latin America rose by just 1% overall during 2012, a smaller rise than the 4% recorded in the two previous years and also behind the global increase.

The 2012 HPI for Latin America reached 123, driven primarily by the booming economy in its largest market, Brazil, and

tying in second place with the Pacific which has also seen considerable growth over the past few years.

The 2012 figure of 123 was one of the closest of all the regions to its 2007 peak of 125 and equalled its 2006 level, although the HPI shows that rates in Latin America were less affected by the global economic slowdown than other parts of the world.

Highest rises in the Caribbean

The Caribbean had a strong year, registering the highest percentage increase of all the regions at 6% and also the highest HPI at 125.

This is just behind its 2006 rate of 127 and still six points adrift of its 2007 peak of 131.



Victor Owens
Vice President
Hotels.com
North America

The American travel industry as a whole faced a destructive calamity, Hurricane Sandy, in October 2012. The impact was heavily felt on the east coast and the Caribbean region with newspapers reporting 9,000 flights cancelled, \$30 billion in property damage and 7.5 million power outages.

With outstanding assistance from first responders and clean-up crews, much of the damage has been repaired.

Turning to industry matters, the North American HPI is seeing some light for hoteliers with a 5% increase in hotel prices last year.

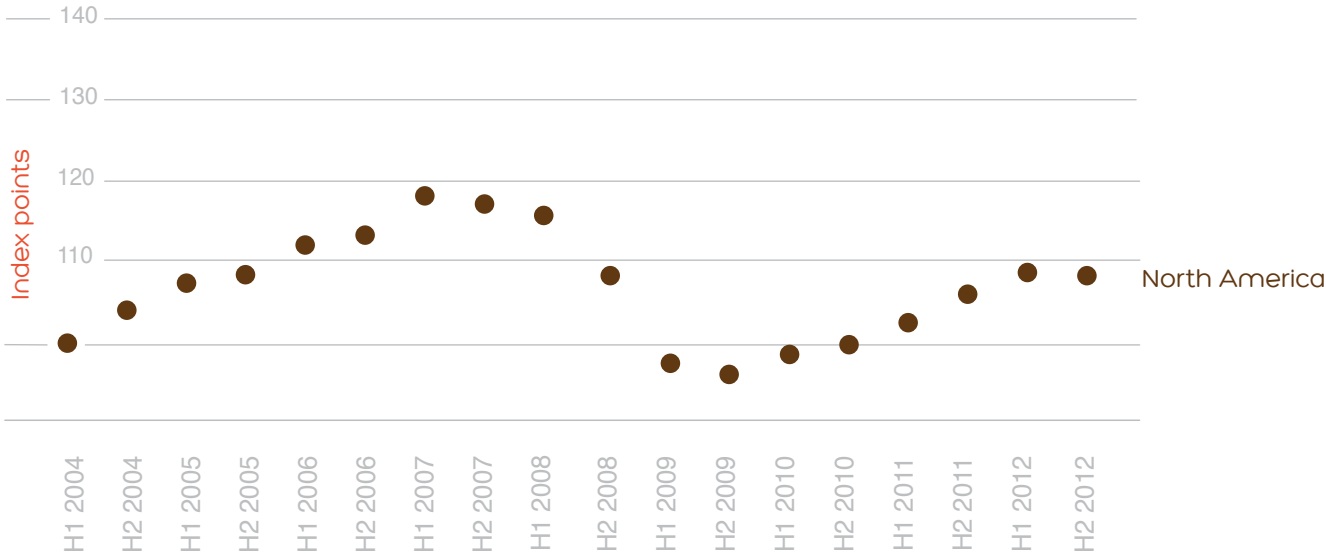
With airlines upgrading their terminals, more jets capable of long-distance flights added and visa procedures becoming smoother, the U.S. saw an influx of international visitors in 2012.

Much of this increase was due to the U.S. National Travel and Tourism Strategy implemented in January 2012, aimed at bringing more travellers to the United States to experience the broad and wonderful assortment of activities and attractions we have to offer.

Turning to Canada, the popular city of Toronto garnered international attention in 2012 by adding to its current roster of high-end properties. The sheer number of luxury properties in one city is a clear indication that retailer confidence in the market is high.

Canadians overall also had a stronger economic year than their American counterparts and travel was definitely on the radar and there was a major increase in travel abroad. Combined with the recent increase in the amount of purchased goods cross-border shoppers can now declare and a strong Canadian dollar, we anticipate travel to the U.S. remaining strong in 2013.

Figure 5 HPI half-yearly breakdown North America from H1 2004 to H2 2012



North America moving forward

Average hotel prices in North America rose 5% in 2012, the second highest rise around the world, beating the global rise and equalling its 2011 increase, thereby recording two strong years of growth.

The good news for travellers was that the North American HPI was

still ten points behind its 2007 peak, standing at just 107, the same level as in 2005 and matching the global figure.

Rates in the US fell the farthest following the global banking collapse and this result is a significant recovery from the 2009 low of 96.



Matthew Walls
Vice President
Hotels.com EMEA

Whilst hotel prices across Europe have remained relatively flat overall in 2012, the average hides some really interesting shifts in demand at the country and destination level.

There is no doubt that the much publicised economic downturn has impacted hotel prices, especially in the Southern part of the Eurozone. Hoteliers in

Greece, Italy and Turkey certainly had to tighten their belts, but this resulted in a surge in great deals especially in the lead up to the summer season.

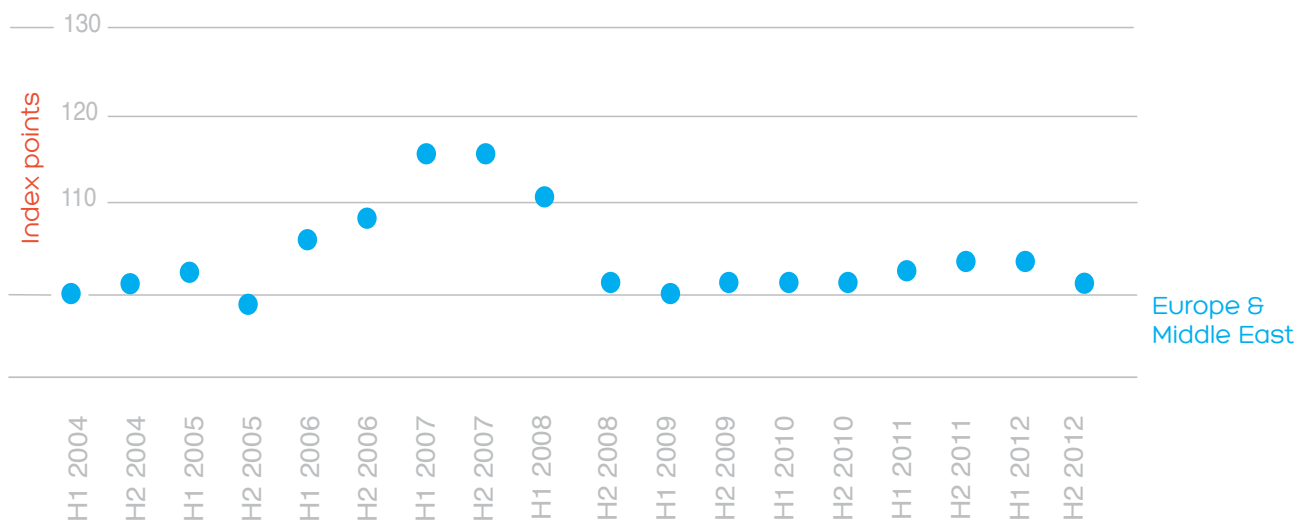
We've also seen a corresponding strengthening in demand, and hence pricing, in the countries whose economies have remained in relative health. Average hotel rates paid have risen in Germany, Norway and Sweden compared to 2011 and have really rebounded in Iceland since their "dark days" of 2010.

Whilst the overall volume of trips to long-haul destinations is much smaller than the short-haul and domestic market, we've seen a strong resurgence in demand for far-flung markets. Average prices paid by European customers for Latin America, the USA and Australasia have risen on the back of stronger demand. In the Caribbean,

resorts were offering all-inclusive rates, helping customers manage their holiday budget more accurately.

The 2012 Olympics and Paralympics in London was big news in 2012. Such a large event inevitably caused volatility in London hotel pricing with significant rises at the start of the year. Once the organising committee, LOCOG, started releasing the blocks of rooms they were holding, and hoteliers realised demand was not going to be as strong as hoped, pricing fell significantly. These adjustments seemed to coincide with a late surge in demand from the domestic market and so overall the hotel market was able to contribute to the overall success of what was a fantastic event.

Figure 6 HPI half-yearly breakdown EMEA from H1 2004 to H2 2012



Slight drop in Europe and Middle East

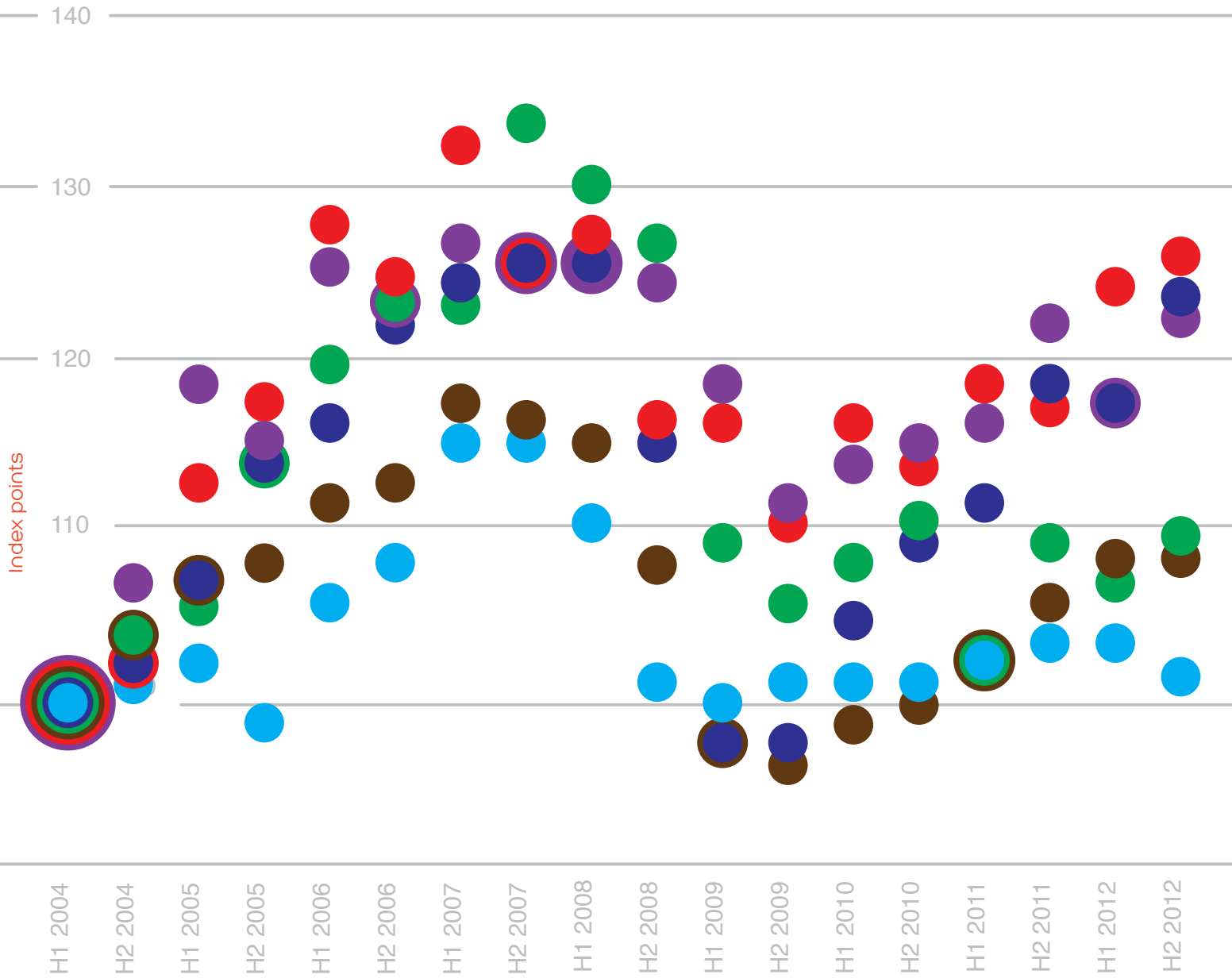
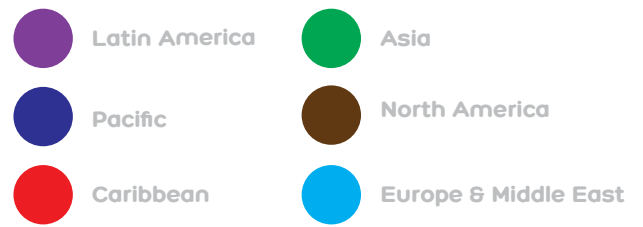
Average hotel prices across Europe and the Middle East followed a different pattern, registering a fall of just under half a per cent during 2012, well behind the global figure and also down on 2011 which saw a 2% rise.

The HPI for the region for 2012 stood at 101, the lowest of all the regions, only just higher than its starting level in 2004 and

significantly behind its 2007 peak of 116.

Europe has been badly affected by the economic crisis in the Eurozone and the Middle East suffered a lack of confidence in travel during the Arab Spring of 2011, although some destinations have bounced back.

Figure 7 HPI half-yearly breakdown from H1 2004 to H2 2012



PRICE CHANGES IN GLOBAL CITY DESTINATIONS

The following sections reflect the actual prices paid by travellers from Australia in Australian Dollars during 2012 compared to prices paid in Australian Dollars in 2011. The exception to this is in Chapter 4 where the

data shows prices paid in Australia by all travellers from around the world.

Australian travellers paid more in over half of the international destinations included in the HPI with rises mainly coming from Latin America and the major cities in Asia, while Europe continued to provide some of the best value. Of the 102 cities included in the report,

prices were up in 60, flat in five and down in 37.

Pacific increases

The mining boom in Australia was a contributing factor in the rise of hotel prices in the country, particularly for those visiting Western Australia where the average cost of a room in Perth rose 15%, to AU\$211, the highest average rate in the country.

Across the other side of the continent, Melbourne saw its average prices rise 6% to AU\$165, while Sydney grew 4% to AU\$184 and Brisbane was up 1% to AU\$169. Further details of price moves in Australia can be found in Chapter 4.

In New Zealand, the consistent increase in the number of Chinese travellers helped to fill hotels, taking the place of many absent Europeans, particularly from the UK. Domestic travel also



London

increased during the year. A fresh round of visitors to “Middle-Earth” is likely to stimulate international arrivals in 2013.

Christchurch, still recovering from the 2011 earthquake, saw limited room supply drive its rates up 21% to AU\$137 and the lake and alpine resort of Queenstown added 10% to reach AU\$152. The Wellington average grew just 2% to AU\$127 while Auckland fell 1% to AU\$116.

Good performance in Asia

There were several factors influencing the price rises across Asia during 2012: the return of travel to and from Japan following the disasters of 2011; the strength of the local economies; the continued rise in the number of Chinese travellers; and an increase in the number of flights by low cost carriers. However, the region still offers excellent



Marrakech

value for travellers and remains popular with luxury holidaymakers and backpackers alike.

In the major cities, the highest rise of 10% was seen in both Beijing, rising to AU\$112 and Seoul to AU\$163 with Bangkok up 9% to AU\$92 and Macau gaining 7% to AU\$178. A 6% increase took Mumbai to AU\$162, Taipei to AU\$134 and Hong Kong to AU\$198.

This last destination benefitted from all the stimuli but increased room supply with new hotel openings helped keep the increase to a more modest level.

Hotel prices in Japan tumbled in the first half of 2011 following the earthquake, tsunami and nuclear emergency but rebounded during 2012 as travellers returned, with

Kyoto up 19% to AU\$160 and a 4% rise taking Osaka to AU\$117 and Tokyo to AU\$162.

Phnom Penh was the destination where Australian travellers paid the least on average in the report with a 1% boost taking the Vietnamese city to AU\$61.

There were some decreases though, including Hanoi down 11% to AU\$73, Guangzhou down 8% to AU\$112 and averages in Jakarta, Ho Chi Minh City and Manila all lost 5% to AU\$107, AU\$83 and AU\$82 respectively.

In tourist destinations, the picture was mixed. In the Philippines, Boracay recorded the fastest rise of the destinations covered by the report, showing a 33% jump to AU\$133, and Cebu also performed well, up 16% to AU\$77. In Thailand, Pattaya was up 31% to AU\$87 but there was better value elsewhere

with Koh Samui down 13% to AU\$135, Phuket dropping 8% to AU\$114 and Krabi down 4% to AU\$120. In Malaysia, Langkawi dropped 14%, the sharpest percentage fall in the report, to AU\$189.

Eurozone crisis helped prices fall

In general, average hotel prices in Europe fell for Australian travellers, helped very much by the economic situation in the Eurozone, which deterred travel to and within the most affected countries. Of the 31 destinations in the report, there were falls in 19, with two flat and gains in 10.

The two cities with the largest reductions were Zurich and Milan, both down 13% to AU\$200 and AU\$170 respectively. Moscow saw an 11% decline and three cities were down 10%: Copenhagen to AU\$176, Amsterdam to AU\$175 and Athens, hit badly by





Marrakech

the country's austerity measures, to AU\$130.

In its Olympic year, London, the most popular European destination for Australian travellers, found that its average lost 3% to AU\$212.

Moving in the other direction, Reykjavik bounced back from the recent Icelandic banking crisis to gain 12% to AU\$136 and the underlining strength of the German economy also helped Frankfurt gain 12% to AU\$158.

Geneva was the European destination where Australian visitors paid the highest average, placing the Swiss city in third place in the overall price table at AU\$251 after a 4% drop as hotels dropped their prices to remain more competitive. For those on more of a budget, Warsaw, which also offered great value 5- and 4-star rates, saw its overall average rise

7% to AU\$113.

USA led the way

Circumstances were very different in the USA where Australian travellers paid more for their hotel stays during 2012 in 12 of the 15 US destinations included in the HPI as the stronger economy coupled with increased international and domestic travellers drove significant double-digit increases.

The steepest price rises were on the west coast with San Diego having the highest increase of 13% to AU\$147. Los Angeles reached AU\$192 after a 9% rise, Seattle added 6% to AU\$171 and San Francisco was up 5% to AU\$200.

Popular holiday destinations followed suit with Honolulu up 12% to AU\$229, Miami up 11% to AU\$ 208, New Orleans up 7% to AU\$167 and Las Vegas up 4% to AU\$145.

The major northeast cities had a similar experience, although overall increases were not as high, with Boston up 6% to AU\$232 and New York, the most popular overseas destination for Australian travellers and the highest priced US destination in second place in the overall table, up 4% to AU\$278. Conversely, Washington

DC fell 3% to AU\$191.

In the Midwest, Chicago experienced a rate rise of 10% to AU\$187.

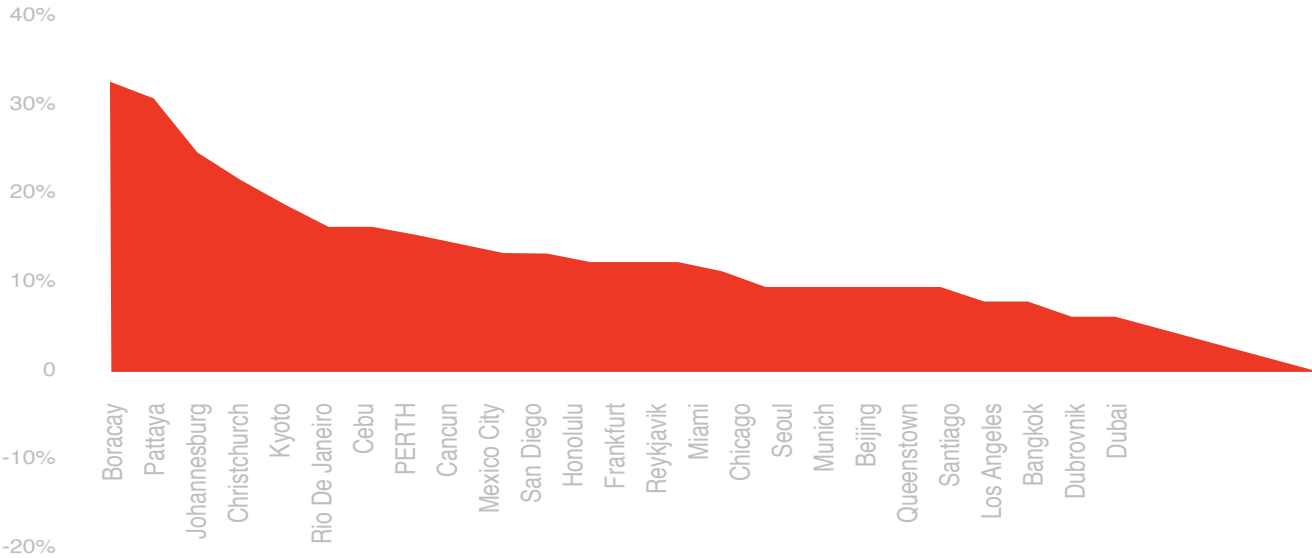
Confidence returned to the Middle East

Following the turbulent start to 2011 with the turmoil of the Arab Spring, confidence returned to

much of the Middle East and North Africa during 2012, allowing hotel prices to rise as travellers returned.

Dubai, the most popular destination in the region, saw high occupancy drive its rates up 8% to AU\$192, while Abu Dhabi increased 2% to AU\$155. There were 6% climbs in Israel for Tel

Figure 8 The biggest percentage price rises in 2012 compared with 2011



Aviv, up to AU\$212, and Jerusalem, up to AU\$205.

Latin American powerhouses

The main economies of Latin America also performed well in 2012. In Brazil, Australian travellers paid 16% more to stay in Rio de Janeiro at AU\$293, placing it at the top of the

price table as limited hotel supply helped to drive up rates. As the city prepares for the World Cup in 2014 and the Olympic Games in 2016, it will be interesting to watch the impact of these global events on average hotel prices in the next few years.

Mexico also enjoyed a strong performance with

the Caribbean resort of Cancun up 14% to AU\$218 and Mexico City up

13% to AU\$125 per night.

Elsewhere, Santiago gained 10% to AU\$156 and Buenos Aires was flat on AU\$144.

Figure 9 The biggest percentage price falls in 2012 compared with 2011

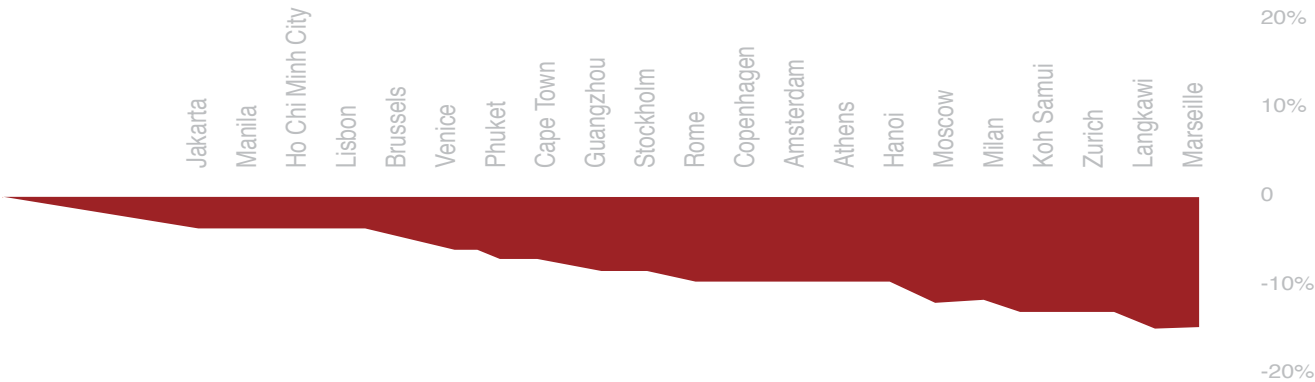


Figure 10 Average hotel prices in 2012 compared with 2011 in AUD

Destination	2012	2011	% change	Destination	2012	2011	% change
Rio De Janeiro	293	252	16%	Copenhagen	176	197	-10%
New York	278	268	4%	Amsterdam	175	195	-10%
Geneva	251	261	-4%	Edinburgh	171	171	0%
Boston	232	218	6%	Johannesburg	171	138	24%
Honolulu	229	203	12%	Barcelona	171	174	-2%
Dubrovnik	227	210	8%	Seattle	171	162	6%
Paris	227	220	3%	Oslo	170	176	-3%
Venice	227	243	-7%	Milan	170	196	-13%
Cancun	218	192	14%	BRISBANE	169	167	1%
Singapore	217	217	0%	Montreal	169	172	-1%
London	212	219	-3%	New Orleans	167	155	7%
Tel Aviv	212	201	6%	MELBOURNE	165	155	6%
PERTH	211	184	15%	Seoul	163	148	10%
Miami	208	188	11%	Vancouver	163	166	-2%
Jerusalem	205	193	6%	Mumbai	162	152	6%
Zurich	200	229	-13%	Toronto	162	163	0%
San Francisco	200	190	5%	Tokyo	162	156	4%
Hong Kong	198	187	6%	Cape Town	162	176	-8%
Moscow	198	221	-11%	Helsinki	161	153	5%
Stockholm	194	213	-9%	Kyoto	160	134	19%
Los Angeles	192	176	9%	Frankfurt	158	140	12%
Dubai	192	178	8%	Istanbul	157	155	1%
Washington DC	191	196	-3%	Santiago	156	142	10%
Munich	189	172	10%	Abu Dhabi	155	152	2%
Langkawi	189	220	-14%	Queenstown	152	138	10%
Chicago	187	170	10%	Bali	148	150	-1%
Rome	187	205	-9%	San Diego	147	130	13%
SYDNEY	184	176	4%	Las Vegas	145	139	4%
Florence	179	186	-4%	Buenos Aires	144	144	0%
Macau	178	166	7%	Koh Phangan	143	144	-1%

Destination	2012	2011	% change	Destination	2012	2011	% change
Madrid	142	140	1%	Kuala Lumpur	119	116	3%
Brussels	140	151	-7%	Budapest	118	122	-3%
Marseille	139	162	-14%	Shanghai	117	112	4%
Christchurch	137	113	21%	Osaka	117	112	4%
Reykjavik	136	122	12%	Tallinn	116	121	-4%
Koh Samui	135	156	-13%	Auckland	116	117	-1%
Taipei	134	127	6%	Phuket	114	124	-8%
Boracay	133	100	33%	Warsaw	113	105	7%
Prague	132	125	5%	Guangzhou	112	122	-8%
Anaheim	131	133	-1%	Beijing	112	102	10%
Dallas	131	129	2%	Delhi	109	114	-4%
Athens	130	144	-10%	Jakarta	107	113	-5%
Dublin	129	127	2%	Bangkok	92	85	9%
Berlin	128	128	0%	Pattaya	87	67	31%
Wellington	127	125	2%	Ho Chi Minh City	83	87	-5%
Lisbon	126	133	-5%	Chiang Mai	83	81	3%
Mexico City	125	110	13%	Manila	82	86	-5%
Penang	124	120	3%	Cebu	77	67	16%
Goa	122	118	3%	Hanoi	73	82	-11%
Krabi	120	125	-4%	Siem Reap	68	67	2%
Hua Hin	119	113	6%	Phnom Penh	61	60	1%

Figure 11

The biggest percentage price rises in 2012 compared with 2011 in AUD

Destination	2012	2011	% change
Boracay	133	100	33%
Pattaya	87	67	31%
Johannesburg	171	138	24%
Christchurch	137	113	21%
Kyoto	160	134	19%
Rio De Janeiro	293	252	16%
Cebu	77	67	16%
PERTH	211	184	15%
Cancun	218	192	14%
Mexico City	125	110	13%
San Diego	147	130	13%
Honolulu	229	203	12%
Frankfurt	158	140	12%
Reykjavik	136	122	12%
Miami	208	188	11%
Chicago	187	170	10%
Seoul	163	148	10%
Munich	189	172	10%
Beijing	112	102	10%
Queenstown	152	138	10%
Santiago	156	142	10%
Los Angeles	192	176	9%
Bangkok	92	85	9%
Dubrovnik	227	210	8%
Dubai	192	178	8%

Figure 12

The biggest percentage price falls in 2012 compared with 2011 in AUD

Destination	2012	2011	% change
Langkawi	189	220	-14%
Marseille	139	162	-14%
Milan	170	196	-13%
Koh Samui	135	156	-13%
Zurich	200	229	-13%
Hanoi	73	82	-11%
Moscow	198	221	-11%
Copenhagen	176	197	-10%
Amsterdam	175	195	-10%
Athens	130	144	-10%
Stockholm	194	213	-9%
Rome	187	205	-9%
Phuket	114	124	-8%
Cape Town	162	176	-8%
Guangzhou	112	122	-8%
Brussels	140	151	-7%
Venice	227	243	-7%
Jakarta	107	113	-5%
Manila	82	86	-5%
Ho Chi Minh City	83	87	-5%
Lisbon	126	133	-5%

Figure 13

Best value European city break destinations in AUD

Destination	Price
Warsaw	113
Tallinn	116
Budapest	118
Lisbon	126
Berlin	128
Dublin	129
Athens	130
Prague	132
Reykjavik	136
Marseille	139

Figure 17 *

Best cities for nightlife * in AUD

Destination	Price
New York	278
Las Vegas	145
London	212
Paris	227
Barcelona	171
Berlin	128
Amsterdam	175
Madrid	142
Los Angeles	192
Bangkok	92

* As voted in a Hotels.com survey of 27,000 travellers around the world

Figure 14

Best value backpacker destinations in AUD

Destination	Price
Phnom Penh	61
Siem Reap	68
Cebu	77
Chiang Mai	83
Pattaya	87
Bangkok	92
Jakarta	107
Phuket	114
Krabi	120
Goa	122

Figure 18

Islands destinations in AUD

Destination	Price
Cebu	77
Phuket	114
Krabi	120
Penang	124
Boracay	133
Koh Samui	135
Ko Phi Phi	140
Koh Phangan	143
Bali	148
Langkawi	189

Figure 15

World's largest economies in AUD

Destination	Price
USA	190
China	112
Japan	150
Germany	151
France	196
Brazil	249
United Kingdom	179
Italy	189
India	112
Russia	178

Figure 19

Best destinations for romance in AUD

Destination	Price
Siem Reap	68
Koh Samui	135
Ko Phi Phi	140
Bali	148
Florence	179
Rome	187
Langkawi	189
Venice	227
Paris	227
New York	278

Figure 16

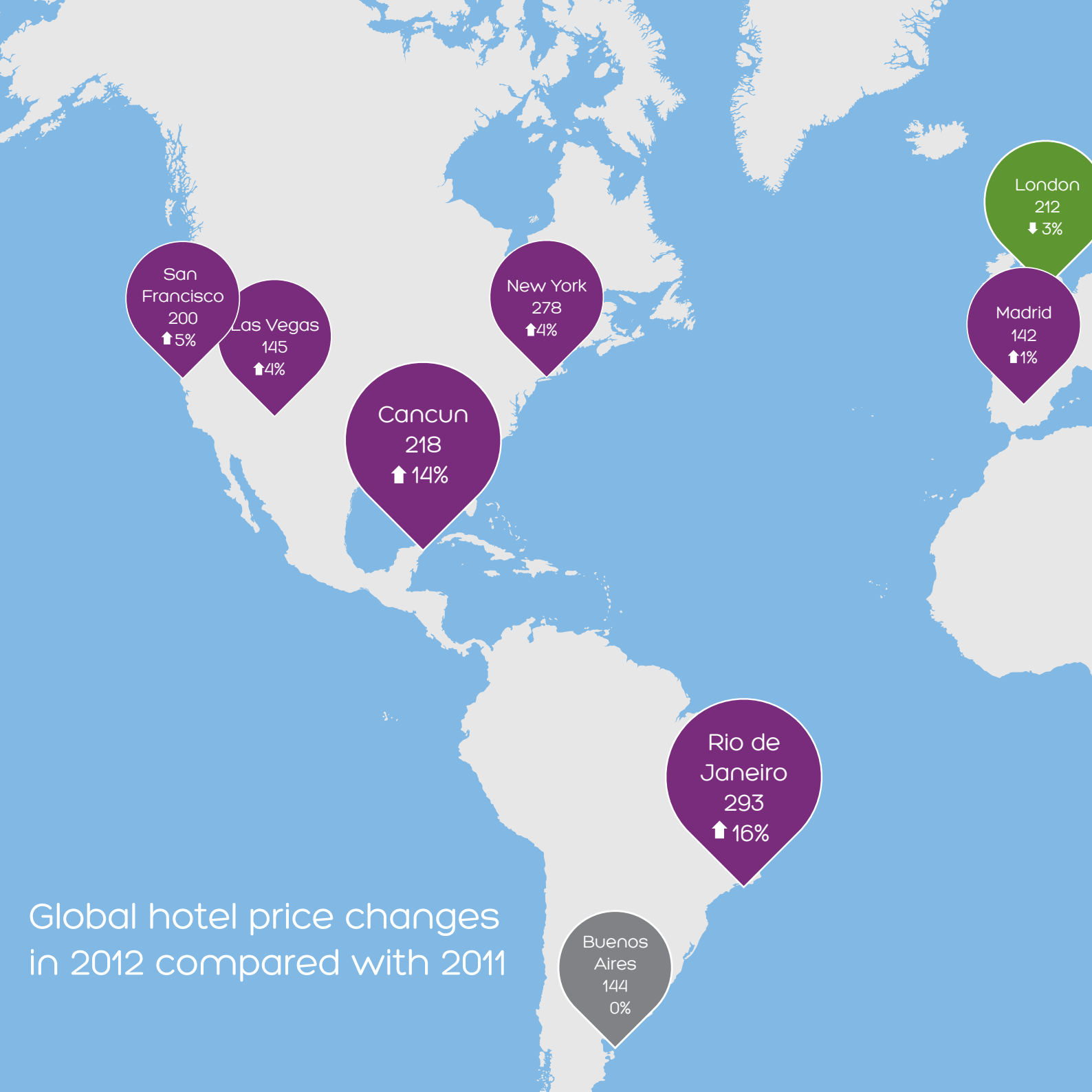
Top shopping cities around the world in AUD

Destination	Price
New York	278
Paris	227
Singapore	217
London	212
Hong Kong	198
Dubai	192
Barcelona	171
Milan	170
Kuala Lumpur	119
Bangkok	92

Figure 20

Most 3-star Michelin restaurants in AUD

Destination	Price
Tokyo	162
Paris	227
New York	179
Kyoto	160
Hong Kong	198
Osaka	117
London	212
Macau	212
Rome	187
Chicago	187



Global hotel price changes
in 2012 compared with 2011



Athens
130
↑ 10%

Dubai
192
↑ 8%

Mumbai
162
↑ 6%

Seoul
163
↑ 10%

Tokyo
162
↑ 4%

Hong Kong
198
↑ 6%

Singapore
217
0%

Johannesburg
171
↑ 24%

Perth
211
↑ 15%

Sydney
184
↑ 4%

3

PRICE CHANGES BY COUNTRY

In 2012, Australian travellers paid less for their hotel rooms in half of the countries included in the HPI with the majority of falls seen in Europe as a result of the economic situation in the Eurozone. Australian travellers paid less or the same for their hotel rooms in 22 of the 25 European countries covered by the report.

Upward trends were seen in countries such as Australia and Brazil, where strong economies boosted local hotel rates. In Asia, prices lifted due to a return to more regular travel patterns, as the region recovered from the turmoil in Japan in 2011.

Overall, rates in Australia rose by 4% to AU\$169, a slightly higher increase than that of its closest neighbour, New Zealand, where the average paid

was up 3% to AU\$125.

The principality of Monaco took the first spot in the price table at AU\$286, although its average rate fell 10% on 2011. Not surprisingly, the largest drop was in Greece, which saw an 11% fall to AU\$159, followed by Denmark, also down 10% to AU\$175, and Belgium, down 9% to AU\$141. The UK registered a 4% slide to AU\$179. Reflecting the trend of its capital city, Reykjavik, Iceland as a nation saw its average add 10% to AU\$135. Average rates in the Czech Republic rose 6% to AU\$131. Only two Eurozone countries saw positive results with Finland up 4% to AU\$159 and Germany up 2% to AU\$151.

In Asia, the fastest riser was South Korea, up 10% to AU\$160. Macau and Japan both experienced a 7% upswing to AU\$178 and AU\$150 respectively as trust in the Japanese market returned after



United Kingdom



the natural and nuclear crisis in 2011 drove visitors away. Singapore had the highest rates in the region at AU\$217, the same as in 2011. With the fall in the value of the Rupee, India's average lost 7% to AU\$112. Cambodia fell 4% to AU\$66, making it the country covered by the report with Australian travellers paid the least.

Latin America generally performed well as the average price paid grew by

21% in Peru to AU\$157, 11% in Chile to AU\$160 and 10% in Brazil to AU\$249, reaching third place in the overall price table. The only faller in the report was Colombia, down 2% to AU\$156.

Other increases around the world included Fiji, up 12% to AU\$172, the United Arab Emirates, up 8% to AU\$187, driven primarily by Dubai and Abu Dhabi, and Israel, up 8% to AU\$206. On the other hand, Morocco was down 17% to AU\$110 and

Egypt fell 16% to AU\$105. The tropical Indian Ocean island of Mauritius was in second place in the price chart, slipping 1% to AU\$254.

Of the 58 countries included in the report, Australian travellers paid more in 25, the same in four and less in 29.

Figure 21

Average hotel prices by country in 2012 compared with 2011 in AUD

Destination	2012	2011	% change	Destination	2012	2011	% change
Monaco	286	317	-10%	Peru	157	130	21%
Mauritius	254	258	-1%	Colombia	156	158	-2%
Brazil	249	226	10%	Turkey	154	160	-4%
Singapore	217	217	0%	Argentina	153	146	5%
Switzerland	210	229	-8%	Spain	152	152	0%
Israel	206	191	8%	Germany	151	148	2%
Hong Kong	198	187	6%	Japan	150	139	7%
France	196	196	0%	Austria	148	156	-5%
Sri Lanka	194	188	3%	Belgium	141	155	-9%
Mexico	194	182	7%	Indonesia	140	145	-3%
USA	190	185	2%	Iceland	135	123	10%
Italy	189	203	-7%	Czech Republic	131	124	6%
United Arab Emirates	187	173	8%	Taiwan	129	124	4%
Norway	186	191	-3%	Malaysia	128	132	-3%
Sweden	185	200	-7%	Malta	126	126	0%
Croatia	184	193	-5%	Portugal	126	130	-3%
United Kingdom	179	186	-4%	New Zealand	125	121	3%
Macau	178	166	7%	Ireland	124	127	-3%
Russia	178	191	-7%	Hungary	118	122	-3%
Denmark	175	195	-10%	Estonia	116	121	-4%
Fiji	172	153	12%	India	112	120	-7%
Canada	170	168	1%	China	112	108	3%
AUSTRALIA	169	163	4%	Morocco	110	132	-17%
Netherlands	169	182	-8%	Poland	109	111	-2%
South Africa	161	160	1%	Thailand	107	110	-2%
Chile	160	144	11%	Egypt	105	125	-16%
South Korea	160	146	10%	Philippines	102	99	4%
Greece	159	179	-11%	Vietnam	88	89	-1%
Finland	159	153	4%	Cambodia	66	68	-4%

Figure 22

The biggest percentage price rises in 2012 compared with 2011 in AUD

Destination	2012	2011	% change
Peru	157	130	21%
Fiji	172	153	12%
Chile	160	144	11%
Brazil	249	226	10%
Iceland	135	123	10%
South Korea	160	146	10%
United Arab Emirates	187	173	8%
Israel	206	191	8%
Japan	150	139	7%
Macau	178	166	7%
Mexico	194	182	7%
Hong Kong	198	187	6%
Czech Republic	131	124	6%
Argentina	153	146	5%
Taiwan	129	124	4%
Finland	159	153	4%
AUSTRALIA	169	163	4%
Philippines	102	99	4%

Figure 23

The biggest percentage price falls in 2012 compared with 2011 in AUD

Destination	2012	2011	% change
Morocco	110	132	-17%
Egypt	105	125	-16%
Greece	159	179	-11%
Denmark	175	195	-10%
Monaco	286	317	-10%
Belgium	141	155	-9%
Switzerland	210	229	-8%
Netherlands	169	182	-8%
Sweden	185	200	-7%
Italy	189	203	-7%
Russia	178	191	-7%
India	112	120	-7%
Austria	148	156	-5%
Croatia	184	193	-5%
Turkey	154	160	-4%
Estonia	116	121	-4%
United Kingdom	179	186	-4%
Cambodia	66	68	-4%

4

FOCUS ON AUSTRALIA

This chapter covers the prices paid in Australia by all travellers. It shows that hotel guests in 2012 paid an average 4% more for their hotel rooms across the country to a national rate of AU\$171 a night.

This was the year when the number of inbound visitors from China overtook the UK for the first time, making the Chinese the second highest

source market behind New Zealand. A nonstop flight from Shanghai to Cairns began and Tourism Australia launched a new phase of global marketing campaign in China.

The growth is likely to accelerate in 2013 with visa applications fast-tracked online.

The mining boom continued to drive prices higher particularly in Western Australia.

However, some of the country's beachside sunspots struggled

with occupancy levels, particularly outside the peak season, as the strong Australian Dollar encouraged more overseas travel.

New low cost airline routes to Asia also impacted travel patterns and the aggressive price war between Qantas and Virgin Australia helped to force down international air fares. In 2013, the new relationship between the Australian flag carrier and Emirates will provide more opportunities for easier connections in Dubai for



Twin Peaks

additional destinations in Europe.

The Whitsunday Islands took the top price slot at AU\$247, despite a 9% fall. Other strong holiday favourites included Port Douglas, up 10% to AU\$177 and Cairns up 8% to AU\$132. Rates on the Gold Coast rose just 2% to AU\$165 and the average price for the Sunshine Coast remained flat on AU\$186. The average hotel rate paid in Byron Bay slid 7% to AU\$165 and prices in the Blue Mountains dipped 3% to AU\$172.

Of the major cities, Perth had the highest average, up 15% to AU\$211 in second place in the table, Sydney added 4% to AU\$183, followed closely by Darwin on AU\$182 after a 17% rise, the highest increase of all. Global travellers paid 7% more in Hobart, taking the Tasmanian capital to AU\$157, 6% extra in Melbourne to AU\$165 and an additional 3% in

Brisbane to AU\$172. Of the state capitals, Adelaide had the smallest rise of 2% to AU\$147 while Canberra fell 2% to AU\$181.

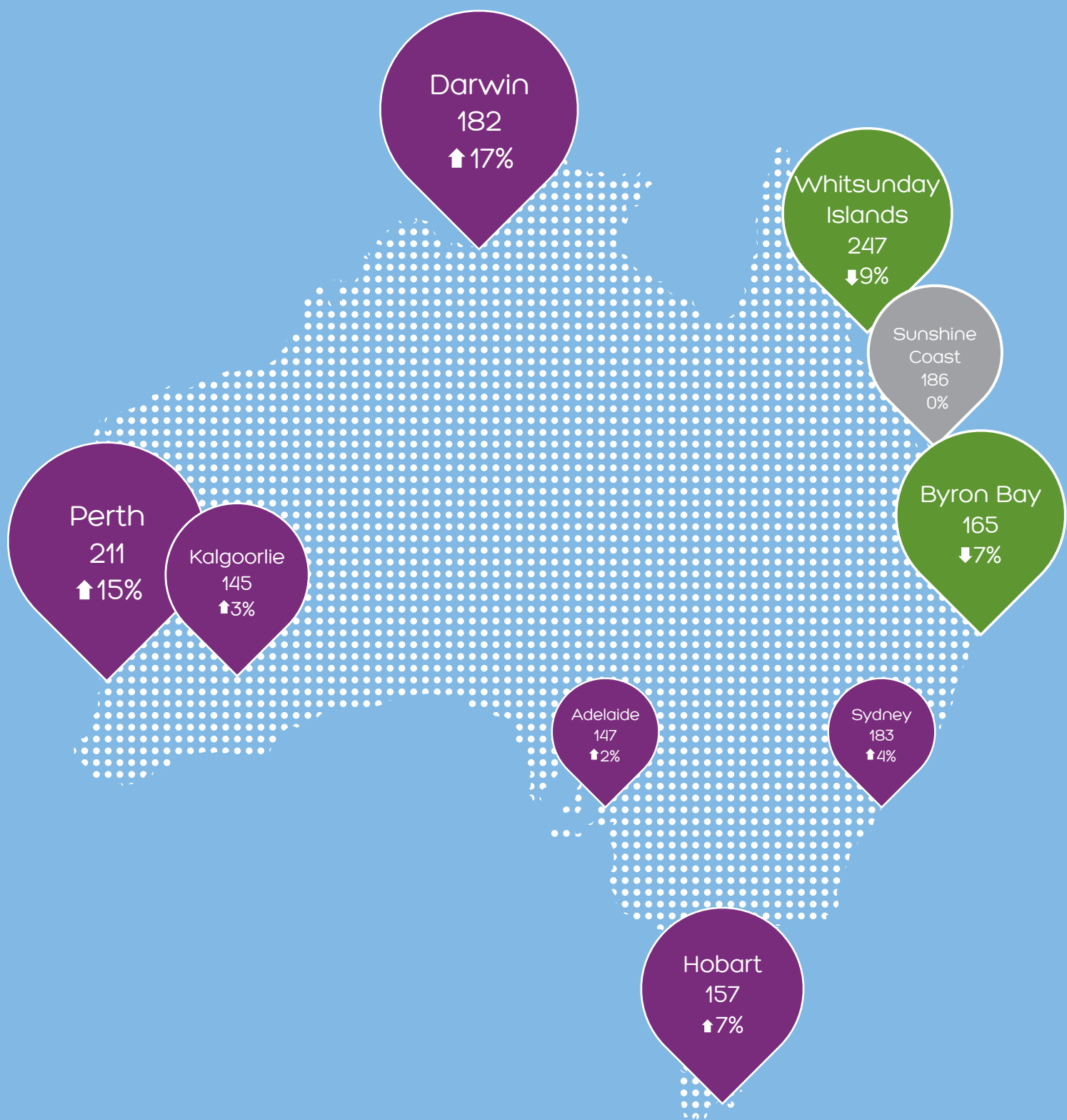
In the wine regions, Hunter Valley gained 6% to AU\$174 and Margaret River added 5% to AU\$192.



Figure 24

Average price per room per night in 2012 compared with 2011 across Australia in AUD

Destination	2012	2011	% change
Whitsunday Islands	247	272	-9%
Perth	211	184	15%
Margaret River	192	184	5%
Sunshine Coast	186	185	0%
Sydney	183	176	4%
Darwin	182	155	17%
Canberra	181	184	-2%
Port Douglas	177	161	10%
Hunter Valley	174	164	6%
Brisbane	172	166	3%
Newcastle	172	183	-6%
Blue Mountains	165	170	-3%
Byron Bay	165	176	-7%
Gold Coast	165	163	2%
Melbourne	162	153	6%
Hobart	157	147	7%
Mackay	157	142	10%
Adelaide	147	144	2%
Kalgoorlie	145	141	3%
Townsville	142	142	0%
Launceston	138	133	3%
Cairns	132	123	8%
Alice Springs	111	111	0%



Top spenders

One new piece of research included for the first time in this report looks at the average price paid for a hotel room in Australia by visiting nationalities.

This shows that, of the 30 nations included in the report, 24 paid more in Australia in 2012 than the previous year with two flat and just four higher. This is in line with the results in the first part of this chapter which showed Australian rates rose overall.

With a difference of AU\$56 a night between the top and bottom of the table, it was visitors from South Africa who parted with the most money to stay in Australia at AU\$199, the same as in 2011.

In second place were Brazilians on AU\$187, up 4%, followed by the highest-paying Europeans, the Russians, on AU\$183, paying 25% more than

the previous year, making them the fastest climbers. Three Asian nationalities were in the Top 10 with Japanese travellers ranked 4th on AU\$181, up 3%, travellers from Singapore were 7th on AU\$174, up 4%, and Chinese visitors paid 3% more to average AU\$173 tying them at 8th with the Norwegians, also with a 3% rise.

Nationalities that travelled the furthest to reach Australia also paid some of the highest rates when they arrived. The Americans were 5th on AU\$180, up 4%, followed by the British in 6th on AU\$178, up 6%. Prices for Mexican travellers rose 18% to AU\$172.

Visitors from New Zealand and Hong Kong tied at 18th on AU\$161, paying 5% and 6% more respectively.

Belgian travellers experienced the biggest fall, down 9% to AU\$151. Other European

nationalities occupied the last three places in the table with German travellers ranked 30th paying AU\$143, up 1%, followed by the Spanish on AU\$144, spending 5% less, and the Italians on AU\$147, up 6%.



Figure 25

The average price paid for a hotel room in Australia in 2012 compared with 2011 by visiting country in AUD

Rank	Destination	2012	2011	% change	Rank	Destination	2012	2011	% change
1	South Africa	199	199	0%	16	Switzerland	162	168	-4%
2	Brazil	187	180	4%	17=	Sweden	161	159	1%
3	Russia	183	146	25%	17=	Hong Kong	161	152	6%
4	Japan	181	176	3%	17=	New Zealand	161	153	5%
5	USA	180	172	4%	20=	Argentina	157	139	13%
6	United Kingdom	178	167	6%	20=	Korea	157	147	6%
7	Singapore	174	168	4%	22=	France	156	154	1%
8=	China	173	168	3%	22=	Denmark	156	150	4%
8=	Norway	173	167	3%	24	Netherlands	154	139	10%
10	Mexico	172	146	18%	25	Finland	152	151	0%
11	India	170	165	3%	26	Belgium	151	165	-9%
12=	Austria	166	137	22%	27	Taiwan	150	140	7%
12=	Ireland	166	161	3%	28	Italy	147	139	6%
14	Canada	164	160	3%	29	Spain	144	152	-5%
15	Israel	163	167	-3%	30	Germany	143	141	1%

PRICES PAID AT HOME AND AWAY

Travelling abroad

Australian travellers were close to the top of the table of biggest spenders abroad in 2012, ranking 2nd, spending AU\$168 per night on accommodation.

Japanese travellers spent the most away from home once again on AU\$180 and the Americans were in 3rd place on AU\$165.

There were four European nations in the top 10 with the Swiss placed 4th on AU\$164, the Norwegians ranked 6th on AU\$161, Russian travellers 8th on AU\$155 and UK travellers, tied with the New Zealanders, in 10th on AU\$153. Chinese travellers were the 5th biggest spenders on AU\$163 and the last two places were filled by Brazilians in 7th on AU\$158 and Argentineans

in 9th on AU\$154.

Spanish travellers were the savviest nationality overall with an average spend of AU\$127, followed by the Dutch on AU\$128 and Mexican travellers on AU\$129.

Travelling at home

With a span of AU\$101 between the top and bottom of the table, the average rate for Australians staying in Australia was AU\$172, putting them amongst the highest spenders again in 4th place.

Swiss travellers paid the most in domestic accommodation, at AU\$186, followed by those from Singapore in 2nd place on AU\$180 and Norwegians in 3rd on AU\$178 per night.

For the Europeans, Swedish travellers were 5th on AU\$156, Danish were 8th on AU\$144 and

Russian travellers ranked 9th on AU\$143. There were two more from Asia with South Koreans ranked 6th on AU\$150 and Hong Kong placed 7th on AU\$149. The Canadians made up the top ten spending an average of AU\$139 per night. New Zealanders were in the bottom half of the table in 23rd on AU\$104 per night.

At the other end of the table, those looking for best value at home were Indian travellers, spending an average of AU\$85 a night, followed by the Portuguese on AU\$87 and the Spanish on AU\$90.

More at home or away?

Of the 29 countries analysed, 20 paid more abroad than at home with some of them having a considerable gap between the two sums. The Chinese spent AU\$63 a night more on average when travelling

abroad, followed by the Argentineans on AU\$51 and Indian travellers on AU\$51.

Only nine nations paid more at home than away. Travellers from Singapore had the greatest difference, spending AU\$41 more domestically than abroad, followed by the Swiss with a AU\$22 variation and the Norwegians with AU\$17. Australian travellers were in this category but with only a slight gap, spending AU\$4 more at home than abroad.

Only nine nations paid more at home than away. Travellers from Singapore had the greatest difference, spending AU\$41 more domestically than abroad, followed by the Swiss with a AU\$22 variation and the Norwegians with AU\$17. Australian travellers were in this category but with only a slight gap, spending just AU\$4 more at home than abroad.



Figure 26

Average room prices paid by travellers when travelling overseas versus those paid within their own countries in AUD

Away			Home		
	Country			Country	
1	Japan	180	1	Switzerland	186
2	AUSTRALIA	168	2	Singapore	180
3	United States of America	165	3	Norway	178
4	Switzerland	164	4	AUSTRALIA	172
5	China	163	5	Sweden	156
6	Norway	161	6	South Korea	150
7	Brazil	158	7	Hong Kong	149
8	Russia	155	8	Denmark	144
9	Argentina	154	9	Russia	143
10=	United Kingdom	153	10	Canada	139
10=	New Zealand	153	11=	Finland	136
12	Sweden	152	11=	Japan	136
13	Canada	145	13	Brazil	129
14	Colombia	144	14	Colombia	127
15	Austria	143	15	United Kingdom	125
16	Ireland	142	16	United States of America	121
17=	Singapore	139	17	Austria	117
17=	Hong Kong	139	18	Netherlands	116
17=	Denmark	139	19	Mexico	112
20	South Korea	138	20	Germany	110
21	India	136	21	Italy	109
22	Italy	133	22	Ireland	105
23=	Finland	131	23	New Zealand	104
23=	France	131	24	Argentina	103
24=	Germany	130	25	France	101
24=	Portugal	130	26	China	100
27	Mexico	129	27	Spain	90
28	Netherlands	128	28	Portugal	87
29	Spain	127	29	India	85

WHERE TO STAY FOR AU\$200 A NIGHT

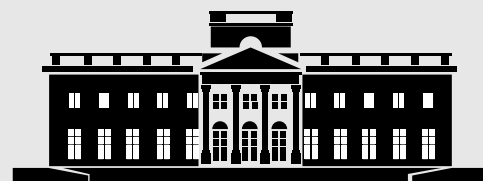
Asian and European destinations dominated the list where 5-star accommodation was still available for AU\$200 a night or less on average during 2012. Close to home, there was a choice of Bangkok, Beijing and Guangzhou while, after a long haul flight, there was a broader collection with Berlin, Brussels, Budapest, Lisbon and Warsaw.

A much wider selection of 4-star rooms for an average AU\$200 or less was available, with 27 destinations available around the world, including Melbourne and Sydney. There were 14 in Europe including favourites such as Amsterdam, Barcelona, Edinburgh and Rome and seven in Asia including Bali, Jakarta and Shanghai. Las Vegas and Orlando were available in the US while

Dubai and Cape Town also made the list.

This budget could also buy 3-star lodging in another 18 cities, including Hong Kong, London, Paris and Los Angeles but only 2-star in Boston, New York and San Francisco.

Warsaw



London



New York



Figure 27

The star rating that can be purchased with AU\$200 a night on average in the world's top cities

Destination	AU\$200	Destination	AU\$200	Destination	AU\$200
Bangkok	★★★★★	MELBOURNE	★★★★★	Stockholm	★★★
Beijing	★★★★★	Milan	★★★★★	Tokyo	★★★★
Berlin	★★★★★	Mumbai	★★★★★	Toronto	★★★★
Brussels	★★★★★	Munich	★★★★★	Vancouver	★★★★
Budapest	★★★★★	Orlando	★★★★★	Venice	★★★★
Guangzhou	★★★★★	Prague	★★★★★	Washington DC	★★★★
Lisbon	★★★★★	Rome	★★★★★	Zurich	★★★★
Warsaw	★★★★★	Seoul	★★★★★	Boston	★★★★
Amsterdam	★★★★★	Shanghai	★★★★★	New York	★★★★
Bali	★★★★★	SYDNEY	★★★★★	San Francisco	★★★★
Barcelona	★★★★★	Taipei	★★★★★	Paris	★★★★
Cape Town	★★★★★	Vienna	★★★★★	Singapore	★★★★
Copenhagen	★★★★★	Cancun	★★★★	Tokyo	★★★★
Delhi	★★★★★	Chicago	★★★★	Toronto	★★★★
Dubai	★★★★★	Hong Kong	★★★★	Vancouver	★★★★
Dublin	★★★★★	London	★★★★	Venice	★★★★
Edinburgh	★★★★★	Los Angeles	★★★★	Washington DC	★★★★
Frankfurt	★★★★★	Miami	★★★★	Zurich	★★★★
Helsinki	★★★★★	Montreal	★★★★	Boston	★★★
Istanbul	★★★★★	Nice	★★★★	New York	★★★
Jakarta	★★★★★	Paris	★★★★	San Francisco	★★★
Las Vegas	★★★★★	Seattle	★★★★		
Madrid	★★★★★	Singapore	★★★★		

AVERAGE ROOM PRICES BY STAR RATING

For the HPI, Hotels.com analysed the average prices paid in Australian dollars for hotel rooms across different star ratings in the world's top cities to help consumers make the most of their travel budget. With 5-star rates starting at a cost-effective AU\$118 but rocketing as high as an extravagant AU\$532 on average, it makes sense to shop around and research a range of destinations before making a decision on where to go, particularly for a special occasion.

At the top of the 5-star range, AU\$100 ahead of any other city, was New York at AU\$532, followed by Los Angeles on AU\$431 and Paris in third place on AU\$429. The two Australian cities in the table provided much better value with considerably

lower rates as Melbourne averaged AU\$257 a night and Sydney AU\$252.

Warsaw offered the best deal on 5-star accommodation with an average price of AU\$118 a night, followed by Budapest on AU\$176 and Brussels on AU\$183.

Bangkok had the lowest 4-star average at AU\$104 followed by two European capitals with Budapest on AU\$106 and Warsaw on AU\$110. It was harder for Australian cities to compete in this area with Melbourne at AU\$172 and Sydney at AU\$190. However, it was still less expensive on average to stay in a 4-star hotel in the Victorian capital than a 3-star property in several popular destinations such as Miami and Venice or even a 2-star in New York.

For the more budget-minded, at the other end of the scale, Bangkok and Shanghai offered the

lowest 2-star prices at a very affordable AU\$34 and AU\$35 respectively. This meant that Australians could have spent seven days in a 2-star hotel in the Thai capital for less than the price of one night in a 5-star hotel in Sydney.

For an inexpensive trip in the US, Las Vegas had an unbeatable AU\$69 2-star average.



San Francisco

Figure 28

Average hotel room prices by star rating during 2012 in AUD

Destination	★★	★★★	★★★★	★★★★★	Destination	★★	★★★	★★★★	★★★★★
Amsterdam	112	133	193	268	Miami	123	184	307	n/a
Bali	49	98	151	342	Milan	n/a	106	170	363
Bangkok	34	54	104	195	Montreal	110	164	227	n/a
Barcelona	104	150	173	289	Mumbai	69	103	153	218
Beijing	48	77	121	199	Munich	139	161	196	310
Berlin	97	98	124	194	New York	183	259	320	532
Boston	155	203	284	n/a	Nice	n/a	134	226	369
Brussels	n/a	126	121	183	Orlando	75	116	168	n/a
Budapest	n/a	76	106	176	Paris	118	179	267	429
Cancun	85	160	278	349	Prague	n/a	85	122	202
Cape Town	n/a	99	134	358	Rio de Janeiro	n/a	262	299	n/a
Chicago	118	182	203	n/a	Rome	113	151	192	341
Copenhagen	101	154	195	266	San Francisco	138	202	244	n/a
Delhi	37	64	155	213	Seattle	118	167	223	n/a
Dubai	95	104	153	278	Seoul	80	127	172	310
Dublin	71	99	140	264	Shanghai	35	74	116	235
Edinburgh	119	141	179	253	Singapore	90	157	229	370
Frankfurt	n/a	114	143	263	Stockholm	n/a	162	206	249
Guangzhou	n/a	66	130	195	SYDNEY	87	136	190	252
Helsinki	90	138	165	241	Taipei	64	113	166	n/a
Hong Kong	77	144	215	359	Tokyo	95	140	236	410
Istanbul	n/a	113	151	240	Toronto	111	146	216	n/a
Jakarta	n/a	60	118	235	Vancouver	114	150	210	350
Las Vegas	69	80	138	223	Venice	128	193	238	349
Lisbon	n/a	75	123	192	Vienna	n/a	134	140	226
London	106	160	228	389	Warsaw	n/a	116	110	118
Los Angeles	109	173	277	431	Washington DC	138	184	232	315
Madrid	n/a	107	131	261	Zurich	n/a	188	208	225
MELBOURNE	69	120	172	257					

Hotel star ratings explained - There is no universal star rating system. Each country has its own and, in some cases such as the UK, more than one. This means that travellers should be aware of a possible disparity of standards and facilities when booking rooms with the same star ratings in different countries.

Figure 29

Top 10 most expensive cities for 5-star hotels in 2012 in AUD

Destination	Price
New York	532
Los Angeles	431
Paris	429
Tokyo	410
London	389
Singapore	370
Nice	369
Milan	363
Hong Kong	359
Cape Town	358

Figure 30

Affordable luxury: Top 10 destinations with the best-value 5-star hotels in 2012 in AUD

Destination	Price
Warsaw	118
Budapest	176
Brussels	183
Lisbon	192
Berlin	194
Guangzhou	195
Bangkok	195
Beijing	199
Prague	202
Delhi	213

LUXURY FOR LESS

Australian travellers searching for top-of-the-range hotel accommodation for less were able to benefit from some significant price falls in 5- and 4-star prices across the world during 2012.

The highest 5-star fall was in Guangzhou where prices dropped 31% to an average AU\$196. Also in Asia, a 15% drop took Delhi's rate to AU\$213. With the economic woes in Europe, luxury breaks became considerably cheaper and several European cities appeared in the list with double-digit falls greater than in recent years. Venice was down 18% to AU\$349, Vienna down 14% to AU\$226, Moscow down 13% to AU\$264 and Amsterdam down 11% to AU\$268. Five-star averages in Sydney fell 8%

to AU\$252.

In the 4-star range, Cape Town dropped 22% to AU\$134 and in Europe, prices fell across several cities, including in Moscow, down 21% to AU\$166, Milan, down 19% to AU\$170 and Brussels, down 17% to AU\$121. Closer to home, Delhi was in the losing list again, down 12% to AU\$155.



Venice

Figure 31

Where prices at top-end hotels fell the most between 2012 and 2011 in AUD

Destination	Star Rating	2012	2011	% change
Guangzhou	5	195	281	-31%
Cape Town	4	134	171	-22%
Moscow	4	166	210	-21%
Milan	4	170	210	-19%
Venice	5	349	426	-18%
Brussels	4	121	146	-17%
Delhi	5	213	252	-15%
Stockholm	4	206	241	-14%
Zurich	4	208	241	-14%
Vienna	5	226	261	-14%
Moscow	5	264	304	-13%
Copenhagen	4	195	224	-13%
Delhi	4	155	175	-12%
Geneva	4	239	268	-11%
Amsterdam	5	268	300	-11%
Rome	4	192	210	-8%
SYDNEY	5	252	275	-8%
Venice	4	238	259	-8%
Mumbai	5	218	238	-8%
Edinburgh	4	179	194	-8%

TRAVEL HABITS

Top overseas destinations for Australian travellers

The list of top overseas destinations for Australian travellers in 2012 featured a good mix of global cities, neighbouring favourites and holiday hotspots around the world.

Auckland made the biggest move, climbing six places to enter the top 10 at 9th position. Queenstown also rose one slot to 19th place. After that, it was the attraction of low prices in Europe combined with the lure of the Olympic Games that saw London rise three places to 5th, Paris gained two to reach 8th and Rome rise one to 15th place.

The US was the most popular destination overall with six cities in the top

20. New York and Las Vegas held onto their chart-topping positions but, with rising prices in the US, the country's popularity dropped slightly with San Francisco down to 11th place. Both Honolulu and Los Angeles slipped one place to 4th and 7th respectively while Anaheim held on in 18th position.

Asian destinations were also amongst the fallers with Hong Kong at 10th, Kuala Lumpur at 16th and Shanghai at 20th, all sliding three. Bangkok was 14th, down two places. Amongst the beachside favourites, both Bali and Phuket dropped two places to 6th and 13th respectively. On the other hand, Singapore was up two to 3rd and Tokyo was up by the same number to 12th, as confidence returned.

Dubai was a new entry at 17th as Ho Chi Minh City left the chart.

Top Australian destinations for overseas travellers

Two of Australia's sunshine destinations slipped down the table for overseas travellers in 2012 with the Gold Coast at 5th and the Whitsundays at 10th, both losing one place. Brisbane rose in popularity, ranking 4th and Hobart climbed the list to take 9th spot.

The top three destinations remained the same, with Sydney, Melbourne and Cairns holding onto their places. The high rates in Perth did not seem to deter visitors as the city held onto its 6th position, as did Adelaide and Port Douglas.

Figure 32

Top overseas destinations for Australian travellers in 2012

Rank	Destination
1	New York
2	Las Vegas
3	Singapore
4	Honolulu
5	London
6	Bali
7	Los Angeles
8	Paris
9	Auckland
10	Hong Kong

Rank	Destination
11	San Francisco
12	Tokyo
13	Phuket
14	Bangkok
15	Rome
16	Kuala Lumpur
17	Dubai
18	Anaheim
19	Queenstown
20	Shanghai

Figure 33

Top Australian destinations for overseas travellers in 2012

Rank	Destination
1	Sydney
2	Melbourne
3	Cairns
4	Brisbane
5	Gold Coast
6	Perth
7	Adelaide
8	Port Douglas
9	Hobart
10	Whitsunday Islands

TRAVEL TALK

New York never sleeps – to the joy of global travellers

Suffering insomnia or just fancy a big night out? Home to some of the coolest bars, cocktail lounges and nightclubs, the city that never sleeps, New York, was voted the best place to visit for its one of a kind nightlife, according to a survey by Hotels.com of 27,000 travellers from around the world.

The gamblers' paradise, Las Vegas, rated as the second favourite choice for globetrotters, with some of the most sought after nightclubs. London closely followed, putting itself on

the cool map at number three on the party list.

While the gold and silver medals went to the US, six out of the Top Ten cities were in Europe. As well as London, the colourful cities of Paris, Barcelona, Berlin, Amsterdam and Madrid all made it into the world's favourite list.

The glitz and glamour of Los Angeles put it on the map at number eight and with something to offer everyone, Bangkok, competed the list as the only Asian city making the cut.

Closer to home, there were two cities that fought for the top spot but Sydney

pipped Melbourne at the post to rank as the top town to party in Australia. Brisbane, the Gold Coast and the nation's capital, Canberra, rounded out the Top Five Aussie cities for nightlife.



London first in taxi rank

For the fifth year running, London claimed the 'world's best taxis' title in the Hotels.com annual taxi survey, followed by New York and Tokyo.

Travellers were asked to rank their international taxi experiences across seven categories, including friendliness, knowledge of the area, cleanliness,

safety, quality of driving and value. Safety ranked as the top priority, followed by knowledge of the area and value.

New York pipped London to the post as the best city for availability with their famous yellow cabs, while Bangkok topped the list for best value.

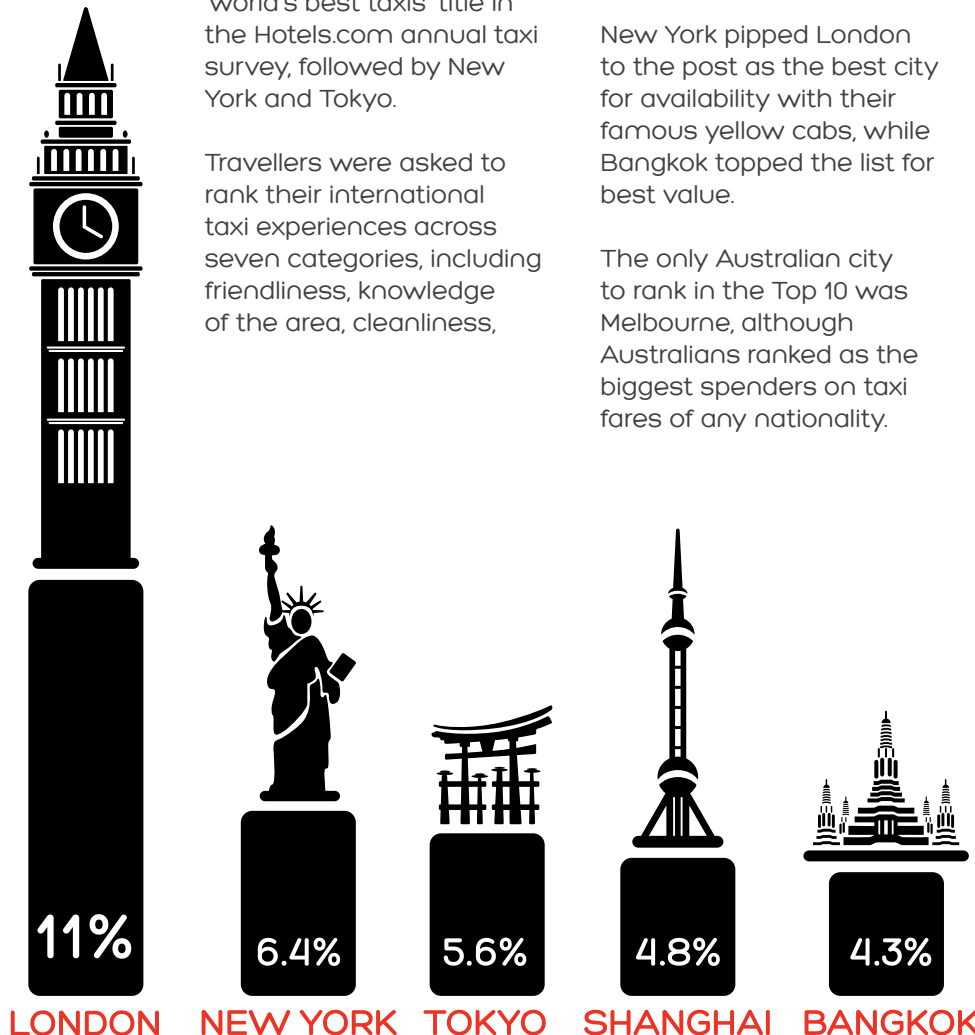
The only Australian city to rank in the Top 10 was Melbourne, although Australians ranked as the biggest spenders on taxi fares of any nationality.

The Hotels.com taxi survey also revealed some of the unconventional activities that travellers from around the world got up to on their taxi journeys.

Over half of all respondents (56%) fell asleep in a taxi, while almost a fifth (19%) said they used the journey to touch up their hair and makeup. An additional quarter (26%) of those surveyed admitted they had kissed in the backseat of the taxi.

In addition, respondents were asked about some of the strange items left behind in cabs, which included a single shoe and even a raw fish!

When it comes to tipping taxi drivers, well over one in ten (15%) travellers claimed they never tip their driver, while two in five (40%) round up their fare to the next whole number.



Home-from-Hotel

Hotels.com research shows global travellers are looking for a home-from-home experience when they stay in a hotel. Topping the list of must-have hotel amenities is free Wi-Fi, which trumps both free parking and complimentary breakfast for both leisure and business travellers.

Caffeine is also a must while all the rest is just well... extra.

Staying Connected...for Free

More than two in five (41%) Australians say free Wi-Fi is the number one factor in choosing a hotel even on leisure stays, compared to over a third (34%) of global travellers

Almost half (47%) of Australians say free Wi-Fi is their number one must-have when travelling for business, compared to over half (56%) of global respondents

The majority (79%) of Australians believe Wi-Fi should be provided free of charge in all hotels, compared to two thirds (66%) of global respondents

The Perk of New Technology: Favourite "Modern" In-Room Amenity

The technological creature comforts of home are also high on the priority list for global travellers with 23% choosing high-end coffee makers as their top modern in-room amenity. Totally wired rooms, which are completely controlled by one remote took 20% of the vote. Tech-savvy Australians were more focused on iPads, with 21% loving them for guest



London

information, room service and local guides.

The Way to Hotel Guests' Hearts: Through Their Stomachs!

Free breakfast at hotels ranked as the favourite (31%) non-tech item global travellers want to see become standard in 2013.

Australians also know breakfast is the most important meal of the day, with 35% agreeing they would also like to see free breakfast become standard this year.

Five-Star Life: The Highs and Lows of Luxury Perks

One in four global travellers (26%) say their favourite amenity while staying at a luxury hotel is the high end fitness center and/or spa, while designer toiletries also rank highly (21%)

While Australian travellers enjoy their time living the highlife, 36% say that bath menus/bath butlers aren't

worth the hype!

Australians don't like to skimp on the freebies, with 28% of travellers saying their favourite amenity at hotels is the designer toiletries. Everything in miniature form is immediately more impressive!

Almost a third (30%) of Australians have admitted to taking items from hotels, from the obvious, like bath robes, to the obscure like room service cutlery

Additional Australian specific stats

Over a quarter (26%) of Australian travellers are thinking of Mother Nature on their holidays indicating they book hotels based on the eco-friendly rating

Nearly a third (29%) of Australians say they are willing to pay extra for a balcony

The majority of Australian

travellers (90%) will read guests reviews before booking a hotel

HOTELS.COM HIGHLIGHTS OF 2012

2012 was a significant year for Hotels.com with the company passing several important milestones and achieving noteworthy results.

- In February, we unveiled our new global branding with a new colourful and bold logo, straplines and advertising. Over the past twenty years, Hotels.com has evolved from a phone-based sales company, to a primarily web-based enterprise and now to a global, fully integrated web, phone, social and mobile-booking business. It was therefore felt that our branding should reflect our position as a global industry leader.
- Welcome Rewards, the loyalty rewards programme for Hotels.com guests launched two new levels in major markets, bringing added benefits, with Silver membership reached by booking 10 nights in a year and Gold with 30 nights.
- We launched apps for the Windows 7 and 8 platforms to join our portfolio of mobile apps for iPhone, Android and tablet. Collectively, Hotels.com apps have been downloaded around the world 15 million times since their launch in 2011.
- During the year, we launched two new websites: a Spanish version in the US for our Hispanic customers and a site in Hebrew to complement our existing English one in Israel, demonstrating our commitment to bringing the Hotels.com experience closer to our customers by providing more sites with localised

and highly relevant and compelling content.

- Our UK site reached its tenth anniversary during the year. It was the first international Hotels.com website launched in 2002 and continues to be one of our most important.
- Hotels.com has won numerous awards over the years and 2012 brought a bumper crop.
- ByteLevel recognised Hotels.com as a Top 5 Best Global Website for 2012. The ByteLevel report card evaluated websites on global reach, global navigation, global/mobile architecture and localisation and social efforts.
- Hotels.com was once again named Best Overall Customer Experience, according to a study by Keynote Competitive Research, in the US and also won Best Brand Impact in the

15 MILLION

Hotels.com mobile apps downloaded

UK, in addition to ranking second for Best Overall Customer Experience, Conversion Impact and Customer Satisfaction.

- Also in the UK, Hotels.com was officially named a CoolBrand in an influential annual survey to identify the country's coolest brands.
- In Russia, Hotels.com won the Best Booking Engine category in the inaugural Moya Planeta awards and was shortlisted in the Best Mobile App section.
- At year end, we also learned that Hotels.com in the UK, as part of the wider Expedia.com Ltd family, was amongst the Top 100 Best Places to Work with the highest possible 3-star accreditation status, according to the annual Sunday Times survey.

7 MILLION

Customer reviews from guests who have actually stayed in the hotels

200,000

Bookable properties available on the site

85+

Localised Hotels.com websites around the world

35

Languages

ABOUT HOTELS.COM

Hotels.com is a leading online accommodation booking website with 200,000 properties around the world, ranging from international chains and all-inclusive resorts to local favourites and bed & breakfasts, together with all the information needed to book the perfect stay. There are more than 85 Hotels.com sites worldwide in Europe, North, Central and South America, Asia Pacific, the Middle East and South Africa, the majority of which are in localised languages. The first international site was launched in the UK in 2002 and the latest addition was the Hebrew site in 2012. The Australian website was launched in 2003.

Hotels.com benefits from one of the largest hotel contracting teams in the industry, negotiating the best rates for its customers, and offers frequent sales, special deals

and promotions. Regular customer e-newsletters provide exclusive offers and advance warning of up-coming sales. There are more than seven million reviews on the site from users who have actually stayed in the hotels to ensure customers can make an informed choice when booking.

Through its industry-leading loyalty programme Welcome Rewards available in all markets, customers can earn a free night for every 10 nights stayed at more than 85,000 hotels, subject to Welcome Rewards terms and conditions, as set out at www.hotels.com. Under its Price Match Guarantee, if a customer can find a lower price on a prepaid hotel, Hotels.com will refund the difference, subject to the Price Match terms and conditions set out on www.hotels.com.

Travellers can book online or by contacting one of the

multilingual call centres. Special apps for mobile phones and tablets can also be downloaded at www.hotels.com/deals/mobile enabling customers to book on the go with access to 20,000 last minute deals.

Hotels.com is part of Expedia Inc., the largest online travel company in the world with an extensive portfolio that includes some of the world's best-known brands. Follow Hotels.com on Facebook, Twitter and on YouTube.

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