United States
Environmental Protection Agency

Money Isn't All You're Saving

HOSPITALITY INDUSTRY

The Financial Power of ENERGY STAR®

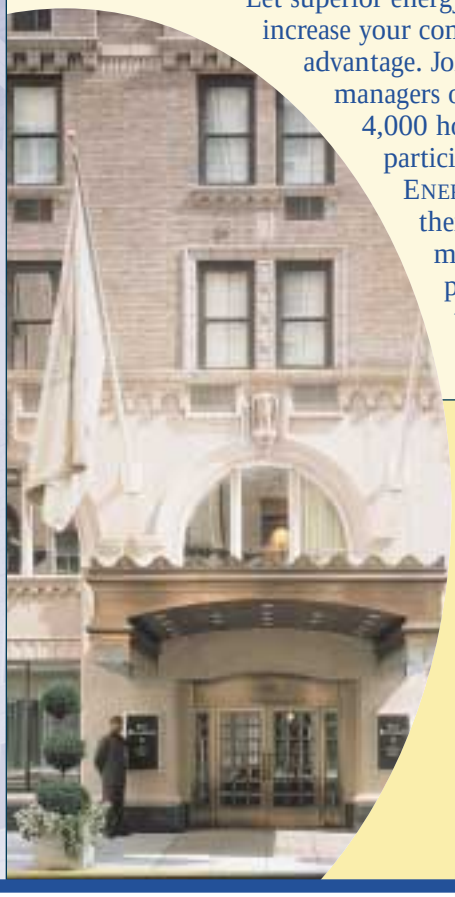
*"The financial impact of energy costs on a company's income statement, and ultimately, **shareholder value,** is significant. In fact, we have made energy-efficient upgrades that substantially reduced our energy use and significantly increased our earnings per share."*

*— Steve Lawrence, Senior Vice President, Finance, **MeriStar Hotels***

Every $1 in energy savings is the equivalent of increasing operating margins by $2 to $3!

Managing costs is fundamental to financial performance in the hospitality industry. With annual operating costs as high as $3,000 per room (including common spaces), hotels can make significant gains in overall financial performance through investments in energy efficiency. Even low-cost operations and maintenance improvements can reduce energy bills 10 to 20%! These savings add up so that every $1 saved in energy costs can have the same effect on your bottom line as increasing operating margins by $2 to $3 for limited and full service hotels, respectively.

Let superior energy performance increase your competitive advantage. Join the owners and managers of more than 4,000 hotels that are participating with ENERGY STAR to make their companies more competitive, profitable, and valuable.



A 10% reduction in energy costs is equivalent to:

	Limited Service	Full Service
Increasing Occupancy Points by	0.64	1.04
Increasing ADR* by	$0.62	$1.35
Increasing ADR* by	1.0%	1.6%

**Average Daily Room Rate*
Source: Hospitality Research Group of PKF Consulting

Energy Performance Project Example

Total Annual Energy Expenditure	**$25,000,000**
Strategic Energy Investment	**$9,000,000**
Energy Savings	**$2,500,000**
Net Present Value	**$5,780,000**
Internal Rate of Return	**24.7%**
Simple Payback	**3.6 years**
Equivalent Increase in Operating Margin	**$6,250,000**
Incremental Earnings Per Share	**4.6 cents**

based on a 10% discount rate and a 10 year term.

Investments in energy performance can significantly improve your company's bottom line. Contact ENERGY STAR to calculate the potential earnings within your portfolio.

To learn more...

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