Wyndham Hotel Group

Steven A. Rudnitsky
President & CEO

For every kind of traveler. For every kind of trip.

Strategic Overview

Wyndham Hotel Group has evolved from a U.S. economy-centric franchise business to an integrated, multi-segment, international franchise and management company.

Strategic Evolution

- Project Restore
- Revamped QA/Rate and Inventory Processes
- Introduced Field Support Organization

Leading Economy segment player

Maximize core brand operating performance

International expansion

Upscale management company capabilities

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Global Brand Portfolio

<table>
<thead>
<tr>
<th>North America Segments</th>
<th>North America Brands</th>
<th>International Segments</th>
<th>International Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Upscale</td>
<td>Wyndham Grand Collection Wyndham Hotels and Resorts</td>
<td>Luxury</td>
<td>Wyndham Grand Collection</td>
</tr>
<tr>
<td>Upscale</td>
<td>Wyndham Garden Inn</td>
<td>First Class</td>
<td>Wyndham Hotels and Resorts</td>
</tr>
<tr>
<td>Mid-scale</td>
<td>Wingate Inn</td>
<td>Mid-Market</td>
<td>Ramada Howard Johnson</td>
</tr>
<tr>
<td></td>
<td>Ramada</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Baymont/AmeriHost Inn</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Howard Johnson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economy</td>
<td>Days Inn</td>
<td>Budget/Economy</td>
<td>Days Inn</td>
</tr>
<tr>
<td></td>
<td>Super 8</td>
<td></td>
<td>Super 8</td>
</tr>
<tr>
<td></td>
<td>Travelodge</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Knights Inn</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Customer Value Proposition

- **Brand strength**
  - Three of 10 brands have consumer awareness over 90%
  - Consumer database with over 70 million names
  - Breadth of brands provides range of franchising options
  - Worldwide distribution in all key regions

- **Brand growth, domestically and internationally**
  - Super 8 and Days Inn: 35% of Economy segment; 100+ RevPAR index
  - Ramada International: opened more than 7,000 rooms since December 2004 acquisition

- **Ability to drive revenue**
  - TripRewards members generate 26% of all consumed nights
  - Reservation contribution at approximately 30%
  - Field staff providing operational and revenue management support
  - Brand Web sites: projected 50 million visitors, 17% revenue growth year-over-year through web reservations

- **Leverage scale and efficiencies**
  - Central reservations system
  - Information Technology, franchise support infrastructure
  - Marketing and worldwide sales
  - RCI worldwide footprint
### Franchise Hotel Model

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- **Weighted Average Rooms**: \( x \)
- **Average Daily Rate**: \( x \)
- **Occupancy**: \( x \)
- **Royalty Rate**: \( x \)
- **365 Days**: \( \)

\[ \text{RevPAR} = \text{Weighted Average Rooms} \times \text{Average Daily Rate} \times \text{Occupancy} \times \text{Royalty Rate} \times 365 \]

- **Marketing & Reservation Revenues**: \( X \)

\[ \text{EBITDA} = \text{Royalty Revenues} + \text{Marketing & Reservation Revenues} - \text{Operating Expenses} \]

- **+TripRewards
- Management Fees
- Reimbursable Costs
- Initial Fees**

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### Performance

**+8.4% RevPAR CAGR over the past four years**

- **+6.3% CAGR for the industry**

<table>
<thead>
<tr>
<th>Year</th>
<th>Royalty/Mktg. and Res. Revenue (SM)</th>
<th>EBITDA (SM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$366</td>
<td>$162</td>
</tr>
<tr>
<td>2006E</td>
<td>$465 - $475</td>
<td>$200 - $210</td>
</tr>
</tbody>
</table>

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Performance

Wyndham Hotel Group has exceeded Economy segment RevPAR performance since 2003

<table>
<thead>
<tr>
<th>Year</th>
<th>Economy</th>
<th>Mid-scale w/F&amp;B</th>
<th>Mid-scale w/o F&amp;B</th>
<th>Wyndham Hotel Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>-8%</td>
<td>-2%</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2001</td>
<td>-6%</td>
<td>-4.7%</td>
<td>0.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td>2002</td>
<td>-4%</td>
<td>-3%</td>
<td>0.6%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2003</td>
<td>-2%</td>
<td>-6.7%</td>
<td>-1.4%</td>
<td>2.7%</td>
</tr>
<tr>
<td>2004</td>
<td>4%</td>
<td>-2%</td>
<td>0.6%</td>
<td>5.8%</td>
</tr>
<tr>
<td>2005</td>
<td>8%</td>
<td>8.6%</td>
<td>8.6%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

Sources: PricewaterhouseCoopers Hospitality Directions journals, September 2006 (December 2005 for 2000 data)
(1) Excludes Ramada International

Global Distribution

Strong progress toward global diversification

2002

- North America: 98.8%
- MEA: 0.2%
- APAC: 0.5%
- LAM: 0.5%

2006E

- North America: 90.0%
- MEA: 3.4%
- APAC: 5.8%
- LAM: -0.8%

Note: As measured by number of rooms
North America Segment Distribution

Expanding into the faster-growing Mid-scale w/o F&B and Upscale segments.

- 2002
  - Economy/Mid-scale w/F&B: 3.3%
  - Mid-scale w/F&B: 30.5%
  - Mid-scale w/o F&B: 66.2%
  - Upscale: 6.8%

- 2006E
  - Economy/Mid-scale w/F&B: 11.6%
  - Mid-scale w/F&B: 22.9%
  - Mid-scale w/o F&B: 65.5%
  - Upscale: 4.8%

Note: As measured by number of rooms.

Competitive Comparison

Wyndham Hotel Group is the largest hotel group in the world, measured by number of hotels.

Top Ten Hotel Companies (2005)
(Ranked by Total Global Hotels)

<table>
<thead>
<tr>
<th>Hotel Company</th>
<th>Number of Hotels</th>
<th>Number of Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wyndham Worldwide</td>
<td>6,344</td>
<td>532,284</td>
</tr>
<tr>
<td>Choice Hotels International</td>
<td>5,897</td>
<td>481,131</td>
</tr>
<tr>
<td>Best Western International</td>
<td>4,195</td>
<td>315,875</td>
</tr>
<tr>
<td>Accor</td>
<td>4,065</td>
<td>475,433</td>
</tr>
<tr>
<td>InterContinental Hotels Group</td>
<td>3,606</td>
<td>537,533</td>
</tr>
<tr>
<td>Hilton Hotels Corp.</td>
<td>2,817</td>
<td>485,356</td>
</tr>
<tr>
<td>Marriott International</td>
<td>2,741</td>
<td>499,165</td>
</tr>
<tr>
<td>Carlson Hospitality Worldwide</td>
<td>922</td>
<td>147,129</td>
</tr>
<tr>
<td>Starwood Hotels and Resorts Worldwide</td>
<td>849</td>
<td>257,889</td>
</tr>
<tr>
<td>Global Hyatt Corp.</td>
<td>731</td>
<td>134,296</td>
</tr>
</tbody>
</table>

Sources: Hotels Magazine, July 2006 for comparison.
Industry Overview: United States

- **Industry RevPAR forecasted to grow +5.9% in 2007**
  - RevPAR Growth by Segment in 2007
    - Economy 5.9%
    - Mid-scale w/ Food & Beverage 5.9%
    - Mid-scale w/o Food & Beverage 7.9%
    - Upscale 7.2%
    - Upper Upscale 6.3%

- **Industry supply growing 1.6% in 2007**
- **ADR increases driving growth across all segments**
- **Macroeconomic factors that may affect industry drivers**
  - Corporate profit growth is slowing
  - RevPAR growth moderating

Sources: PricewaterhouseCoopers September 2006, Merrill Lynch Lodging Supply Watch

Industry Overview: International

Internationally, the industry is also expected to grow.

<table>
<thead>
<tr>
<th>Total Hotel Revenue by Region</th>
<th>2005 Gross Revenue</th>
<th>% Forecast Growth Rate 2006-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>124.0</td>
<td>+8.2</td>
</tr>
<tr>
<td>Total Europe</td>
<td>133.2</td>
<td>+2.3</td>
</tr>
<tr>
<td>W. Europe</td>
<td>121.9</td>
<td>+1.2</td>
</tr>
<tr>
<td>E. Europe</td>
<td>11.3</td>
<td>+14.1</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>110.2</td>
<td>+4.3</td>
</tr>
<tr>
<td>China</td>
<td>15.6</td>
<td>+15.0</td>
</tr>
<tr>
<td>India</td>
<td>1.3</td>
<td>+35.7</td>
</tr>
<tr>
<td>Japan</td>
<td>80.0</td>
<td>-0.4</td>
</tr>
<tr>
<td>Latin America</td>
<td>23.8</td>
<td>+16.3</td>
</tr>
<tr>
<td>Mexico</td>
<td>6.9</td>
<td>+5.9</td>
</tr>
</tbody>
</table>

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Industry Overview: International

Large percentage of small chains/independent hotels offers significant conversion opportunities.


Fastest growing international segments are Mid-market and Budget/Economy.

Sources: International data: Deloitte & Touche same store analysis 2005
U.S. data: PricewaterhouseCoopers, September 2006

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Growth Strategies

Operating Growth
- Revenue management program
- New property management system
- Increase sales/marketing efficiency
- Restructure worldwide sales

System Growth
- Identify target markets to fill in distribution
- Enhance customer service culture
- Capitalize on Baymont brand value proposition
- Pursue portfolio conversions and tuck-in acquisitions

Optimize performance of North American Economy/Mid-scale portfolio

Position Wyndham flagship and Wingate brands as value-added alternatives to competitive brands

Grow International core brands: Wyndham, Ramada, Days Inn, Super 8, Howard Johnson

Pursue tuck-in acquisitions and multi-unit development deals
- Drive mixed-use opportunities
- Leverage RCI developer network

Refine global brand positioning
- Invest in sales/marketing to drive reservation contribution
- Implement essential operational and system efficiencies
- Utilize RCI global infrastructure

Implement brand standards
- Integrate loyalty program
- Invest in sales/marketing
- Revenue management program

Invest in high RevPAR strategic assets
- Execute timeshare/mixed-use opportunities
- Align Wingate

Wyndham Master Brand Strategy

Wyndham Collection
Hotel
Boutique
International

Wyndham Vacation Ownership
AAA 4+ diamond
Major markets
Original architecture
Distinctive dining/bar
Strong local identification

Wyndham Hotels and Resorts
AAA 3, 4 diamond
Major urban & resort destinations
Restaurant/bar-casual dining
Meeting/event facilities
Full fitness facilities

Wyndham Garden
AAA 3 diamond
Major/Secondary markets
Casual/select-F&B service
Limited meeting space
Fitness center

Wingate by Wyndham
AAA, 2, 3 diamond
Secondary markets
80+ rooms
24/7 F&B mart
Fitness center
Wyndham Master Brand Strategy

Position Wyndham flagship and Wingate brands as value-added alternatives to competitive brands.

- **Initiatives**
  - Implement brand standards
  - Integrate loyalty program
  - Invest in sales/marketing
  - Revenue management program
  - Invest in high RevPAR strategic assets
  - Execute time share/mixed-use opportunities
  - Align Wingate

- **Progress To Date**
  - Commissioned Michael Graves for new design
  - Executed 15 hotel contracts YTD
  - 100+ deals in progress
  - Executed 15 hotel contracts YTD
  - Opened five hotels YTD
  - Re-branded 16 WVO properties
  - Corinthia JV for 11 international properties

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Wyndham Master Brand Strategy

Wyndham brand has delivered strong performance in key markets

<table>
<thead>
<tr>
<th>City</th>
<th>RevPAR Index*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston</td>
<td>119.6</td>
</tr>
<tr>
<td>Denver</td>
<td>113.9</td>
</tr>
<tr>
<td>Atlanta</td>
<td>112.4</td>
</tr>
<tr>
<td>Palm Springs</td>
<td>112.1</td>
</tr>
<tr>
<td>Miami</td>
<td>104.5</td>
</tr>
<tr>
<td>Chicago</td>
<td>101.3</td>
</tr>
<tr>
<td>San Diego</td>
<td>101.1</td>
</tr>
</tbody>
</table>

* RevPAR Index from STR, WYN hotels vs. market, market = 100

Wyndham Collection

Historic Hotels: Galveston, Texas

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Wyndham Collection

- Historic Hotels: The St. Anthony, San Antonio, Texas

Wyndham Resorts

- Grand Bay Isla Navidad, Mexico
Wyndham Hotels

- Chicago

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Wyndham Hotels

- Cleveland Playhouse Square, left, Miami Airport & Executive Meeting Center

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Wyndham Resorts

- Sugar Bay, St. Thomas, Virgin Islands

Wyndham Garden

- Overland Park, Kansas
## Wyndham development activity

- **Jacksonville, Fla.: conversion**

![Jacksonville, Fla. conversion](image)

## International Strategy

### Grow International core brands: Wyndham, Ramada, Days Inn, Super 8, Howard Johnson

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Progress To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating growth</td>
<td>Developed regional marketing co-ops</td>
</tr>
<tr>
<td></td>
<td>Launching multi-lingual Web sites</td>
</tr>
<tr>
<td></td>
<td>Expanded in-country marketing structure</td>
</tr>
<tr>
<td></td>
<td>Established and expanded General Sales Agent network</td>
</tr>
<tr>
<td>System Growth</td>
<td>Approximately 25% of pipeline is international</td>
</tr>
<tr>
<td></td>
<td>Signed multi-unit development deals in EMEA, APAC and LAM</td>
</tr>
<tr>
<td></td>
<td>Completed JVs to develop and manage hotels in Europe and China</td>
</tr>
</tbody>
</table>

- Pursue tuck-in acquisitions and multi-unit development deals
- Drive mixed-use opportunities
- Leverage RCI developer network

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International Performance

Successfully expanded into EMEA, Asia Pacific and Latin America over past three years

Source: Internal

International Development

Development Activity

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International: Corinthia

- St. Petersburg, left, and Prague

International: Corinthia

- Budapest
China joint venture

- First project: 140-room Ramada Encore in Wuxi, China

Days openings

- Days Inn Shenzhen
- Days Hotel Kilkenny
- Days Inn Jolest Beijing
- Days Hotel Dublin Airport
- Days Inn Ferrybridge
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Super 8 openings

Super 8 Beijing Dong
Super 8 Shanghai Feng Ye Nanzhan
Super 8 Shanghai He Jing
Super 8 Tianjin Jian Gong
Super 8 Shenzhen Peng Yue Mei Lin

Ramada openings

Ramada Plaza Cheongju
Ramada Plaza Guangzhou
Ramada Hotel Dresden
Ramada Osaka

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Summary

- **Strategic transformation**
  - Diversification of portfolio
    - International
    - Upscale
    - Management Company
  - Strengthened base business value proposition

- **Performance**
  - Consistent revenue and earnings growth

- **Going forward**
  - Optimize performance of North American Economy/Mid-scale portfolio
  - Position Wyndham flagship and Wingate brands as value-added alternatives to competitive brands
  - Grow International core brands: Wyndham, Ramada, Days Inn, Super 8, Howard Johnson