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HVS Executive Search

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HCE Hospitality Compensation Exchange®

**Compensation Review**  
Moscow and St.-Petersburg Hotels

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**CONFIDENTIAL AND PROPRIETARY**

HVS Executive Search

19 February 2007



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## Overview & Methodology

HVS Executive Search is widely recognized as a leader in providing human resource consulting to the hospitality industry. Core competencies of the firm include retained executive search, compensation management, and corporate governance counseling. Supporting the firm's compensation consulting practice is the HCE Hospitality Compensation Exchange®. The HCE is the most comprehensive survey of the hotel industry and encompasses data from 5000 hotels and 160 companies.

## Scope of Project

HVS has conducted a survey of salary packages awarded to members of management team at hotel properties in Moscow and St.-Petersburg. HVS' research included specific data from 10 hotels in Moscow and 5 in St.-Petersburg.

## Data Analysis

Data is presented in standard percentile format (minimum, 25<sup>th</sup> percentile, 50<sup>th</sup> percentile, 75<sup>th</sup> percentile, and maximum). A percentile is a measure of location in a distribution of numbers that defines the value below, which a given percentage of the data fall. For example, the 75<sup>th</sup> percentile is the point below which 75 percent of the data fall. The minimum and maximum represent the smallest and largest data points for each of the compensation components. We prefer the percentile format, as it is a better reflection of real compensation levels and is less susceptible to statistical outliers. All data is presented in US Dollars and in Gross format. Exchange rates and tax rates are disclosed in the footnotes to this report.

HVS respectively submits its findings,

With kindest regards,

HVS Executive Search

A handwritten signature in black ink, appearing to read 'Tatiana Veller', written over a white background.

Tatiana Veller

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### About the HCE Hospitality Compensation Exchange® 2

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## Moscow

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<b>Base Salary</b>					
<b>Position</b>	<b>Minimum</b>	<b>25th Percentile</b>	<b>50th Percentile</b>	<b>75th Percentile</b>	<b>Maximum</b>
Chief Engineer	\$16,302	\$36,000	\$50,850	\$62,150	\$63,396
Controller	\$20,500	\$46,087	\$62,908	\$79,391	\$106,800
Dir. Sales & Marketing	\$32,875	\$41,010	\$45,650	\$64,587	\$114,359
Director Food & Beverage	\$19,019	\$36,050	\$52,833	\$57,761	\$77,929
Director Human Resources	\$27,000	\$30,000	\$36,972	\$58,539	\$63,396
Director Purchasing	\$17,492	\$19,250	\$26,216	\$32,175	\$45,283
Director Rooms	\$22,415	\$28,575	\$41,810	\$60,374	\$75,864
Executive Chef	\$12,226	\$35,804	\$59,603	\$69,410	\$85,726
Executive Housekeeper	\$24,000	\$26,850	\$33,503	\$37,944	\$48,453
Front Office Manager	\$20,400	\$24,550	\$27,000	\$32,008	\$39,254
General Manager	\$66,900	\$85,965	\$136,143	\$162,658	\$199,698

<b>Bonus</b>					
<b>Position</b>	<b>Minimum</b>	<b>25th Percentile</b>	<b>50th Percentile</b>	<b>75th Percentile</b>	<b>Maximum</b>
Chief Engineer	\$3,260	\$7,414	\$10,455	\$17,779	\$18,108
Controller	\$4,264	\$9,412	\$13,959	\$23,913	\$29,638
Dir. Sales & Marketing	\$5,117	\$6,339	\$10,800	\$16,981	\$28,590
Director Food & Beverage	\$3,804	\$5,743	\$11,690	\$14,493	\$19,920
Director Human Resources	\$4,264	\$6,133	\$9,789	\$14,221	\$15,400
Director Purchasing	\$1,458	\$2,185	\$2,345	\$3,600	\$17,700
Director Rooms	\$4,264	\$5,122	\$6,102	\$11,715	\$15,600
Executive Chef	\$2,445	\$7,997	\$12,400	\$12,998	\$16,665
Executive Housekeeper	\$2,792	\$2,861	\$3,462	\$4,800	\$10,800
Front Office Manager	\$2,473	\$2,861	\$3,271	\$4,080	\$10,100
General Manager	\$6,780	\$30,377	\$40,000	\$62,748	\$88,479

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<b>Total Cash Compensation (Base + Bonus)</b>					
<b>Position</b>	<b>Minimum</b>	<b>25th Percentile</b>	<b>50th Percentile</b>	<b>75th Percentile</b>	<b>Maximum</b>
Chief Engineer	\$19,562	\$43,200	\$62,600	\$72,348	\$79,707
Controller	\$20,500	\$58,442	\$69,999	\$98,202	\$133,500
Dir. Sales & Marketing	\$39,451	\$46,787	\$54,500	\$70,812	\$142,948
Director Food & Beverage	\$22,823	\$45,100	\$56,772	\$72,323	\$89,619
Director Human Resources	\$27,000	\$36,600	\$49,950	\$63,396	\$73,174
Director Purchasing	\$18,950	\$21,050	\$28,401	\$38,739	\$52,200
Director Rooms	\$26,898	\$38,040	\$50,926	\$66,938	\$78,000
Executive Chef	\$14,672	\$46,177	\$66,706	\$79,986	\$98,586
Executive Housekeeper	\$27,000	\$32,547	\$37,198	\$41,256	\$48,453
Front Office Manager	\$24,000	\$25,740	\$32,152	\$36,199	\$42,525
General Manager	\$91,500	\$105,897	\$174,867	\$217,410	\$262,446

<b>Status</b>		
<b>Position</b>	<b>Expatriate</b>	<b>Local</b>
Chief Engineer	22%	78%
Controller	40%	60%
Dir. Sales & Marketing	10%	90%
Director Food & Beverage	50%	50%
Director Purchasing	0%	100%
Director Rooms	37%	63%
Executive Chef	80%	20%
Executive Housekeeper	0%	100%
Front Office Manager	0%	100%
General Manager	80%	20%

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<b>Housing Allowance</b>		
<b>Position</b>	<b>Yes</b>	<b>No</b>
Chief Engineer	20%	80%
Controller	40%	60%
Dir. Sales & Marketing	10%	90%
Director Food & Beverage	40%	60%
Director Purchasing	0%	100%
Director Rooms	37%	63%
Executive Chef	60%	40%
Executive Housekeeper	0%	100%
Front Office Manager	0%	100%
General Manager	60%	40%

<b>Car Allowance</b>		
<b>Position</b>	<b>Yes</b>	<b>No</b>
Chief Engineer	0%	100%
Controller	0%	100%
Dir. Sales & Marketing	0%	100%
Director Food & Beverage	0%	100%
Director Purchasing	0%	100%
Director Rooms	0%	100%
Executive Chef	0%	100%
Executive Housekeeper	0%	100%
Front Office Manager	0%	100%
General Manager	40%	60%

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<b>Medical Insurance</b>		
<b>Position</b>	<b>Yes</b>	<b>No</b>
Chief Engineer	66%	34%
Controller	70%	30%
Dir. Sales & Marketing	70%	30%
Director Food & Beverage	70%	30%
Director Purchasing	70%	30%
Director Rooms	50%	50%
Executive Chef	60%	40%
Executive Housekeeper	85%	15%
Front Office Manager	85%	15%
General Manager	80%	20%

## Lodging Properties Included In The Peer Group

Golden Apple  
Holiday Inn Vinogradovo  
Holiday Inn Lesnaya  
Mezhdunarodnaya  
Novotel Moscow City Centre  
Park Hyatt Ararat  
Radisson SAS Slavjanskaya Hotel Moscow  
Renaissance Moscow Hotel  
Ritz-Carlton Moscow  
Swissotel

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## St.-Petersburg

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In St.-Petersburg, there were not enough data points to report findings on positions of Director of Purchasing and Director of Rooms.

<b>Base Salary</b>					
<b>Position</b>	<b>Minimum</b>	<b>25th Percentile</b>	<b>50th Percentile</b>	<b>75th Percentile</b>	<b>Maximum</b>
Chief Engineer	\$21,600	\$22,642	\$26,364	\$26,364	\$36,595
Controller	\$38,160	\$38,160	\$42,810	\$54,240	\$74,580
Dir. Sales & Marketing	\$16,302	\$24,000	\$28,800	\$60,000	\$81,600
Director Food & Beverage	\$15,600	\$54,240	\$64,800	\$64,800	\$66,037
Director Human Resources	\$22,200	\$27,170	\$36,000	\$42,000	\$42,000
Executive Chef	\$40,200	\$50,511	\$54,240	\$64,800	\$73,183
Executive Housekeeper	\$16,200	\$19,019	\$19,200	\$21,120	\$25,358
Front Office Manager	\$13,585	\$16,981	\$18,000	\$18,000	\$37,200
General Manager	\$110,175	\$169,500	\$171,600	\$171,600	\$178,060

<b>Bonus</b>					
<b>Position</b>	<b>Minimum</b>	<b>25th Percentile</b>	<b>50th Percentile</b>	<b>75th Percentile</b>	<b>Maximum</b>
Chief Engineer	\$2,197	\$2,197	\$4,339	\$6,690	\$7,319
Controller	\$10,726	\$16,739	\$18,744	\$19,651	\$22,374
Dir. Sales & Marketing	\$4,133	\$6,433	\$9,600	\$13,404	\$17,615
Director Food & Beverage	\$4,680	\$11,076	\$17,088	\$20,969	\$20,969
Director Human Resources	\$3,500	\$3,500	\$5,080	\$6,795	\$7,200
Executive Chef	\$6,997	\$10,452	\$13,120	\$14,766	\$15,153
Executive Housekeeper	\$3,937	\$4,659	\$4,986	\$5,388	\$6,336
Front Office Manager	\$1,500	\$2,413	\$4,058	\$5,913	\$7,450
General Manager	\$33,053	\$56,500	\$60,000	\$60,000	\$66,773

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<b>Total Cash Compensation (Base + Bonus)</b>					
<b>Position</b>	<b>Minimum</b>	<b>25th Percentile</b>	<b>50th Percentile</b>	<b>75th Percentile</b>	<b>Maximum</b>
Chief Engineer	\$22,642	\$28,080	\$28,561	\$28,561	\$43,914
Controller	\$56,904	\$56,904	\$57,545	\$67,878	\$96,954
Dir. Sales & Marketing	\$16,302	\$31,200	\$32,933	\$72,000	\$99,215
Director Food & Beverage	\$20,280	\$54,240	\$79,245	\$85,769	\$85,769
Director Human Resources	\$27,170	\$28,860	\$43,200	\$45,500	\$45,500
Executive Chef	\$47,197	\$54,240	\$65,664	\$76,404	\$87,820
Executive Housekeeper	\$19,019	\$20,137	\$24,100	\$27,456	\$30,430
Front Office Manager	\$16,302	\$16,981	\$19,500	\$23,400	\$44,650
General Manager	\$143,228	\$226,000	\$231,600	\$231,600	\$244,834

<b>Status</b>		
<b>Position</b>	<b>Expatriate</b>	<b>Local</b>
Chief Engineer	20%	80%
Controller	25%	75%
Dir. Sales & Marketing	20%	80%
Director Food & Beverage	80%	20%
Director Human Resources	0%	100%
Executive Chef	100%	0%
Executive Housekeeper	0%	100%
Front Office Manager	20%	80%
General Manager	100%	0%

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<b>Housing Allowance</b>		
<b>Position</b>	<b>Yes</b>	<b>No</b>
Chief Engineer	20%	80%
Controller	25%	75%
Dir. Sales & Marketing	20%	80%
Director Food & Beverage	80%	20%
Director Human Resources	0%	100%
Executive Chef	100%	0%
Executive Housekeeper	0%	100%
Front Office Manager	20%	80%
General Manager	60%	40%

<b>Car Allowance</b>		
<b>Position</b>	<b>Yes</b>	<b>No</b>
Chief Engineer	0%	100%
Controller	0%	100%
Dir. Sales & Marketing	20%	80%
Director Food & Beverage	0%	100%
Director Human Resources	0%	100%
Executive Chef	0%	100%
Executive Housekeeper	0%	100%
Front Office Manager	0%	100%
General Manager	20%	80%

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<b>Medical Insurance</b>		
<b>Position</b>	<b>Yes</b>	<b>No</b>
Chief Engineer	80%	20%
Controller	100%	0%
Dir. Sales & Marketing	80%	20%
Director Food & Beverage	100%	0%
Director Human Resources	80%	20%
Executive Chef	100%	0%
Executive Housekeeper	60%	40%
Front Office Manager	80%	20%
General Manager	100%	0%

### Lodging Properties Included In The Peer Group

Hotel Angleterre  
Hotel Astoria  
Grand Hotel Europe  
Kempinski Moika 22  
Radisson SAS St.-Petersburg

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## Footnotes

Following exchange rates were applied to bring all packages to the common USD denominator:

1 USD = 26.5 Roubles

1 Euro = 1.3 USD

Russian personal income tax used to bring all packages to common pre-tax value is 13%

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