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Flower of the month:

Gardenia
 Gardenias are very fragrant and used in lei, floral and bridal arrangements.



SKYLINE AT ISLAND COLONY



January 2015

ISLAND COLONY PARTNERS NEWSLETTER

ALOHA:

Here is the first newsletter for 2015 with information on performance and other news that may be of interest to you.

HOTEL PERFORMANCE

Below is an abbreviated statistical presentation of Revenue per Available Room (RevPAR) and composite of Average Daily Rate (ADR) for the month of January 2015 versus January 2014:

E Star Report	Skyline 1/2015	CompSet 1/2015	Skyline 1/2014	Comp Set 1/2014
RevPar	\$117.81	\$123.48	\$130.87	\$128.62
ADR	\$125.21	\$162.88	\$136.08	\$162.96

[2015 Comp Set = similar competitor hotels including Hyatt Place Waikiki Beach, Aqua Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel and Joie De Vivre Coconut Waikiki Hotel]



The following chart shows percentage changes in Occupancy, ADR, and RevPAR for the month of January, year-to-date, running three months, and running twelve months for Skyline at Island Colony as compared to our competitive set:



	Current	Month	YTD	YTD	Running 3	Months	Running 12	Months
E_Star Report	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set
Occupancy	-2.2%	-4.0%	-2.2%	-4.0%	1.5%	1.1%	6.4%	1.6%
ADR	-8.0%	0%	-8.0%	0%	3.1%	7.0%	4.9%	7.9%
RevPAR	-10.0%	-4.0%	-10.0%	-4.0%	4.6%	8.1%	11%	9.6%

Skyline at Island Colony occupancy for January reached 94.1%, versus our competitive set at 75.8%. Rates throughout Waikiki dipped for most of the month due to low demand. The high expectations for 2015 didn't come through and we were forced to lower rates to fill occupancy.

PROJECTED FEBRUARY RESULTS:

February revenue is expected to come up short for the month. Although the hotel has occupancy of 95.1% on the books, ADR currently stands at \$127.29 versus budget of \$161. With Waikiki not hosting to the NFL Pro Bowl this year, demand has been softer than recent years. In response to weaker than anticipated demand, Waikiki hotels, including the large on-beach hotels, have had to reduce rates to maintain occupancy. On a positive note, Internet bookings have increased, as has the international visitor count.

1st QUARTER OUTLOOK:

Both January and February have fallen short of budget goals. March appears to be promising as we are currently at 54.9% occupancy and only \$4 below budgeted ADR. As we move closer to March, bookings have started to come in at a higher rate, which is a great relief after the disappointing results in January and February. A strengthening U.S. economy, high consumer confidence and increased disposable income due to falling oil prices all point to continued robust demand for accommodations in Hawai'i. We expect that the early indications of a strong March reflect the underlying strong fundamentals. We will, however, continue to closely monitor market conditions and adjust accordingly.

MAGNUM ENERGY SOLUTIONS:

Installation of our in room energy savings system is about 50% complete with a deadline of installation February 28, 2015. As previously stated, we should see a reduction of energy costs by about 20-30% and a return on investment for the system in about 10-12 months.

FITNESS CENTER/BOARD MEETING ROOM:

A fire sprinkler leak on Tuesday February 17, 2015 caused flooding to the fitness center and the AOA Board Meeting Room. Both areas are closed until they can be dried out and damages can be assessed. The Fitness Center is scheduled to reopen on March 15, 2015.

AOAO NEWS

As a reminder the AOA Annual Meeting will be held on March 12, 2015 at 6:00pm on the sixth floor. It is very important that we establish quorum for the meeting, as failure to establish quorum will result in the AOA incurring unnecessary extra costs. If you have not done so already, please name Kristie Cachola as your proxy holder and mail the signed, dated proxy to our office. You may also scan and email your proxy to laucachola@gmail.com or fax it to us at (808) 922-3809.

Proxies must be received in our office no later than noon on Tuesday, March 10.

RENOVATION STATUS:

We had a few units join the hotel rental program and have tentatively scheduled renovation work to take place during the slow month of April.

NEW WAIKIKI SPECIALTY FARMERS' MARKET

ENTERTAINMENT, FOOD, CULTURAL DEMONSTRATION, UNIQUE SPECIALTY GIFTS & SHOPPING VILLAGE
Jefferson Elementary School, 324 Kapahulu Avenue, Waikiki, Hawai'i
Corner of Kapahulu & Kuhio Avenues – Across the Honolulu Zoo Parking Lot

OPEN Every Saturdays - 8:00am until 2:00pm



Local & Seasonal Vegetables & Fruits



Kūhiō Beach Hula Show

Authentic Hawaiian music and hula shows by Hawai'i's finest *hālau hula* (dance troupes) and Hawaiian performers.

Opens with torch lighting and traditional blowing of conch shell. Tues-Thurs-Sat, weather-permitting. 6:30-7:30 pm (6:00-7:00 pm Nov-Dec-Jan) at the Kūhiō Beach Hula Mound, diagonally across from Hyatt Regency Waikiki Beach hotel at Uluniu & Kalākaua Ave.

Outdoors, casual, seating on the grass; beach chairs, mats, etc. okay. Cameras welcome. Presented by Hyatt Regency Waikiki Beach, Hawai'i Tourism Authority, City & County of Honolulu and Waikiki Improvement Association.

For imore information, call 843-8002.



Year of the Sheep (Goat or Ram)

2015 is the Year of the Sheep according to Chinese zodiac. The Year of the Sheep starts from **Feb. 19, 2015** (the Lunar New Year / Spring Festival of China) and lasts to Feb. 7, 2016.

As always, we appreciate your support and thank you for your continued patience and assistance during these extraordinary times. Please feel free to contact Kristie Cachola at 808-772-2662 or via email at laucachola@gmail.com, or either one of us if you have any questions.

Me ke Aloha Pumehana,
"With Warmest Aloha"

SKYLINE
AT ISLAND COLONY

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