



U.S. Lodging Industry Projections

As of July 6, 2009



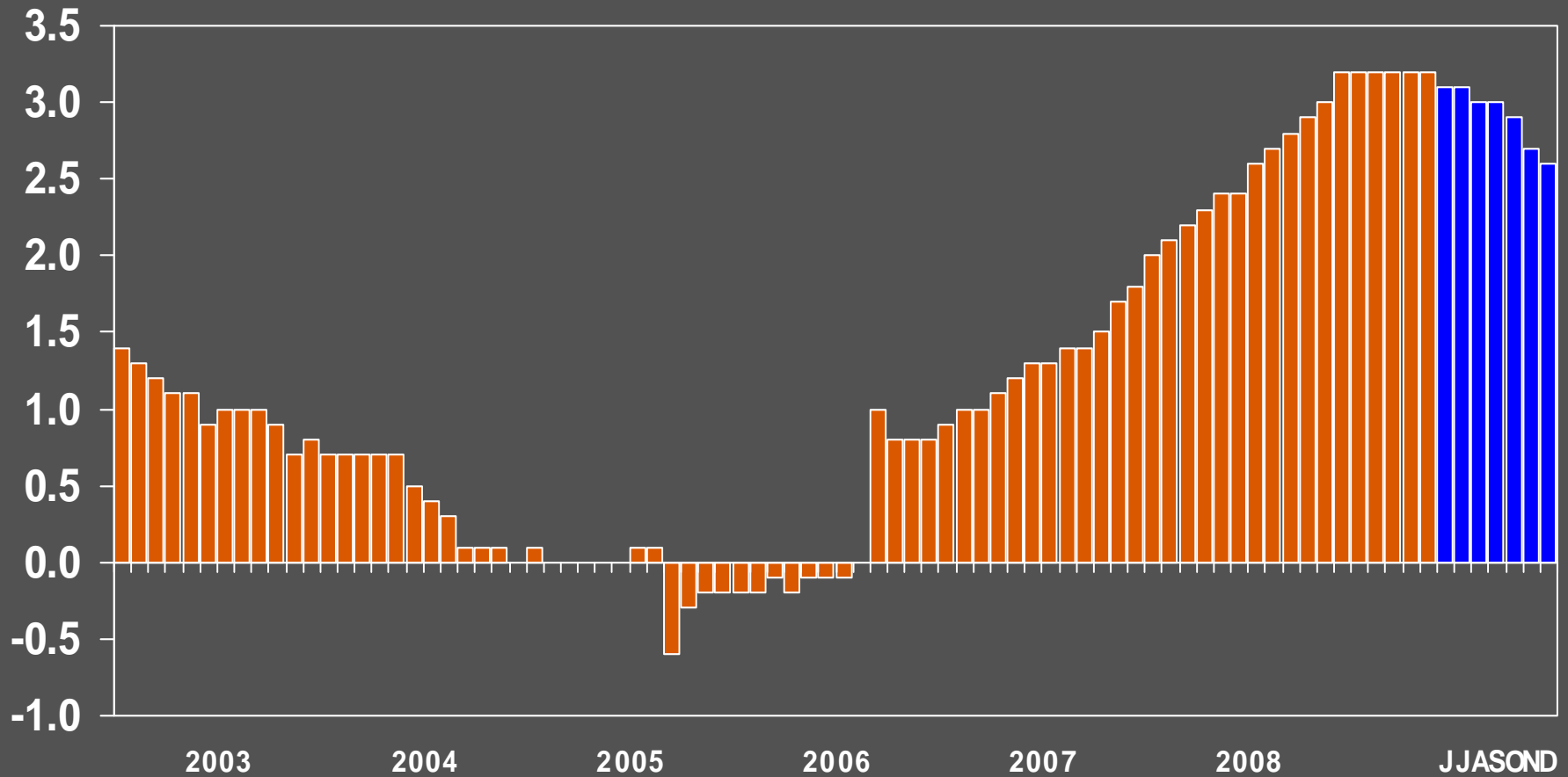
the new name in global hotel benchmarking



Total United States

Room Supply Percent Change

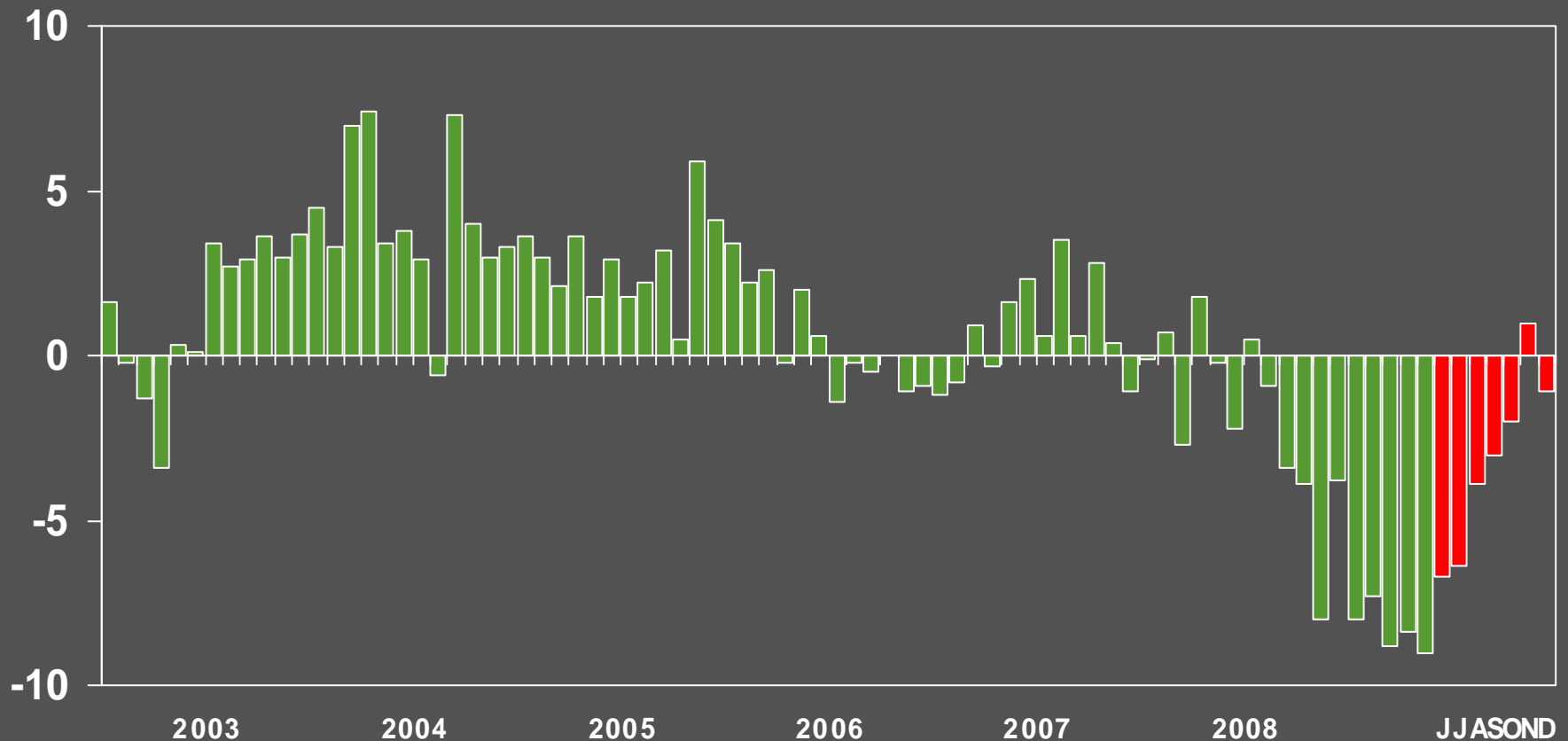
Jan 2003 – May 2009 / June – Dec Forecast



Total United States

Room Demand Percent Change

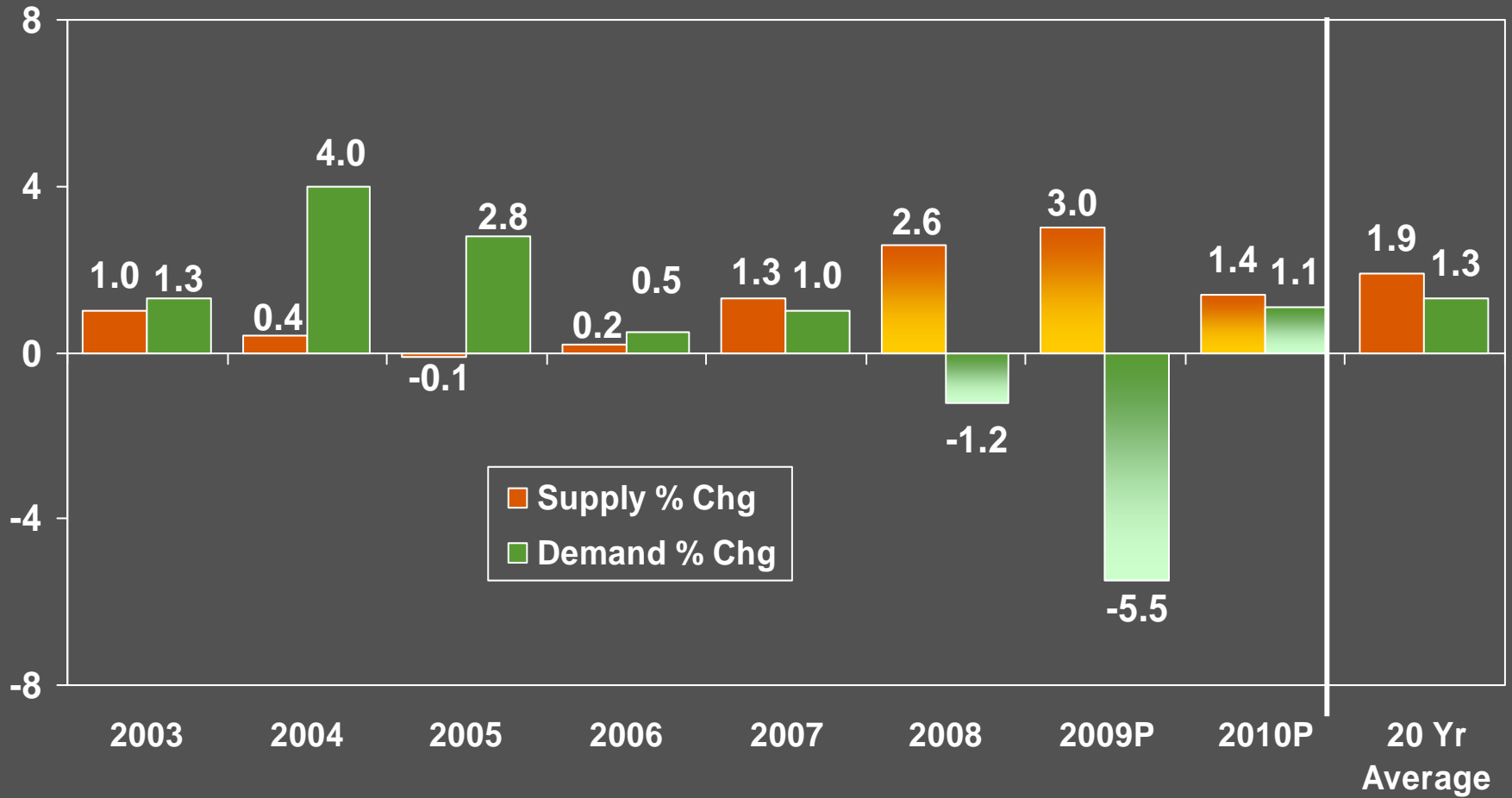
Jan 2003 – May 2009 / June – December Forecast



Total United States

Supply/Demand Percent Change

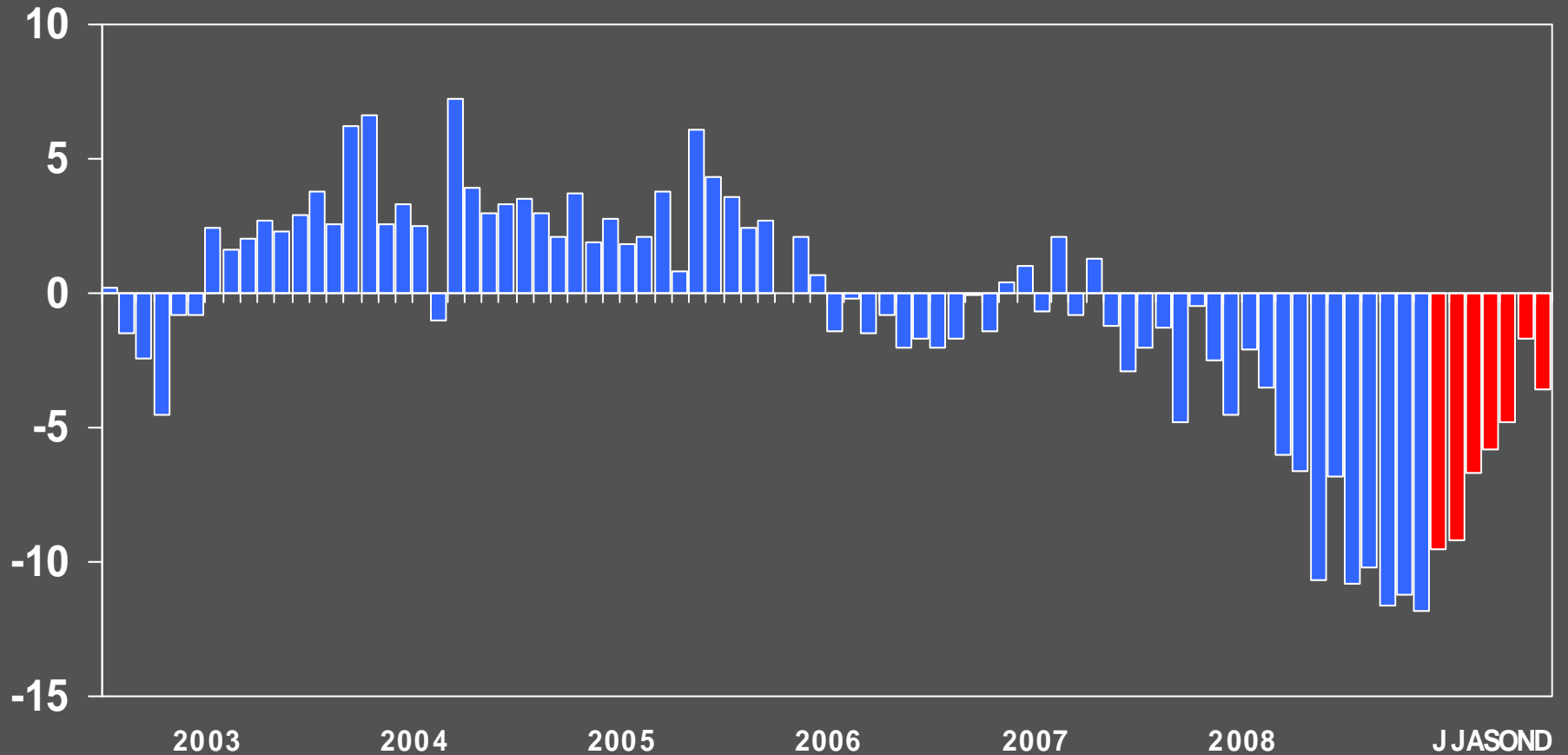
2003 – 2010P



Total United States

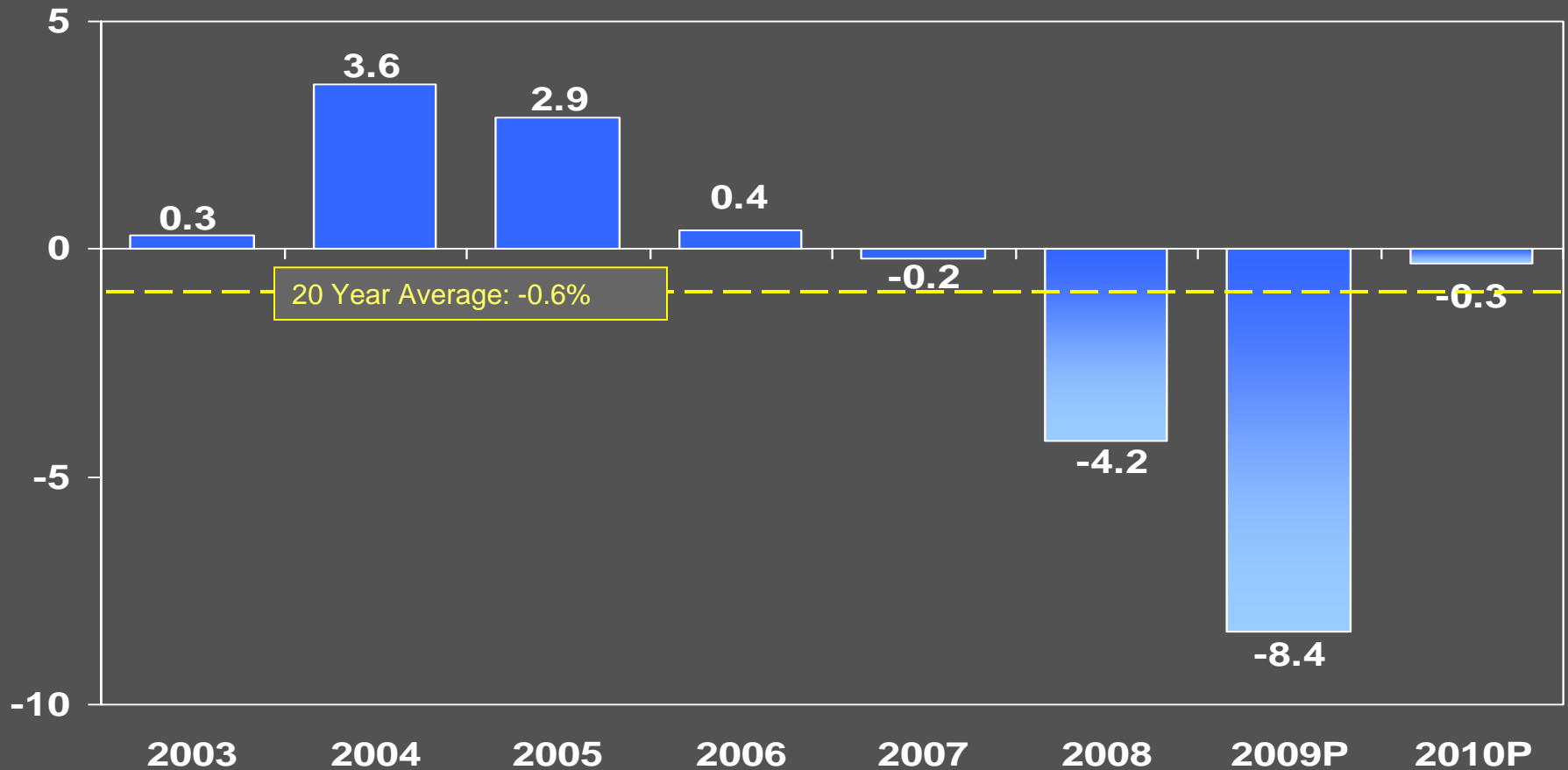
Occupancy Percent Change

Jan 2003 – May 2009 / June – December Forecast



Total United States

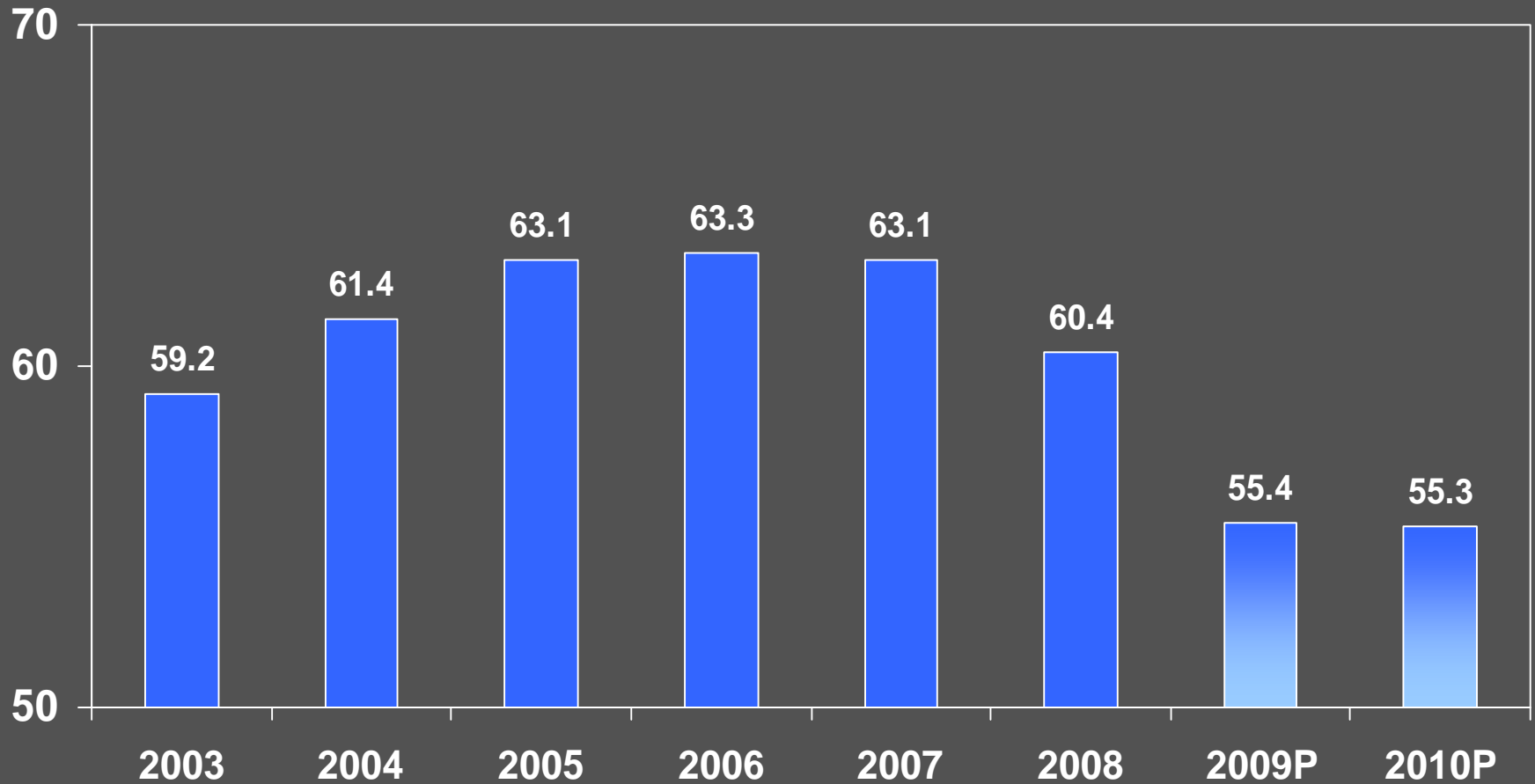
Occupancy Percent Change
2003 – 2010P



Total United States

Occupancy Percent

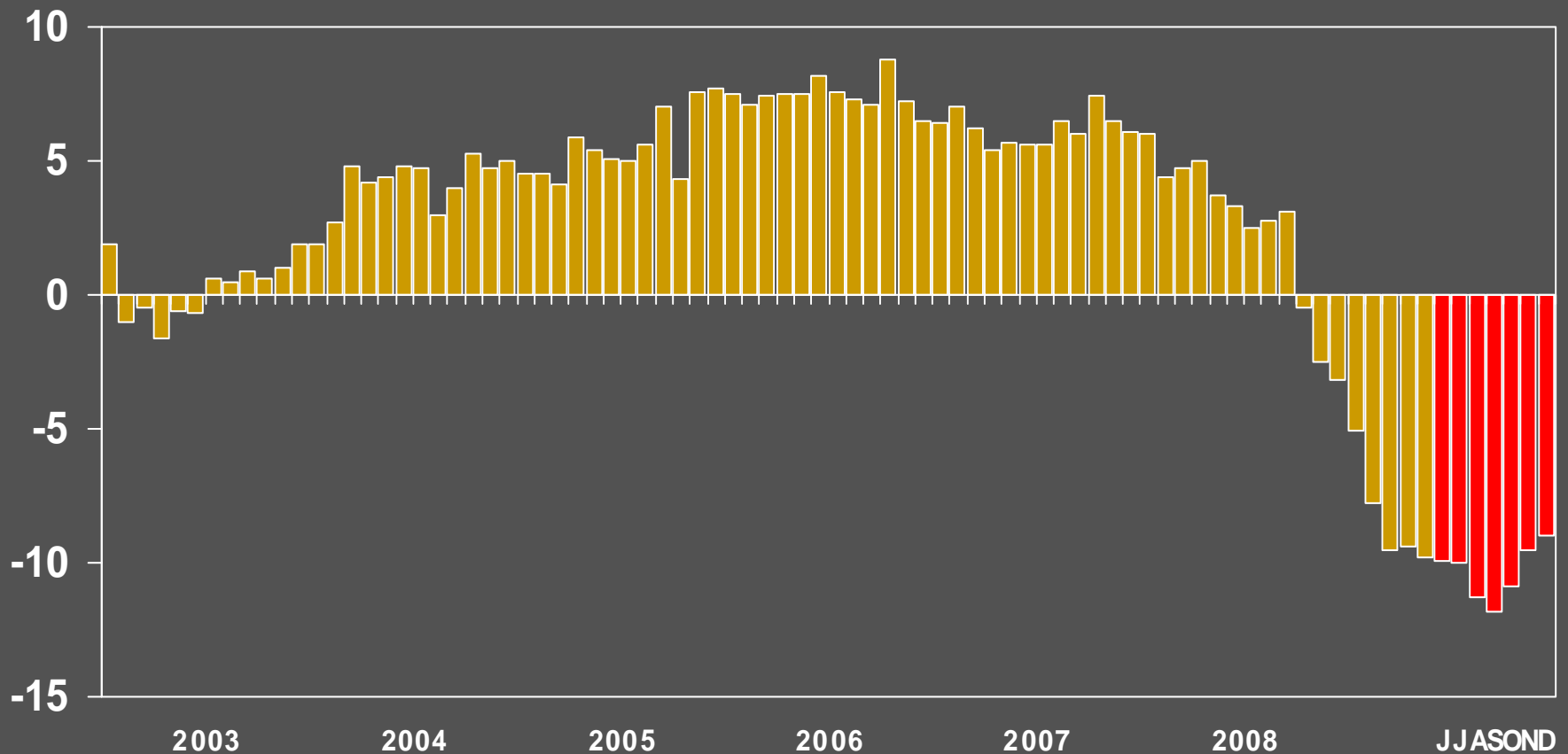
2003 – 2010P



Total United States

Room Rate Percent Change

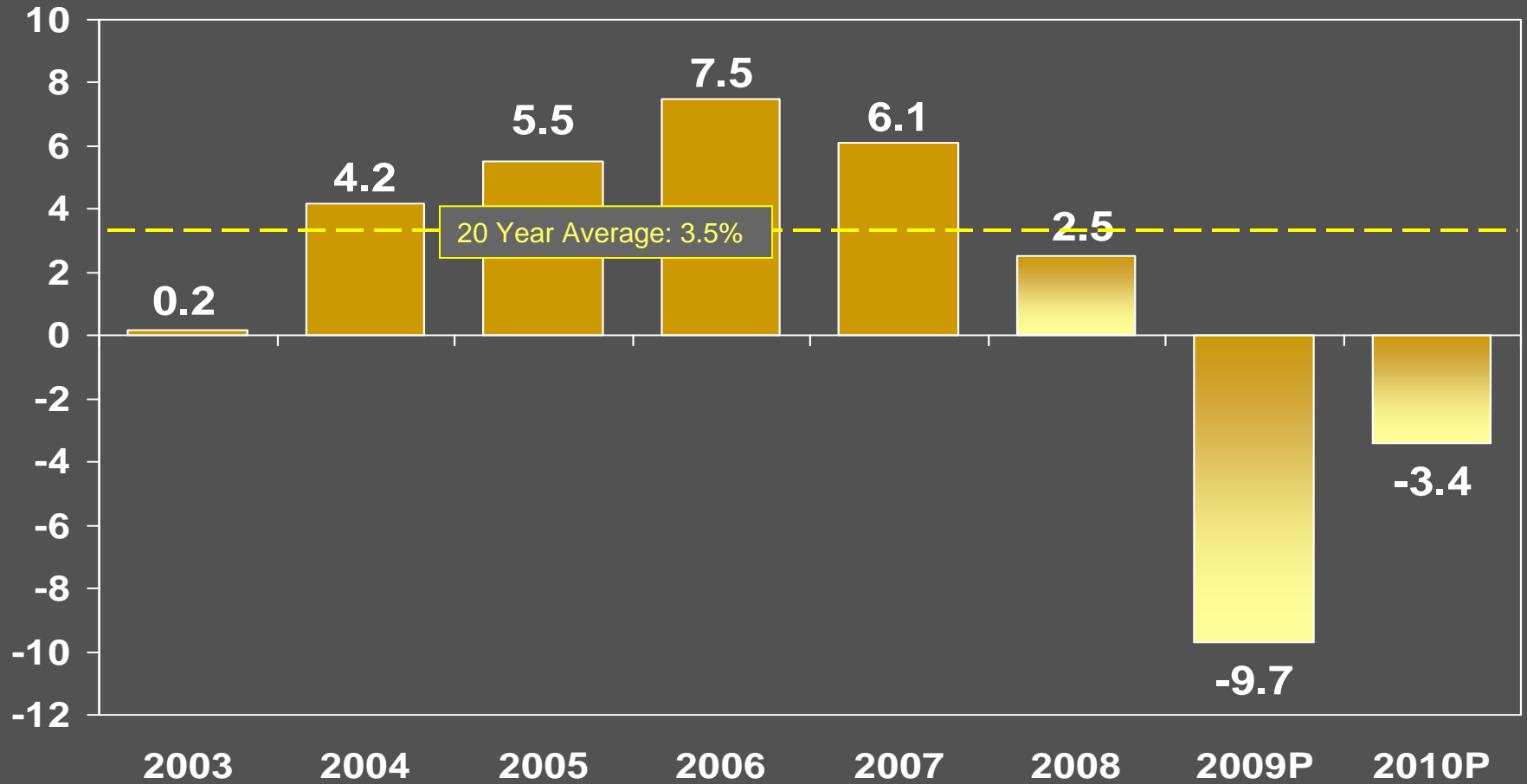
Jan 2003 – May 2009 / June – December Forecast



Total United States

ADR Percent Change

2003 – 2010P



Total United States

Average Daily Rate (In Dollars)

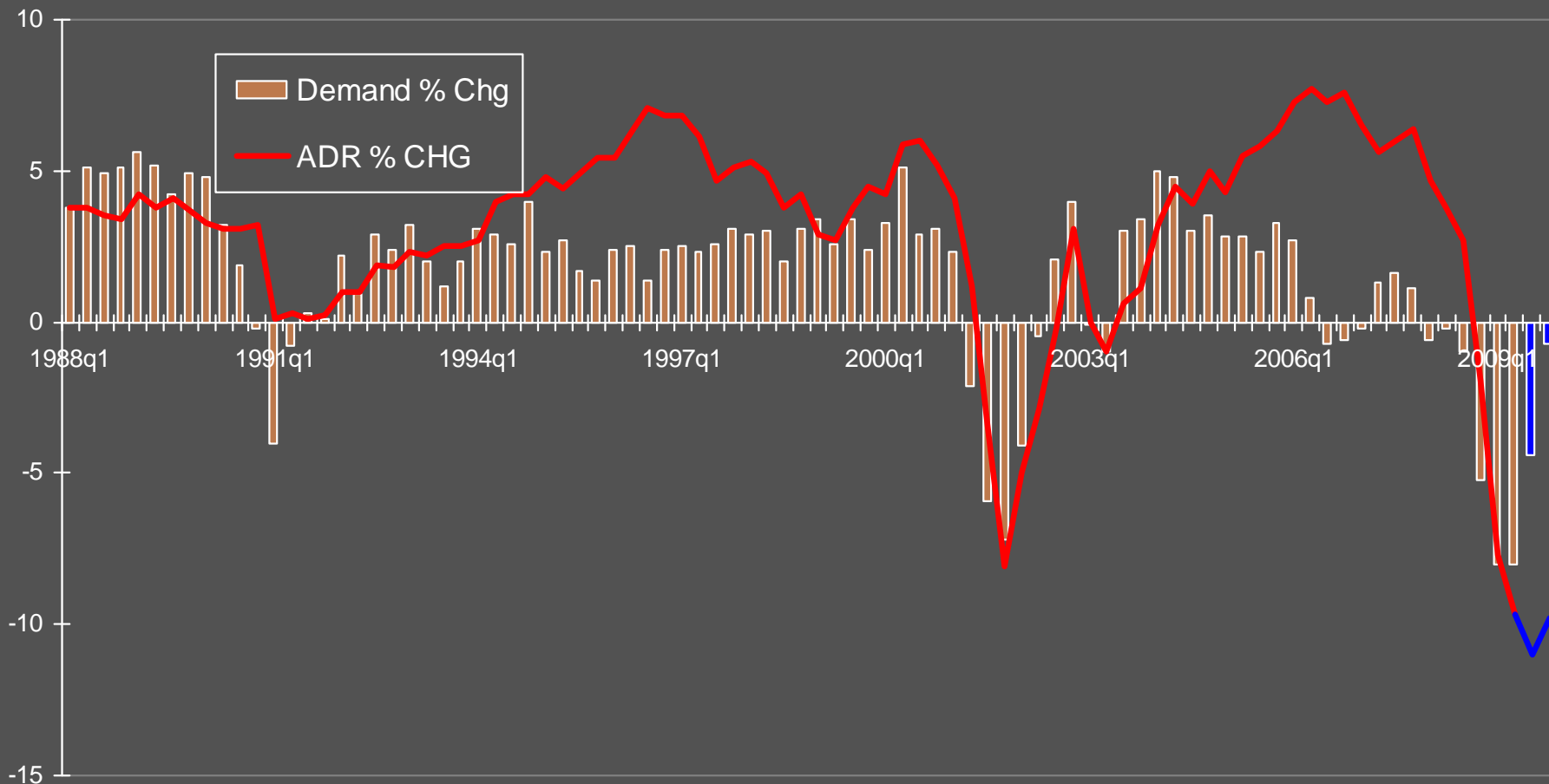
2003 – 2010P



Total United States

Hotel Rooms Sold vs. ADR Change

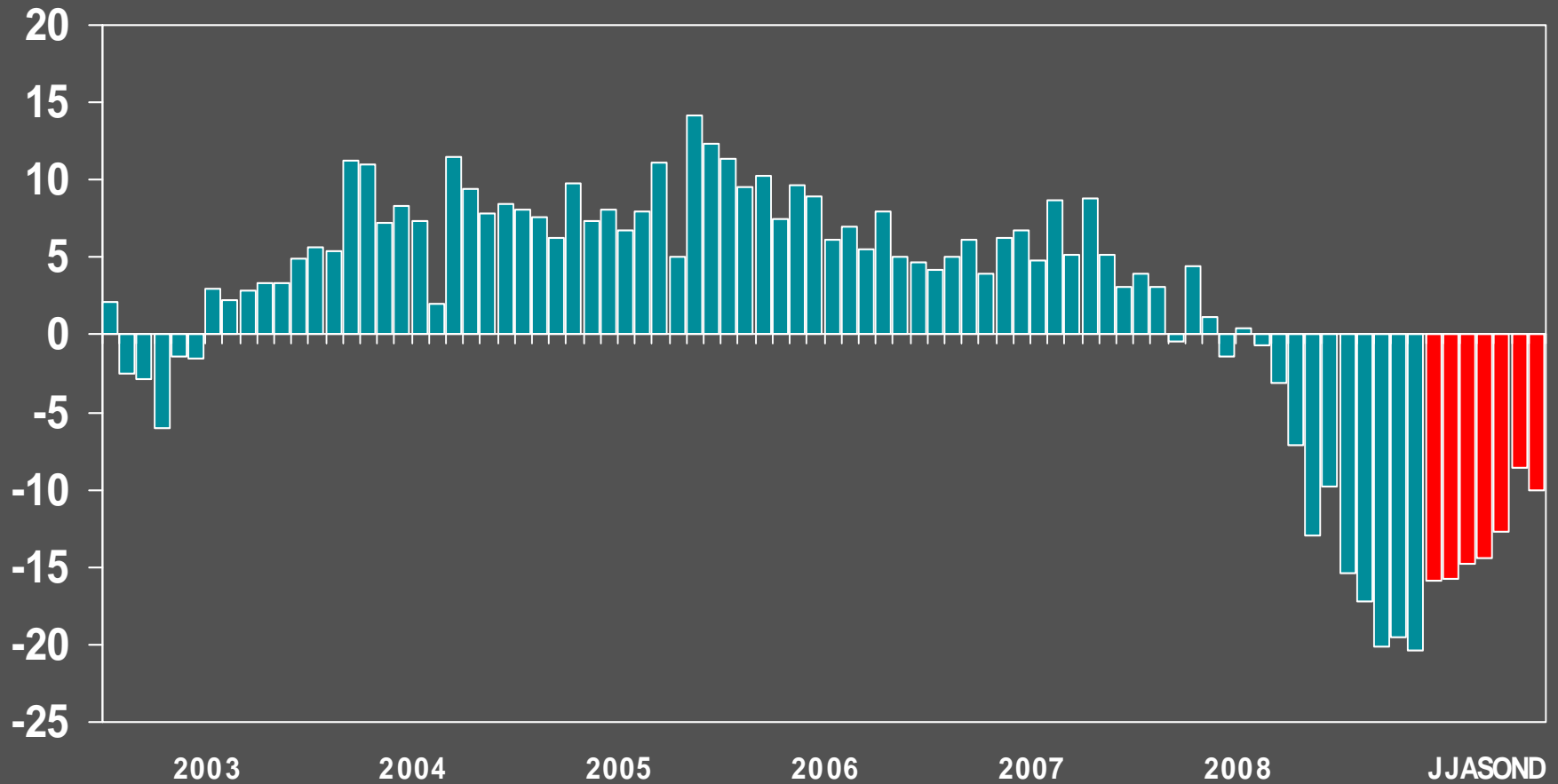
Quarterly Change – 1988 to Q4 2009E



Total United States

RevPAR Percent Change

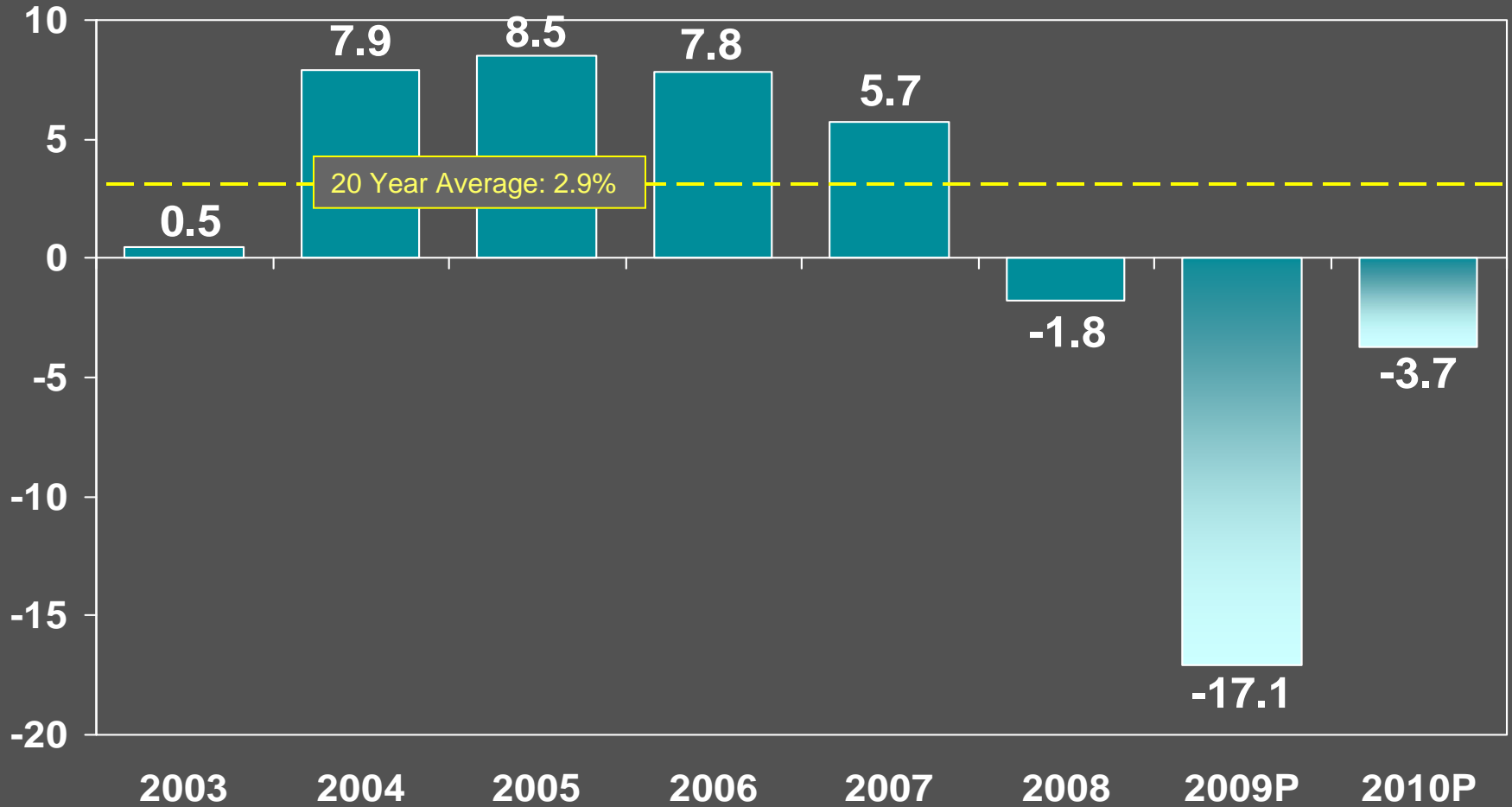
Jan 2003 – May 2009 / June – December Forecast



Total United States

RevPAR Percent Change

2003 – 2010P



Total US Industry Consecutive Quarterly Declines Key Indicators

	1990/ 1991	2001/ 2002	Current (Q2-09)	<i>Estimate 2008/09</i>
Demand	3	5	6	8
Occupancy	7	6	7	12
ADR	0	5	3	8
RevPAR	5	5	4	10
Room Revenue	2	5	4	9

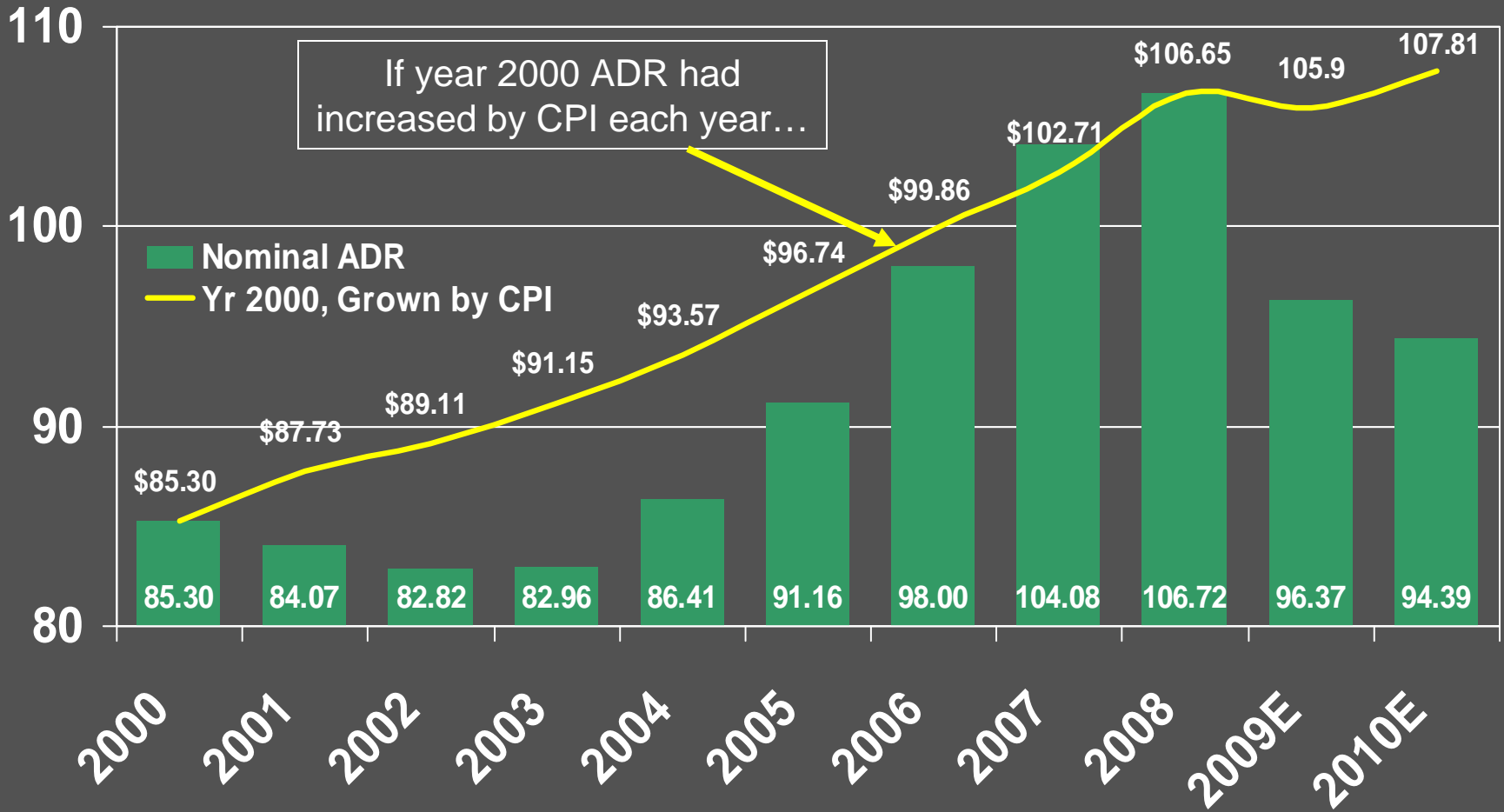
Takeaways

- Decline is Global – visibility difficult
- Risk averse / capital tight - supply increases slow
- Value proposition is critical – “New Frugality”
- Summer travel may show relative improvement
- Leisure leads rebound?

Total US Room Rates

Actual vs. Inflation Adjusted

2000 – 2010E



The Impact of Discounting

- Budgets and forecasts impossible to manage
- Risk cannibalising existing business and damage to brand
- In an upmarket, everyone follows the best practices of the market leader, in a downturn everyone follows the first person to panic
- Smaller properties cannot make up in volume what they lose in rate
- Decisions are based on competitors' actions rather than hotel's strategic initiatives and revenue needs
- Ability to manipulate behaviour using price severely limited in a falling market
- Discounting often 'doubles up' the loss of occupancy and rate
- Profitability is often overlooked and can be adversely affected by reductions
- Markets take years to recover



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