



US LODGING INDUSTRY OVERVIEW

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Agenda

- Total US Overview
- Scales and Major Markets
- Pipeline
- Projections

U.S. Lodging Industry - Key Statistics

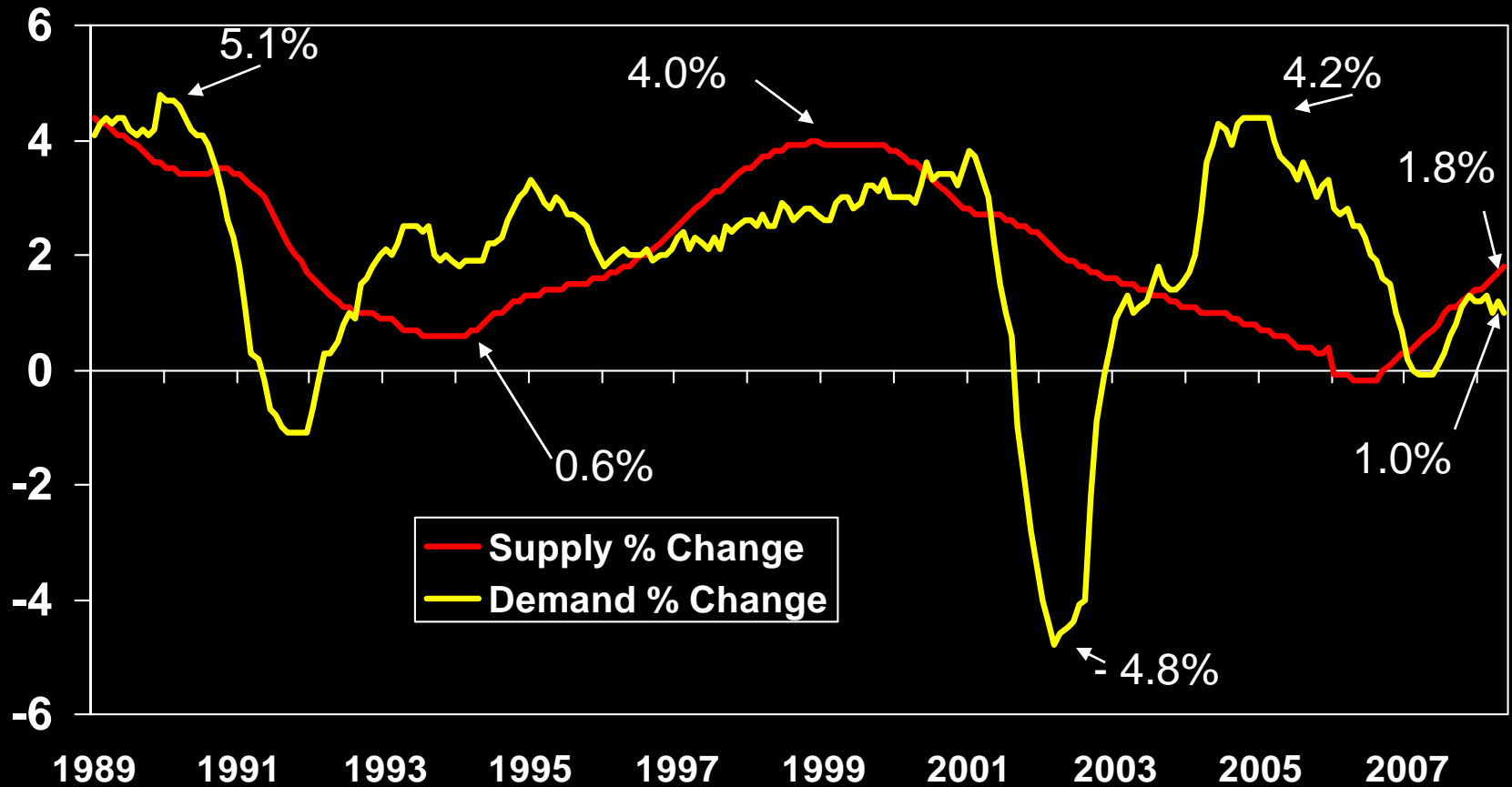
June 2008 YTD (Prelim)

		<u>% Change</u>
• Hotels	49,672	2.0%
• Room Supply	4.5mm	2.2%
• Room Demand	2.7mm	- 0.4%
• Occupancy	61.5%	- 2.6%
• A.D.R.	\$107.62	4.3%
• RevPAR	\$66.15	1.6%
• Room Revenue	\$54.3B	3.9%

Total United States

Room Supply/Demand Percent Change

Twelve Month Moving Average – 1989 to May 2008

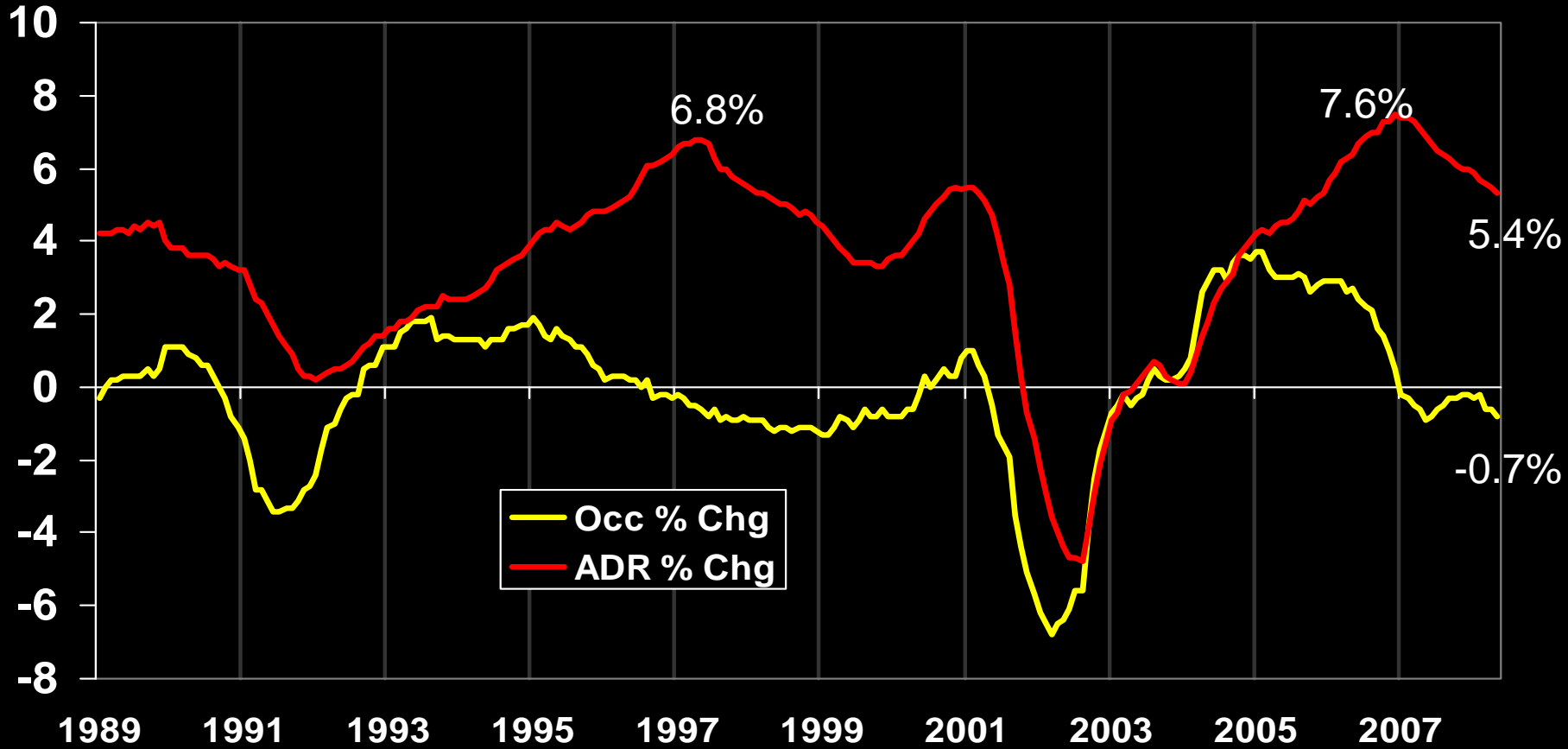


A Year Ago Fundamentals Were Worse

Total United States

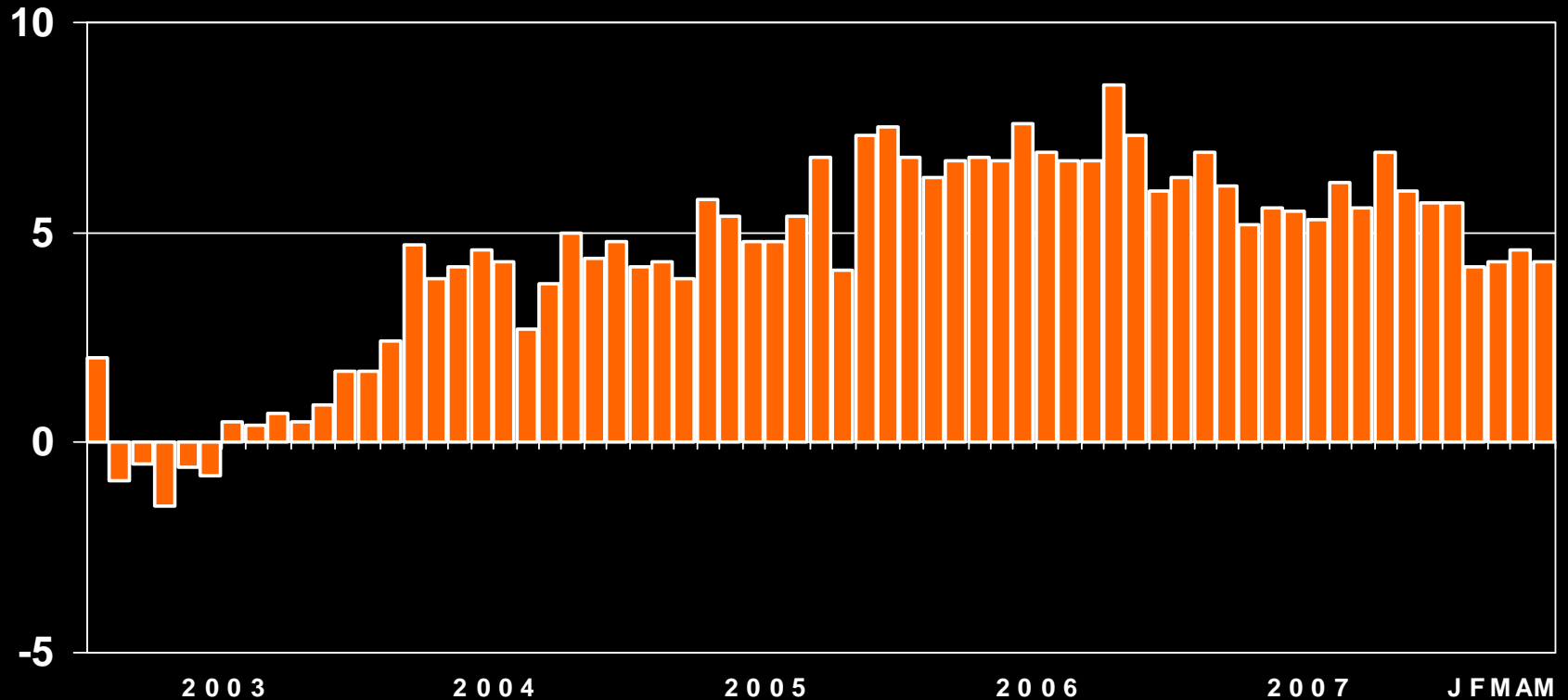
Occupancy/ADR Percent Change

Twelve Month Moving Average – 1989 to May 2008



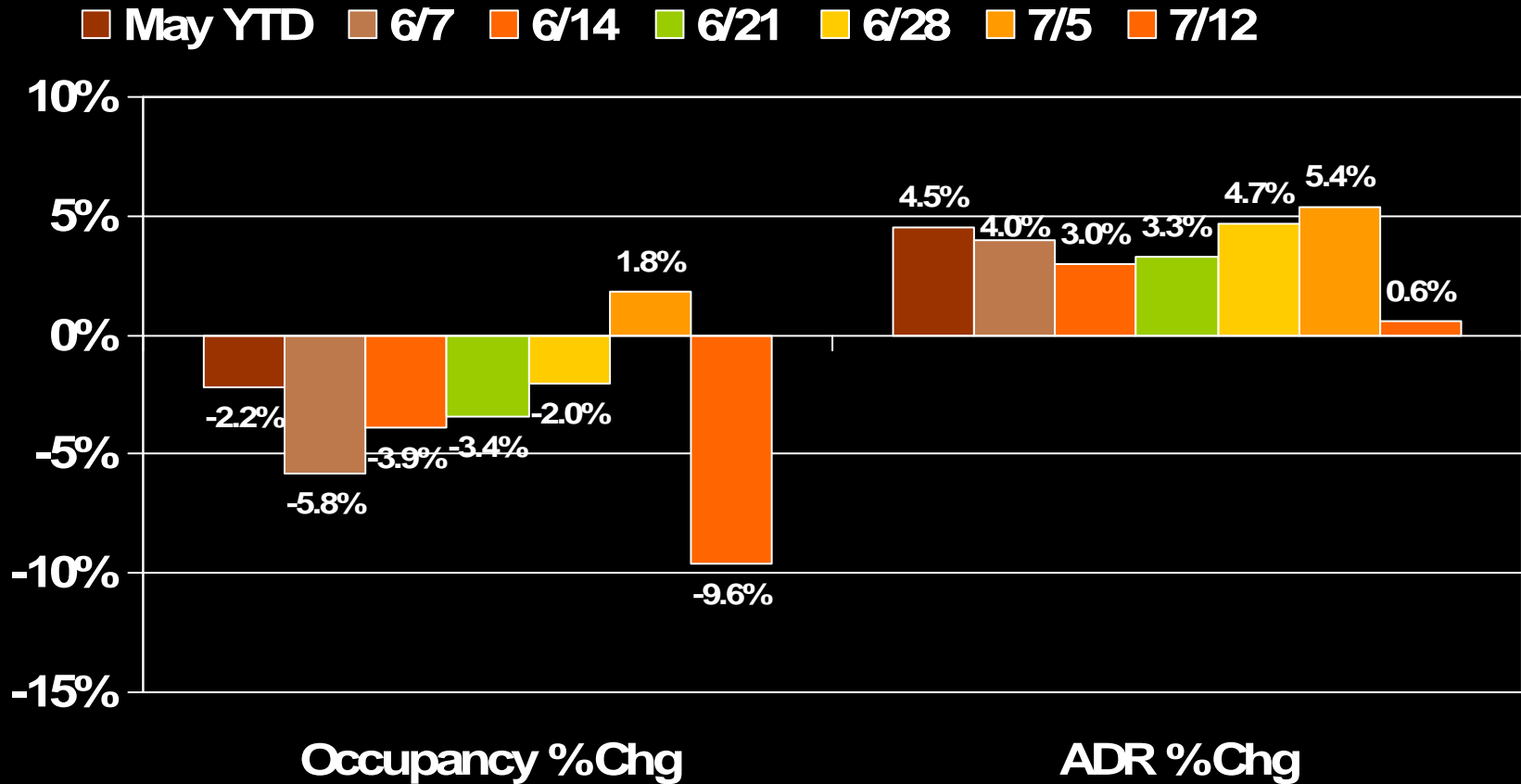
ADR Growth Is Slowing.... But Not Dropping Rapidly

Total United States Room Rate Percent Change Jan 2003 – May 2008



Summer Rate Growth Will Be Closely Watched

Total U.S.
Occupancy and ADR Percent Change
YTD through 7/5



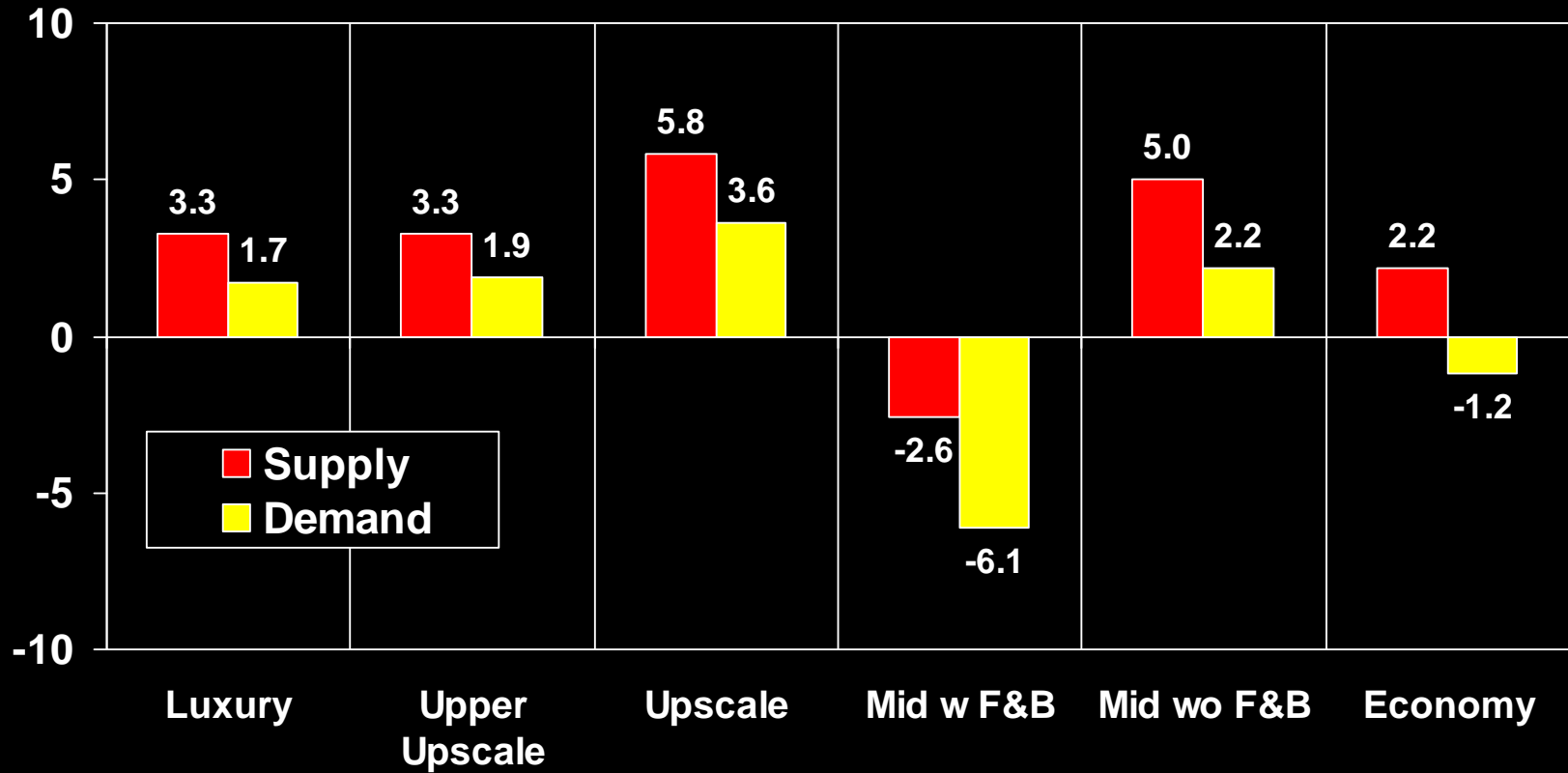
July 4th Timing Helped and Hurt

Chain Scales and Major Markets

Chain Scales

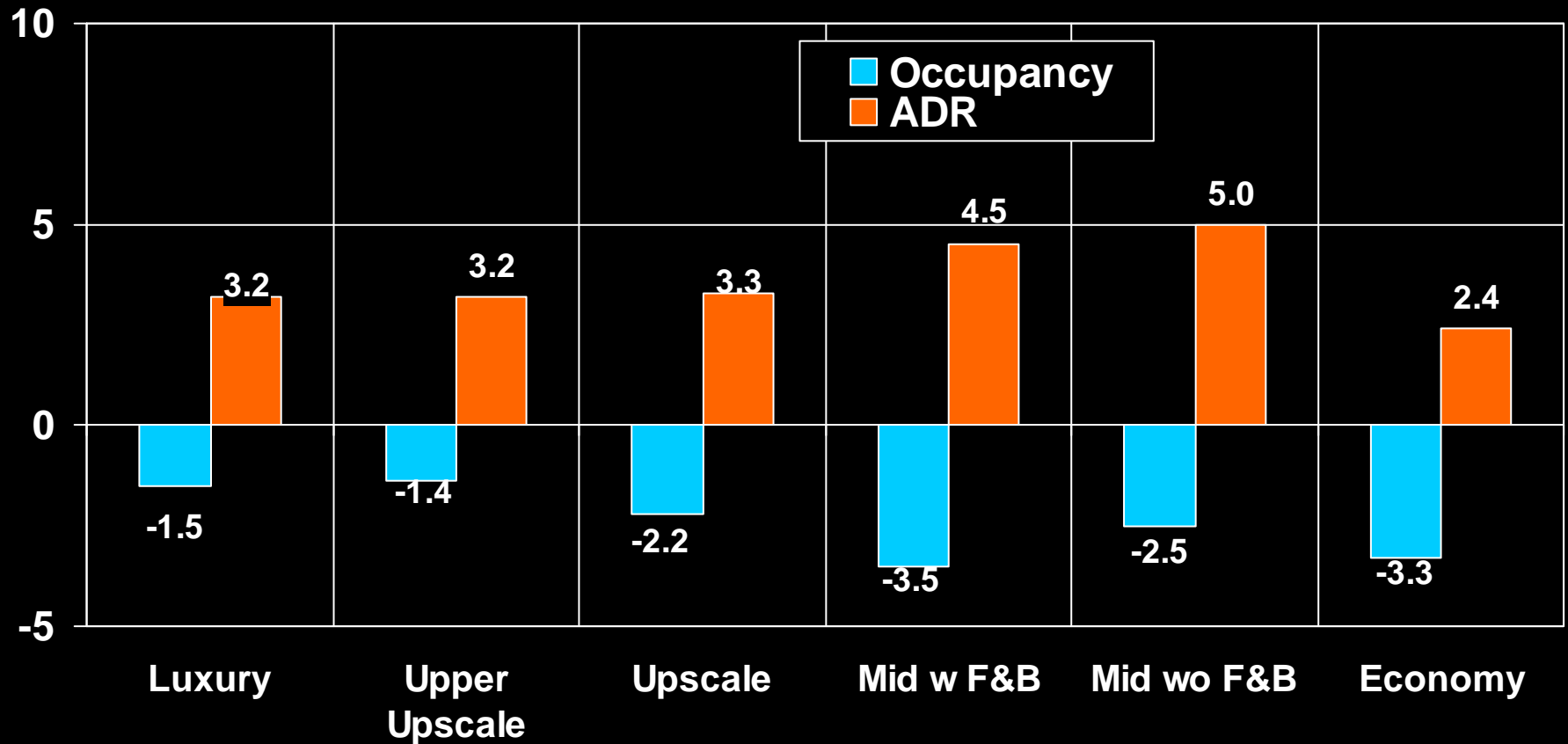
Supply/Demand Percent Change

May 2008 YTD



Healthy Demand Growth, Except in Two Scales

Chain Scales
Occupancy/ADR Percent Change
May 2008 YTD

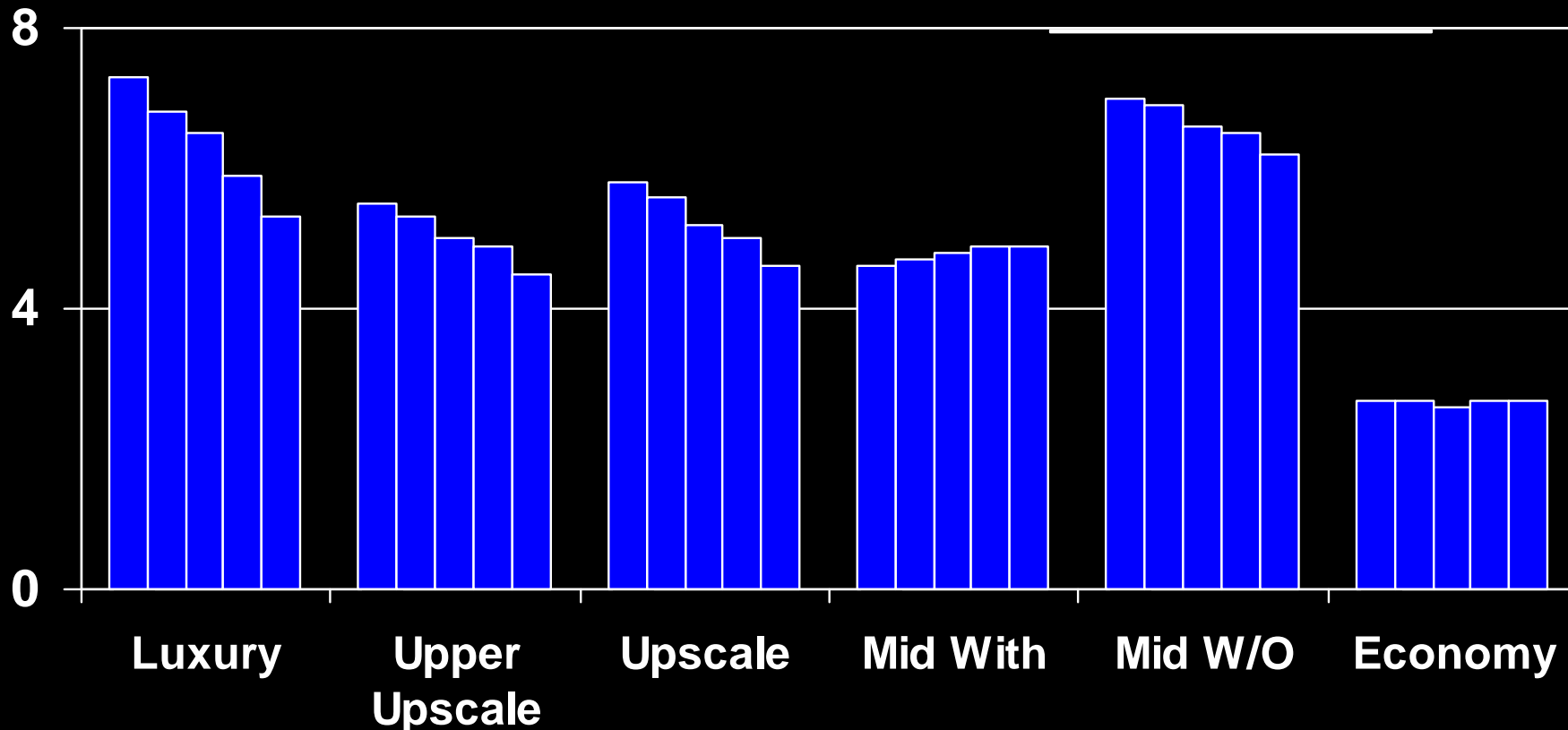


Rate Growth Around / Above Inflation – Except for Economy Segment

Chain Scale

ADR Percent Change

Twelve Month Moving Average January 2008 To May 2008

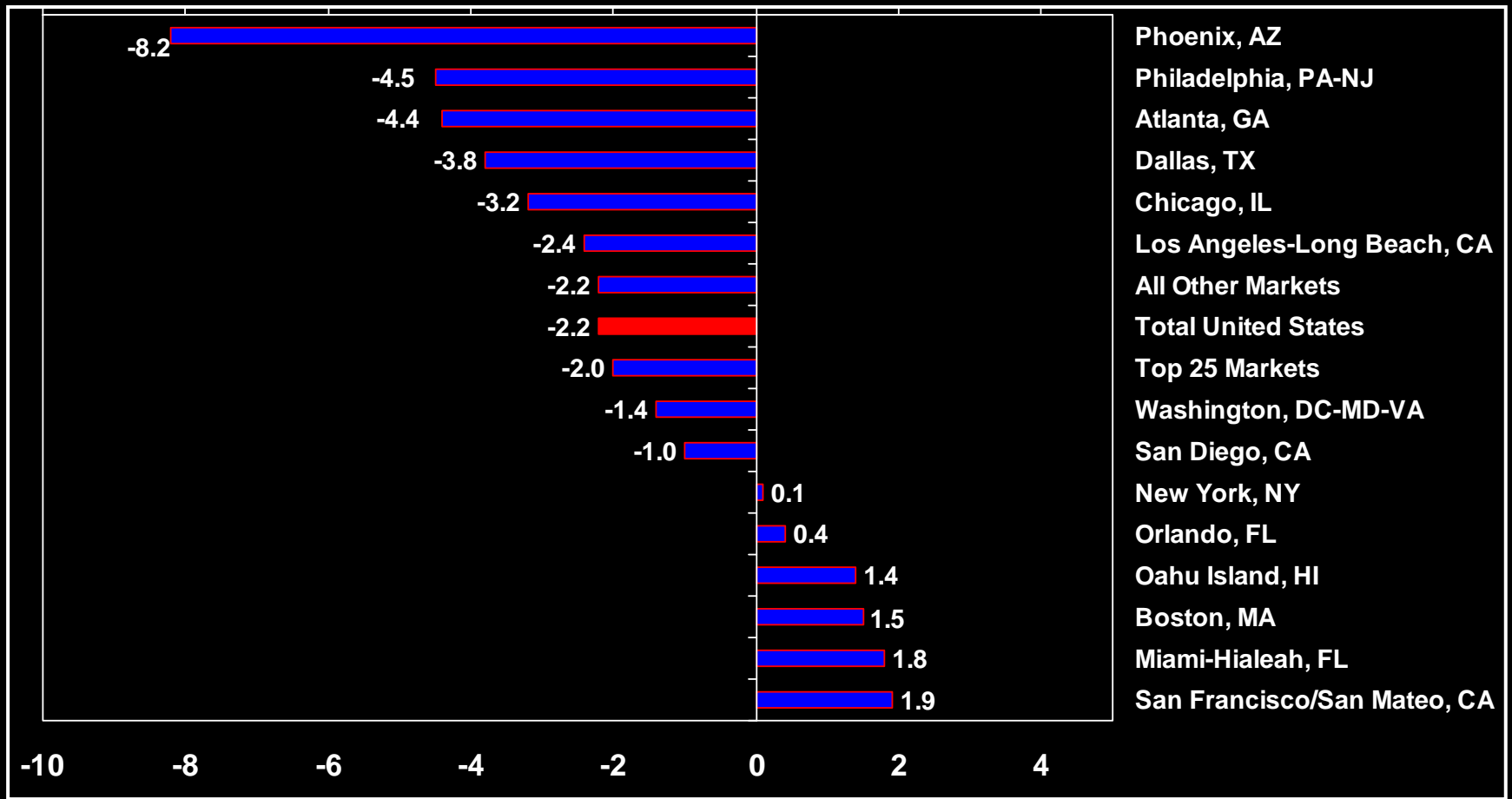


Upper End Scales See ADR Deteriorate – But at a High Level

Key 15 Markets

Occupancy Percent Change

May 2008 YTD Year over Year

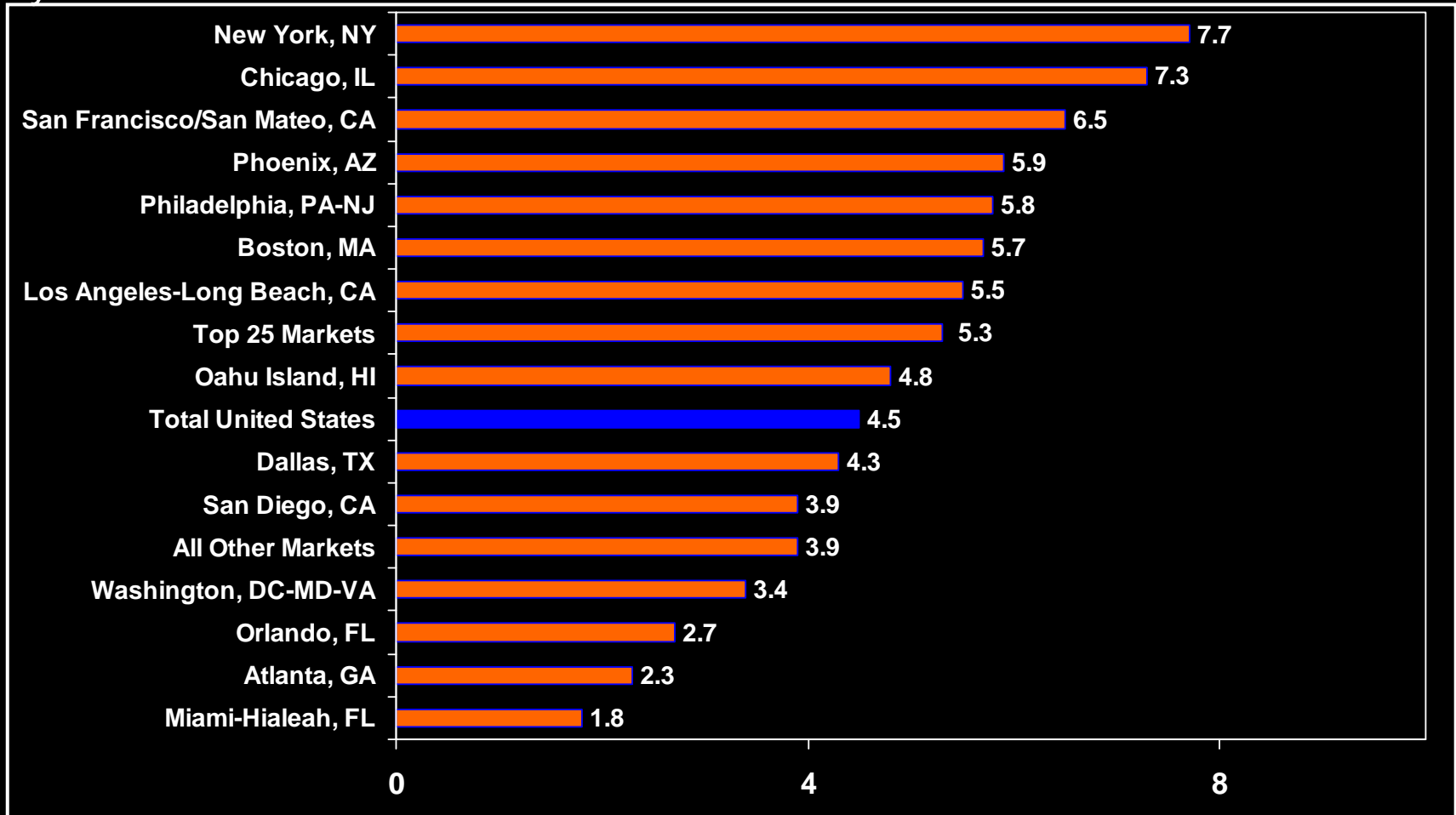


Coastal OCC Holds – So Far

Key 15 Markets

ADR Percent Change

May 2008 YTD Year over Year



Strong Rate Growth Bodes Well for The Summer

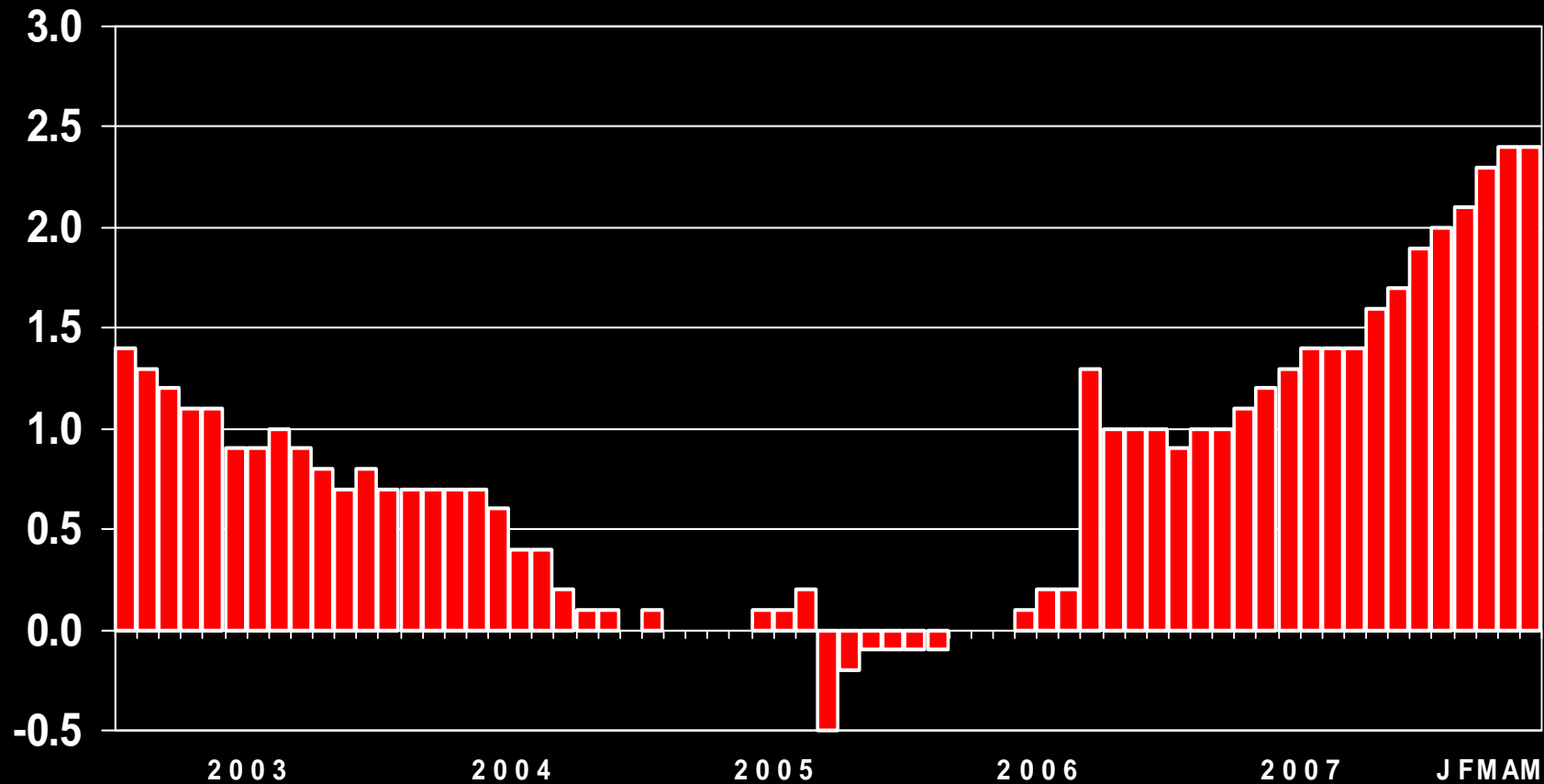
Exchange Rate Impact on 2007 ADR % Change

ADR	\$ % Change	Currency	% Change
Atlanta, GA	12.7%	Euro	3.4%
Boston, MA	6.3%	Euro	-2.5%
New York, NY	10.6%	Euro	1.4%
Orlando, FL	-0.7%	Euro	-8.9%
Washington, DC-MD-VA	3.7%	Euro	-4.8%
Los Angeles-Long Beach, CA	9.0%	Yen	4.0%
Oahu Island, HI	7.4%	Yen	2.5%
San Diego, CA	2.9%	Yen	-1.9%
San Francisco/San Mateo, CA	5.7%	Yen	0.8%

America Is On Sale!

U.S. Pipeline

Total United States Room Supply Percent Change Jan 2003 – May 2008



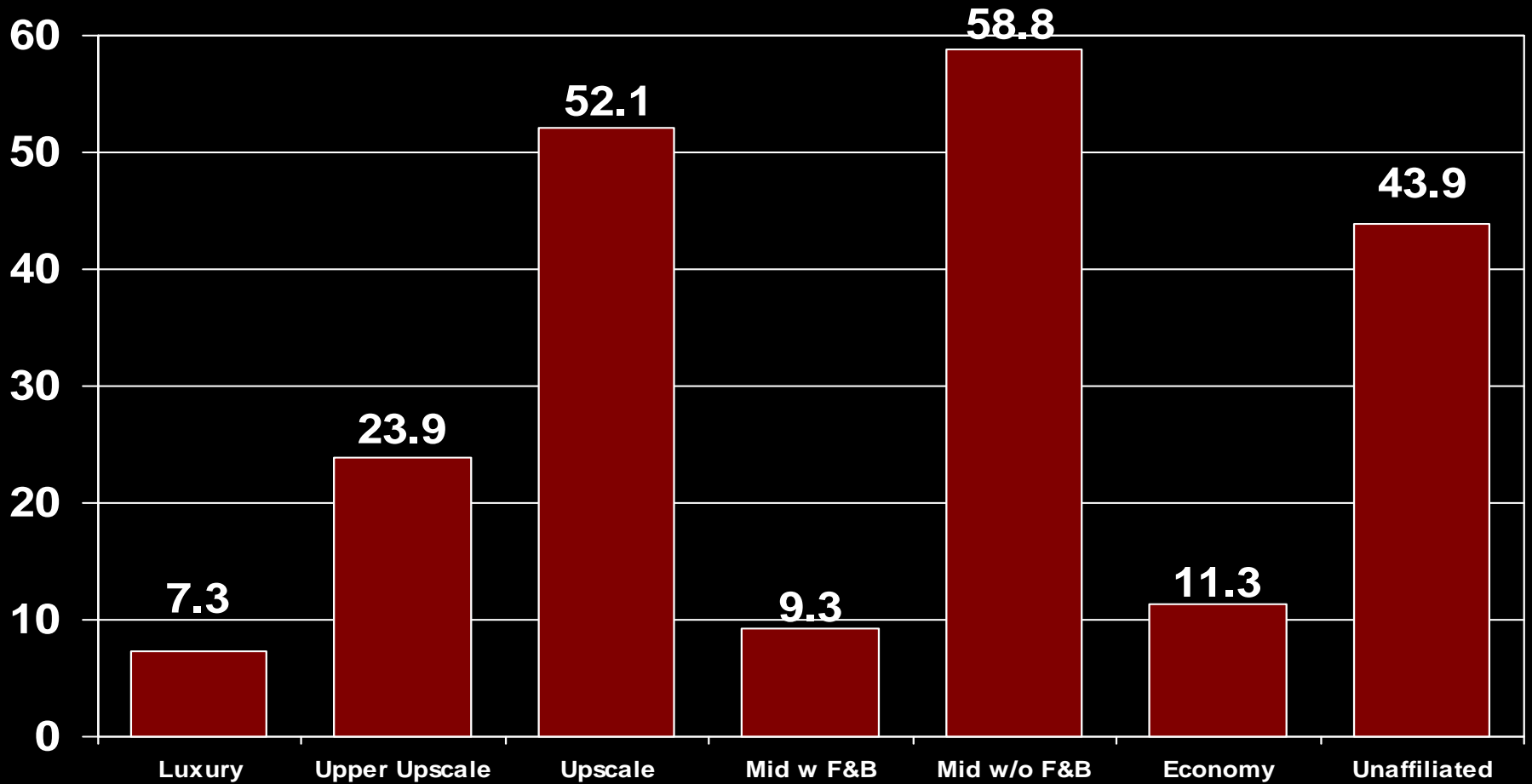
Summer Will See More Supply Increases

**Total United States
Active Development Pipeline – (Thousands of Rooms)
Change From Last Year**

<u>Phase</u>	<u>May 2008</u>	<u>May 2007</u>	<u>Difference</u>	<u>% Change</u>
In Construction	206	189	+ 17	9.3%
Final Planning	106	50	+ 56	112.3%
Planning	359	302	+ 57	19.0%
Active Pipeline	672	541	+ 131	24.2%
Pre-Planning	159	94	+ 64	67.9%
Total	831	636	+ 195	30.7%

U/C Rooms Off The High of Dec. 2007

**Total United States
Rooms In Construction by Scale – In Thousands
May 2008**



Development is in Growth Scales

Markets with Highest Construction Activity May 2008

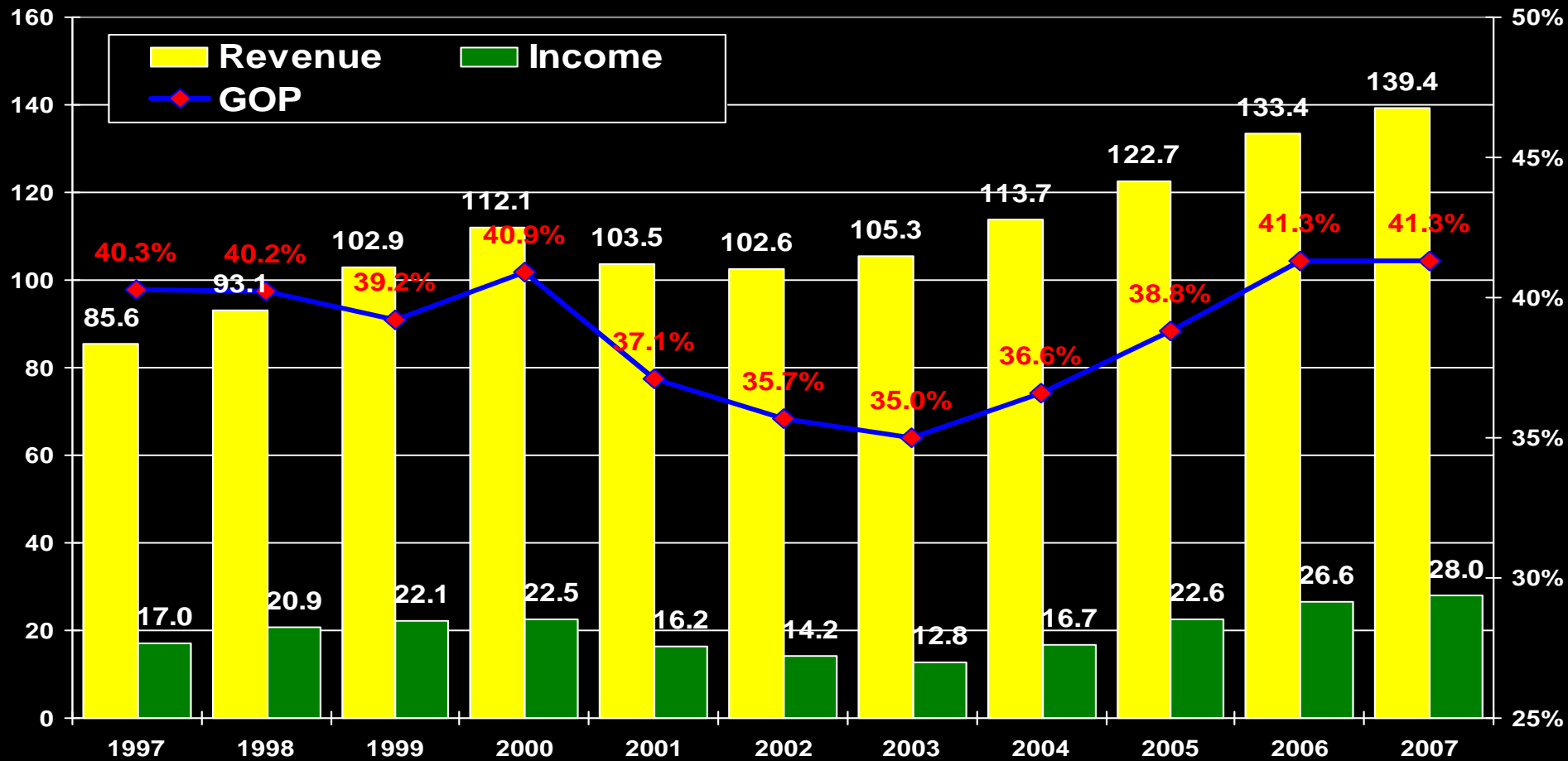
<u>Market</u>	<u># Rooms</u>	<u>% of Existing Supply</u>
Las Vegas	19,212	12.5
New York	9,108	10.9
Orlando	5,133	4.5
Phoenix	4,622	8.5
Washington, DC	4,598	4.8
Chicago	4,454	4.3
LA-Long Beach, CA	3,801	4.1

The Usual Suspects

Source: STR / TWR / Dodge Construction Pipeline

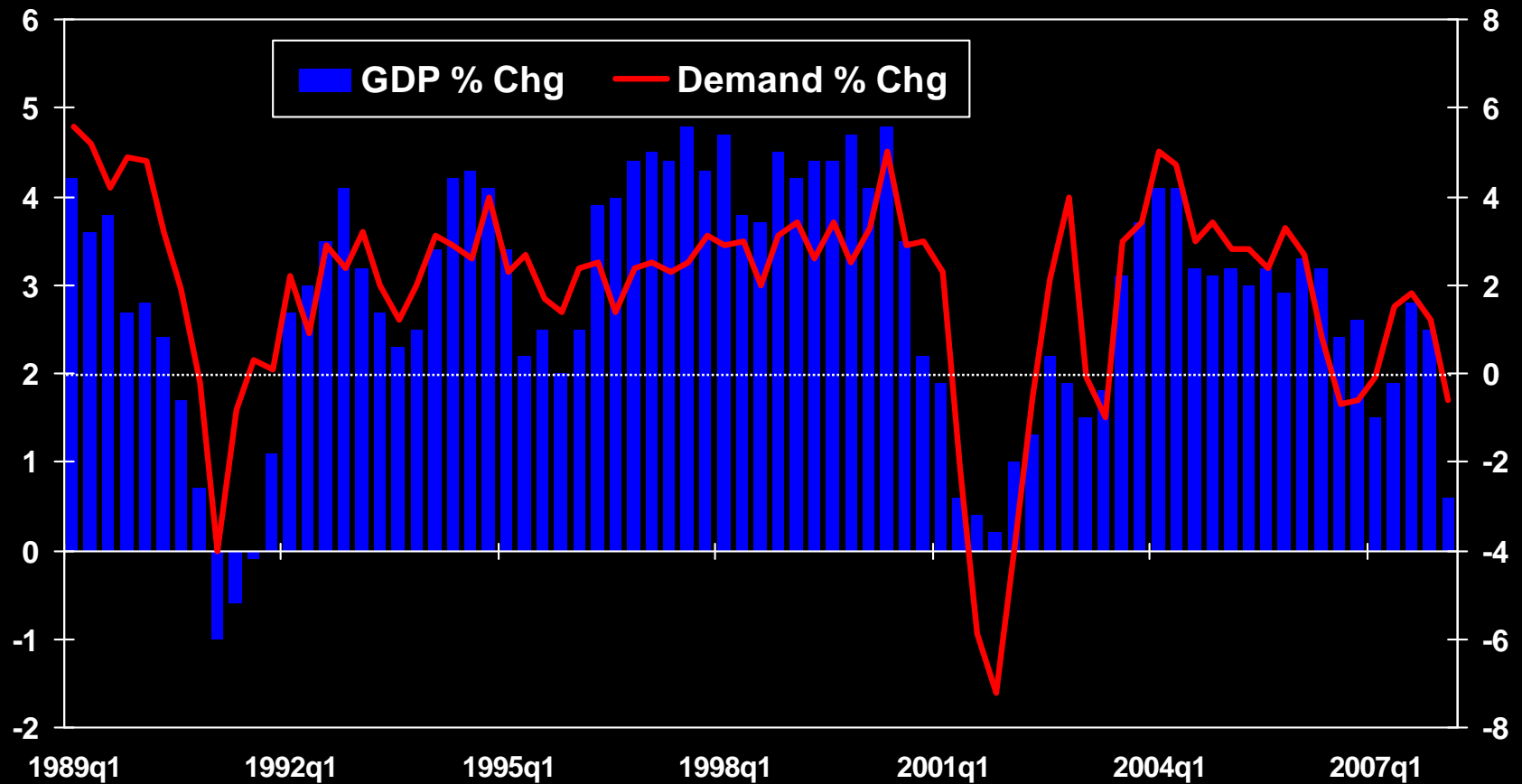
Projections

Total United States Estimated Revenue and Profitability Years 1997 - 2007



Total U.S.

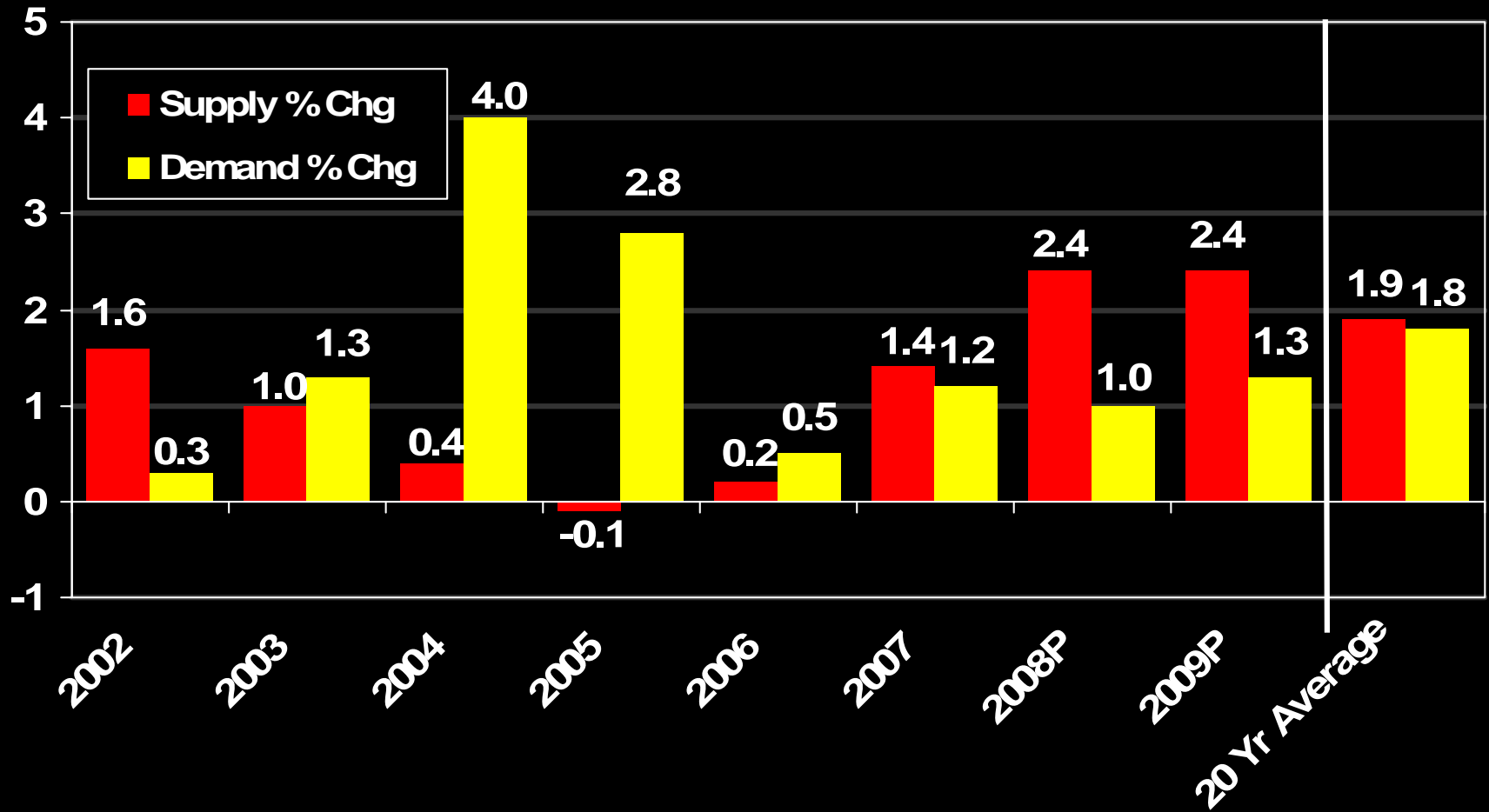
Hotel Rooms Sold vs. GDP Change
Quarterly Change – 1988 to Q1 2008



Total U.S.

Supply/Demand Percent Change

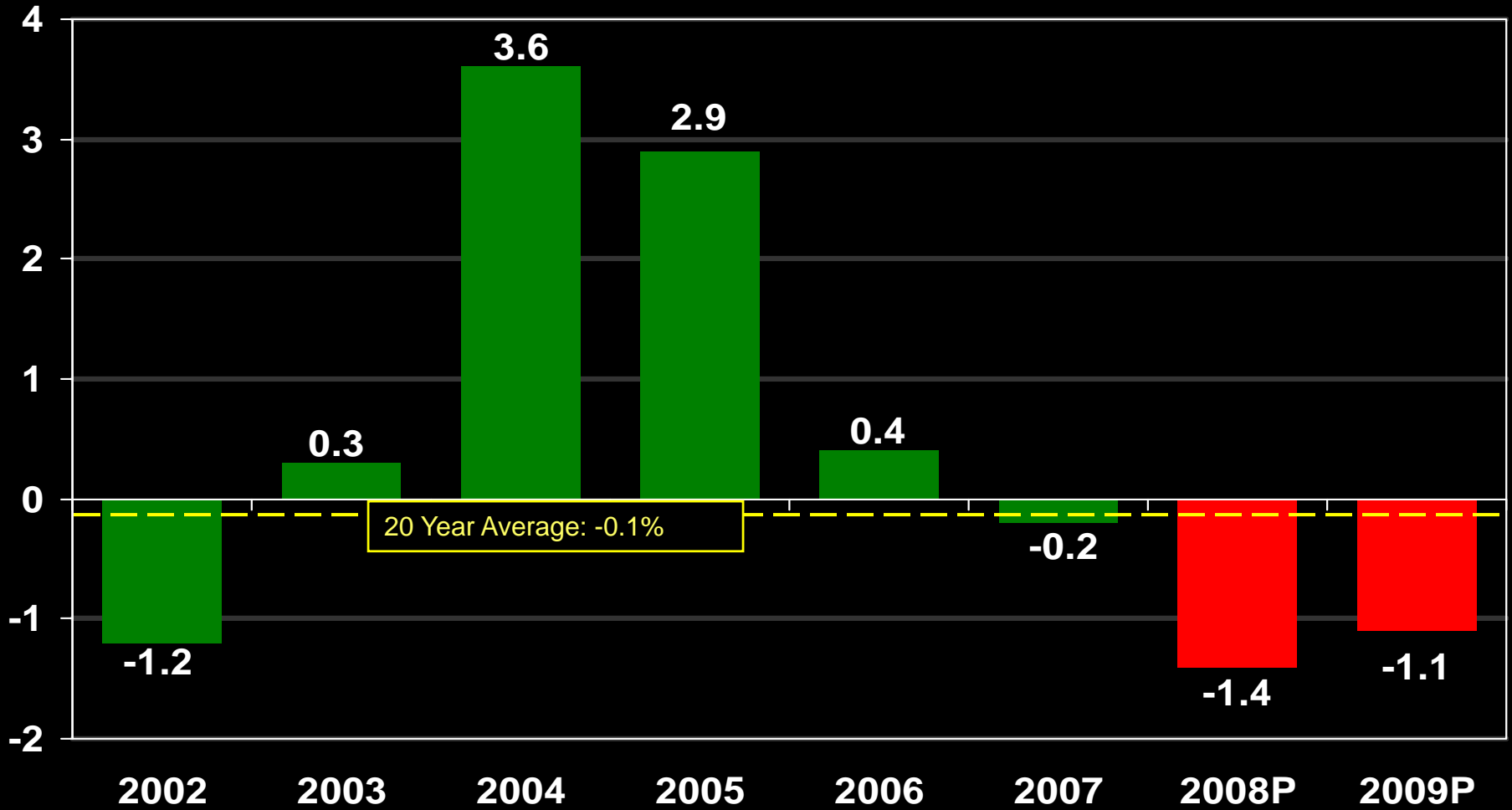
2002 – 2009P



Total U.S.

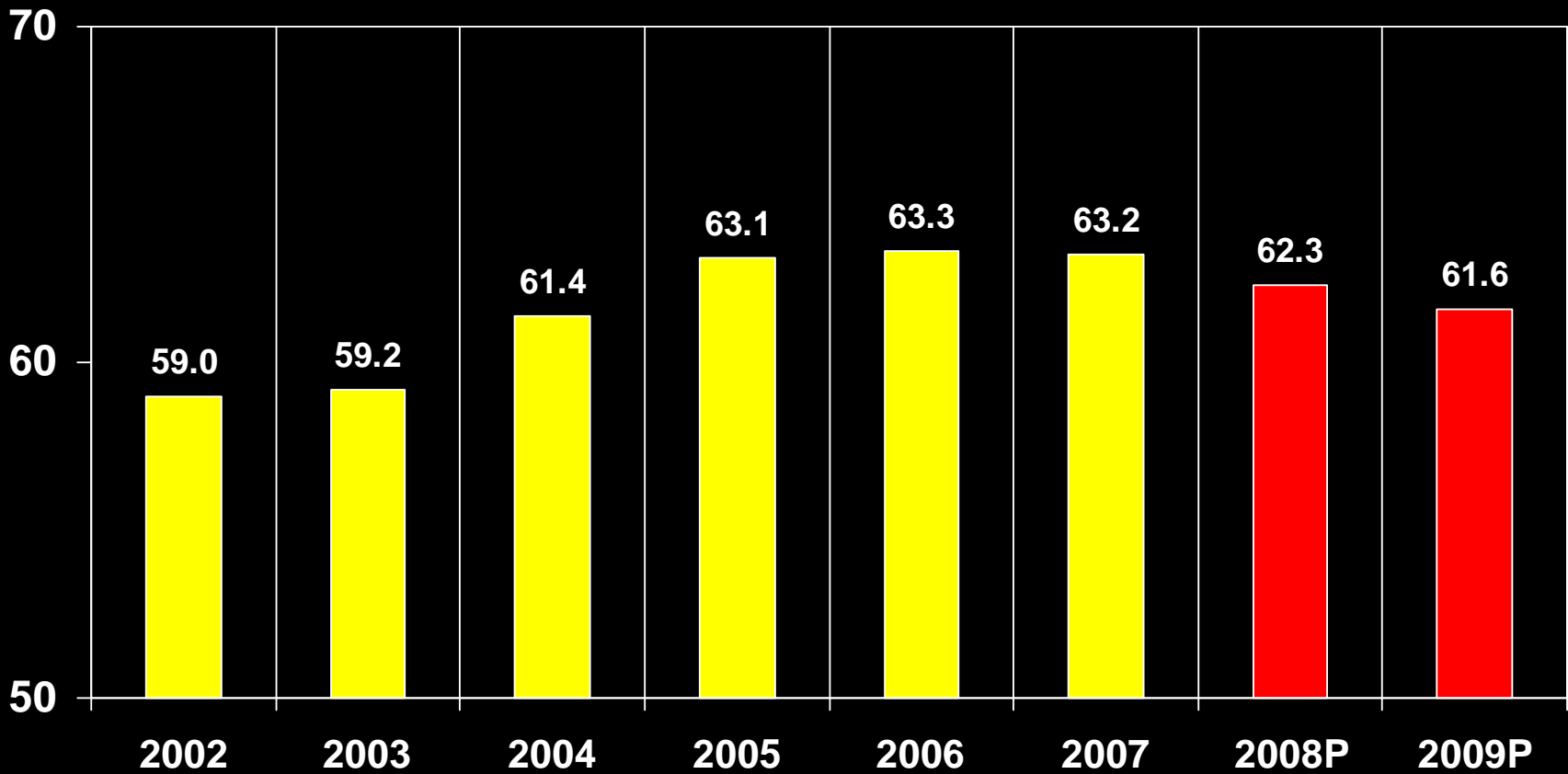
Occupancy Percent Change

2002 – 2009P



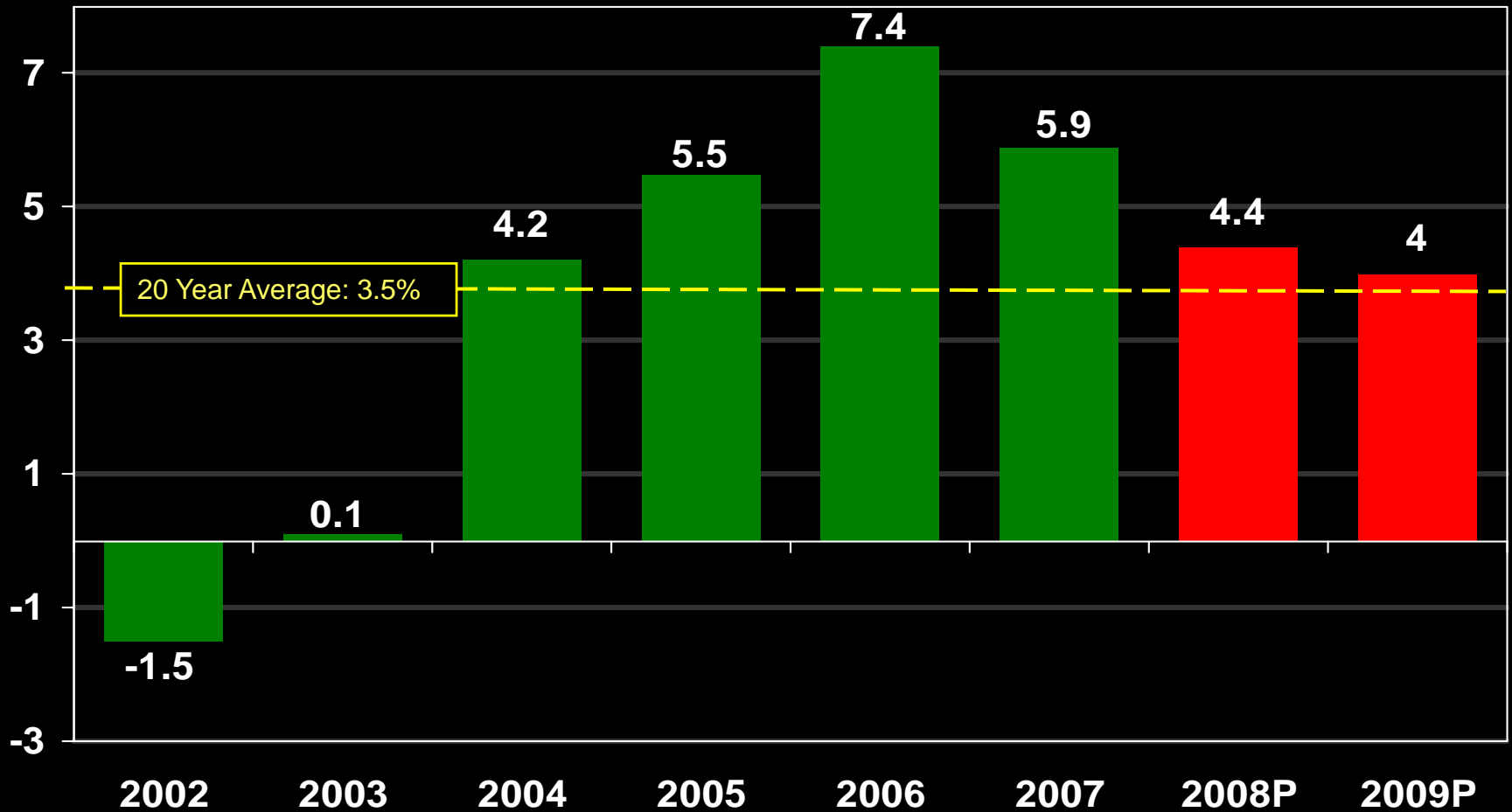
Total US

Occupancy Percent
2002 – 2009P



Total U.S.

ADR Percent Change
2002 – 2009P



Total U.S.

RevPAR Percent Change

2002 – 2009P



2008 Lodging Industry Takeaways

- Accelerating Supply Growth – Pipeline Attrition?
- Slowing Economy = Slower Demand Growth
- Top Markets may outperform
- Weak Dollar = U.S. Bargain
- Leisure feels greater impact than business?
- Revenue Management Discipline?