



GLOBAL INDUSTRY OVERVIEW

Randell A. Smith
CEO



a new name in global hotel benchmarking



Industry Overview

First the Good News

Tennessee Titans
7 – 0

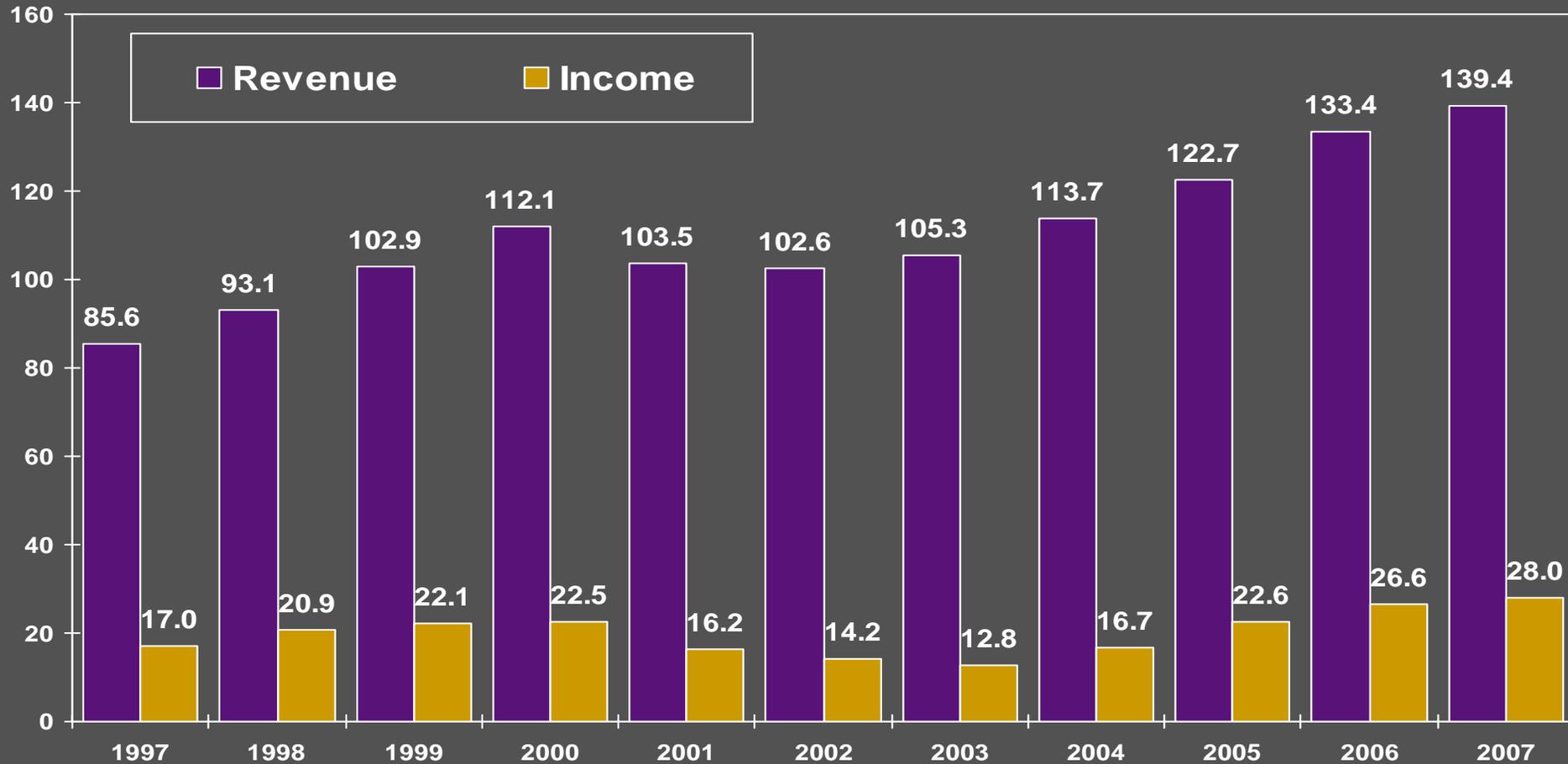
All Other NFL Teams
Less than that

Only other good news

Total United States

Estimated Revenue and Profitability

Years 1997 - 2007

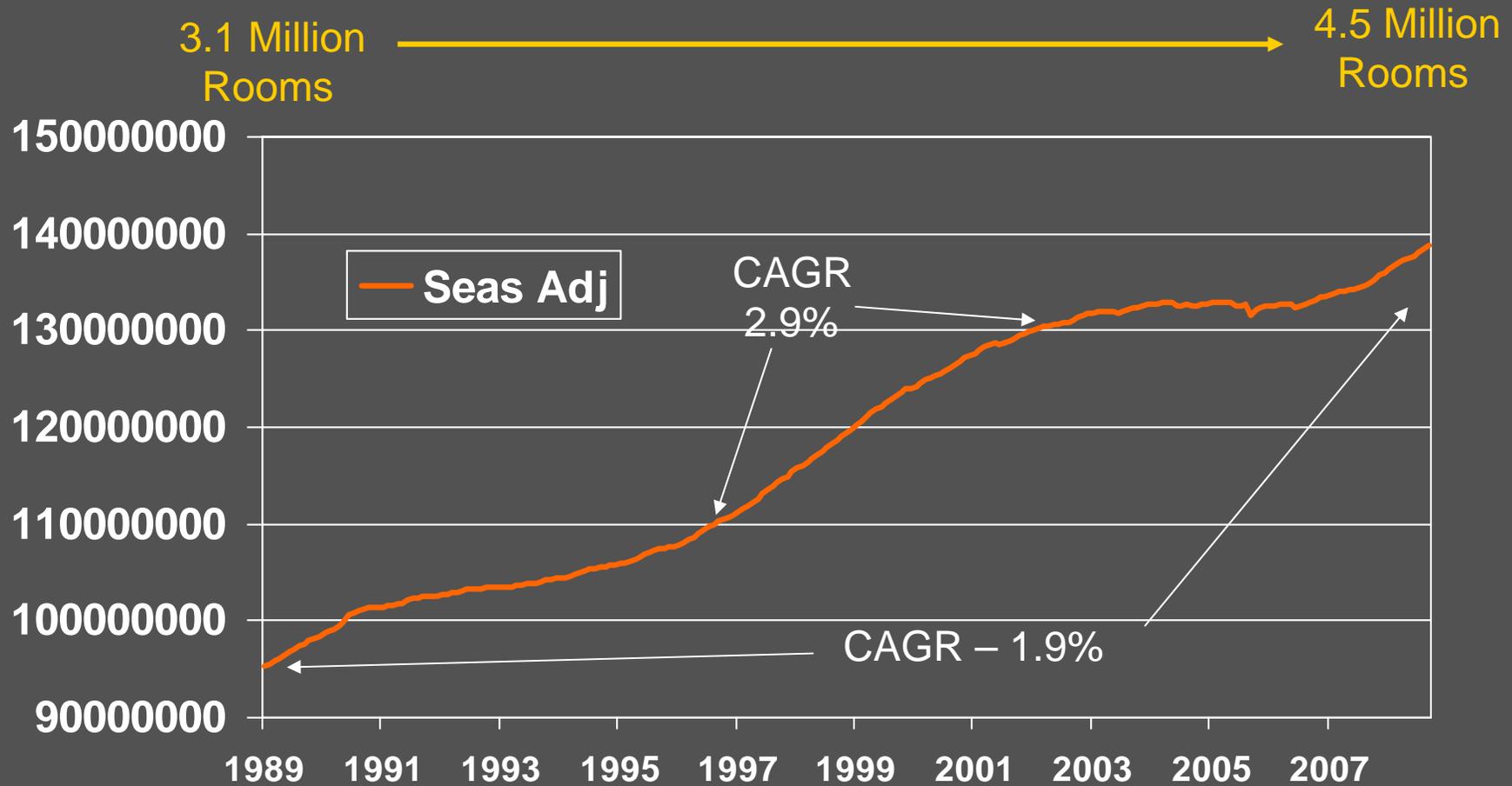


Continually Profitable

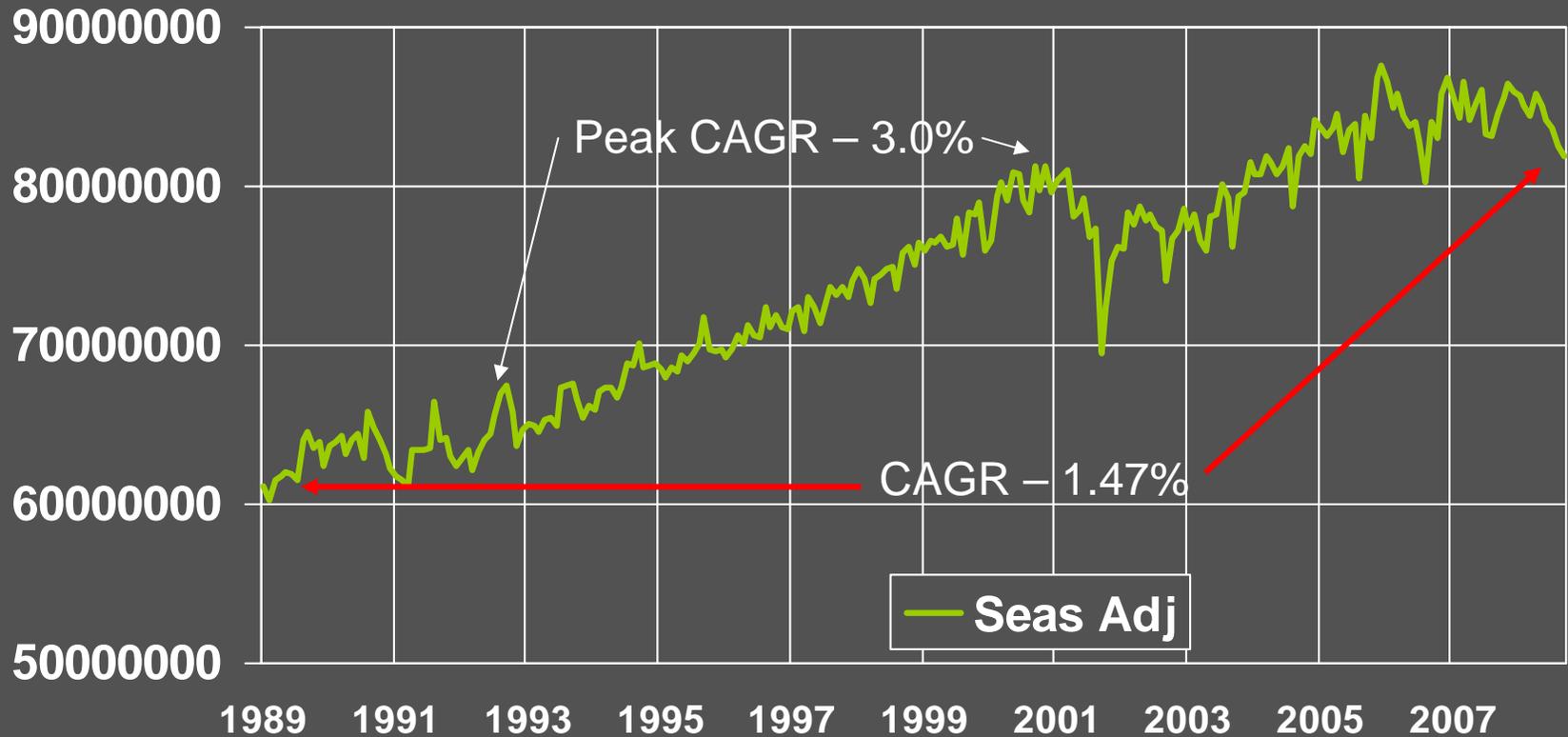
2008 Smith Travel Research, Inc.

Total US Performance

Total U.S. Monthly Room Supply – Seasonally Adjusted January 1989 to September 2008



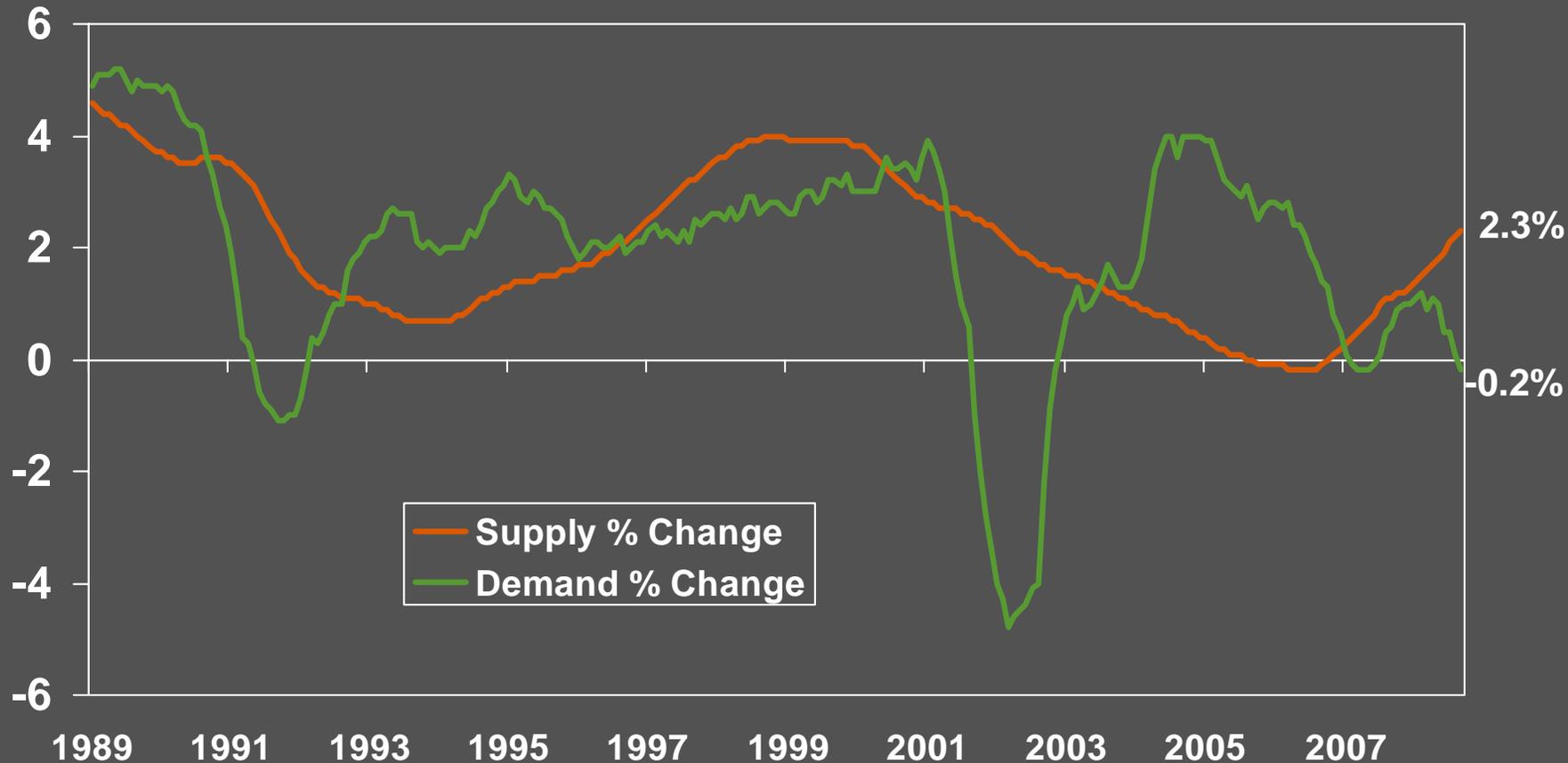
Total U.S. Monthly Room Demand – Seasonally Adjusted January 1989 to September 2008



Total United States

Room Supply/Demand Percent Change

Twelve Month Moving Average – 1989 to September 2008

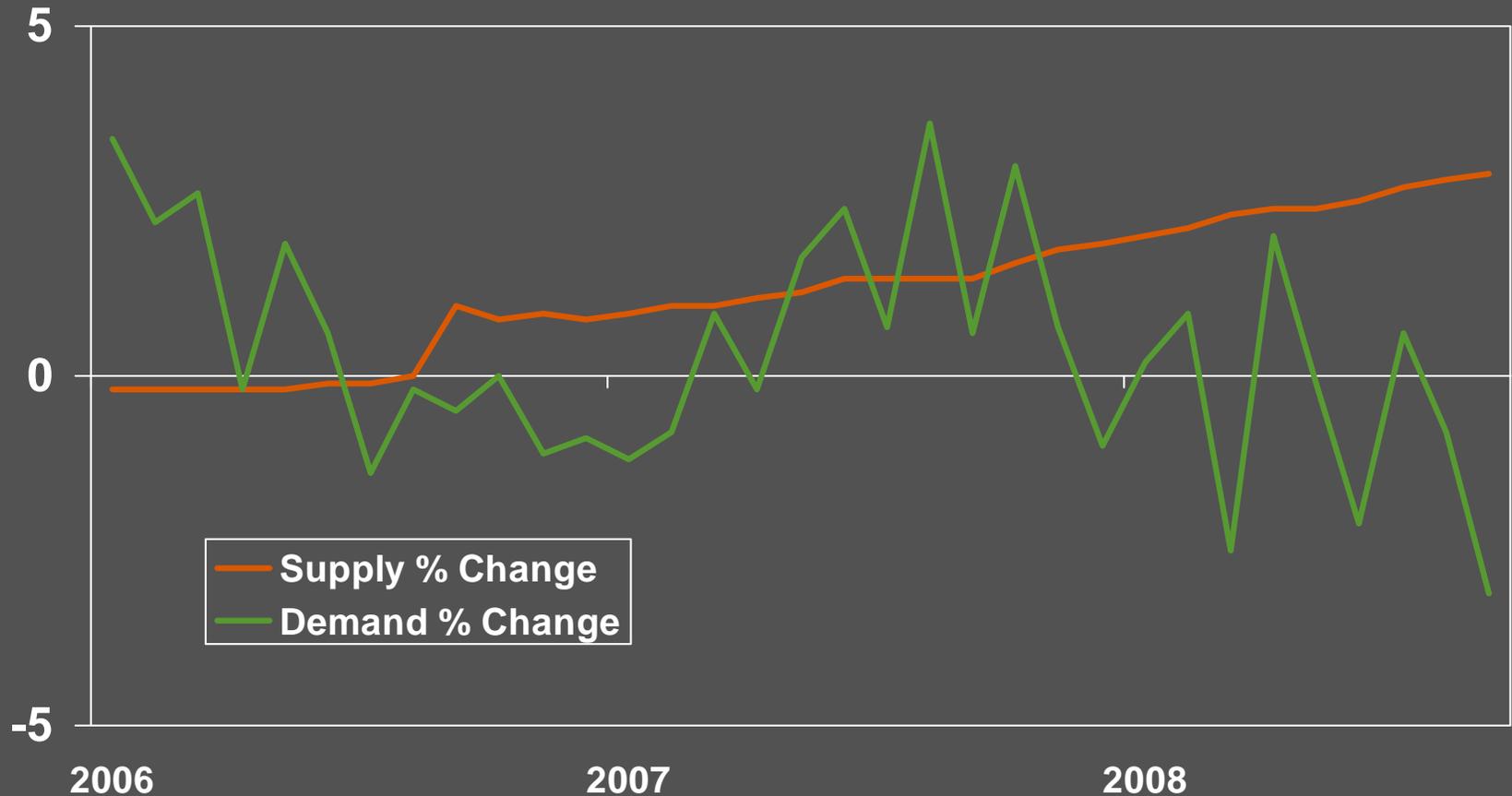


2008 Smith Travel Research, Inc.

Total United States

Room Supply/Demand Percent Change

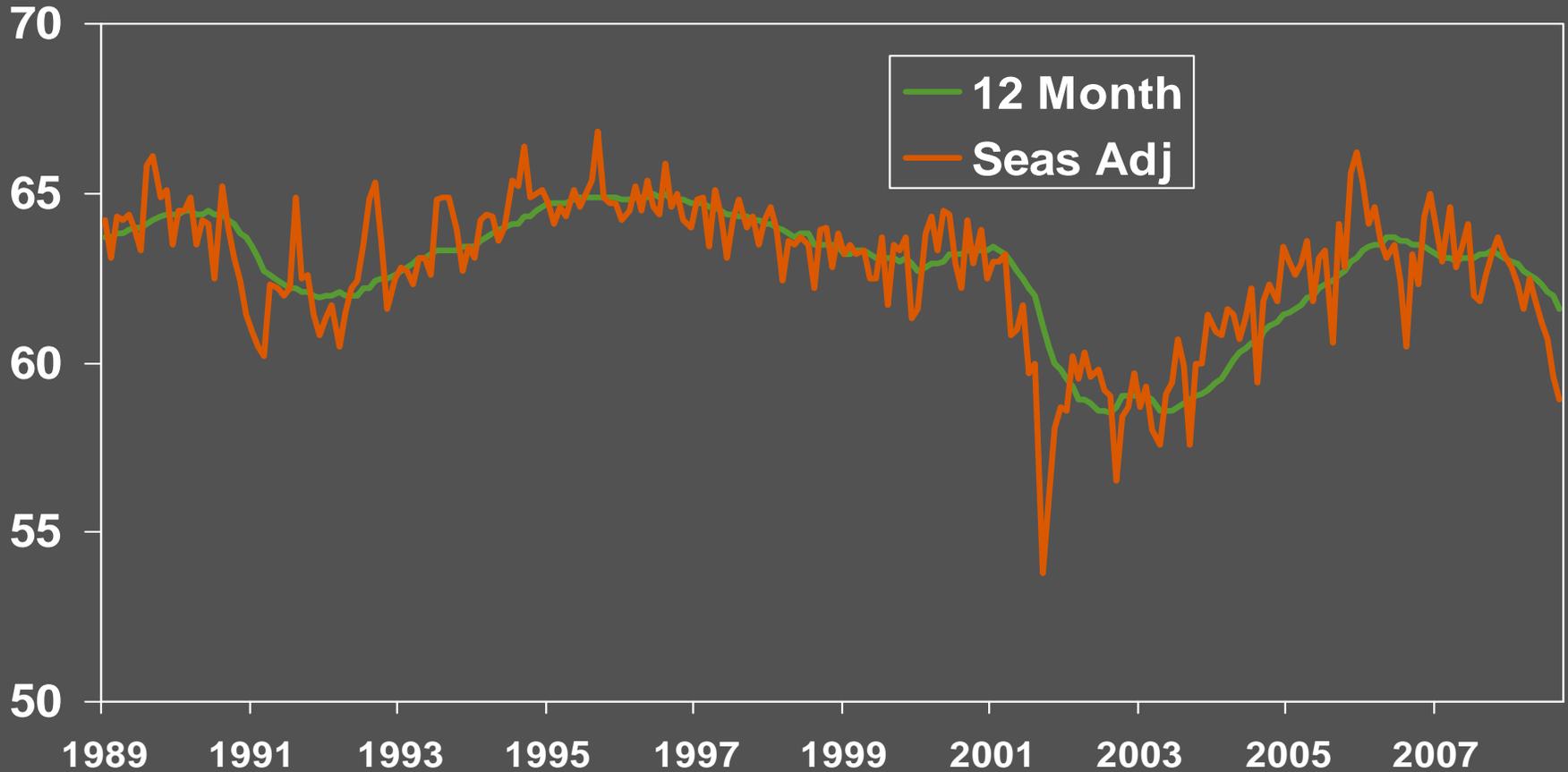
Monthly Year-Over-Year 2006 – September 2008



2008 Smith Travel Research, Inc.

Total United States Occupancy Percent

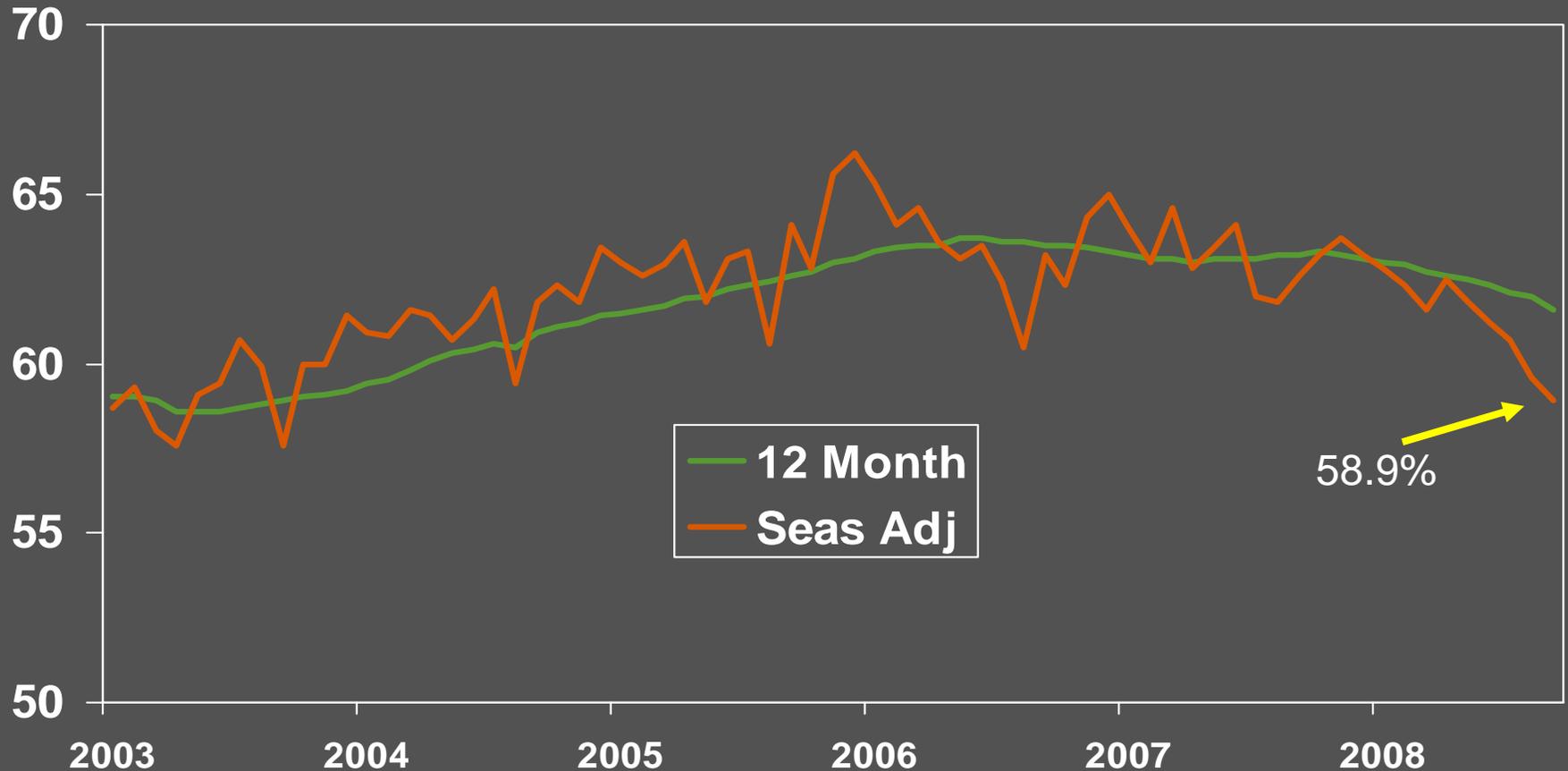
12 Month Moving Average and Seasonally Adjusted
1989 to September 2008



2008 Smith Travel Research, Inc.

Total United States Occupancy Percent

12 Month Moving Average and Seasonally Adjusted
2003 to September 2008

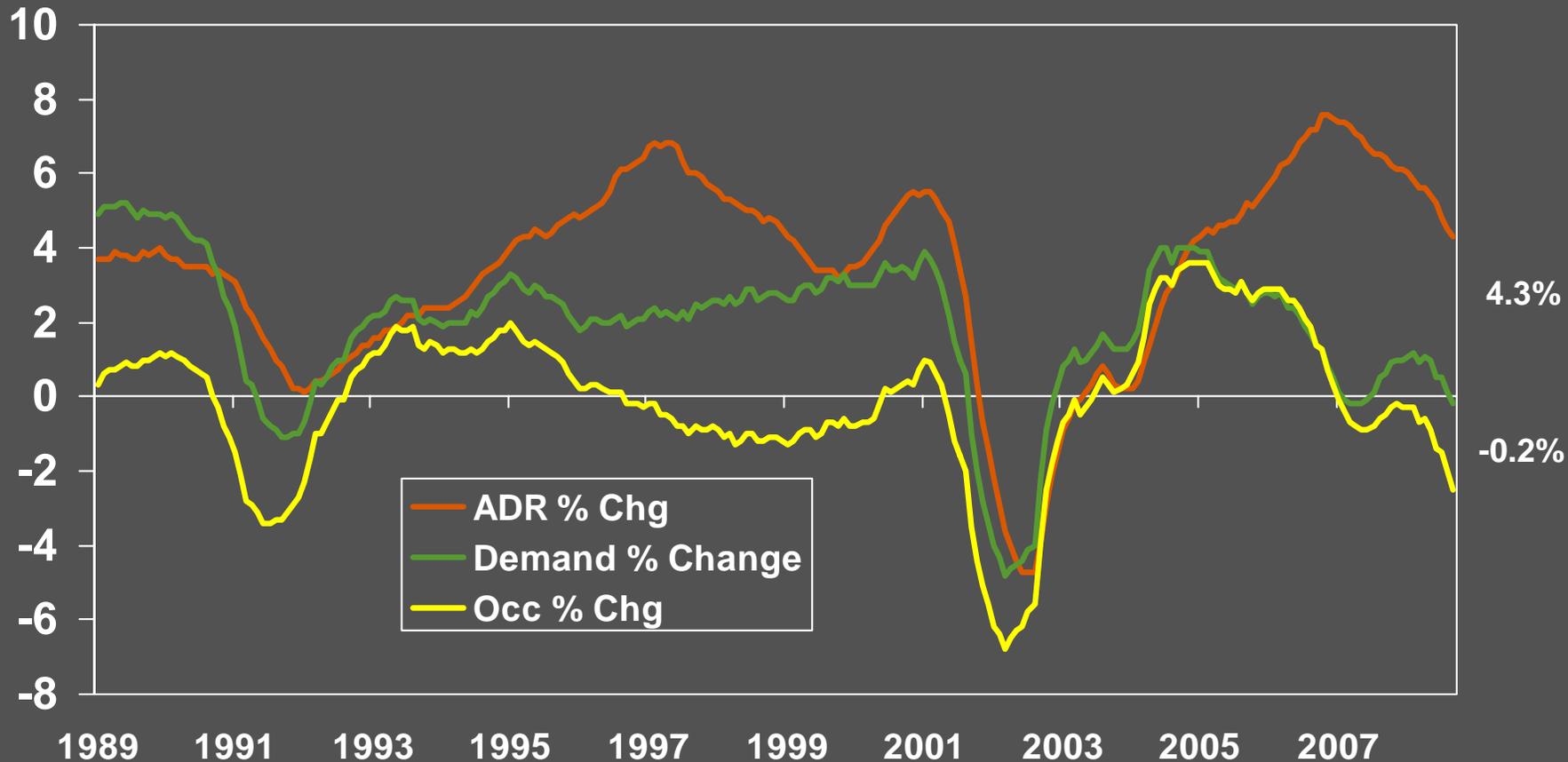


2008 Smith Travel Research, Inc.

Total United States

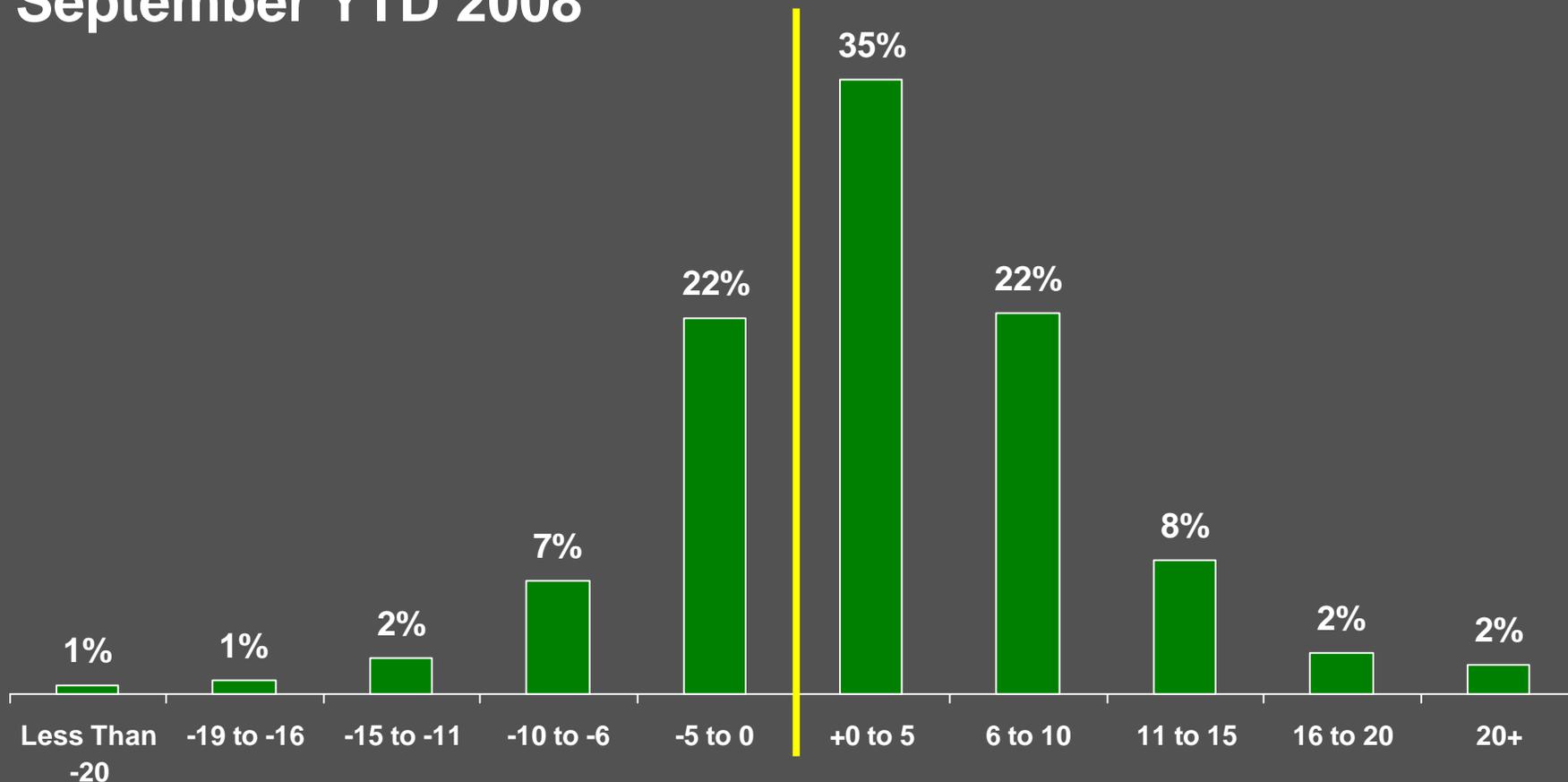
Room Demand / Occ / ADR Percent Change

Twelve Month Moving Average – 1989 to September 2008



2008 Smith Travel Research, Inc.

Total United States ADR % Change Histogram September YTD 2008

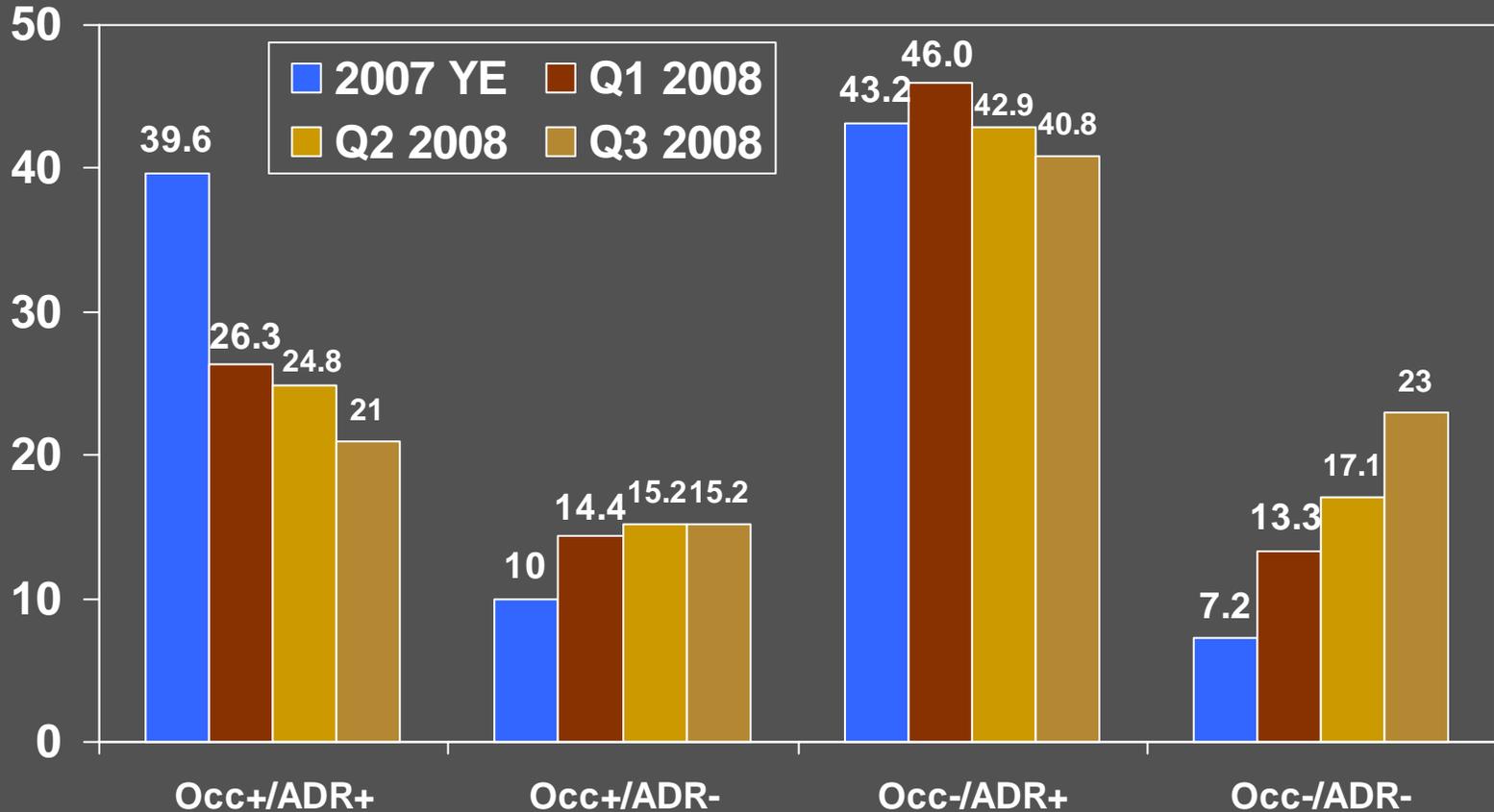


Almost 6 in 10 Hotels Change Rate Between -5% and +5%

Total United States

Occ / ADR Increases and Decreases

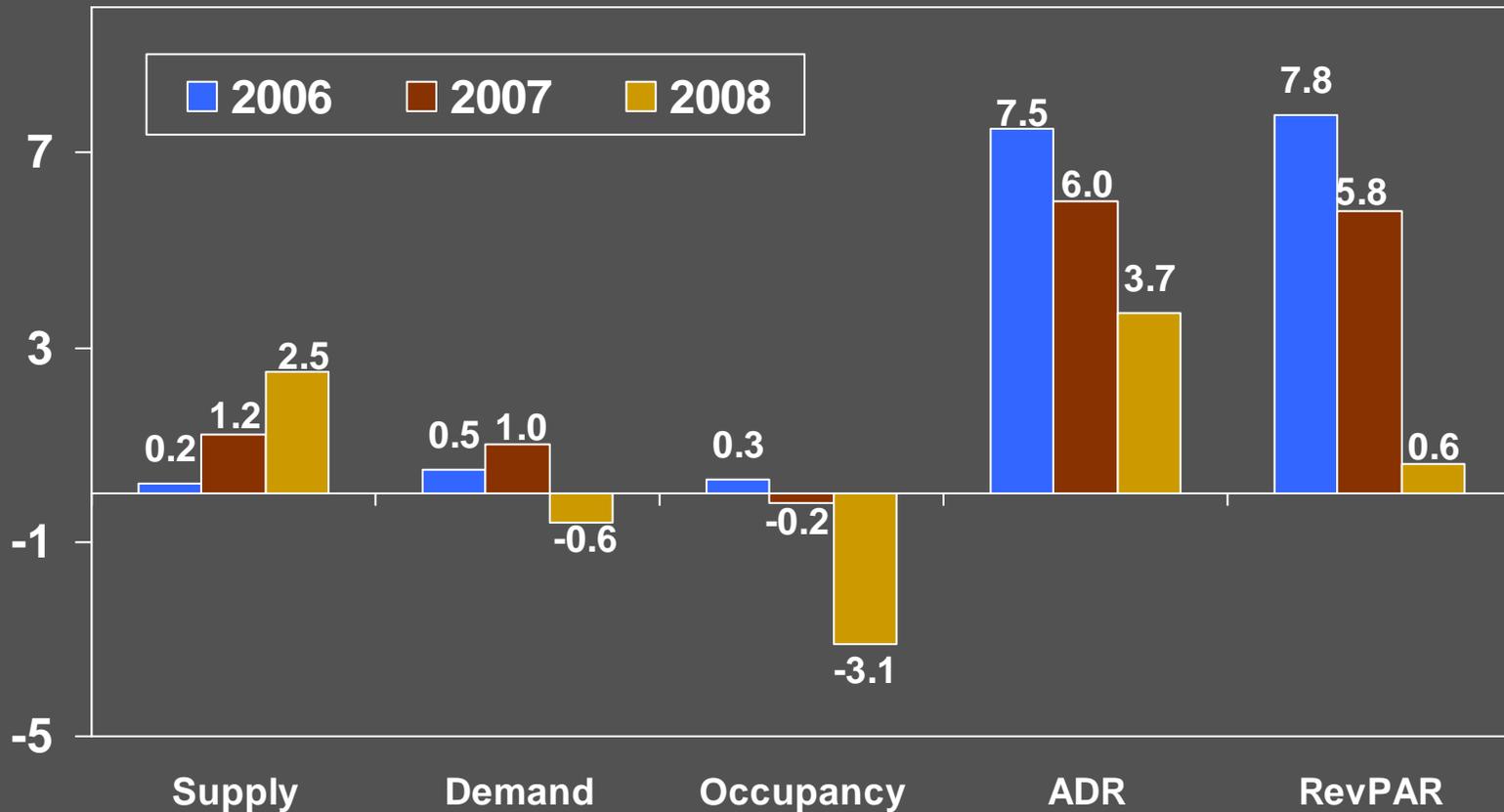
Year End 2007 – Quarterly 2008



2008 Smith Travel Research, Inc.

Total United States

Key Performance Indicators Percent Change
Year End 2006, 2007 and September 2008 YTD

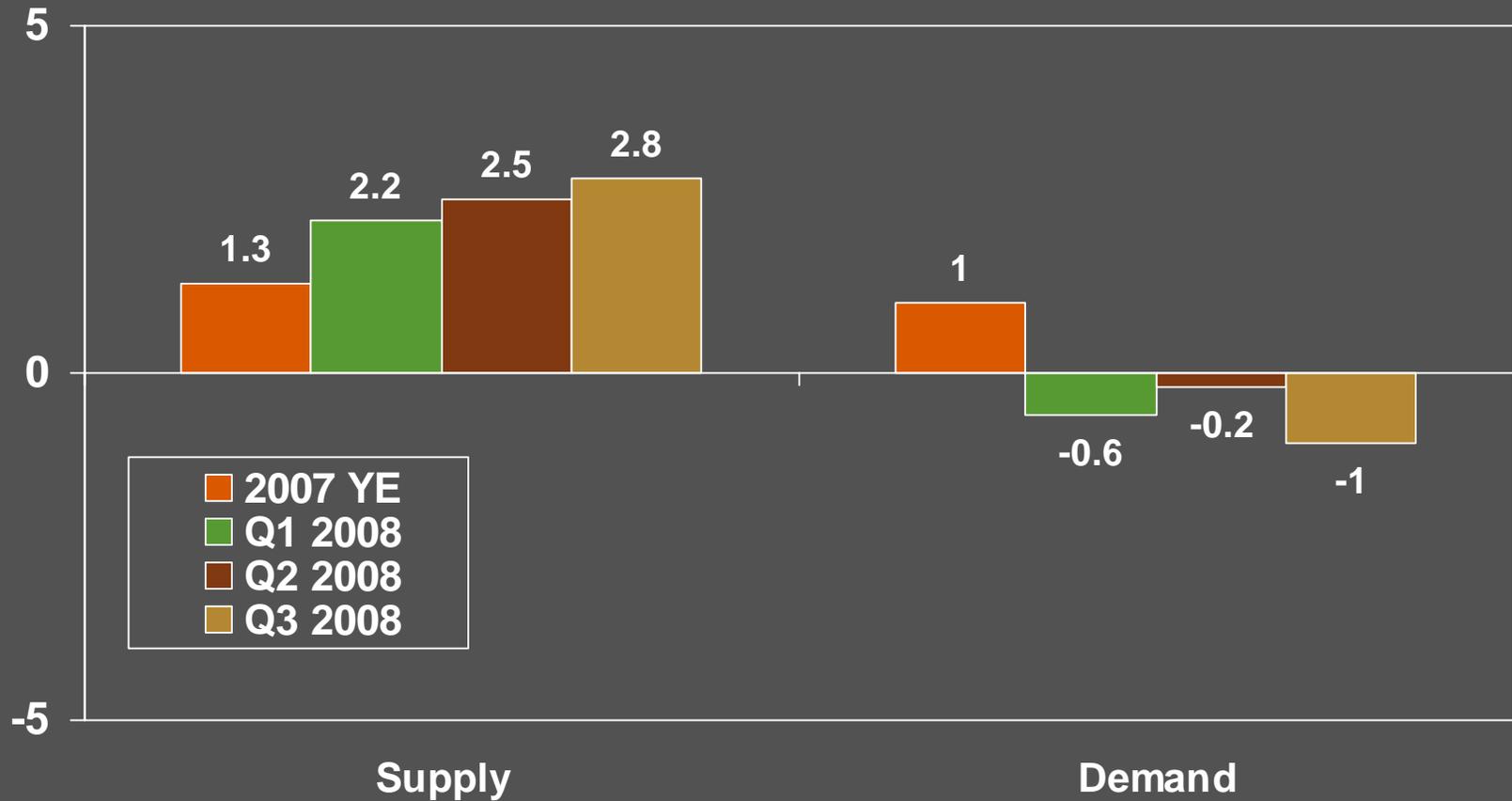


2008 Smith Travel Research, Inc.

Total US

Supply/Demand Percent Change

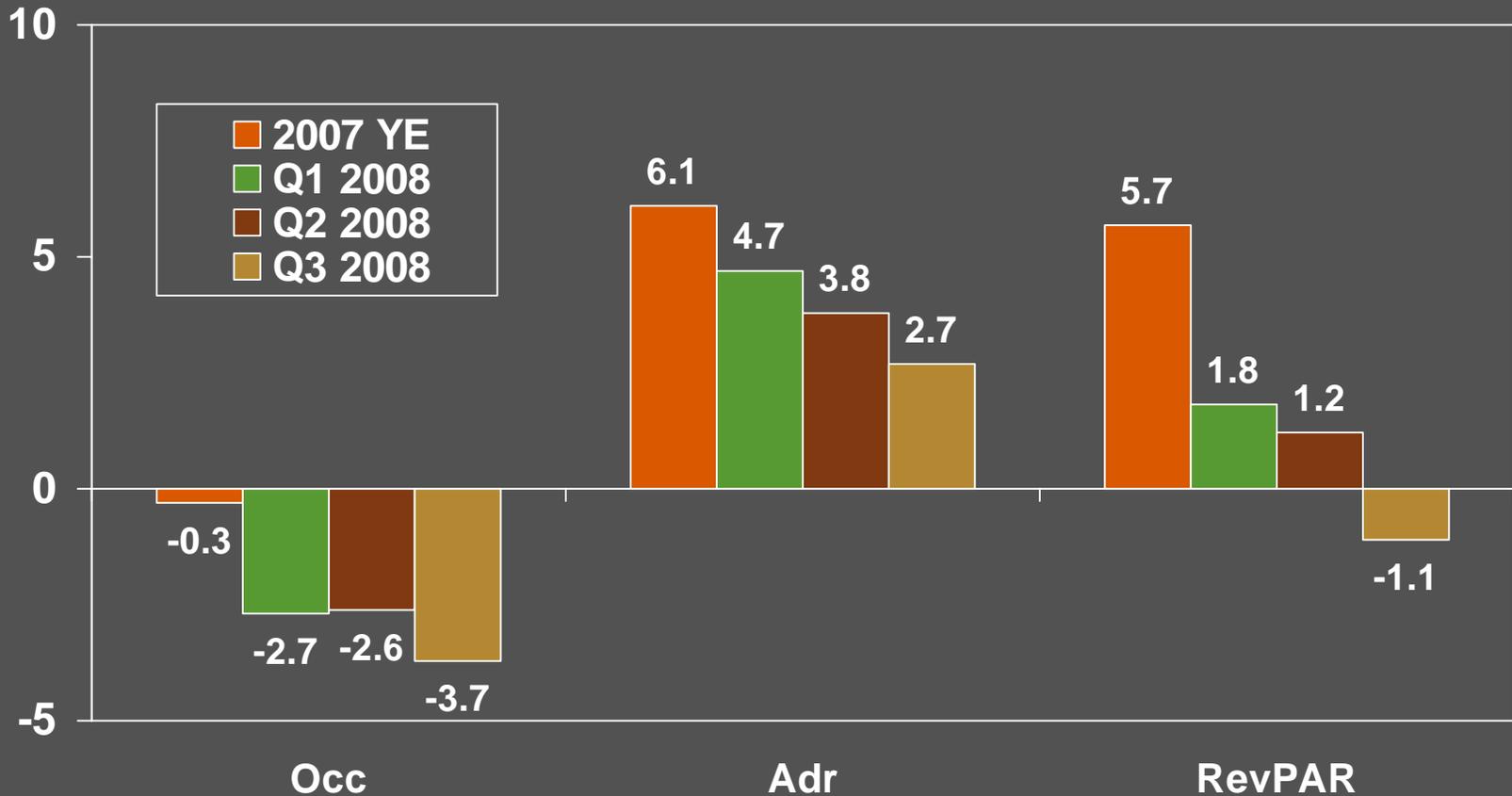
Year End 2007 – Quarterly Results 2008



2008 Smith Travel Research, Inc.

Total US

Occupancy/ADR/RevPAR Percent Change Year End 2007 – Quarterly Results 2008



2008 Smith Travel Research, Inc.

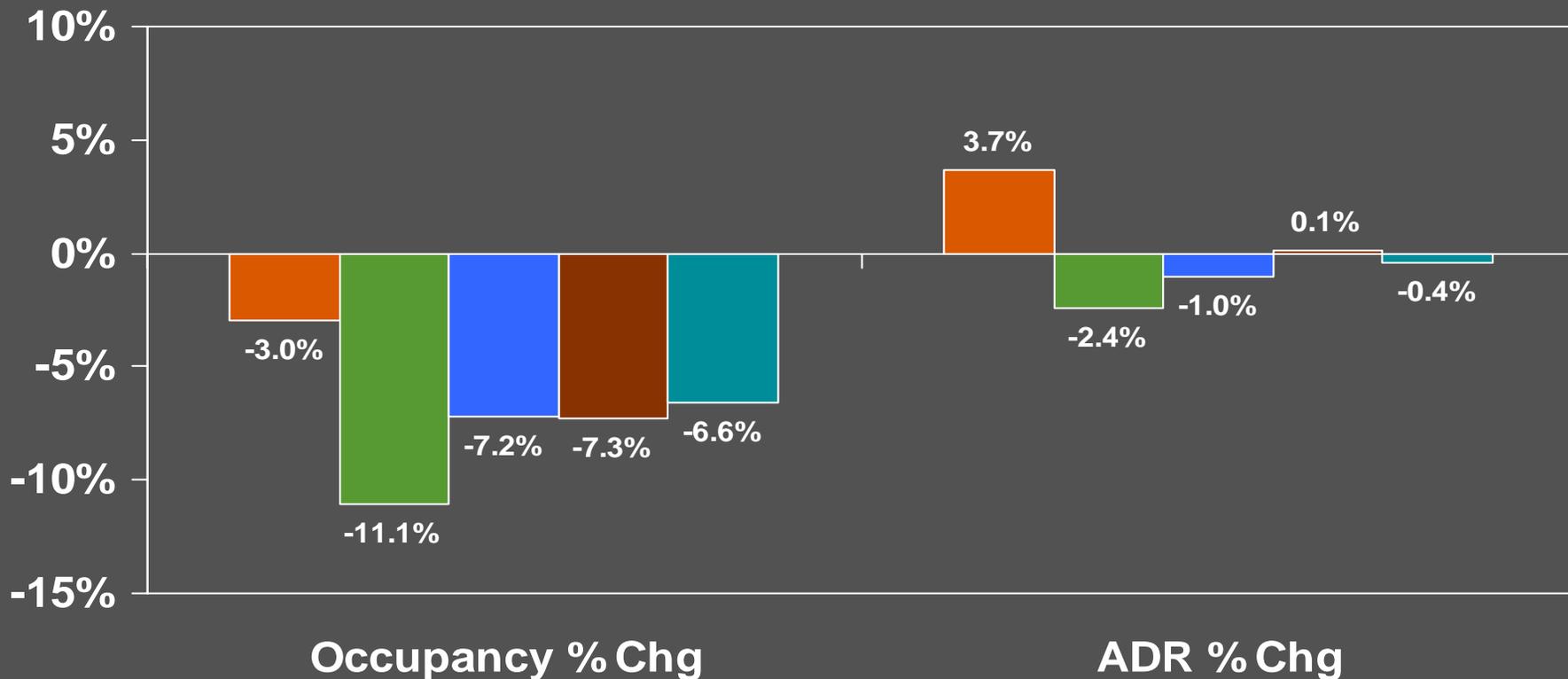
Total US Daily Data

Total United States

Occupancy and ADR Percent Change

YTD through 10/25

Sept YTD 10/4 10/11 10/18 10/25

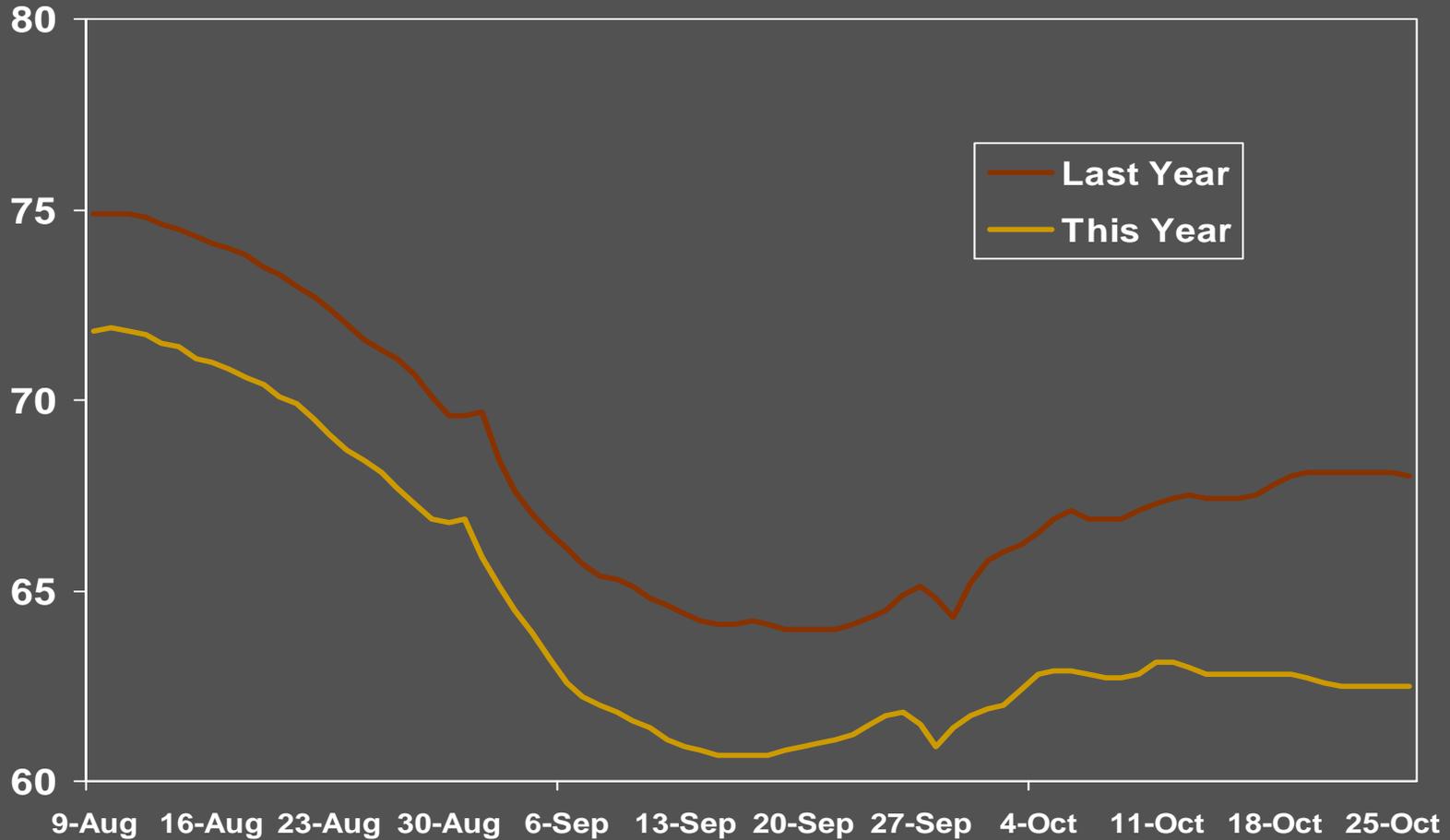


2008 Smith Travel Research, Inc.

Total United States

Occupancy Percent 28-Day Moving Average

August 9, 2008 – October 25, 2008

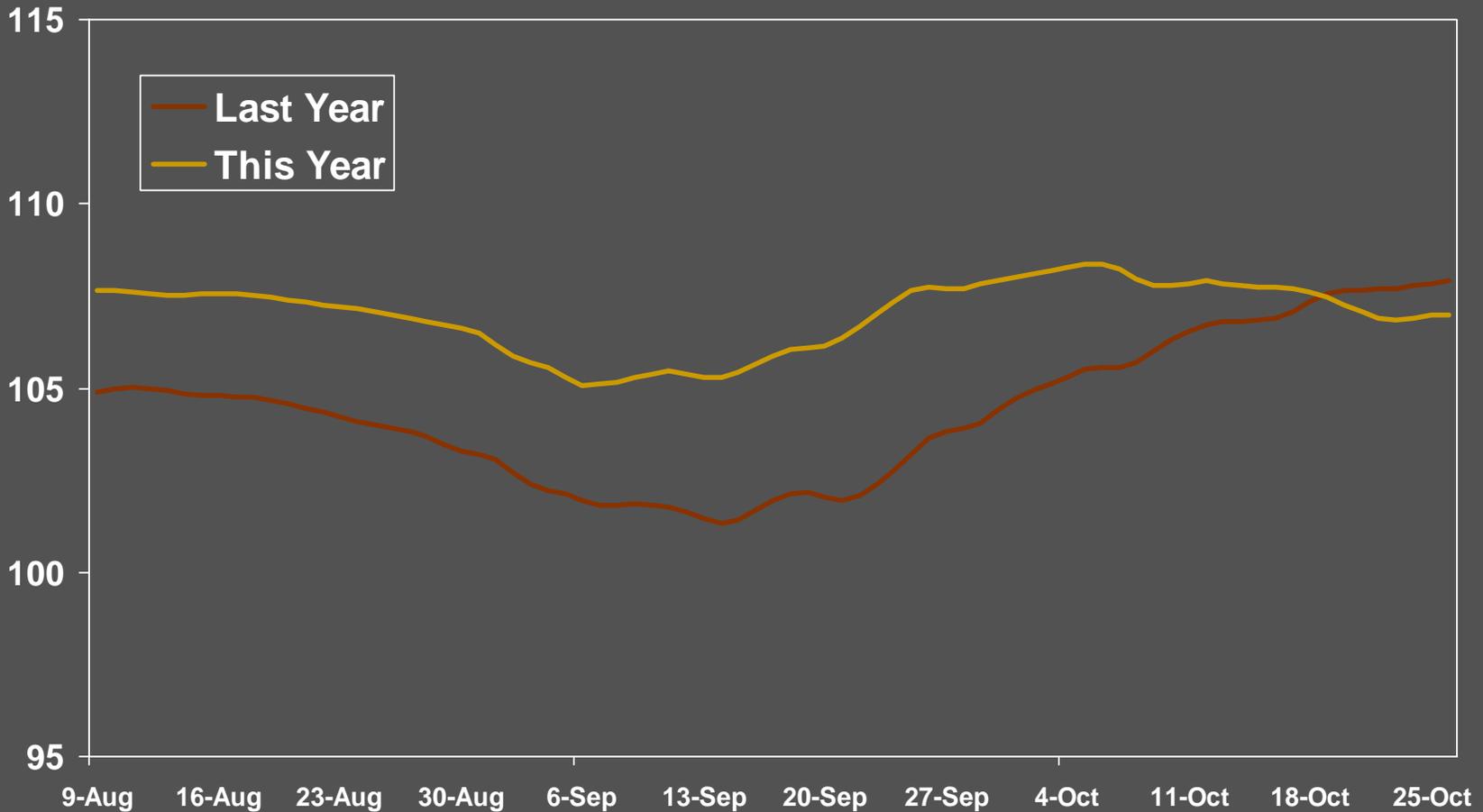


2008 Smith Travel Research, Inc.

Total United States

ADR 28-Day Moving Average

August 9, 2008 – October 25, 2008

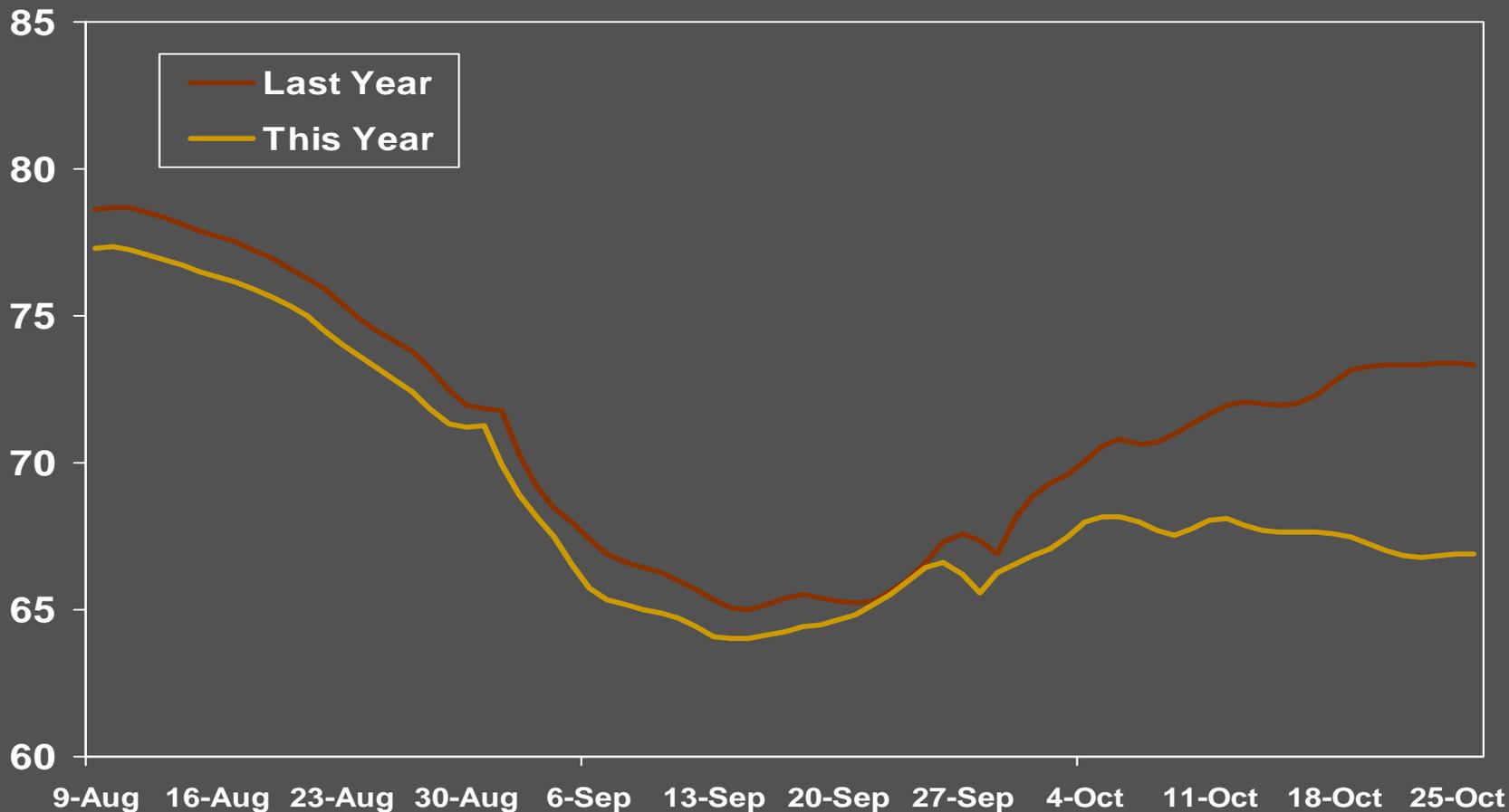


2008 Smith Travel Research, Inc.

Total United States

RevPAR 28-Day Moving Average

August 9, 2008 – October 25, 2008



2008 Smith Travel Research, Inc.

Weekend Demand Share of Total United States

January 2001 – September 2008
12 Month Moving Average

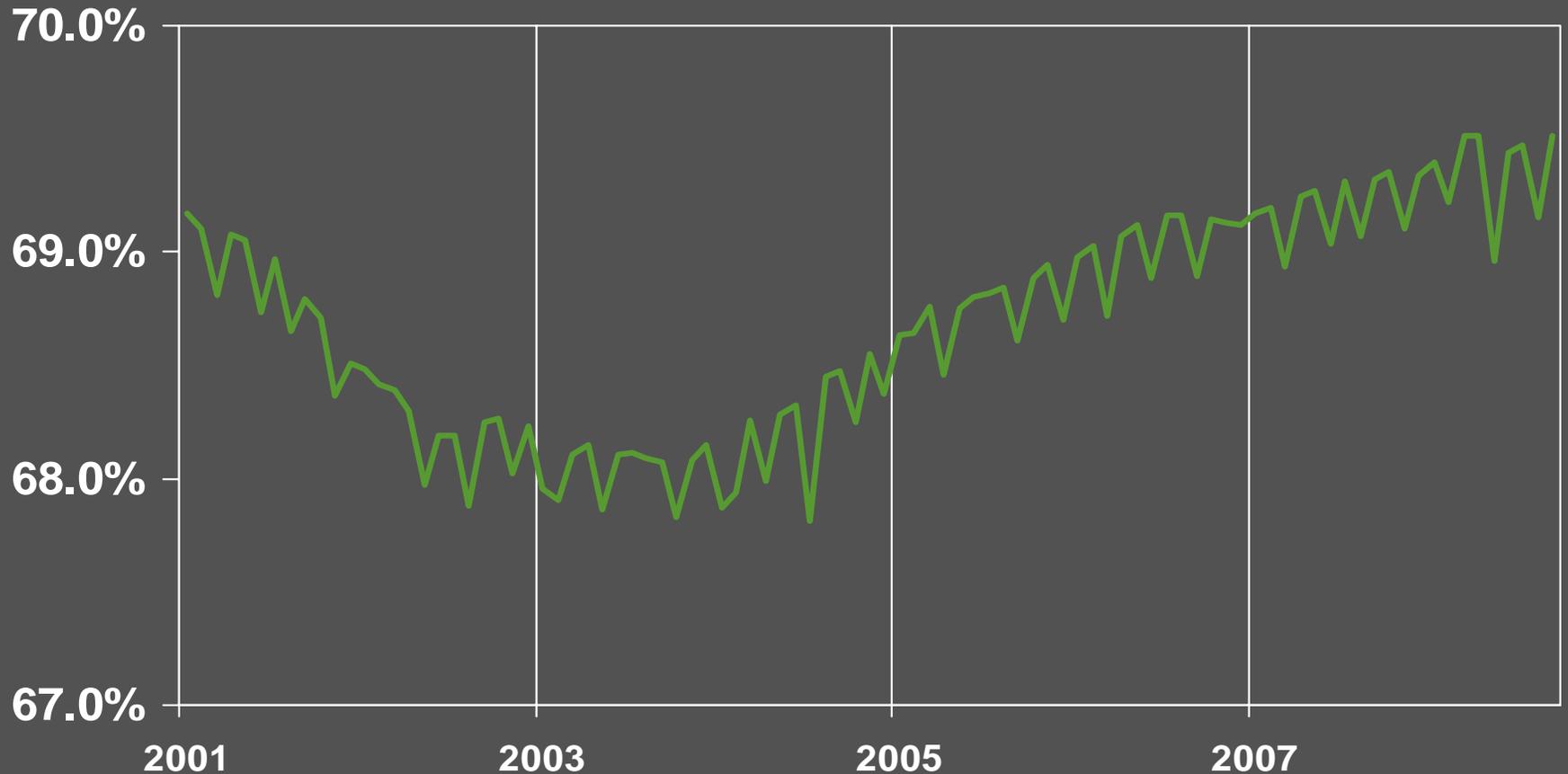


2008 Smith Travel Research, Inc.

Weekday Demand Share of Total United States

January 2001 – September 2008

12 Month Moving Average



2008 Smith Travel Research, Inc.

U.S. Segments and Markets

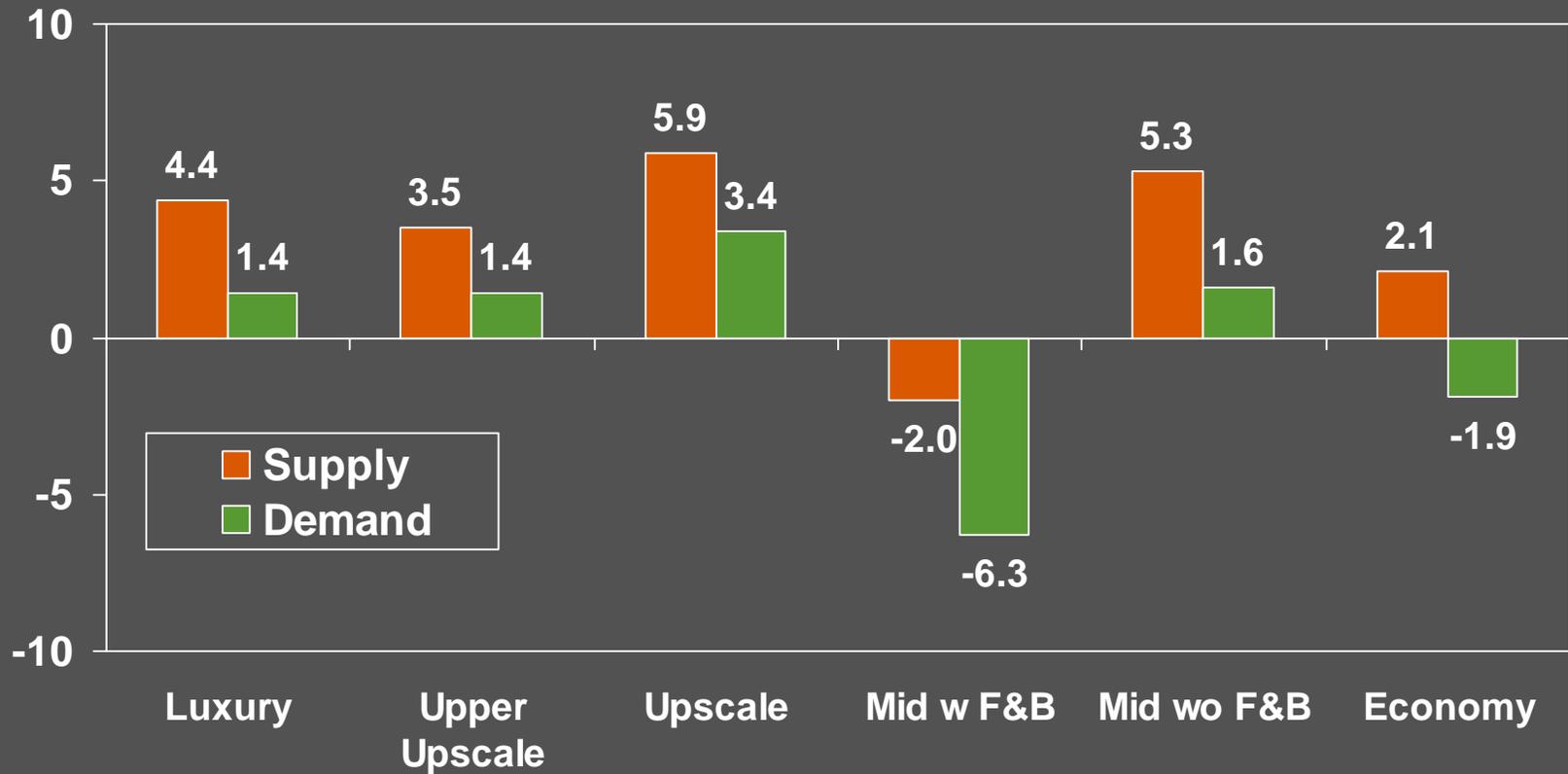
STR Chain Scales

Selected chains from each segment

- Luxury – Four Seasons, Ritz Carlton, Fairmont
- Upper Upscale – Hyatt, Embassy, Hilton, Marriott, Omni
- Upscale – Hyatt Place, Hilton Garden Inn, Courtyard
- Mid with F&B – Holiday Inn, Ramada, Quality Inn
- Mid no F&B – Hampton Inn, HI Express, Comfort Inn
- Economy – Econolodge, Red Roof, Days Inn

Chain Scales

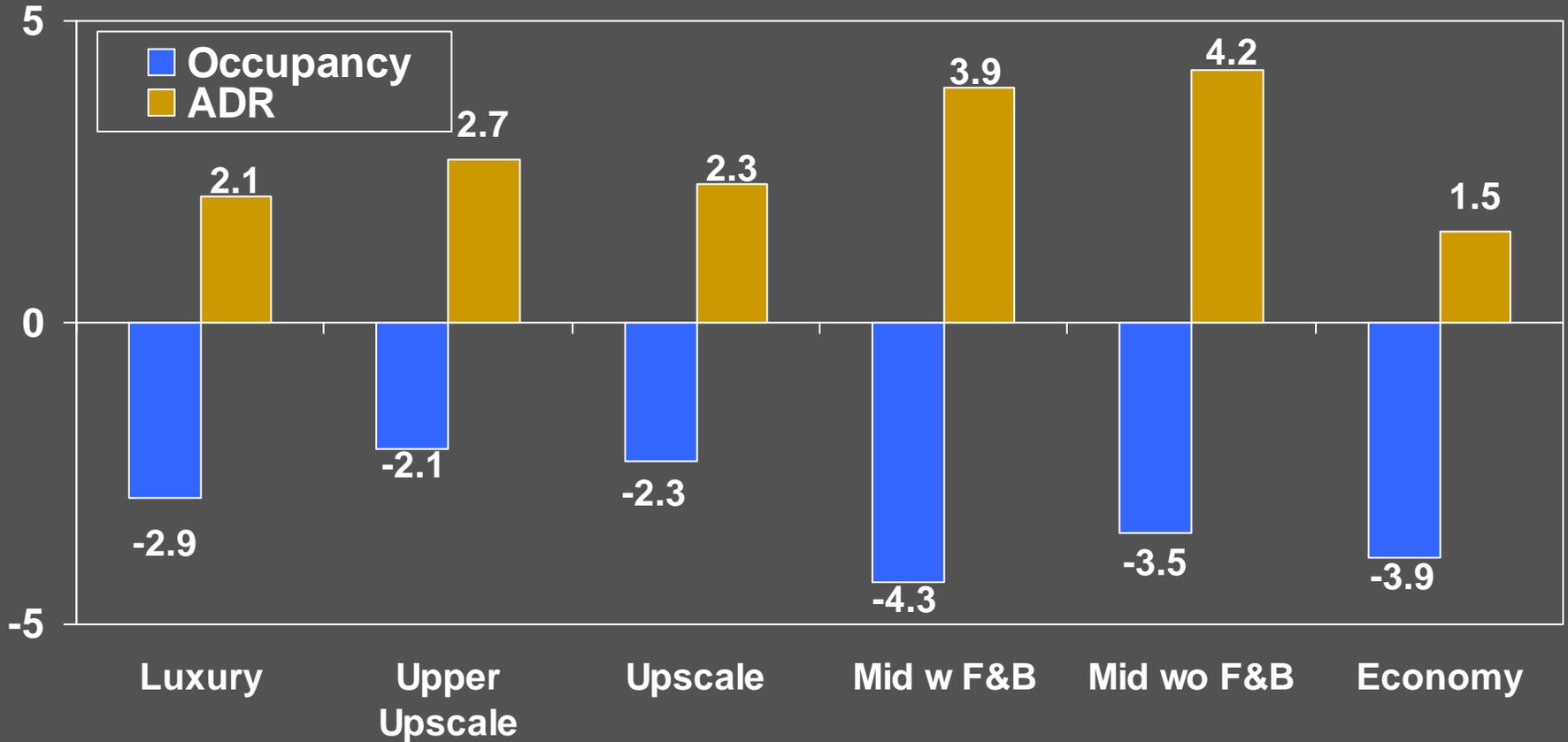
Supply/Demand Percent Change
September 2008 YTD



2008 Smith Travel Research, Inc.

Chain Scales

Occupancy/ADR Percent Change
September 2008 YTD

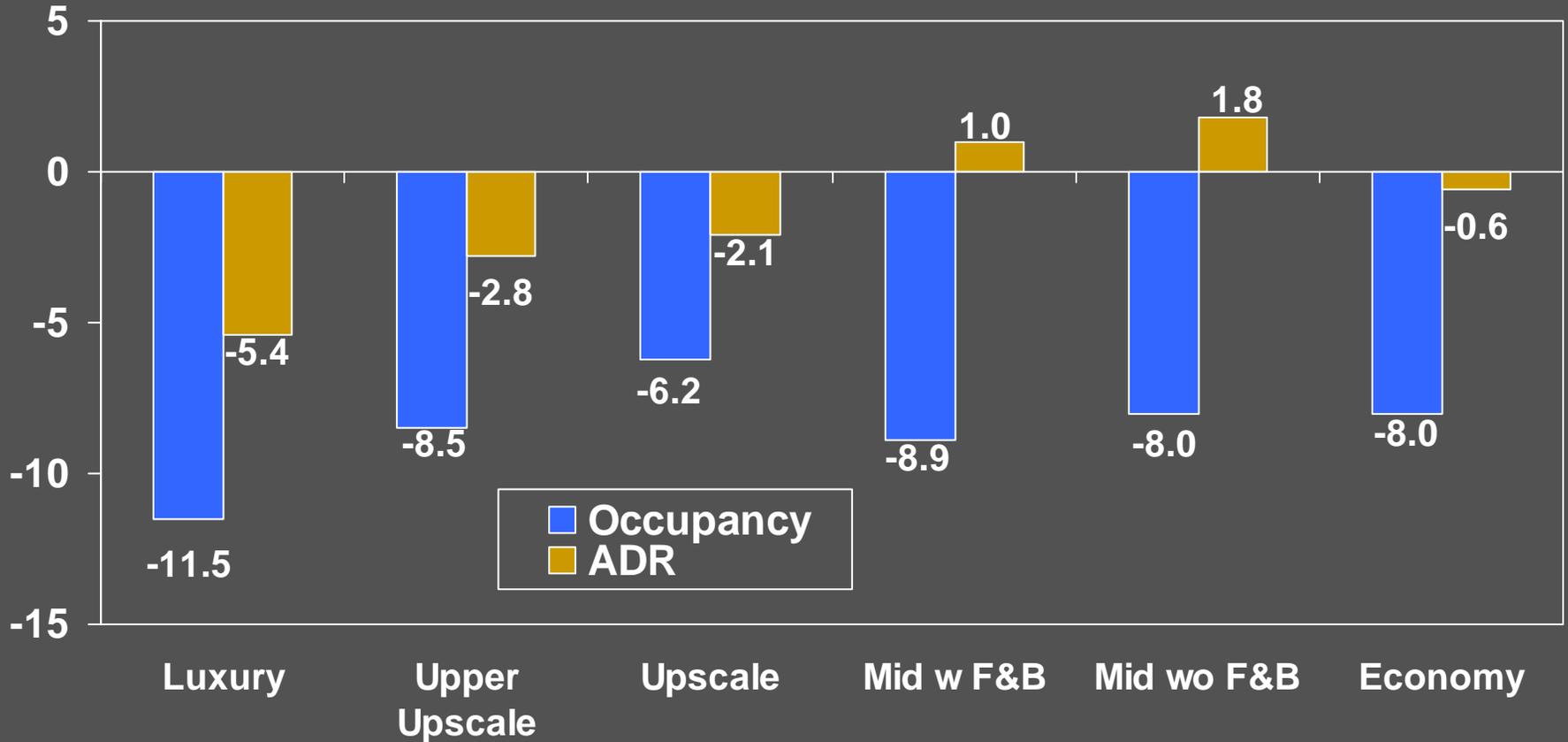


2008 Smith Travel Research, Inc.

Chain Scales

Occupancy/ADR Percent Change

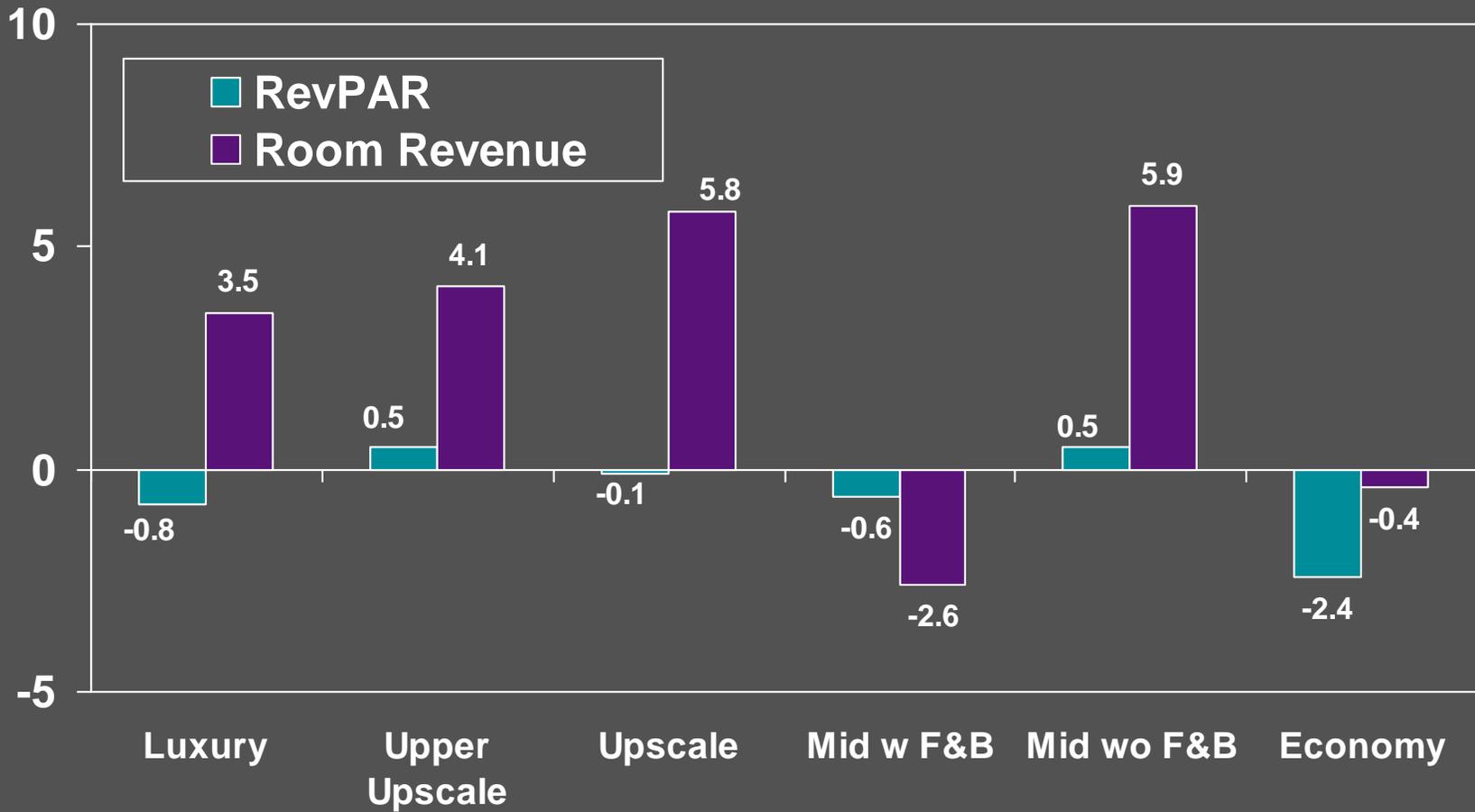
28 Day Moving Average Ended October 25 2008



2008 Smith Travel Research, Inc.

Chain Scales

RevPAR/Room Revenue Percent Change
September 2008 YTD

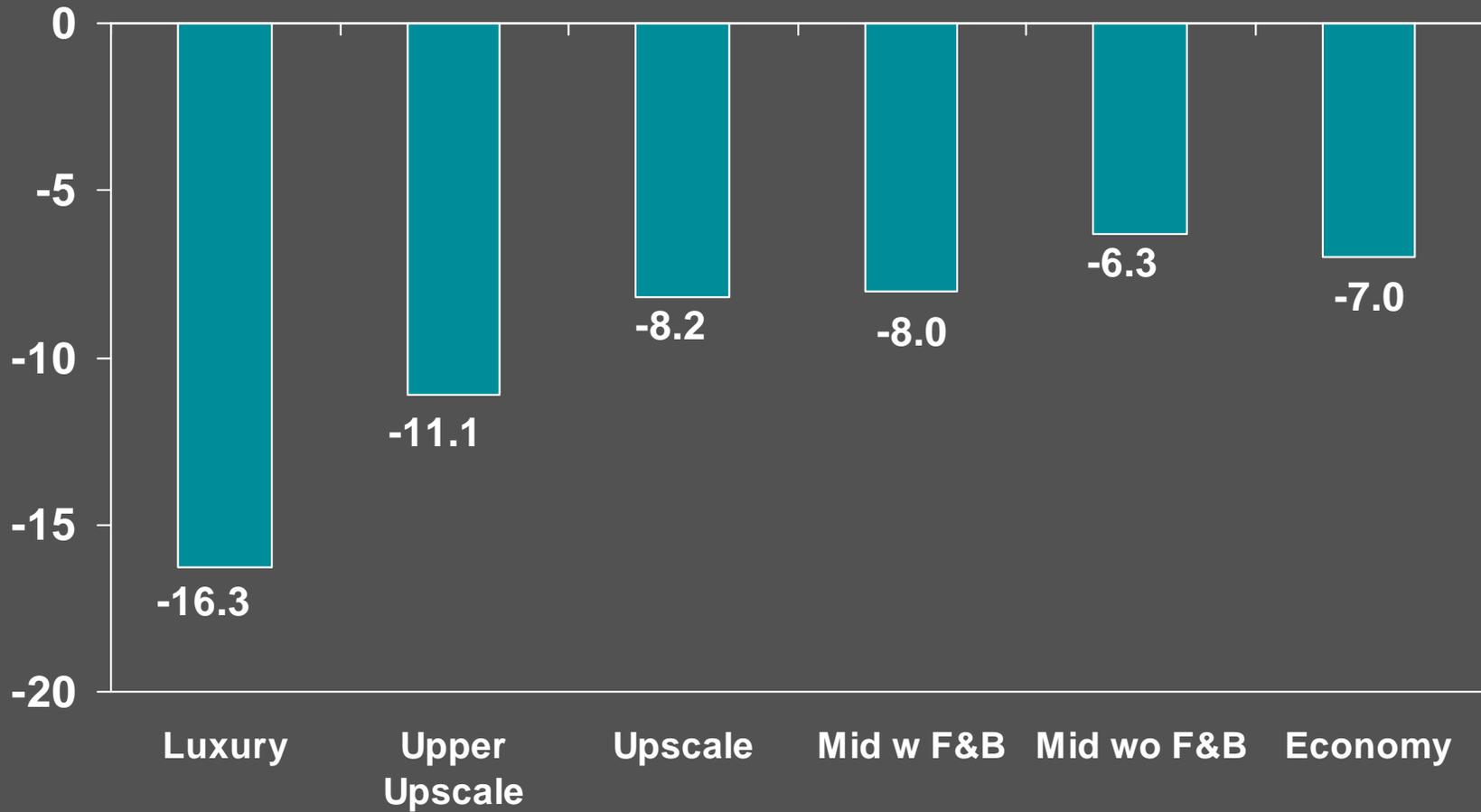


2008 Smith Travel Research, Inc.

Chain Scales

RevPAR Percent Change

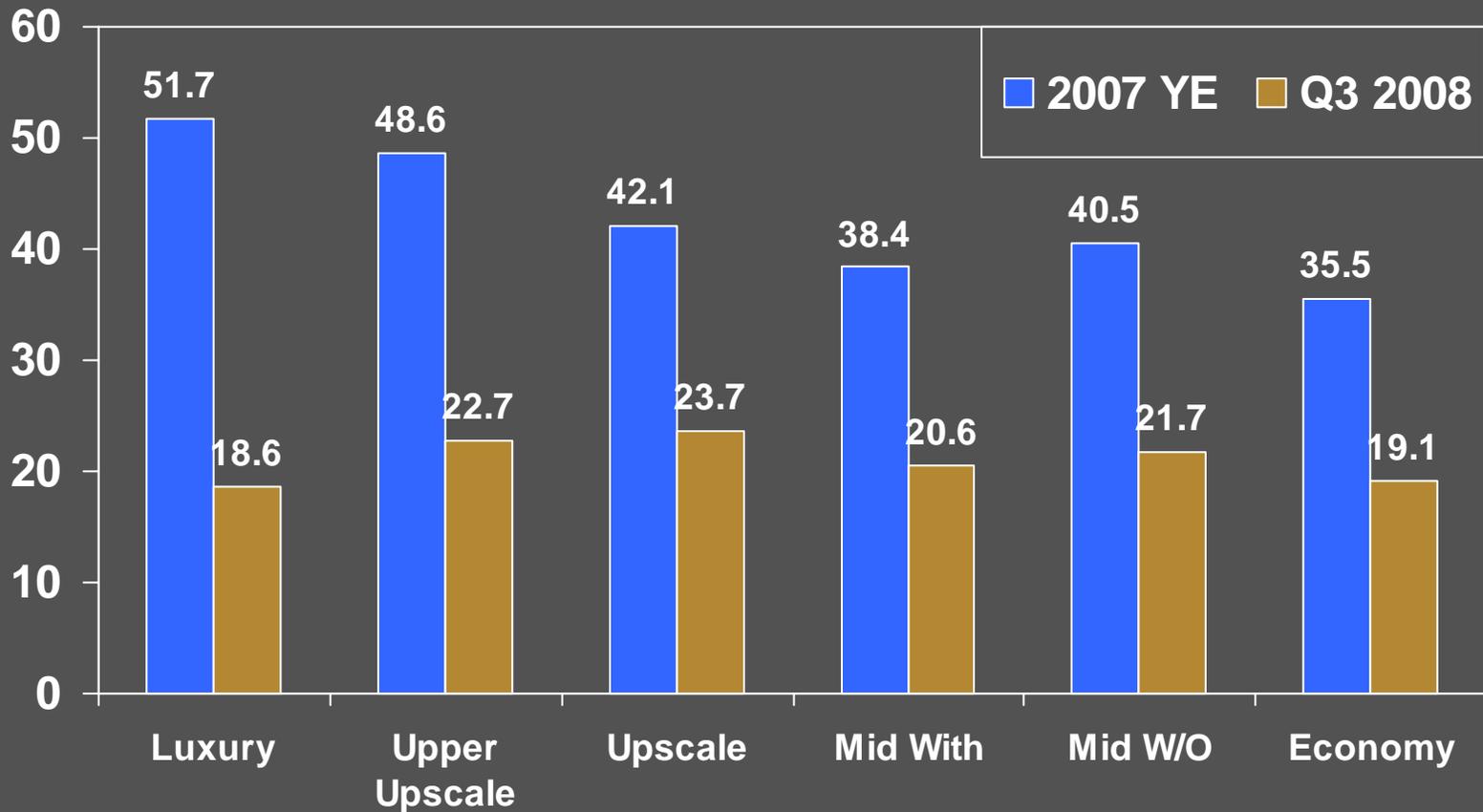
28 Day Moving Average Ended October 25 2008



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Increasing Occupancy and ADR Chain Scales

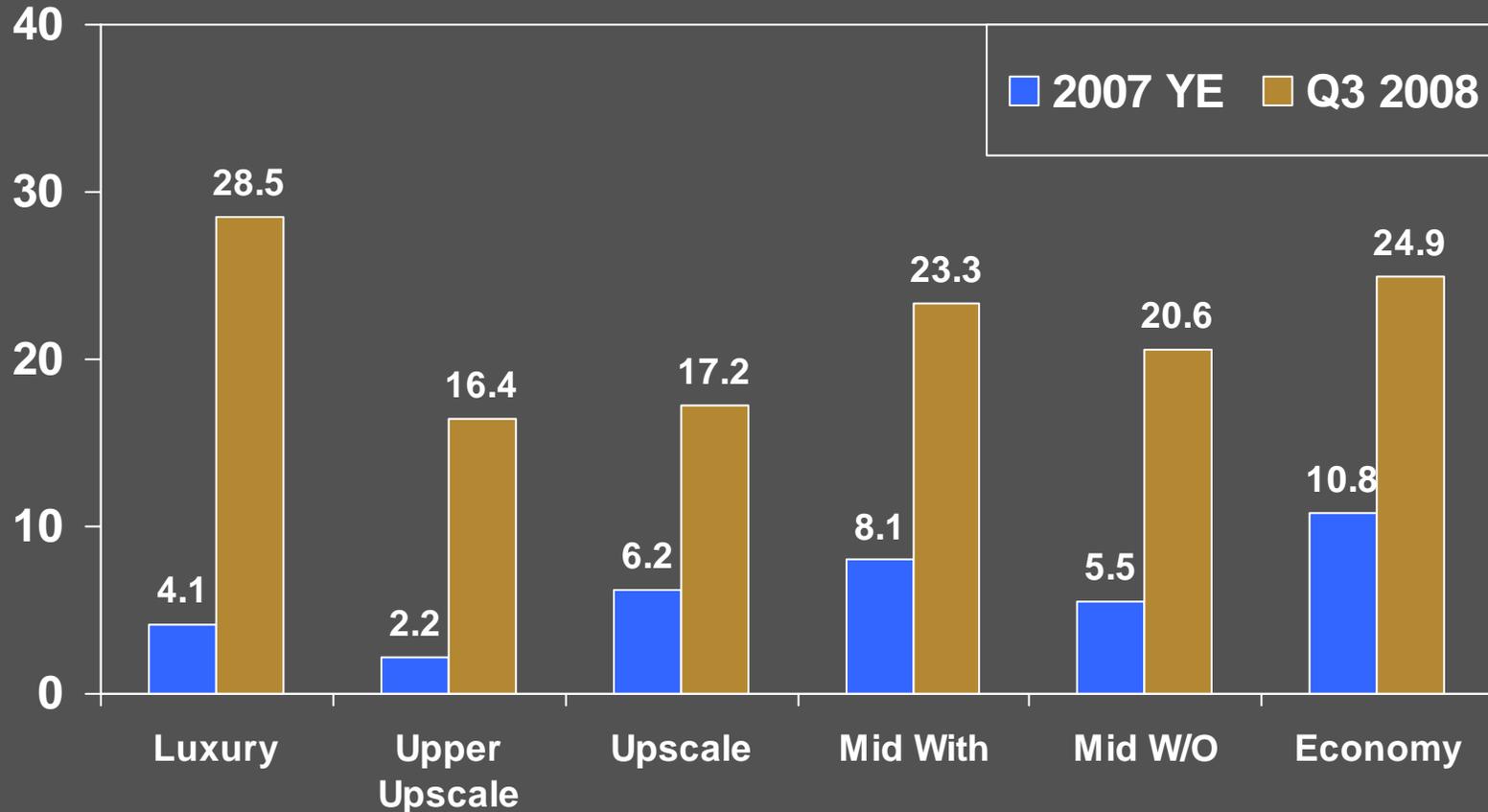
Year End 2007 – 3rd Quarter 2008



2008 Smith Travel Research, Inc.

Declining Occupancy and ADR Chain Scales

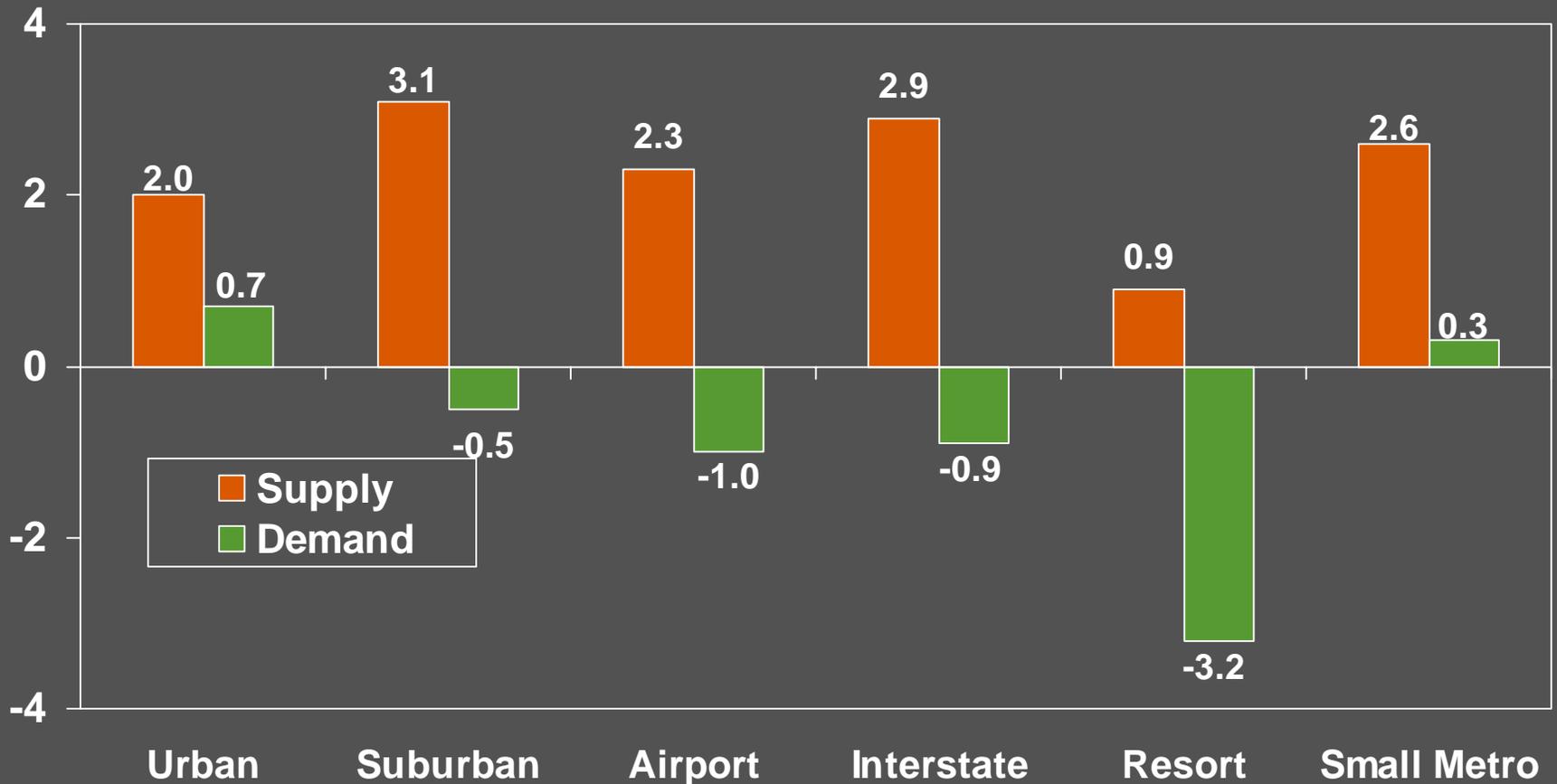
Year End 2007 – 3rd Quarter 2008



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Location Segments

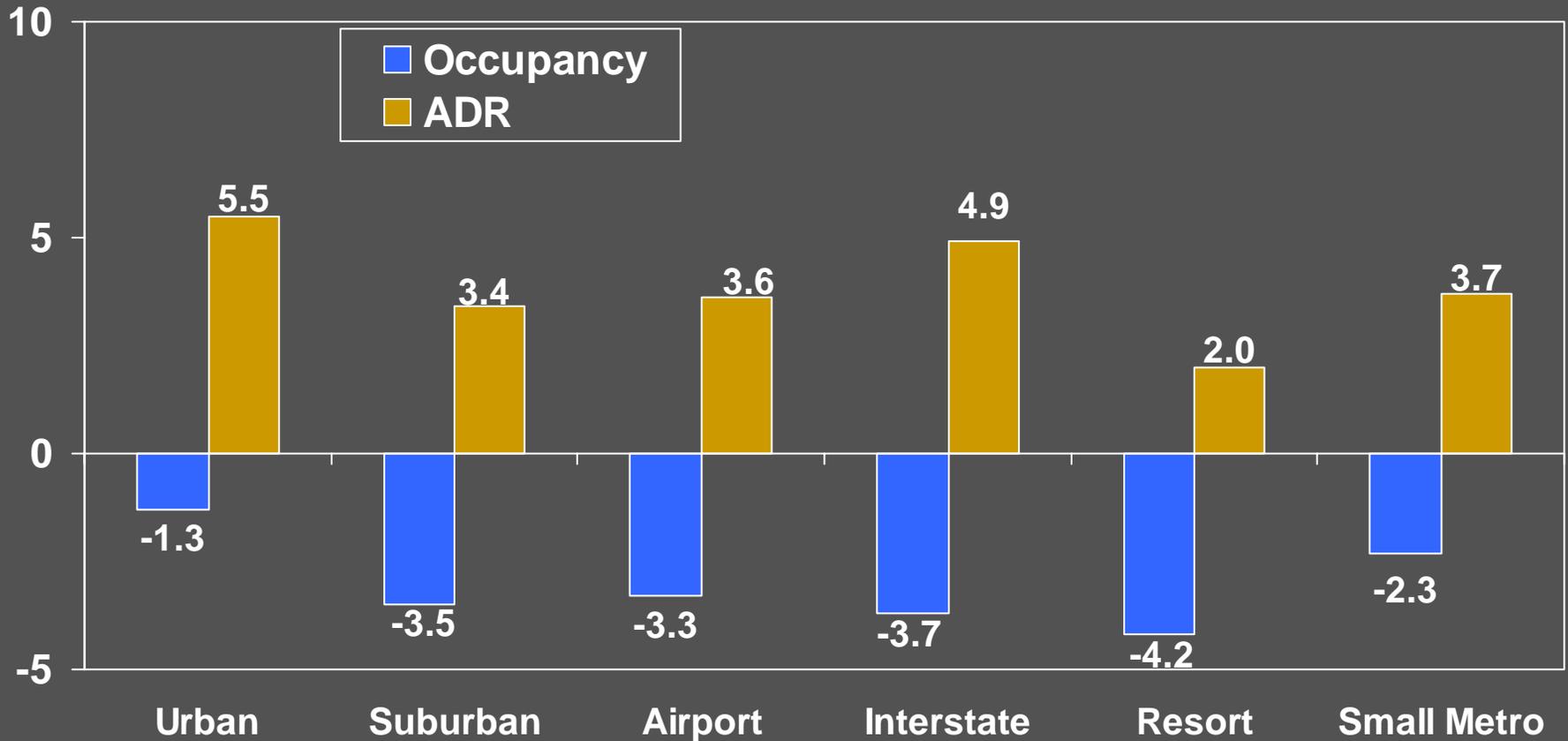
Supply/Demand Percent Change
September 2008 YTD



2008 Smith Travel Research, Inc.

Location Segments

Occupancy/ADR Percent Change
September 2008 YTD

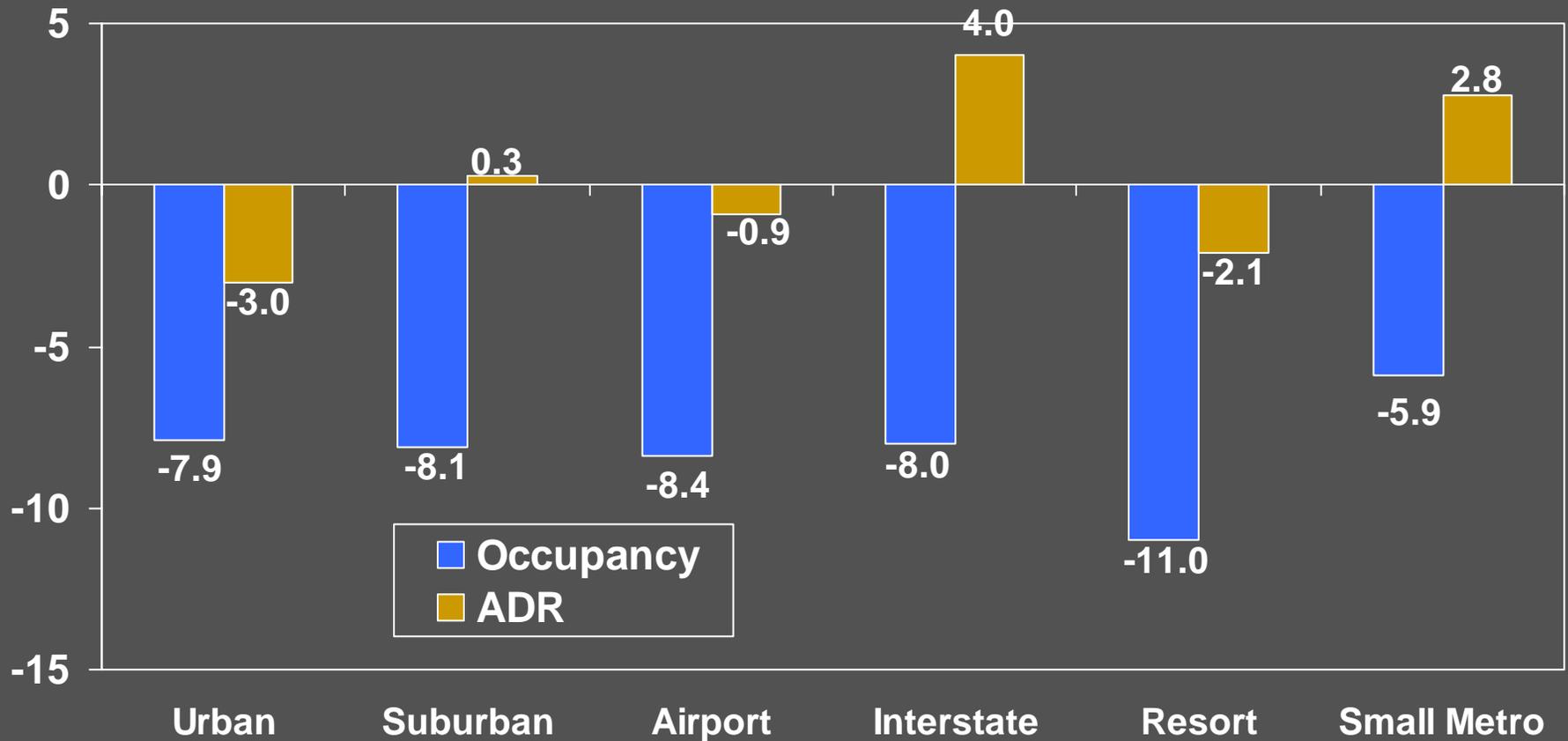


2008 Smith Travel Research, Inc.

Location Segments

Occupancy/ADR Percent Change

28 Day Moving Average Ended October 25 2008

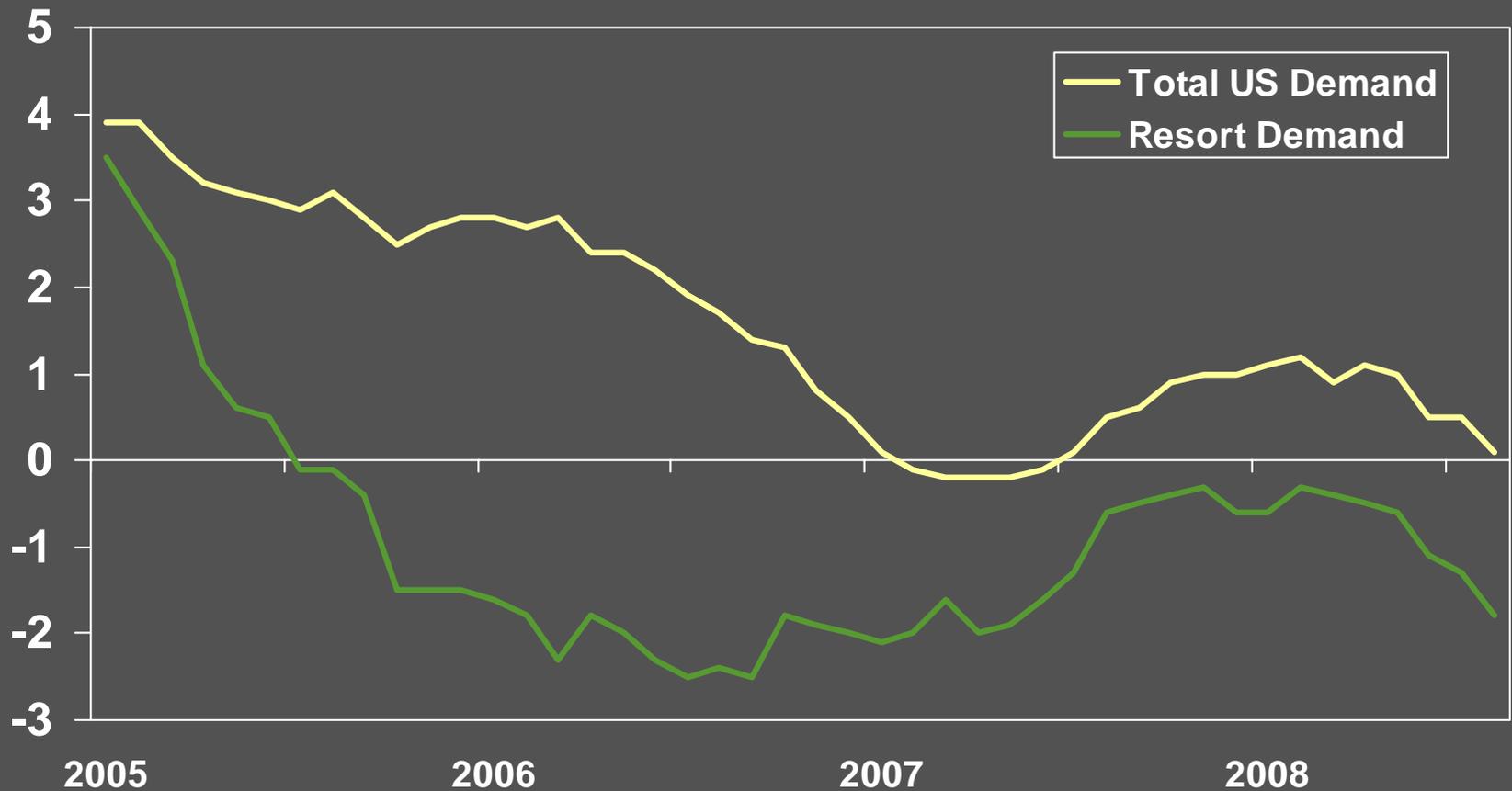


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Total US vs. Resort Locations

Demand Percent Change

Twelve Month Moving Average – 2005 to August 2008

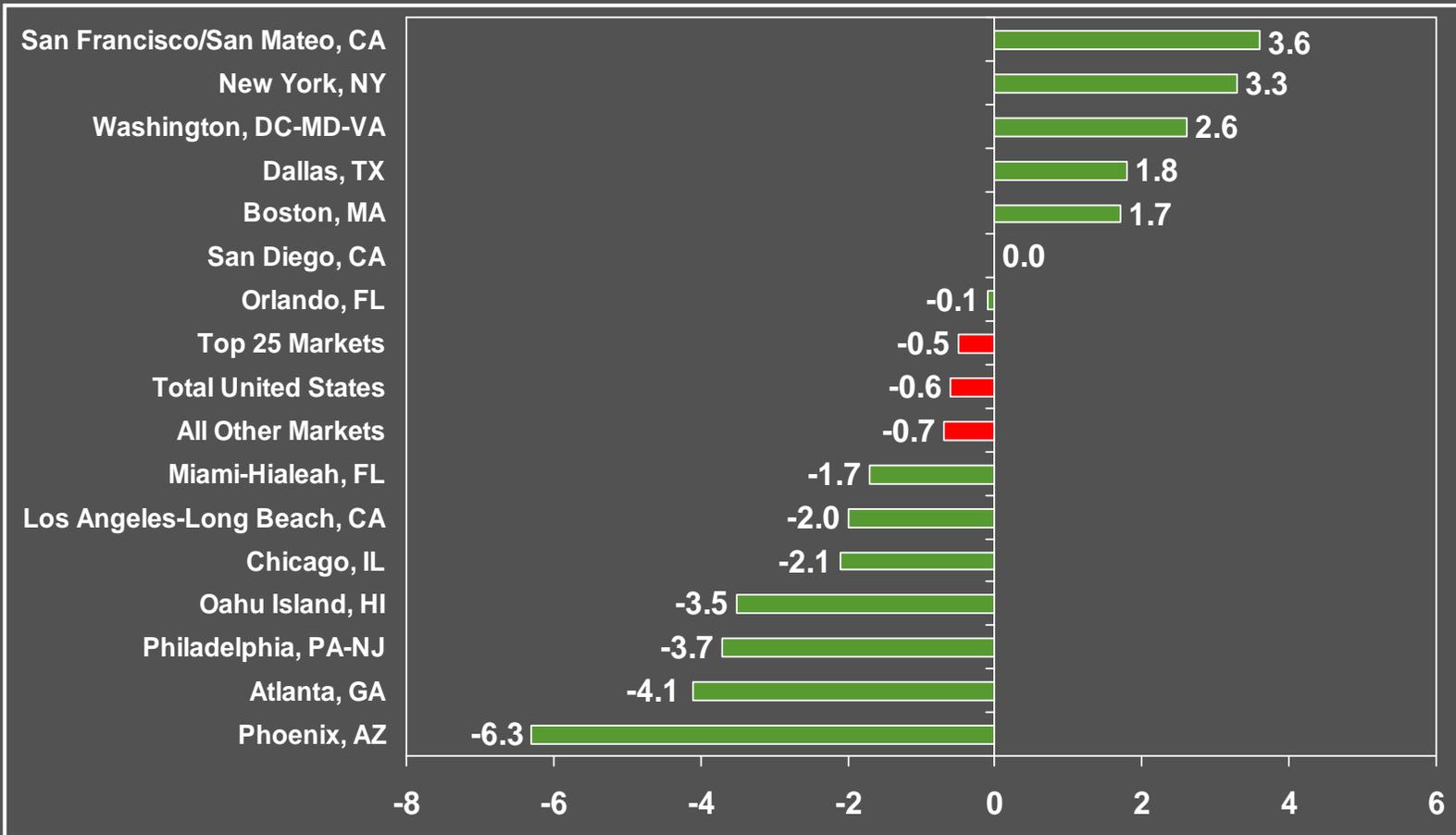


Resort Demand Drops Faster / More Steeply

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Key 15 Markets

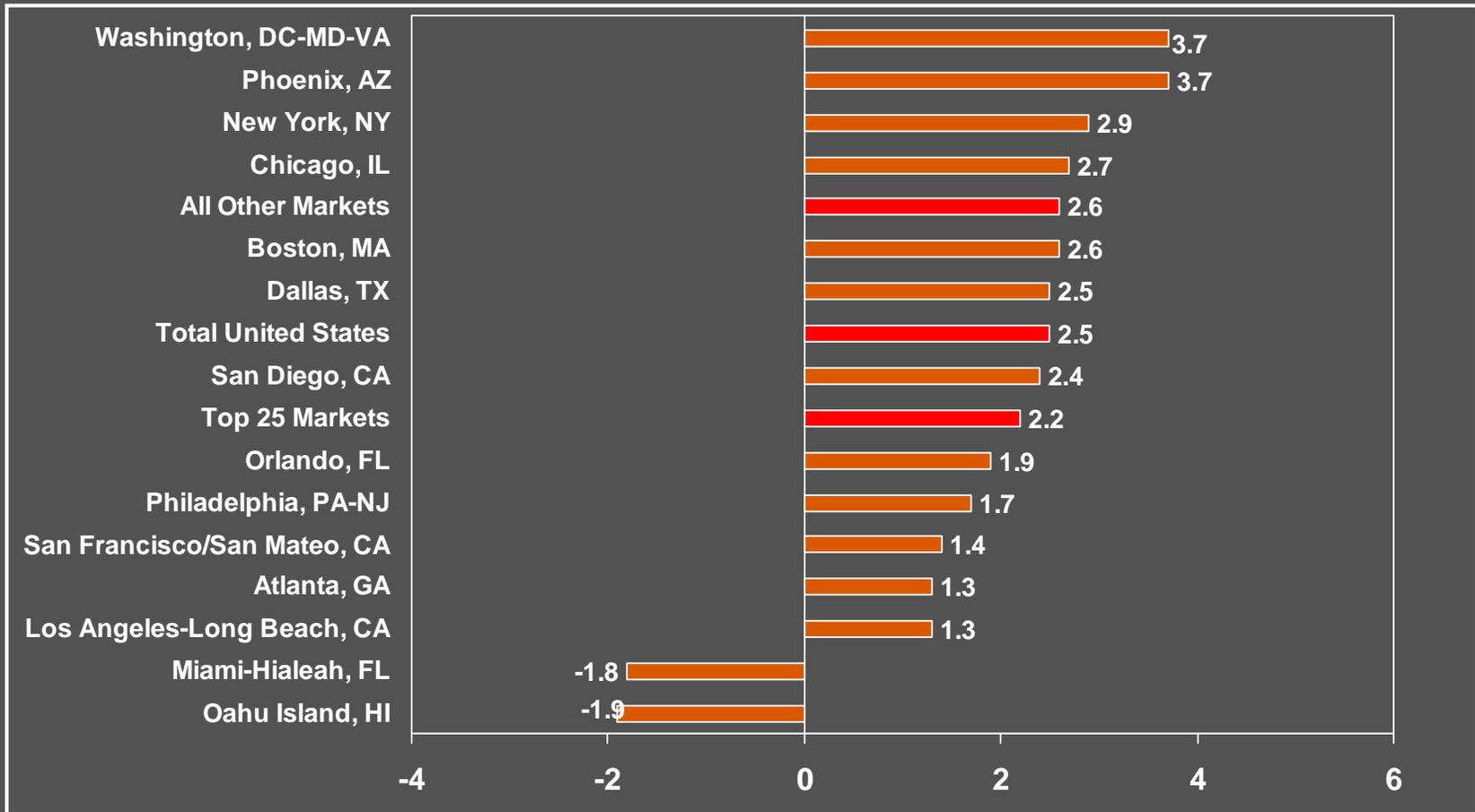
Room Demand Percent Change
September 2008 YTD Year over Year



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Key 15 Markets

Room Supply Percent Change
September 2008 YTD Year over Year

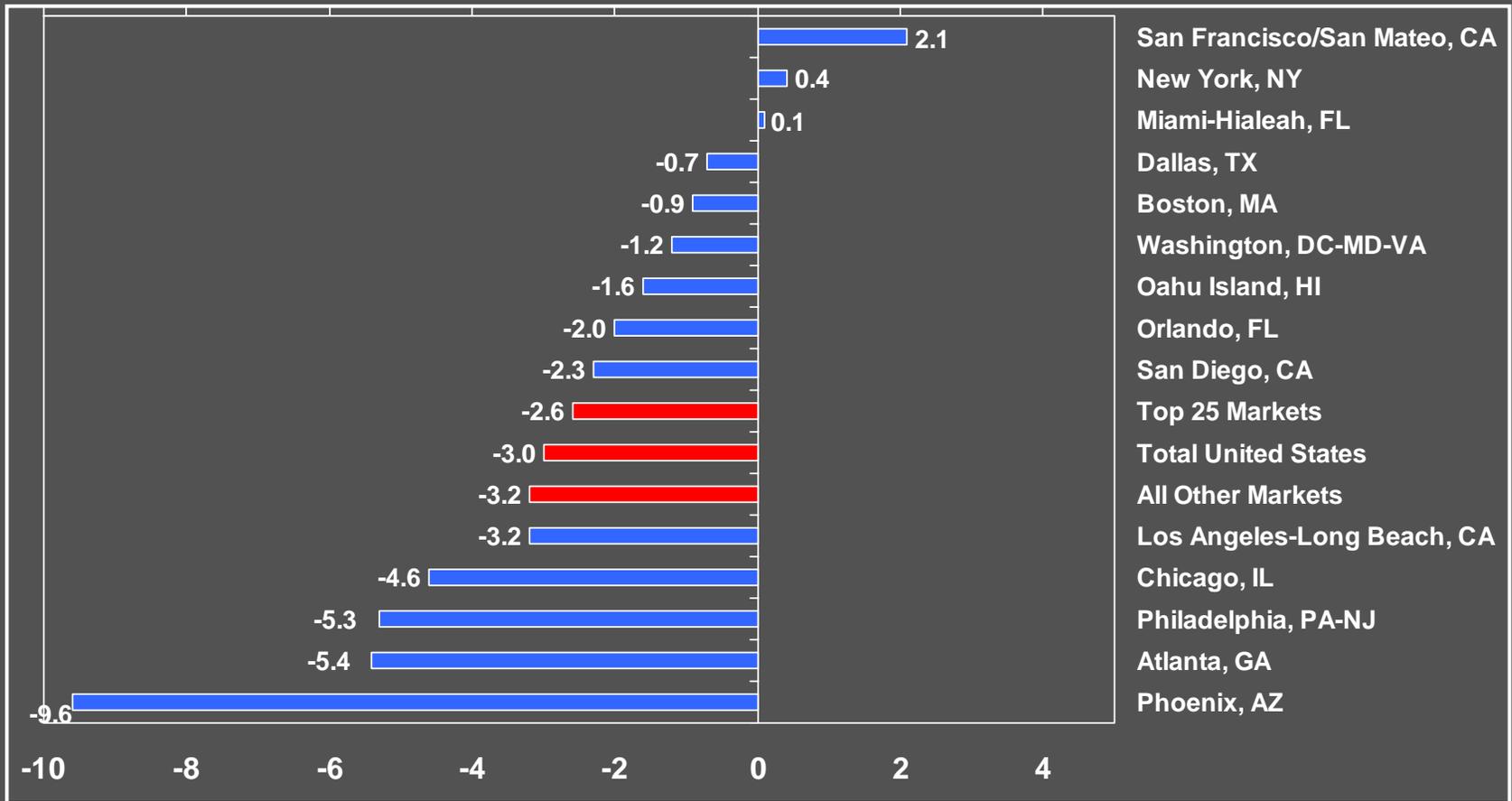


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Key 15 Markets

Occupancy Percent Change

September 2008 YTD Year over Year

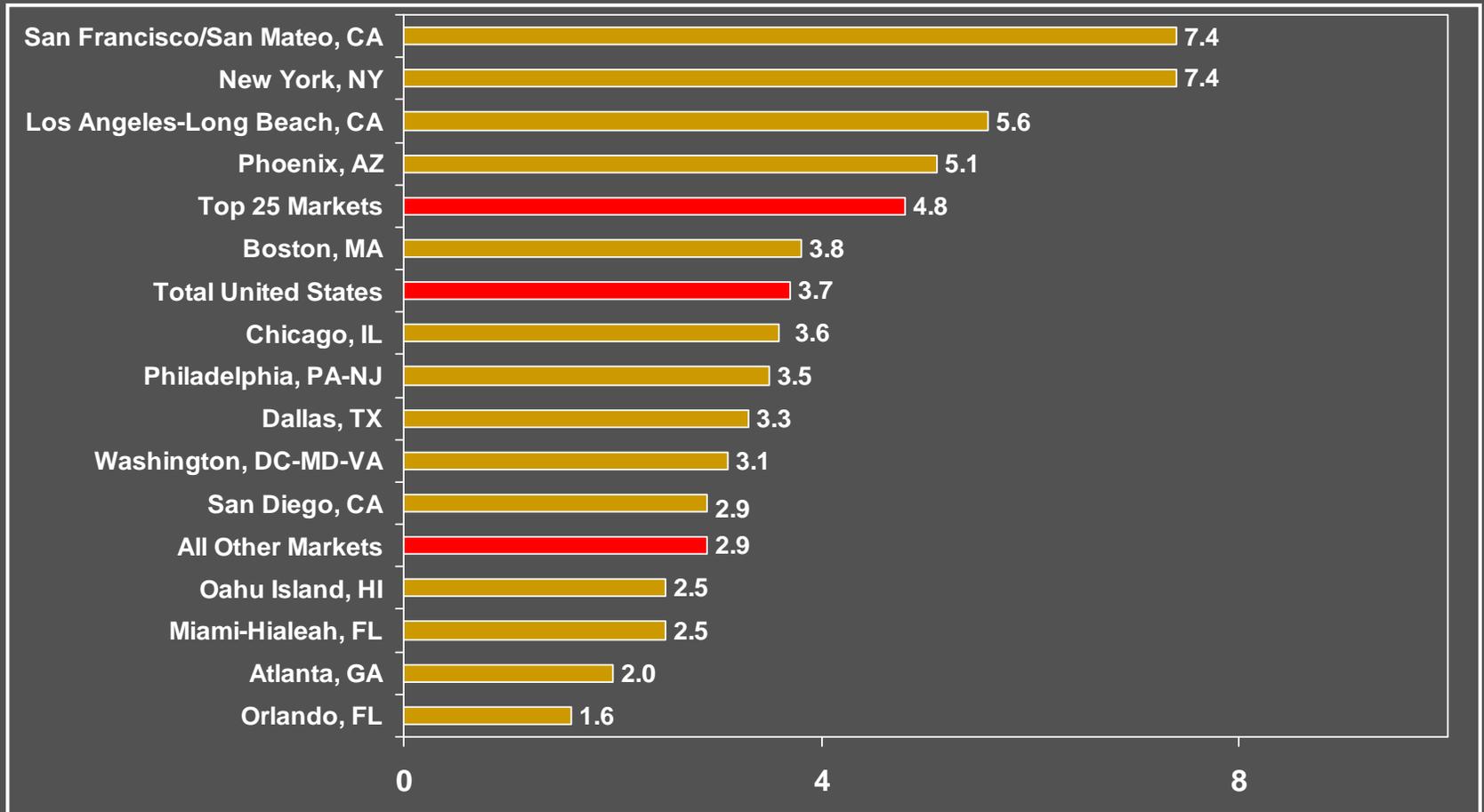


2008 Smith Travel Research, Inc.

Key 15 Markets

ADR Percent Change

September 2008 YTD Year over Year

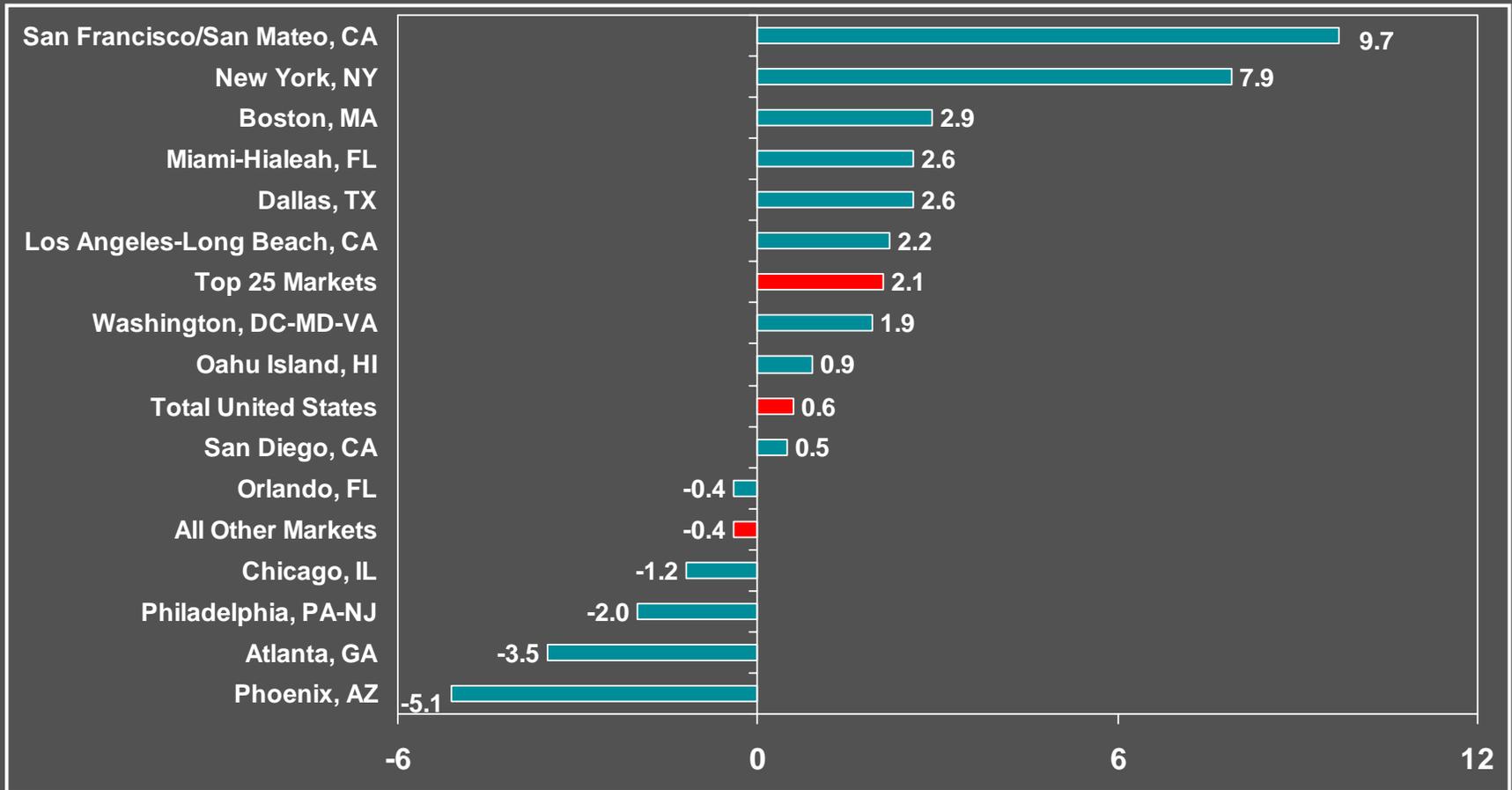


2008 Smith Travel Research, Inc.

Key 15 Markets

RevPAR Percent Change

September 2008 YTD Year over Year



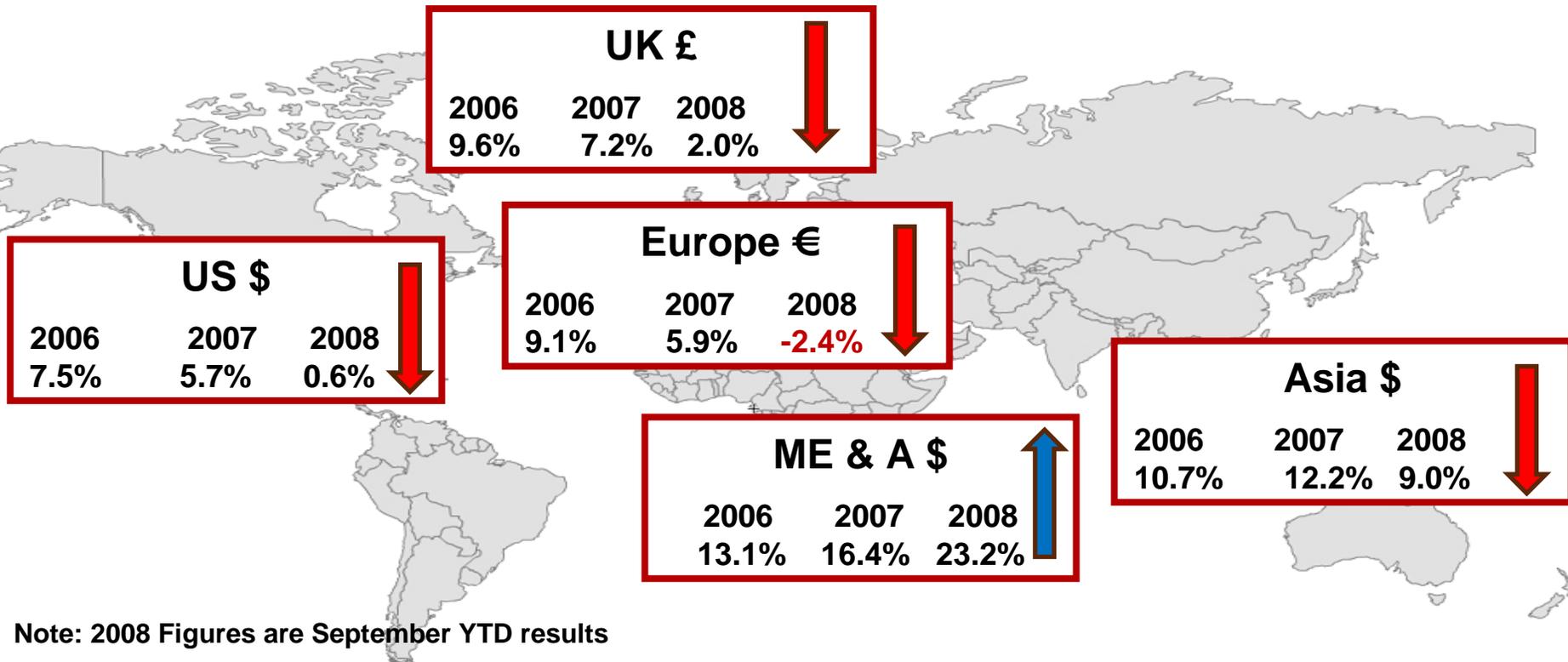
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Anaheim-Santa Ana, CA	-13.9	-4.5	-17.8	-9.9	-5.3	-14.6
Atlanta, GA	-13.5	-2.5	-15.6	-13.5	-2.9	-15.9
Boston, MA	-13.2	-10.1	-22.0	-9.2	-6.0	-14.7
Chicago, IL	-7.0	-0.4	-7.4	-10.6	-5.9	-15.8
Dallas, TX	-4.8	-0.2	-5.0	-4.2	0.3	-3.8
Denver, CO	-15.6	-1.2	-16.6	-13.4	0.7	-12.8
Detroit, MI	-5.1	2.2	-3.0	-8.4	-0.9	-9.2
Houston, TX	19.2	10.0	31.2	23.7	12.5	39.1
Los Angeles-Long Beach, CA	-9.4	2.0	-7.6	-10.7	0.4	-10.3
Miami-Hialeah, FL	-3.1	-3.8	-6.8	-5.9	-2.6	-8.4
Minneapolis-St Paul, MN-WI	-14.5	2.0	-12.7	-16.6	-0.9	-17.4
Nashville, TN	-20.3	5.9	-15.6	-15.8	2.4	-13.8
New Orleans, LA	0.3	-2.2	-2.0	-2.4	-12.1	-14.2
New York, NY	-8.8	-5.2	-13.6	-9.6	-5.5	-14.6
Norfolk-Virginia Beach, VA	-8.6	-0.9	-9.5	-16.0	-1.3	-17.0
Oahu Island, HI	-1.4	0.2	-1.2	0.1	-1.7	-1.7
Orlando, FL	-11.2	1.2	-10.1	-8.3	0.7	-7.7
Philadelphia, PA-NJ	-3.9	1.6	-2.4	-7.7	-2.1	-9.6
Phoenix, AZ	-10.4	-0.7	-11.0	-16.8	-2.4	-18.8
San Diego, CA	-7.5	9.2	0.9	-9.4	-0.2	-9.6
San Francisco/San Mateo, CA	-9.3	-1.0	-10.2	-6.3	-3.2	-9.3
Seattle, WA	-9.2	-1.2	-10.3	-10.4	-0.3	-10.7
St Louis, MO-IL	-2.9	2.7	-0.2	-3.1	2.7	-0.4
Tampa-St Petersburg, FL	-0.8	1.2	0.4	-9.9	-0.9	-10.7
Washington, DC-MD-VA	-5.9	-4.5	-10.1	-6.8	-1.0	-7.7

Global Markets

Global: RevPAR growth slowing

RevPAR % change



Focus on Europe: RevPAR Growth 2008

RevPAR % change

UK £

2007	2008
7.2%	2.0%

US \$

2007	2008
5.7%	0.6%

Asia \$

2007	2008
12.2%	9.0%

ME & A \$

2007	2008
16.4%	23.2%

Europe €

2007	2008
5.9%	-2.4%

Europe 2008

Belgium	8.8%
Germany	5.6%
Italy	-7.9%
Netherlands	-0.1%
Spain	-3.8%
UK	-11.9%

Note: 2008 Figures are September YTD results

Focus on Americas: RevPAR Growth 2008

RevPAR % change

UK £

2007	2008
7.2%	2.0%

US \$

2007	2008
5.7%	0.6%

Europe €

2007	2008
5.9%	-2.4%

Asia \$

2007	2008
12.2%	9.0%

ME & A \$

2007	2008
16.4%	23.2%

Americas 2008 \$

Boston:	2.9%
Buenos Aires:	19.0% (18.8%)
Los Angeles:	2.2%
New York:	7.9%
Sao Paulo :	35% (14.7%)
Santiago:	34.9% (23.0%)
Toronto:	7.8% (1.1%)

Note: 2008 Figures are September YTD results

Focus on Middle East & Africa: RevPAR 2008

RevPAR % change

UK £

2007	2008
7.2%	2.0%

Europe €

2007	2008
5.9%	-2.4%

Asia \$

2007	2008
12.2%	9.0%

US \$

2007	2008
5.7%	0.6%

ME & A \$

2007	2008
16.4%	23.2%

ME & A 2008 \$

Egypt	36%
Kenya	-23%
Lebanon	76%
Oman	39.2%
Saudi Arabia	27%
South Africa	7.2%
UAE	10.6%

Note: 2008 Figures are September YTD results

Focus on Asia: RevPAR Growth 2008

RevPAR % change

UK £

2007	2008
7.2%	2.0%

US \$

2007	2008
5.7%	0.6%

Europe £

2007	2008
5.9%	-2.4%

ME & A \$

2007	2008
16.4%	23.2%

Asia \$

2007	2008
12.2%	9.0%

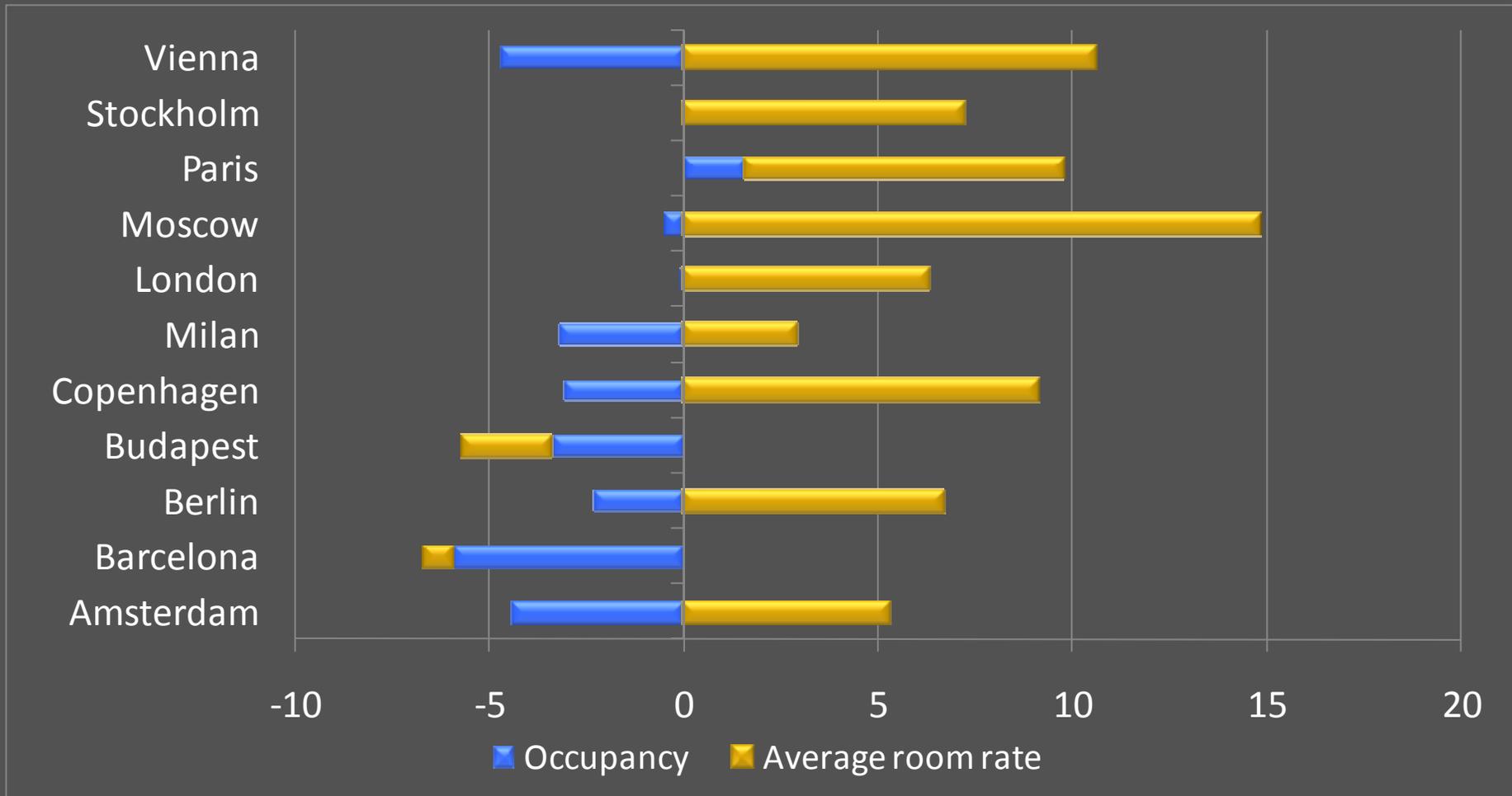
Asia 2008 \$

Australia	12.4% (1.6%)
China	2.7% (-6.6%)
India	10.1% (9.3%)
Japan	11.2% (-1.6%)
New Zealand	5.7% (0.7%)

Note: 2008 Figures are September YTD results

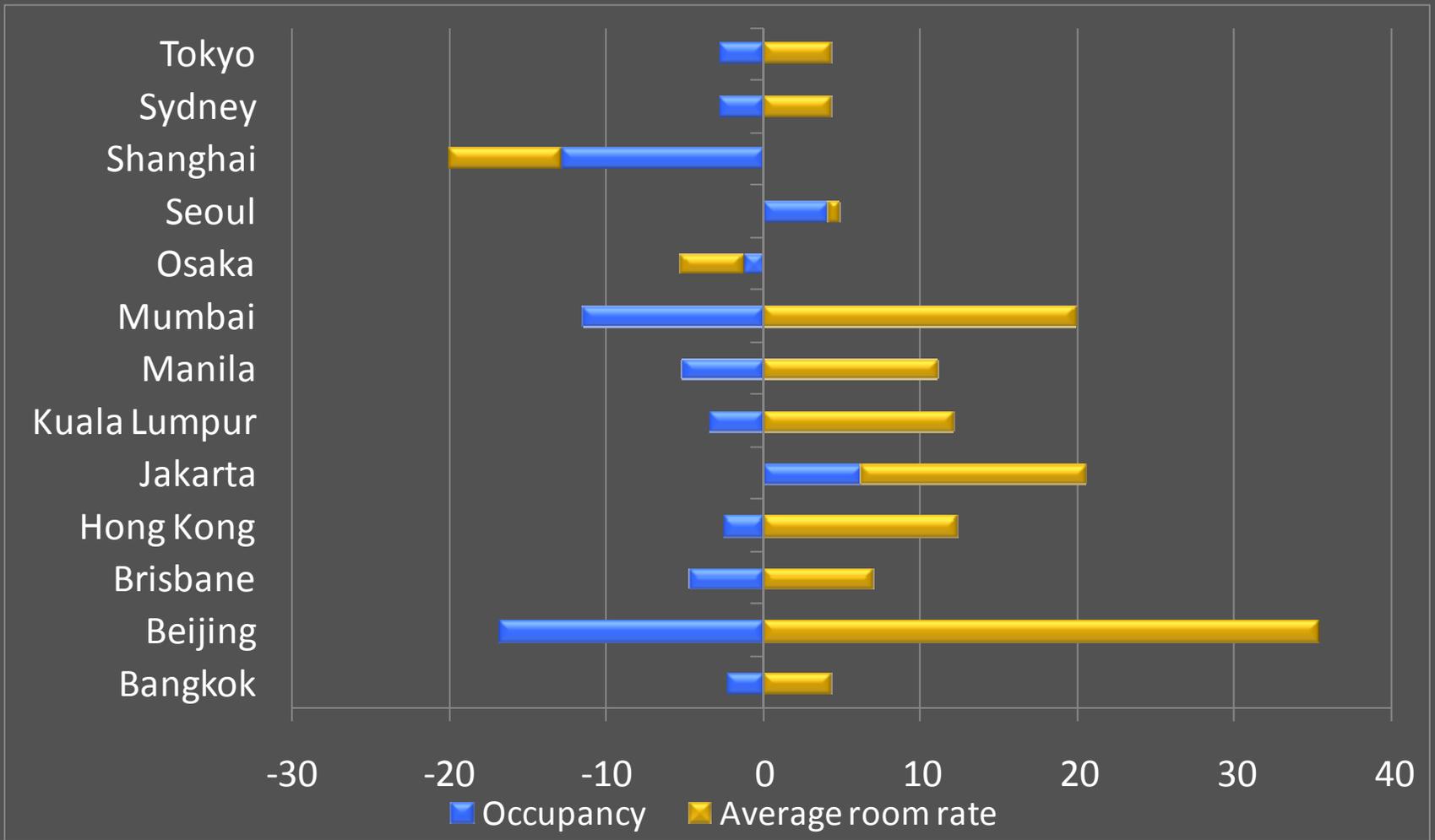
Europe Markets - RevPAR Changes

% change year-to-September 08 in local currency



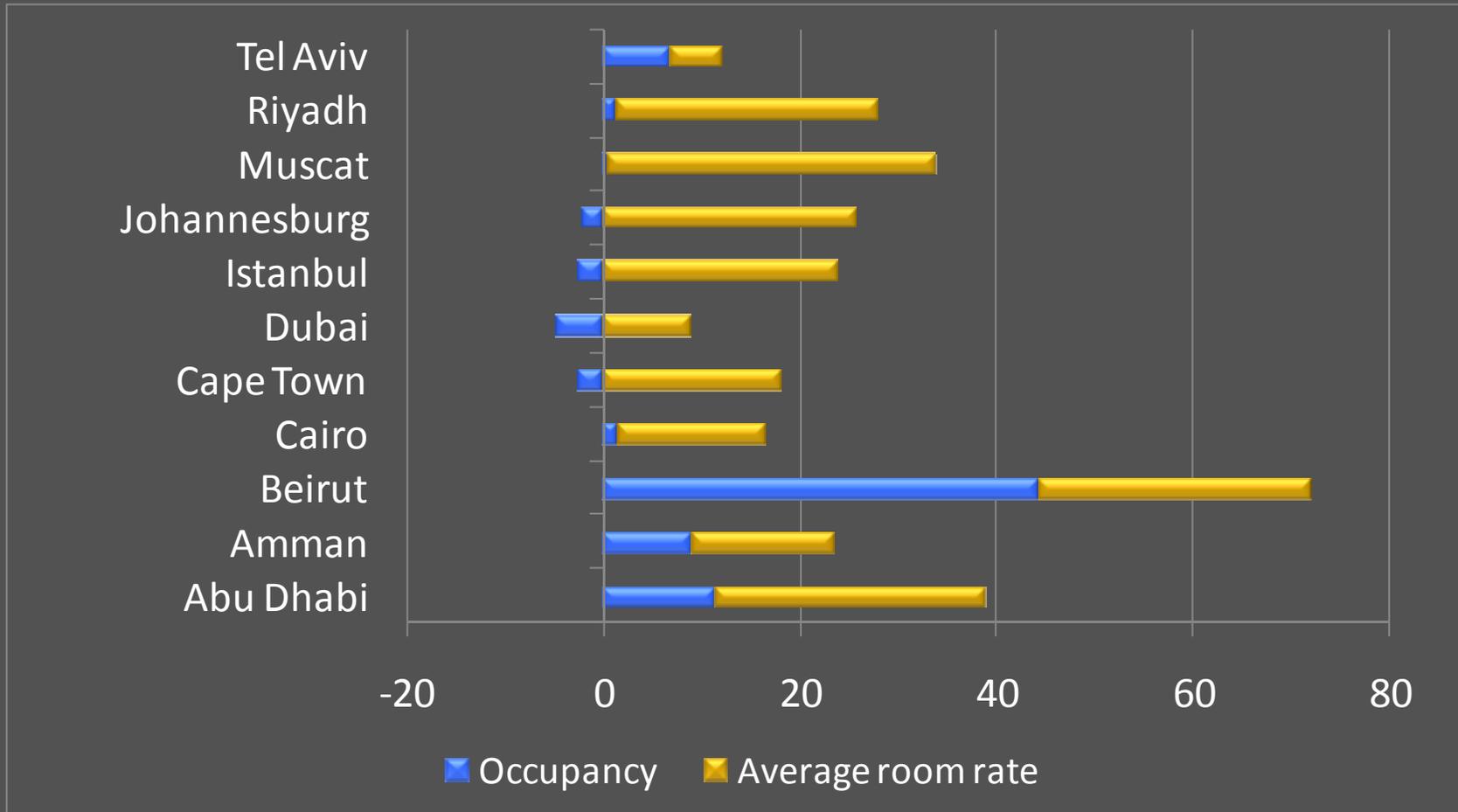
Asia Markets - RevPAR Changes

% change year-to-September 08 in local currency



ME & A Markets – RevPAR Changes

% change year-to-September 08 in local currency



Coming Soon – Global Markets

Supply / Demand Analysis

Weighted Data

Improved Turn Around

Standardized Reporting

Global Market Share for Brands

Segment Analysis

Single Web Site for Properties



U.S. Lodging Industry Pipeline

As of October 15, 2008



the new name in global hotel benchmarking

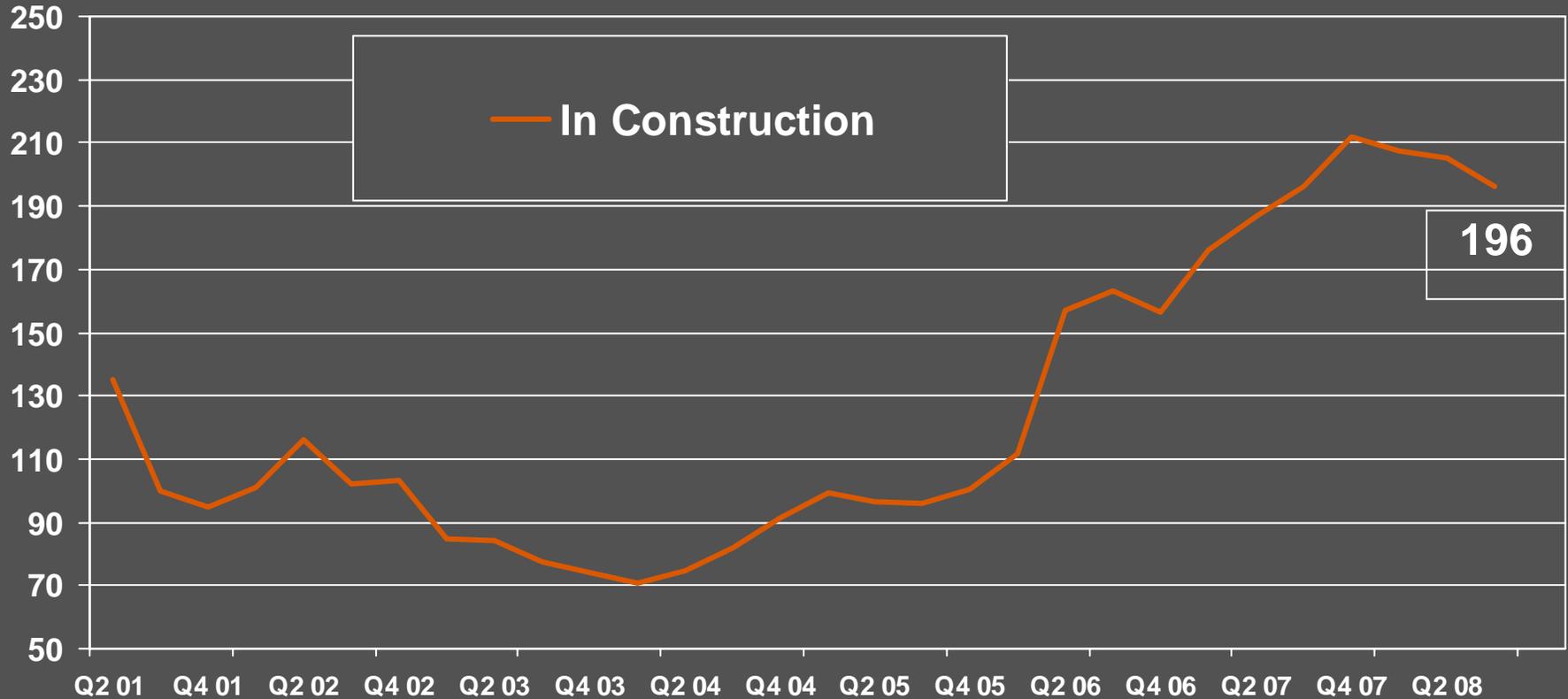


Total United States Active Development Pipeline - Rooms Change From Last Year

<u>Phase</u>	<u>September 2008</u>	<u>September 2007</u>	<u>Difference</u>	<u>% Change</u>
In Construction	195,699	196,356	-657	-0.3%
Final Planning	107,239	58,395	48,844	83.6%
Planning	351,652	315,064	36,588	11.6%
Active Pipeline	654,590	569,815	84,775	14.9%
Pre-Planning	147,854	134,668	13,186	9.8%
Total	802,444	704,483	97,961	13.9%

Source: STR / TWR / Dodge Construction Pipeline

Total United States Quarterly Construction Pipeline – Rooms in Thousands Q2 2001 – Q3 2008



Total US Pipeline

September 2008 vs. Year End 2007

Percent Change by Phase

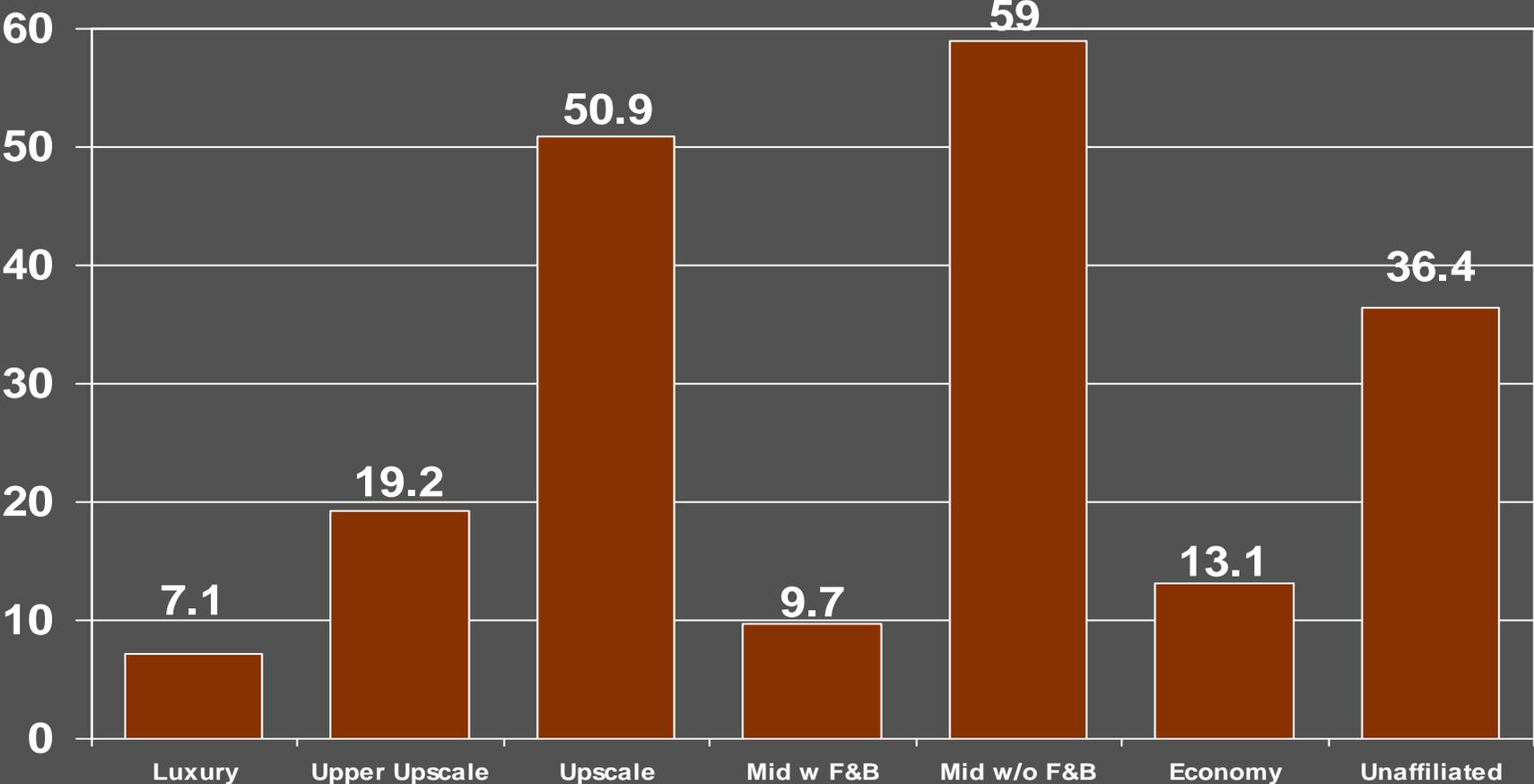
<u>Phase</u>	<u>YE 2007</u>
In Construction	(7.6)%
Final Planning	27.7%
Planning	9.9%
<u>Pre-Planning</u>	<u>18.8%</u>
Total	8.4%

Current Financial Crisis Could Hold Future Supply in Check

2008 Smith Travel Research, Inc.



Total United States Rooms In Construction by Scale – In Thousands September 2008



Source: STR / TWR / Dodge Construction Pipeline

Top 10 Construction Brands September 2008

Brand	Rooms
HI Express	41,708
Hampton*	40,698
Holiday Inn	24,161
Hilton Garden Inn	23,981
Comfort*	23,232
Courtyard	20,424
Candlewood Suites	19,280
Residence Inn	18,598
SpringHill Suites	16,573
Fairfield Inn	15,809

* Includes Inns and Inns & Suites

Source: STR / TWR / Dodge Construction Pipeline



Markets with Highest Construction Activity September 2008

<u>Market</u>	<u># Rooms</u>	<u>% Existing Supply</u>
Las Vegas	13,997	9.1
New York	10,472	12.3
Orlando	6,094	5.3
Washington, DC	5,683	5.9
Atlanta	3,941	4.3
Houston	3,865	6.1
Phoenix	3,832	6.9

Source: STR / TWR / Dodge Construction Pipeline



U.S. Lodging Industry Projections

As of October 15, 2008



the new name in global hotel benchmarking



U.S. Economic Outlook

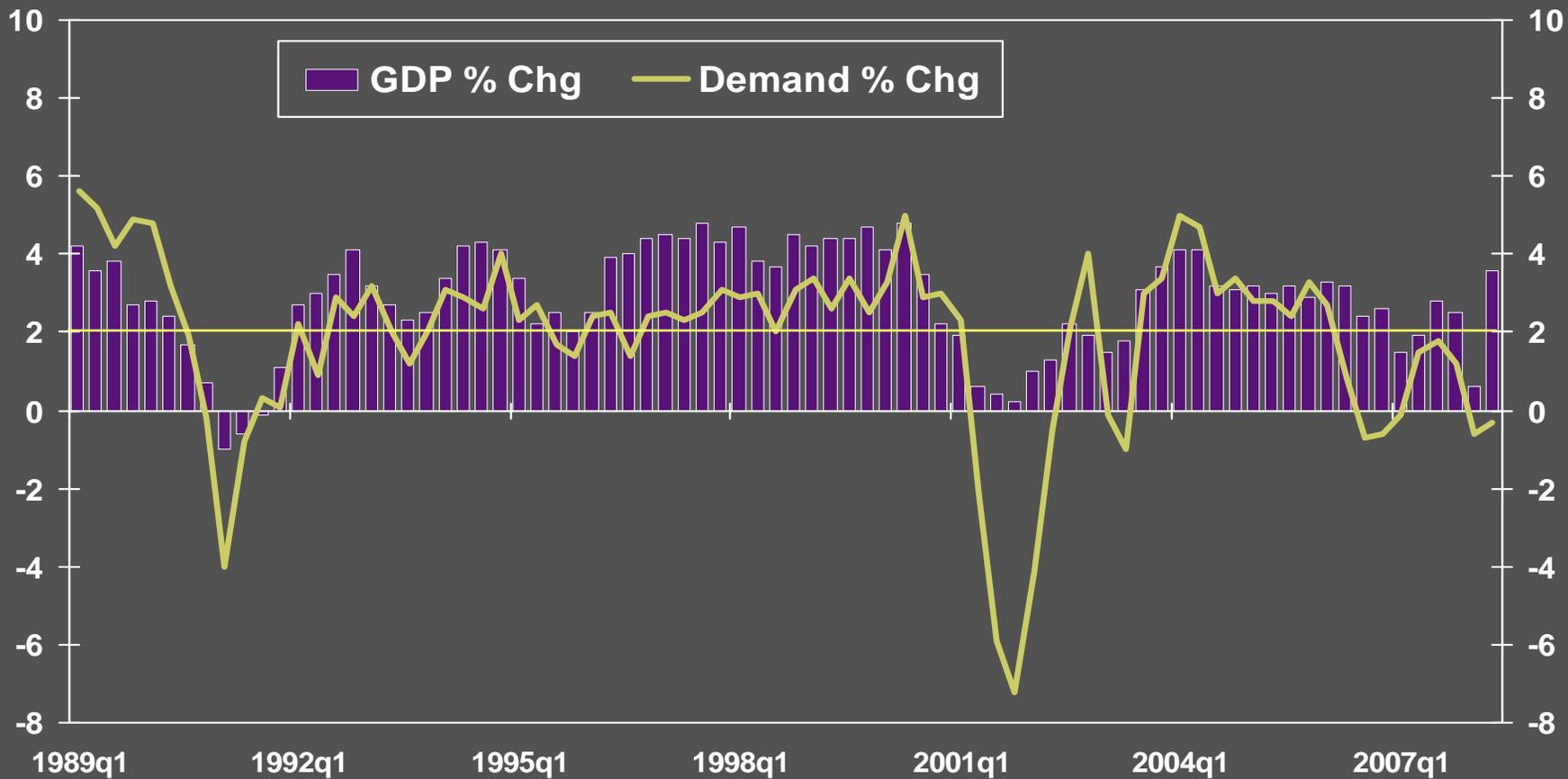
Blue Chip Economic Indicators – October 2008

	<u>2007</u>	<u>2008F</u>	<u>2009F</u>
Real GDP	+2.2%	+1.5%	+0.5%
CPI	+2.8%	+4.4%	+2.5%
Corporate Profits	+3.9%	-6.4%	+0.1%
Disp Personal Income	+3.2%	+1.4%	+0.9%
Unemployment Rate	5.7%	5.5%	6.9%

Total United States

Hotel Rooms Sold vs. GDP Change

Quarterly Change – 1988 to Q2 2008

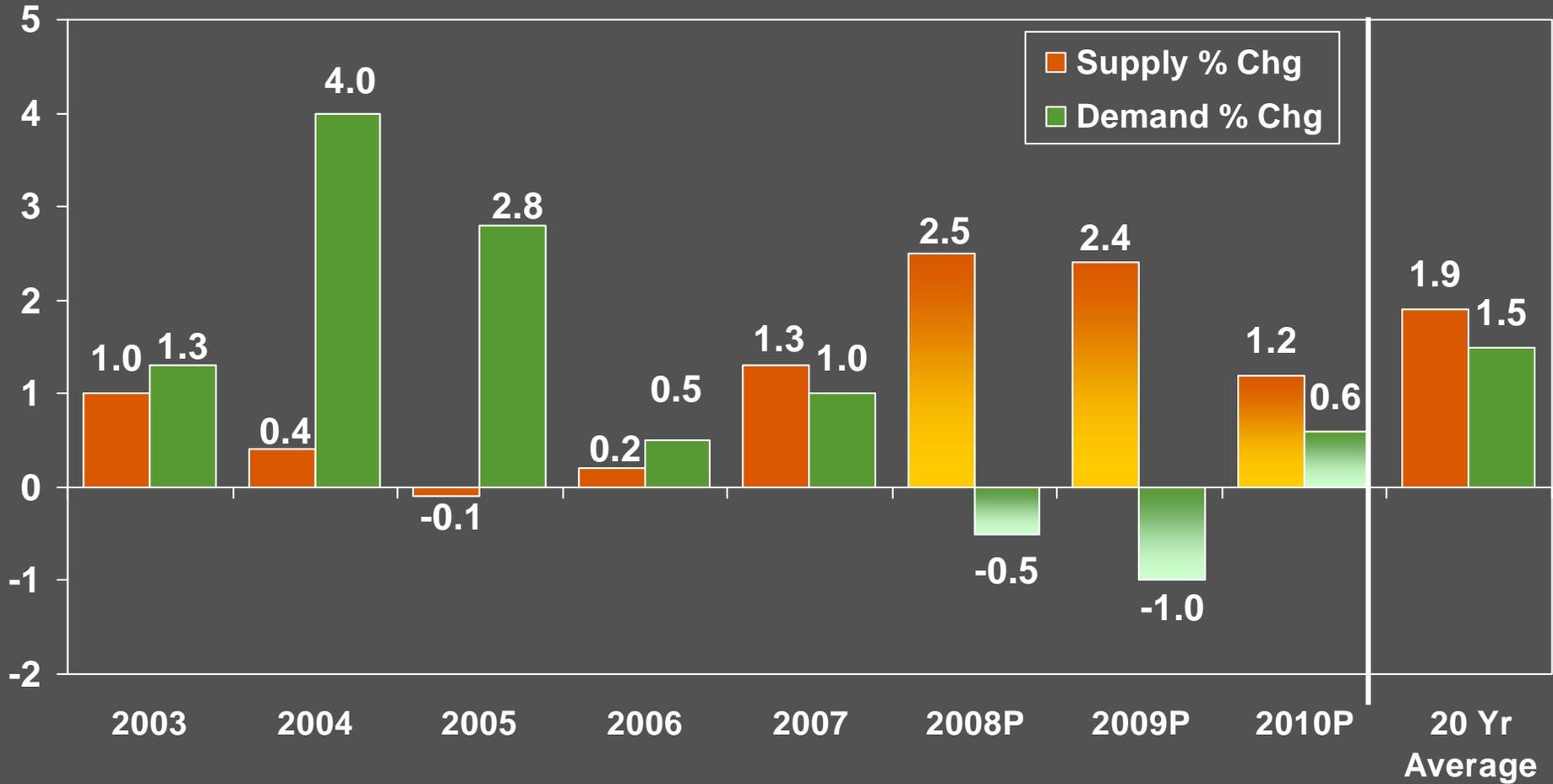


2008 Smith Travel Research, Inc.

Total United States

Supply/Demand Percent Change

2003 – 2010P

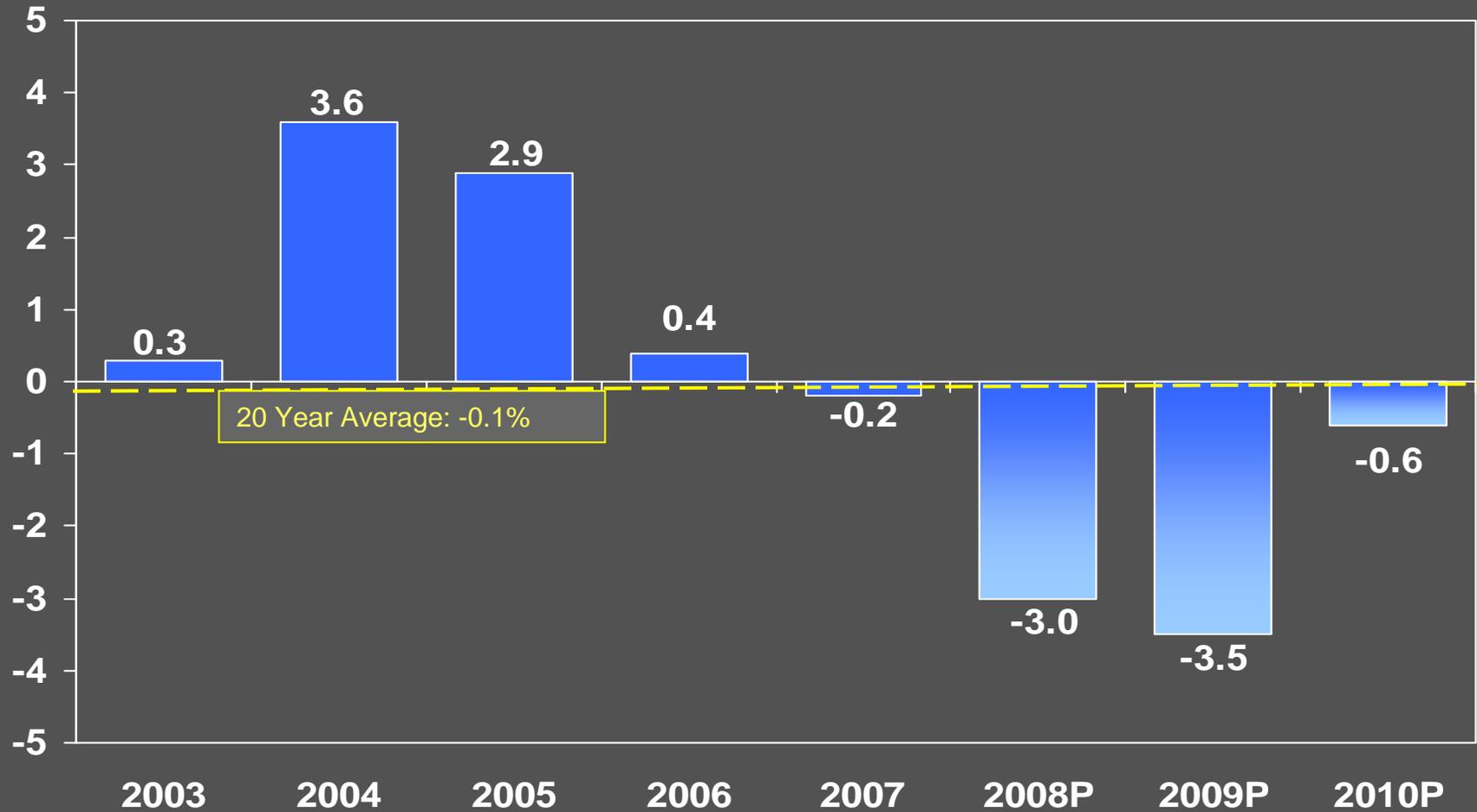


2008 Smith Travel Research, Inc.

Total United States

Occupancy Percent Change

2003 – 2010P

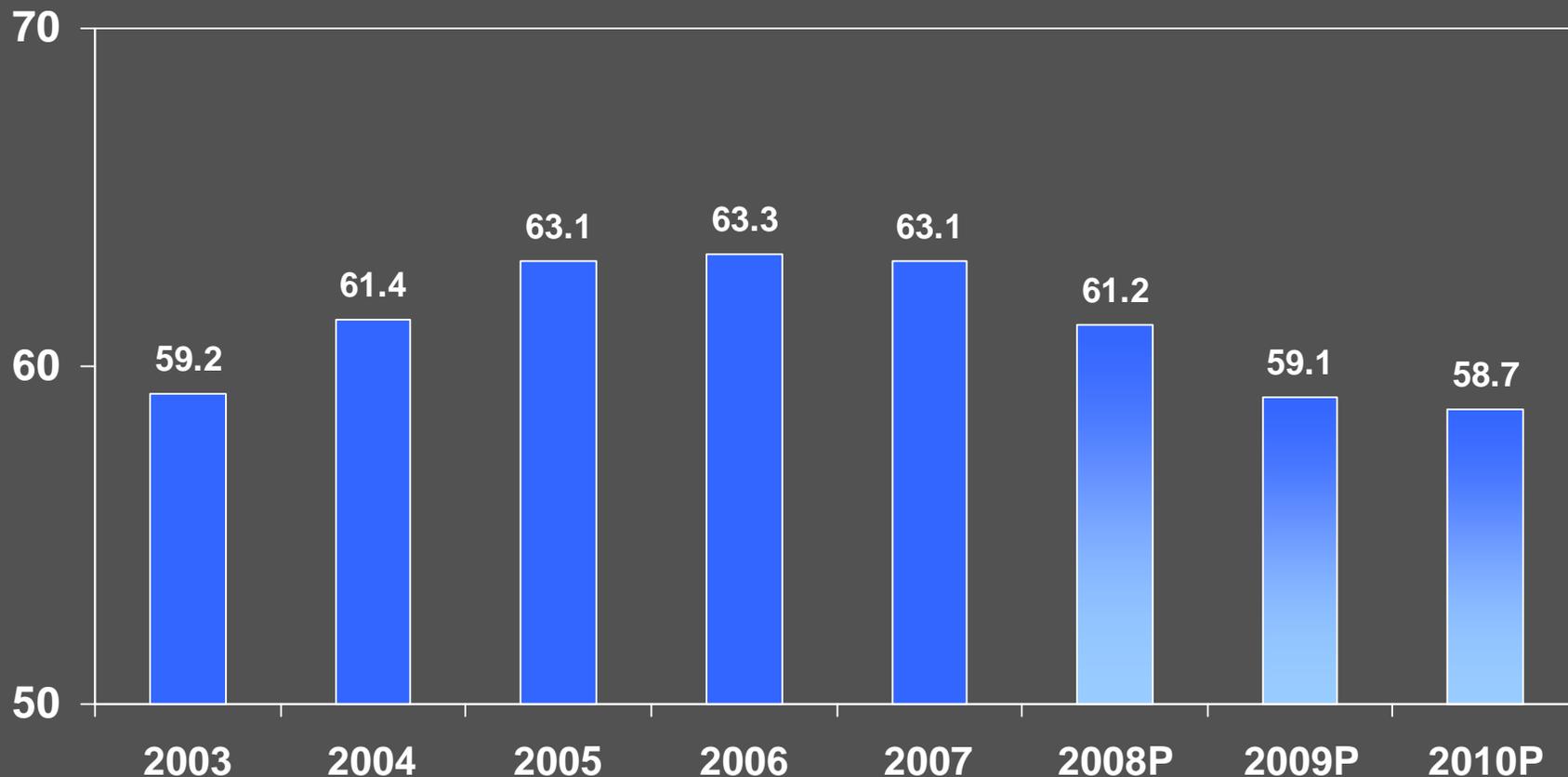


2008 Smith Travel Research, Inc.

Total United States

Occupancy Percent

2003 – 2010P

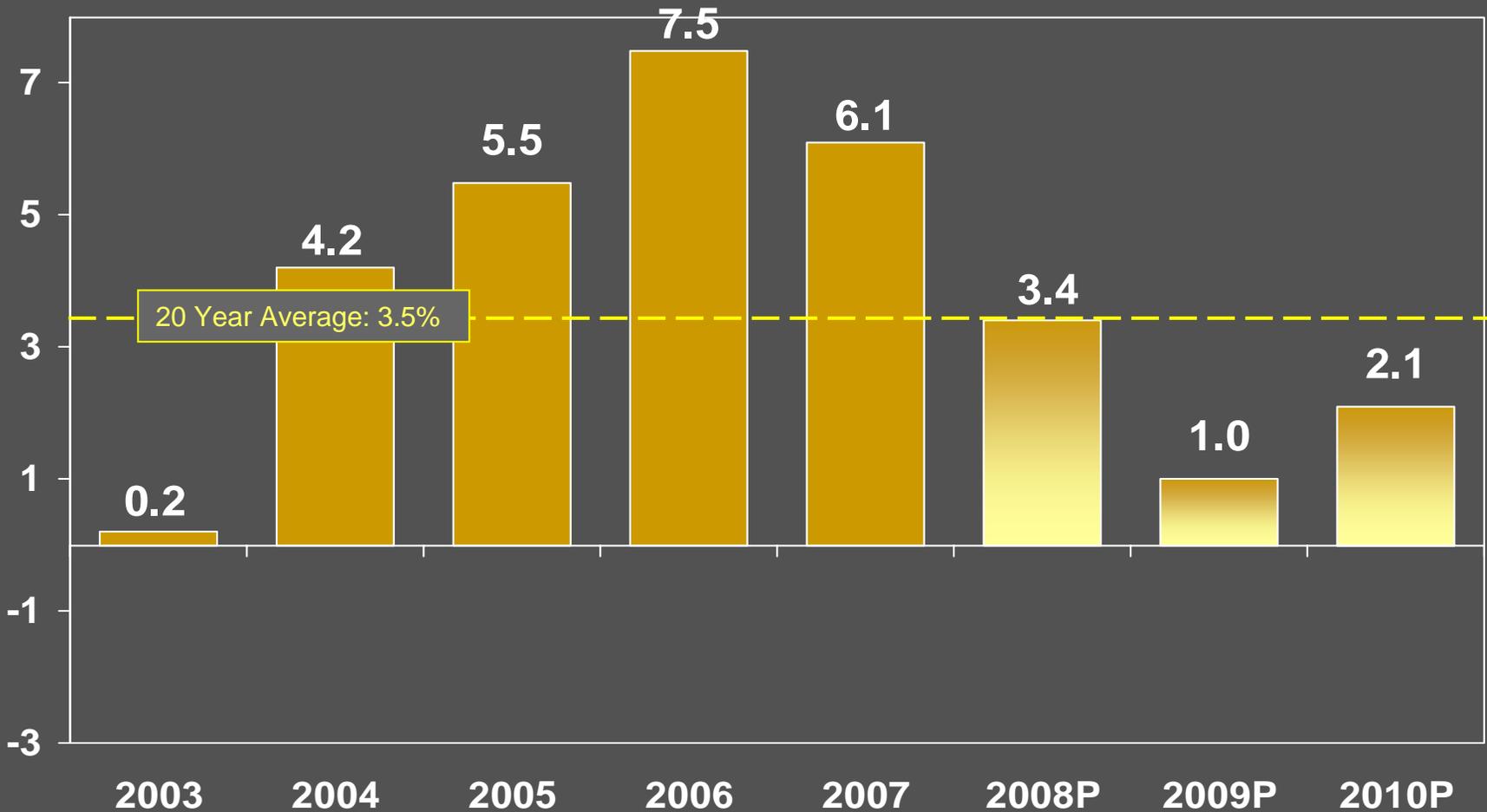


2008 Smith Travel Research, Inc.

Total United States

ADR Percent Change

2003 – 2010P

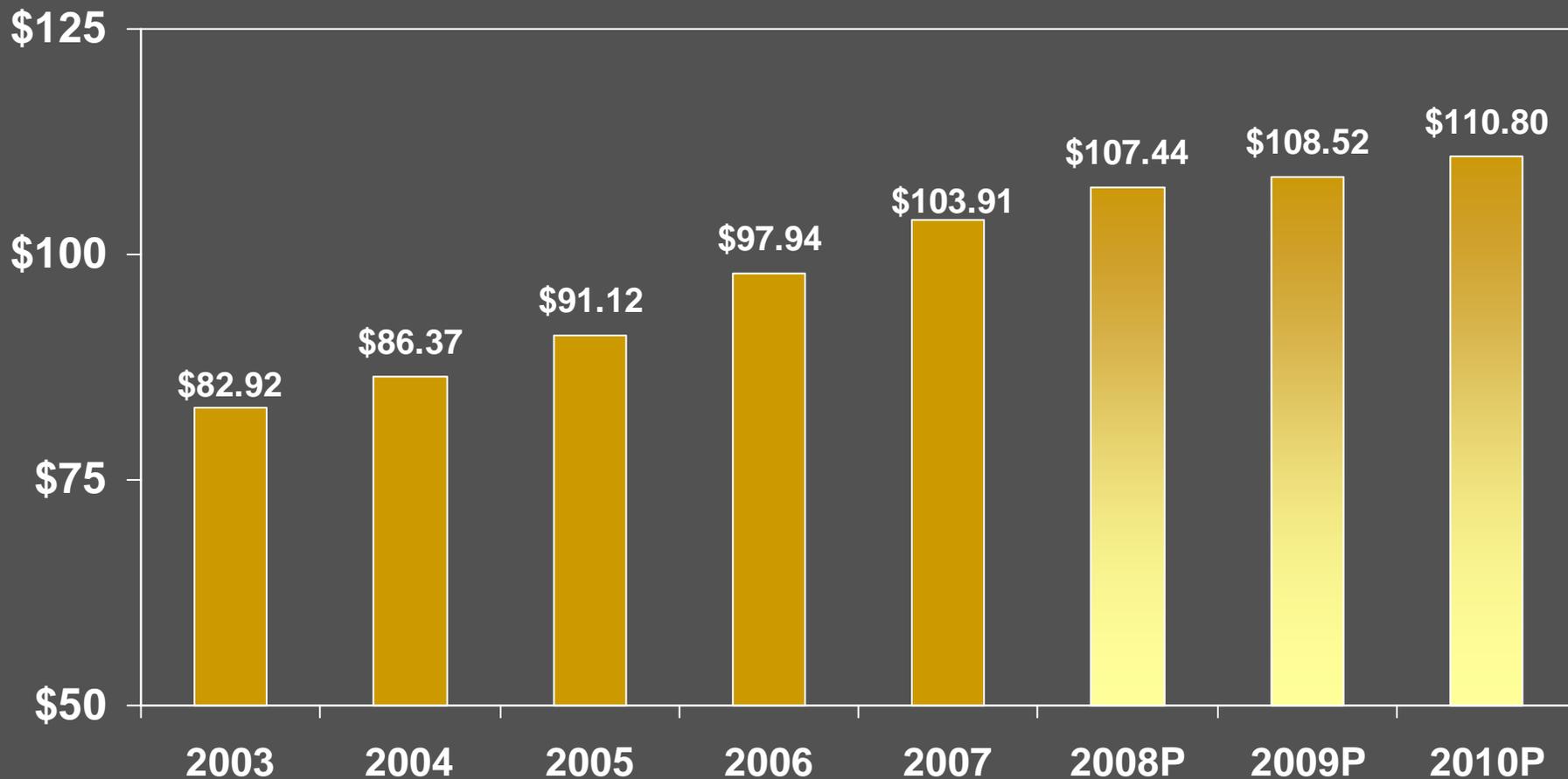


2008 Smith Travel Research, Inc.

Total United States

Average Daily Rate (In Dollars)

2003 – 2010P



2008 Smith Travel Research, Inc.

Total United States

RevPAR Percent Change

2003 – 2010P



2008 Smith Travel Research, Inc.

2008 Lodging Industry Takeaways

- Supply Growth – Pipeline Attrition?...Have we peaked?
 - Increased attrition rate in planning & final planning
 - We probably haven't peaked yet
- Slowing Economy = Slower Demand Growth (Perceptions of Disp. Income)
 - Another stimulus check
 - Leisure feels greater impact than business
- Airline Woes
 - Decreased routes and capacity impacts fly-in destination significantly
 - Routes may be added back once things improve
- Gas/Energy Prices
- Financial Crisis
 - Impacts much in our industry...development, reinvestment, etc.
- Revenue Management Discipline



Thank you!

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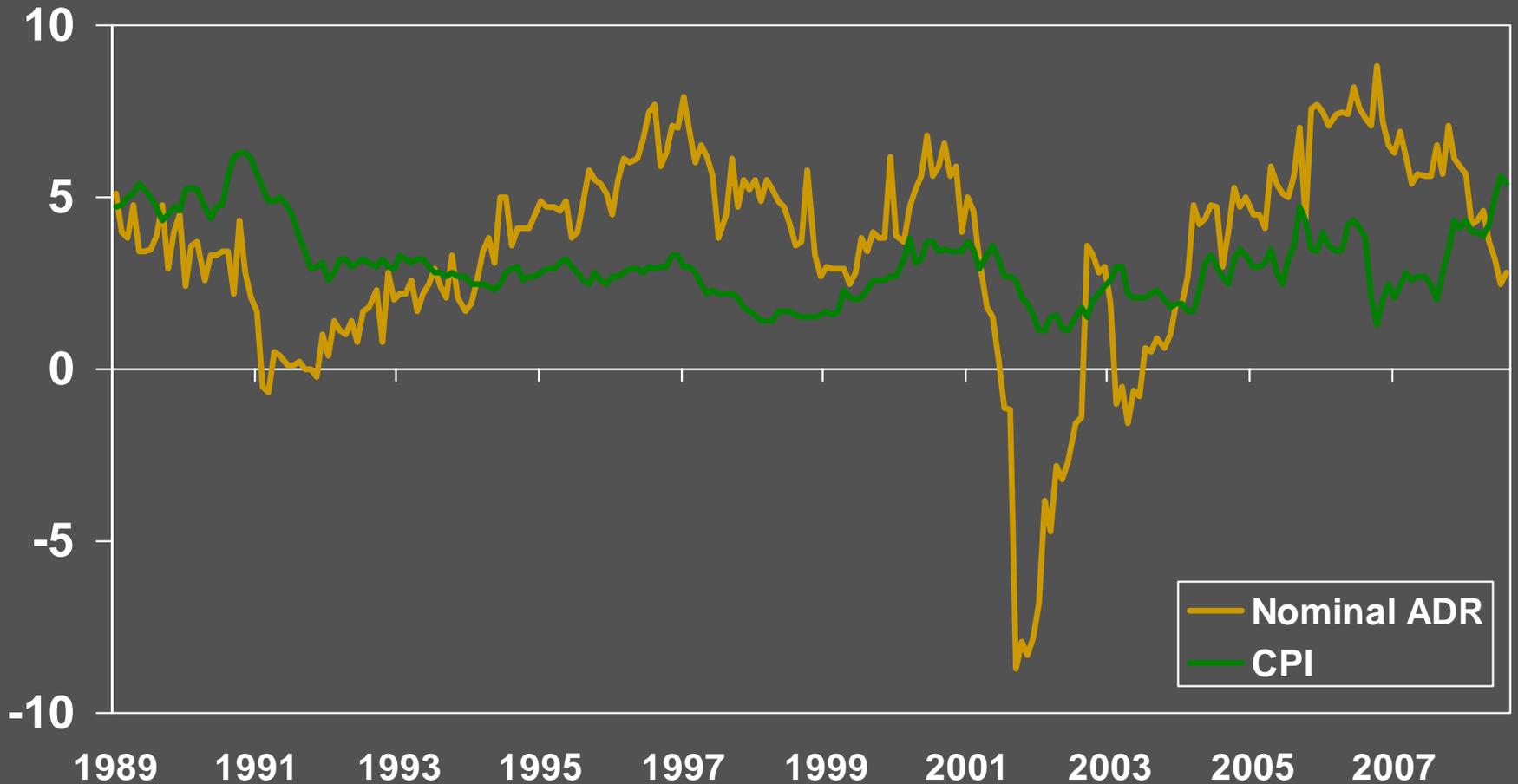


Total United States

Nominal ADR vs. CPI Percent Change

Monthly Year-Over-Year

Jan 1989 - Aug 2008



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