

A period of sunshine for the upscale and midscale hotel markets

In Paris as well as in the other regions, the upscale hotel markets have noted the strongest growth rates during the month of July. 4 star hotels in Paris have seen their room revenue increase by +14.0%, those of the other regions by +15.2%. 3 star hotels, while tending to register lesser growth rates, did not lag behind this time. The 2 star hotel market however, only posted moderate growth of around 2% of their room revenue both in Paris and in the rest of France.

The month of July has been very beneficial for the Parisian hotel markets, and in particular for the upscale one. These hotels have not only benefited from the return of the American and Japanese clientele, but also from the emergence of new client segments such as Asia and Eastern European countries. As a result, the average occupancy rate increased by +4.7% for the 4 star hotel market overall. However, this figure fails to reflect the strong disparities between the 4 star hotel families. The 4 star superior and the 4 star boutique hotels were boosted most by the market's growth, with a respective increase of their occupancy rates by +6.5% and +9.5%.

If some might have been happy about the large number of promotional offers in Paris, their abundance has not harmed the average rates of Parisian hotels. Indeed, ADR has progressed by +8.8% for the upscale hotels in Paris. This segment has thus managed to attract a large number of clients without diluting its average rate.

The same tendency can be noted for the 3 star category, which has managed to advance both its OR and its ADR. As for the 3 star superior hotels, the RevPAR has been generated by an increase in the average rate (+19.0% compared to July 2005), while for the 3 star standard hotels, this increase has been triggered by the occupancy rate (+6.1%).

The 2 star hotels distinguish themselves from the other categories, noting a stagnation of their occupancy rate. Thanks to a slight increase of the ADR, +2.2%, this category has nevertheless seen its room revenue increase by +2.7%.

As for the other regions, the hoteliers can congratulate themselves on the good performances achieved. Indeed, while the growth rates registered since the beginning of the year have always been inferior to those of the Parisian market, growth of regional hotel markets has been more in line with Paris this month. Nonetheless, performances in regional France remain slightly below the results obtained in Paris. For instance, the 4 star hotels in Paris have registered 176€ of RevPAR against 105€ in the other regions, and the 2 star hotels 61€ in Paris against 37€ in the other regions.

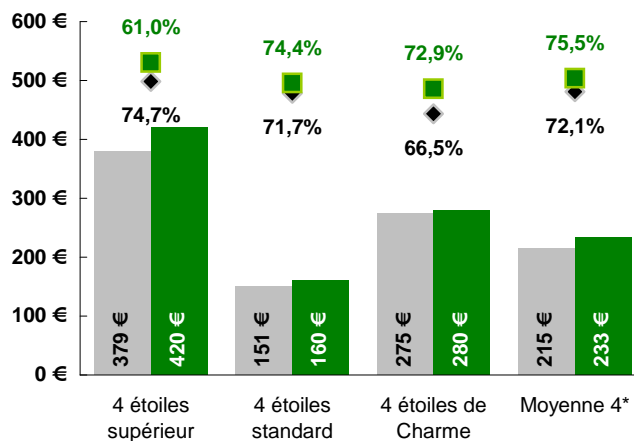
If the occupancy rate is on strong rebound for the 4 and 3 star hotels, the 2 star hotels have seen their occupancy rate stagnate.

As for the average rate, this figure is on the rise for all categories. This increase ranges from about +3% for the midscale hotels to +6.7% for the upscale establishments.

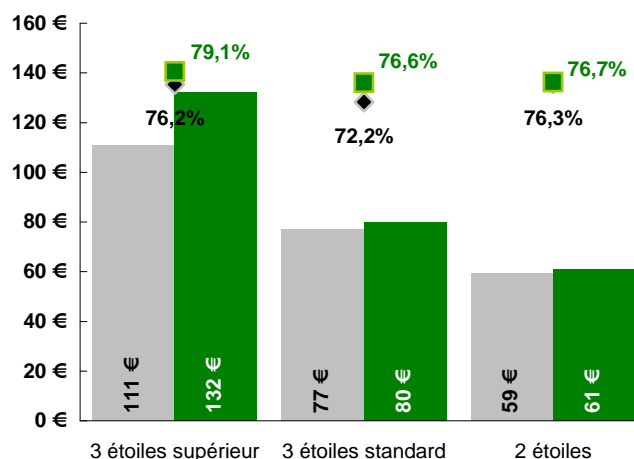
All in all, the hotel markets in the other regions have registered a strong growth of their RevPAR, with an increase of +15.2% for the 4 star category, +11.4% for the 3 star category and +2.6% for the 2 star category.

Monthly indicators

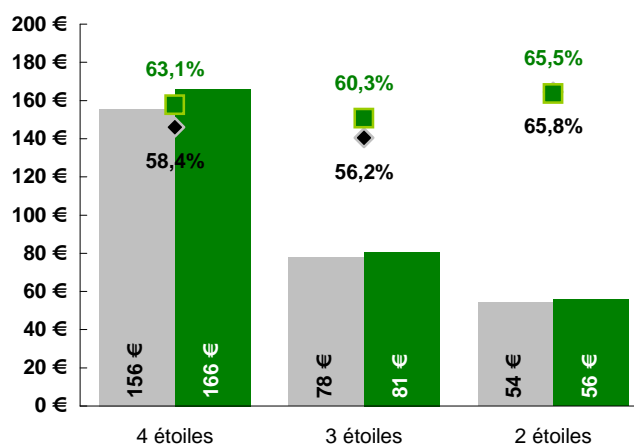
Upscale hotel market in Paris



Midscale hotel market in Paris



Regional hotel markets



ADR 2005 ADR 2006
 OR 2005 OR 2006

ADR = Average Daily Rate
OR = Occupancy Rate

Upscale hotel markets in Paris

MONTH OF JULY	Superiour 4 star	Standard 4 star	Boutique hotels	Average 4*
OR 2005	74,7%	71,7%	66,5%	72,1%
OR 2006	79,6%	74,4%	72,9%	75,5%
Var.	+6,5%	+3,7%	+9,5%	+4,7%
ADR 2005	379 €	151 €	275 €	215 €
ADR 2006	420 €	160 €	280 €	233 €
Var.	+10,8%	+6,5%	+2,0%	+8,8%
RevPAR 2005	283 €	108 €	183 €	155 €
RevPAR 2006	334 €	119 €	204 €	176 €
Var.	+18,0%	+10,4%	+11,7%	+14,0%

YTD JULY	Superiour 4 star	Standard 4 star	Boutique hotels	Average 4*
OR 2005	66,3%	68,2%	61,6%	67,3%
OR 2006	72,7%	73,4%	67,9%	72,9%
Var.	+9,6%	+7,6%	+10,3%	+8,3%
ADR 2005	390 €	172 €	285 €	230 €
ADR 2006	403 €	175 €	293 €	236 €
Var.	+3,3%	+1,8%	+2,6%	+2,9%
RevPAR 2005	258 €	117 €	176 €	155 €
RevPAR 2006	293 €	128 €	199 €	172 €
Var.	+13,3%	+9,6%	+13,1%	+11,4%

Midscale hotel markets in Paris

MONTH OF JULY	Superiour 3 star	Standard 3 star	2 star
OR 2005	76,2%	72,2%	76,3%
OR 2006	79,1%	76,6%	76,7%
Var.	+3,8%	+6,1%	+0,5%
ADR 2005	111 €	77 €	59 €
ADR 2006	132 €	80 €	61 €
Var.	+19,0%	+3,8%	+2,2%
RevPAR 2005	84 €	56 €	45 €
RevPAR 2006	104 €	61 €	47 €
Var.	+23,5%	+10,1%	+2,7%

YTD JULY	Superiour 3 star	Standard 3 star	2 star
OR 2005	74,9%	72,5%	77,8%
OR 2006	78,4%	73,7%	77,3%
Var.	+4,6%	+1,7%	-0,7%
ADR 2005	123 €	86 €	64 €
ADR 2006	128 €	88 €	66 €
Var.	+3,4%	+2,3%	+2,3%
RevPAR 2005	92 €	63 €	50 €
RevPAR 2006	100 €	65 €	51 €
Var.	+8,2%	+4,0%	+1,6%

Notes :

OR = Occupancy Rate
 ADR = Average Daily Rate (Room revenues only)
 RevPAR = Revenue per Available Room (Room revenues only)
 ADR and RevPAR are quoted in Euros excluding VAT
 All samples used are stable from one year to the next

Regional hotel markets

MONTH OF JULY	4 star	3 star	2 star
OR 2005	58,4%	56,2%	65,8%
OR 2006	63,1%	60,3%	65,5%
Var.	+8,0%	+7,3%	-0,5%
ADR 2005	156 €	78 €	54 €
ADR 2006	166 €	81 €	56 €
Var.	+6,7%	+3,8%	+3,1%
RevPAR 2005	91 €	44 €	36 €
RevPAR 2006	105 €	49 €	37 €
Var.	+15,2%	+11,4%	+2,6%

YTD JULY	4 star	3 star	2 star
OR 2005	57,1%	59,6%	63,6%
OR 2006	60,1%	60,5%	63,1%
Var.	+5,4%	+1,5%	-0,8%
ADR 2005	140 €	80 €	53 €
ADR 2006	144 €	81 €	54 €
Var.	+3,5%	+1,8%	+2,6%
RevPAR 2005	80 €	48 €	33 €
RevPAR 2006	87 €	49 €	34 €
Var.	+9,0%	+3,3%	+1,8%

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