

## Paris/ Regions (excl. Riviera)

May 2007

### Growth slowing down

For the first time this year, the solid growth observed since January, has slowed down.

In Paris, the RevPAR increases were more moderate than previous months, although still tangible. The standard 4-star hotels formed an exception since their RevPAR decreased compared to last year. In regional France, overall room revenue of has stannated or even decreased

In Paris, RevPAR growth considerably slowed down in May. This deceleration was mainly due to stable ADR performances and even more so for standard 4 star hotels, whose ADR declined.

Many hotels in Paris have suffered from the unfavourable calendar in May that has negatively impacted the number of business travellers.

Indeed the three long weekends of four consecutive days caused general business activity to slow down in France during the month. While hoteliers in Paris managed to keep up their occupancy rates, thanks to a large and varied client base, ADR performances weakened. As for the superior 3-star hotels, ADR stagnated for the first time this year.

This phenomenon can be explained by the important proportion of leisure travellers in the market mix of these hotels. Indeed, the leisure segment is generally considered to be less contributing to the hotels' ADR performance.

Contrary to the other hotel markets, superior 4-star and standard 3-star hotels posted improvements in both ADR and occupancy performances.

Although we denote a slight slowdown in growth on French hotel markets, this should only be temporary. The overall economic outlook is positive and numerous events are planned in the upcoming months (Le Bourget Air-show, Fashion Week, Rugby World Cup, etc.).

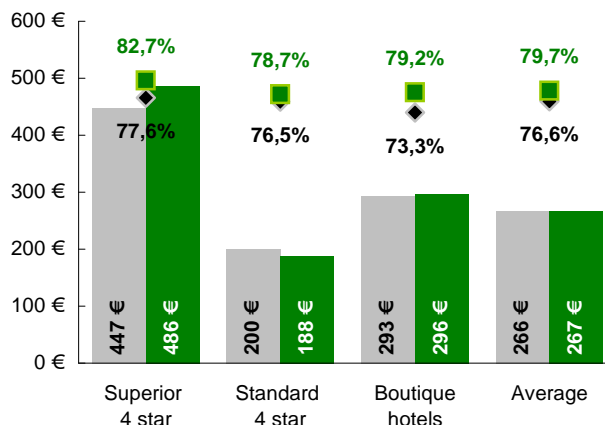
In Regional France, the performance growth is even more interrupted. RevPAR of 4-star hotels tumbled by - 3.4%, while 3-star hotels saw their room revenue stagnate.

Overall, the market suffered from the drop in the occupancy rates ranging from -1.8% in 2-star and 3-star hotels to -3.7% in 4-star hotels.

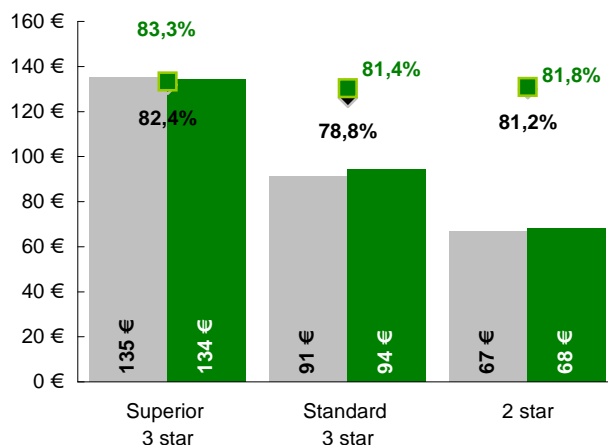
Unlike Parisian hotels, who benefit from an international and varied client base, regional properties were penalized by the sharp drop in business travel. The short working weeks made it difficult to organize meetings and other business trips. Consequently, except those establishments targeting leisure travellers, hotels in Regional France generally showed low occupancy rates this month.

### Monthly indicators

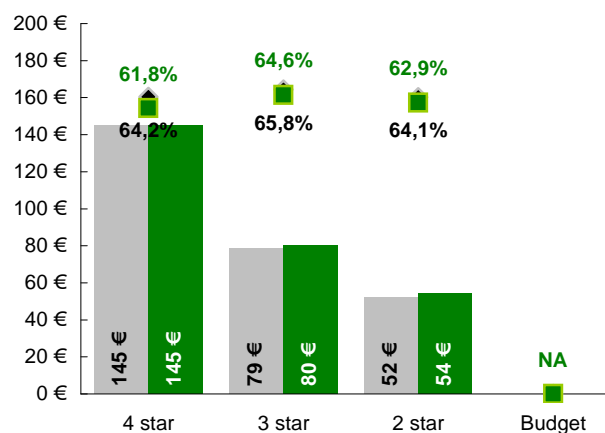
#### Upscale hotel markets - Paris



#### Midscale hotel markets - Paris



#### Regional hotel markets



ADR 2006      ADR 2007  
 OR 2006      OR 2007

ADR = Average Daily Rate  
OR = Occupancy Rate

## Paris/ Regions (excl. Riviera) - Detailed performances (1/2)

May 2007

### Upscale hotel markets - Paris

May	Superior 4 star	Standard 4 star	Boutique hotels	Average
OR 2006	77,6%	76,5%	73,3%	76,6%
OR 2007	82,7%	78,7%	79,2%	79,7%
Var.	<b>+6,5%</b>	<b>+2,9%</b>	<b>+8,0%</b>	<b>+4,0%</b>
ADR 2006	447 €	200 €	293 €	266 €
ADR 2007	486 €	188 €	296 €	267 €
Var.	<b>+8,6%</b>	<b>-6,2%</b>	<b>+1,1%</b>	<b>+0,4%</b>
RevPAR 2006	347 €	153 €	215 €	204 €
RevPAR 2007	402 €	148 €	234 €	213 €
Var.	<b>+15,7%</b>	<b>-3,5%</b>	<b>+9,2%</b>	<b>+4,4%</b>

YTD May	Superior 4 star	Standard 4 star	Boutique hotels	Average
OR 2006	71,3%	71,3%	65,5%	71,0%
OR 2007	76,9%	74,4%	74,9%	75,0%
Var.	<b>+7,7%</b>	<b>+4,3%</b>	<b>+14,3%</b>	<b>+5,7%</b>
ADR 2006	413 €	175 €	275 €	239 €
ADR 2007	446 €	179 €	285 €	250 €
Var.	<b>+8,1%</b>	<b>+2,0%</b>	<b>+3,5%</b>	<b>+4,6%</b>
RevPAR 2006	294 €	125 €	180 €	170 €
RevPAR 2007	343 €	133 €	213 €	187 €
Var.	<b>+16,4%</b>	<b>+6,4%</b>	<b>+18,3%</b>	<b>+10,6%</b>

### Midscale hotel markets - Paris

May	Superior 3 star	Standard 3 star	2 star
OR 2006	82,4%	78,8%	81,2%
OR 2007	83,3%	81,4%	81,8%
Var.	<b>+1,1%</b>	<b>+3,4%</b>	<b>+0,7%</b>
ADR 2006	135 €	91 €	67 €
ADR 2007	134 €	94 €	68 €
Var.	<b>-0,5%</b>	<b>+3,3%</b>	<b>+2,3%</b>
RevPAR 2006	111 €	72 €	54 €
RevPAR 2007	112 €	77 €	56 €
Var.	<b>+0,6%</b>	<b>+6,9%</b>	<b>+3,0%</b>

YTD May	Superior 3 star	Standard 3 star	2 star
OR 2006	76,8%	72,5%	74,2%
OR 2007	79,3%	77,8%	79,2%
Var.	<b>+3,1%</b>	<b>+7,3%</b>	<b>+6,8%</b>
ADR 2006	127 €	87 €	64 €
ADR 2007	131 €	91 €	66 €
Var.	<b>+3,3%</b>	<b>+5,2%</b>	<b>+2,4%</b>
RevPAR 2006	97 €	63 €	48 €
RevPAR 2007	104 €	71 €	52 €
Var.	<b>+6,6%</b>	<b>+12,9%</b>	<b>+9,4%</b>

Notes: OR = Occupancy Rate      RevPAR = Revenue per Available Room  
 ADR = Average Daily Rate (Room revenue only)  
 ADR and RevPAR are expressed in Euros, excluding VAT  
 Samples are constant over the 2 year period

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Paris/ Regions (excl. Riviera) - Detailed performances (2/2)

May 2007

**Regional hotel markets**

May	4 star	3 star	2 star	Budget
OR 2006	64,2%	65,8%	64,1%	NA
OR 2007	61,8%	64,6%	62,9%	NA
Var.	-3,7%	-1,8%	-1,8%	
ADR 2006	145 €	79 €	52 €	NA
ADR 2007	145 €	80 €	54 €	NA
Var.	+0,4%	+2,2%	+4,1%	
RevPAR 2006	93 €	52 €	34 €	NA
RevPAR 2007	90 €	52 €	34 €	NA
Var.	-3,4%	+0,3%	+2,2%	

YTD May	4 star	3 star	2 star	Budget
OR 2006	55,5%	57,8%	58,3%	NA
OR 2007	58,5%	59,3%	57,5%	NA
Var.	+5,4%	+2,6%	-1,4%	
ADR 2006	132 €	78 €	52 €	NA
ADR 2007	139 €	80 €	54 €	NA
Var.	+5,1%	+3,4%	+4,3%	
RevPAR 2006	73 €	45 €	30 €	NA
RevPAR 2007	81 €	48 €	31 €	NA
Var.	+10,7%	+6,0%	+2,9%	

Notes: OR = Occupancy Rate      RevPAR = Revenue per Available Room  
 ADR = Average Daily Rate (Room revenue only)  
 ADR and RevPAR are expressed in Euros, excluding VAT  
 Samples are constant over the 2 year period