

Asia Pacific: Q3 2008 Report

An Executive Summary of the Construction Pipeline & Three-Year Forecast for New Hotel Openings



Pipeline Highlights at Q3

- At the end of Q3 2008, Asia Pacific's Total Construction Pipeline stood at 1,990 projects/466,456 rooms.
- Total project counts are down 8% from the cyclical peak in Q2 2008, with total rooms down 11%. The Pipeline will continue to contract at an accelerating pace through 2009, particularly as New Project Announcements into the Pipeline are expected to further taper off during the next year.
- In Asia, 62% of all Pipeline projects are already Under Construction due to the rush to get projects started in late 2007-early 2008 before the onset of the lending crisis. As a result, a record level of New Openings is forecasted through 2010. Of the 309,196 new guestrooms expected through 2010, 302,600 are already in the ground.
- In China's Pipeline, Shanghai leads all cities with 104 projects/26,510 rooms. Macau and Beijing follow with 33 projects/23,027 rooms and 57 projects/13,678 rooms, respectively. Bangalore accounts for 13% of India's Pipeline with 38 projects/9,429 rooms. Hyderabad follows with 34 projects/7,251 rooms. Of the seven countries that make up Southeast Asia (Thailand, Vietnam, Indonesia, Malaysia, Philippines, Singapore and Cambodia), Bangkok has the most active market with 36 projects/8,939 rooms. Jakarta follows with 18 projects/4,163 rooms while Phuket has 20 projects/3,300 rooms.

Total Construction Pipeline by Quarter

Country	Q3		Q2		% Change Q208 to Q308	
	Projs	Rms	Projs	Rms	Projs	Rms
China	1,067	293,169	1,240	323,956	-14%	-10%
India	446	73,793	470	76,304	-5%	-3%
Southeast Asia	331	74,355	369	81,032	-10%	-8%
All Others	146	25,139	147	25,354	-1%	-1%
Total	1,990	466,456	2,226	506,646	-11%	-8%

Q3 2008 Construction Pipeline by Stage

Country	Total Pipeline		Under Construction		Starts Next 12 Months		Early Planning	
	Projs	Rms	Projs	Rms	Projs	Rms	Projs	Rms
China	1,067	293,169	816	216,994	115	37,674	136	38,501
India	446	73,793	181	33,566	76	13,776	189	26,751
Southeast Asia	331	74,355	152	37,224	53	13,739	126	23,392
All Others	146	25,139	84	14,426	25	4,210	37	6,203
Total Pipeline	1,990	466,456	1,233	302,210	269	69,399	488	94,847

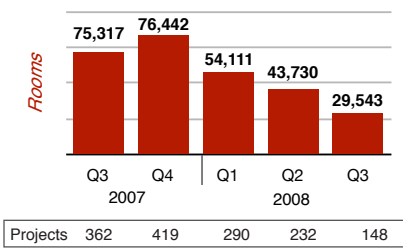
Pipeline Overview

In the Asia Pacific region, Construction Starts are at a five-quarter low and will continue to trend downward, closely tracking development trends in the US. Because accessing financing is so difficult, many projects already in the Pipeline cannot migrate forward towards Construction, but are stalled in the Scheduled Starts in the Next Twelve Months and Early Planning stages.

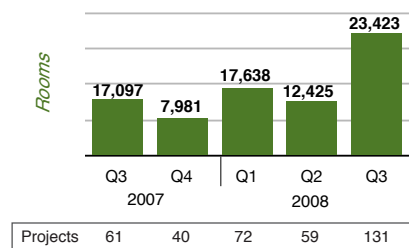
Project Cancellations are at an all-time high, reflecting the unavailability of financing and heightening developer concerns about a global slowdown. The fall-off in international travel, guestroom demand and attendant pricing pressures are accelerating and expected to continue to trend downward well into the next year as the full impact of the economic crisis in the region takes hold.

New Project Announcements into the Pipeline have declined sharply since Q4 2007 and will continue at low levels for the foreseeable future. Many developers have withdrawn to the sidelines, as they wait to see how future New Openings will be absorbed, how operating performance will react and when the economy might right itself.

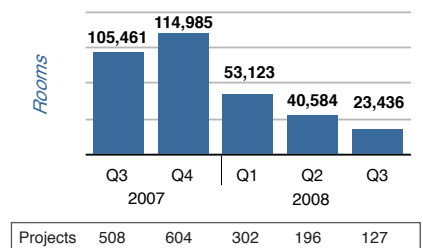
Construction Starts



Cancellations



New Project Announcements



LE's Three-Year Forecast for New Hotel Openings

In the fourth quarter, 135 hotels/19,503 rooms are expected to open, bringing total additions to Current Supply for 2008 to 869 hotels/138,886 rooms. New Hotel Openings in 2009 and 2010 will grow steadily, bringing 659 hotels/143,289 rooms and 547 hotels/146,404 rooms online, respectively. Forecasts have been adjusted downward to account for falling Pipelines. LE's Forecast for New Hotel Openings is based on current Pipeline totals and development trends as of the end of Q3 2008. The Forecast does not account for other unforeseen changes in economic or lodging operating fundamentals that would alter these trends going forward.

To learn more about LE's Reports for Asia Pacific or other markets, countries or regions worldwide, please complete the attached response form. LE specializes in:

Development Pipeline Reports - Summaries & Individual Project Records

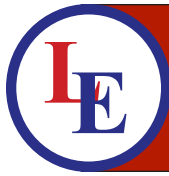
With Three-Year Forecasts for New Hotel Openings for every region, country and market

Contact Names for Owners & Management of Open & Operating Hotels (Census)

Essential for companies inquiring about acquisitions or adding to their asset management portfolio

Competitive Set Reports - For the Development Pipeline and Open and Operating Hotels (Current Supply)

Customized for your particular competitive set with summaries by market, and for other countries and regions worldwide



Lodging Real Estate Reports - Asia Pacific

Development Pipeline Reports, Contact Names for Owners & Management, Customized Competitive Set Reports



LE, the Global Authority for Hotel Real Estate, is the lodging industry's most comprehensive information source for Development, Forecasts for New Hotel Openings, Contact Names for Owners & Management, and Competitive Set Reports - worldwide.

In today's changing environment, Lodging Econometrics (LE) has the information you need, whether you're concerned about New Supply in particular markets, identifying acquisition or asset management opportunities, or monitoring growth rates within your competitive sets.

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Real Estate Reports	Features	Applications
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<input type="checkbox"/> Contact Names for Owners & Management of Open & Operating Hotels (Census)	Individual Hotel Records include: Comprehensive Contact Information <ul style="list-style-type: none"> • Name, address, phone and fax numbers for the Owner, Management Group and Hotel • Property details are included Customized Sorts for your exacting specifications <ul style="list-style-type: none"> • By particular market, brand, chain scale or hotel size 	Investigate opportunities for: Acquisition, investment or for your asset management portfolio Ideal for those executives involved in: Acquisitions, Business Development, Asset Management, Strategic Planning, M&A, Direct Mail or Telemarketing
<input type="checkbox"/> Competitive Set Reports	Competitive Set Summaries are: Customized to your exacting specifications with: <ul style="list-style-type: none"> • Project and room counts for the Construction Pipeline, plus a Three-Year Forecast for New Hotel Openings • Current Supply counts with historic growth rates <ul style="list-style-type: none"> • For the markets, countries and regions of your choice, and for all companies, brands and investor groups selected for your competitive set 	Compare future and historic growth rates: For every competitive group important to you A critical resource for Senior Executives responsible for: Strategic Planning and Guidance of Franchise Sales Teams, Business Development Officers, M&A Activity, Acquisition/Disposition Groups, and Asset Management Teams

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