

Paris/ Regions (excl. Riviera)

January 2007

January, a good start !

The year has started well for the French hotel industry with overall room revenue showing growth all over the country. These signs are even more encouraging since they occurred across all market segments.

In Paris, this month's performances confirmed the upwards trends since 2004. Overall RevPAR growth was registered in all categories. Upscale hotel markets posted strongest increases, with double digit RevPAR growth for all hotel families (15.3 % on average). As for 3 star standard hotels, Room revenue progression was equally important with 12.5 % compared to last year. Said categories were able to achieve such growth thanks to a combined improvement of both occupancy and average room rates.

On the other hand, superior 3 star hotels and 2 star properties registered more moderate RevPAR evolution with 4.8% and 7.4% respectively. The performance dynamics of these hotels are built upon one underlying factor. While for superior 3 star hotels it was ADR that pushed overall performances up, in the case of 2 star hotels it was clearly the occupancy.

The good results achieved are even more important considering that January is traditionally a period of reduced demand. Parisian hotels show an average occupancy of 70 % (!), which is rather exceptional for the period of year, giving 2007 a solid head start.

In the other parts of the country, growth has also been considerable. The 4-star and 3-star properties have benefited most of this renewed demand and registered RevPAR increases of 19.1% and 9.7% respectively. The tendency of room revenue in the 2 star and budget segments is significantly lower but can still be considered satisfying.

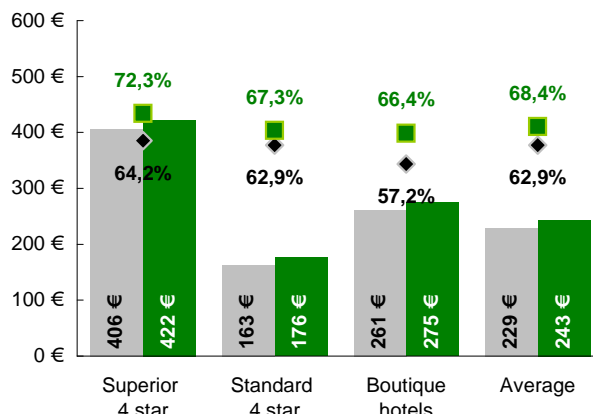
However, as opposed to Paris, the major factor of RevPAR growth in regional France has been the occupancy rate, without exception throughout the various categories.

The good results are mainly due to economic attractiveness of France from an international point of view. Indeed, despite the competition from emerging countries, France remains attractive to multinational enterprises. The year 2006 saw strong increases in job creation originated by foreign companies based in France: 40,000 jobs were created, that is +32.7% compared to 2005 (1). Said phenomenon favours international business tourist flows linked to expatriate travel and organization of events (meetings, seminars, etc). The foreign direct investment is directly mainly to highly value adding sectors of the economy, hence the presence of tourists with higher spending power. The positive impacts are felt notably in the mid- and up-scale segments of the hotel markets.

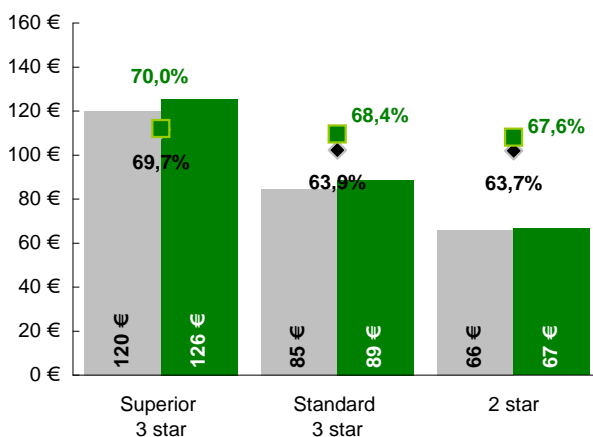
The 2-star and budget hotels are predominantly catering for the domestic market. Future months will show if the upcoming Presidential and Parliamentary elections will or will not slow down overall economic activity in the country.

Monthly indicators

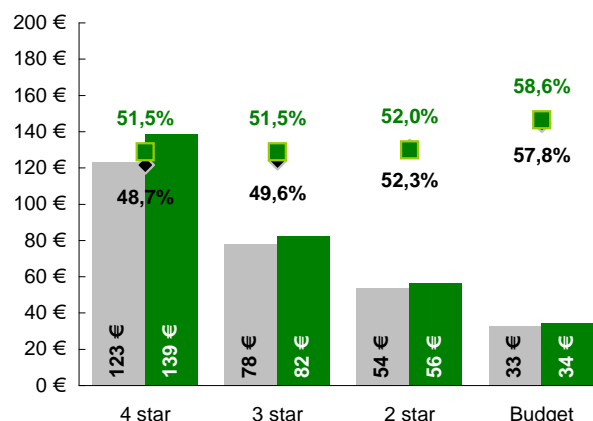
Upscale hotel markets - Paris



Midscale hotel markets - Paris



Regional hotel markets



ADR 2006 ADR 2007
 OR 2006 OR 2007

ADR = Average Daily Rate
OR = Occupancy Rate

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

January 2007

Upscale hotel markets - Paris

JANUARY	Superior 4 star	Standard 4 star	Boutique hotels	Average
OR 2006	64,2%	62,9%	57,2%	62,9%
OR 2007	72,3%	67,3%	66,4%	68,4%
Var.	+12,6%	+7,0%	+16,1%	+8,8%
ADR 2006	406 €	163 €	261 €	229 €
ADR 2007	422 €	176 €	275 €	243 €
Var.	+3,9%	+8,0%	+5,3%	+6,0%
RevPAR 2006	261 €	103 €	149 €	144 €
RevPAR 2007	305 €	119 €	183 €	166 €
Var.	+16,9%	+15,6%	+22,2%	+15,3%

YTD JANUARY	Superior 4 star	Standard 4 star	Boutique hotels	Average
OR 2006	64,2%	62,9%	57,2%	62,9%
OR 2007	72,3%	67,3%	66,4%	68,4%
Var.	+12,6%	+7,0%	+16,1%	+8,8%
ADR 2006	406 €	163 €	261 €	229 €
ADR 2007	422 €	176 €	275 €	243 €
Var.	+3,9%	+8,0%	+5,3%	+6,0%
RevPAR 2006	261 €	103 €	149 €	144 €
RevPAR 2007	305 €	119 €	183 €	166 €
Var.	+16,9%	+15,6%	+22,2%	+15,3%

Midscale hotel markets - Paris

JANUARY	Superior 3 star	Standard 3 star	2 star
OR 2006	69,7%	63,9%	63,7%
OR 2007	70,0%	68,4%	67,6%
Var.	+0,3%	+7,2%	+6,0%
ADR 2006	120 €	85 €	66 €
ADR 2007	126 €	89 €	67 €
Var.	+4,5%	+5,0%	+1,3%
RevPAR 2006	84 €	54 €	42 €
RevPAR 2007	88 €	61 €	45 €
Var.	+4,8%	+12,5%	+7,4%

YTD JANUARY	Superior 3 star	Standard 3 star	2 star
OR 2006	69,7%	63,9%	63,7%
OR 2007	70,0%	68,4%	67,6%
Var.	+0,3%	+7,2%	+6,0%
ADR 2006	120 €	85 €	66 €
ADR 2007	126 €	89 €	67 €
Var.	+4,5%	+5,0%	+1,3%
RevPAR 2006	84 €	54 €	42 €
RevPAR 2007	88 €	61 €	45 €
Var.	+4,8%	+12,5%	+7,4%

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)

January 2007

Regional hotel markets

JANUARY	4 star	3 star	2 star	Budget
OR 2006	48,7%	49,6%	52,3%	57,8%
OR 2007	51,5%	51,5%	52,0%	58,6%
Var.	+5,9%	+3,9%	-0,7%	+1,4%
ADR 2006	123 €	78 €	54 €	33 €
ADR 2007	139 €	82 €	56 €	34 €
Var.	+12,5%	+5,6%	+4,6%	+4,7%
RevPAR 2006	60 €	39 €	28 €	19 €
RevPAR 2007	71 €	42 €	29 €	20 €
Var.	+19,1%	+9,7%	+3,9%	+6,2%

YTD JANUARY	4 star	3 star	2 star	Budget
OR 2006	48,7%	49,6%	52,3%	57,8%
OR 2007	51,5%	51,5%	52,0%	58,6%
Var.	+5,9%	+3,9%	-0,7%	+1,4%
ADR 2006	123 €	78 €	54 €	33 €
ADR 2007	139 €	82 €	56 €	34 €
Var.	+12,5%	+5,6%	+4,6%	+4,7%
RevPAR 2006	60 €	39 €	28 €	19 €
RevPAR 2007	71 €	42 €	29 €	20 €
Var.	+19,1%	+9,7%	+3,9%	+6,2%

Notes: OR = Occupancy Rate RevPAR = Revenue per Available Room
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