

Latin America: Q3 2008 Report

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



Pipeline Highlights at Q3

- The Total Construction Pipeline for Latin America at the end of Q3 2008 (including the Caribbean, Mexico, Central and South America), is 640 projects/113,505 rooms.
- In Latin America, 59% of Total Pipeline projects are already Under Construction. These projects secured financing before the global credit crisis impacted lending and the economic slowdown began to affect developer sentiment. These projects will come online as New Supply at an accelerated pace through 2010.

• Brazil accounts for 32% of the Total Pipeline with 204 projects/36,065 rooms, followed by Mexico with 145 projects/26,568 rooms and Argentina with 49 projects/6,237 rooms. Puerto Rico and the Dominican Republic follow.

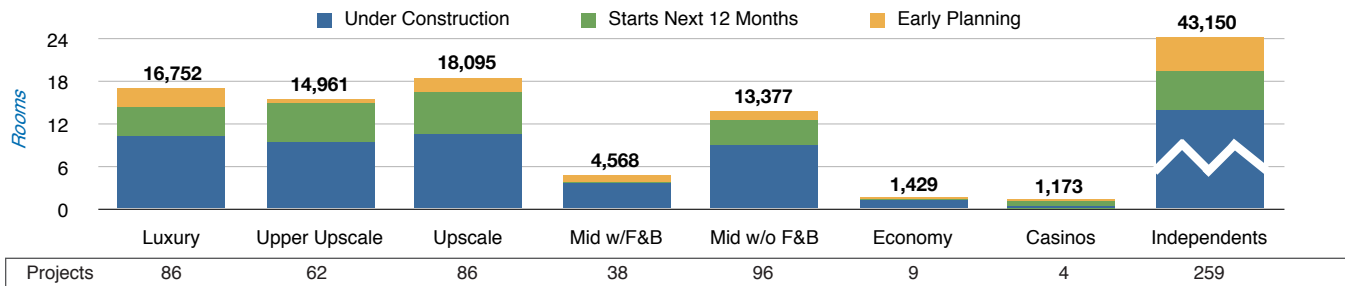
• For branded projects, development is heaviest in the Upscale, Luxury, Upper Upscale, and Midscale without Food & Beverage segments. The average project size is high at 177 rooms.

Construction Pipeline by Stage

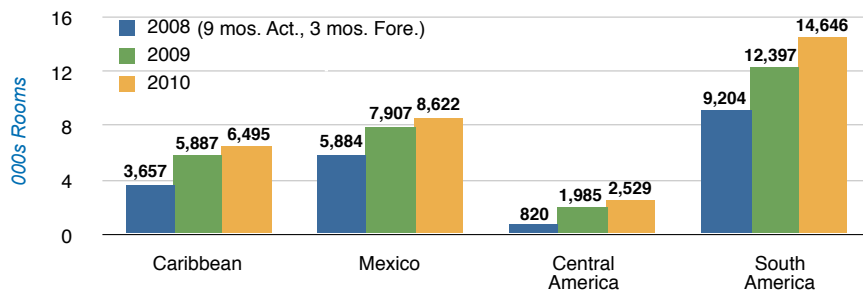
Region	Under Construction		Starts Next 12 Months		Early Planning		Latin America Total Pipeline	
	Projs	Rms	Projs	Rms	Projs	Rms	Projs	Rms
Caribbean	60	12,627	30	5,917	23	3,821	113	22,365
Mexico	80	16,279	45	6,945	20	3,344	145	26,568
Central America	27	5,440	16	3,530	7	868	50	9,838
South America	212	32,750	67	15,067	53	6,917	332	54,734
Total Pipeline	379	67,096	158	31,459	103	14,950	640	113,505

Pipeline Overview

Approximately 60% of the Total Pipeline has already chosen a Brand, with the Upscale, Luxury, Upper Upscale, and Midscale with F&B segments leading at 16%, 15%, 13%, and 11% of Total Projects, respectively. Independents make up 38% of the Total Pipeline with 259 projects/43,150 rooms. Approximately 70% of these will make a branding decision before opening, and be recategorized into the appropriate chain scale segment. 52% of all Pipeline projects are sized at 200 rooms or less.



LE's Three-Year Forecast for New Hotel Openings



In the fourth quarter, an additional 37 hotels/4,935 rooms will open, bringing the total for 2008 to 131 hotels/19,565 rooms. New Hotel Openings in 2009 and 2010 are expected to grow steadily, adding 171 hotels/28,176 rooms and 188 hotels/32,292 rooms, respectively, to Current Supply. Forecasts have been adjusted downward due to falling Pipeline counts. 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 any unforeseen changes in economic or lodging operation fundamentals that would alter these trends going forward.

To learn more about LE's Reports for Caribbean, Mexico, Central & South America, or for any country or region worldwide, customized specifically for Vendors to the Lodging Industry, please complete the attached fax response form. LE specializes in Sales Solution Programs for Vendors that include:

Target Accounts: Individual Development Project Records

All the details needed to call on the most important accounts when decisions about your product or service are being considered

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

Essential for conducting telemarketing and direct mail activities to prospect for product replacement programs

Strategic Planning Reports

Direct your sales force with an executive summary that includes project and guestroom counts for each of your Sales Reps and their Territories, Key Developers and their Project Team Members, and for every Company and Brand



Sales Solution Programs for Vendors - Latin America

Strategic Planning Summaries, Target Accounts - Development Project Records & Contact Names for Owners & Management



LE, the Global Authority for Hotel Real Estate, specializes in customizing Sales Solution Programs for Lodging Vendors looking to expand market share in the Caribbean, Mexico, Central and South America or any other market, country or region - worldwide.

Lodging Econometrics (LE) provides Sales Solution Programs for Vendors that include Strategic Planning Summaries and Individual Development Pipeline Records that identify every potential sales opportunity available for your particular product and direct you to each key decision-maker. With LE's Sales Solution, you will maximize your market share, increase your market penetration, outpace the competition every time, and save time and budgetary dollars spent gathering market research. Let LE provide your market intelligence with a Sales Solution customized to your exacting specifications.

If you would like information about LE's Sales Solution Program for Latin America or for any other market, country or region worldwide, **please place a check next to the LE products of interest to you.** Our sales representatives will then send samples for your consideration.

Sales Solution Products	Features	Applications
<input type="checkbox"/> Strategic Planning Summaries	Development Pipeline Summaries with a Three-Year Forecast for New Hotel Openings for: <ul style="list-style-type: none"> • Sales Reps and their Territories • Key Developers and their Project Team Members (Architect, Designer, Purchasing Agent, etc.) • For each Company and Brand • Project and guest room counts are displayed for all portfolio views and are revised quarterly • New Project Announcements are added, and Cancellations are removed 	View all potential business available: Motivate and guide your sales teams, determine high volume accounts and key decision-makers, provide specific account direction from the home office to field staff, and allocate resources to maximize market share Essential for strategic planning by: Senior Corporate Executives, Sales, Marketing, Advertising and Promotion Directors, and Strategic Planners
<input type="checkbox"/> Individual Development Pipeline Records Include New Hotel Construction, Reflaggings and Announced Renovations	Development Sales Lead Records include: <ul style="list-style-type: none"> • Comprehensive Contact information for the Developer and his Project Team Members (Architect, Designer, Purchasing Agent, Contractor, Project Manager) as they are announced • Project start and completion dates, updated quarterly 	Guide your sales teams to the decision-makers Development Sales Leads are ideal for: Sales Directors, Home Office Sales Teams, Territory Managers and Sales Reps
<input type="checkbox"/> Contact Names for Owners & Management of Open & Operating Hotels (Ownership)	Ownership and Management Records provide: <ul style="list-style-type: none"> • Name, address, phone and fax numbers for the Owner, Management Group and Hotel • Detailed commentary on the hotel property 	Prospect for product replacement programs This critical contact data is used by: Sales Directors and Direct Mail and Telemarketing Managers

Please describe the products/services you provide to the lodging industry.

What are your most important sales objectives?

Which Companies and Brands are of interest to you?

For New Construction, at what stage in the project do you begin your sales initiatives?

Currently Under Construction (# of months before opening)

0-6 Months 6-18 Months Greater than 18 Months

Construction Not Yet Started (# of months before construction start date)

0-6 Months 6-18 Months Greater than 18 Months

Does your sales team make sales calls on existing Open and Operating Hotels? Yes No

Does your company conduct direct mail programs? Yes No **Telemarketing programs?** Yes No

Name: _____ Title: _____

Company: _____ Phone: _____

Address: _____ Email: _____

City: _____ State: _____ Zip: _____ Country: _____

Please complete this response form and email to LE at hotels@lodgingeconometrics.com or fax to LE at +1 603-431-4418.

LE has a Sales Solution Program for Vendors for all countries and regions worldwide:

- United States
- Canada
- Europe
- Middle East
- Africa
- Asia Pacific