

### A drive in leisure tourism

This summer, the hotel industry has noted good results. The month of July has ended with a rise of the RevPAR, a trend which continues to manifest itself during the month of August. This is mainly due to growth in demand.

French hotel owners can be satisfied with the results of August, typically considered to be a difficult month. The entire French hotel industry has noted a rise in the RevPAR. The high level of demand was mainly the origin of this positive trend.

The occupancy rate continues to rise in Paris as well as in the other regions. On the **upscale market**, this corresponds to an average of +12.9% for the hotels in Paris, and +5.8% for the hotel industry in the other regions.

The demand for this category has notably been marked by a dynamic, nationwide growth in the number of foreign tourists. The growth of the world's economy has been in favour of upscale hotel markets.

The demand for the 3 star segment has equally been on the rise. In Parisian, the occupancy increase of 3 star properties is slightly less important than that of the 4 star hotels. The 3 star superior hotels, however, still manage to register a rise of +11.0%. As for the other regions, the contrary is the case. The rise in demand is stronger for the midscale category than for the upscale market, with a growth of 6.4% of the occupancy rate for the 3 star hotels.

This tendency marks the dynamism in leisure tourism, the main clientèle during the month of August. The numerous efforts undertaken by people working in the tourism industry have definitely contributed to boost their destination's attractiveness.

As for Paris, the capital has recently seen its cultural offer increase by the opening of the Museum of Decorative Arts, the museum Quai Branly, the aquarium of Trocadéro, the Petit Palais... Thanks to this trend, the appeal of Paris is reinforced.

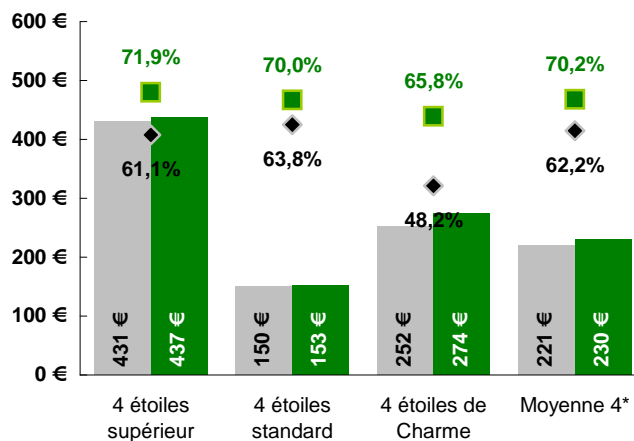
The hotel industry in the other regions does not stay behind and equally benefits from the rise in demand. This can be attributed to the zeal of the regions to boost their tourism offer.

The only exception from the rise in demand could be noted for the 2 star hotel market in the other regions, which register a decrease of their occupancy rate by 1.9%. Indeed, many hotels not situated close to the sea or any other kind of tourist attraction have seen their business tourists arrive more hesitantly than usual.

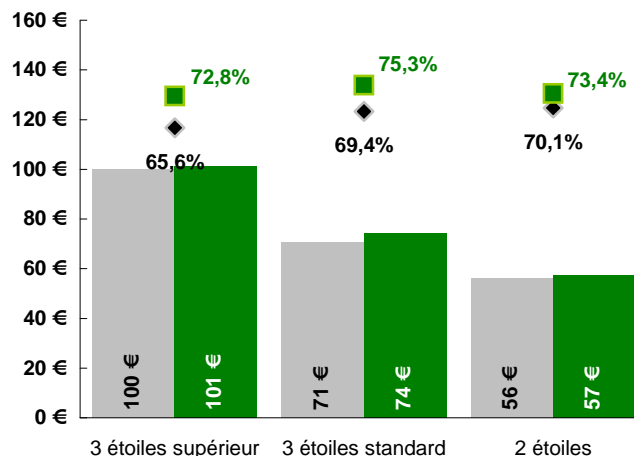
The French hotel industry has achieved to attract a greater number of tourists while still maintaining a normal discount policy. The average rate is indeed slightly progressing. The only exceptions are the 4 star boutique hotels in Paris, who outperformed its market with a rise of +9.4% of their ADR, and the 3 star regional hotel markets, which have noted a slight decrease of their average rate (-1.6%).

### Monthly indicators

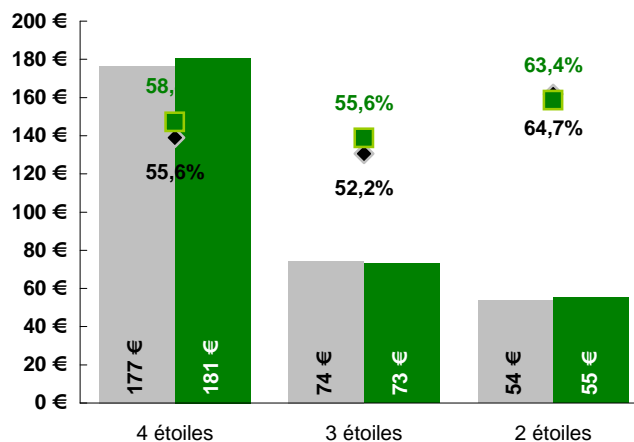
#### Upscale hotel market in Paris



#### 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**

| AUGUST      | Superior 4 star | Standard 4 star | Boutique hotels | Average 4*    |
|-------------|-----------------|-----------------|-----------------|---------------|
| OR 2005     | 61,1%           | 63,8%           | 48,2%           | 62,2%         |
| OR 2006     | 71,9%           | 70,0%           | 65,6%           | 70,2%         |
| Var.        | <b>+17,7%</b>   | <b>+9,8%</b>    | <b>+36,3%</b>   | <b>+12,9%</b> |
| ADR 2005    | 431 €           | 150 €           | 252 €           | 221 €         |
| ADR 2006    | 437 €           | 153 €           | 276 €           | 230 €         |
| Var.        | <b>+1,4%</b>    | <b>+1,5%</b>    | <b>+9,4%</b>    | <b>+3,8%</b>  |
| RevPAR 2005 | 263 €           | 96 €            | 122 €           | 138 €         |
| RevPAR 2006 | 314 €           | 107 €           | 181 €           | 161 €         |
| Var.        | <b>+19,3%</b>   | <b>+11,4%</b>   | <b>+49,0%</b>   | <b>+17,2%</b> |

| YTD AUGUST  | Superior 4 star | Standard 4 star | Boutique hotels | Average 4*    |
|-------------|-----------------|-----------------|-----------------|---------------|
| OR 2005     | 65,7%           | 67,6%           | 59,9%           | 66,7%         |
| OR 2006     | 72,7%           | 72,9%           | 67,6%           | 72,6%         |
| Var.        | <b>+10,7%</b>   | <b>+7,9%</b>    | <b>+13,0%</b>   | <b>+8,8%</b>  |
| ADR 2005    | 395 €           | 169 €           | 282 €           | 229 €         |
| ADR 2006    | 407 €           | 172 €           | 291 €           | 235 €         |
| Var.        | <b>+3,1%</b>    | <b>+1,8%</b>    | <b>+3,1%</b>    | <b>+3,0%</b>  |
| RevPAR 2005 | 259 €           | 114 €           | 169 €           | 152 €         |
| RevPAR 2006 | 296 €           | 126 €           | 197 €           | 171 €         |
| Var.        | <b>+14,1%</b>   | <b>+9,8%</b>    | <b>+16,5%</b>   | <b>+12,1%</b> |

**Midscale hotel markets in Paris**

| AUGUST      | Superior 3 star | Standard 3 star | 2 star       |
|-------------|-----------------|-----------------|--------------|
| OR 2005     | 65,6%           | 69,4%           | 70,1%        |
| OR 2006     | 72,8%           | 75,3%           | 73,4%        |
| Var.        | <b>+11,0%</b>   | <b>+8,5%</b>    | <b>+4,7%</b> |
| ADR 2005    | 100 €           | 71 €            | 56 €         |
| ADR 2006    | 101 €           | 74 €            | 57 €         |
| Var.        | <b>+1,3%</b>    | <b>+5,0%</b>    | <b>+2,6%</b> |
| RevPAR 2005 | 66 €            | 49 €            | 39 €         |
| RevPAR 2006 | 74 €            | 56 €            | 42 €         |
| Var.        | <b>+12,4%</b>   | <b>+14,0%</b>   | <b>+7,4%</b> |

| YTD AUGUST  | Superior 3 star | Standard 3 star | 2 star       |
|-------------|-----------------|-----------------|--------------|
| OR 2005     | 74,0%           | 72,1%           | 76,9%        |
| OR 2006     | 77,8%           | 73,8%           | 76,8%        |
| Var.        | <b>+5,2%</b>    | <b>+2,4%</b>    | <b>-0,0%</b> |
| ADR 2005    | 121 €           | 85 €            | 63 €         |
| ADR 2006    | 122 €           | 87 €            | 65 €         |
| Var.        | <b>+0,4%</b>    | <b>+2,4%</b>    | <b>+2,3%</b> |
| RevPAR 2005 | 90 €            | 61 €            | 49 €         |
| RevPAR 2006 | 95 €            | 64 €            | 50 €         |
| Var.        | <b>+5,6%</b>    | <b>+4,9%</b>    | <b>+2,2%</b> |

**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**

| AUGUST      | 4 star | 3 star | 2 star |
|-------------|--------|--------|--------|
| OR 2005     | 55,6%  | 52,2%  | 64,7%  |
| OR 2006     | 58,8%  | 55,6%  | 63,4%  |
| Var.        | +5,8%  | +6,4%  | -1,9%  |
| ADR 2005    | 177 €  | 74 €   | 54 €   |
| ADR 2006    | 181 €  | 73 €   | 55 €   |
| Var.        | +2,3%  | -1,6%  | +3,2%  |
| RevPAR 2005 | 98 €   | 39 €   | 35 €   |
| RevPAR 2006 | 106 €  | 41 €   | 35 €   |
| Var.        | +8,3%  | +4,7%  | +1,2%  |

| YTD AUGUST  | 4 star | 3 star | 2 star |
|-------------|--------|--------|--------|
| OR 2005     | 56,9%  | 58,7%  | 63,8%  |
| OR 2006     | 60,0%  | 59,9%  | 63,2%  |
| Var.        | +5,4%  | +2,0%  | -0,9%  |
| ADR 2005    | 144 €  | 79 €   | 53 €   |
| ADR 2006    | 149 €  | 80 €   | 54 €   |
| Var.        | +3,3%  | +1,4%  | +2,7%  |
| RevPAR 2005 | 82 €   | 46 €   | 34 €   |
| RevPAR 2006 | 89 €   | 48 €   | 34 €   |
| Var.        | +8,9%  | +3,4%  | +1,7%  |

Notes : OR = Occupancy Rate

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