

Paris/ Regions (excl. Riviera)

September 2007

**A middling start into the season in Paris, a far more joyful one in regional France**

While regional France publishes a strong increase in ADR for September, the month's performances were weaker in Paris. After a few months of continuous growth, occupancy rates in the Parisian hotel industry are generally on a downturn. Nevertheless occupancy rates still stay at a high level and the growth in daily rates compensates for the decrease in demand.

In Paris, despite the success of the Rugby World Championship both among tourists and residents, the Parisian hotels have concluded the month of September with rather middling performances.

Daily rates of Parisian hotels have continued to increase. For the upscale hotel market, room revenue is on average 3% higher than in 2006 and the average daily rate of 4 star hotels in Paris amounts to 319 € net of VAT. As for the midscale segment, the increase in daily rates is even more spectacular. In this market, all categories publish increases around or even above 10%.

One would suppose that this positive trend in daily rates should have satisfied the industry professionals. However, despite the good news, a slight concern can be noted among the hoteliers. For the first time after a long period of upward performances, each of the segments in the Parisian hotel market publishes simultaneously a decline in occupancy rates. The decrease amounts to approximately -2 % to -3% for the majority of the segments. The superior 4 star hotels however lose almost -8% compared to the previous year.

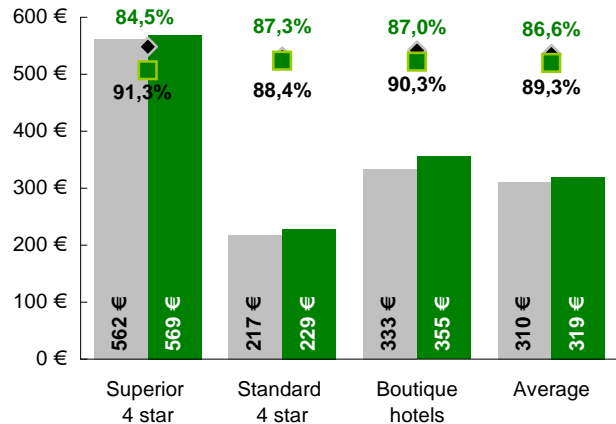
In regional France, apart from a stagnation in occupancy levels in the 4 star market, the start into the season was indeed favourable. The growth rate of RevPAR ranges between +8% for 2 star hotels and +16% for 4 star hotels.

These gains can mainly be attributed to the strong rise in daily rates. The latter have strongly increased during the month of September, compensating for the stagnation of occupancy rates in the upscale hotel market and for the moderate increase (+2%) in the midscale market.

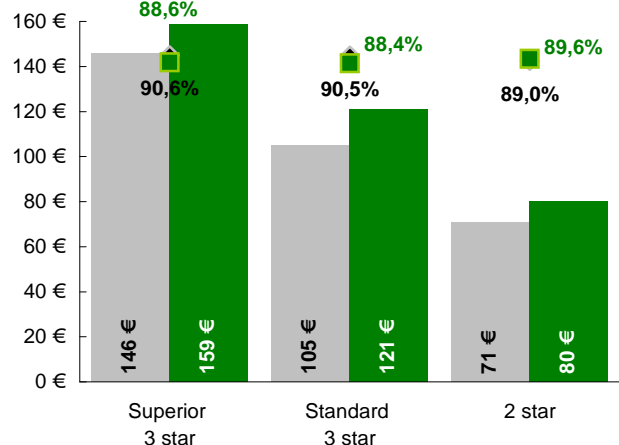
It has to be mentioned though that the current scope of decline in the Parisian hotel market is limited. It is also true that all segments publish occupancy rates near or even superior to 85%. One must also take into account that, at such performance levels, it is difficult to eternally continue to grow. Nevertheless, this counter-performance also fuels a few questions. Should one simply see a temporary drop due to the difficulty in maintaining extremely high performance levels? Is it the first tangible sign of the consequences of the strong Dollar depreciation? Or is it all simply about a cutback in demand? At present that is difficult to state, but be sure that the performance data of the upcoming months are being awaited for impatiently and that they will be carefully analyzed.

Monthly indicators

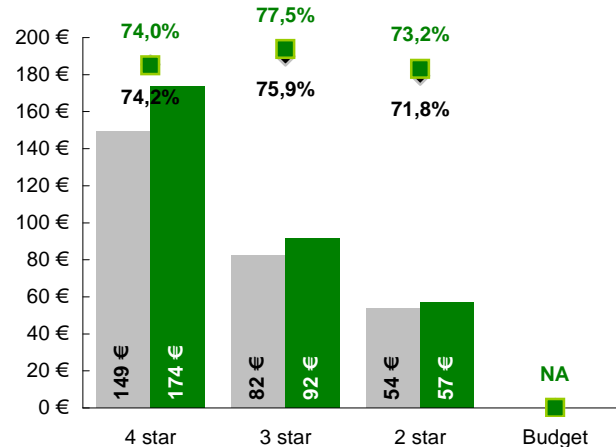
Upscale hotel markets - Paris



Midscale hotel markets - Paris



Regional hotel markets



ADR 2006      ADR 2007  
 OR 2006      OR 2007

ADR = Average Daily Rate  
OR = Occupancy Rate

For further information, please contact Florent Daniel (+33 (0)1 58 37 90 61 or fdaniel@deloitte.fr)

Deloitte - 185 avenue Charles de Gaulle - 92 200 Neuilly Sur Seine France

Tel : +33 (0)1 58 37 90 37 Fax : +33 (0)1 55 61 59 16

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

September 2007

### Upscale hotel markets - Paris

September	Superior 4 star	Standard 4 star	Boutique hotels	Average
OR 2006	91,3%	88,4%	90,3%	89,3%
OR 2007	84,5%	87,3%	87,0%	86,6%
Var.	-7,5%	-1,3%	-3,6%	-3,0%
ADR 2006	562 €	217 €	333 €	310 €
ADR 2007	569 €	229 €	355 €	319 €
Var.	+1,3%	+5,3%	+6,7%	+3,0%
RevPAR 2006	513 €	192 €	301 €	277 €
RevPAR 2007	481 €	200 €	309 €	277 €
Var.	-6,3%	+4,0%	+2,9%	-0,1%

YTD September	Superior 4 star	Standard 4 star	Boutique hotels	Average
OR 2006	77,2%	74,7%	71,3%	75,1%
OR 2007	80,4%	78,1%	78,3%	78,7%
Var.	+4,2%	+4,6%	+9,9%	+4,8%
ADR 2006	454 €	180 €	285 €	255 €
ADR 2007	494 €	189 €	302 €	271 €
Var.	+8,9%	+4,9%	+6,1%	+6,3%
RevPAR 2006	351 €	134 €	203 €	192 €
RevPAR 2007	398 €	148 €	237 €	213 €
Var.	+13,5%	+9,7%	+16,6%	+11,4%

### Midscale hotel markets - Paris

September	Superior 3 star	Standard 3 star	2 star
OR 2006	90,6%	90,5%	89,0%
OR 2007	88,6%	88,4%	89,6%
Var.	-2,2%	-2,4%	+0,6%
ADR 2006	146 €	105 €	71 €
ADR 2007	159 €	121 €	80 €
Var.	+8,8%	+14,9%	+13,1%
RevPAR 2006	132 €	95 €	63 €
RevPAR 2007	141 €	107 €	72 €
Var.	+6,5%	+12,2%	+13,8%

YTD September	Superior 3 star	Standard 3 star	2 star
OR 2006	78,6%	77,4%	77,3%
OR 2007	81,7%	80,7%	82,4%
Var.	+3,9%	+4,2%	+6,5%
ADR 2006	128 €	89 €	65 €
ADR 2007	134 €	96 €	67 €
Var.	+4,6%	+7,8%	+4,1%
RevPAR 2006	100 €	69 €	50 €
RevPAR 2007	109 €	78 €	55 €
Var.	+8,7%	+12,4%	+10,9%

**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

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Deloitte - 185 avenue Charles de Gaulle - 92 200 Neuilly Sur Seine France

Tel : +33 (0)1 58 37 90 37 Fax : +33 (0)1 55 61 59 16

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

September 2007

### Regional hotel markets

September	4 star	3 star	2 star	Budget
OR 2006	74,2%	75,9%	71,8%	n.a.
OR 2007	74,0%	77,5%	73,2%	n.a.
Var.	<b>-0,3%</b>	<b>+2,1%</b>	<b>+2,1%</b>	<b>n.a.</b>
ADR 2006	149 €	82 €	54 €	n.a.
ADR 2007	174 €	92 €	57 €	n.a.
Var.	<b>+16,3%</b>	<b>+11,3%</b>	<b>+6,2%</b>	<b>n.a.</b>
RevPAR 2006	111 €	62 €	39 €	n.a.
RevPAR 2007	128 €	71 €	42 €	n.a.
Var.	<b>+16,0%</b>	<b>+13,7%</b>	<b>+8,4%</b>	<b>n.a.</b>

YTD September	4 star	3 star	2 star	Budget
OR 2006	59,8%	62,4%	62,8%	n.a.
OR 2007	62,5%	64,7%	63,6%	n.a.
Var.	<b>+4,6%</b>	<b>+3,6%</b>	<b>+1,1%</b>	<b>n.a.</b>
ADR 2006	146 €	79 €	53 €	n.a.
ADR 2007	155 €	84 €	55 €	n.a.
Var.	<b>+6,2%</b>	<b>+5,9%</b>	<b>+4,2%</b>	<b>n.a.</b>
RevPAR 2006	87 €	49 €	33 €	n.a.
RevPAR 2007	97 €	54 €	35 €	n.a.
Var.	<b>+11,2%</b>	<b>+9,8%</b>	<b>+5,4%</b>	<b>n.a.</b>

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