

Latin America: 2009 Lodging Report

A Client Advisory on the Construction Pipeline & Forecast for New Hotel Openings



Latin America Development Overview at Q4

• At the end of 2008, the Total Construction Pipeline for Latin America was 616 projects/107,433 rooms. Pipeline totals were down 10% by projects and 16% by rooms from the cyclical peak in Q1 2008. While the region's Pipeline is trending down, to date the retreat is not as steep as it is in other world regions. Developers still consider it an attractive area for lodging development, particularly if they are partnered with a major hotel franchise company.

• The region's Pipeline is front-end loaded, with 55% of total projects already Under Construction. Having secured financing before the economic slowdown and global credit crisis impeded lending, these projects will most likely enter as new supply, with the rate of New Openings ramping up through 2010.

• Brazil accounts for 31% of the total Pipeline with 193 projects/32,819 rooms, followed by Mexico with 142 projects/24,569 rooms. Argentina, Dominican Republic and Colombia are also very active, but at a less heated level.

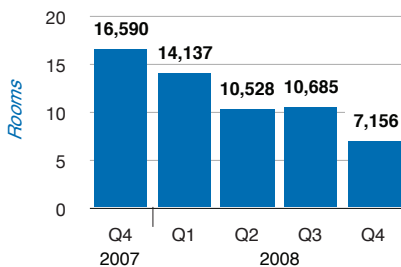
Total Construction Pipeline by Quarter

| Region | Q4 | | Q1 | | % Change Q108 to Q408 | |
|-----------------------|------------|----------------|------------|----------------|-----------------------|-------------|
| | Projs | Rms | Projs | Rms | Projs | Rms |
| Caribbean | 107 | 21,781 | 127 | 30,713 | -16% | -29% |
| Mexico | 142 | 24,569 | 136 | 25,640 | 4% | -4% |
| Central America | 52 | 10,028 | 48 | 9,009 | 8% | 11% |
| South America | 315 | 51,055 | 371 | 62,896 | -15% | -19% |
| Total Pipeline | 616 | 107,433 | 682 | 128,228 | -10% | -16% |

Key Pipeline Metrics

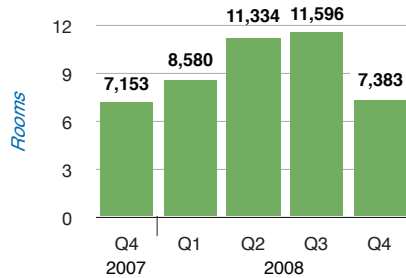
Developer sentiment remains subdued in the wake of the world's economic and banking crises. At 38 projects/7,156 rooms, Construction Starts are off 61% by projects and 57% by rooms. With lending largely unavailable, many projects already in the Pipeline are now stalling in Scheduled Starts and Early Planning stages and cannot migrate forward. Cancellation and Postponement of projects already in the Pipeline, 42 projects/7,383 rooms, are at a much slower rate than the previous two quarters, when there appeared to be a mass removal of projects at the onset of the economic crisis. New Project Announcements into the Pipeline, at 64 projects/9,176 rooms, are half of what they were one year ago, again due to the challenging economic environment. As in other world regions, trends for these metrics will likely continue until the world's economic and banking situations gain footing again.

Construction Starts



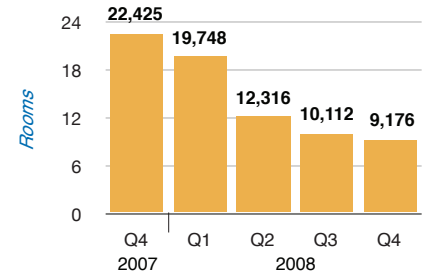
| Projects | 97 | 86 | 63 | 71 | 38 |
|----------|----|----|----|----|----|
|----------|----|----|----|----|----|

Cancellations/Postponements



| Projects | 42 | 52 | 59 | 67 | 42 |
|----------|----|----|----|----|----|
|----------|----|----|----|----|----|

New Project Announcements



| Projects | 122 | 116 | 76 | 70 | 64 |
|----------|-----|-----|----|----|----|
|----------|-----|-----|----|----|----|

Forecast for New Hotel Openings

A total of 140 new hotels/23,361 rooms opened in 2008. With the Pipeline front-end loaded, the rate of New Openings is set to accelerate, with LE's Forecast calling for 167 hotels/25,401 rooms in 2009 and 174 hotels/29,315 rooms in 2010. While these forecasts have been adjusted downward due to falling Pipeline counts, they still represent cyclical highs. LE's Forecast for New Hotel Openings is based on current Pipeline totals and development trends as of the end of Q4 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 the Caribbean, Mexico, Central and South America or for other markets, countries or regions worldwide, please complete the attached fax response form. LE specializes in:

Development Pipeline Reports - Summaries & Individual Project Records

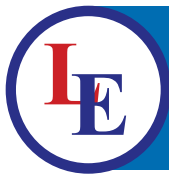
With Three-Year Forecasts for New Hotel Openings for every region, country and market

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 - Latin America

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.

If you would like more information about LE's Development Pipeline, Contact Names for Ownership and Management and Competitive Set Reports for any market in the Latin America, for any country in the region, for the region as a whole, 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 forward samples for your consideration.

| Real Estate Reports | Features | Applications |
|---|--|---|
| <input type="checkbox"/> Development Pipeline Reports <input type="checkbox"/> For any particular market Such as Mexico City, San Juan, Rio de Janeiro and Buenos Aires <input type="checkbox"/> For any country Including Mexico, Puerto Rico, Brazil, Argentina, etc. <input type="checkbox"/> For all of Latin America Or for the Caribbean, Central or South America only | Development Pipeline Reports contain: Pipeline Summaries with project and guest room counts for: <ul style="list-style-type: none"> • Three Development Stages and for Current Supply • The major companies and brands • By chain scale, location and hotel size Three-Year Forecast for New Hotel Openings <ul style="list-style-type: none"> • Project and guest room growth rates • Forecasts are revised quarterly Individual Project Records <ul style="list-style-type: none"> • All Hotel Construction, Reflaggings and Announced Renovation projects • New Project Announcements are added, and Cancellations are removed • Full developer contact information • Start and completion dates are updated quarterly | Access every lodging real estate fact you need for: In-depth market analysis, future supply assessment, development decision-making, acquisition/disposition strategies, and revenue management planning An essential planning tool for: Developers, Franchise Sales Teams, Acquisition/Disposition Officers, Analyst/Feasibility Groups, Operations and Sales and Marketing Executives, Revenue Managers, and Lenders |
| <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 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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| | | | |
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