

## Booming hotel business in the French provinces

Despite the November business slowdown against prior months in Paris, the growth in Room Revenue is quickening in the French provinces.

With the exception of the 4-star and superior 3-star hotels, total room revenue in Paris is gaining ground although slightly less than in prior months.

Superior 4-star establishments are pulling out well and their RevPAR growth is particularly strong (15.9%). The upthrust is mainly due to the performance of the very up-market hotels in the group. The recent launch of Fouquet's Barrière, right under the spotlights, does not seem to have unsettled the market much. Progress by the 4-star boutique hotels, 2 star and standard 3 star categories is slightly less marked.

Although the principal growth factor of superior 4-star hotels is average rate, it is the higher occupancy rates that fuel the rise in RevPAR for boutique hotels. As regards standard 3-star and 2-star hotels, the increase in room revenue is also generated by an improvement in demand (OR).

As for standard 4-star and superior 3-star hotels, the market is subsiding this month. RevPAR in these groups fell by -1.9% and -8.9% respectively. However, the statistics of the two groups should be analysed with all due care as there are considerable disparities. The pricing strategy adopted by hotels has undoubtedly affected occupancy rates.

Although the performance increase of the Parisian hotels is not as firm as in previous months, year-to-date figures in November are nevertheless highly satisfactory. Paris enjoyed an excellent "2006 Business Season" for its hotels. In order to maintain the capital's appeal to the business tourist in the face of new destinations such as the Eastern European countries with their rising capacity, the Ile-de-France region intends to reinforce and to develop its offering. For this purpose, several business facilities (new built or renovation) are at the project stage.

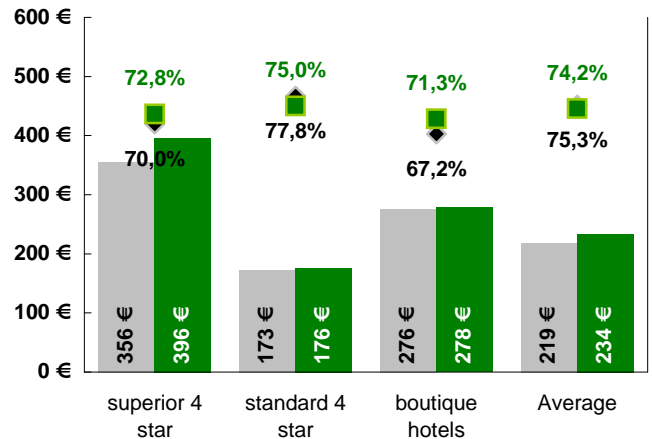
In November, some excellent growth in room revenue was recorded in the provincial hotel business, ranging from 7.7% in the 2-star category to 16.3% in the 4-star category.

The above growth rates seem far superior to those of Paris. The hoteliers, contrary to their Parisian colleagues, have managed to draw concurrently both a rise in average rate and a rise in occupancy.

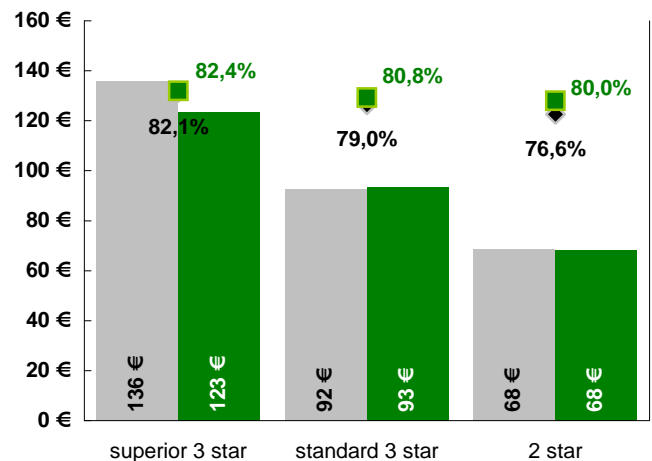
We would like to take this opportunity to wish you a very Happy New Year for 2007.

## Monthly indicators

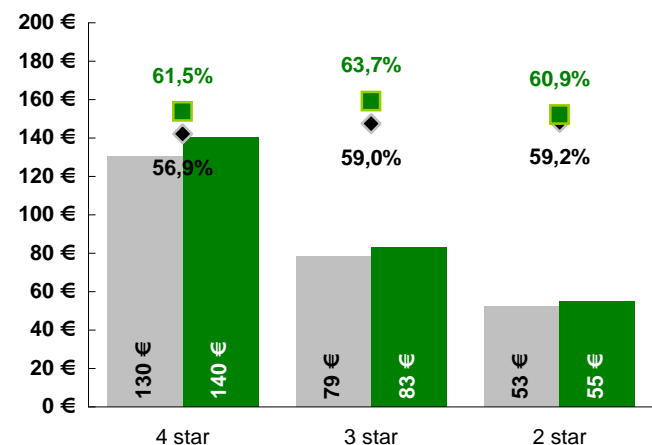
### Upscale hotel markets - Paris



### Midscale hotel markets - Paris



### Regional hotel markets



ADR 2005      ADR 2006  
 OR 2005      OR 2006

ADR = Average Daily Rate  
OR = Occupancy Rate

**Upscale hotel markets - Paris**

NOVEMBER	superior 4 star	standard 4 star	boutique hotels	Average
OR 2005	70,0%	77,8%	67,2%	75,3%
OR 2006	72,8%	75,0%	71,3%	74,2%
Var.	<b>+4,0%</b>	<b>-3,6%</b>	<b>+6,2%</b>	<b>-1,4%</b>
ADR 2005	356 €	173 €	276 €	219 €
ADR 2006	396 €	176 €	278 €	234 €
Var.	<b>+11,5%</b>	<b>+1,7%</b>	<b>+1,0%</b>	<b>+7,0%</b>
RevPAR 2005	249 €	134 €	185 €	165 €
RevPAR 2006	288 €	132 €	199 €	174 €
Var.	<b>+15,9%</b>	<b>-1,9%</b>	<b>+7,3%</b>	<b>+5,5%</b>

YTD NOVEMBER	superior 4 star	standard 4 star	boutique hotels	Average
OR 2005	68,8%	71,4%	64,5%	70,3%
OR 2006	75,4%	75,8%	71,8%	75,4%
Var.	<b>+9,6%</b>	<b>+6,2%</b>	<b>+11,3%</b>	<b>+7,3%</b>
ADR 2005	402 €	174 €	286 €	234 €
ADR 2006	422 €	180 €	299 €	245 €
Var.	<b>+5,0%</b>	<b>+3,6%</b>	<b>+4,3%</b>	<b>+5,0%</b>
RevPAR 2005	276 €	124 €	185 €	164 €
RevPAR 2006	318 €	137 €	214 €	185 €
Var.	<b>+15,1%</b>	<b>+10,0%</b>	<b>+16,1%</b>	<b>+12,6%</b>

**Midscale hotel markets - Paris**

NOVEMBER	superior 3 star	standard 3 star	2 star
OR 2005	82,1%	79,0%	76,6%
OR 2006	82,4%	80,8%	80,0%
Var.	<b>+0,4%</b>	<b>+2,3%</b>	<b>+4,4%</b>
ADR 2005	136 €	92 €	68 €
ADR 2006	123 €	93 €	68 €
Var.	<b>-9,3%</b>	<b>+1,0%</b>	<b>-0,2%</b>
RevPAR 2005	112 €	73 €	52 €
RevPAR 2006	102 €	75 €	55 €
Var.	<b>-8,9%</b>	<b>+3,3%</b>	<b>+4,1%</b>

YTD NOVEMBER	superior 3 star	standard 3 star	2 star
OR 2005	76,5%	75,0%	78,9%
OR 2006	80,3%	77,4%	79,6%
Var.	<b>+4,9%</b>	<b>+3,2%</b>	<b>+1,0%</b>
ADR 2005	127 €	88 €	65 €
ADR 2006	128 €	91 €	66 €
Var.	<b>+0,9%</b>	<b>+4,1%</b>	<b>+2,6%</b>
RevPAR 2005	97 €	66 €	51 €
RevPAR 2006	103 €	71 €	53 €
Var.	<b>+5,8%</b>	<b>+7,4%</b>	<b>+3,6%</b>

Notes: OR = Occupancy Rate

ADR = Average Daily Rate (Room revenue only)

RevPAR = Revenue per Available Room (Room revenue only)

ADR and RevPAR are expressed in Euros excluding VAT

Samples used are stable from one year to the next

**Regional hotel markets**

NOVEMBER	4 star	3 star	2 star
OR 2005	56,9%	59,0%	59,2%
OR 2006	61,5%	63,7%	60,9%
Var.	+8,1%	+7,9%	+2,8%
ADR 2005	130 €	79 €	53 €
ADR 2006	140 €	83 €	55 €
Var.	+7,6%	+5,9%	+4,8%
RevPAR 2005	74 €	46 €	31 €
RevPAR 2006	86 €	53 €	34 €
Var.	+16,3%	+14,3%	+7,7%

YTD NOVEMBER	4 star	3 star	2 star
OR 2005	59,0%	60,7%	64,5%
OR 2006	62,1%	62,2%	64,2%
Var.	+5,3%	+2,4%	-0,5%
ADR 2005	144 €	79 €	53 €
ADR 2006	148 €	81 €	54 €
Var.	+2,6%	+2,1%	+3,0%
RevPAR 2005	85 €	48 €	34 €
RevPAR 2006	92 €	50 €	35 €
Var.	+8,0%	+4,6%	+2,4%

Notes: OR = Occupancy Rate

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