

Exceptional growth for Parisian hotels

Once more, Parisian hotel markets show signs of their good health with double-digit growth rates. The 2 star category remains slightly behind but still post a satisfying 7.8% increase in RevPAR. In the rest of France, hotel markets are equally doing well; RevPAR progresses with rates of more than 4% for all categories.

In Paris, 3 and 4 star hotels' room revenue growth is even higher than in September. While all categories have benefited from increasing rates, superior 4 star (+22.1%), boutique hotels (+20.1%) and standard 3 star properties (+20.8%) show above average performances. The 2 star category shows more modest growth rates in the region of 7.8%.

Parisian hotel markets have reaped the benefits of several major events: Mondiale de l'Automobile, Fashion week, FIAC (Modern Art Fair), Prix de l'Arc de Triomphe, etc. These events have boosted occupancy rates in the capital while at the same time pushing average rates further upwards, in a generally positive economic environment.

The good performances of the upscale segments are fuelled by an increase in occupancy rates (+8.5%) on the one hand and improved average rates (+8.8%) on the other. Hotels in the midscale category already posted fairly high occupancy rates in October last year; hotelkeepers have mainly used rate increases to improve overall room revenue.

All together, Parisian hotel markets (both upscale and midscale) give way to true optimism. Indeed, cumulated figures (YTD) at end of October show occupancy rates of more than 75% (!) for 4 star hotels and nearly 80% for midscale hotels. Paris currently benefits from the rapid development of new feeder markets BRIC (Brazil, Russia, India and China) bringing new clients with high purchasing power.

At the same time, mid- and upscale hotel supply in Paris is growing. The Fouquets Barrière Hotels on the Champs Elysées has opened its doors beginning of November. Furthermore, several "design" hotel project are under development in other neighbourhoods of the city. We can mention amongst others the Porte de la Villette project with 420 rooms and Philippe Starck's Mama Shelter project in the 20th district; both are expected to open in 2008.

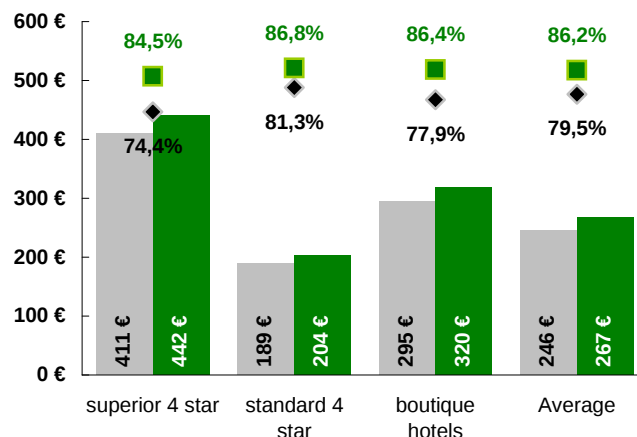
In the other regions of France, we observe the same trend as in Paris with RevPAR growth linked to increasing demand (+4.7%) for upscale hotels and thanks to higher average rates (+3.4%) for the midscale hotels.

The progression in RevPAR is similar from one category to the other with an average increase just over +4%. Nonetheless, the figures presented are to be interpreted with caution because great disparities exist between various cities in France.

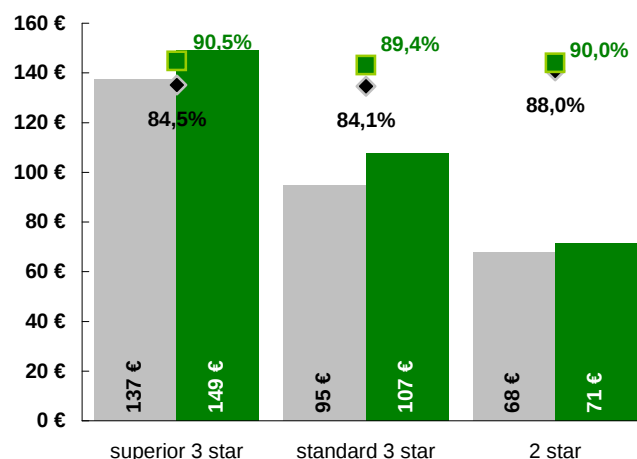
Contrary to Paris, cumulated performances in the rest of France are less bright. Even though RevPAR of upscale hotels progresses more rapidly in 2006 than during the period 2004-2005, the growth of midscale hotels remains identical to last year's figures.

Monthly indicators

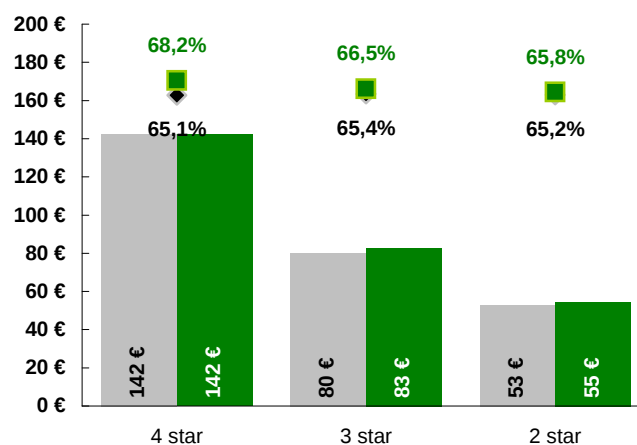
Upscale hotel markets - Paris



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

OCTOBER	superior 4 star	standard 4 star	boutique hotels	Average
OR 2005	74,4%	81,3%	77,9%	79,5%
OR 2006	84,5%	86,8%	86,4%	86,2%
Var.	+13,6%	+6,8%	+10,9%	+8,5%
ADR 2005	411 €	189 €	295 €	246 €
ADR 2006	442 €	204 €	320 €	267 €
Var.	+7,5%	+7,7%	+8,3%	+8,8%
RevPAR 2005	306 €	154 €	230 €	195 €
RevPAR 2006	374 €	177 €	276 €	230 €
Var.	+22,1%	+15,0%	+20,1%	+18,1%

YTD OCTOBER	superior 4 star	standard 4 star	boutique hotels	Average
OR 2005	68,7%	70,7%	64,2%	69,9%
OR 2006	75,7%	75,9%	71,8%	75,6%
Var.	+10,2%	+7,2%	+11,8%	+8,2%
ADR 2005	406 €	174 €	287 €	235 €
ADR 2006	424 €	181 €	301 €	246 €
Var.	+4,4%	+3,8%	+4,6%	+4,7%
RevPAR 2005	279 €	123 €	185 €	164 €
RevPAR 2006	321 €	137 €	216 €	186 €
Var.	+15,0%	+11,3%	+17,0%	+13,3%

Midscale hotel markets - Paris

OCTOBER	superior 3 star	standard 3 star	2 star
OR 2005	84,5%	84,1%	88,0%
OR 2006	90,5%	89,4%	90,0%
Var.	+7,1%	+6,3%	+2,3%
ADR 2005	137 €	95 €	68 €
ADR 2006	149 €	107 €	71 €
Var.	+8,4%	+13,6%	+5,4%
RevPAR 2005	116 €	80 €	60 €
RevPAR 2006	135 €	96 €	64 €
Var.	+16,1%	+20,8%	+7,8%

YTD OCTOBER	superior 3 star	standard 3 star	2 star
OR 2005	76,1%	74,6%	79,1%
OR 2006	80,1%	77,0%	79,6%
Var.	+5,2%	+3,2%	+0,6%
ADR 2005	125 €	87 €	64 €
ADR 2006	128 €	91 €	66 €
Var.	+2,0%	+4,4%	+2,9%
RevPAR 2005	95 €	65 €	51 €
RevPAR 2006	102 €	70 €	53 €
Var.	+7,3%	+7,8%	+3,5%

Notes: OR = Occupancy Rate

ADR = Average Daily Rate (Room revenue only) excluding taxes

RevPAR = Revenue per Available Room (Room revenue only) excluding taxes

ADR and RevPAR are expressed in Euros excluding VAT

Samples are stable from one year onto the other

Regional hotel markets

OCTOBER	4 star	3 star	2 star
OR 2005	65,1%	65,4%	65,2%
OR 2006	68,2%	66,5%	65,8%
Var.	+4,7%	+1,7%	+0,9%
ADR 2005	142 €	80 €	53 €
ADR 2006	142 €	83 €	55 €
Var.	-0,2%	+3,4%	+3,4%
RevPAR 2005	93 €	52 €	34 €
RevPAR 2006	97 €	55 €	36 €
Var.	+4,5%	+5,1%	+4,3%

YTD OCTOBER	4 star	3 star	2 star
OR 2005	59,2%	60,9%	65,0%
OR 2006	62,2%	62,1%	64,5%
Var.	+5,0%	+1,9%	-0,8%
ADR 2005	145 €	79 €	53 €
ADR 2006	148 €	81 €	54 €
Var.	+2,2%	+1,7%	+2,8%
RevPAR 2005	86 €	48 €	34 €
RevPAR 2006	92 €	50 €	35 €
Var.	+7,3%	+3,7%	+2,0%

Notes: OR = Occupancy Rate

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