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Market Outlook and Trends

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Agenda

- Global Performance
- U.S. Overview
- U.S. Chain Scale Trends
- Segmentation – Transient & Group
- Top U.S. Markets
- 2012 / 2013 Forecast

Major Global Markets Did Well

Market	OCC	ADR	RevPAR
Beijing	8.2	5.8	**14.6**
Berlin	0.9	-2.0	-1.1
Dubai	7.0	3.4	**10.7**
Hong Kong	2.4	23.1	**26.0**
London	-0.1	8.5	8.4
Mexico City	7.9	2.9	**10.9**
Moscow	2.7	5.4	8.3
Sao Paulo	2.9	17.7	**21.1**
Sydney	-0.1	5.2	5.1
Tokyo	-8.5	-6.7	**-14.7**
Toronto	-0.6	0.6	0.0

2011 % Change, ADR & RevPAR in local currency
Source: STR Global

2011: The World Recovering

Markets with Positive REVPAR % Change

Americas:	194	of 212
Europe:	84	of 98
AsiaPac:	38	of 47
Middle East / Africa:	19	of 33

RevPAR in local currency
Source: STR Global

U.S. Performance

Total US - Key Statistics
Full Year 2011

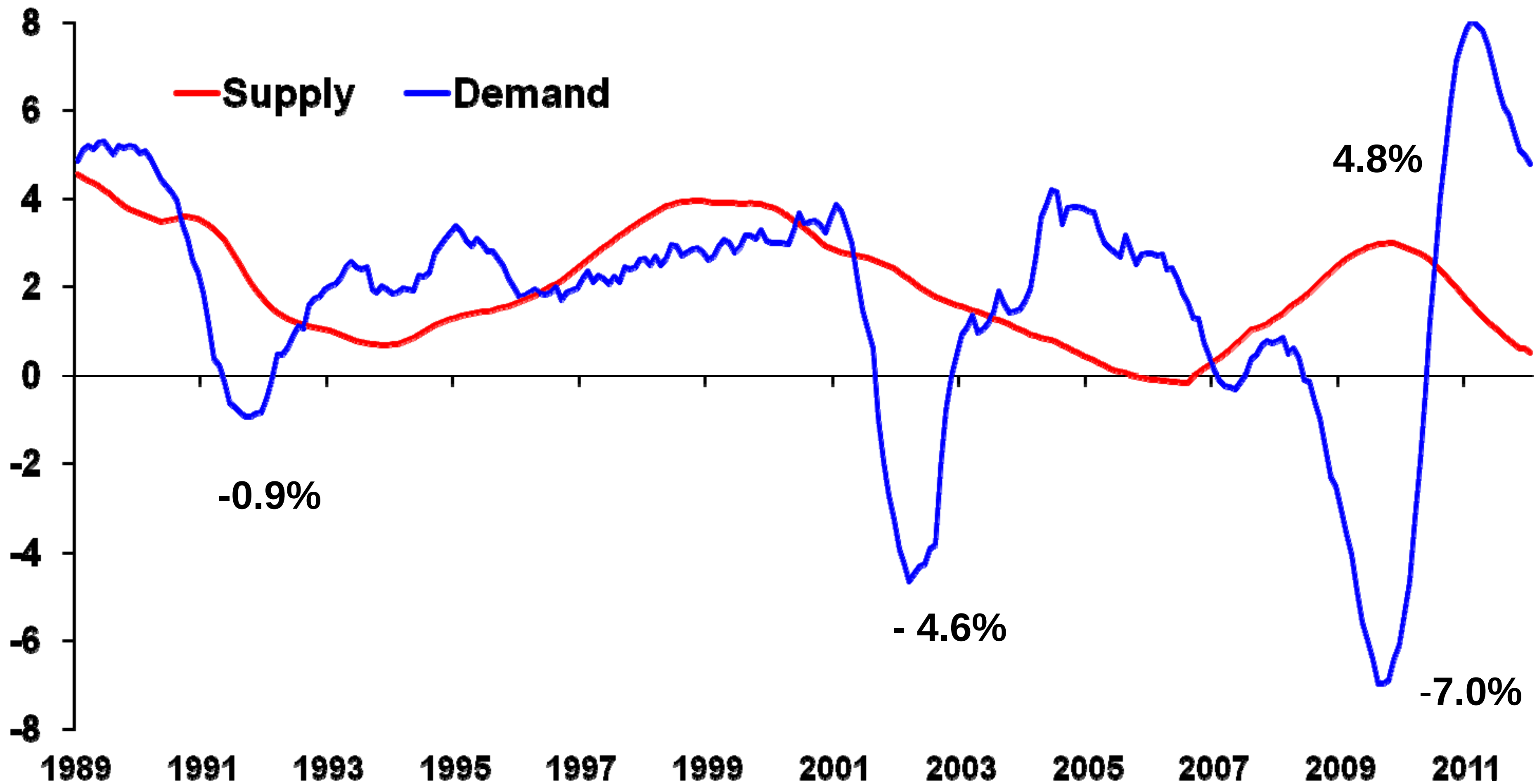
		% Change
Hotels	52k	
Rooms	4.9 million	0.6%
Rooms Sold	1.1 billion	5.0%
Occupancy	60.1%	4.4%
A.D.R.	$101.64	3.7%
RevPAR	$61.07	8.2%
Room Revenue	$108 billion	8.8%

Total United States & Chain Scales

February YTD 2012 - PRELIMINARY

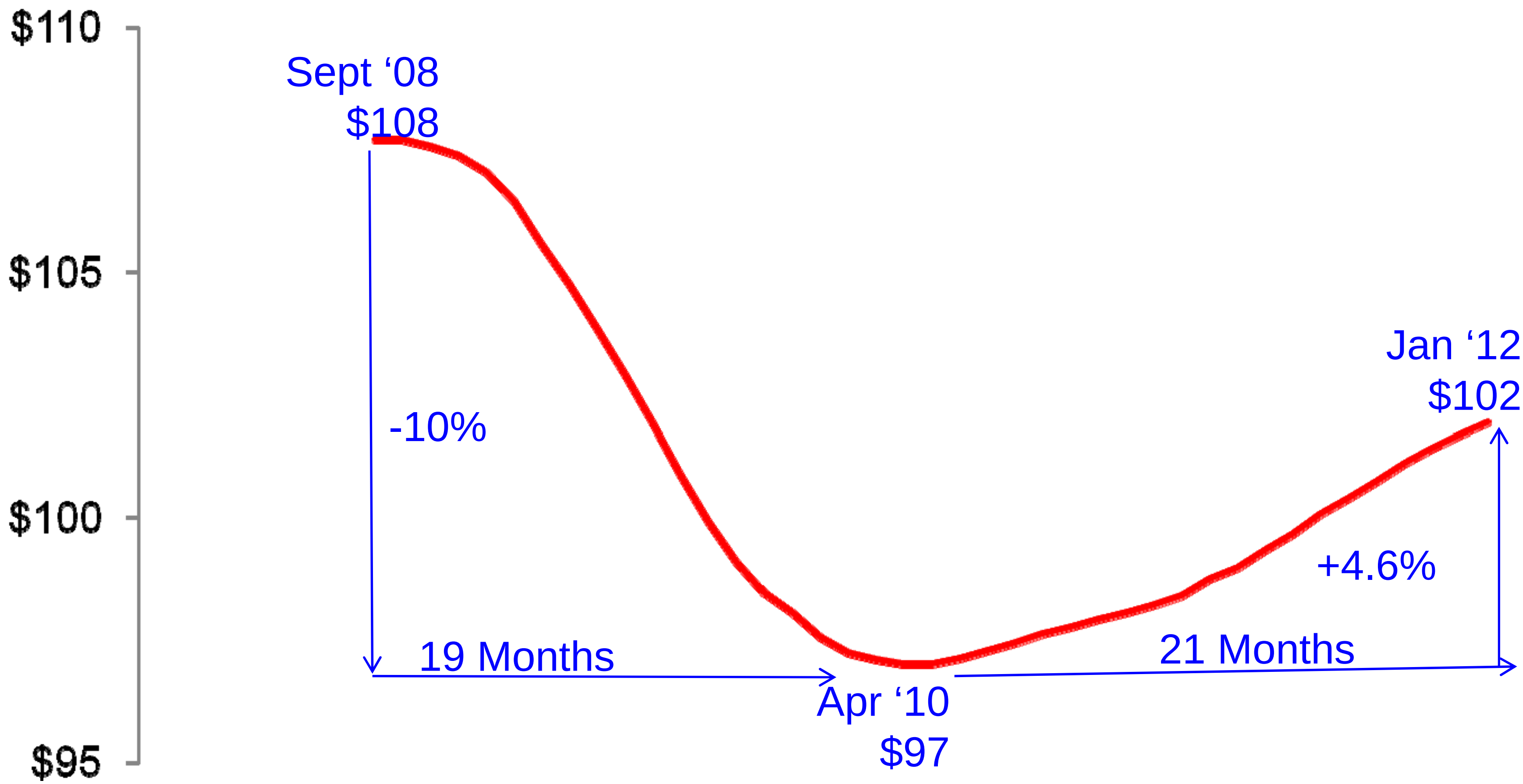
Chain Scale	Occupancy (% chg)	ADR (% chg)	RevPAR (%chg)
Luxury	5.0%	3.2%	8.4%
Upper Upscale	3.5%	3.3%	6.9%
Upscale	4.0%	4.1%	8.3%
Upper Midscale	4.8%	3.3%	8.3%
Midscale	3.1%	0.8%	4.1%
Economy	1.9%	3.7 %	5.6%
Total United States	3.8%	3.9%	7.9%

Demand Growth Peaked . . . Supply growth hitting bottom . . .



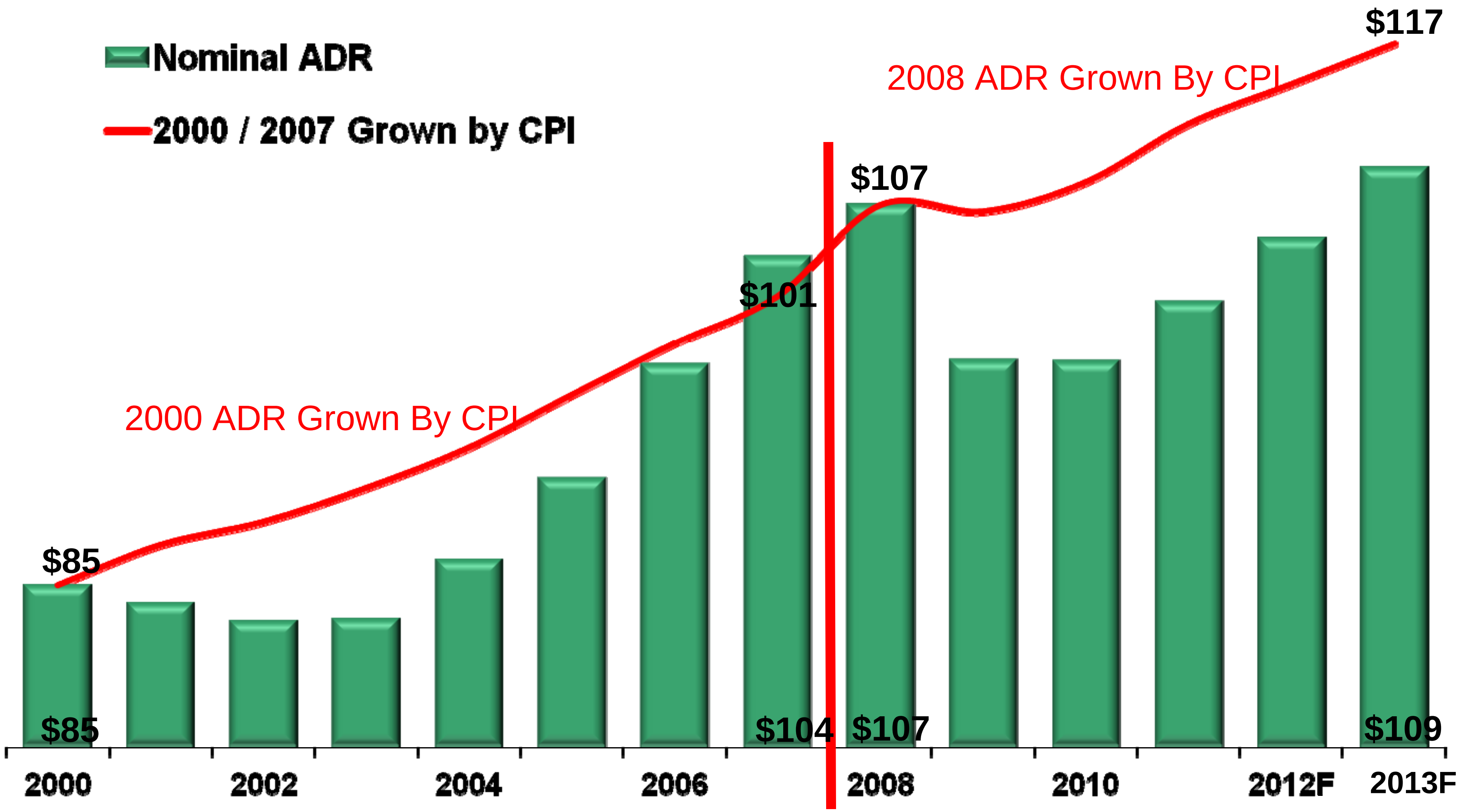
Total US, Supply & Demand % Change, 12 MMA 1989 – January 2012

ADR Discounting at Twice The Speed of ADR Increases



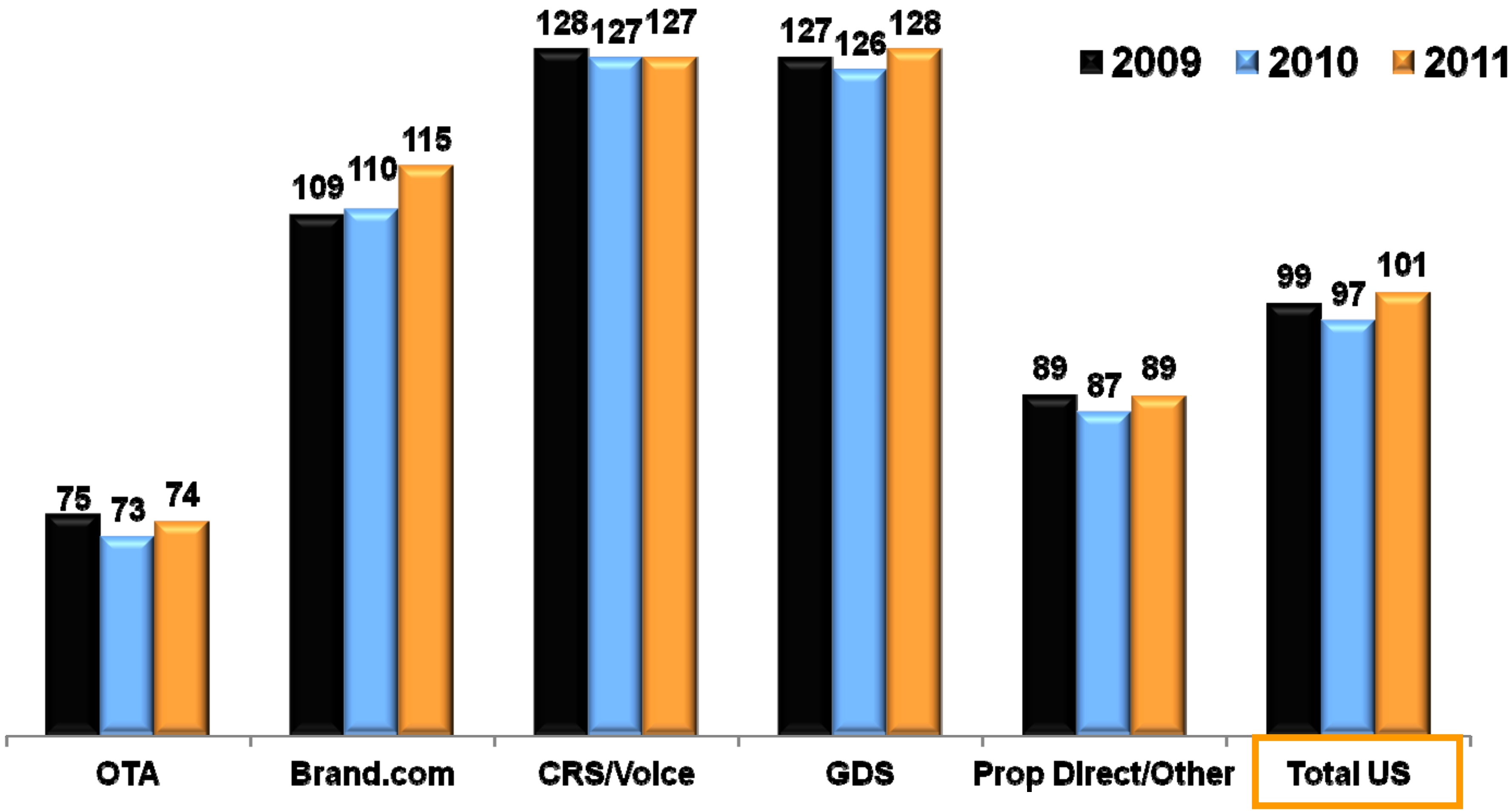
Total US, ADR $, 12 MMA 2008 - 2012

Inflation Adjusted ADRs Well Out Of Reach



Total US, ADR $ and Inflation Adjusted ADR $, 2000 – 2013F
2000 – 2010 CPI from bls.gov, 2011 – 2013 CPI from Blue Chip Economic Indicators

Wide ADR Variance Between OTA and GDS Channel



ADR $, by channel, June YTD 2009 - 2011

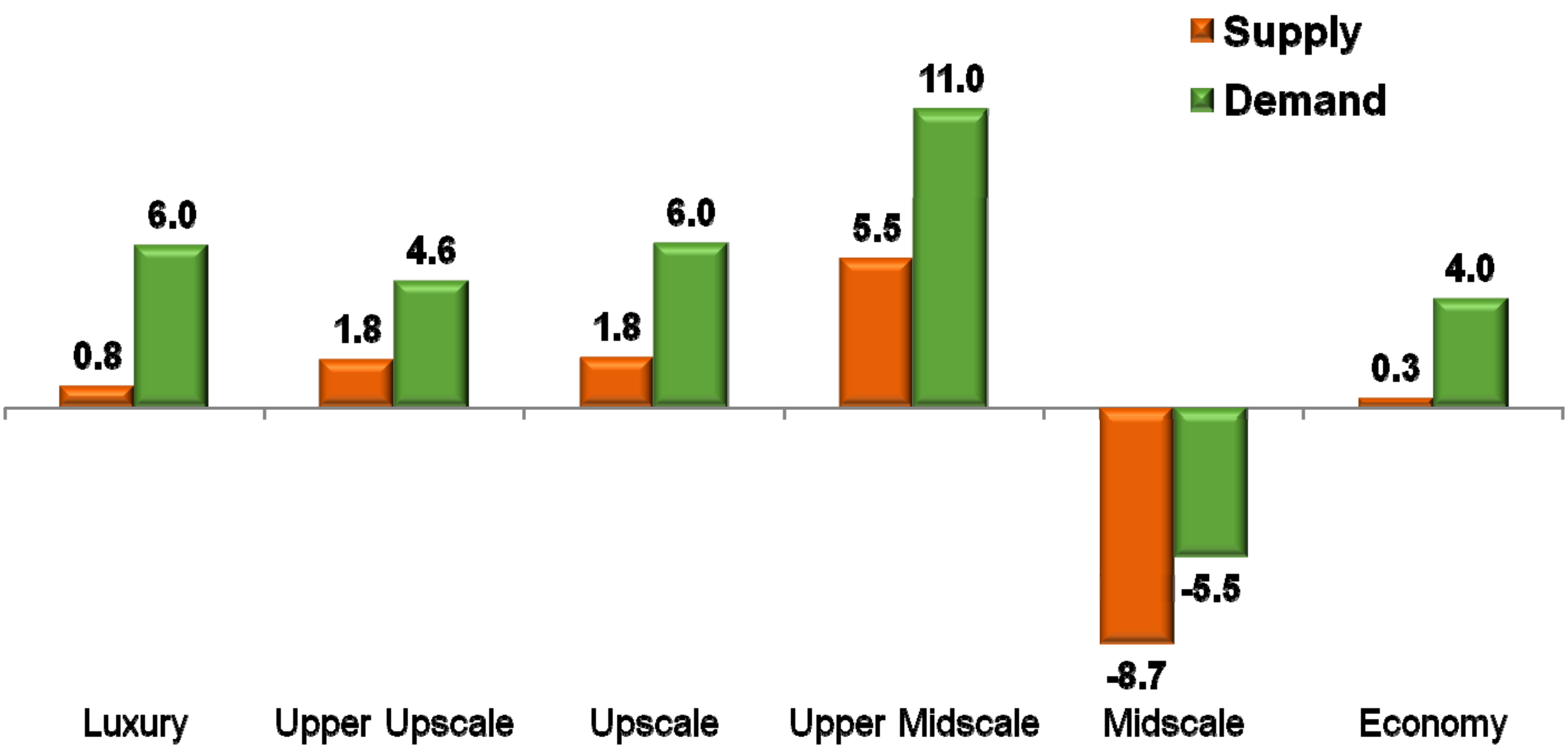
Chain Scales

STR Chain Scales

Selected chains from each segment

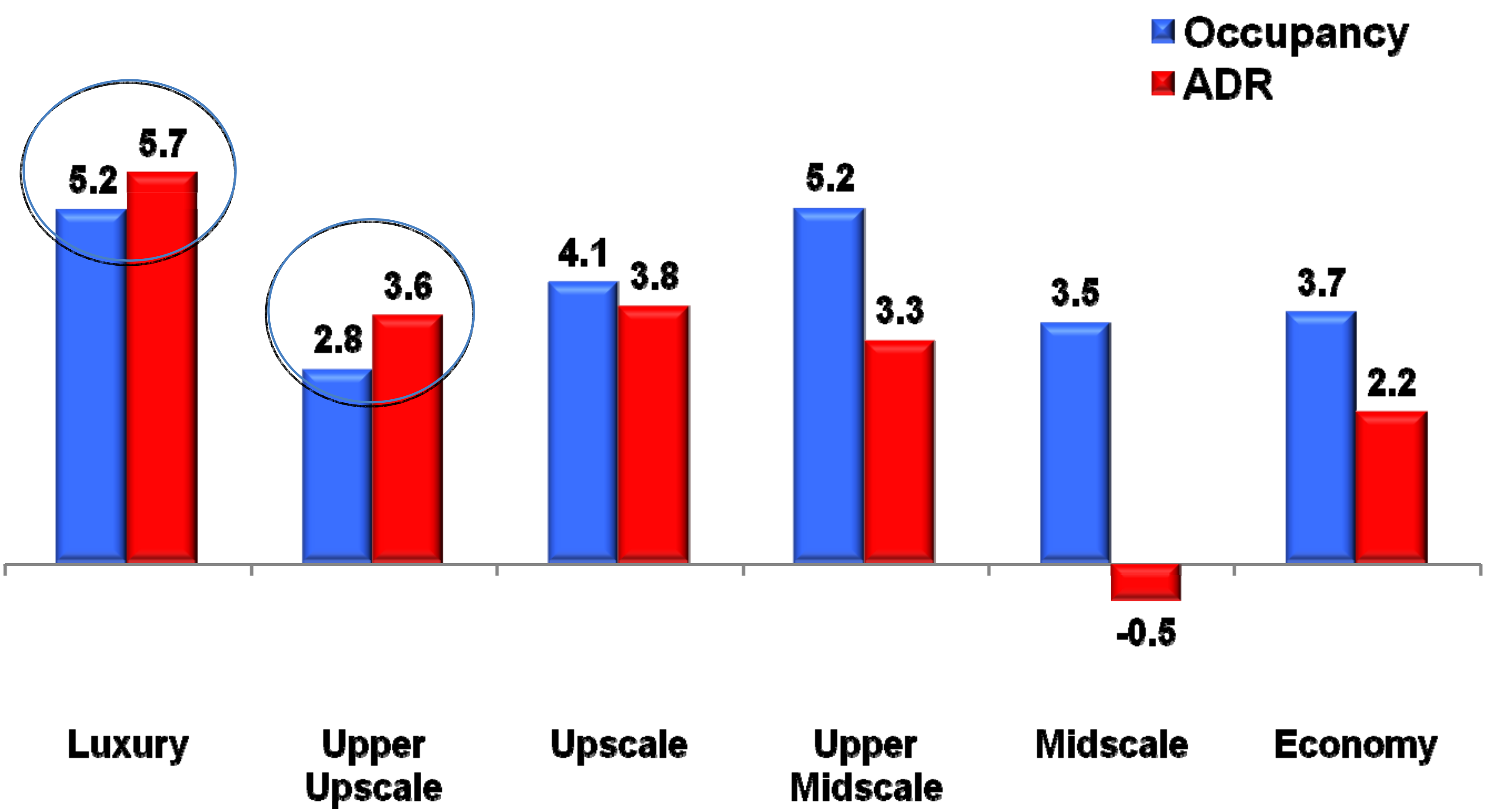
- Luxury – W Hotel, Four Seasons, Ritz Carlton, JW Marriott
- Upper Upscale – Sheraton, Hyatt, Hilton, Marriott,
- Upscale – Four Points, Courtyard, Hilton Garden Inn
- Upper Midscale – Hampton Inn, Holiday Inn, Fairfield Inn, Comfort Inn
- Midscale – La Quinta Inns & Suites, Quality Inn, Wingate
- Economy – Days Inn, Super 8, Econolodge, Red Roof

Strong Demand Growth, Supply Not An Issue



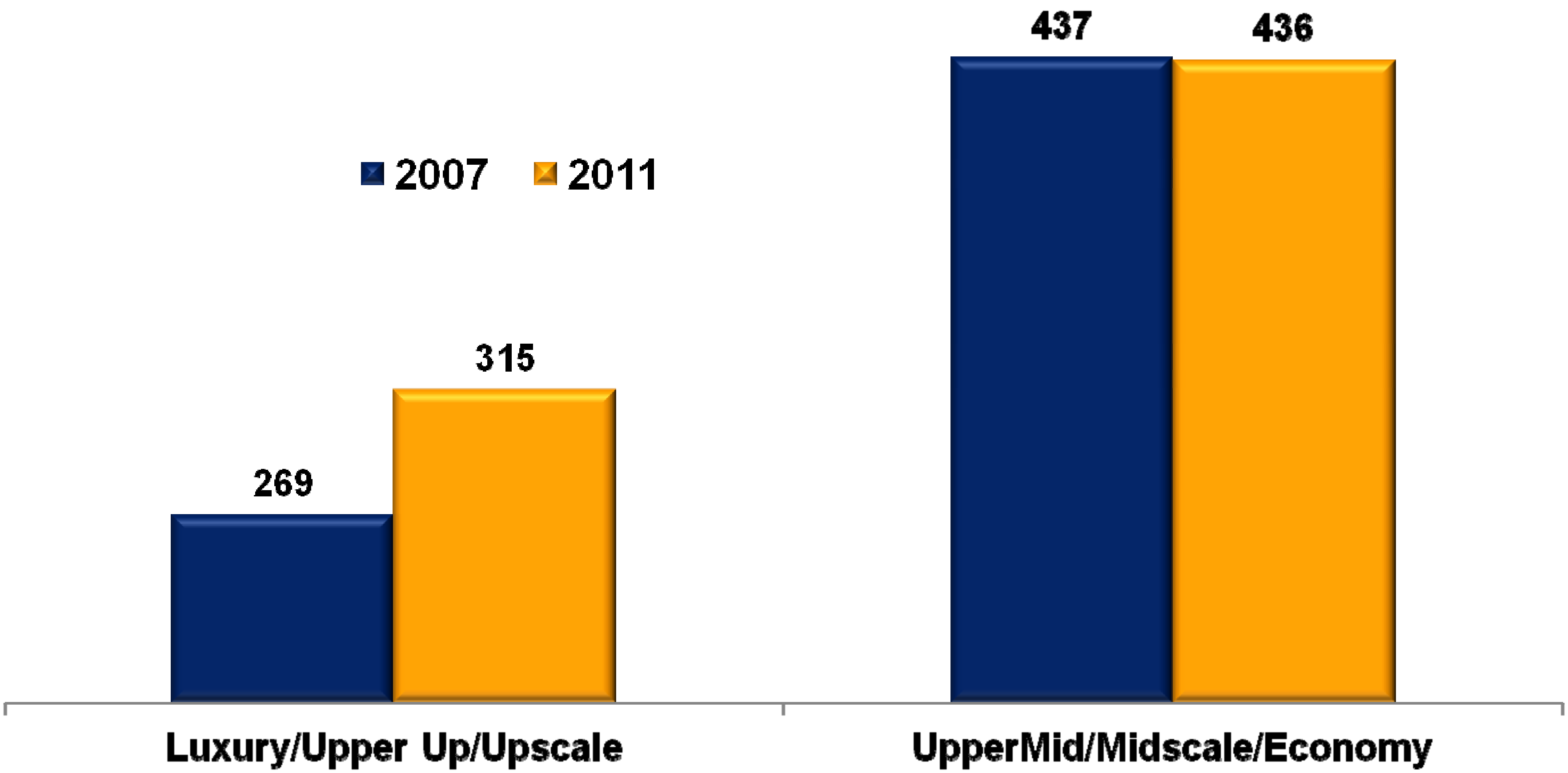
Supply / Demand % Change, by Scale, 2011
Midscale Supply Change Caused by Best Western Re-classification

Early Recovery: OCC % > ADR %



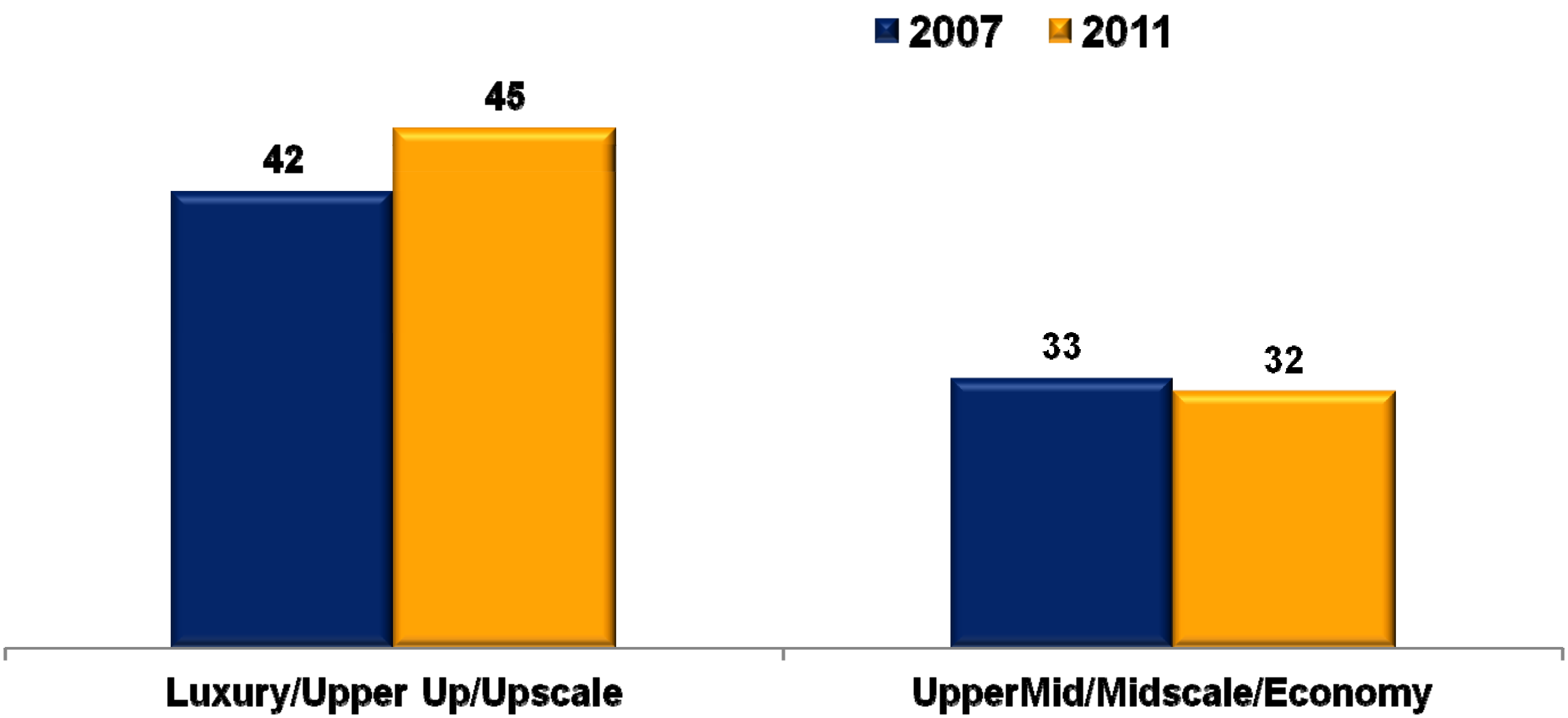
OCC / ADR % Change, by Scale, 2011

Demand Recovery Strongest At Upper End



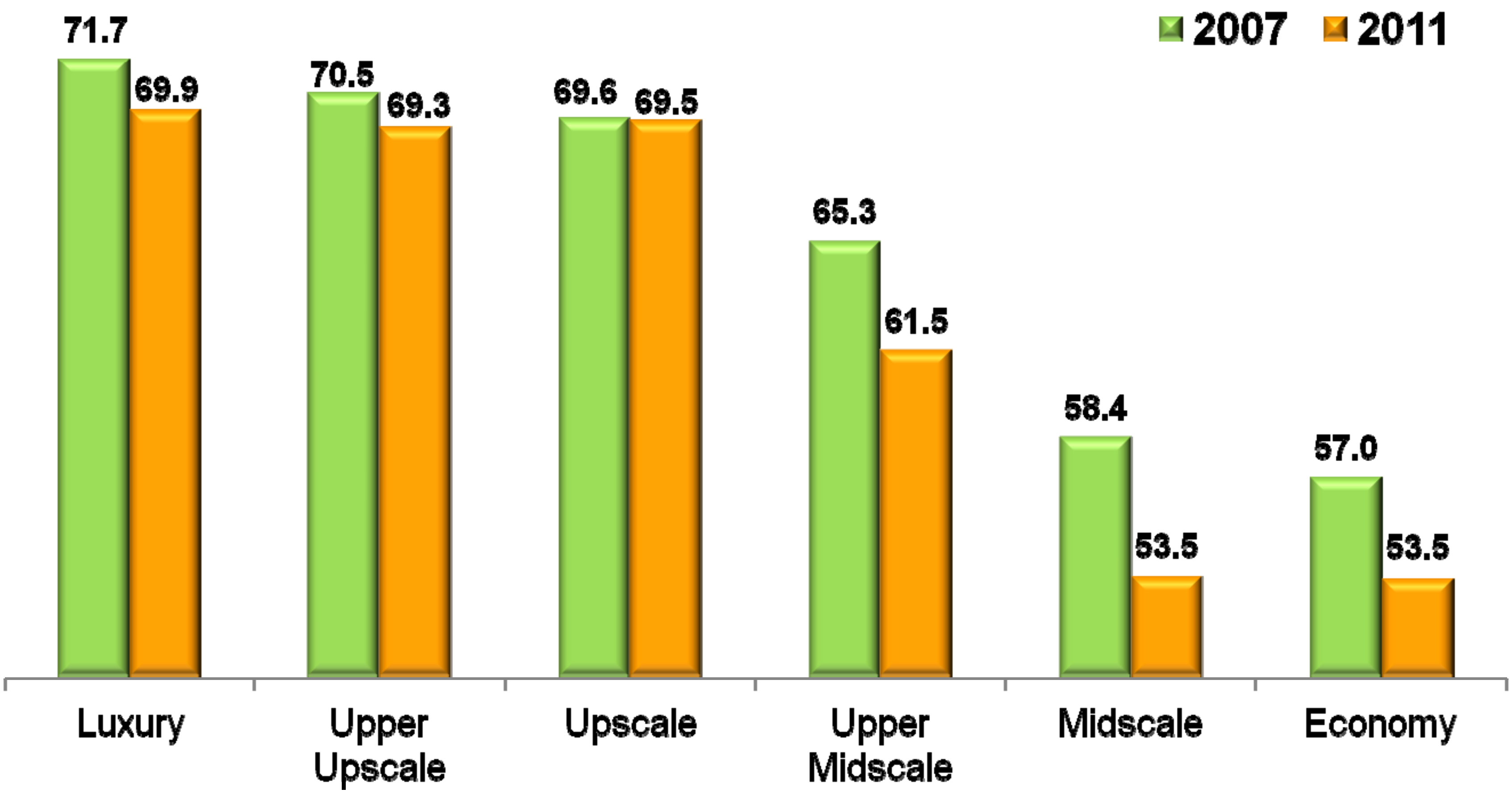
Total Room Demand in Millions, by Combined Scales, 2007 & 2011

No Surprise Here: Room Revenue Grows At Upper End As Well



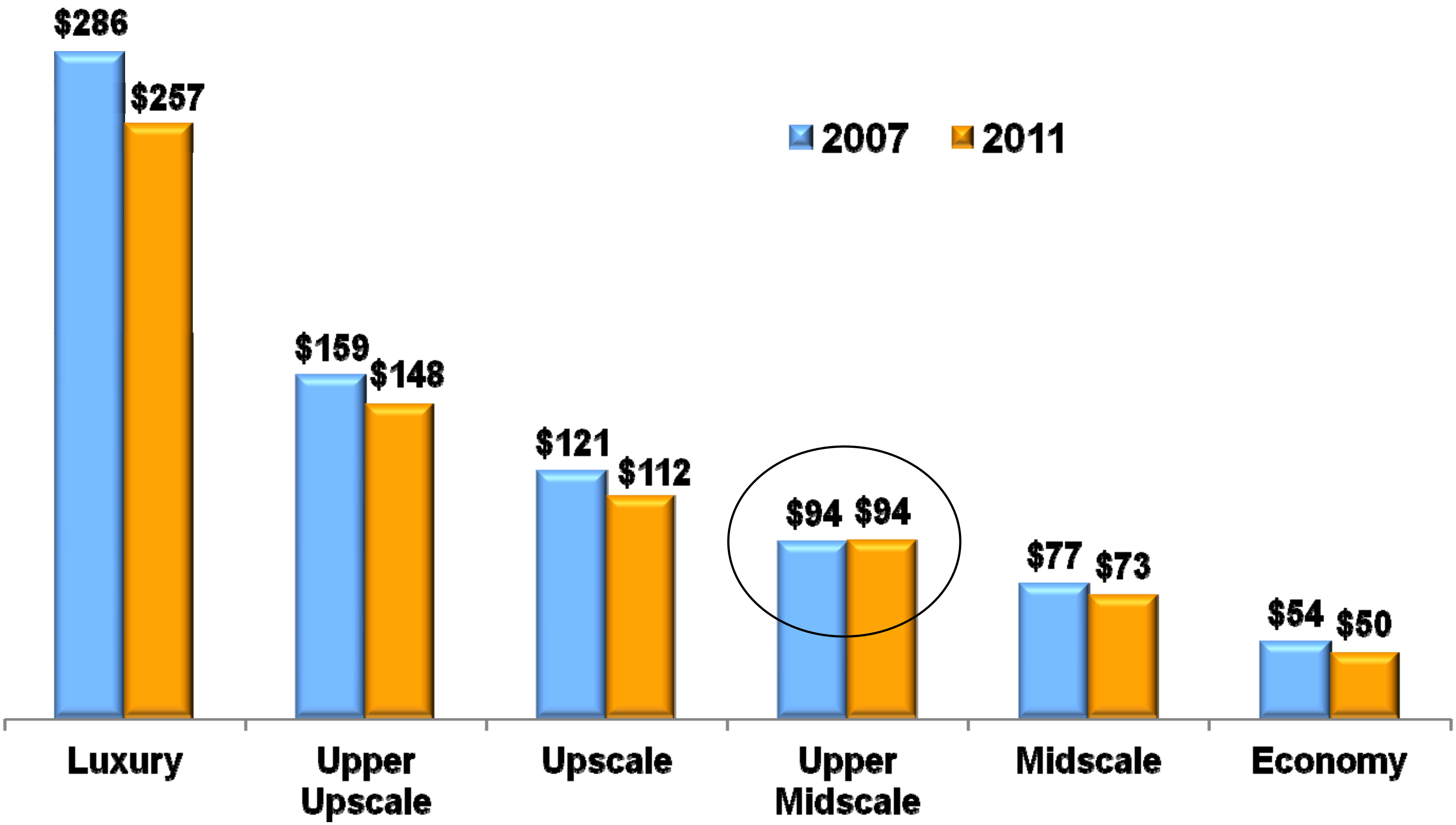
Total Room Revenue in Billions $, by Combined Scales, 2007 / 2011

Upper End Sells 7 out 10 Rooms Every Night



Absolute OCC %, by Scale, 2007 & 2011

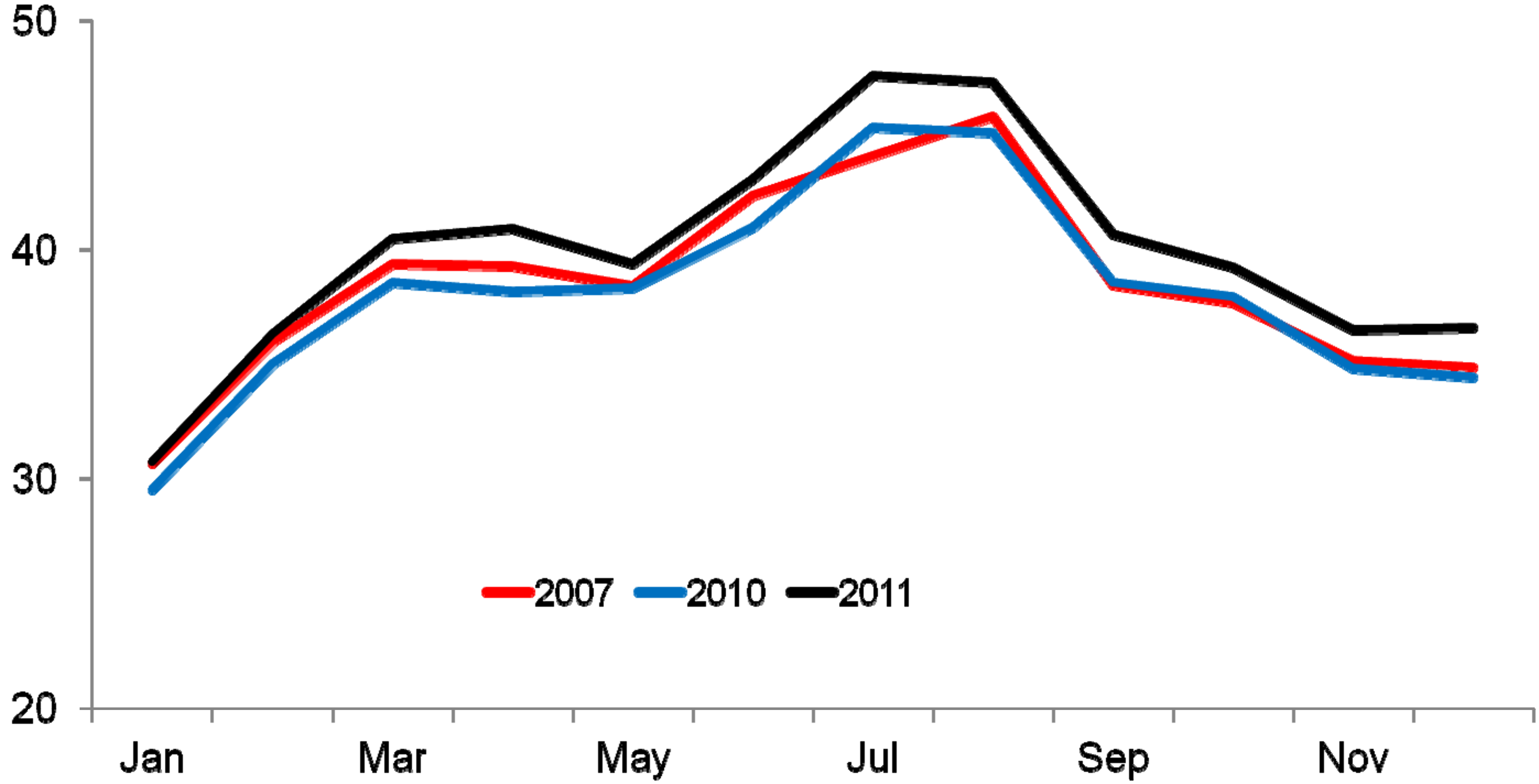
ADR Growth Is Strong – But Not Strong Enough (...yet)



*Absolute ADR $, by Scale, 2007 / 2011

Segmentation

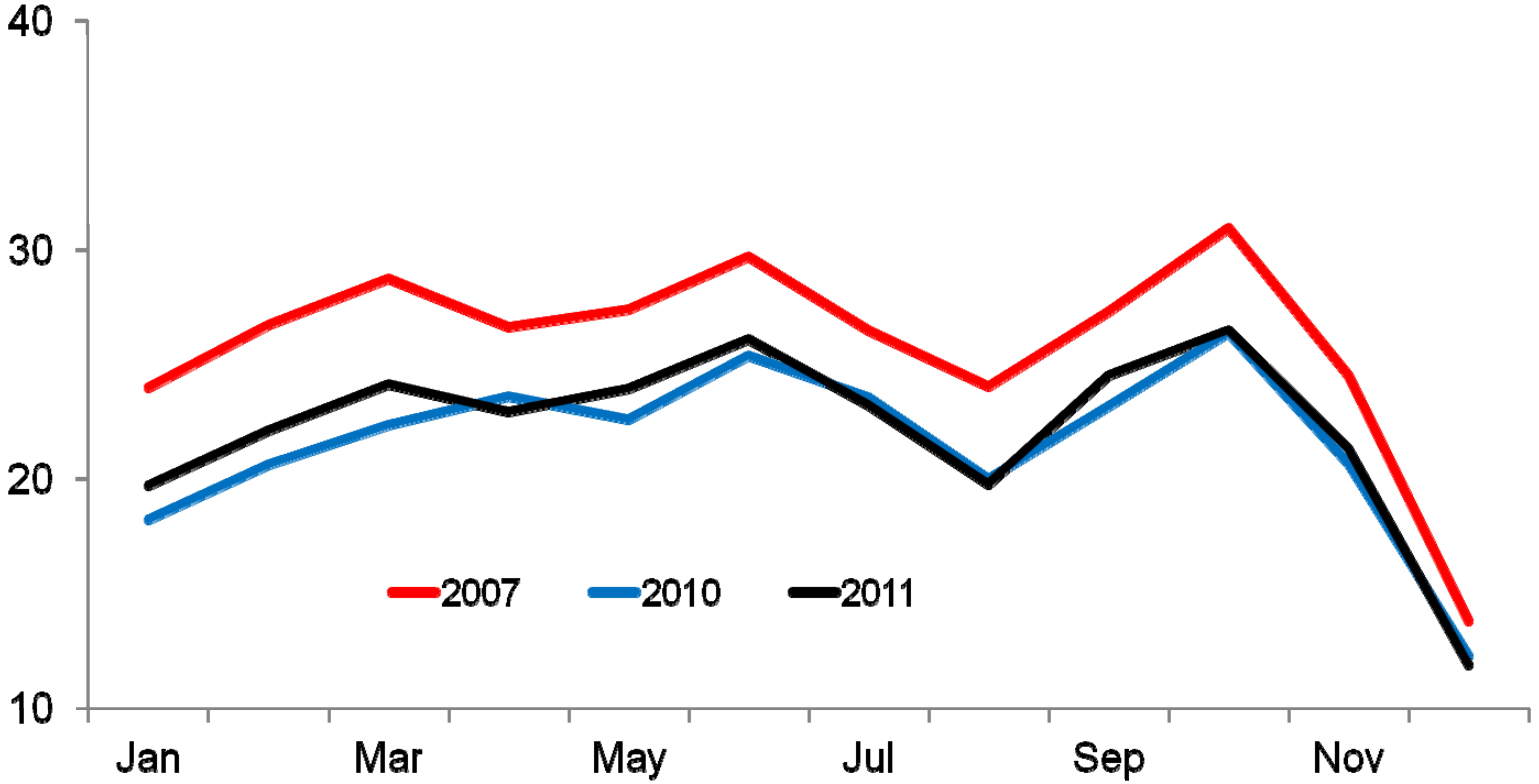
Transient Occupancy is Healthy . . . .



Upper Tier Hotels – 2011 data through December

Upper Tier = Luxury, Upper Upscale Chains and Upper Tier Independents

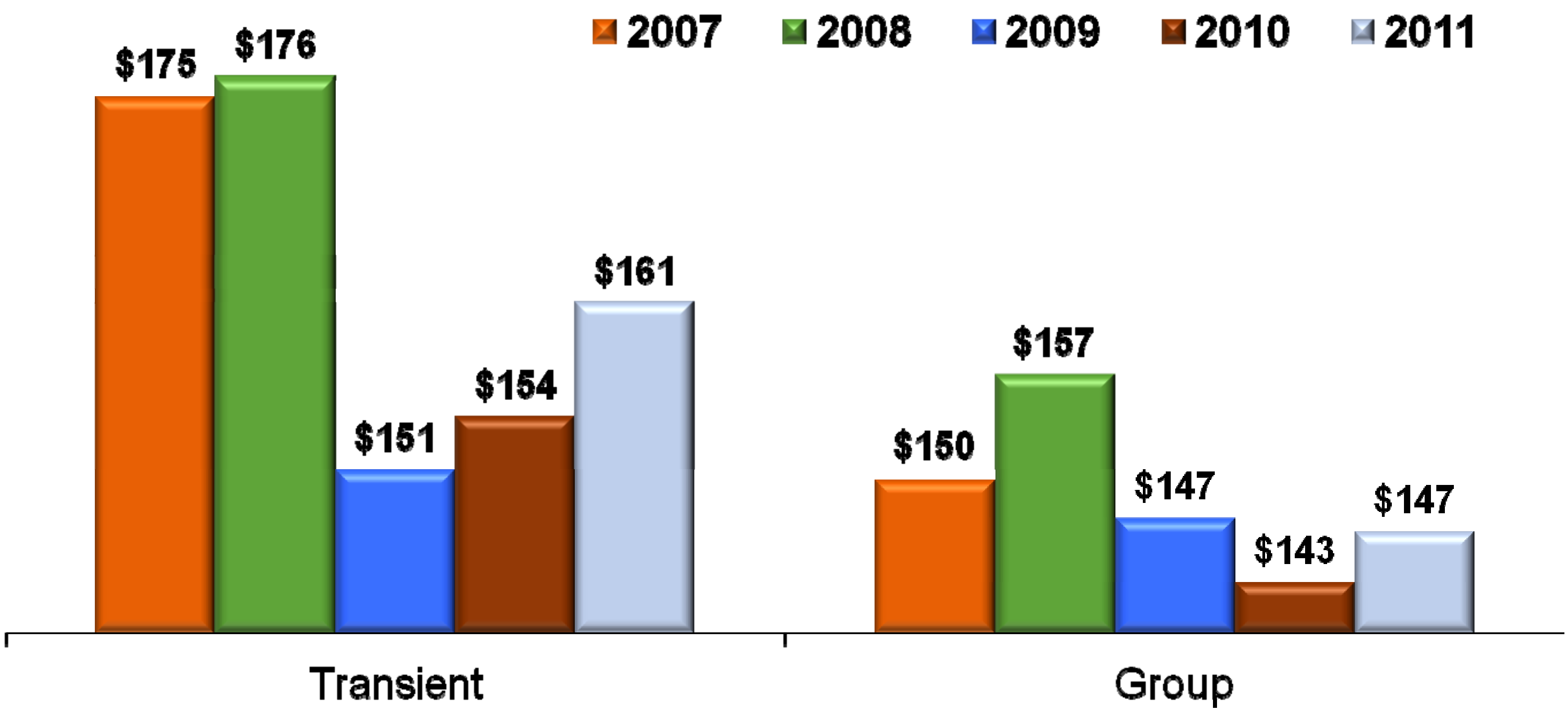
Group Occupancy Below 2007 Levels . . . .



Upper Tier Hotels – 2011 data through December

Upper Tier = Luxury, Upper Upscale Chains and Upper Tier Independents

Transient ADR Growth (Hopefully) Aids Group ADR in '12



Transient vs Group ADR$, 2007 - 2011
Data is for upper tier hotels only (LUX & UU chains, & Upper Tier independents)

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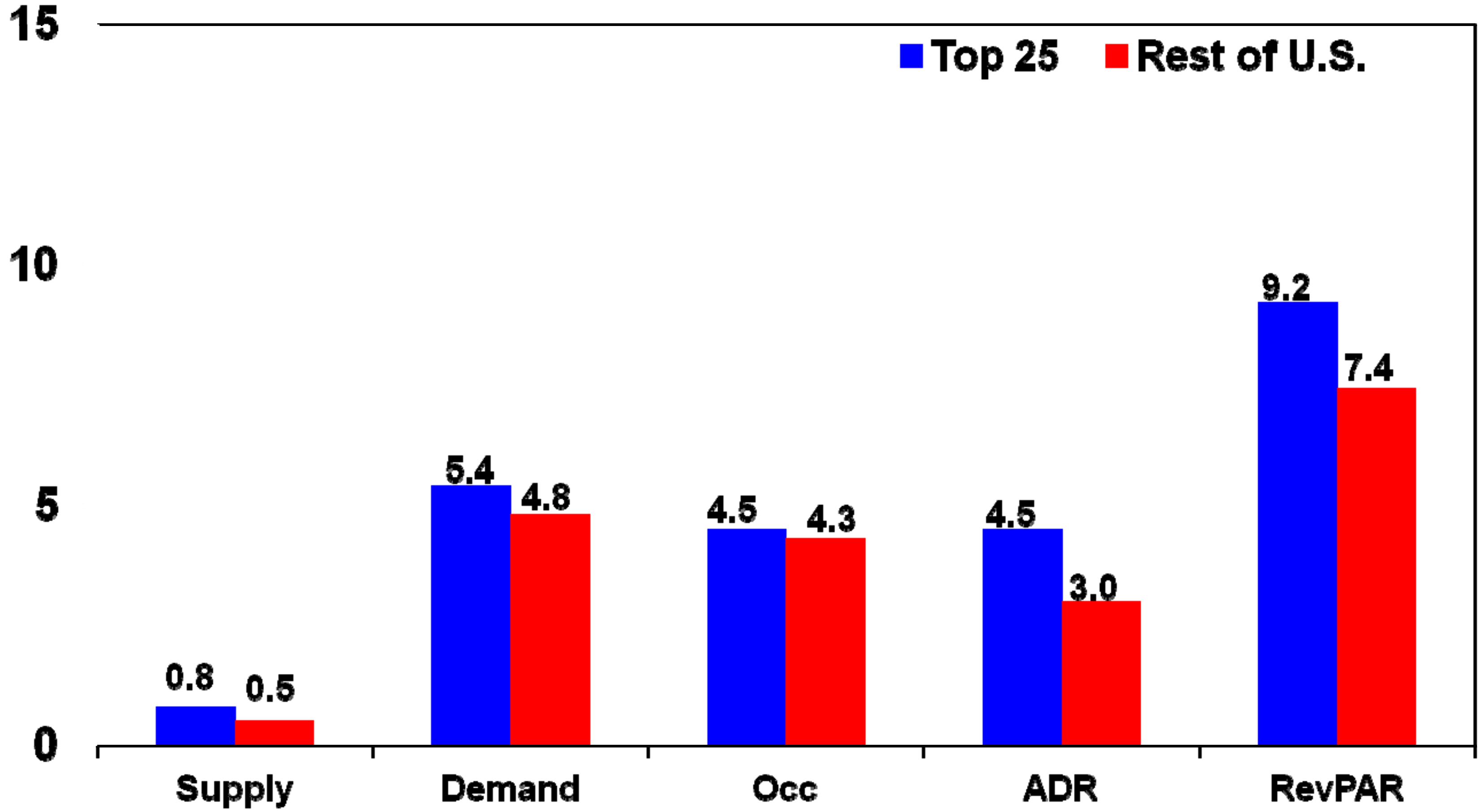
Top U.S. Markets

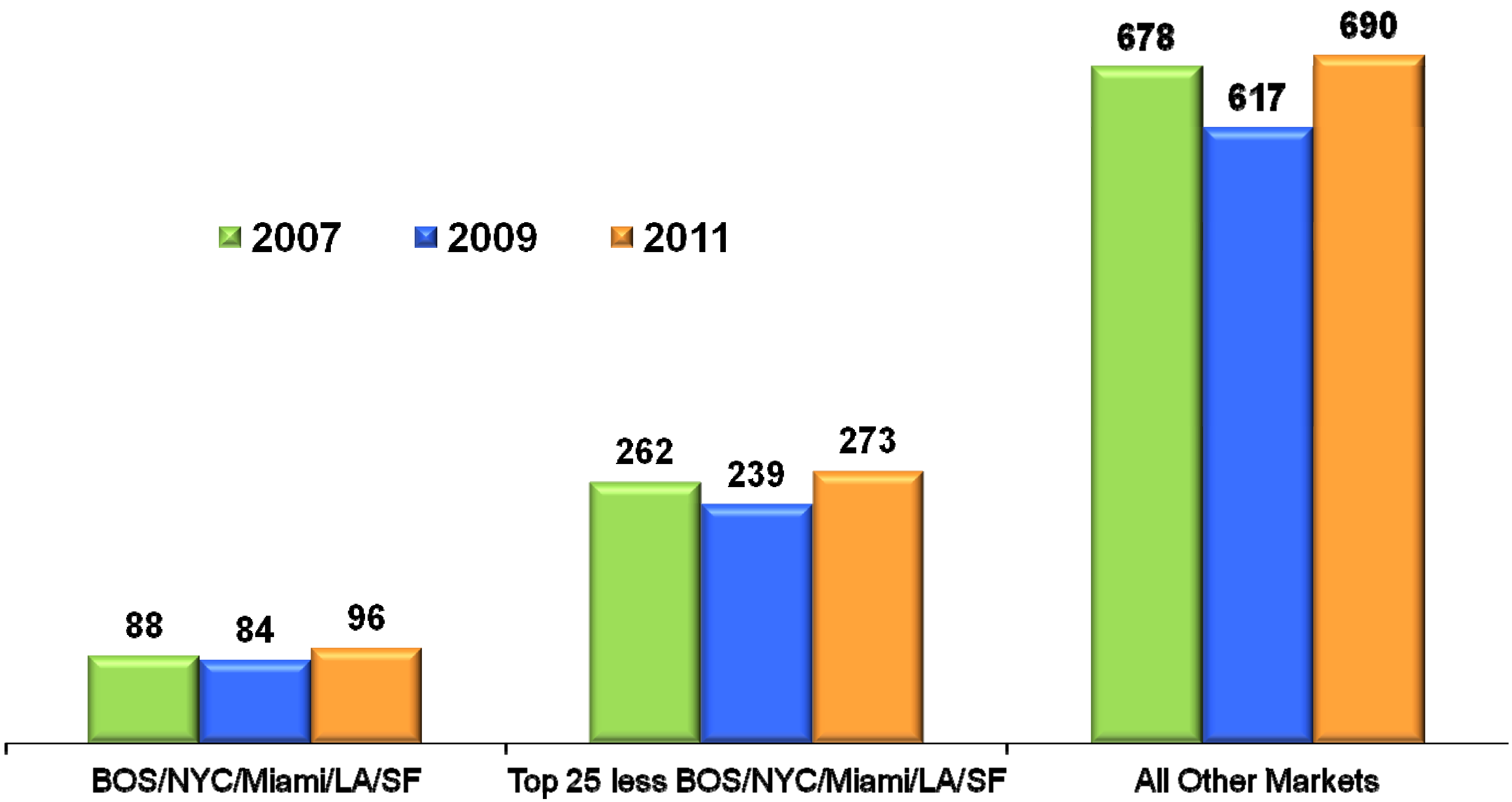
Top 25 Markets versus rest of U.S.

Key Performance Indicators Percent Change

Full Year 2011

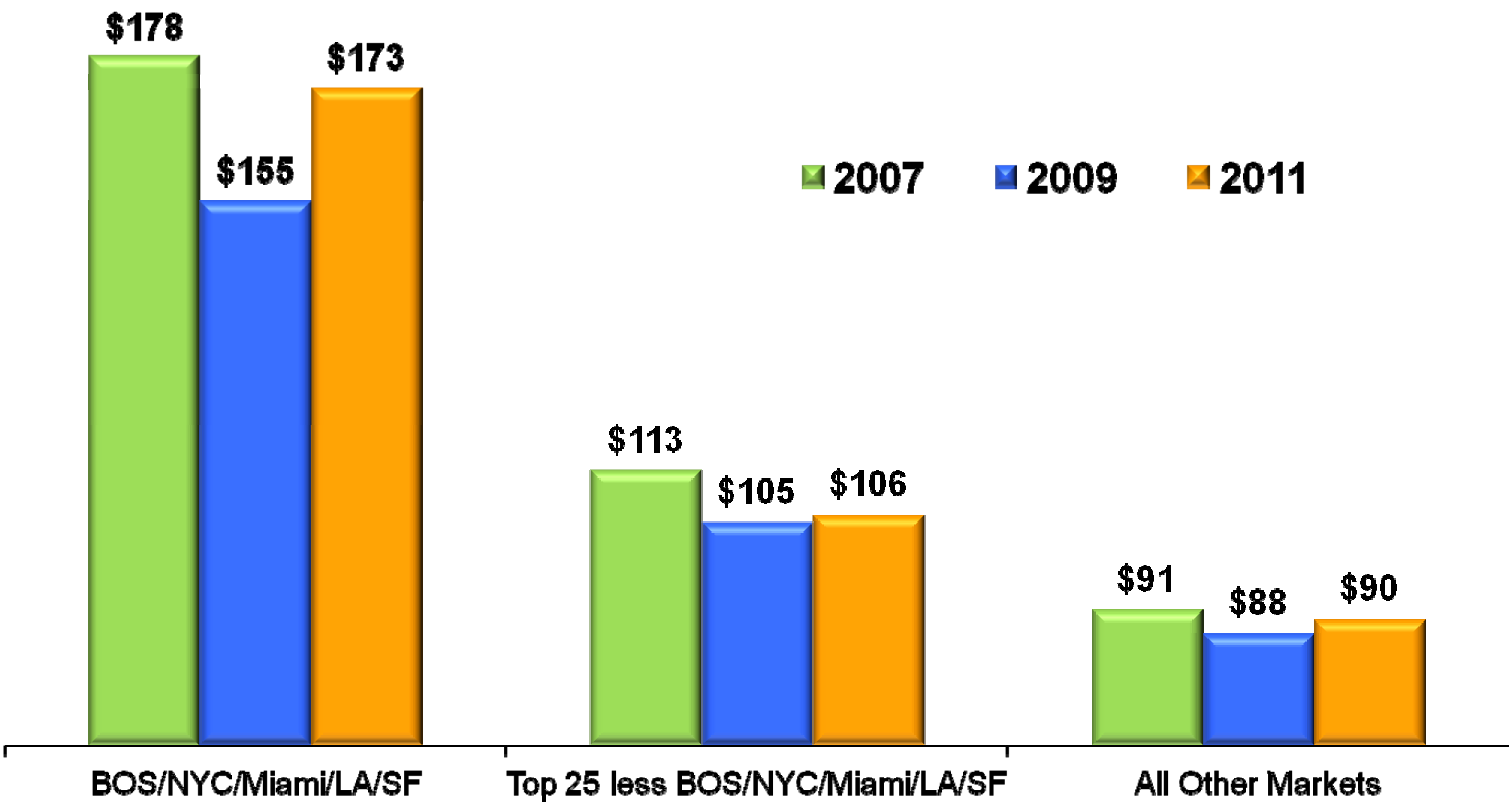


2011 Room Demand (in millions) Exceeds 2007 In All Areas



Select Geographies; Room Demand in Millions; 12 MMA; 2007, 2009, 2011

2007 ADRs Still Elusive



Select Geographies; ADR $; 2007, 2009, 2011

2012 / 2013 Forecast

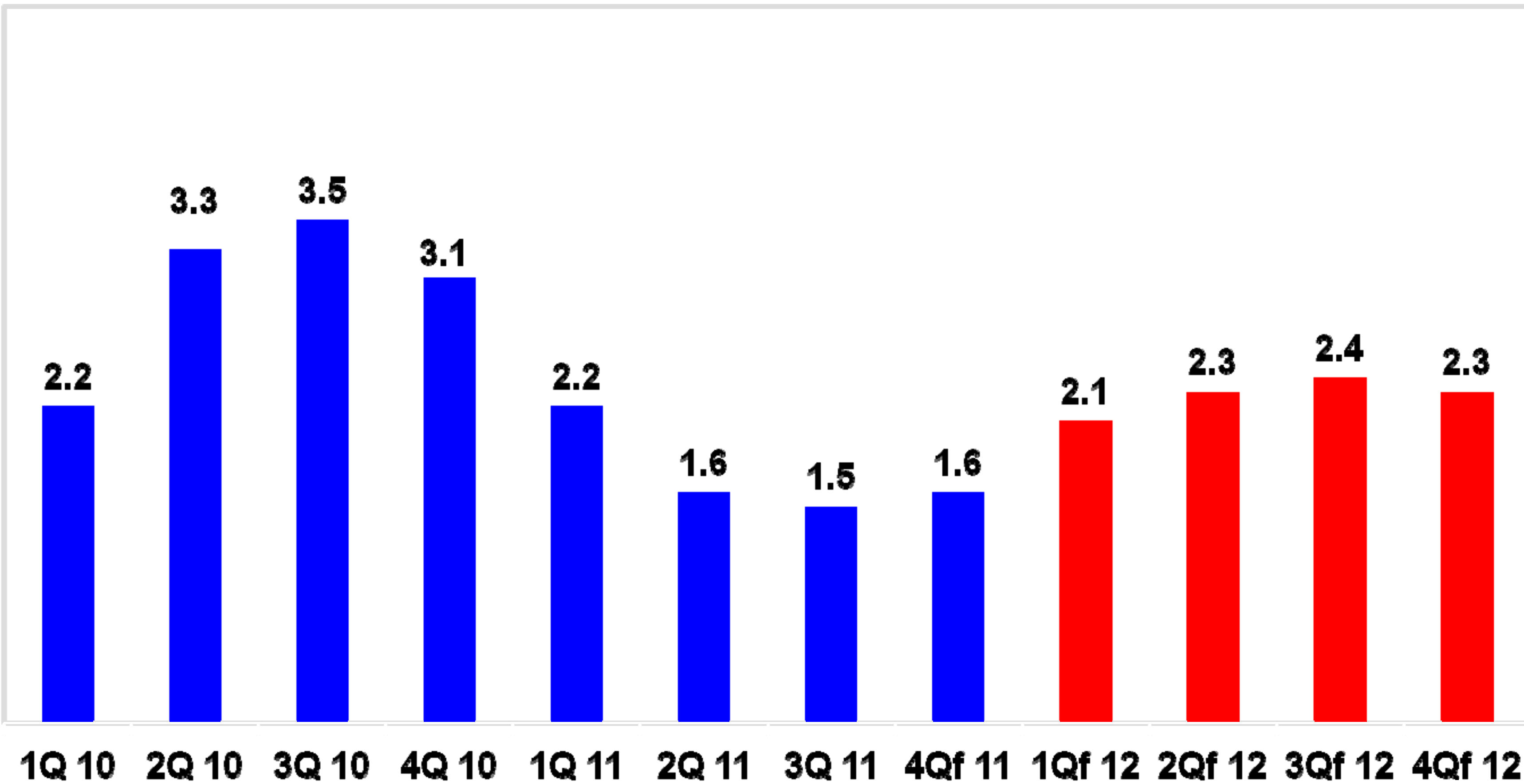
U.S. Economic Outlook

Blue Chip Economic Indicators – March 2012

	2011	2012F	2013F
Real GDP	+1.7%	+2.3%	+2.6%
CPI	+3.2%	+2.2 %	+2.2%
Corporate Profits	+8.1%	+5.8%	+5.5 %
Disp Personal Income	+1.3 %	+1.5%	+2.0%
Unemployment Rate	9.0%	8.2%	7.8 %

Real GDP Growth / Forecast

Quarterly Percent Change vs. Same Quarter Prior Year
2010 – 2012F



Source: Blue Chip Economic Indicators – 10 March 2012

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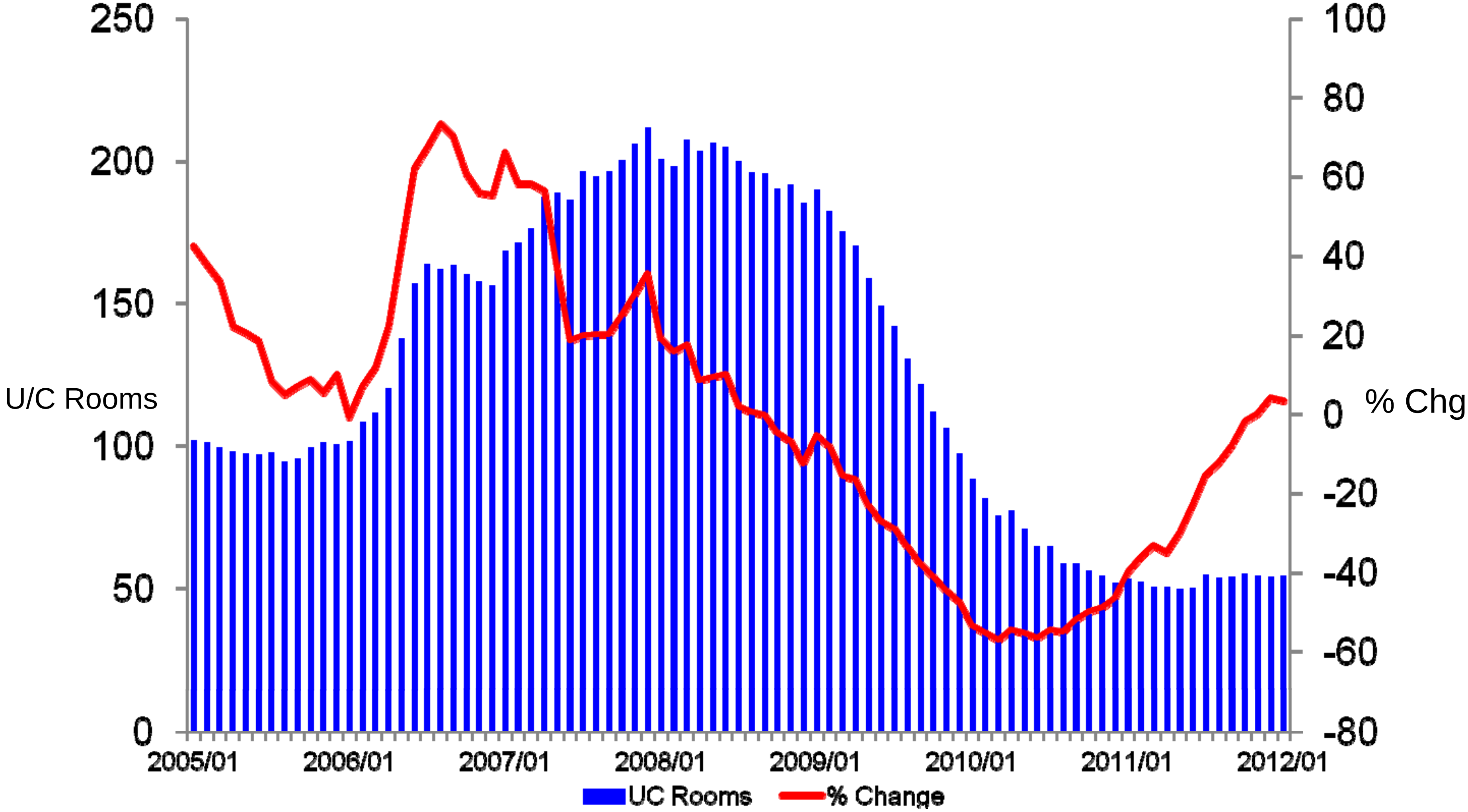
Total United States

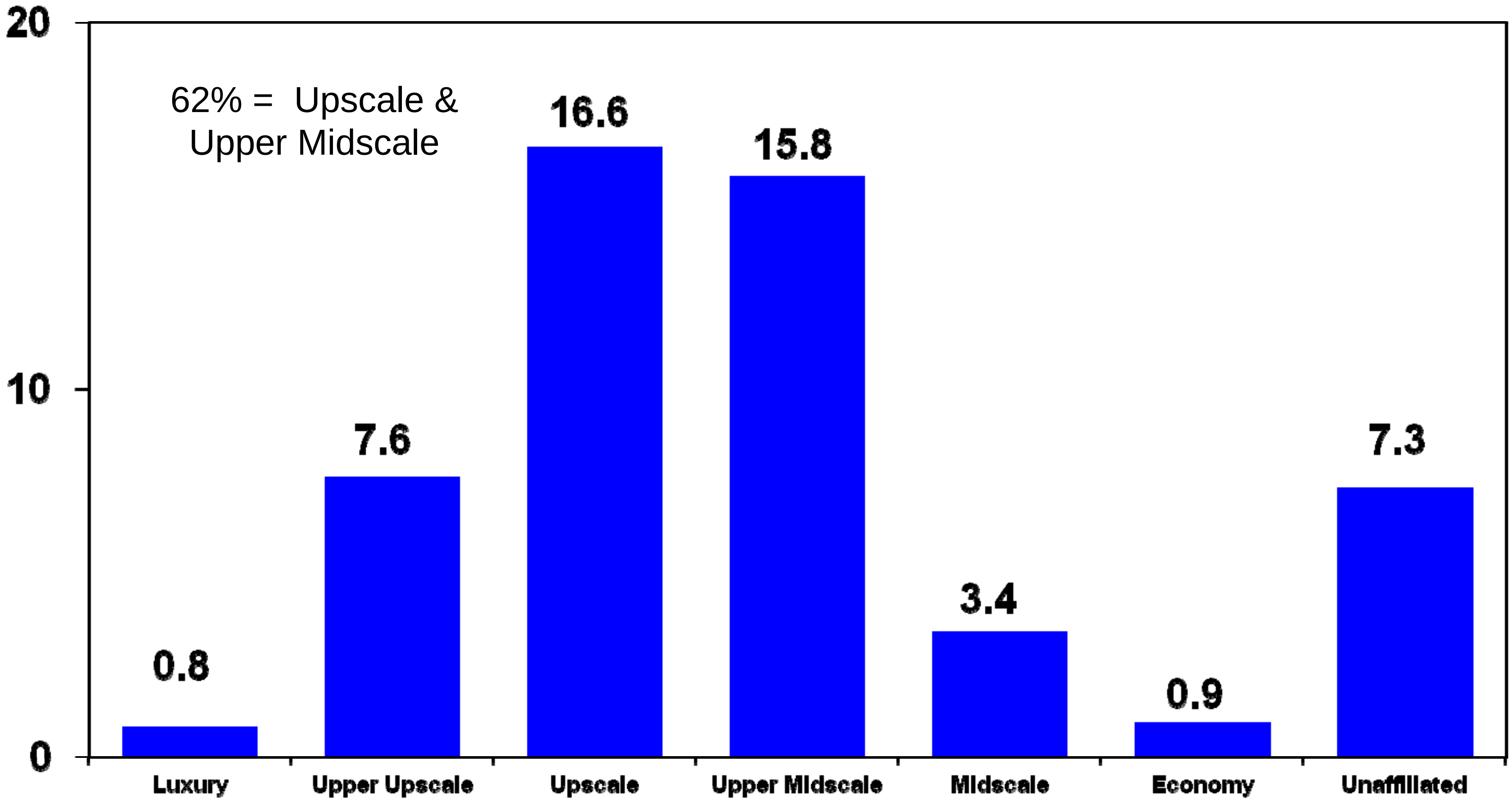
Monthly Hotel Rooms Under Construction and Percent Change

January 2005 – January 2012



Total United States

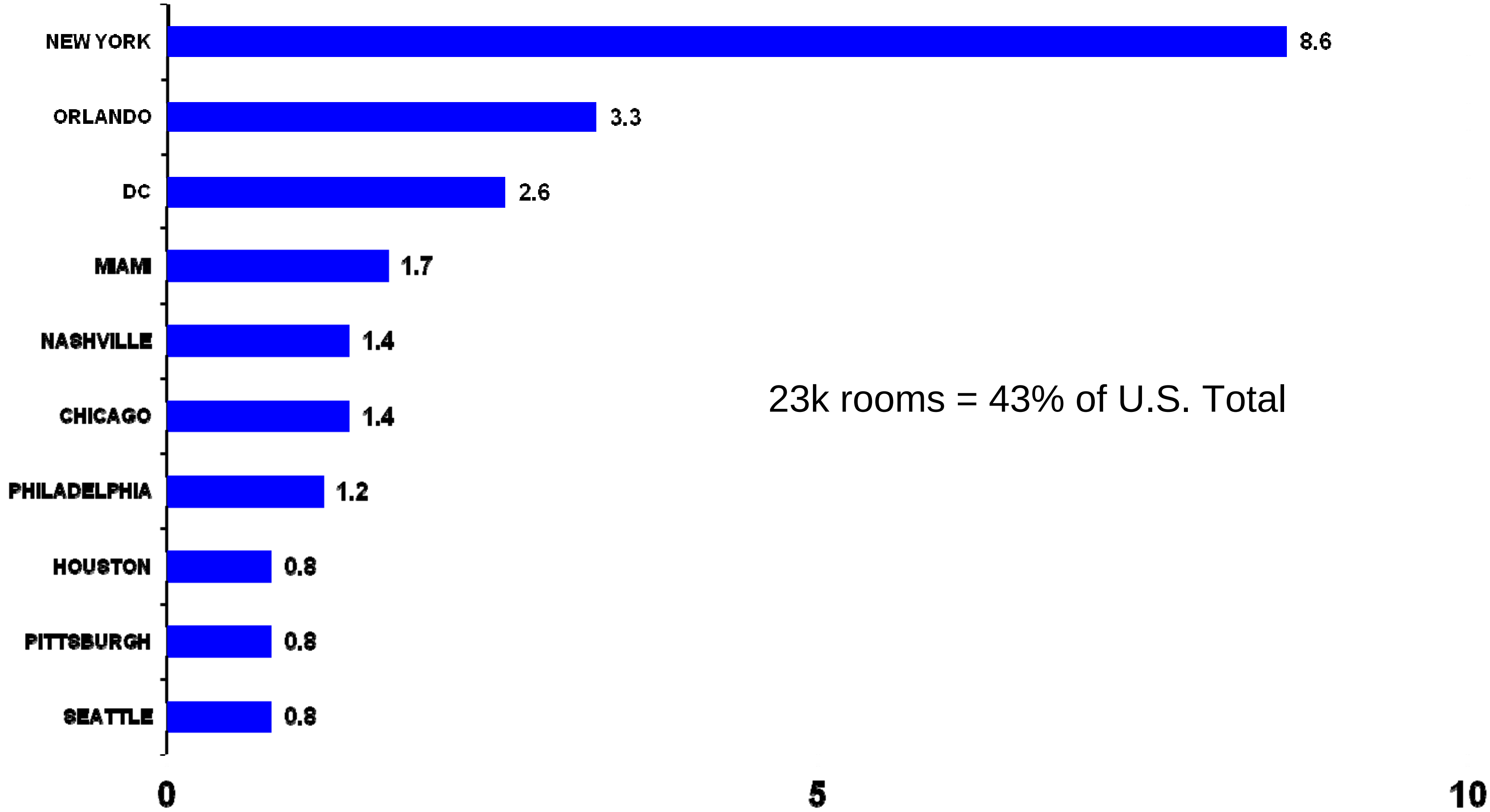
Rooms Under Construction by Scale – Thousands
January 2012



Source: STR / Dodge Construction Pipeline

Top 10 MSAs

Room Construction January 2012 - in Thousands



Total United States

Chain Scale Key Performance Indicator Outlook
2012F by Chain Scale

Chain Scale	Occupancy (% chg)	ADR (% chg)	RevPAR (%chg)
Luxury	2.7%	4.7%	7.4%
Upper Upscale	0.1%	3.5%	3.6%
Upscale	2.0%	4.5%	6.6%
Upper Midscale	-0.3%	3.7%	3.4%
Midscale	1.0%	0.8%	1.8%
Economy	0.7%	2.4%	3.1%
Independent	-0.3%	3.4%	3.1%
Total United States	0.5%	3.8%	4.3%

2012 Year End RevPAR Forecast

(as of 3rd QTR 2011 forecast)

0% to 5%	5% to 10%
Nashville	St Louis
Los Angeles-Long Beach	Miami-Hialeah
Philadelphia	Detroit
Anaheim-Santa Ana	Boston
Orlando	Minneapolis-St Paul
Washington DC	New Orleans
Atlanta	San Diego
Norfolk-Virginia Beach	Oahu Island
Tampa-St Petersburg	
Seattle	
Phoenix	
Houston	
Dallas	
San Francisco-San Mateo	
Chicago	
New York	
Denver	

Takeaways

- Value is King
- Slower economy – 2H 2012 improvement?
- Low supply growth - most markets
- Demand growth, but slower
- Pricing traction sustained?
- Climb out continues