

Asia Pacific: H1 2008 Hotel Pipeline Report

Construction Pipeline & Three-Year Forecast for New Hotel Openings



Pipeline Highlights at Q2

- Asia Pacific's Total Construction Pipeline set a new peak at 2,226 projects/506,646 rooms as of the end of Q2. The region has the second largest Pipeline in the world. Project counts are up 43% and room counts up 38% year-over-year.
- 60% of all projects and rooms are Under Construction. At 1,368 projects/325,536 rooms, the totals represent a new high for the cycle. With so many projects already in the ground, the Pipeline is set to unfold at an accelerating rate through 2010. 351 projects/88,327 rooms are Scheduled to Start Construction in the Next 12 Months, with room counts jumping 31% over last year. Early Planning totals, at 507 projects/92,783 rooms, are more than double what they were at the end of Q2 2007.

Construction Pipeline Totals	Q2 2008		Q2 2007		Variance YoY	
	Total Projs	Total Rms	Total Projs	Total Rms	Projs	Rms
	Under Construction	1,368	325,536	935	237,773	433
Scheduled Starts Next 12 Mos	351	88,327	295	67,622	56	20,705
Early Planning	507	92,783	325	61,284	182	31,499
Total Pipeline	2,226	506,646	1,555	366,679	671	139,967

• Over one-third of branded projects in the Total Asian Pipeline are in the Luxury and Upper Upscale segments, mostly in China, India, Thailand, and Vietnam.

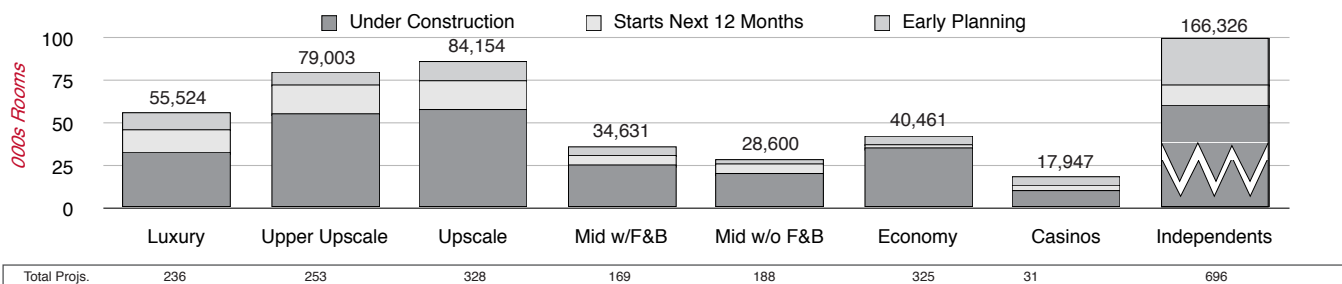
• 28% of the Total Pipeline is currently categorized as Independents. Approximately 70% will make a branding decision before opening, as global companies and brands aggressively increase their presence in Asia.

Pipeline Overview

Asia Pacific's Total Construction Pipeline, at 2,226 projects/506,646 rooms, set a new high in Q2. The region has the second largest Pipeline in the world, with 20% of all Global Pipeline projects and 28% of all Pipeline guest rooms. Much of Asia's lodging development is centered in the world's two fastest growing economies: China and India.

China's Pipeline contains 1,240 projects/323,956 rooms, which represents 55% of all projects in Asia and 64% of all rooms. Much of China's total branded Pipeline rooms are in the full-service Luxury and Upper Upscale segments with a combined 40% of all rooms. Over half of the Pipeline projects are larger than 200 rooms, with the average project size at 261 rooms. With China's development cycle having been underway for some time now, an overwhelming 78% of China's Total Pipeline is already Under Construction and set to unfold through 2010.

India has Asia's second largest Pipeline with 470 projects/76,304 rooms. India's Pipeline is weighted more toward Upscale and Midscale, with over half of the country's total Pipeline rooms in those segments. Over 75% of the country's total projects are 200 rooms or less, with an average project size of 162 rooms. Only 35% of India's projects are already Under Construction. While China's Pipeline is front-end loaded, India's is weighted towards the back-end, with 44% of its Total Pipeline in Early Planning.



LE's Three-Year Forecast for New Hotel Openings

With over 60% of Asia's Pipeline currently Under Construction, the pace of Guest Room Openings is set to accelerate through 2010. LE is forecasting 828 hotels/134,673 rooms to open in 2008, with 438 hotels/69,433 having already opened. For 2009, LE expects New Openings of 693 hotels/151,692 rooms. LE's first Forecast for 2010 anticipates 611 hotels/159,511 rooms to come online as New Supply. LE's Forecasts for New Hotel Openings are based on current Pipeline totals and development trends at the end of Q2 2008. The Forecast does not account for any unforeseen changes in economic or lodging operating fundamentals that would alter these trends going forward.

To learn more about LE's Reports for Asia Pacific or other countries and regions worldwide, please complete the attached inquiry form. Lodging Econometrics (LE) specializes in Sales Solution Programs for Vendors including:

Individual Sales Lead Records

All the details needed to call on the most important accounts when decisions about your product or service are being considered

Contact Names for Owners & Management of Open & Operating Hotels (Census)

Essential for conducting telemarketing and direct mail activities to prospect for product replacement programs

Strategic Planning Summaries

Direct your sales force with an executive summary that includes project and guestroom counts for each of your Sales Reps and their Territories, Key Developers and their Project Team Members, and for every Company and Brand



Sales Solution Programs for Vendors - Asia Pacific

Strategic Planning Summaries, Sales Lead Project Records, Contact Names for Owners & Management



LE, the Global Authority for Hotel Real Estate, specializes in customizing Sales Solution Programs for Lodging Vendors looking to expand market share in Asia Pacific or any other country or region - worldwide.

Lodging Econometrics (LE) provides Sales Solution Programs for Vendors that include Strategic Planning Summaries and Individual Development Pipeline Records that identify every potential sales opportunity available for your particular product and direct you to each key decision-maker. With LE's Sales Solution, you will maximize your market share, increase your market penetration, outpace the competition every time, and save time and budgetary dollars spent gathering market research. Let LE provide the market intelligence for you with a Sales Solution customized to your exacting specifications.

If you would like information about LE's Sales Solution Program for Asia Pacific or for any other country or region worldwide, **please place a check next to the LE products of interest to you.** Our sales representatives will then send samples for your consideration.

Sales Solution Products	Features	Applications
<input type="checkbox"/> Strategic Planning Summaries	Development Pipeline Summaries with a Three-Year Forecast for New Hotel Openings for: <ul style="list-style-type: none"> • Sales Reps and their Territories • Key Developers and their Project Team Members (Architect, Designer, Purchasing Agent, etc.) • For each Company and Brand • Project and guest room counts are displayed for all portfolio views and are revised quarterly • New Project Announcements are added, and Cancellations are removed 	View all potential business available: Motivate and guide your sales teams, determine high volume accounts and key decision-makers, provide specific account direction from the home office to field staff, and allocate resources to maximize market share Essential for strategic planning by: Senior Corporate Executives, Sales, Marketing, Advertising and Promotion Directors, and Strategic Planners
<input type="checkbox"/> Individual Development Pipeline Records Include New Hotel Construction, Reflaggings and Announced Renovations	Development Sales Lead Records include: <ul style="list-style-type: none"> • Comprehensive Contact information for the Developer and his Project Team Members (Architect, Designer, Purchasing Agent, Contractor, Project Manager) as they are announced • Project start and completion dates, updated quarterly 	Guide your sales teams to the decision-makers Development Sales Leads are ideal for: Sales Directors, Home Office Sales Teams, Territory Managers and Sales Reps
<input type="checkbox"/> Contact Names for Owners & Management of Open & Operating Hotels (Ownership)	Ownership and Management Records provide: <ul style="list-style-type: none"> • Name, address, phone and fax numbers for the Owner, Management Group and Hotel • Detailed commentary on the hotel property 	Prospect for product replacement programs This critical contact data is used by: Sales Directors and Direct Mail and Telemarketing Managers

Please describe the products/services you provide to the lodging industry.

What are your most important sales objectives?

Which Companies and Brands are of interest to you?

For New Construction, at what stage in the project do you begin your sales initiatives?

Currently Under Construction (# of months before opening)

- 0-6 Months 6-18 Months Greater than 18 Months

Construction Not Yet Started (# of months before construction start date)

- 0-6 Months 6-18 Months Greater than 18 Months

Does your sales team make sales calls on existing Open and Operating Hotels? Yes No

Does your company conduct direct mail programs? Yes No **Telemarketing programs?** Yes No

Name: _____ Title: _____
 Company: _____ Phone: _____
 Address: _____ Email: _____
 City: _____ State: _____ Zip: _____ Country: _____

Please complete this response form and fax to LE at +1 603-431-4418.

LE has a Sales Solution Program for Vendors for all countries and regions worldwide:

- Middle East • Europe • Africa • United States • Canada • Caribbean, Mexico & Central America • South America