



The Hotel Outlook

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Caribbean Lodging Industry - Key Statistics December 2007 YTD

		<u>% Change</u>
• Room Supply	75.7mm	0.8%
• Room Demand	50.5mm	- 1.1%
• Occupancy	66.6%	- 1.9%
• A.D.R.	US\$ 182.05	2.1%
• RevPAR	US\$ 121.34	0.1%
• Room Revenue	US\$ 9.2B	0.9%

...Not Bad ... Not Great ...



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Caribbean Lodging Industry - Key Statistics Q1 2008 YTD

		<u>% Change</u>
• Room Supply	18.8mm	1.5%
• Room Demand	14.5mm	3.5%
• Occupancy	76.6%	2.0%
• A.D.R.	US\$ 206.01	- 1.5%
• RevPAR	US\$ 157.90	0.4%
• Room Revenue	US\$ 3.0B	1.9%

Healthy Q1 – But Watch ADR Growth (*Or Lack Thereof ...*)

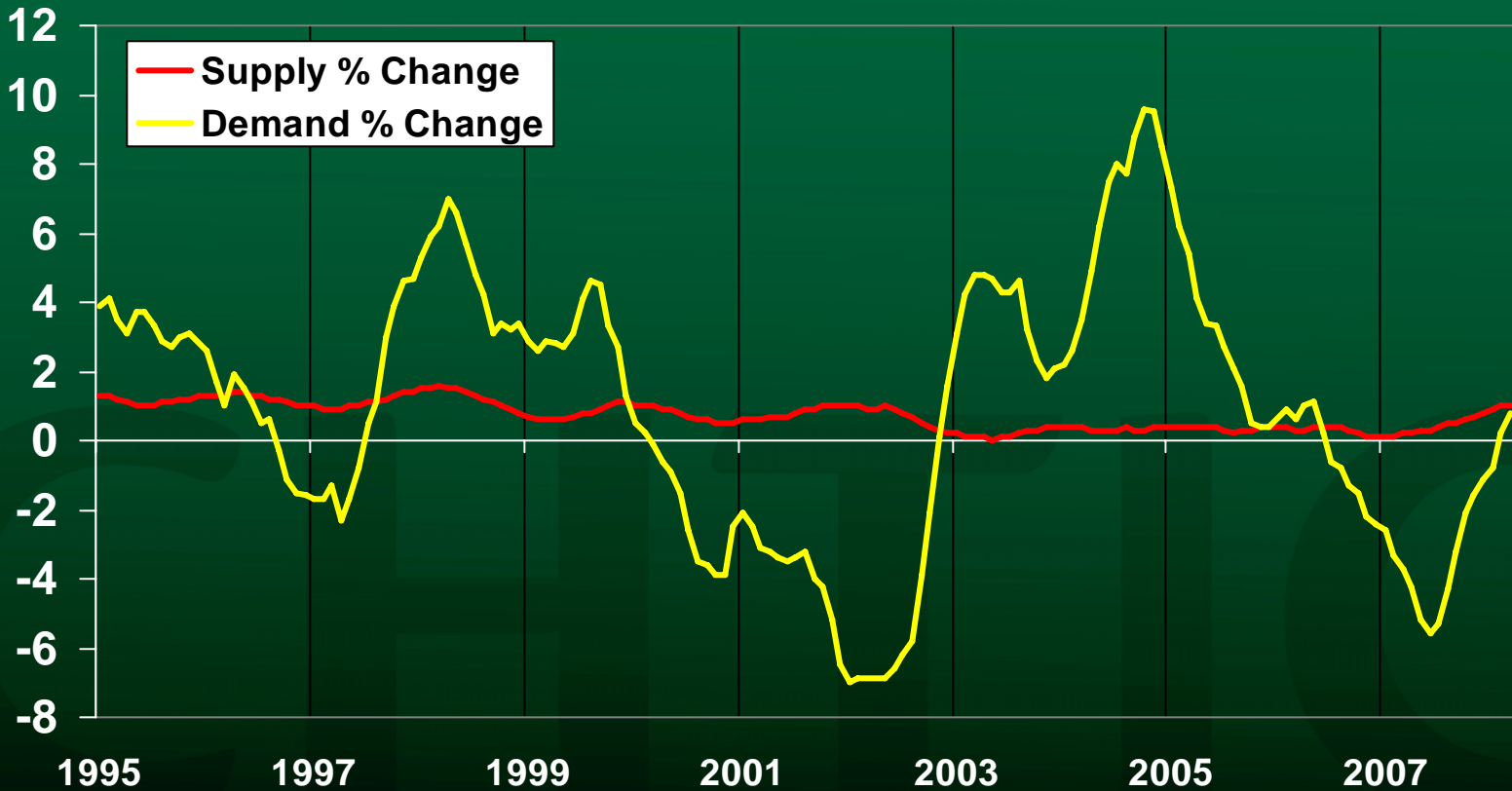


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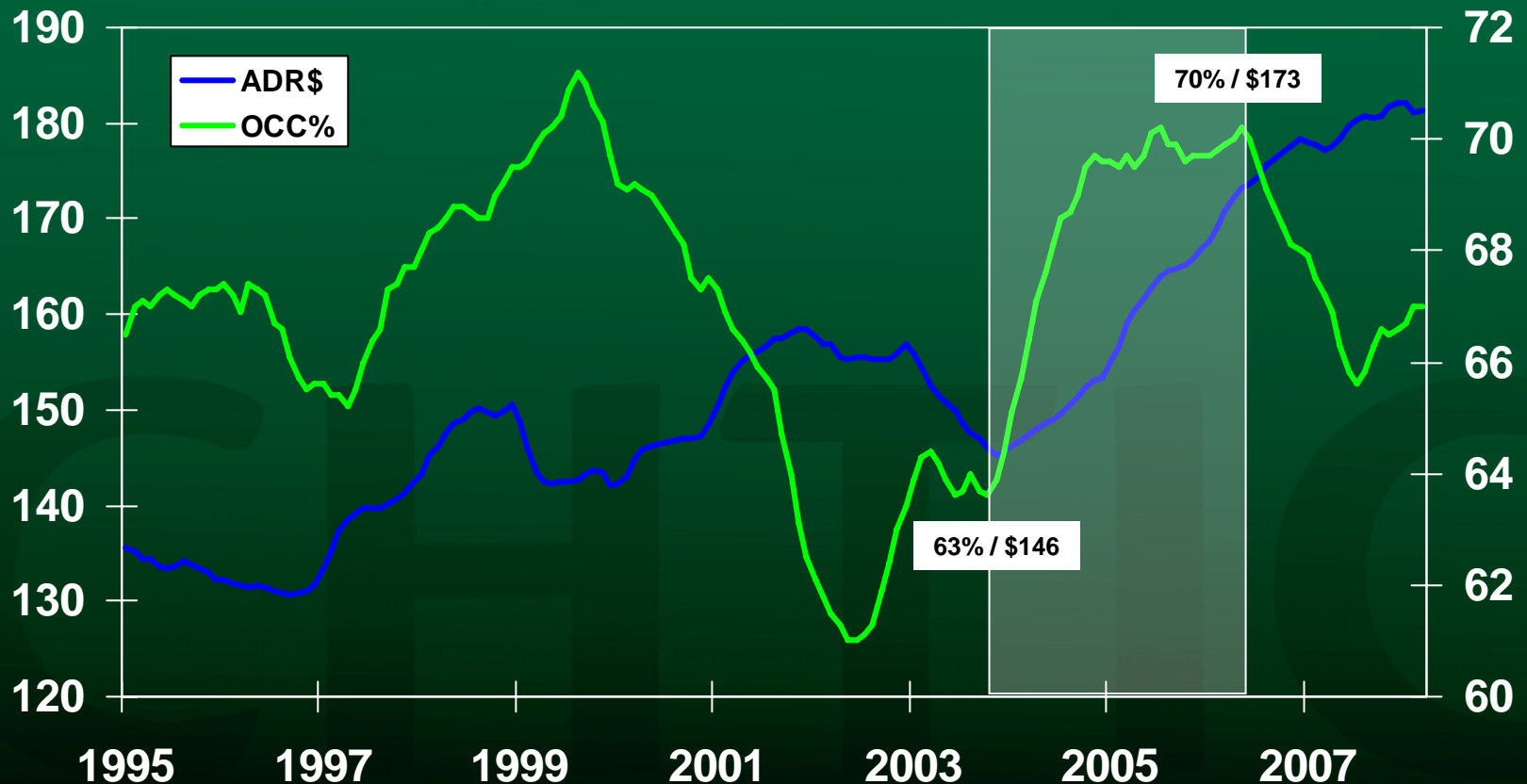
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Caribbean Room Supply/Demand Percent Change Twelve Month Moving Average – 1995 to March 2008



Cyclicality Clearly Visible – Is a Strong Rebound Next?

Caribbean ADR US\$ and Occupancy % Twelve Month Moving Average – 1995 to March 2008



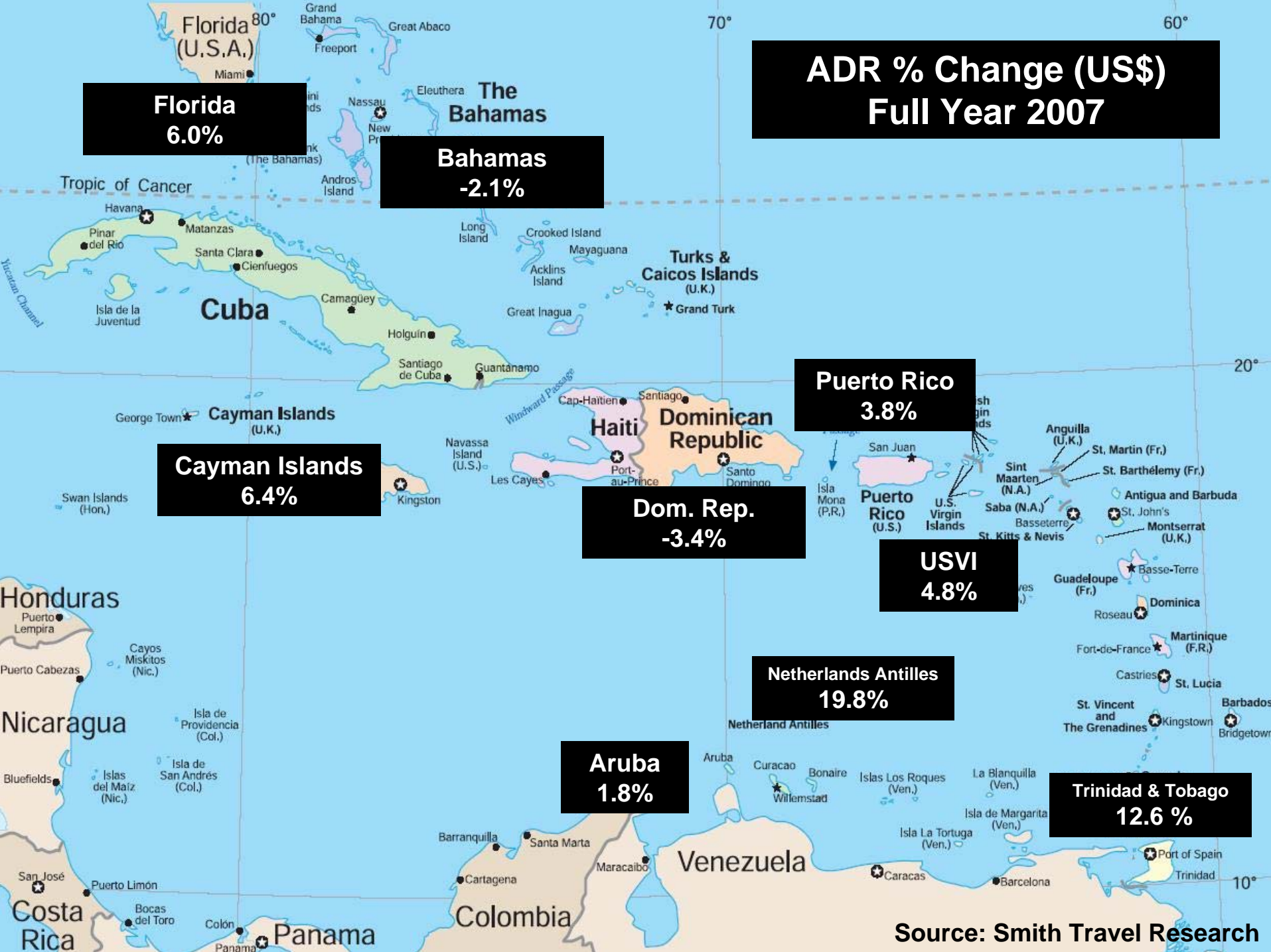
Then: (2004 – 2006) Strong ADR / OCC Rebound – Now (2008): ???



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**ADR % Change (US\$)
Full Year 2007**

**Florida
6.0%**

**Bahamas
-2.1%**

**Cayman Islands
6.4%**

**Dom. Rep.
-3.4%**

**Puerto Rico
3.8%**

**USVI
4.8%**

**Netherlands Antilles
19.8%**

**Aruba
1.8%**

**Trinidad & Tobago
12.6%**

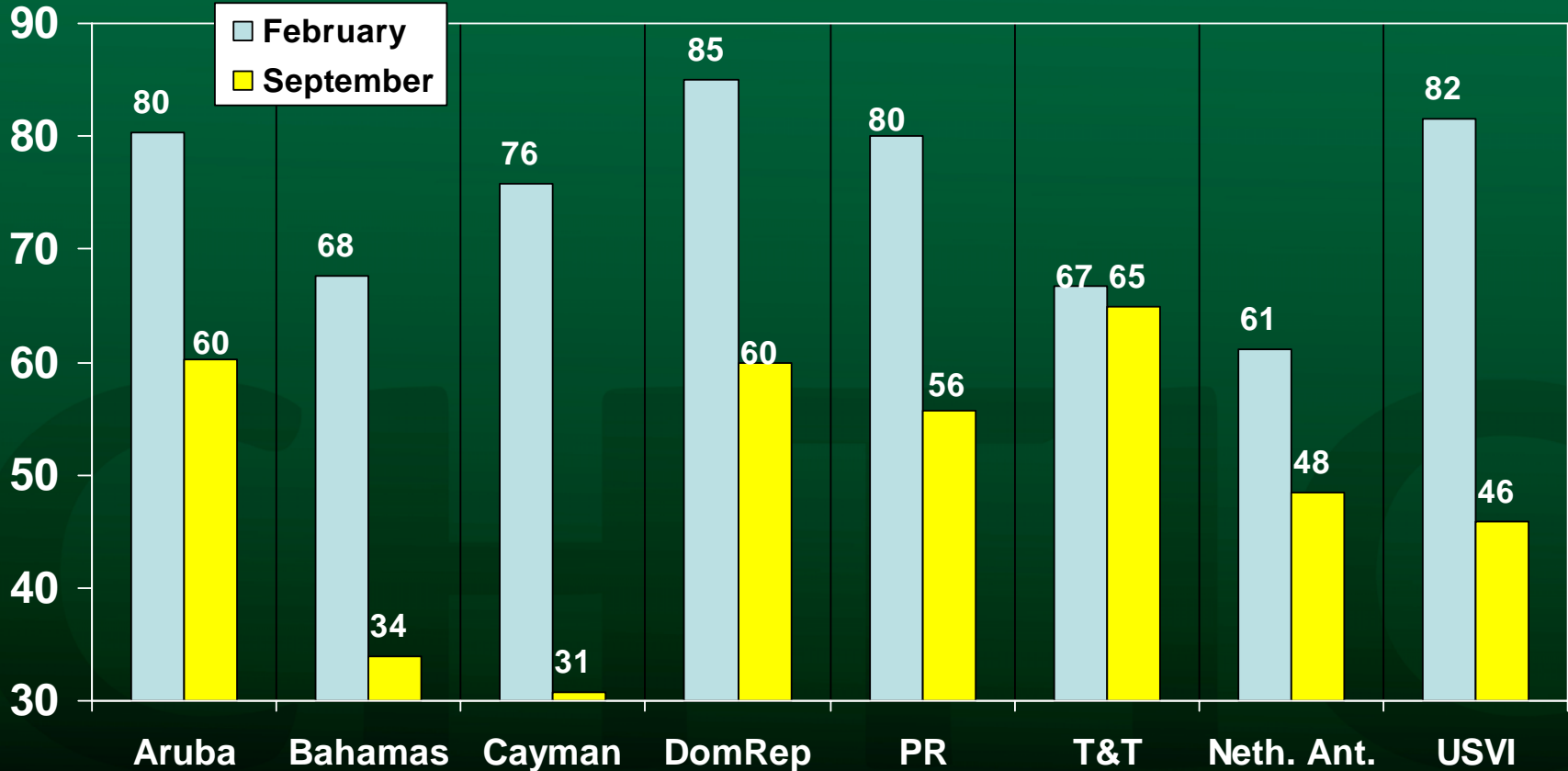
Exchange Rate Impact on ADR % Change Total Year 2007 vs.2006

	Local Currency	US\$	Euro
Caribbean Total		2.1%	-6.5%
<u>Country:</u>			
Aruba	2.2%	1.8%	-6.9%
Bahamas	-1.4%	-2.1%	-10.1%
Cayman Island	6.4%	6.4%	-2.2%
Dominican Republic	-4.0%	-3.4%	-11.5%
State of Florida	6.0%		-2.6%
Netherlands Antilles	21.9%	19.8%	9.7%
Puerto Rico	3.8%		-4.9%
Trinidad & Tobago	13.9%	12.6%	3.2%
US Virgin Island	4.8%		-3.9%

Caribbean Hotels Look Like a Bargain To Eurozone Travelers



Selected Countries Occupancy (%) February vs. September 2007



Strong Seasonality Impacts Annual Performance



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Caribbean Pipeline

- Total: 65 Projects / 11,800 rooms
- Under Construction: 28 Projects / 6,400 rooms

Top Countries:

Country	Projects	Rooms
Dominican Republic	10	2,038
Turks & Caicos Islands	7	501
Bahamas	7	1,520
Puerto Rico	7	1,452
St Lucia	5	819

Top Chains:

Chain Name	Projects	Rooms
Ritz-Carlton	4	620
Radisson	3	494
Westin	3	1,171
St Regis	3	422
Four Seasons	3	455
Comfort Inn	3	210
Mandarin Oriental	3	264



Outlook / Issues

- Softening US Economy → Demand Impact (?)
- Higher Airline Fuel Costs → Higher Fares
- Strong Euro → Demand Impact (!)
- Limited New Supply → Limited OCC Impact





Questions?

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