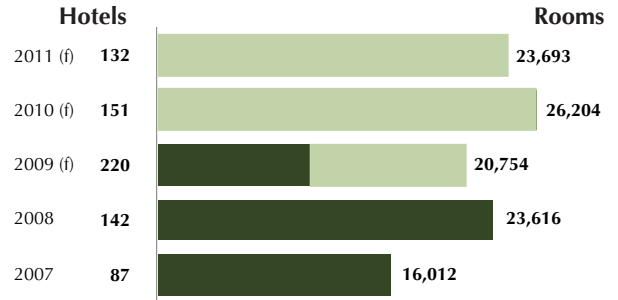


FORECAST FOR NEW HOTEL OPENINGS

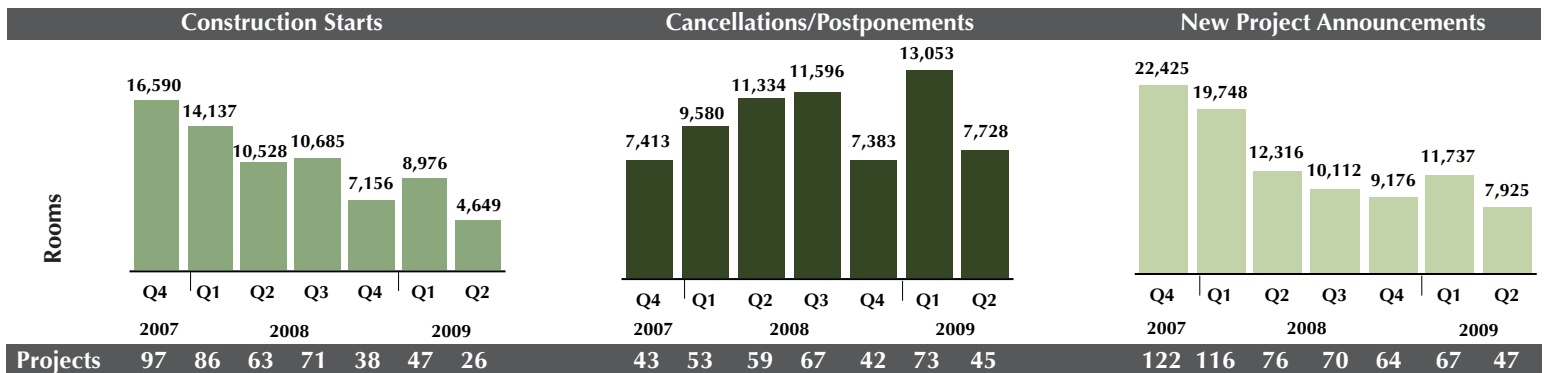
Lodging Econometrics (LE) has compiled and released its first 2011 Forecast for New Hotel Openings in Latin America, projected to be 132 hotels/23,693 rooms. Adjusted for the global recession, LE has made further downward revisions to its forecasts for 2009 and 2010.

Still, Latin America remains in the midst of a four-year New Openings surge that began in 2008. 151 new hotels/26,204 rooms are expected to open in 2010, a cyclical high for room counts. The 2009 forecast calls for 220 new hotels/20,754 rooms to come online, of which 73 hotels/10,678 rooms opened in Q1-Q2.

The reason for this late cycle surge in room counts is because a high percentage of new openings are much larger beachfront resorts or major hotels in capital cities. Such projects have long development timelines for planning, permitting, financing, and construction, and traditionally come online at the back end of the cycle.



KEY PIPELINE METRICS



Developer sentiment in Latin America continues to be impacted by the global economic crisis, declines in international travel and earlier health warnings in some areas, all of which have caused precipitous declines in guest room demand and room rates.

A tight lending environment has prevented projects from migrating up the Pipeline towards construction. Now at cyclical lows, Construction Starts are expected to remain in a low channeling formation into 2011.

Cancellation and Postponements, at 45 projects/7,728 rooms, remain elevated but have declined a bit, suggesting that the Pipeline is close to having been cleared of the least feasible projects. In the Caribbean, Mexico and Central America, 19 projects having a total of 3,320 rooms were cancelled or postponed. Notably, 12 of those projects were already under construction. In South America, there were 26 projects/4,408 rooms cancelled/postponed, 7 of which had already begun construction.

New Project Announcements (NPAs) into the Pipeline totaled 47 projects/7,925 rooms, a low for the cycle. NPA's will continue at low levels for the foreseeable future as the present development cycle draws to a close.

PIPELINE SUMMARY

In Q2 2009, the Latin America Construction Pipeline is at 538 projects/93,768 rooms, down 21% by projects and 27% by rooms from the peak in Q1 2008. 287 projects are currently Under Construction in Latin America. 165 of those projects, or 57%, are in South America, with more than 75% of those in Brazil and Argentina. These projects already Under Construction will create an increasing flow of New Hotel Openings through the rest of 2009 and into 2010. In 2011, new supply coming online will taper off a bit and then fade thereafter. Pipeline totals will have by then reached their lows and resettled into a bottoming channel. By then, the global economic recovery should be underway and NPA's should soon begin to rise.

It is expected that some countries in the region, like Brazil and Colombia, and possibly Chile and Mexico, will see economic recovery rekindle faster than in other developed countries worldwide. A new lodging development cycle, first expressed as the flow of New Project Announcements into the Pipeline, should revive there quicker as well.

LE's Construction Pipeline: By Stage

Region	Under Construction		Starts Next 12 Months		Early Planning		Latin America Total Pipeline	
	Projs	Rms	Projs	Rms	Projs	Rms	Projs	Rms
Caribbean	47	11,060	23	4,911	30	5,763	100	21,734
Mexico	56	11,450	43	5,245	24	3,166	123	19,861
Central America	19	4,550	15	2,676	5	805	39	8,031
South America	165	24,121	52	10,107	59	9,914	276	44,142
Total Pipeline	287	51,181	133	22,939	118	19,648	538	93,768

ABOUT LODGING ECONOMETRICS

With over 30 years of experience, Lodging Econometrics (LE) is the foremost source of global business development intelligence for hotel franchise companies. LE serves as your strategic planning partner. We identify every opportunity available to your company worldwide, based on your particular market share goals, sales objectives and brand specifications. For more information about LE's complete report on the United States Lodging Construction Pipeline or to inquire about any of LE's other lodging real estate reports, please contact us at 603-431-8740 or info@lodgingeconometrics.com.inquiry form and fax it to LE or contact us at 603-431-8740 x25 or info@lodgingeconometrics.com.