CONSTRUCTION PIPELINE OVERVIEW

Asia Pacific's Total Construction Pipeline is up to 1,944 projects/473,613 rooms at the end of Q2 after five consecutive quarters of escalating project and guestroom counts. China and India, two of the world's fastest growing economies, are the driving force behind this resurgent construction activity. Both countries' Pipelines receded only slightly from pre-recession highs. Pipeline growth has since bounced back quickly in these countries as developer sentiment is very high. It stands in contrast to still declining Pipeline trends seen in other developed economies.

China's Total Pipeline, with 1,192 projects/327,459 rooms, is the highest level LE has ever recorded. It is the second largest country Pipeline in the world. Since bottoming in Q2 2008, the Pipeline has risen 27% for both projects and rooms. Project counts for Under Construction and Early Planning are at historic highs. When the global economic crisis began, China's government moved quickly to stimulate construction across all real estate sectors with an infusion of capital into its banking system. This encouraged more lending, halted Pipeline declines and led to a resurgence in hotel development. Both New Project Announcements into the Pipeline and Construction starts of projects already in the Pipeline have steadily increased over the past 6 quarters, and are now at heights not seen since Q4 2007. A high 76% of Total Pipeline projects are currently Under Construction. This will lead to strong New Hotel Openings going forward. In fact, China will have the most rooms of any country in the world coming online each year through 2012 and likely beyond.

India, with a total of 439 projects/77,561 rooms, is the world's third largest Pipeline and is growing quickly. Because of its economic strength, India's Pipeline experienced only slight declines due to the global recession and has since rebounded. The Pipeline is expected to reach higher highs in upcoming years. Strong Pipeline activity in India will also result in sizeable year-over-year increases in New Hotel Openings, which are forecasted to reach a historic high of 105 hotels/21,407 rooms in 2012. This will be preceded by 77 hotels/13,427 rooms in 2011. Accelerated hotel construction, particularly with global franchise brands, will keep the country's Pipeline growth on an upward trajectory and lead to increasingly higher New Hotel Openings beyond 2012.

More exposed to the impact of the global economic and lending crisis, most Pipelines for countries in Southeast Asia and Other Areas continue to decline. Southeast Asia's Total Pipeline is at 232 projects/52,598 rooms, and Other Areas, at 81 projects/15,995 rooms. A high number of projects are Under Construction, and are now at heights not seen since Q4 2007. A high 76% of Total Pipeline projects are currently Under Construction. This will lead to strong New Hotel Openings going forward. In fact, China will have the most rooms of any country in the world coming online each year through 2012 and likely beyond.

India's Total Pipeline: Growth Resurgence

LE'S FORECAST FOR NEW HOTEL OPENINGS

With China's Pipeline growing rapidly, the country's New Hotel Openings are set to come online at a strong pace. LE's first time Forecast for 2012 indicates that 292 hotels/95,415 rooms are expected to open. LE has also revised its Forecasts upward to 359 hotels/84,101 rooms in 2011, and 612 hotels/99,163 rooms in 2010. These revisions reflect a flood of small, Economy hotels set to exit the Pipeline in 2010 and 2011, while a significant number of larger, upper-tier projects, whose construction time lines were extended because of the recession, are now expected to open in 2011 and 2012. Strong Pipeline activity in India will also result in sizeable year-over-year increases in New Hotel Openings, which are forecasted to reach a historic high of 105 hotels/21,407 rooms in 2012. This will be preceded by 77 hotels/11,815 rooms in 2010 and 80 hotels/13,427 rooms in 2011. Accelerated hotel construction, particularly with global franchise brands, will keep the country's Pipeline growth on an upward trajectory and lead to increasingly higher New Hotel Openings beyond 2012.

CONTACT LODGING ECONOMETRICS (LE):

The global lodging community and real estate industry rely on LE as trusted advisors and as a source of market intelligence to construct successful Growth Solution Programs™. LE's customized programs include the identification and presentation of available growth opportunities in every country and region of the world for:

- Franchise Companies seeking to expand their brand distribution and market share through both new construction and conversion opportunities
- Acquisition Directors & Business Development Officers looking to acquire hotels and/or add asset management contracts to their portfolios
- Consultants performing due diligence assignments analyzing particular markets or ownership portfolios

For more on LE's Growth Solution Programs™, please call +1 603-431-8740, ext. 25, fill out the following inquiry form or email info@lodgingeconometrics.com.

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500 Market Street, Suite 13, Portsmouth, NH, 03801 USA  
phone: 603.431.8740, x 25  
fax: 603.431.4418  
e-mail: info@lodgingeconometrics.com  
www.lodgingeconometrics.com
In today’s changing environment, Lodging Econometrics (LE) has the information you need, whether you’re developing hotels, identifying acquisition or asset management opportunities, concerned about new supply in particular markets, or assessing hotel real estate valuations and trends.

If you would like more information about LE’s Development Pipeline and Contact Names for Ownership and Management Reports for any market, country or region worldwide or if you are interested in learning more about LE’s new Distressed Hotel Assets and/or Halted Construction Projects Reports, please place a check next to the LE products of interest to you. Our sales representatives will then forward samples for your consideration.

☐ Yes! I would like to purchase the complete Development Pipeline Report for Asia Pacific. Please send me details.
☐ Contact me about LE’s new Distressed Hotel Assets and/or Halted Construction Project Reports.

OTHER REAL ESTATE REPORTS

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<th>Features</th>
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<td>Development Pipeline Reports contain: Pipeline Summaries with project and guest room counts for: • Three development stages and for current supply • The major companies and brands • By chain scale, location and hotel size Three-Year Forecast for New Hotel Openings • Project and guest room growth rates • Forecasts are revised quarterly Individual Project Records • All hotel construction, reflaggings and announced renovation projects • New project announcements are added, and cancellations are removed • Full developer contact information • Start and completion dates are updated quarterly</td>
<td>Access every lodging real estate fact you need for: In-depth market analysis, future supply assessment, development decision-making, acquisition/disposition strategies, and revenue management planning An essential planning tool for: Developers, Franchise Sales Teams, Acquisition/Disposition Officers, Analyst/Feasibility Groups, Operations and Sales and Marketing Executives, Revenue Managers, and Lenders</td>
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<td>Individual Hotel Records include: Comprehensive Contact Information • Name, address, phone and fax numbers for the owner, management group and hotel • Property details are included Customized Sorts for your exacting specifications • By particular market, brand, chain scale or hotel size</td>
<td>Investigate opportunities for: Acquisition, investment or adding to your asset management portfolio Ideal for those executives involved in: Acquisitions, Business Development, Asset Management, Strategic Planning, M&amp;A, and Direct Mail or Telemarketing Programs</td>
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<td>A 5-Year Summary of Transaction Trends with: • Total transactions, average room count and average selling price per room • By brand, chain scale, region, location, and hotel size Comprehensive Transaction Records detail: • Selling price, room count, date of transaction, hotel letterhead, and complete contact data for buyer and seller • By brand, chain scale, region, location, and hotel size</td>
<td>Evaluate historic valuation trends and estimate your optimum timing for acquisition/disposition decisions with: Transaction volume and selling price trends for the current lodging real estate cycle A necessity for those who must re-verify current asset values: Appraisers, Asset Managers, Consultants, Acquisition/Disposition Officers, and Lenders</td>
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Do you have strategic objectives or particular projects that you are working on which LE can assist you?

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LE has real estate reports available for all markets and countries worldwide:

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

Please complete this response form and fax to LE at +1 603-431-4418 or email us at info@lodgingeconometrics.com.

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