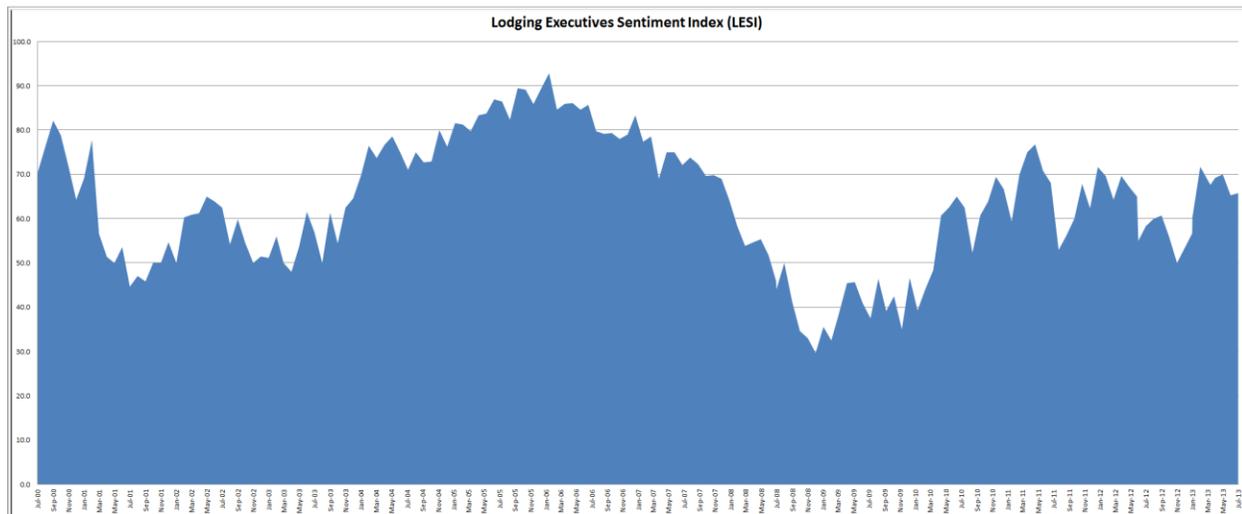


## LESI Surges on Strong Business Conditions and Employment Outlook

The Lodging Executives Sentiment Index for the current period ending August 2013 surged to 78.1 compared to 65.8 in July 2013. These results are from lodging executives' positive sentiment of the present general business conditions for their properties which increased 8.7, and the positive sentiment for how they view general business conditions twelve months in the future which increased to 84.4 in August 2013 from 68.4 in July 2013. Future business conditions are influenced by the 13.3 increase in expectations about future room reservations over the same twelve month period.



Forty-four percent of lodging executives indicated current business conditions were good, an increase from twenty-six percent last period, while fifty-six percent indicated conditions were normal, down from seventy-four percent during the same period. No executive indicated such conditions were bad in either period.

Looking forward, sixty-nine percent of the executives thought conditions will be better in the next 12 months versus forty-two percent last month, while thirty-one percent indicated they will be the same versus fifty-eight percent last month indicating they would be the same. Executive sentiment for this period revealed that no executive thought they would be worse.

Looking forward twelve months, lodging executives expect an increase in hiring of non-managerial employees, representing a continued increase in expectations for lodging executives' reporting from July 2013. This period's change supports the national unemployment rate which declined to 7.3 percent in August 2013 compared to 7.4 percent in July 2013 as reported by BLS (Bureau of Labor Statistics); however is counter to the ISM Employment Index, which decreased by 1.1 percentage points, registering 53.3 percent.

The LESI indices follow the Institute of Supply Management's Index (ISM) method of tracking leading indicators. A LESI survey reading of greater than 50 indicates expansion whereas a reading below 50 indicates decline and the distance from 50 in either direction is indicating the

strength of the expansion or decline. During the June period of time, the ISM Index increased to 55.4 from 50.9 in June 2013.

<b>Lodging Executive Sentiment at a Glance</b>					
<b>Sentiment Indicator</b>	<b>Current Period</b>	<b>Last Period</b>	<b>Change</b>	<b>Direction of Business Activity</b>	<b>Speed of Change in Business Activity</b>
ISM Index	55.7	55.4	0.30	Expanding	Faster
LESI Index	78.1	65.8	12.30	Expanding	Very Faster
Present Business Sentiment	71.9	63.2	8.70	Expanding	Very Faster
Future Business Sentiment	84.4	68.4	16.00	Expanding	Very Faster
Future Rooms Reservation Sentiment	84.4	71.1	13.30	Expanding	Very Faster
Future Employment Sentiment	65.6	57.9	7.70	Expanding	Very Faster
Source: Department of Hospitality Management, Peter T Paul College of Business and Economics					

Managed by the Department of Hospitality Management at the UNH Peter T. Paul College of Business and Economics (formerly the Whittemore School of Business and Economics), the Lodging Executive Sentiment Index (LESI) is based on a monthly survey of lodging executives representing companies with more than 2.5 million hotel rooms across lodging segments and geographic regions of the United States --representing more than 55 percent of all U.S. rooms.