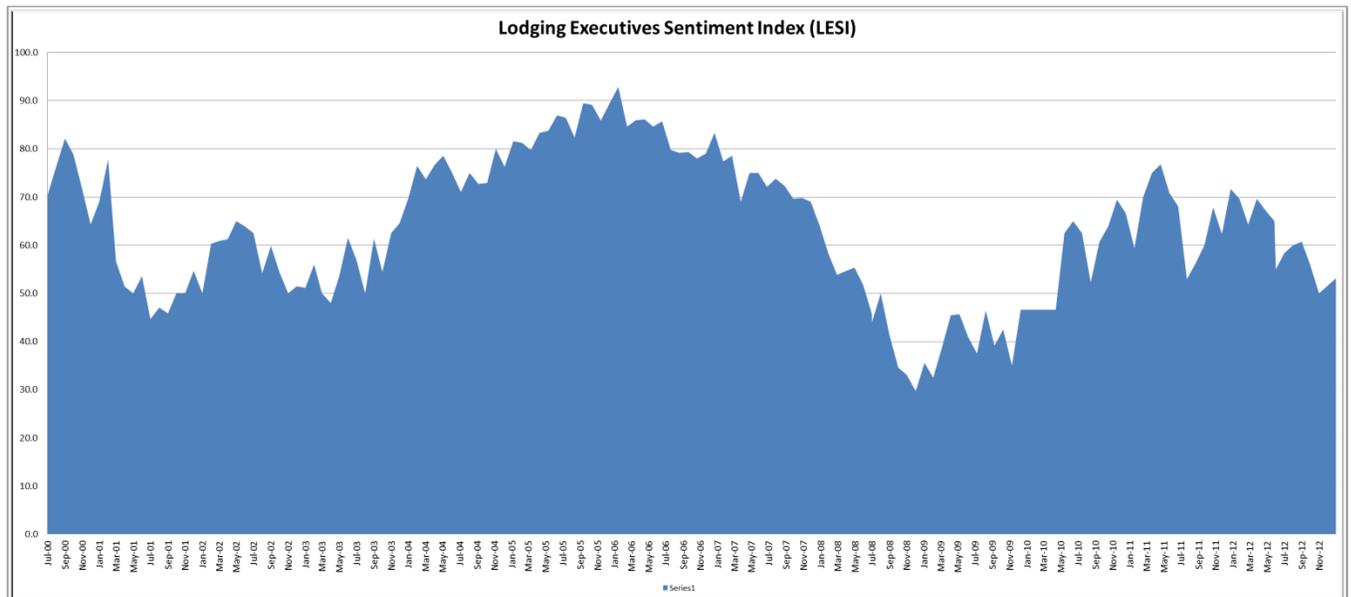


LODGING EXECUTIVE SENTIMENT INDEX TICKS UP IN DECEMBER

The Lodging Executives Sentiment Index for the current period ending December 2012 reversed its decline to 53.8 from 50.1 in November 2012. This increase, the first in two months (3.7) results from lodging executives' positive opinions of the present general business conditions for their properties, an increase in their sentiment for how they view general business conditions twelve months in the future. Expectations about room reservations over the same twelve month period also increased.



Fifteen percent of lodging executives indicated current business conditions were good, an improvement from 7 percent last period, while 69 percent indicated conditions were normal, down from 79 percent during the same period. Fifteen percent of the executives indicated such conditions were bad, a slight change from last period's reading of 14 percent.

Looking forward, 15 percent of the executives thought conditions will be better in the next 12 months, while 85 percent indicated they will be the same. This period, no one thought they would be worse, an improvement from last period's reading of 7 percent. These future results were an improvement compared to the previous period where 14 percent thought the future would be better, 79 percent thought the future would be the same, and 7 percent thought the future would be worse.

Looking forward twelve months, lodging executives do not expect to add more non-managerial employees, representing no change in expectations for lodging executives reporting in November 2012. This period's no change is not in-line with the ISM Employment Index, which increased by 4.3 percentage points, registering 52.7 percent; however is in-line with the national unemployment rate which stayed at 7.8% in December 2012 compared to November 2012 as reported by BLS (Bureau of Labor Statistics).

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 this same period of time, the ISM Index increased to 50.7 from a slightly negative 49.5.

Lodging Executive Sentiment at a Glance				
Sentiment Indicator	Current Period	Last Period	Direction of Business Activity	Speed of Change in Business Activity
ISM Index	50.7	49.5	Expanding	Very Slightly Faster
LESI Index	53.8	50.1	Expanding	Slightly Faster
Present Business Sentiment	50.0	46.4	Expanding	Slightly Faster
Future Business Sentiment	57.7	53.6	Expanding	Slightly Faster
Future Rooms Reservation Sentiment	65.4	64.3	Expanding	Very Slightly Faster
Future Employment Sentiment	50.0	50.0	Neither Expanding or Contracting	No Change
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.