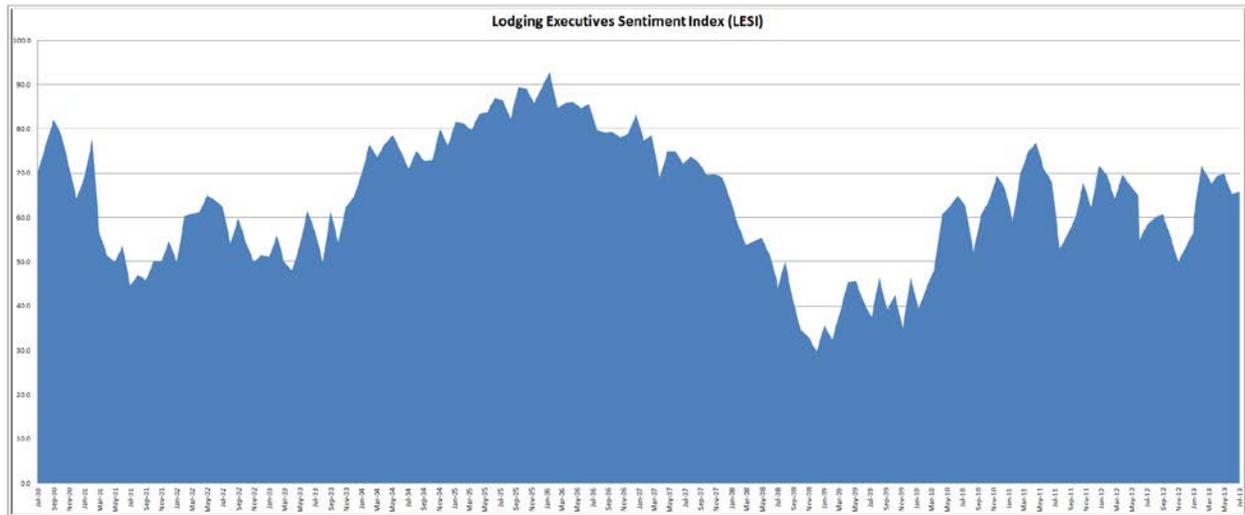


## LESI Remains flat as Future Business Conditions Continue to Weaken

The Lodging Executives Sentiment Index for the current period ending July 2013 remained flat at 65.8 compared to 65.3 in June 2013. These results are from lodging executives' positive sentiment of the present general business conditions for their properties which increased 2.1, offset by a 1.0 decline in their sentiment for how they view general business conditions twelve months in the future both over last period. Future business conditions are influenced by the 1.1 decline in expectations about future room reservations over the same twelve month period.



Twenty six percent of lodging executives indicated current business conditions were good, an increase from twenty-eight percent last period, while seventy-four percent indicated conditions were normal, down from sixty-six percent during the same period. No executive indicated such conditions were bad, an improvement in sentiment from last period's reading of 6 percent thinking conditions were bad.

Looking forward, thirty-seven percent of the executives thought conditions will be better in the next 12 months versus thirty-nine percent last month, while sixty-three percent indicated they will be the same versus sixty-one 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 a slight increase in hiring of non-managerial employees, representing a continued modest increase in expectations for lodging executives' reporting from June 2013. This period's change is in-line with the ISM Employment Index, which increased by 5.7 percentage points, registering 54.4 percent and supports the national unemployment rate which declined to 7.4 percent in July 2013 compared to 7.4 percent in June 2013 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 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	55.4	50.9	4.5	Expanding	Faster
LESI Index	65.8	65.3	0.5	Expanding	Very Slightly Faster
Present Business Sentiment	63.2	61.1	2.1	Expanding	Faster
Future Business Sentiment	68.4	69.4	-1.0	Expanding	Slightly Slower
Future Rooms Reservation Sentiment	71.1	72.2	-1.1	Expanding	Slower
Future Employment Sentiment	57.9	55.6	2.3	Expanding	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.