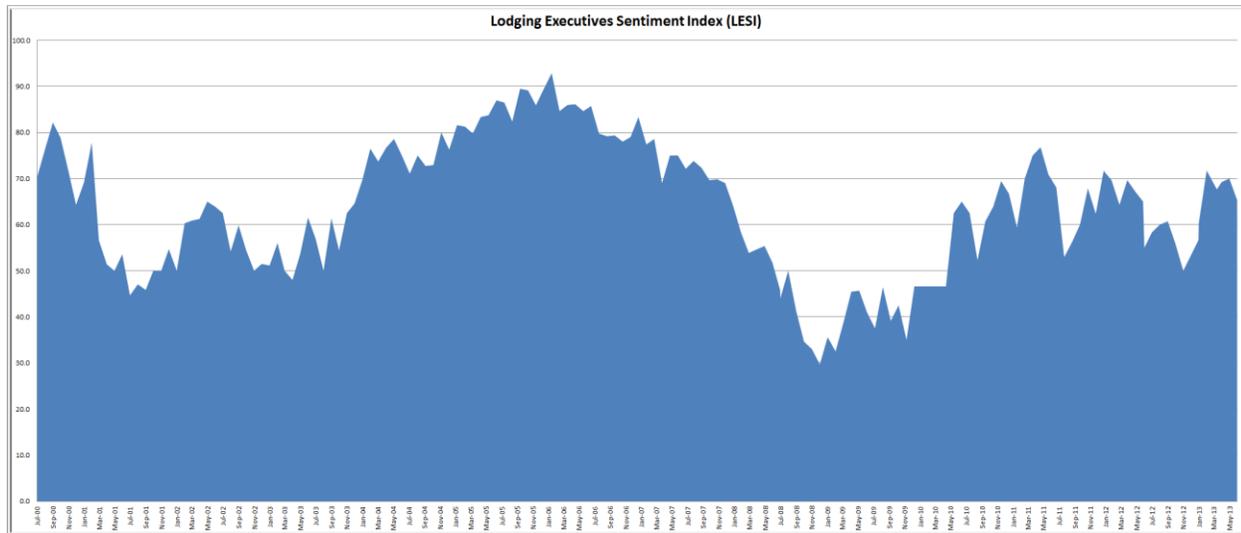


## LESI Falls as Present and Future Business Conditions Weaken

The Lodging Executives Sentiment Index for the current period ending June 2013 showed a modest decline to 65.3 from 71.2 in May 2013. These results are from lodging executives' negative sentiment of the present general business conditions for their properties which fell 11.7% and by 5.1% 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 6.1% decline in expectations about room reservations over the same twelve month period.



Twenty eight percent of lodging executives indicated current business conditions were good, an increase from thirty-eight percent last period, while sixty-seven percent indicated conditions were normal, down from seventy-two percent during the same period. Six percent of the executives in the June period indicated such conditions were bad, improvement decline in sentiment from last period's reading of zero.

Looking forward, thirty-nine percent of the executives thought conditions will be better in the next 12 months versus forty-six percent last month, while sixty-one percent indicated they will be the same versus fifty-four 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 pull back on hiring of non-managerial employees, representing a continued decline in expectations for lodging executives' reporting from May 2013. This period's change is in-line with the ISM Employment Index, which decreased by 1.4 percentage points, registering 48.7 percent and supports the national unemployment rate which remained at 7.6% in June 2013 compared to May 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 50.9 from 49.0 in May 2013.

<b>Lodging Executive Sentiment at a Glance</b>				
<b>Sentiment Indicator</b>	<b>Current Period</b>	<b>Last Period</b>	<b>Direction of Business Activity</b>	<b>Speed of Change in Business Activity</b>
ISM Index	50.9	49.0	Expanding	From Contracting
LESI Index	65.3	71.2	Expanding	Very Slightly Slower
Present Business Sentiment	61.1	69.2	Expanding	Very Slightly Slower
Future Business Sentiment	69.4	73.1	Expanding	Very Slower
Future Rooms Reservation Sentiment	72.2	76.9	Expanding	Very Slower
Future Employment Sentiment	55.6	61.5	Expanding	Very Slower
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.