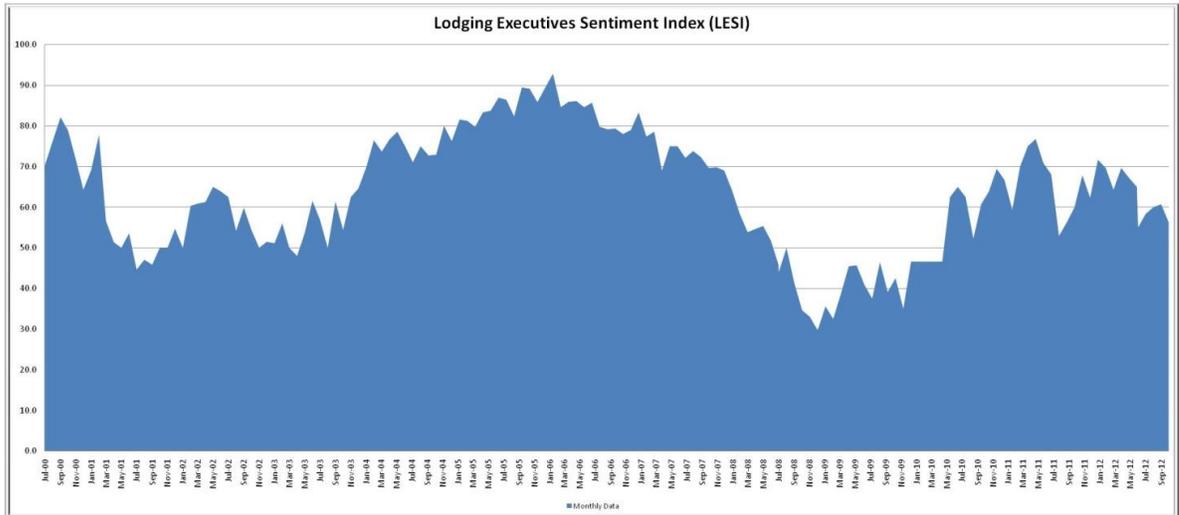


LODGING EXECUTIVE SENTIMENT INDEX SLIPS IN OCTOBER

The Lodging Executives Sentiment Index for the current period ending October 2012 slipped slightly to 56.3 from 60.7 in September 2012. This decrease (4.5) results from lodging executives' less than positive opinions of the present general business conditions for their properties. This is offset, in part, by a slight decrease in their sentiment for how they view general business conditions twelve months in the future and the large month over month increase of their expectations that room reservations will increase over the same twelve month period.



Less than half, or 31 percent, of lodging executives indicated current business conditions were good, down from 43 percent last period, while 50 percent indicated conditions were normal, up from 43 percent during the same period. Nineteen percent of the executives indicated such conditions were bad, a deterioration over last period's reading of 14 percent.

Looking forward, 19 percent of the executives thought conditions will be better in the next 12 months, while 75 percent indicated they will be the same. This period, 6 percent thought they would be worse, an improvement from last period's reading of 14 percent. These future results were mixed compared to the previous period where 29 percent thought the future would be better, 57 percent thought the future would be the same, and 14 percent thought the future would be worse.

Looking forward twelve months, lodging executives expect to add fewer non-managerial employees, representing a decrease in expectations for lodging executives reporting in September 2012. This is in line with the increase of the national unemployment rate (7.8% in September 2012 to 7.9% in October 2012) as reported by BLS (Bureau of Labor Statistics). This is also in-line with the ISM Employment Index, which decreased by 2.6 percentage points, registering 52.1 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 this same period of time, the ISM Index increased slightly from 51.5 to 51.7.

Lodging Executive Sentiment at a Glance				
Sentiment Indicator	Current Period	Last Period	Direction of Business Activity	Speed of Change in Business Activity
ISM Index	51.7	51.5	Expanding	Very Slightly Faster
LESI Index	56.3	60.7	Expanding	Slightly Slower
Present Business Sentiment	56.3	64.3	Expanding	Slower
Future Business Sentiment	56.3	57.1	Expanding	Very Slightly Slower
Future Rooms Reservation Sentiment	65.6	60.7	Expanding	Slightly Faster
Future Employment Sentiment	56.3	67.9	Expanding	Slower
Source: Department of Hospitality Management, Whittemore School of Business and Economics				

Managed by the Department of Hospitality Management at the UNH 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.