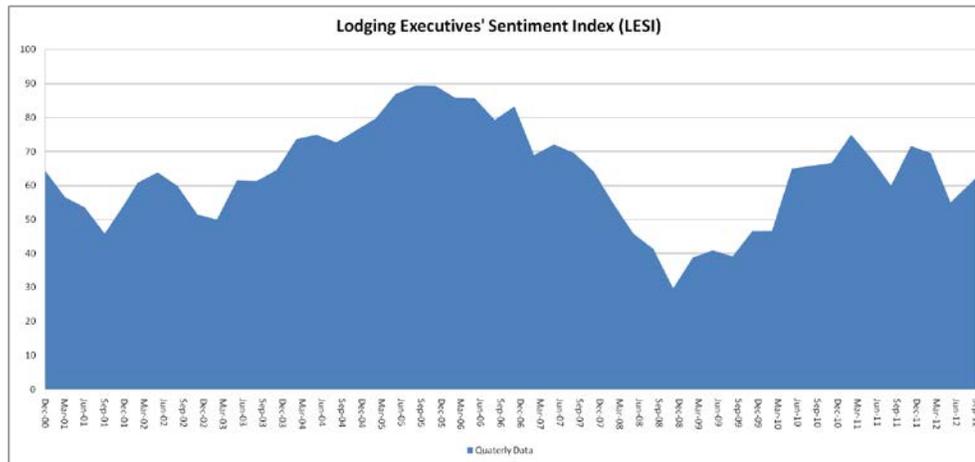


LODGING EXECUTIVE SENTIMENT INDEX MOVES UPWARD

The Lodging Executives Sentiment Index for the current period ending September 2012 rose very slightly to 60.7 from 60.0 in August 2012. This slight increase (0.7) results from lodging executives' more positive opinions of the present general business conditions for their properties, offset in part by a large decrease in their sentiment for how they view general business conditions twelve months in the future. This month over month decrease on the future of general business conditions is reinforced by their expectations that room reservations will decrease over the same twelve month period.



Less than half, or 43 percent, of lodging executives indicated current business conditions were good, up from 40 percent last period, while 43 percent indicated conditions were normal, up from 33 percent during the same period. Fourteen percent of the executives indicated such conditions were bad, an improvement over last period. Looking forward, 28 percent of the executives thought conditions will be better in the next 12 months, while 57 percent indicated they will be the same. Again, 14 percent thought they would be worse. These future results were worse than the previous period where 28 percent thought the future would be better, 75 percent thought the future would be the same, and no executive thought the future would be worse.

Looking forward twelve months, lodging executives expect to add more non-managerial employees, representing an increase in expectations for lodging executives reporting August 2012. This is in line with the decrease of the national unemployment rate (8.1% in August 2012 to 7.8% in September 2012) as reported by BLS (Bureau of Labor Statistics). This is also in-line with the ISM Employment Index, which increased by 3.1 percentage points, registering 54.7 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 49.6 to 51.5.

Lodging Executive Sentiment at a Glance				
Sentiment Indicator	Current Period	Last Period	Direction of Business Activity	Speed of Change in Business Activity
LESI Index	60.7	60.0	Expanding	Very Slightly Faster
Present Business Sentiment	64.3	56.7	Expanding	Slightly Faster
Future Business Sentiment	57.1	63.3	Expanding	Slightly Slower
Future Rooms Reservation Sentiment	60.7	66.7	Expanding	Slightly Slower
Future Employment Sentiment	67.9	60.0	Expanding	Slightly Faster
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.