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PRESS RELEASE

Paris, June 13th 2008

A sustained activity in May for the French hotel industry

- After 2 mitigate months in March and April, the French hotel industry ties up again with high growth rate experienced early this year. With an improving occupancy rate (+2.7 pts), price policy's efficiency (average rate increase 5.7%) leads to a growth in RevPAR of 9.8%.
- Particularly, French bank holiday weekends 1st and 8th may, associated with the Pentecost, have been most favourable to the hotel industry, with an average increase in RevPAR over 20% compared to the results recorded during last year's prolonged weekend of may 2007.
- The small drop in activity experienced in March and April does not impede the growth performances for the beginning of the year 2008: +7.1% at the end of May, as forecasted by MKG Hospitality earlier in the year.

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Methodology

- MKG Hospitality is the European leader within the hotel industry, tourism et catering. With its number-one database worldwide, outside the United States it is highly representative in the sector. The monthly database report encompasses 10 000 hotel chains and represents 1 000 000 rooms (sample has been increased by 10% in 2005)

- Since September 2004, the MKG Hospitality database proposes a daily program capable of monitoring activity indicators on a day to day basis. It counts 1 500 hotels and 125 000 rooms in France making it the first program capable of daily performance monitoring in Europe.

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Hotel Chains performances in France with star rating segmentation
Monthly Results - May 2008 - First estimations

	Occupancy Rates	OR Changes (pts)	Average Daily Rates	ADR Changes %	RevPAR	RevPAR Changes %
0*/1*	72,5%	1,4	38,8	5,3%	28,1	7,3%
2*	74,1%	3,9	64,9	5,7%	48,1	11,5%
3*	70,8%	3,4	96,4	7,6%	68,2	13,0%
4*	74,7%	1,6	223,9	5,0%	167,2	7,3%
GLOBAL	**72,8%**	**2,7**	**88,4**	**5,7%**	**64,3**	**9,8%**

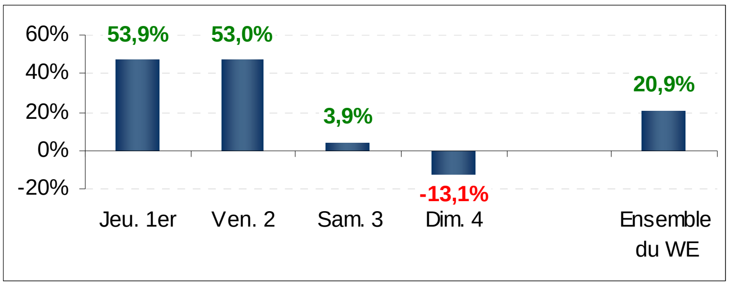
Source: MKG Hospitality Data base - official supplier of hotel chains - June 2008
ADR and RevPAR are all taxes included

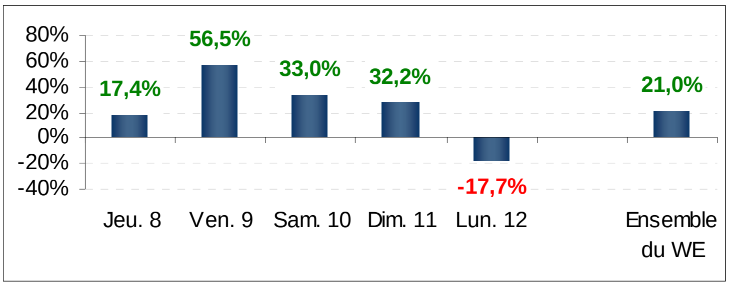
Hotel Chains performances in France with star rating segmentation
Cumulated Results from January to May 2008 - First estimations

	Occupancy Rates	OR Changes (pts)	Average Daily Rates	ADR Changes %	RevPAR	RevPAR Changes %
0*/1*	67,5%	-0,4	38,2	4,7%	25,8	4,0%
2*	66,8%	1,3	64,6	4,6%	43,1	6,7%
3*	62,7%	1,5	94,5	6,0%	59,2	8,6%
4*	67,3%	0,2	197,5	7,2%	132,9	7,6%
GLOBAL	**65,9%**	**0,7**	**83,4**	**5,9%**	**55,0**	**7,1%**

Source: MKG Hospitality Data base - official supplier of hotel chains - June 2008
ADR and RevPAR are all taxes included

Daily RevPAR changes for the bank holiday weekends of May 2008[1]





Source: MKG Hospitality Data base - official supplier of hotel chains - June 2008
ADR and RevPAR are all taxes included

[1] Week-ends of 1st and 8th of May 2008 are compared to Week-ends of 1st and 8th of May 2007. The 12th of May 2008, Pencost day, is compared to 2007 Pencost day, (28th of May 2007).

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2* and 3* occupancy rate experienced strong growth

May has been a particularly glorious month for the French hotel industry as it shows, according to MKG Hospitality estimates, an increase in RevPAR of 9.8% compared to results monitored in may 2007. Occupancy levels rise to 2.7 pts to reach 70% across categories. Average prices experienced, however, a more moderate progression since the beginning of the year (+5.7%).

Intermediary categories (2* and 3*) are uplifting the overall performances. Nevertheless, tourists did not desert the upscale hotel industry. Hence the 4* category has been particularly high, nearly reaching 75% and an increase 1.6 pts. Tourists, within the upscale spectrum, have responded well to the weekends fare launched by the hotelier and explains therefore a somewhat more moderate rise in average prices next to the national average.

Promotions do weigh on prices but also stimulate occupancy rate during May 2008 prolonged bank holiday weekends

The very good performances registered during the bank holiday breaks, compared to last year results, contribute to explain the good results in May. During the 1st and 8th weekends, RevPAR shows a 21% increase on average thanks to a strong growth in occupancy rates (+10.3% pts for the 1st may weekend and 13.6% for the 8th of may weekend and Pentecost). Demands have been stimulated by an efficient price policy implemented to widen the client's target. The promotions have however limited the average rate's growth to 3% for the first weekend, an evolution slightly under the monthly average, and bring about a decrease of average rate for the 8th of may weekend (-3.4%).

In 2007, the presidential election, was in the middle of the 8th of may weekend and therefore did not encourage travelling. As regard 2008, this year's calendar, with the weekend prolonged by the Pentecost's Monday, permitted to keep the customers during a further overnight, on sunday night.

Such dynamic still stands as predicted by MKG Hospitality previsions

March and April's performance were somewhat half tinted, especially hindered by a decline in occupancy rates. Such step backwards could have led to a drop in activity linked to the uncertain international economic situation. May does not justify such pessimistic prevision. During the first five months of the year, overall revPAR rises 7.1% thanks to the combined increase in occupancy rates (+0.7%) and, more especially, average rates (+5.9%).

2* and 3* segments sustain the activity and experience a growth in occupancy superior to 1 point. In particular, if occupancy rate within 3* is always lower than the other categories, it recorded the best growth during the first five months. Upscale hotel industry benefited from a acute yield policies within an overall context rather slow regarding occupancy rate (+0.2%). The 4* RevPAR, always sensitive to the international circumstances, is still increasing by 7.6%.

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Only budget categories saw their occupancy rate drop during the first five months of the year (-0.4%). Considering the increase in offer within such segment (+3.0% during the year 2007), such results do not indicate a decrease in demand. Hence, average prices stay positively orientated (+7.4%) with an increase in RevPAR of 4.0%. Budget hotels are in a middle of an intense battle between the industry's major actors. B&B, with the buyout of Villages Hôtels, and Balladins, sustained by Dynamic Hôtels, play rather well their challengers' roles next to Accor and Groupe du Louvre's brands.

It is of no surprise that the international economic horizon has been gloomy for the past few months (financial crisis and economical back drop in the US, rocketing petrol price, euro-dollar parity has been euro destination more expansive), but until now there is no sign of a conjectural drastic change. France stays an attractive destination. In 2007, France saw its number of visitors increases by 4% according to the figures published by the Secretary of State for Tourism. With a record breaking 82 million visitors in 2007, with 14 million in transit, consequently 68 million visitors choosing France as main destination and stay on top destination worldwide ahead of Spain.

The sector's fundamentals are good and the results for the first five months confirm the previsions forecasted by MKG Hospitality early this year, an increase in RevPAR ranging between 6 and 8% in 2008.

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