

Meetings Mean Business

Los Angeles has joined the meetings industry effort to reinforce the importance of continued support of the U.S. meetings market. Industry leaders launched a campaign to better educate travelers, planners and the general public about travel and the need to hold meetings and conventions. One such campaign is the "Meetings Mean Business". In addition to educating the public on the need for travel and meetings, this campaign has gone one step further and launched "Faces of Travel". <http://www.meetingsmeanbusiness.com/take-action> This effort is intended to showcase the faces of travel that are really affected when travel and meetings do not take place.

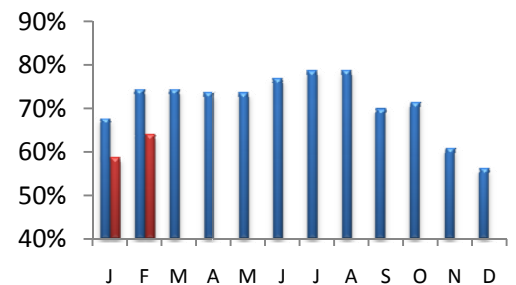
Our city does have good news to report! Like every U.S. city, we have had our share of cancellations so far in 2009, however, we are slightly ahead of 2008's pace for Citywide convention bookings. LA INC continues to work hard to bring meetings and conventions to Los Angeles despite current economic challenges.

More good news for Los Angeles....

Steve Swope is the Chairman and CEO of the Rubicon Group, a leading provider of competitive market intelligence, analysis and revenue management. Steve says, "Through the first quarter of the year, the following markets have consistently outperformed the national average (across the major markets in our study) in terms of occupancy on the books versus the same time last year: Atlanta, Boston, Dallas, **Los Angeles** and Washington D.C. Granted, these markets are all down in occupancy; however, they are down less than other markets. Based on reservations on the books, Atlanta, **Los Angeles** and Washington D.C. have also experienced a smaller decline in year-over-year ADR. Those markets are therefore currently in the best position in terms of relative RevPAR outlook over the coming months. For more information see: <http://www.therubicongroup.com/index.html>

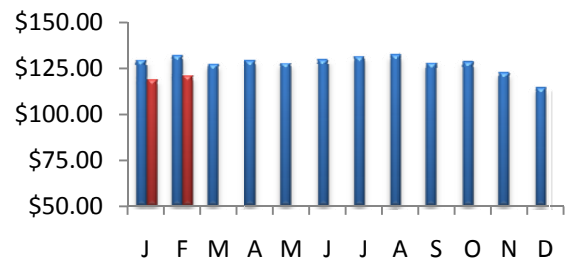
Countywide Hotel Occupancy

February's occupancy measured 64.1%, a decrease of -14.1% from last February's mark of 74.6%. The average occupancy for the top 25 markets was down -12.1%. Overall, US occupancy was also down for the month -10.1%.



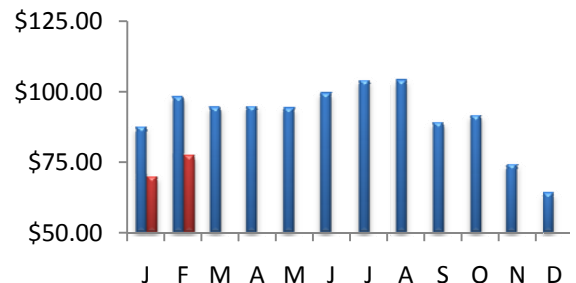
Average Daily Room Rate (ADR)

In February, county ADR went down by -8.2% over 2008 to reach \$120.96. The monthly change in room rates in the top 25 markets was -9.9%. US rates were down -7.8% for the month.



Revenue Per Available Room (RevPAR)

LA County RevPAR for the month of February was down -21.1% and finished the month at \$77.53. The RevPAR growth in the top 25 markets was down -20.8% for the month. The overall U.S RevPAR was down -17.1% for the month.



Legend:



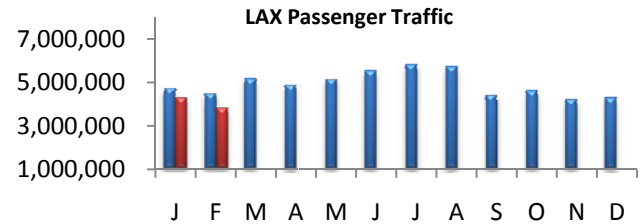
2008



2009

Airport Passenger Traffic

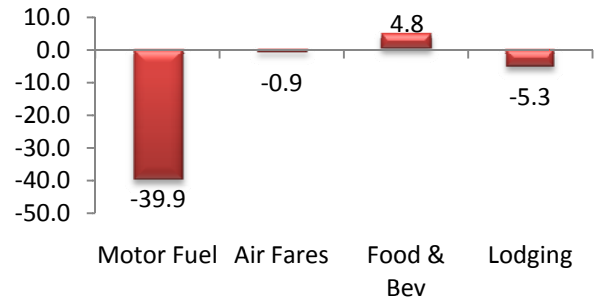
3.7 million Passengers passed through the gates of LAX in February, a decrease of -14.8% vs. last year. The domestic traffic at LAX dropped by -14.1%, while international traffic dropped by -16.5%. Passenger traffic at LA Ontario International also dropped year over year by 33.5% in February. The domestic traffic at LA/ONT was down by -33.9%, while international traffic was up 7.9%



U.S. Travel Price Index

The TPI measured 5.9 percent lower in January than it did during the same month in 2008. Motor fuel prices were dropped down by -39.9% year over year, with airline fares dropped slightly 0.9%. Food & beverage prices were up by 4.8% in January and lodging prices were down at -5.3%. The year-to-date changes (%) for four major tourism sectors are shown in the graph at the right.

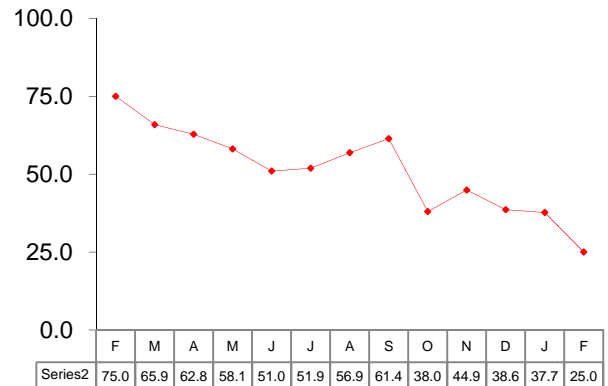
TPI Year to Date Change, January 2009



U.S. Consumer Confidence

"The Conference Board Consumer Confidence Index™, which had decreased moderately in January, declined in February, reaching yet another all-time low. The Index now stands at 25.0 (1985=100), down from 37.4 in January. Says Lynn Franco, Director of The Conference Board Consumer Research Center: "The Consumer Confidence Index™, which was relatively flat in January, reached yet another all-time low in February (Index began in 1967). The decline in the Present Situation Index, driven by worsening business conditions and a rapidly deteriorating job market, suggests that overall economic conditions have weakened even further this quarter. Looking ahead, increasing concerns about business conditions, employment and earnings have further sapped confidence and driven expectations to their lowest level ever. In addition, inflation expectations, which had been easing over the past several months, have moderately picked up. All in all, not only do consumers feel overall economic conditions have grown more dire, but just as disconcerting, they anticipate no improvement in conditions over the next six months."

Consumer Confidence
Feb 08-Feb 2009



(Source: Quote from Conference board Website)

