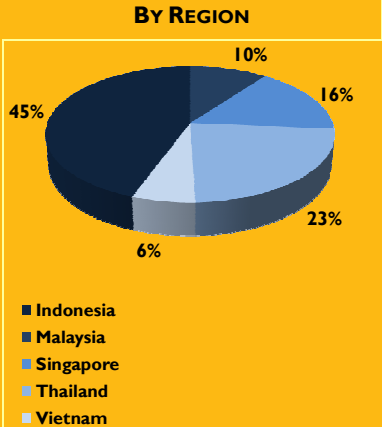




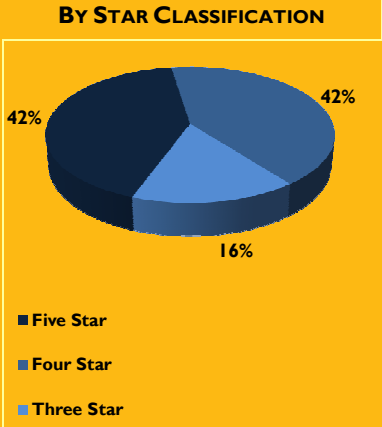
Singapore HOTEL MARKET SENTIMENT SURVEY

February 2009

SHARE OF RESPONDENTS



SHARE OF RESPONDENTS



INTRODUCTION

The Horwath HTL Singapore Hotel Market Sentiment Survey, part of a global initiative, has been designed to provide hoteliers in Singapore a quick assessment of the market outlook for the coming 12 months. The survey focuses on the outlook for occupancy, average room rates and total revenue.

The survey also covers hoteliers' response on the impact of key factors that drive room night demand growth. Participants were also asked to rate the outlook for each major demand segment.

This report will summarize the findings from the surveys gathered from participants in Singapore, which comprised of 16 percent of total respondents in the ASEAN region. Singapore is part of the top three countries with the highest response rate in the region. Indonesia and Thailand contributed 45 percent and 23 percent respectively.

The majority of the responses were submitted by hoteliers from the 5 star (42 percent) and 4 star (42 percent) segments. The 3 star hotel responses were (16 percent).

Similar to the Global and ASEAN Hotel Market Sentiment Survey's previously released, the Singapore market held a negative assessment of the outlook for 2009 due to the global financial crisis.



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SENTIMENT RANKINGS

| By Countries | Score |
|------------------|-------|
| 1. Indonesia | -4.3 |
| 2. Malaysia | -32.8 |
| 3. Vietnam | -44.6 |
| 4. Thailand | -44.9 |
| 5. Singapore | -64.3 |
| 6. ASEAN average | -28.7 |

"Hoteliers in Singapore generally foresee a tough year ahead, with a sentiment ranking of negative 64.3, in comparison to a region average of negative 28.7."

RANKING SCORE KEY

| | |
|-------------|--------|
| Much Worse | -150.0 |
| Worse | -75.0 |
| Same | 0 |
| Better | 75.0 |
| Much Better | 150.0 |

SENTIMENT RANKINGS

As a way to measure and compare the results, we have created an index to formulate an average sentiment score. Points were assigned to each corresponding response and compounded accordingly. The index utilized a scale of negative 150 to positive 150 in which a score of negative 150 denotes a sentiment of absolute pessimism; a zero score indicates unchanged expectations from the previous year whereas a score of positive 150 signifies a very optimistic outlook.

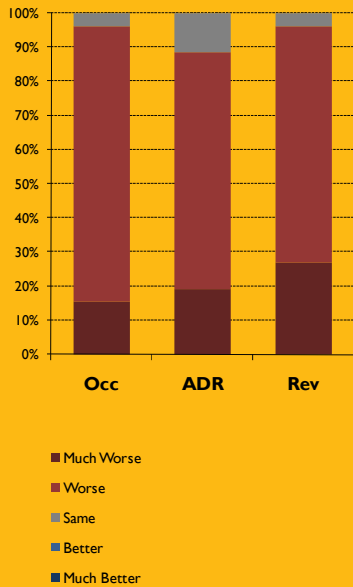
The purpose of creating a sentiment index or score is to better track changes in market sentiment in future surveys to be conducted by Horwath HTL.

Hoteliers in Singapore generally foresee a tough year ahead, with a sentiment ranking of negative 64.3, in comparison to an ASEAN average of negative 28.7. Singapore's bleak outlook on the coming year is due to the fact that Singapore's economy is expected to be greatly affected by the global economic downturn, more than other countries in the region as the nation is highly reliant on global trade and financial flows.

Other SEA countries such as Indonesia have higher market sentiment as the domestic economic environment has seen recent improvements. Thailand, due to recent political unrest and a volatile political situation, has recorded the second lowest ranking. Singapore has ranked lowest due to a significant slowdown, which has caused real GDP growth to contract to 2.5 percent, and is forecasted to have negative growth of 2 percent in 2009. Singapore's exports, a significant contributor to the national GDP has suffered a 36 percent decrease in January 2009.

The low market sentiment outlook for Singapore has been recorded across all star rating categories within Singapore, especially within the 4 star hotel market, where expectations are the lowest for occupancy, average room rate and revenues.

RATIO OF RESPONSES



“Singapore attained an average score of negative 64.3 for market performance measures, notably lower than the ASEAN average of negative 12.6.”

MARKET PERFORMANCE RANKING

| | Occ, | ADR | Rev. |
|-----------------|--------------|--------------|--------------|
| 1. Indonesia | -24.0 | 22.9 | 1.1 |
| 2. Vietnam | -50.0 | -41.7 | -50.0 |
| 3. Malaysia | -52.9 | -30.9 | -39.7 |
| 4. Thailand | -75.0 | -48.6 | -64.9 |
| 5. Singapore | <u>-83.7</u> | <u>-80.8</u> | <u>-92.3</u> |
| 5.1. 5 Star SGP | -81.8 | -68.2 | -95.5 |
| 5.2. 4 Star SGP | -88.6 | -95.5 | -95.5 |

MARKET PERFORMANCE

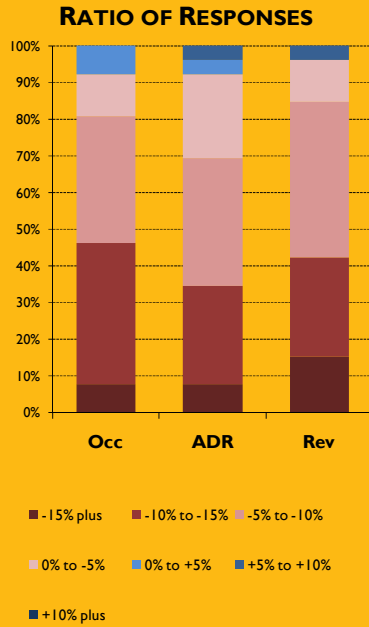
The first question in the survey dealt with the respondents’ forecast with regard to market-wide occupancy, average room rate and revenue in 2008 in comparison to 2009.

In terms of occupancy, 96 percent of hoteliers in Singapore have shown that they expect occupancy to suffer throughout 2009. Of total responses, 81 percent expect occupancy to be worse, 15 percent forecast that the situation will be much worse and only 4 percent mentioned that performance will remain the same. The 4 star market recorded the worst outlook for occupancy in 2009 with 90 percent of hoteliers expecting a decrease of at least 5 percent.

General sentiment on average room rate also shows pessimistic views, with a dreary outlook for Singapore; none of the Singapore-based hoteliers believe that rates will improve in 2009 while 88 percent stated that market-wide rates are likely to drop. The 4 star market, has again shown the most pessimism, with 90 percent of respondents expecting a decrease in rates. Singapore recorded an average sentiment score of -80.8 for ADR, significantly lower than SEA’s -19.4.

Results on revenue expectations followed a similar pessimistic view, as 96 percent of hoteliers in Singapore stated that they will likely see their revenues get worse, or much worse.

Utilizing our scoring system to gauge and obtain an average sentiment in all three performances measures, Singapore attained an average score of negative 85.6, notably lower than the SEA average of negative 35.4. This is due to the fact that other SEA countries such as Indonesia have not been affected as dramatically by the crisis.



"93 percent of hoteliers have a negative outlook for hotel rates for the coming year."

HOTEL PERFORMANCE RANKING

| | Occ, | ADR | Rev. |
|---------------|-------|-------|-------|
| 1. Indonesia | 4.9 | 38.6 | 17.9 |
| 2. Vietnam | -5.9 | 0.0 | 0.0 |
| 3. Malaysia | -27.8 | -27.8 | -11.1 |
| 4. Thailand | -51.3 | -34.2 | -50.0 |
| 1. Singapore | -63.5 | -27.8 | -67.3 |
| 2. SGP 5 Star | -54.5 | -36.4 | -68.2 |
| 3. SGP 4 Star | -72.7 | -59.1 | -68.2 |
| 4. SGP 3 Star | -62.5 | -62.5 | -62.5 |

HOTEL PERFORMANCE

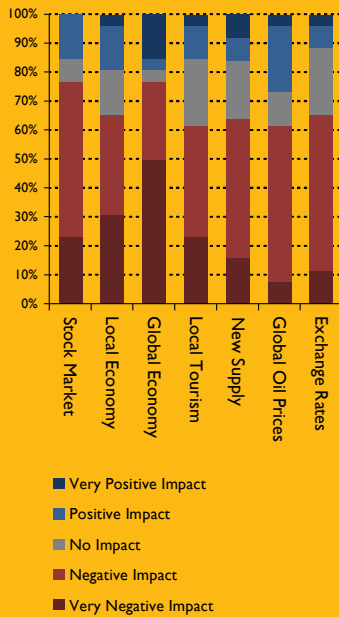
The hoteliers were also asked to assess their hotel's performance in 2009. With respect to outlook on occupancy, 92 percent of the total participants stated that performance will decline from 2008. As expected, positive responses were rather dearth as only 8 percent mentioned that occupancy will improve by up to 5 percent.

93 percent of hoteliers have a negative outlook for hotel rates for the coming year, with almost 70 percent of hotelier's estimating rates will decrease by at least 5 percent (more than 30 percent believe it will be above 10 percent). The 3 and 4 star markets are the most pessimistic in regards to average room rates, whilst the 5 star market believes it will be more resistant to rate declines.

With regard to projections on revenues, Singapore has recorded at least 90 percent negative responses with 42 percent of hoteliers expecting at least a 10 percent decline in revenues.

Utilizing the index to measure the average sentiment of all three performance measures, Singapore yielded the lowest average sentiment within ASEAN with a score of negative 60.3, whilst the ASEAN industry average was recorded at negative 12.6. The 4 star market in Singapore recorded the lowest sentiment score of, -66.7.

RATIO OF RESPONSES



“All factors will have a negative impact on performance.”

FACTORS AFFECTING PERFORMANCE RANKING

| | |
|----------------------------------|-------|
| 1. Global Oil Prices | -28.8 |
| 2. New competitive supply | -42.0 |
| 3. Currency Exchange Rates | -46.2 |
| 4. Local Tourism Trends | -49.0 |
| 5. Local Economic Growth Trends | -54.8 |
| 6. Local/Global Stock Market | -63.5 |
| 7. Global Economic Growth Trends | -69.2 |

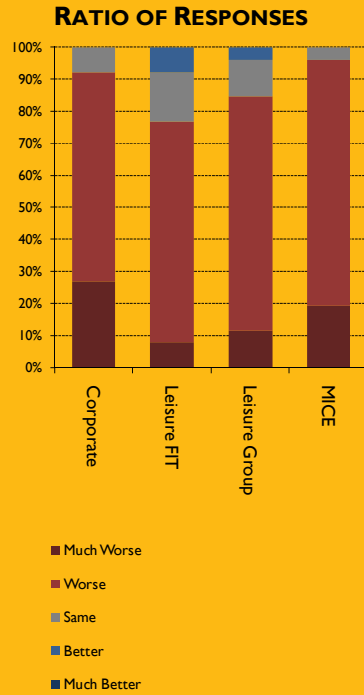
FACTORS AFFECTING PERFORMANCE

The participants were asked how seven factors namely (1) local/global stock market, (2) local economic growth trends, (3) global economic growth trends, (4) local tourism trends, (5) new competitive supply additions, (6) global oil prices and (7) currency exchange rates will influence performance in 2009.

Out of all these factors, global economy tallied the most negative response as 77 percent believed that performance will be affected negatively by the global economy. On the other hand, albeit still high at 60 percent, global oil prices have the least negative response relative to the rest. This indicates that concerns about rising oil prices, which were high in early 2008 have relatively subsided.

When applying our scoring system, all factors registered negative results, which signify that all were foreseen to generally impact performance negatively. Global economic growth trends are believed to have the worse effect on performance with negative 69.2 points. It is then followed by local/global stock market performance with negative 63.5.

Singapore has recorded an average sentiment score for all factors of negative 50.5. Global economic growth trends has achieved the lowest score across the board for all countries in ASEAN, showing that this is the biggest concern for hoteliers in the region. The local/global stock market is another major factor which hoteliers expect to influence their hotel performance negatively, mainly due to a severe slump in many ASEAN stock markets.



“92 percent of the Singaporean hoteliers stated that corporate performance will suffer in 2009”

| MARKET SEGMENT PERFORMANCE | |
|----------------------------|-------|
| 1. Leisure FIT | -57.7 |
| 2. Leisure Group | -69.2 |
| 3. MICE | -86.5 |
| 4. Corporate | -89.4 |

MARKET SEGMENT PERFORMANCE

The last question dealt with each participant’s opinion with regard to the performance of Corporate, Leisure FIT, Leisure Group and MICE market segments.

General sentiments were no different than the previous ones as respondents were relatively pessimistic about the performance of all market segments in 2009. All segments had at least a negative response, with corporate travel having the highest number of negative responses.

Singapore, which has a relatively large portion of its room nights demand driven by MICE and corporate demand has seen very negative sentiment scores for both these areas. The global economic slowdown is projected to affect MICE and corporate travel more than the other segments as companies begin to cut back on budgets for incentive and conference trips.

92 percent of the Singaporean hoteliers stated that corporate performance will suffer in Singapore. And there have not been any positive projections for corporate performance in 2009.

Singaporean hoteliers project that the least negatively affected market will be the Leisure FIT group, yet 77 percent of hoteliers do expect a decrease in this segment.

When utilizing our index to obtain an average sentiment per segment, none attained a positive score indicating that respondents generally believe that performance across all segments will likely suffer this year. Corporate scored the lowest score in our index with negative 89.4 followed by MICE with negative 86.5, Leisure Group negative 69.2 and leisure FIT with negative 57.7.

CONCLUSIONS

In conclusion, hoteliers in Singapore, generally estimated a dreary outcome with respect to market-wide and individual property performance this year. The market sentiment for 3 and 4 star properties are lower than the projections for 5 star properties, although occupancy rates are forecasted to decrease across the board.

The major factor which seems to be troubling hoteliers in Singapore is the current economic trends, due to the fact that Singapore's and other feeder markets Gross Domestic Product has suffered in recent months, as well as a consistent and drastic decrease in net exports from Singapore.

As a result of the current economic trends, corporate travel is considered to have the most significant negative effect on hotels, with many companies expected to cut travel budgets

Singapore has recorded lower sentiment scores than other countries within ASEAN, with over 90 percent of hoteliers foreseeing a decrease in occupancy rates, average rates and revenues through 2009.

Other Market Sentiment Reports

BY REGION

ASEAN Benelux Europe Northeast Asia South East Europe

BY COUNTRY

| | | | | | |
|-----------|----------------|-----------|------------|----------|--------------|
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