

Louisiana Travel Pulse

December 2007

Produced by the Louisiana Office of Tourism

Analysis/Highlights:

- * New Orleans International Airport boosted capacity to 77.8% of the pre-Katrina flights and 71.1% of the pre- Katrina seats in October due to Delta Airlines returning to 9 daily Atlanta flights and increasing the size of the aircraft for the New York LaGuardia flight, and American Airlines returned their third daily flight to Chicago after a summer absence and added a 4th flight to St. Louis. November will bring substantial changes when Armstrong's largest carrier, Southwest Airlines, adds 8 flights to the market.
- * For the month of October, New Orleans, Lafayette, Baton Rouge, Shreveport, and Alexandria metro areas experienced increased room demand (room nights sold).
- * Mississippi's revenue has increased over 14% so far this year, while Louisiana's riverboat revenue has declined 4.5%. The primary reason is the growth of new riverboat casinos. Mississippi has added 2 new casinos since January 2007 while Louisiana has added only one (Amelia Belle in May). Also Louisiana's racinos and Harrah's landbased casino in New Orleans also compete with the existing riverboats.
- * There was an overall increase of 9,632 visitors to Louisiana's state parks and historic sites, or 8.9% more than October 2006.

Louisiana Tourism Trends

Airport Trends	October 2007	October 2006	% +/-	(Benchmark)			% +/- 2006-2007	% +/- 2004-2007
				YTD 2004	YTD 2006	YTD 2007		
Airport Passenger Enplanements								
Louisiana Metro Airports Total	419,358	376,258	11.5%	4,756,927	3,341,544	3,921,724	17.4%	-17.6%
New Orleans	336,265	296,917	13.3%	4,056,246	2,510,346	3,111,844	24.0%	-23.3%
Other Metro*	83,093	79,341	4.7%	700,681	831,198	809,880	-2.6%	15.6%
* Note: Includes Baton Rouge, Shreveport, and Alexandria metropolitan airports.								
Louisiana Hotel/Motel Trends								
Rooms Sold	1,531,591	1,459,421	4.9%	15,684,955	14,724,132	14,342,473	-2.6%	-8.6%
Room Supply	2,351,598	2,210,269	6.4%	22,867,890	21,261,891	22,638,048	6.5%	-1.0%
Occupancy Rate	65.1%	66.0%	-1.4%	68.6%	69.3%	63.4%	-8.5%	-7.6%
Average Daily Rate	\$97.45	\$90.06	8.2%	\$83.75	\$89.08	\$89.49	0.5%	6.9%
Louisiana Gaming Indicators								
Riverboat AGR*	\$137,243,037	\$135,869,201	1.0%	\$1,318,344,381	\$1,557,042,647	\$1,486,956,711	-4.5%	12.8%
Non-Indian Land Based Casino GGR**	\$32,447,088	\$30,684,006	5.7%	\$268,774,471	\$272,168,453	\$342,760,496	25.9%	27.5%
Slots At Racetracks GGR***	\$28,972,340	\$27,806,320	4.2%	\$233,044,843	\$315,593,966	\$305,730,069	-3.1%	31.2%
Total	\$198,662,465	\$194,359,527	2.2%	\$1,820,163,695	\$2,144,805,066	\$2,135,447,276	-0.4%	17.3%
*Adjusted Gross Revenue								
**Gross Gaming Revenue from Harrah's New Orleans Casino								
***Initiated in 2/2002 at Delta Downs, 5/2003 at Louisiana Downs, and 12/2003 at Evangeline Downs								
State Welcome Center Visitors								
	95,850	111,587	-14.1%	1,371,709	1,114,721	1,206,300	8.2%	-12.1%
Notes: All centers are open except for the Slidell Center which closed for renovation following Labor Day 2007. N.O. Welcome Center operated on a restricted 5-day per week schedule in 2006 and the first half of 2007.								
Louisiana Parks Visitors								
Jean Lafitte NHP*	16,399	20,489	-20.0%	498,519	209,336	263,726	26.0%	-47.1%
Louisiana State Parks and Historic Sites	117,376	107,744	8.9%	1,777,503	1,369,422	1,514,490	10.6%	-14.8%
* Recreational Visits								

National Tourism Trends

(Benchmark)

	October 2007	October 2006	% +/-	YTD 2004	YTD 2006	YTD 2007	% +/- 2006-2007	% +/- 2004-2007
<u>U.S. Hotel/Motel Trends</u>								
Rooms Sold			3.2%				1.4%	
Room Supply,			1.7%				1.3%	
Occupancy Rate	66.7%	65.7%	1.5%	63.1%	65.1%	65.1%	0.1%	3.2%
Average Daily Rate	\$107.51	\$100.55	6.9%	\$86.52	\$97.77	\$103.73	6.1%	19.9%
<u>National Park Trends</u>								
Recreational Visits (000)	22,690	23,010	-1.4%	249,004	243,886	246,364	1.0%	-1.1%
<u>U.S. Consumer Confidence Index Trend</u>								
Index (1985=100)	95.6	105.1	-9.0%	96.0	105.5	106.1	0.5%	10.6%

(Sources: Louisiana Metropolitan Airports, Air Transport Association, Smith Travel Research, Louisiana State Police, Travel Industry Association of America, National Park Service, The Conference Board, and DCRT)

Glossary

Enplanements - a count of the number of passengers who board an airplane at one of Louisiana's metro airports.

Average Daily Rate (ADR) - Room revenue divided by rooms sold.

Occupancy - rooms sold divided by rooms available.

Rooms available (Room Supply) - The number of rooms times the number of days in the period.

Room revenue - total room revenue generated from the sale or rental of rooms.

Rooms sold (Room Demand) - The number of rooms sold (excludes complimentary rooms).

Adjusted Gaming Revenue - Net gains realized by a casino after payment of all cash paid out as losses to patrons.

Welcome Center Visitors - the number visitors who sign the register at Louisiana's 13 state welcome centers.

Recreational Visits - The entry of a person onto lands or waters administered by the NPS for recreational purposes

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Other Louisiana Tourism Trends

<u>Visitors</u>	1st Quarter 2007	1st Quarter 2006	% +/-
U.S. Resident Visitors To La.*	6,400,000	2,200,000	190.9%
Canadian Resident Vis. To La.**	17,600	13,100	34.4%

* 2007 domestic estimates are preliminary and subject to change. Hurricane related recovery travel is not included in 2006 estimates.
 ** The source for Canadian visitor estimates is Statistics Canada.

<u>Intent To Visit Benchmarks</u>								
MDRG Survey	November 2007	August 2007	April 2007	January 2007	August 2006	May 2006	March 2006	January 2006
Regional Sample	44.7%	46.5%	60.2%	56.3%	50.7%	46.6%	49.8%	46.1%
National Sample	18.2%	19.0%	47.9%	33.9%	31.5%	30.8%	30.5%	35.6%
TNS Survey	Fall 2006	Fall 2005	% +/-	Spring 2007	Spring 2006	Spring 2005	% +/- 2006-2007	% +/- 2005-2007
Regional Sample	43.0%	37.0%	16.2%	42.0%	31.0%	53.0%	71.0%	-20.8%
National Sample	13.0%	13.0%	0.0%	16.0%	11.0%	21.0%	90.9%	-23.8%

Notes: The results shown here are primarily taken from surveys in which the following question was asked of travelers:
 "How likely are you to take a trip to Louisiana during the next 12 months?" The choices are from 1 to 5 with 5 equals Extremely Likely and 1 equaling Not At All Likely. This is only a measurement of the attitude towards visiting La and should only be used as a gauge to measure a trend. This measurement is not used to estimate actual visitor volume.

<u>Hospitality Industry Employment</u>	QTR 2007-1 Employment	QTR 2006-1 Employment	% +/-	QTR 2007-1 Units	QTR 2006-4 Units	QTR 2006-1 Units	% Change From Prev. Qtr.	% Change From Prev. Year
Arts, Entertainment, & Recreation	40,541	36,599	10.8%	1,484	1,555	1,520	-4.6%	-2.4%
Accommodations and Food Services	158,115	148,047	6.8%	7,999	8,331	8,200	-4.0%	-2.5%

Notes: Units or total units, referred to in the tables of this publication, represent the number of establishments in the industry.

<u>Audubon Golf Trail</u>	3rd Quarter 2007	3rd Quarter 2006	% +/-	YTD 2004	YTD 2006	YTD 2007	% +/- 2006-2007	% +/- 2004-2007
Number of Rounds Played	84,384	81,463	3.6%	177,808	216,474	229,999	6.2%	29.4%
Number of Courses Open	13	10	30.0%					

Notes: The TPC Louisiana reopened in July 2006; AGT also added Black Bear Golf Course and Atchafalaya Course at Idlewild in 2006, and the Wetlands Golf Course in Lafayette in July 2007.

(Benchmark)

<u>Louisiana Tax Free Shopping</u>	3rd Quarter 2007	3rd Quarter 2006	% +/-	YTD 2004	YTD 2006	YTD 2007	% +/- 2006-2007	% +/- 2004-2007
Number of Refund Transactions	2,616	1,526	71.4%	23,671	5,050	11,364	125.0%	-52.0%
Number of Sales	12,881	8,761	47.0%	105,622	26,821	48,913	82.4%	-53.7%
Retail Spending	\$2,459,104	\$1,653,916	48.7%	\$17,295,239	\$5,068,407	\$10,177,199	100.8%	-41.2%

Other National Tourism Trends

<u>Intent to Vacation</u>	October 2007	October 2006	% +/-	August 2007	June 2007	April 2007	February 2007	December 2006
Within the U.S.	37.1%	37.5%	-1.1%	35.1%	35.4%	34.4%	34.2%	37.8%
Foreign country	9.2%	9.8%	-6.1%	8.3%	9.2%	9.7%	8.2%	9.0%

Notes: The source is the Conference Board's Consumer Confidence Survey. The survey measures the percent of respondents nationwide who intend to vacation within 6 months.

<u>Hospitality Industry Employment</u>	October 2007	October 2006	% +/-	August 2007	June 2007	April 2007	February 2007	December 2006
Accommodations and Food Service (Thousands)	11,665	11,289	3.3%	11,971	11,921	11,477	11,133	11,278

Notes: The source is the U.S. Bureau of Labor Statistics and the Travel Industry of America

(Sources: University of New Orleans, Statistics Canada, TIA, The Conference Board, La. Dept. of Labor, U.S Bureau Of Labor Statistics, Louisiana Tax Free Shopping, and DCRT.)

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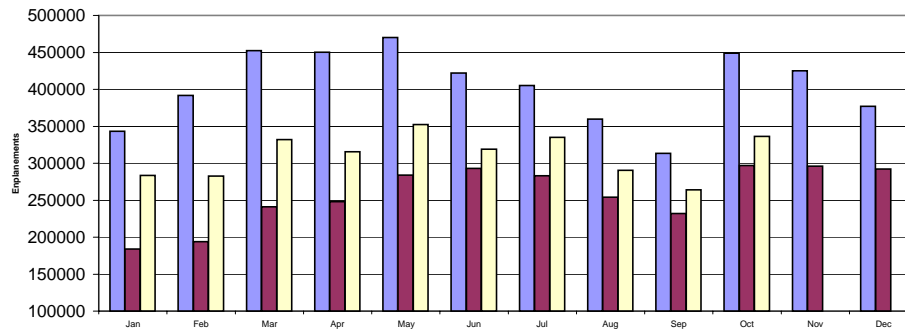
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Legend For All Graphs: 2004 = left bar (blue)(benchmark year), 2006 = middle bar (red), 2007 = right bar (yellow)

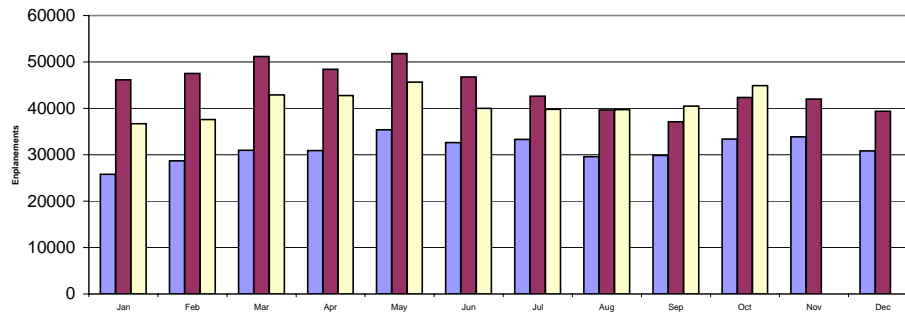
Louisiana Airport Enplanements - For October, Armstrong International had 126 daily flight departures with 14,701 seats available in the market. This equates to 77.8% of the pre-Katrina flights and 71.1% of the pre- Katrina seats. The October boost is attributed to Delta Airlines returning to 9 daily Atlanta flights and increasing the size of the aircraft for the New York LaGuardia flight. Also, American Airlines returned their third daily flight to Chicago after a summer absence and added a 4th flight to St. Louis. November will bring substantial changes when Armstrong's largest carrier, Southwest Airlines, adds 8 flights to the market. With those changes, Armstrong will reach a new high of 132 daily flights with 15,663 seats or the equivalent of 81.5% of the flights and 75.8% of the seats that were offered at Armstrong International pre-Katrina. Director of Aviation Sean Hunter stated, "This is a very significant milestone to exceed 80% of the pre-Katrina flights! The strong demand for air service is a great indicator of the region's recovery."

Passenger counts at Baton Rouge Metro Airport are continuing to soar at a record pace this year, thanks in part to Frontier Airlines starting service in August. Since then, monthly passenger counts have set new records, and airport officials say 2007 may eclipse the previous benchmarks set in the wake of Hurricane Katrina.

New Orleans International Airport

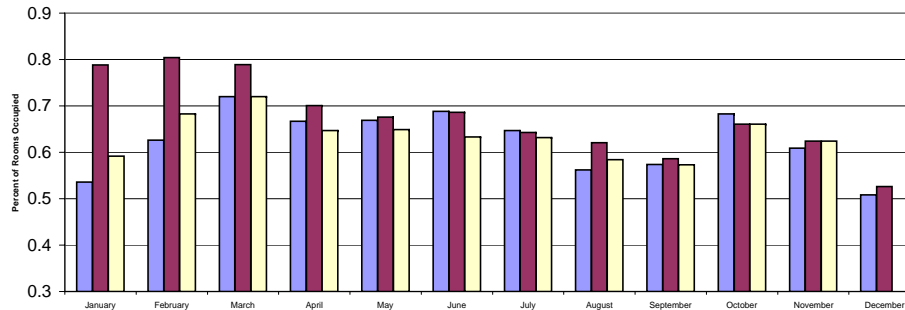


Baton Rouge Metro Airport

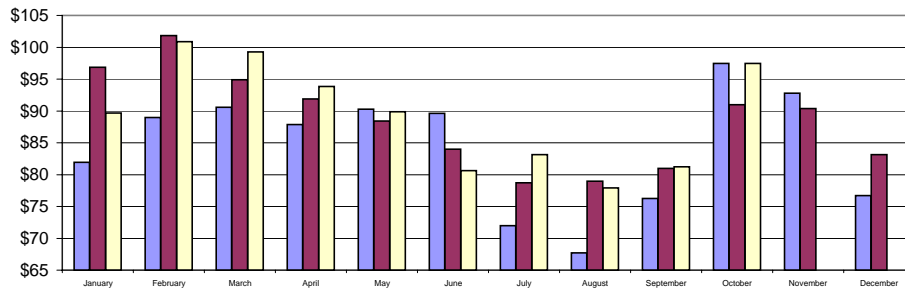


Louisiana Lodging Trends - There were approximately 75,800 rooms available in October 2007, 95% of what was available in July 2005 (immediately before Hurricanes Katrina and Rita). October 2007 statistics were: Occupancy (65.1%); -1.4%; ADR (\$97.45): +8.2%; RevPAR (\$63.47): +6.7%; Rooms Available: +6.4%; and Rooms Sold: +4.9%. New Orleans, Lafayette, Baton Rouge, Shreveport, and Alexandria metro areas experienced increased room demand (room nights sold). All of these metros, except Alexandria also had increased RevPAR. Room rates increased all over the state. Baton Rouge had the highest occupancy rate at 72.4% and Alexandria had the lowest at 60.9%. All areas except Monroe had more rooms available in October 2007 than they did last year. Louisiana's total number of room nights available are up 6.5% so far this year which is much higher than the national average (+1.3%), but is following a trend of new construction occurring across the nation.

Louisiana Hotel-Motel Occupancy Rate

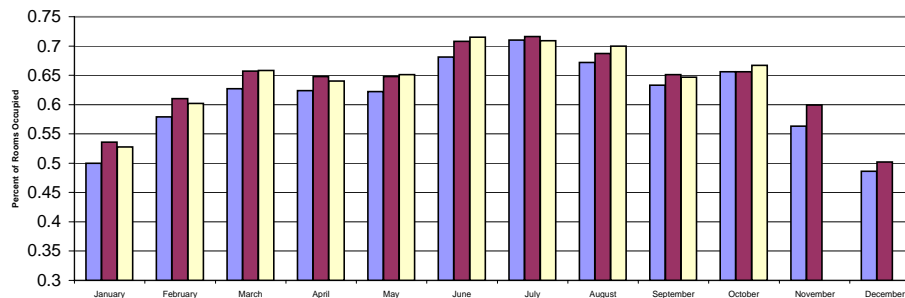


Louisiana Average Daily Rate

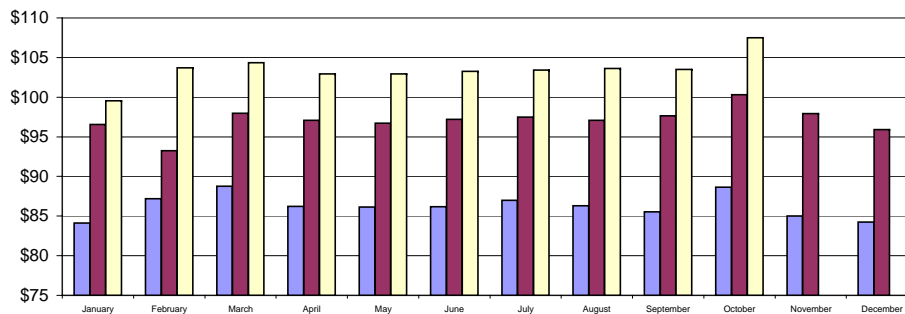


U.S. Lodging Trends - The increasing number of hotels and hotel rooms across the nation seems to be a hot topic. Hundreds of new hotels are rising across the U.S. as the lodging industry seeks to cash in on rising room rates and strong demand from travelers. The number of hotel rooms under construction in July jumped 20% from a year earlier according to Smith Travel Research. More than 196 thousand rooms, including more than 2,000 hotels, will open within two years. That's the highest number of new rooms in the pipeline in more than seven years. However, a recent released analysis by PKF Hospitality Research found that if an economic recession were to occur in the U.S. during 2008-09, it would result in a 6.1% decline in room revenue for the U.S. lodging industry through 2010.

U.S. Occupancy Rates



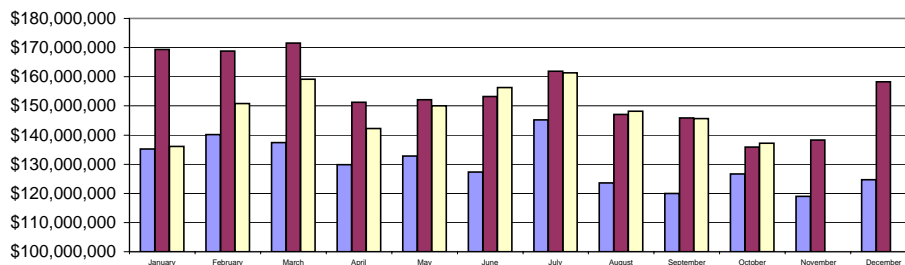
U.S. Average Daily Rate



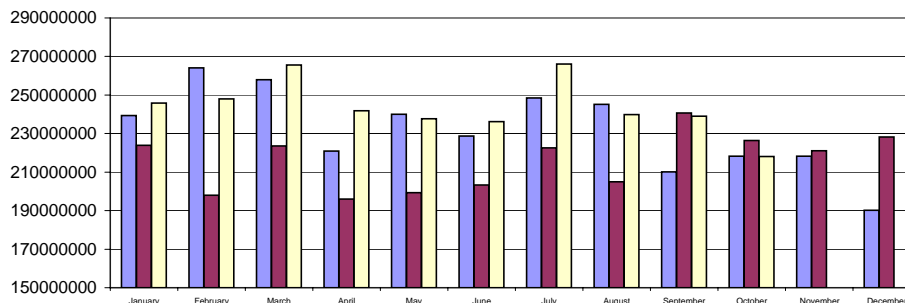
Louisiana Gaming Indicators - Gaming revenue at Louisiana's riverboats are showing a very similar annual pattern to those in Mississippi. Revenue declined in both states from September to October, just as it has since July. July was the highest month for both states' riverboat gaming revenue. The first quarter of 2007 was another peak period for both. However, when measuring the difference in revenue from this year to the same period last year, the two states are not at all similar. Mississippi's revenue has increased over 14% so far this year, while Louisiana's riverboat revenue has declined 4.5%. The primary reason is the growth of new riverboat casinos. Mississippi has added 2 new casinos since January 2007 while Louisiana has added only one (Amelia Belle in May). Also Louisiana's racinos and Harrah's landbased casino in New Orleans also compete with the existing riverboats.

Mississippi has no racinos, but both states have Indian gaming casinos. Louisiana has three Indian casinos, and Mississippi has two Choctaw-owned Casinos @ the Pearl River Resort. Indian casino revenue is not reported by either state's gaming commissions.

Louisiana Riverboat Adjusted Gross Revenue

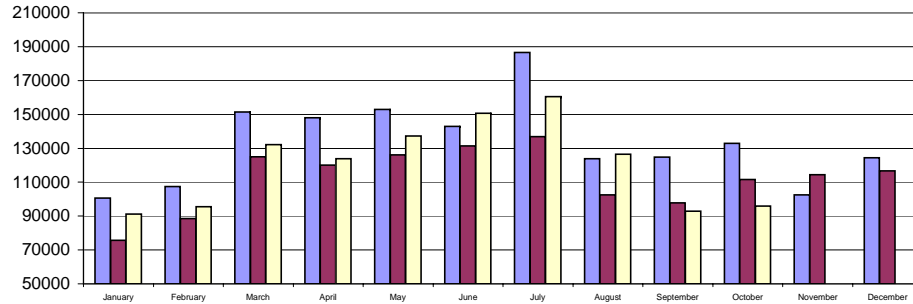


Mississippi Riverboat Gross Gaming Revenue



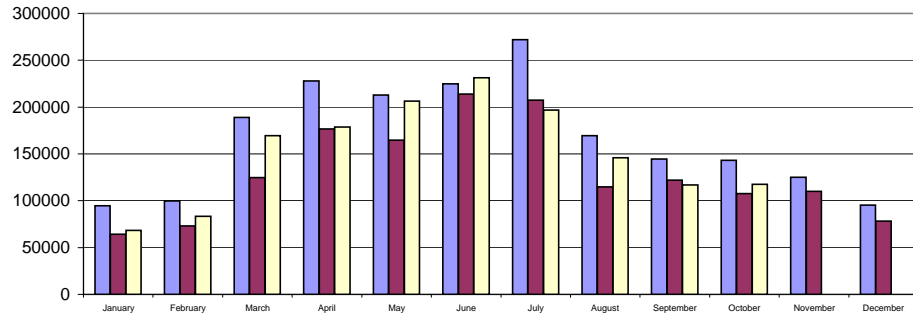
State Welcome Center Visitors - A reminder that the Slidell Welcome Center, Louisiana's busiest welcome center, closed for renovation following Labor Day. For the month of October, seven of the centers that were open last year experienced higher traffic while four had a decline. The Capitol Park Center was not yet open in October 2006. When comparing October 2007 with October 2004 (our benchmark year), six centers had more traffic this year. The New Orleans Welcome Center had the biggest decline with 5,000 visitors recorded in October 2007 and 11,904 recorded in October 2004. This comparison is another indicator that illustrates New Orleans' journey to recovery is still underway.

Louisiana Welcome Center Visitors



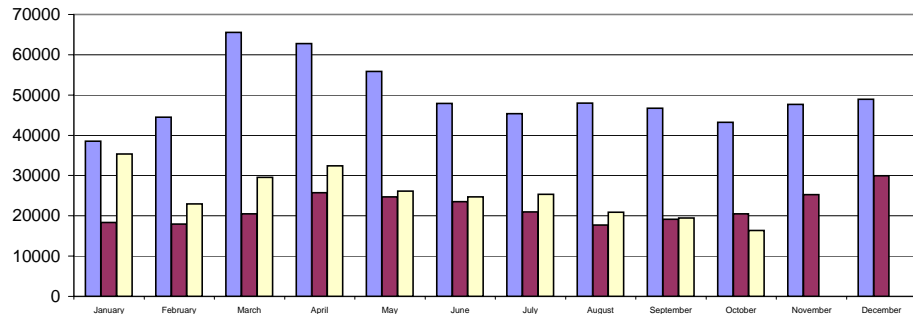
Louisiana State Park Trends - There was an overall increase of 9,632 visitors to Louisiana's state parks and historic sites, or 8.9% more than October 2006. The 117 thousand visitors are about half of the normal visitation of a peak summer month. Visitors will further decline through the winter months as Louisiana's normal weather patterns dictate less outdoor activities. Calendar year 2007 will likely see a 10 percent increase in visitors over the previous year as Fort Pike remains the only site closed since Hurricane Katrina hit Louisiana. Park system visitation is still down 14% from calendar year 2004, the year prior to the hurricane.

La State Park and Historic Site Visitors



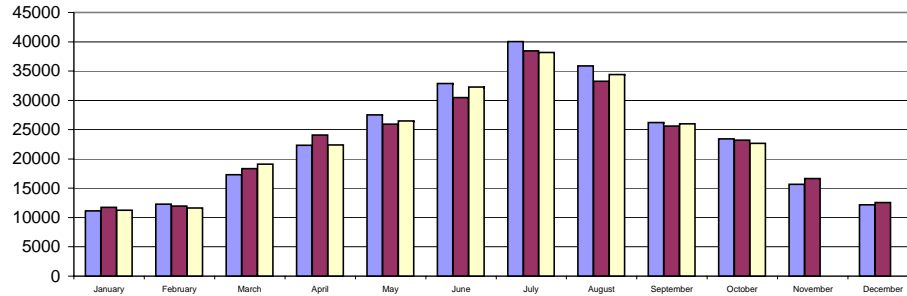
Jean Lafitte National Historic Park Trends - Jean Lafitte National Historic Park had fewer in October, the first time this has happened this year. Four of the six units had decreased traffic in October. However, unlike the state's New Orleans Welcome Center, the French Quarter Unit had increased traffic in October. For calendar year 2007, total park attendance is 26% higher than last year but still only half of what it was in 2004.

Jean Lafitte NP Recreational Visits



National Travel Trends - According to TIA's annual forecast, the U.S. travel industry is expected to post moderate gains in nearly all sectors in 2008. Travel spending by domestic and international visitors in 2008 is forecast to increase more than 5 percent to \$778.2 billion, up from projected full-year 2007 travel spending of \$740 billion. Domestic leisure trips are expected to continue an upward trend of modest growth in 2008 and a slight increase in travel for business is expected.

National Park Service Visitors Nationwide



U.S. Consumer Confidence Index Trend - The Consumer Confidence Survey is based on a representative sample of 5,000 U.S. households. The monthly survey is conducted for The Conference Board by TNS. TNS is the world's largest custom research company. The Index now stands at 95.6 (1985=100), down from 99.5 in September. Consumer confidence posted its third monthly decline and continues to hover at two-year lows. Further weakening in business conditions has, yet again, tempered consumers' assessment of current-day conditions and may very well be a prelude to lackluster job growth in the months ahead. In addition, consumers are growing more pessimistic about the short-term future and their rather bleak outlook suggests a less than stellar ending to this year.

U.S. Consumer Confidence Index

