

Louisiana Travel Pulse

January 2008

Produced by the Louisiana Office of Tourism

Analysis/Highlights:

* Louisiana airport enplanements were up 15% in November and up 16% for the year through eleven months, but still down by 17% when compared to the Pre-K levels of 2004. In comparison, domestic enplanements in the U.S. are up 1.7%, and international overseas arrivals to the U.S. are up 7%.

* There were approximately 76,200 rooms available in November 2007, 95% of what was available in July 2005 (immediately before Hurricanes Katrina and Rita). Louisiana hotel occupancy and room demand for 2007 through November were down by 2% and 8% respectively. However, in November the New Orleans, Lafayette, Baton Rouge, and Shreveport metro areas experienced increased room demand (room nights sold). Nationwide for 2007, room demand increased by 1% and occupancy is flat.

* Riverboat gaming revenue is 4% lower in 2007, the amount of revenue in 2007 from all casino related gaming will be approximately the same as the amount collected in 2006. The only increase will most likely come from the land-based casino in New Orleans, which started slowly in 2006 due to difficulties related to Hurricane Katrina. However, total casino gaming revenue in 2007 is almost 18% higher than the pre-hurricane benchmark year of 2004.

* Total visitors to Louisiana's state welcome centers is down due to the closure of the busiest center in the system at Slidell, but eight other centers had increased traffic.

Louisiana Tourism Trends

Airport Trends	November 2007	November 2006	% +/-	(Benchmark)			% +/- 2006-2007	% +/- 2004-2007
				YTD 2004	YTD 2006	YTD 2007		
Airport Passenger Enplanements								
Louisiana Metro Airports Total	449,069	390,380	15.0%	5,365,045	3,822,999	4,443,868	16.2%	-17.2%
New Orleans	336,595	296,114	13.7%	4,481,142	2,806,460	3,448,439	22.9%	-23.0%
Other Metro*	112,474	94,266	19.3%	883,903	1,016,539	995,429	-2.1%	12.6%
* Note: Includes Baton Rouge, Shreveport, Monroe, and Alexandria metropolitan airports.								
Louisiana Hotel/Motel Trends								
Rooms Sold	1,377,958	1,349,172	2.1%	16,632,766	16,090,907	15,755,075	-2.1%	-5.3%
Room Supply	2,286,810	2,155,290	6.1%	26,212,349	23,432,097	24,966,157	6.5%	-4.8%
Occupancy Rate	60.3%	62.6%	-3.7%	63.5%	68.7%	63.1%	-8.2%	-0.6%
Average Daily Rate	\$96.48	\$89.29	8.1%	\$85.36	\$89.11	\$90.26	1.3%	5.7%
Louisiana Gaming Indicators								
Riverboat AGR*	\$140,141,558	\$138,294,250	1.3%	\$1,437,323,675	\$1,695,336,897	\$1,627,098,269	-4.0%	13.2%
Non-Indian Land Based Casino GGR**	\$32,550,183	\$32,626,972	-0.2%	\$294,111,891	\$304,795,425	\$375,310,679	23.1%	27.6%
Slots At Racetracks GGR***	\$30,074,265	\$28,717,466	4.7%	\$255,797,577	\$344,311,432	\$335,804,334	-2.5%	31.3%
Total	\$202,766,006	\$199,638,688	1.6%	\$1,987,233,143	\$2,344,443,754	\$2,338,213,282	-0.3%	17.7%
*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								
	97,436	114,463	-14.9%	1,474,202	1,229,184	1,303,736	6.1%	-16.6%
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*	26,268	25,232	4.1%	546,163	234,568	289,994	23.6%	-46.9%
Louisiana State Parks and Historic Sites	117,681	110,132	6.9%	1,902,420	1,479,554	1,632,171	10.3%	-14.2%
* Recreational Visits								

National Tourism Trends

(Benchmark)

	November 2007	November 2006	% +/-	YTD 2004	YTD 2006	YTD 2007	% +/- 2006-2007	% +/- 2004-2007
<u>U.S. Hotel/Motel Trends</u>								
Rooms Sold			0.9%				1.4%	
Room Supply,			1.9%				1.3%	
Occupancy Rate	58.2%	58.8%	-1.0%	62.4%	64.5%	64.6%	0.0%	3.5%
Average Daily Rate	\$103.79	\$98.05	5.9%	\$86.55	\$97.96	\$103.70	5.9%	19.8%
<u>National Park Trends</u>								
Recreational Visits (000)	16,040	16,630	-3.5%	264,703	260,081	260,460	0.1%	-1.6%
<u>U.S. Consumer Confidence Index Trend</u>								
Index (1985=100)	87.3	105.3	-17.1%	95.7	105.3	104.3	-0.9%	9.1%

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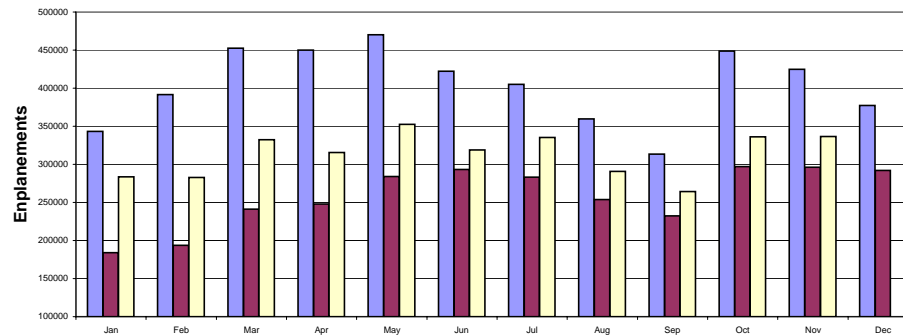
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Legend For All Graphs: 2004 = left bar (blue)(benchmark year), 2006 = middle bar (red), 2007 = right bar (yellow)

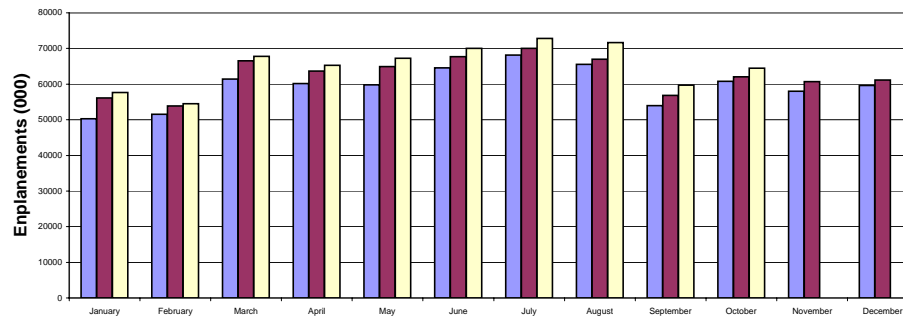
Louisiana Airport Enplanements - Post Katrina records were set at New Orleans International Airport recently due to the Sugar Bowl and BCS Championship Bowls. However, since we are conducting our analysis through November, let's not forget that there was record traffic of more than 15,000 passengers at the airport following Thanksgiving due to holiday travelers and the Bayou Classic attendees. In anticipation of that rush, Southwest Airlines added five flights, or 685 seats, on the Sunday following Thanksgiving 2007. This day was almost as busy as May 7th when 15,868 passengers traveled through the airport after the second weekend of the New Orleans Jazz and Heritage Festival. In comparison, the busiest day before the storm was January 27, 1997, the day after Super Bowl XXXI, when 35,000 people flew out of the airport. The daily average before Katrina was closer to 14,000. The airport has reached about 82 percent of its pre-Katrina activity, with a total of 132 daily flights.

Nationwide Enplanements - According to Travel Industry Indicators, a monthly travel industry newsletter, "Domestic air enplanements, on a ten-month basis, were 1.7 percent above last year. Though the airlines flew with record domestic load factors (81.4%), the passenger volume gain was a modest one, particularly when measured against a weak 2006, when traffic fell by 1.3 percent." International air travel to the U.S. is also up. Canadian air travel to the U.S. was up by 6 percent YTD through October while overseas visitors were up 10 percent during that same period. Visitors from Germany, France, Italy, Spain, the Netherlands, Ireland, and Sweden posted double digit growth through September 2007.

New Orleans International Airport

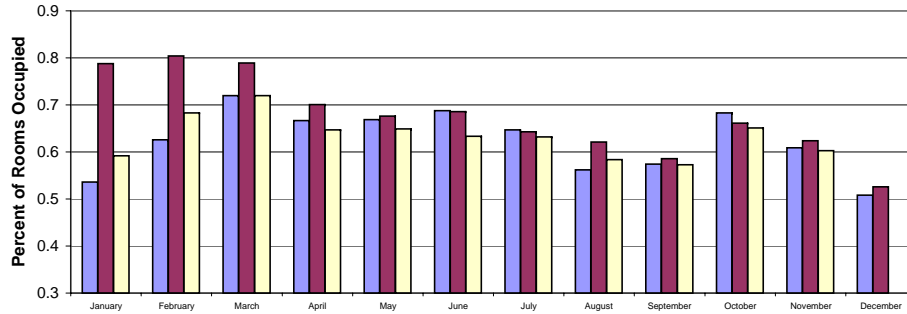


National Enplanements

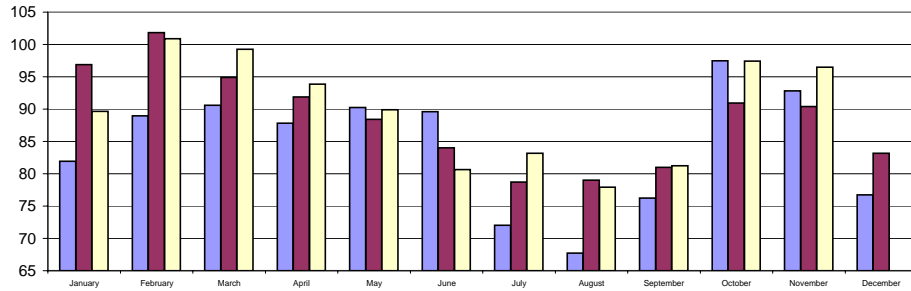


Louisiana Lodging Trends - There were approximately 76,200 rooms available in November 2007, 95% of what was available in July 2005 (immediately before Hurricanes Katrina and Rita). November 2007 statistics were: Occupancy (60.3%): -3.7%; ADR (\$96.48): +8.1%; RevPar (\$58.13): +4.0%; Rooms Available: +6.1%; and Rooms Sold: +2.1%. Louisiana has experienced a decline in occupancy every month since September 2006. However, in November the New Orleans, Lafayette, Baton Rouge, and Shreveport metro areas experienced increased room demand (room nights sold). Room rates increased all over the state and is up a modest 1.3% for the year. Shreveport had the highest occupancy rate at 65.4% and Alexandria had the lowest at 56.4%. Louisiana's occupancy was the ninth highest in the nation during the month of November, but ranks 25th for the year through nine months.

Louisiana Hotel-Motel Occupancy Rate

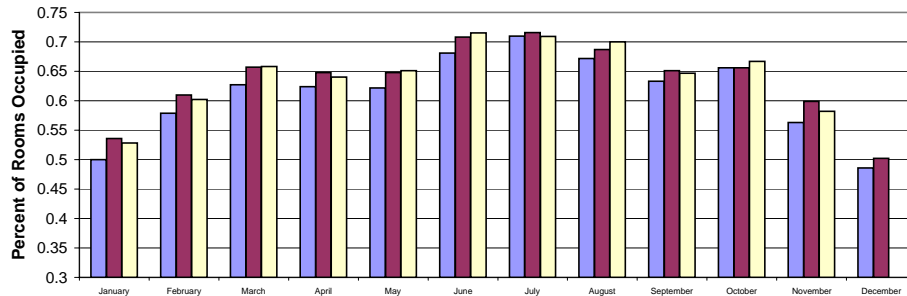


Louisiana Average Daily Rate

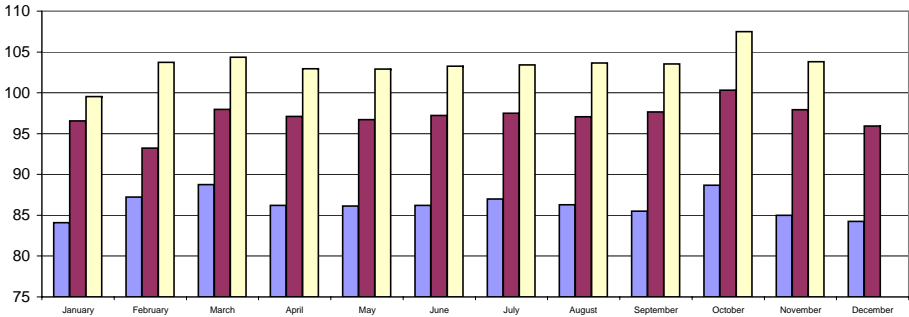


U.S. Lodging Trends - PKF HOSPITALITY RESEARCH is reaffirming its forecast for a modest slowdown in U.S. lodging industry performance in 2008. For the year, PKF is projecting occupancy levels to experience a slight decline of -0.7%, while average daily room rates should grow 5.3%. The net result is a 4.5% gain in revenue per available room, the slowest pace of RevPAR growth since recovering from the 2001 to 2003 industry recession. However, PKF notes that the 4.5% RevPAR growth rate is still above the Smith Travel Research long-term average of 3.4%.

U.S. Occupancy Rates

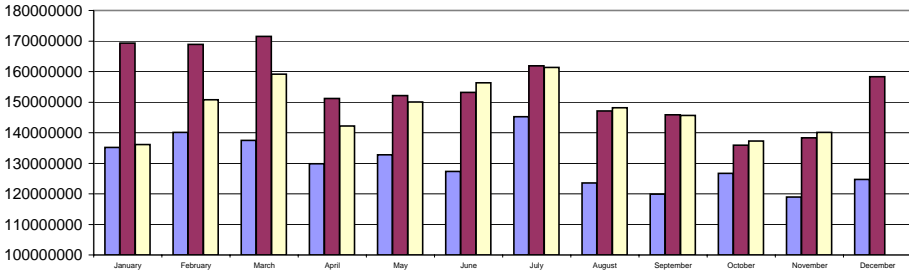


U.S. Average Daily Rate



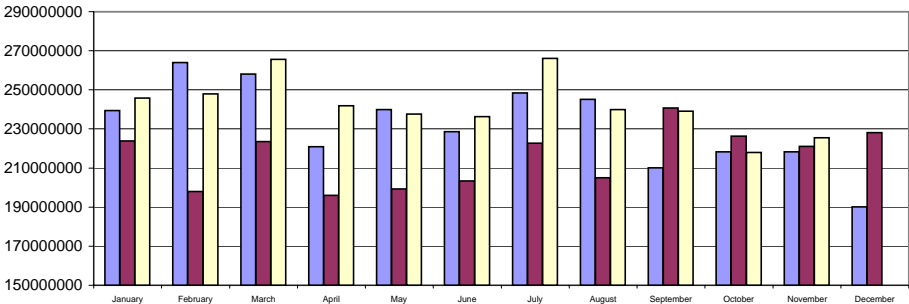
Louisiana Gaming Indicators - Louisiana Riverboat revenue increased again in November. November is one of the slowest months in the year for gaming in Louisiana. However, unlike parks attendance, there is not a great difference from season to season in gaming revenue. Although riverboat gaming revenue is 4% lower in 2007, the amount of revenue in 2007 from all casino related gaming will be approximately the same as the amount collected in 2006. The only increase will most likely come from the land-based casino in New Orleans, which started slowly in 2006 due to difficulties related to Hurricane Katrina. However, total casino gaming revenue in 2007 is almost 18% higher than the pre-hurricane benchmark year of 2004.

Louisiana Riverboat Adjusted Gross Revenue



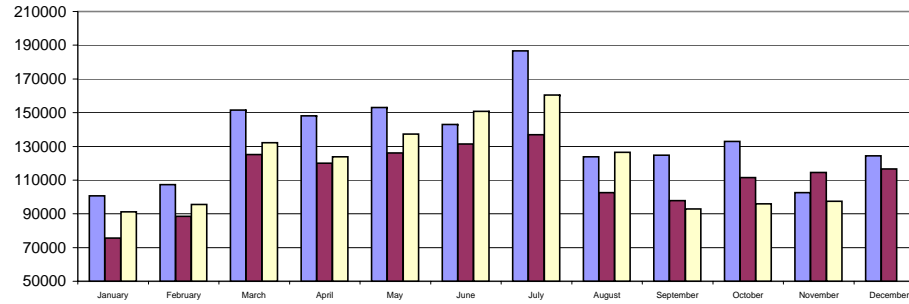
Many gaming destinations appear to be doing well in 2007. Riverboat gaming revenue is up 13% for the year in Mississippi. Meanwhile, visitors to Las Vegas are up only one percent according to industry analysts. Also, ModernAgent.com is reporting the introduction of Las Vegas style resort casinos will likely continue to drive significant revenue growth in the Asia Pacific region, where casinos and other regulated gaming are projected to grow from \$14.6 billion in 2006 to \$30.3 billion in 2011. In comparison, 2007 gross gaming revenue will almost top \$3 billion in Mississippi, and \$2.5 billion in Louisiana.

Mississippi Riverboat Gross Gaming Revenue



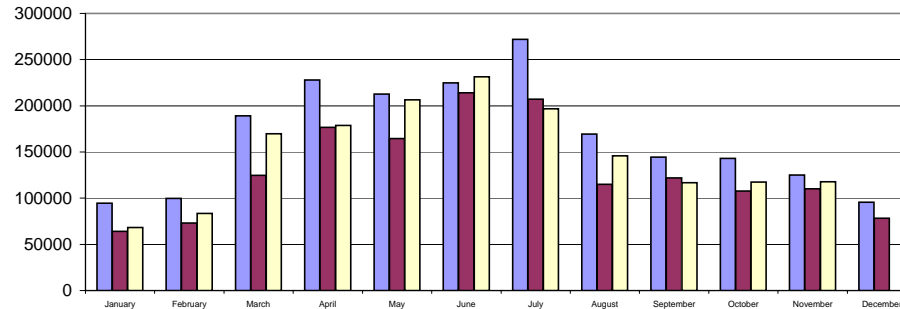
State Welcome Center Visitors - A reminder that the Slidell Welcome Center, Louisiana's busiest welcome center, closed for renovation following Labor Day. For the month of November, eight of the centers that were open last year experienced higher traffic while three had a decline. The Capitol Park Center was not yet open in November 2006. When comparing November 2007 with November 2004 (our benchmark year), seven centers had more traffic in November 2007. Ninety-five percent of the November 2007 visitors were U.S. citizens. There were also 1,219 Canadian citizens and 3,590 citizens from other countries during that month. All centers were closed on Thanksgiving Day and three centers were closed for an additional nine days total for various functional issues.

Louisiana Welcome Center Visitors



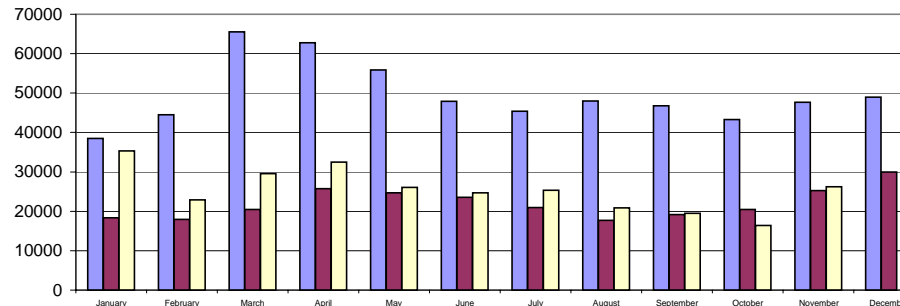
Louisiana State Park Trends - There was an overall increase of 7,549 visitors to Louisiana's state parks and historic sites, or nearly 7% more than November 2006. Overnight visitors to Louisiana's state parks increased by 7% for the month, the second straight month to do so. Increased overnight visitors in the coming months may be harder to come by according to the latest RV industry statistics. The RV Industry Association released updated projections indicating that industry-wide sales would probably decline 4.8% next year compared to 2007. Sales are off because of the uncertain economy (see consumer confidence below) and the increasing cost of gasoline. The RV industry has a \$15 billion impact on the U.S. annually which may be headed down in 2008.

La State Park and Historic Site Visitors



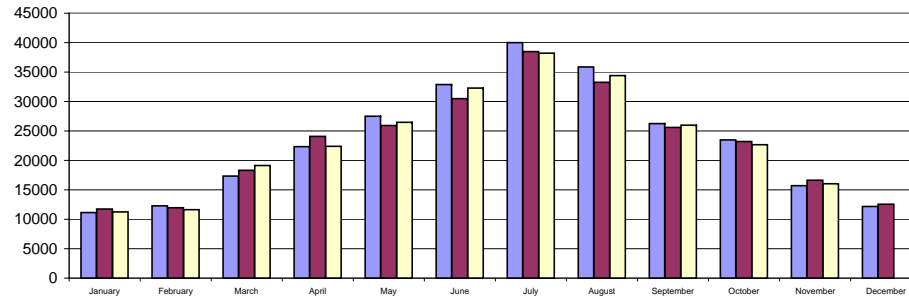
Jean Lafitte National Historic Park Trends - Visitors to Jean Lafitte National Historic Park increased by 4% in November which is better than the 3.5% decrease experienced by parks and historic sites nationwide, according to the National Park Service. Jean Lafitte has increased visitation almost every month in 2007 as it continues to rebound from the lingering effects of the hurricanes. Nationwide visitation is stagnant as it is to many historic and cultural sites around the country. According to Berkeley Young of Young Strategies, many historic and cultural attractions are suffering from stagnant product development in a time when many visitors are demanding change. Berkeley suggests changing exhibits, tours, programs, and retail items to encourage visitors to return to the site. Berkeley was a key speaker on the topic of cultural tourism trends at the recent Louisiana Travel Summit.

Jean Lafitte NP Recreational Visits



National Travel Trends - 2007 was a year of modest gains in travel demand, with industry revenue increases again coming almost exclusively from pricing increases, says travel industry analyst James V. Cammisa, Jr. Domestic trip volume by all modes of travel in 2007 will show an estimated 1.5% increase over last year. Business travel continued the stability seen over the last three years, while leisure travel again showed only modest growth as middle- and lower-income households saw their discretionary spending squeezed by the rising cost of household necessities, such as energy, food, housing and medical care. Major domestic leisure destinations showed essentially little or no increases in visitor counts, based on partial-year data. International travel showed very different outbound/inbound patterns, driven by the declining value of the U.S. dollar relative to other currencies.

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 87.3 (1985=100), down from 95.2 in October and 105.3 in November 2006. This month's deterioration in confidence was due primarily to the sharp decline in the Expectations Index. Consumers' apprehension about the short-term outlook is being fueled by volatility in financial markets, rising prices at the pump and the likelihood of larger home heating bills this winter. In fact, consumers' inflation expectations have surpassed the spike experienced this spring and a larger percentage than last month expected stock prices to decline (which is what is presently occurring in the stock market right now).

U.S. Consumer Confidence Index

