Louisiana Travel Pulse

February 2007 **Produced by the Louisiana Office of Tourism**

Monthly Analysis **- As 2006 comes to an end, we still see mixed signals among most indicators.**
A) The Good: Gaming revenue is up 15% over 2005 and 18.7% over 2004. Total revenue was up 7% in December even though Riverboat revenue declined by 12%.
B) The Bad: Room nights sold declined 8.8% for the year and is 3.3% lower than 2004. Room supply is slowly returning but is still below the levels prior to the hurricanes. Room rates are still strong (+2.6% over 2005) but occupancy rates fell by 4.1%. A downward trend in occupancy and room nights sold during the latter part of the year is not a good sign for the immediate future.
C) The Ugly: Enplanements are 27% below what they were in 2004; and visitors to Jean Lafitte NHP and Louisiana State Parks and Historic Sites are 55% and 22% of what was recorded in 2004.
A) and B) were the direct result of displaced residents and the influx of recovery workers; while C) is the result of less visitors traveling to Louisiana in 2006.

Louisiana Tourism Trends

	December	December		YTD	YTD	YTD	% +/-	% +/-
Airport Trends				(Benchmark)				
Airport Passenger Enplanements	**2006**	**2005**	**% +/-**	**2004**	**2005**	**2006**	2005-2006	2004-2006
Louisiana Metro Airports Total	369,037	273,611	34.9%	5,842,651	5,024,248	4,270,680	-15.0%	-26.9%
New Orleans	292,167	177,351	64.7%	4,858,368	3,878,337	3,098,627	-20.1%	-36.2%
Other Metro*	76,870	96,260	-20.1%	984,283	1,145,911	1,172,053	2.3%	19.1%
* Note: Excludes July-November Shreveport and Lake Charles.								
Louisiana Hotel/Motel Trends								
Rooms Sold (Percent Change 2005 - 2006)	1,178,377	1,593,190	-26.0%	17,846,891	18,922,785	17,265,514	-8.8%	-3.3%
Room Supply, (Percent Change 2005-2006)	2,239,843	2,094,825	6.9%	28,629,020	26,937,996	25,661,447	-4.7%	-10.4%
Occupancy Rate	52.6%	76.1%	-30.9%	62.3%	70.2%	67.3%	-4.1%	8.0%
Average Daily Rate	$83.15	$97.08	-14.3%	$84.77	$86.72	$88.94	2.6%	4.9%
Louisiana Gaming Indicators								
Riverboat AGR*	$158,286,911	$177,276,006	-12.0%	$1,562,062,597	$1,675,573,490	$1,853,623,808	10.6%	18.7%
Non-Indian Land Based Casino GGR**	$33,633,129	Casino Closed	100.0%	$320,009,658	$229,443,934	$338,428,554	47.5%	5.8%
Slots At Racetracks GGR***	$31,051,439	$30,669,027	1.2%	$280,969,381	$326,500,928	$375,362,871	15.0%	33.6%
Total	$222,971,479	$207,945,033	7.2%	$2,163,041,636	$2,231,518,352	$2,567,415,233	15.1%	18.7%
*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	116,619	84,095	38.7%	1,598,689	1,405,961	1,346,579	-4.2%	-15.8%

Notes: 1) I-20/Mound Welcome Center - operated out of a trailer most of 2005 due to renovation, 2) I-10/Vinton Welcome Center - closed tempoararily to the public due to Hurricane Rita, and 3) N.O. Welcome Center - operating on a restricted 5-day per week schedule following Katrina.

Louisiana Parks Visitors								
Jean Lafitte NHP*	29,962	11,649	157.2%	595,128	415,922	264,380	-36.4%	-55.6%
Louisiana State Parks and Historic Sites	77,753	65,883	18.0%	1,997,911	2,013,103	1,557,307	-22.6%	-22.1%

* Recreational Visits

National Tourism Trends

Airport Trends	December 2006	December 2005	% +/-	YTD 2004	YTD 2005	YTD 2006	% +/- 2005-2006	% +/- 2004-2006
Airport Passenger Enplanements								
U.S. Scheduled Passenger Enplanements (000)	45,282	44,298	2.2%	540,519	553,808	550,811	-0.5%	1.9%
U.S. Hotel/Motel Trends								
Rooms Sold (Percent Change 2005 - 2006)			0.0%				1.1	
Room Supply, (Percent Change 2005-2006)			1.2%				0.6	
Occupancy Rate	50.2%	50.8%	-1.2%	61.3%	63.1%	63.4%	0.5%	3.4%
Average Daily Rate	$95.92	$90.56	5.9%	$86.24	$90.95	$97.31	7.0%	12.8%
National Park Trends								
Recreational Visits (000)	12,561	12,077	4.0%	276,902	273,483	271,882	-0.6%	-1.8%
U.S. Consumer Confidence Index Trend								
Index (1985=100)	110	103.8	6.0%	96.1	100.3	105.7	5.4%	10.0%

(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

Louisiana Travel Pulse

February 2007 **Produced by the Louisiana Office of Tourism**

Other Louisiana Tourism Trends

Visitors	3rd Quarter 2006	3rd Quarter 2005	% +/-	YTD 2004 (Benchmark)	YTD 2005	YTD 2006	% +/- 2005-2006	% +/- 2004-2006
U.S. Resident Visitors To La.	6,200,000	4,700,000	31.9%	17,597,000	16,801,000	12,300,000	-26.8%	-30.1%
Canadian Resident Vis. To La.	18,200	24,900	-26.9%	65,800	70,400	31,300	-55.5%	-52.4%

Notes: 2006 estimates are preliminary and subject to change. Hurricane related recovery travel is not included in 2006 estimates.

Audubon Golf Trail	4th Quarter 2006	4th Quarter 2005	% +/-	YTD 2004	YTD 2005	YTD 2006	% +/- 2005-2006	% +/- 2004-2006
Number of Rounds Played	84,189	45,222	86.2%	224,609	249,145	273,027	9.6%	21.6%
Number of Courses Open	12	9	33.3%	9	9	12	33.3%	33.3%

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

Intent To Visit Benchmarks	August 2006	May 2006	% +/-	March 2006	January 2006	October 2005	Pre-K 2005	% +/- 10/05-8/06
Regional Sample	50.7%	46.6%	8.8%	49.8%	46.1%	37.0%	53.0%	37.0%
National Sample	14.5%	18.4%	-21.2%	17.1%	24.0%	13.0%	21.0%	11.5%

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.

Hospitality Industry Employment	QTR 2006-2 Employment	QTR 2005-2 Employment	% +/-	QTR 2006-2 Units	QTR 2006-1 Units	QTR 2005-2 Units	% Change From Prev. Qtr.	% Change From Prev. Year
Arts, Entertainment, & Recreation	41,020	47,822	-14.2%	1,539	1,520	1,538	1.2%	-0.1%
Accomodations and Food Services	155,217	176,859	-12.2%	8,262	8,200	8,211	0.1%	-0.6%

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

(Sources: University of New Orleans, Statistics Canada, La. Dept. of Labor, and DCRT.)

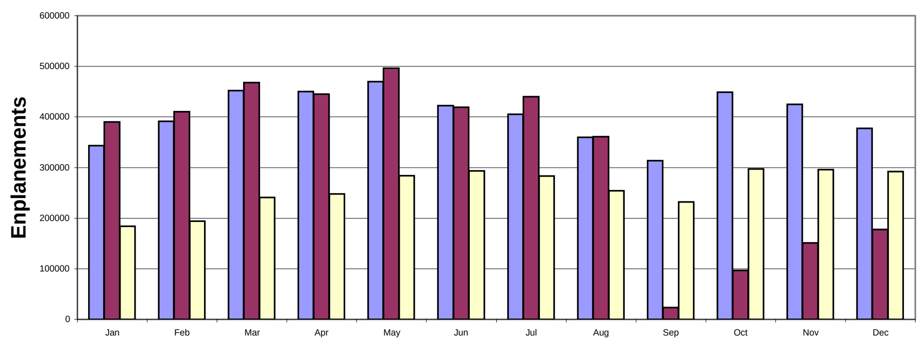
Louisiana Travel Pulse

February 2007 **Produced by the Louisiana Office of Tourism**

Legend For All Graphs: 2004 = left bar (blue), 2005 = middle bar (red), 2006 = right bar (yellow)

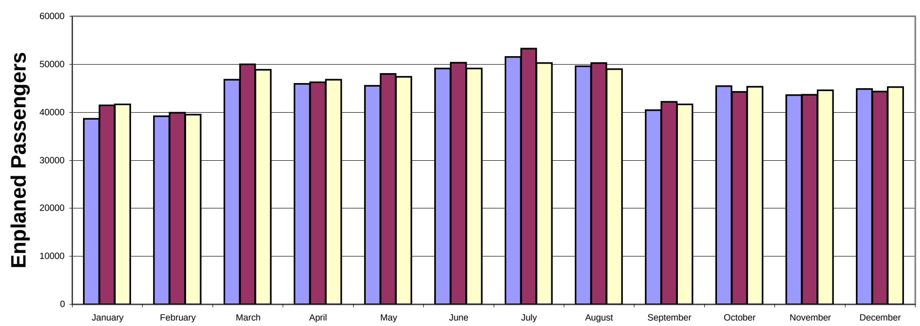
Louisiana Airport Enplanements - The number of seats available on flights at New Orleans International doubled from December 2005 to December 2006. That increase is the primary reason enplanements increased by 65% in December 2006 as New Orleans continues to recover from Katrina. The number of seats available in December rose to 12,962 on 110 flights per day to 32 cities. The yearend total for enplanements was just over 3 million which is 80% of what was recorded in 2004. With additional flights and seat capacity planned for January and February, the number of enplanements for those months should come very close to the levels recorded during the last two years. For example, from February 12-16, four additional flights with a total increase of nearly 500 seats will provide a greater opportunity for visitors to fly to New Orleans to experience Mardi Gras.

New Orleans International Airport



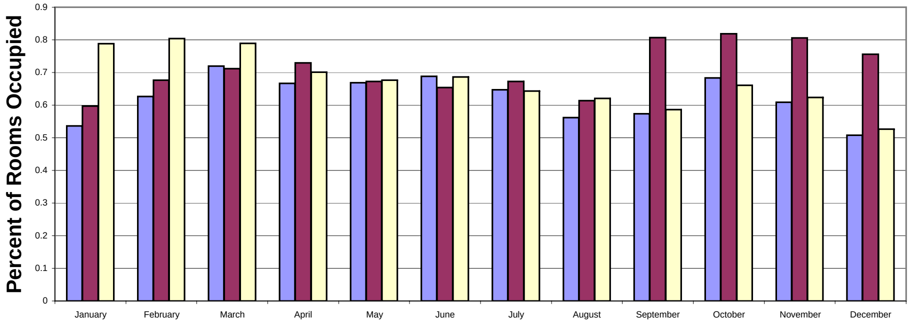
U.S. Airport Traffic - According to the Air Transport Association of America, enplanements nationwide were flat in 2006. However, from an economic viewpoint, 2006 was a much-improved year for the U.S. airline industry. Including the all-cargo sector, the Air Transport Association estimates that the industry will report earnings ranging from $2 billion to $3 billion. On the heels of $35 billion in net losses over the previous five years, of course, any full-year profit comes as welcome relief. ATA is projecting an aggregate net profit of $4 billion for 2007. That would make 2006-2007 the first back-to-back years of profitability since 1999-2000. ATA also states that airlines will continue to simplify their operations, in part by reducing the number of aircraft types. They have disposed of hundreds of older airplanes to curb not only fuel and labor expenses but also maintenance costs and fuel-related emissions. This important trend is expected to continue in 2007.

National Enplanements

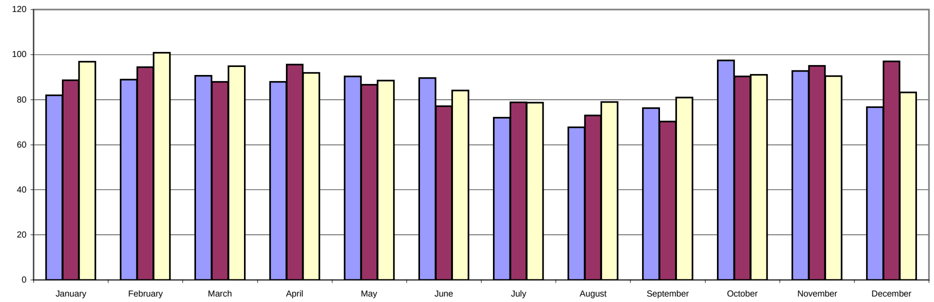


Louisiana Lodging Trends -

Louisiana Hotel-Motel Occupancy Rates

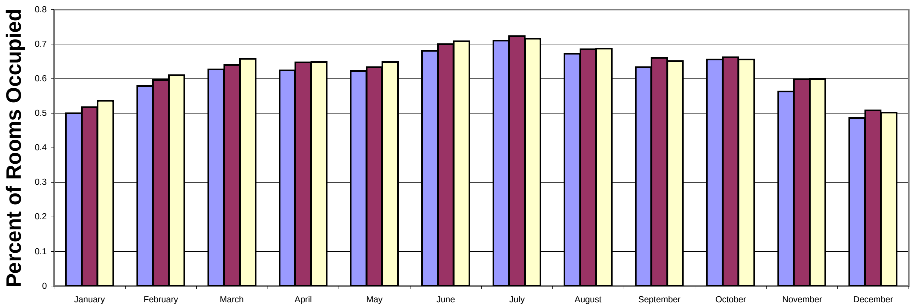


Louisiana Average Daily Rates

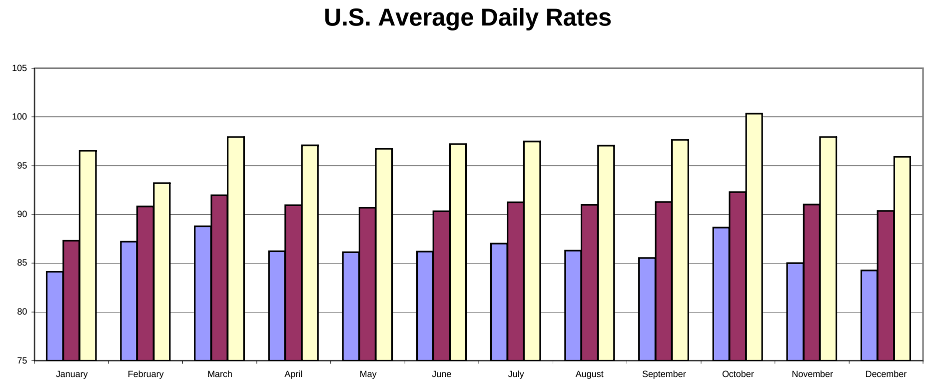


**U.S. Lodging Trends - ** Total U.S. room occupancy in the period October 1 to December 31 of 2006 was 58.2 percent, over 1 percent below the same period last year and the lowest for the quarter since 2004. The supply of available rooms increased over 1 percent but room demand dropped .1 percent. The decline in the number of rooms sold was due primarily to reduced leisure travel since the daystar reports indicate that demand during the mid-week period stayed good while the weekend periods (favored by leisure travelers) were off. Room revenue in the fourth quarter of 2006 was more than $23 billion, a 65 percent increase over the same period in 1996 due to the growth in the number of available rooms (21 percent) and a rise of 38 percent in ADR. In the fourth quarter during the past 10 years, hotel operators have produced 23 percent of the annual room revenue from approximately the same percentage of annual demand.

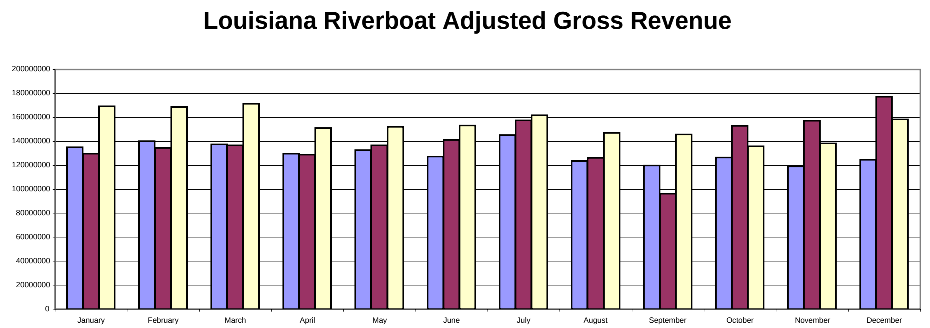
U.S. Occupancy Rates



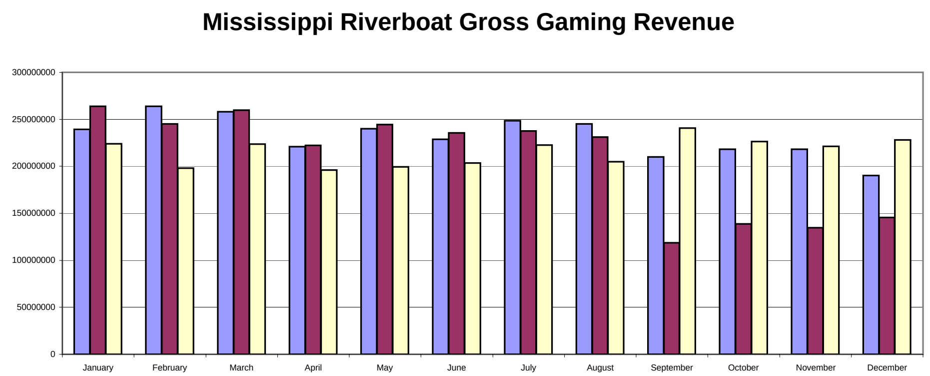
¨ For calendar year 2006, industry occupancy improved 0.5 percent to 63.4 percent compared to 2005. Average room rate rose 7.0 percent to $97.31 and RevPAR gained 8.1 percent to $61.69. Room supply increased 0.6 percent while demand (room nights sold) grew 1.1 percent. "The U.S. lodging industry turned in another strong performance in 2006", said Mark Lomanno, President of Smith Travel Research. "Industry RevPar growth was somewhat lower than the all-time high of 2005. However, since 2004, RevPar has grown nearly 24 percent – the strongest 3-year growth since STR began tracking hotel performance in 1987. We expect another good year in 2007. Room supply growth will likely increase but should remain below the long-term trend. Based on current economic expectations, demand growth should continue, with stronger numbers more likely in the second half. We believe full year 2007 industry RevPar growth should be in the 5.5 – 6.0 percent range".



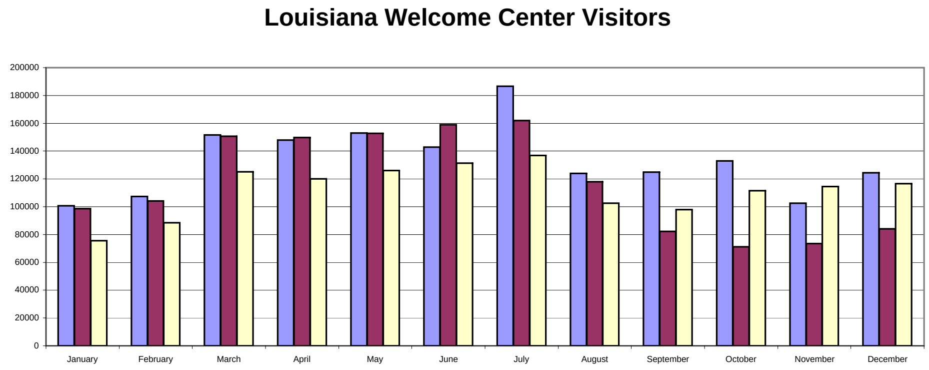
Louisiana Gaming Indicators - From October 2005 through September 2006 monthly riverboat gross revenue rose by 22%. Whereas during the last quarter of 2006, riverboat AGR dropped by 12% but still above the levels of 2004. The increases recorded during the fourth quarter of 2005 were directly related to post-Katrina activity by residents and relief workers as most New Orleans and Lake Charles casinos reopened quickly. This trend continued through most of 2006 in which casino revenue set a new record level of $1.8 billion, 10% higher than 2005 and 18% higher than 2004. At the end of 2006, Louisiana had 12 riverboat casinos. Five were located in the Shreveport/Bossier area, 2 in Baton Rouge, 3 in the Lake Charles area, and 2 in the New Orleans area.



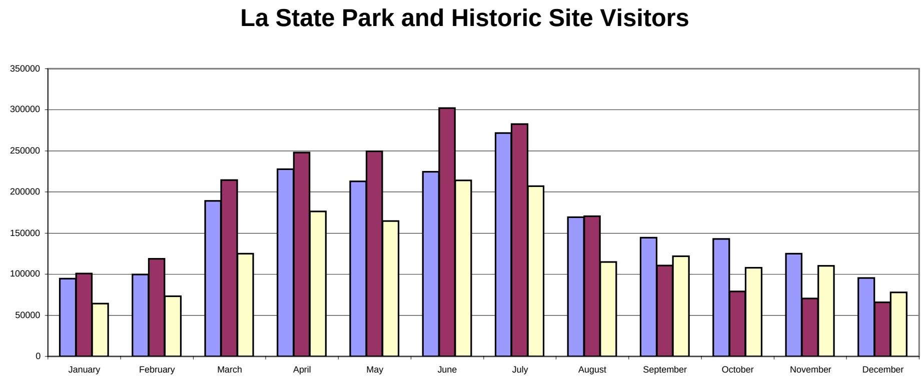
Mississippi riverboat gaming revenue peaked in 2004 at $2.77 billion. Last year riverboat gaming revenue amounted to $2.57 billion with significant increases during the last four months of the year and 27 casinos operating. The 27 state-licensed casinos, plus casino hotels, in place as of January 31, 2007, employed 30,300 persons, on average, during the September - November 2006 three-month period, or 7,000 more employees than FY 2006 quarterly averages for these entities. It's projected that 70 % - 72 % of all state-licensed casino patrons in FY 2007 will be from out-of-state, with the out-of-state proportion on the Mississippi Gulf Coast at 67 %, or 2/3.



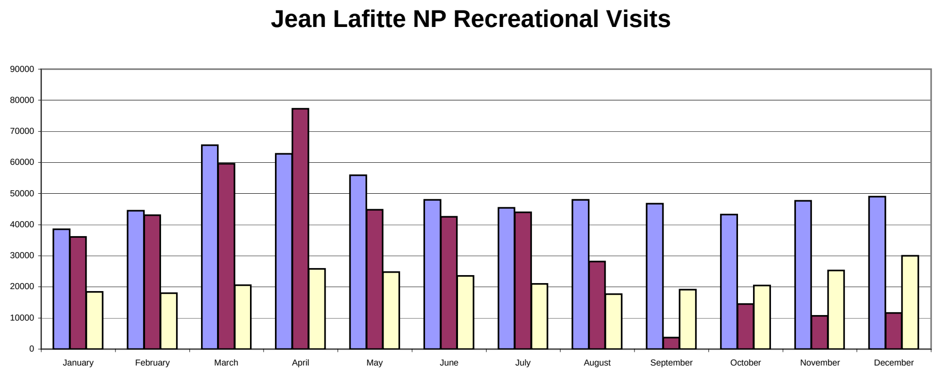
State Welcome Center Visitors - December 2006 traffic increased substantially over the previous year as Louisiana slowly recovers from the effects of the 2005 hurricanes. Because of the last four months of recovery, the annual volume was only 4.2% less than that of 2005. However, statewide annual volume is still 15.8% below that of 2004. As the graph indicates, November through February are the slowest months in the year for visitor traffic at the centers. Traffic increases in March and continues through July before tapering off in August, September, and October. This trend will likely be disrupted this summer when the Slidell I-10 Center begins an extensive renovation which will temporarily affect visitation to the center for several months. This center has the largest volume of traffic among all 13 state centers. Since its volume is approximately twice as much as the average center, this will have an adverse effect on the upcoming trend.

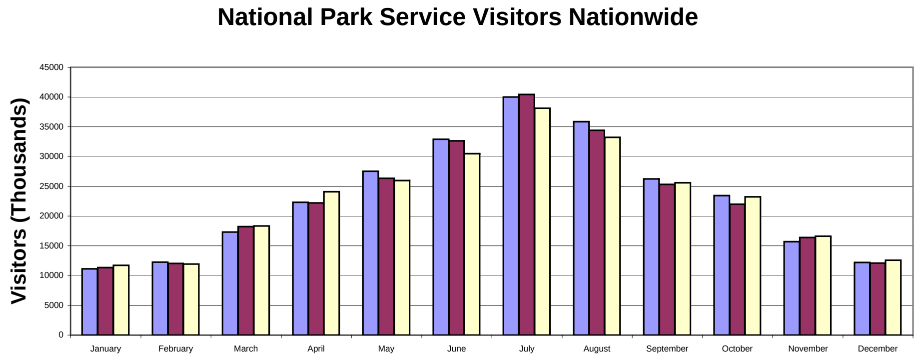


Louisiana State and National Park Trends - With the reopening of St. Bernard State Park in December 2006, Louisiana now has 19 state parks in operation, to go along with 14 state historic sites receiving visitors. Fort Pike SHS is the lone state historic site that was closed due to Katrina damage and has not yet reopened. Even though December visitation was up by 18%, visitation for calendar year 2006 was down by 22%. The coming months of 2007 should ultimately show much improvement over the previous two years. However, since parks usage is very seasonal, typical winter traffic will continue to be slow until March 2007.



Jean Lafitte National Historic Park has six units operating in Louisiana. The units are located in the following areas: Eunice, Thibodaux, Lafayette, Chalmette, the New Orleans French Quarter, and the Barataria area. The Barataria Preserve receives the lion's share of the visitation. Visitaton has been hit very hard by the 2005 hurricanes. The number of recreational visits recorded by the park last year was 55% below that of 2004 and 36% below 2005. National Parks nationwide continue to be popular attractions with over 271 million recreation visits recorded last year across the country.





U.S. Consumer Confidence Index Trend - The Consumer Confidence Survey is based on a sample of 5,000 U.S. households. The monthly survey is conducted for The Conference Board by TNS. Consumer income growth, on an inflation-adjusted basis, will rise by an estimated 2.8 percent, only modestly slower than the 3.0 percent in 2006. A lower 2007 inflation rate (+2.5%) will be a positive in 2007, and slow down the erosion of consumer purchasing power. In 2006, this was particularly damaging to middle- and lower-income households. Consumer spending will be in line with incomes in 2007, also rising by 2.8 - percent. While this is below 2006 spending (+3.1%), much of the expected spending decline will be tied to weaknesses in the housing market, i.e., spending for home furnishings, appliances, etc. Consumer confidence in the months leading into 2007 remains positive. Confidence levels are significantly higher among upper-income groups and, again, as we saw this year, up-market spending will outpace spending by lower-income groups.