

Louisiana Travel Pulse

September 2007

Produced by the Louisiana Office of Tourism

Mid-Year Analysis/Highlights:

- * Airport enplanements rose by 8.7% in July compared to a nationwide gain of just over 2 percent in July/June.
- * The number of room nights sold increased by 5.7% in Louisiana compared to a gain of just under one percent nationwide.
- * July gaming revenue from casinos and racinos rose by only 0.8% in Louisiana while revenue from Mississippi's 29 state licensed casinos (one fewer than pre-Katrina) climbed by 19%.
- * Even though Louisiana's welcome centers had 18% more visitors in July, the impact of the closure of the Slidell (I-10) center due to renovations will be adversely felt beginning with September since this center had 20% of all traffic to the welcome centers.
- * Jean Lafitte National Historical Park, one of Louisiana's prime attractions, continues to improve as it recovers from Hurricane Katrina. Jean Lafitte NHP had a 20% increase in visitors in July.

Louisiana Tourism Trends

Airport Trends	July 2007	July 2006	% +/-	(Benchmark)			% +/- 2006-2007	% +/- 2004-2007
				YTD 2004	YTD 2006	YTD 2007		
Airport Passenger Enplanements								
Louisiana Metro Airports Total	418,515	385,098	8.7%	3,394,593	2,301,945	2,798,701	21.6%	-17.6%
New Orleans	335,165	283,163	18.4%	2,934,408	1,727,315	2,220,932	28.6%	-24.3%
Other Metro*	83,350	101,935	-18.2%	460,185	574,630	577,769	0.5%	25.6%
* Note: Includes Baton Rouge, Monroe, Lafayette, and Alexandria metropolitan airports.								
Louisiana Hotel/Motel Trends								
Rooms Sold	1,469,086	1,390,423	5.7%	10,792,818	10,657,465	10,158,453	-4.7%	-5.9%
Room Supply	2,324,628	2,172,759	7.0%	16,562,544	14,718,814	15,653,145	6.3%	-5.5%
Occupancy Rate	63.2%	64.0%	-1.3%	65.2%	72.4%	64.9%	-10.4%	-0.5%
Average Daily Rate	\$83.15	\$78.19	6.3%	\$86.02	\$91.28	\$91.12	-0.2%	5.9%
Louisiana Gaming Indicators								
Riverboat AGR*	\$161,328,689	\$161,906,723	-0.4%	\$948,122,439	\$1,128,194,065	\$1,055,957,166	-6.4%	11.4%
Non-Indian Land Based Casino GGR**	\$35,190,000	\$31,597,717	11.4%	\$187,901,885	\$175,734,899	\$239,775,500	36.4%	27.6%
Slots At Racetracks GGR***	\$31,793,984	\$33,041,745	-3.8%	\$164,491,640	\$227,948,819	\$217,228,829	-4.7%	32.1%
Total	\$228,312,673	\$226,546,185	0.8%	\$1,300,515,964	\$1,531,877,783	\$1,512,961,495	-1.2%	16.3%
*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								
	160,414	136,081	17.9%	990,099	802,832	891,027	11.0%	-10.0%
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 temporarily 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*	25,339	20,981	20.8%	360,495	151,986	196,464	29.3%	-45.5%
Louisiana State Parks and Historic Sites	196,678	207,289	-5.1%	1,320,621	1,024,747	1,134,321	10.7%	-14.1%
* Recreational Visits								

National Tourism Trends

	July 2007	July 2006	% +/-	(Benchmark)			% +/- 2006-2007	% +/- 2004-2007
				YTD 2004	YTD 2006	YTD 2007		
U.S. Hotel/Motel Trends								
Rooms Sold			0.9%				0.9%	
Room Supply,			1.5%				1.2%	
Occupancy Rate	70.9%	71.3%	-0.5%	62.1%	64.5%	64.4%	-0.3%	3.7%
Average Daily Rate	\$103.42	\$98.34	5.2%	\$86.53	\$97.52	\$103.04	5.7%	19.1%
National Park Trends								
Recreational Visits (000)	38,187	38,465	-0.7%	163,453	161,317	161,352	0.0%	-1.3%
U.S. Consumer Confidence Index Trend								
Index (1985=100)	105.0	100.2	4.8%	95.6	106.3	108.6	2.2%	13.6%

(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>	(Benchmark)							
	4th Quarter 2006	4th Quarter 2005	% +/-	YTD 2004	YTD 2005	YTD 2006	% +/- 2005-2006	% +/- 2004-2006
U.S. Resident Visitors To La.*	5,900,000	1,900,000	210.5%	23,600,000	18,700,000	18,200,000	-2.7%	-22.9%
Canadian Resident Vis. To La.**	23,500	16,500	42.4%	109,200	96,600	71,900	-25.6%	-34.2%

* 2006 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	August 2007	April 2007	January 2007	August 2006	May 2006	March 2006	January 2006	
Regional Sample	46.5%	60.2%	56.3%	50.7%	46.6%	49.8%	46.1%	
National Sample	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	QTR	% +/-	QTR	QTR	QTR	% Change From Prev. Qtr.	% Change From Prev. Year
	2006-4	2005-4		2006-4	2006-3	2005-4		
	Employment	Employment		Units	Units	Units		
Arts, Entertainment, & Recreation	40,261	38,664	4.1%	1,555	1,533	1,531	1.4%	1.6%
Accommodations and Food Services	156,767	140,493	11.6%	8,331	8,242	8,204	1.1%	1.5%

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>	2nd Quarter	2nd Quarter	% +/-	YTD	YTD	YTD	% +/- 2006-2007	% +/- 2004-2007
	2007	2006		2004	2006	2007		
Number of Rounds Played	90,590	84,189	7.6%	112,666	135,011	145,486	7.8%	29.1%
Number of Courses Open	12	10	20.0%					

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

(Benchmark)

<u>Louisiana Tax Free Shopping</u>	2nd Quarter	2nd Quarter	% +/-	YTD	YTD	YTD	% +/- 2006-2007	% +/- 2004-2007
	2007	2006		2004	2006	2007		
Number of Refund Transactions	3,416	1,423	140.1%	18,377	3,525	8,748	148.2%	-52.4%
Number of Sales	14,883	7,969	86.8%	78,694	18,060	36,032	99.5%	-54.2%
Retail Spending	\$3,065,978	\$1,560,865	96.4%	\$12,790,857	\$3,414,495	\$7,718,497	126.1%	-39.7%

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

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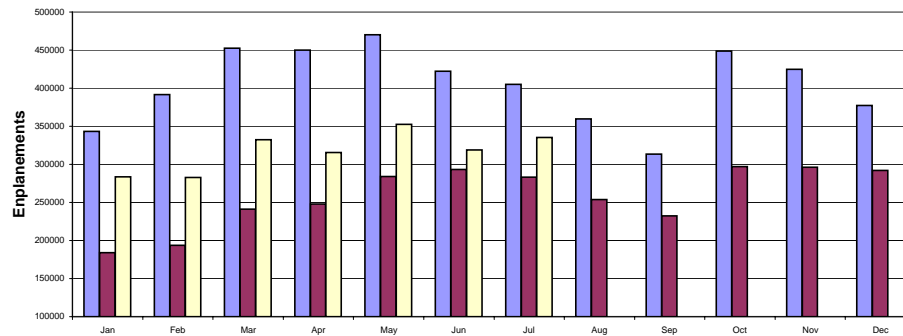
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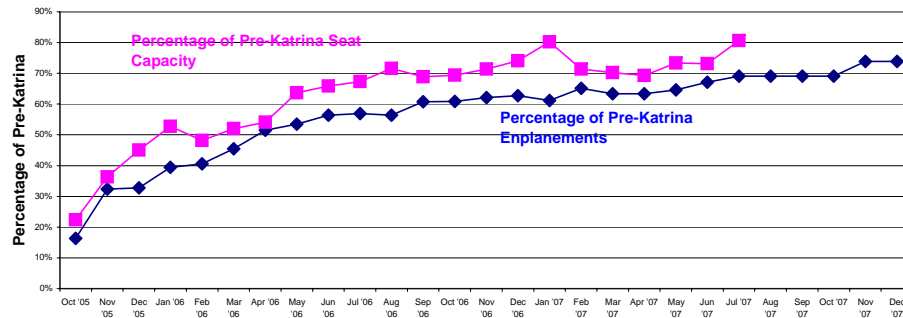
Legend For All Graphs: 2004 = left bar (blue)(benchmark year), 2006 = middle bar (red), 2007 = right bar (yellow)

Louisiana Airport Enplanements - Enplanements to Louisiana airports rose again in July (+8.7%) thanks to rising traffic at the New Orleans International airport which has the majority of Louisiana's air traffic, and a gradually increasing capacity at that airport. For the first seven months of 2007, enplanements have improved by 21% over the same period last year. In contrast, domestic airline traffic showed a 2.3 percent year-over-year gain in enplanements in July/June. Though the gain was a respectable one, it was against a very weak year ago, when traffic was down by 4 percent. The airlines are flying with record load factors (87.4%). The high load factors may good for the airlines but the results on the passengers is been particularly bad this summer where one-third of the flights were delayed, along with many cases of lost baggage and flight cancellations. Between these inconveniences, the aging air traffic control system, and increased airfare costs, does the future of air travel look bright?

New Orleans International Airport

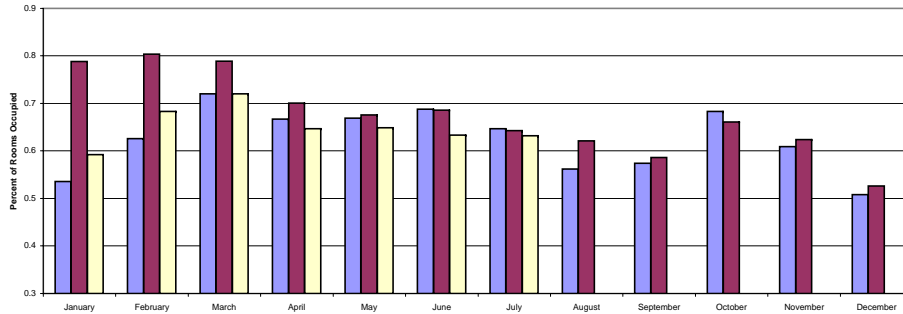


New Orleans International Airport

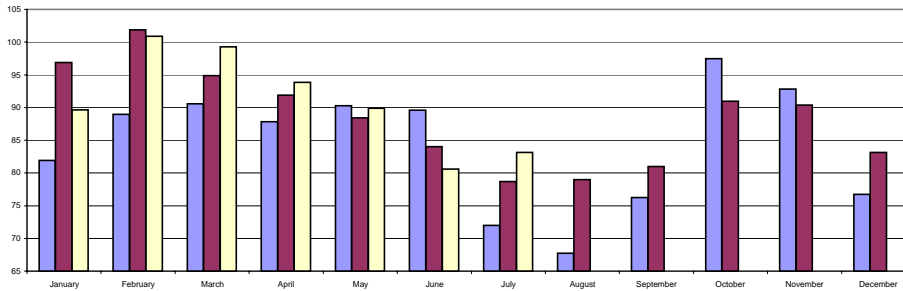


Louisiana Lodging Trends - There were approximately 75,000 rooms available in July 2007, 94% of what was available in July 2005 (immediately before Hurricanes Katrina and Rita). July 2007 statistics were: Occupancy (63.2%): -1.3%; ADR (\$83.15): +6.3%; RevPar (\$52.55): +5.0%; Rooms Available: +7.0%; and Rooms Sold: +5.7%. The New Orleans metro area was the only area with increased occupancy and room demand. Lafayette was the only other area of increased room nights sold (room demand) with a 3.3% increase. Room rates increased all over the state except in Monroe (-0.5%). RevPar increased in New Orleans, Lafayette, and Shreveport. The latter has seen an increase in total room revenue over the last four months. According to historical occupancy figures alone, summer months are not the busiest times of the year for most areas of Louisiana. Shreveport and Lake Charles are the exception with higher than normal occupancy during that period, but not necessarily peak occupancy. In the last 12 months both had higher occupancy in March when spring travel to Louisiana is traditionally higher throughout the state

Louisiana Hotel-Motel Occupancy Rate

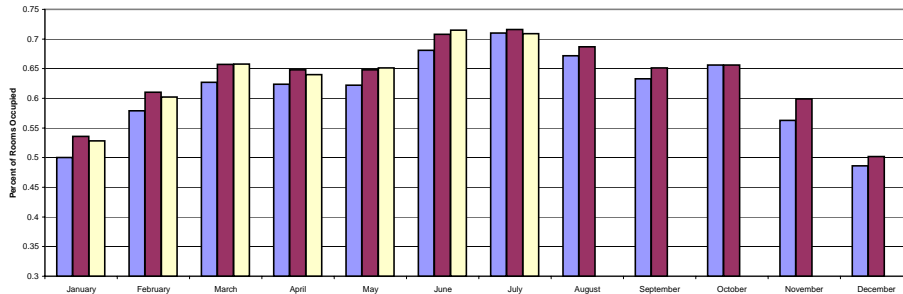


Louisiana Average Daily Rate



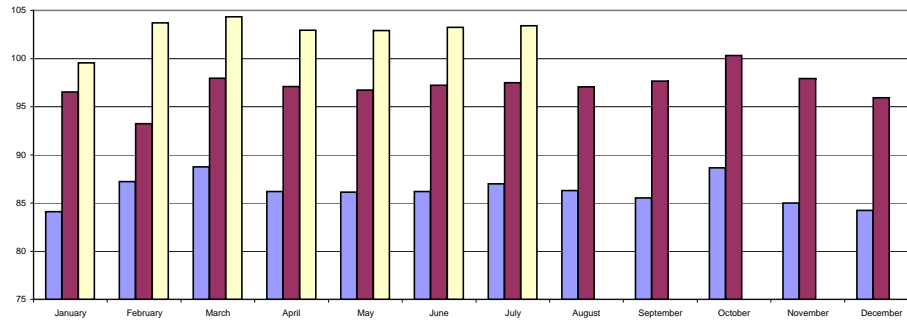
U.S. Lodging Trends - Hotel rates have been steadily increasing by 6% to 10% for the past few years, according to a study by D.K. Shifflet & Associates, which says that travelers are now reacting by trading down and trading out. The DKSA "Lodging Performance/Monitor" shows that, while the number of high-income U.S. households earning more than \$100,000 annually has been growing, and they pay the highest rates in each hotel segment, even those well-heeled travelers are trading down from high-end to mid-level hotels. In fact, says DKSA, they are fundamentally responsible for share growth in the domestic mid-level hotel segment that occurred between 2005 and 2006. "This consumer reaction to hotel rate gains and the resultant loss of domestic market share will put downward pressure on high-end hotel rates and give mid-level hotels an opportunity to increase rates in this dynamic market," said Doug Shifflet, the firm's CEO. In addition, the survey found that travelers are taking shorter trips and are "trading out" to hotel alternatives, such as cruising, vacation rentals, R&Bs and fractional own-

U.S. Occupancy Rates



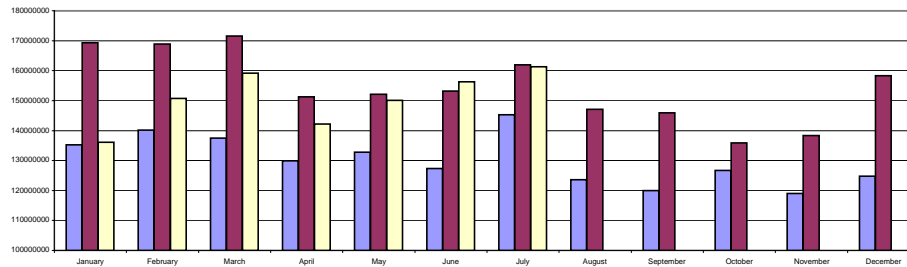
alternatives, such as cruising, vacation rentals, D&Bs and fractional own

U.S. Average Daily Rate



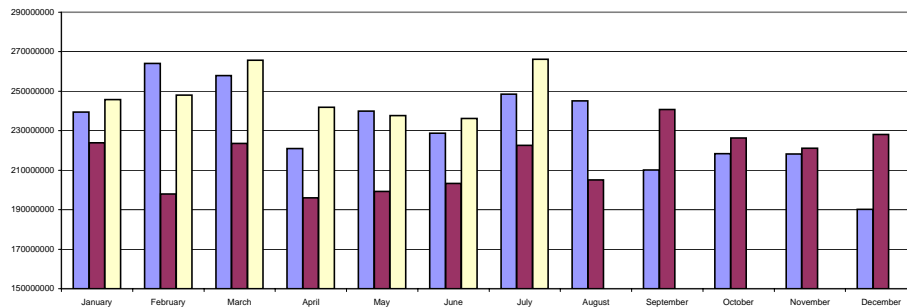
Louisiana Gaming Indicators - After seven months riverboat gaming expenditures for the year are 6.4% below last year. However, 2006 was a record year for riverboat AGR in Louisiana with over \$1.85 billion recorded. If the current rate continues, 2007 will be the second highest on record. The current pace for all gaming revenue from riverboats, the land-based casino in N.O., and racinos is down only 1.2% from last year, but up 16.3% from 2004 when tourism in Louisiana was strong. These figures do not include the three gaming facilities operated by indian tribes in Louisiana. The latest figures from the Indian Gaming Industry Report show revenue in these facilities were down 1.9 percent in 2006 to about \$395 million. This report also ranked Louisiana's indian casino revenue 12th among the 28 states that have indian gaming casinos.

Louisiana Riverboat Adjusted Gross Revenue



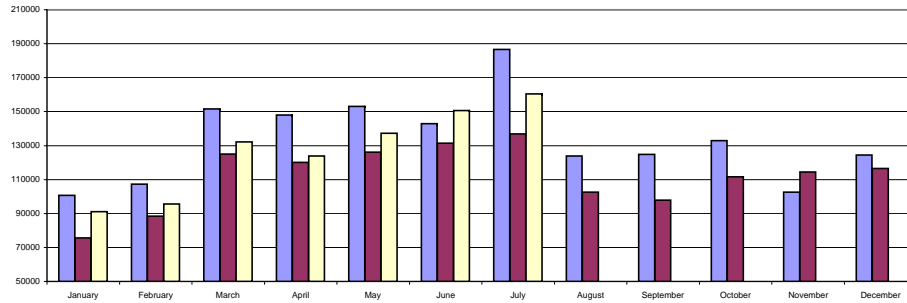
Mississippi Riverboat GGR continued to break records in 2007, as GGR rose by 19% in July alone. Mississippi had 28 state-licensed casinos in July 2007, only 1 fewer than the 29 in place pre-Katrina. These casinos grossed \$2.8 billion in the 12 months from July 2006 - June 2007, prior to July 2007. The state-licensed casinos, plus their hotels, accounted for about 30,100 jobs, per FY 2007 quarterly averages. And the 26 state-licensed casino hotels had some 11,660 rooms, with an 83.0 occupancy percent (5/6), based on July 2006 - June 2007 quarterly averages.

Mississippi Riverboat Gross Gaming Revenue



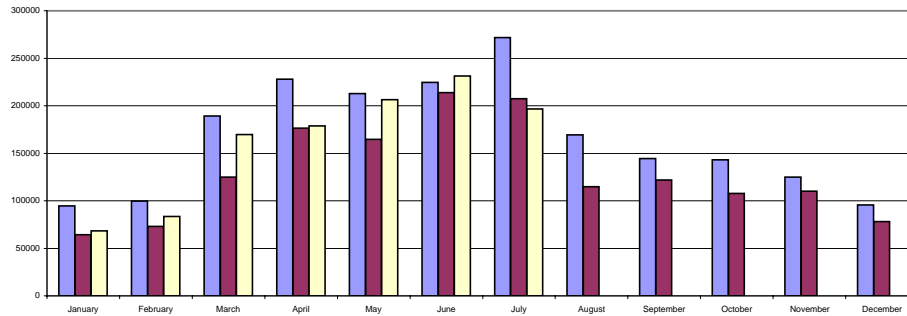
State Welcome Center Visitors - All thirteen of Louisiana's state welcome centers were open in July. Louisiana's tourism recovery and the new technology in most centers have increased visitation to the centers. July is one of the busiest months for the welcome centers and this year was no different. The closing of the Slidell Welcome Center following Labor Day 2007 will have a profound impact on visitor counts in the coming months. The Slidell center recorded over 274 thousand visitors last year, representing 20% of all welcome center visitors. It will be closed for approximately one year while a new center is being constructed on the same rest area site as the old one. Renovations of the rest area will also be undertaken to improve parking and vehicle circulation of the site. Therefore, August will likely be the last month for any fair comparisons in visitation trends to the centers.

Louisiana Welcome Center Visitors



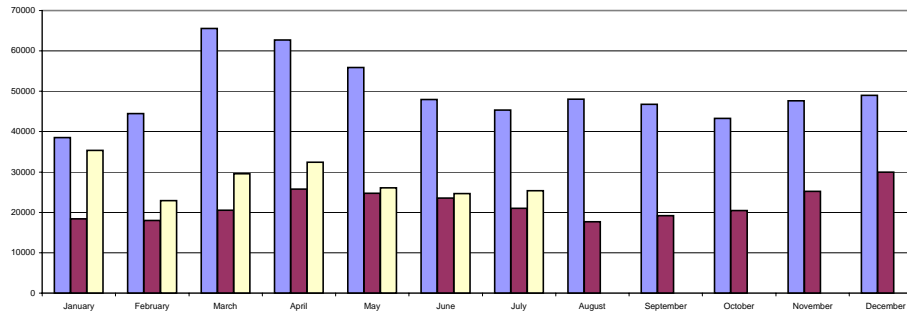
Louisiana State Park Trends - Visitation to state parks and historic sites fell by 5.1% in July. Most of the decline occurred in day use of state parks which declined by 10.2% or over 10 thousand fewer visitors in ten different state parks across the state. On the other hand, state historic sites across the state had over 600 more visitors in July 2007 than July 2006. It is likely that Louisiana's hot summer kept many residents away from state parks and other outdoor activities. The number of overnight visitors were also down slightly, a trend not matched by hotel stayers (see La. Hotel/Motel Trends). Trends like these occur more often than not and for no obvious reason. In the long run, the number of visitors to the state's parks and historic sites are 10.7% above last year's numbers, but still 14% below the record numbers recorded in 2004.

La State Park and Historic Site Visitors



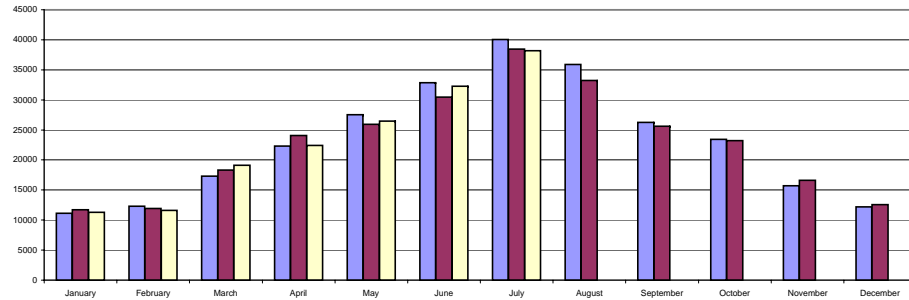
Jean Lafitte National Historic Park Trends - Jean Lafitte NHP had a 20% increase in visitors in July. Both the Chalmette Battlefield Unit and the Barataria Preserve Unit were extensively damaged by Katrina and are slowly recovering. The battlefield has limited hours and is just starting plans for a new visitor center. The battlefield monument and the historic Malaus-Beauregard House are being refurbished. The Barataria Preserve is open daily and visitor services are completely restored. The visitor center was opened in March with the focus on the Louisiana Gulf Coast. All other units continue to be operational, including the French Quarter Visitor Center which is offering walking tours of the Quarter, craft and cooking demonstrations and a look at the influences that shaped New Orleans.

Jean Lafitte NP Recreational Visits



Major leisure destinations showed mixed performance this summer according to various travel experts. Las Vegas had a strong June (+4%). Travel to Hawaii was flat, as was the Orlando/Disney World area. Room demand was below year ago levels in June and July. National park visitors were up in June and flat in July. July is normally the busiest month of the year for National Parks and this year was no different with 15% more visitors in July than June. Gasoline prices did not appear to be a major factor in inhibiting summer travel. Though prices were high across the U.S. in May (\$3.22/gallon), gasoline prices fell in both June (\$3.00/gallon) and July (\$2.80/gallon), making it more affordable to visit national parks (390) across the nation.

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 Conference Board Consumer Confidence Index, which had surged in July, gave back all of the gain in August. The Index now stands at 105.0 (1985=100), down from 111.9 in July. Says Lynn Franco, Director of The Conference Board Consumer Research Center: "A softening in business conditions and labor market conditions has curbed consumers' confidence this month. In addition, the volatility in financial markets and continued sub-prime housing woes may have played a role in dampening consumers' spirits. But, despite less favorable conditions and in spite of all the recent turmoil, consumers still remain confident. And, current Index levels suggest further economic growth in the months ahead."

U.S. Consumer Confidence Index

