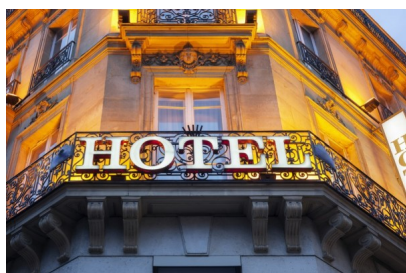


SUMMER SEASON BROUGHT RECOVERY FOR FRENCH HOTEL INDUSTRY



French hotel industry reported positive numbers for July. The occupancy rates increased to 70% throughout all accommodation categories while the average prices decreased. The August numbers suggest similar trend.

RevPAR, the average revenue per available room, increased by 5% in the super-Economy category and by 11% in the High-end category. This is what the In Extenso Tourism, Culture and Hospitality Industry Barometer indicated regarding the performance of France's hotel industry for the summer season of 2017.

Over the summer, foreign tourism recorded a big comeback in certain French destinations. Some hotel establishments and tourism professionals noticed the return of international tourists, especially in the category of individual tourists.

In August, Provence and the French Riviera performed better than during the month of July. The occupancy was up during the first eight months of the year while the average revenue per rented room declined. Thanks to sustained tourist visitation across France, RevPAR was still increasing by the end of August 2017.

The tourism activity was stronger in July, with occupancy rates and average prices higher than those recorded in August. At the end of August 2017, RevPAR was still increasing despite decreasing average prices.

Occupancy rates were up for all categories during the summer season for the Parisian hotel industry but did not reach the performance levels attained in 2015.

France's Regions Performed Well

Tourism in France's regional hotel industry performed better in August than it did in July 2017. The "Bretagne-Pays-de-Loire" coastline recorded very good results thanks to increased occupancy and average prices during the month of August.

The bad weather did not result in decreased occupancy rates, but rather in a relocation of tourist activity towards inland destinations.

The French Riviera had a successful summer season, especially during August 2017. According to

“Côte d'Azur's” Regional Tourism Committee, the number of nights spent by German, Swiss and Italian tourists increased by 15%; the number of nights spent by Russians and South Americans increased by 20% and the number of nights spent by Chinese tourists increased by 12%.

However, the French Riviera's hotel industry experienced a lack of Middle Eastern clientele during the month of July – which explains its decreased performance – especially in the luxury segment of the market.

Tourism Residences: Increase in Occupancy Rates

Whereas in August 2016, RevPAR for tourism residences was down in the Parisian Region as well as in France's other regions, this year, occupancy rates were high across all of France's territories and across all categories of tourism residences. This trend should lead to an increase in RevPAR. However, turnover in the Economy category in the Parisian Region and in the Mid-range category in France's other regions was down.

In August 2017, the market for tourist residences in the Parisian Region showed an increase in occupancy rates, but these rates were still lower than those recorded in July. Despite this increase, the market for tourism residences failed to reach the occupancy rate it did during the same period in 2015.

Thanks to increased occupancy rates, revenues per available apartment increased in two categories in August 2017 (5% in the Economy category and 11% in the Mid-range category), but only the Mid-range category showed an increase in the Average Revenue per Apartment Rented, an increase of 4% compared to last year.

Increased RevPAR

On a cumulative basis, by the end of 2017, RevPAR had increased by 3% in the Mid-range category and by 2% in the Economy category. These RevPAR levels remain tenuous since they are lower than those recorded in 2015.

Occupancy in August 2017 was on the rise in Provence, both in the Mid-range and Economy categories – 2% and 7% respectively. **In addition, global occupancy rates are encouraging since they are higher than those recorded in August 2015.**

This month, there was a slight decrease in the Average Revenue per Apartment Rented in the Mid-range category versus an increase of almost 1% in the Economy category. At the end of August 2017, RevPAR was down from August 2016 levels but up relative to 2015.

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