GROWTH OPPORTUNITIES FOR THE TOURISM SECTOR

Abaco Business Outlook Conference

September 21st , 2011

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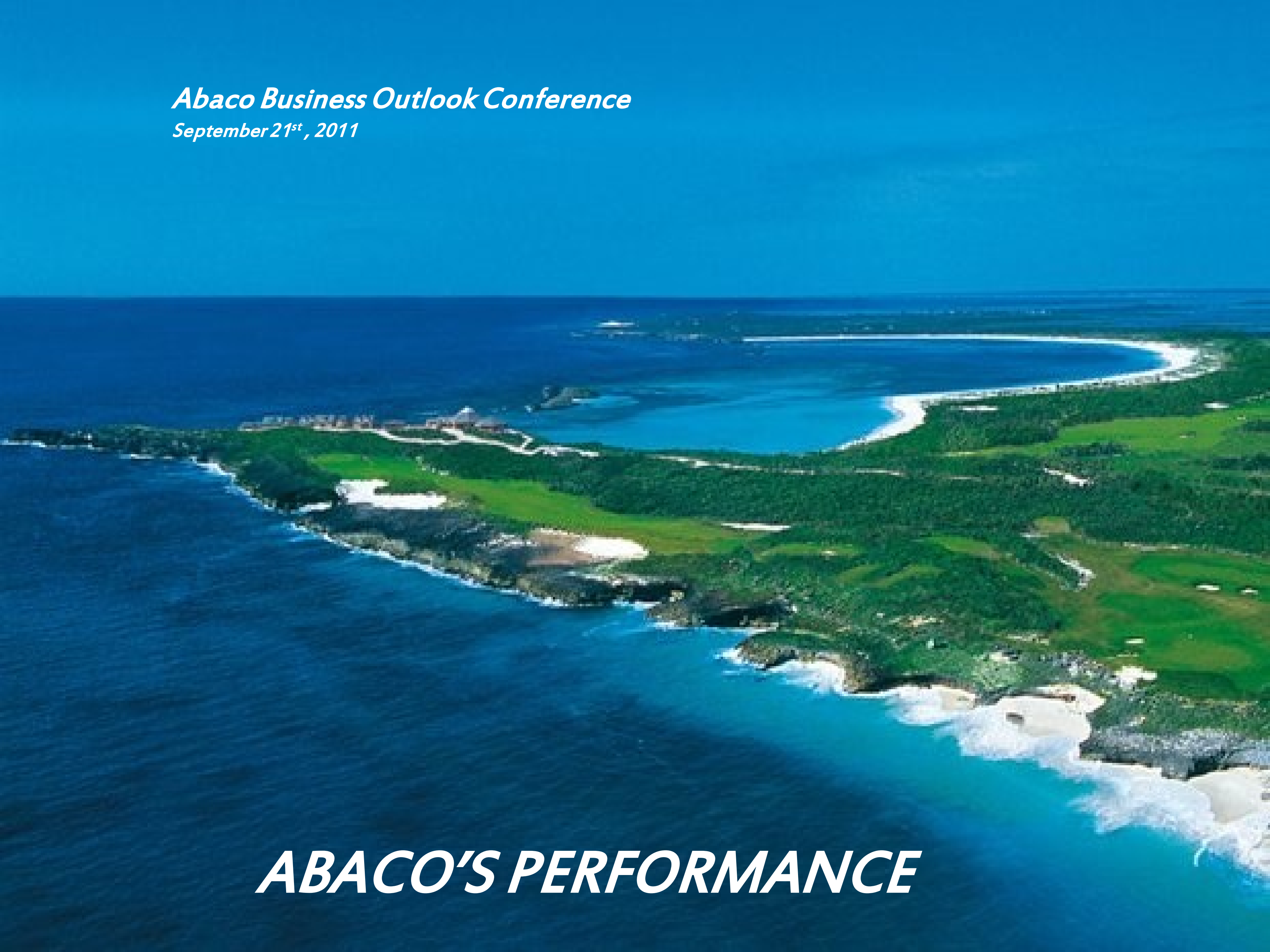

ABACO'S PERFORMANCE

ABACO'S PERFORMANCE

2011 January to June

- *Stopovers decreased by 3% or (2,281) visitors in the first half of 2011.*
- *Visitors break-down is USA (90%), Canada (4.5%), and Europe (3%).*
- *3 main DMAs: WEST PALM BEACH-FT. PIERCE (10.5%), MIAMI-FT. LAUDERDALE (7%), ORLANDO-DAYTONA BCH-MELBRN (6.7%).*
- *Reasons for visiting Abaco: BEACH (44%), SAILING (10%), FRIENDS/RELATIVES (8.5%).*

ABACO'S PERFORMANCE

2011 January to June

- *86.3% of visitors who's Trip Purpose was Vacation said they were Very Likely to Recommend The Bahamas.*
- *Average nights stayed in Abaco is 10.2 compared to The Bahamas 6.8.*
- *The average age of visitors to Abaco is a little older than the rest of The Bahamas with the predominant age group being approx. 45-64 years old.*

ABACO'S PERFORMANCE

Treasure Cay - Marsh Harbour

- *90% of Visitors who come to Abaco are Americans.*
  - *3 main DMAs for **Treasure Cay**: MIAMI-FT. LAUDERDALE (12.47%), WEST PALM BEACH-FT. PIERCE (6.97%), NEW YORK (5.78%) based on 2010.*
  - *3 main DMAs for **Marsh Harbour**: NEW YORK (7.71%), WEST PALM BEACH-FT. PIERCE (6.83%), MIAMI-FT. LAUDERDALE (6.34%) based on 2010.*

- *Based on 2010 figures, Visitors stay in:*
  - ***Treasure Cay**: Apartment/Villa (28.56%), Hotel (71.44%).*
  - ***Marsh Harbour**: Apartment/VILLA (33.72%), Hotel(21.70%), Private Boat(37.47%), Time Share (7.11%).*

- *Average night stayed:*
  - ***Treasure Cay**: Numbers of nights stayed increased for 1 night 2008 – 7.7 nights compared to 2011 - 8.8 nights.*
  - ***Marsh Harbour**: 8.0 nights (2010 and 2011).*

Based on the 2009 Expenditure Information

- Stopovers spend about $100 million in Abaco
- $1,120 per Stopover
- $110 per Visitor Night
- $340 per Party Night or per One Room Night stay
- The $100 million accounted for 5.6% of all spending in TIOTB and 30% of the Out Island Spend

ABACO'S PERFORMANCE

2006 to 2010

Year	Visitor count	Visitor nights
2006	108,632	1,020,610
2007	110,753	1,028,567
2008	97,671	955,830
2009	81,632	853,720
2010	87,815	905,412

Compared to 2008 Stopovers Levels

- West Palm Beach rebounded starting in March 2009 but not back to 2008 levels and fallen off again in March April
- Miami and New York showed similar trend as WPB but initial declines were not as severe
- Dallas-Worth stayed at or just above 2008
- Orlando has not rebounded at all
- Vacation Homes declined the most followed by Sun, Sand and Sea (European Plan) and Offshore Boaters
- Sun, Sand and Sea and Vacation Home Segments showed similar patterns of recovery but still below by 3,000 to 4,000 respectively

Compared to 2008 Stopovers Levels

- 22 nights and above stays held at or above 2008 levels
- 7 to 14 nights stays were severely hurt by the "Great Recession" and still below 2008 levels in June 2011.
- Apt/Villas took the brunt of losses dropping 6,000 below 2008 levels between January and August 2009, and in June 2011 still about 3,500 stopovers below 2008
- Hotels fell almost 4,500 stopovers between January and August 2009 but from November 2009 to July 2010 completely recovered.
- Those staying in their own homes maintained at or just below 2008 levels throughout.

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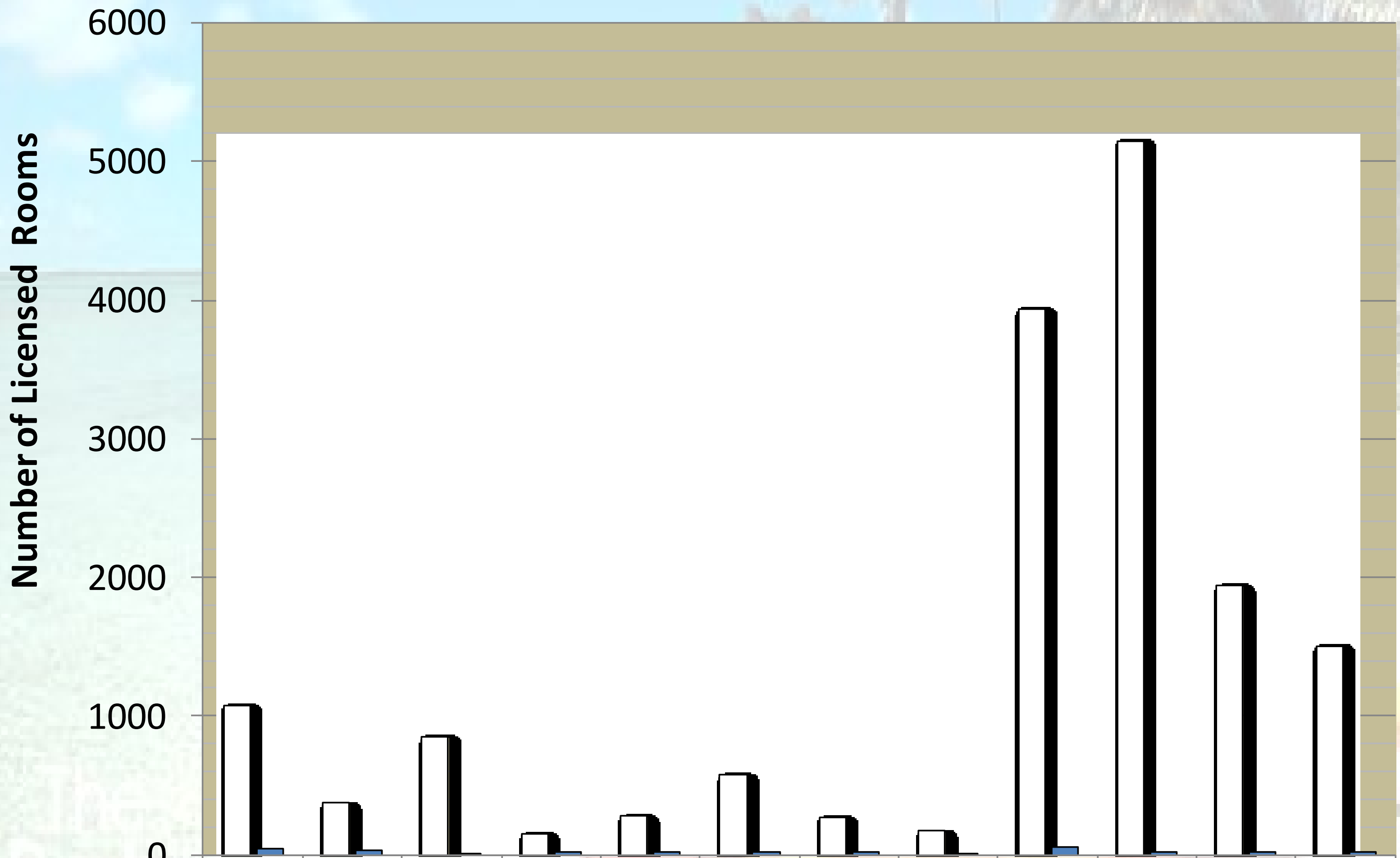
ABACO'S PERFORMANCE CAPACITY

ABACO'S PERFORMANCE CAPACITY

Hotels

According to Hotel Licensing, Abaco represents 8% of all TITOB Hotels and 22% of all Rooms

TIOTB HOTEL ROOM INVENTORY – AUGUST 2011



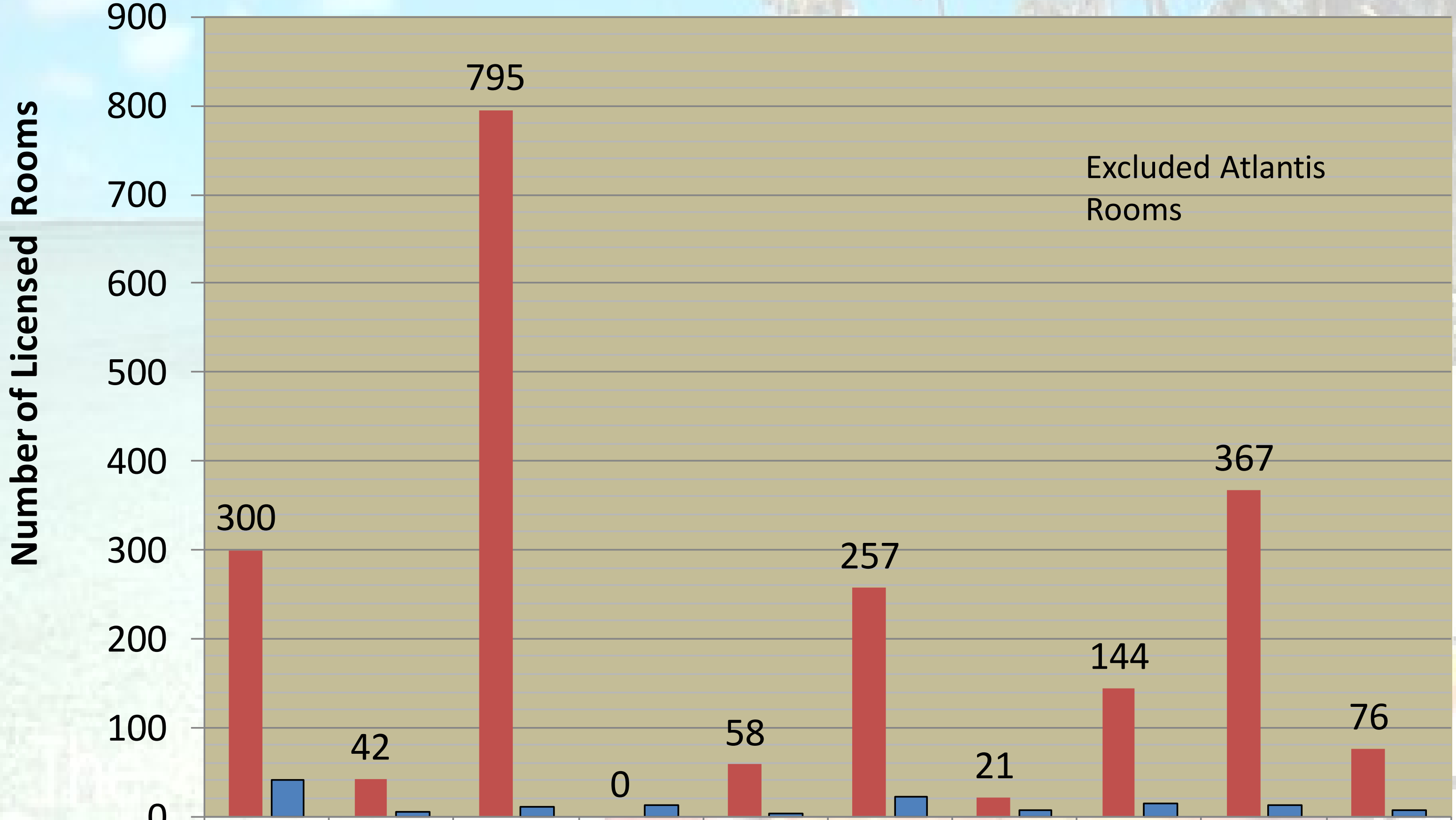
	The Abacos	Andros	Bimini	Cat Island	Eleuthera	Exuma	Harbour Isl	Long Island	Nassau	PI	GBI	Other
Number of Licensed Rooms	1072	366	846	146	275	573	267	164	3930	5143	1936	1501
Number of Licensed Hotels	42	33	11	15	24	21	15	13	50	16	24	15

ABACO'S PERFORMANCE CAPACITY

Marinas

According to Marina.com and Hotel Licensing Abaco Marinas represents 30% of all TITOB Marinas and 14% of all Licensed Hotel Rooms Associated with Them

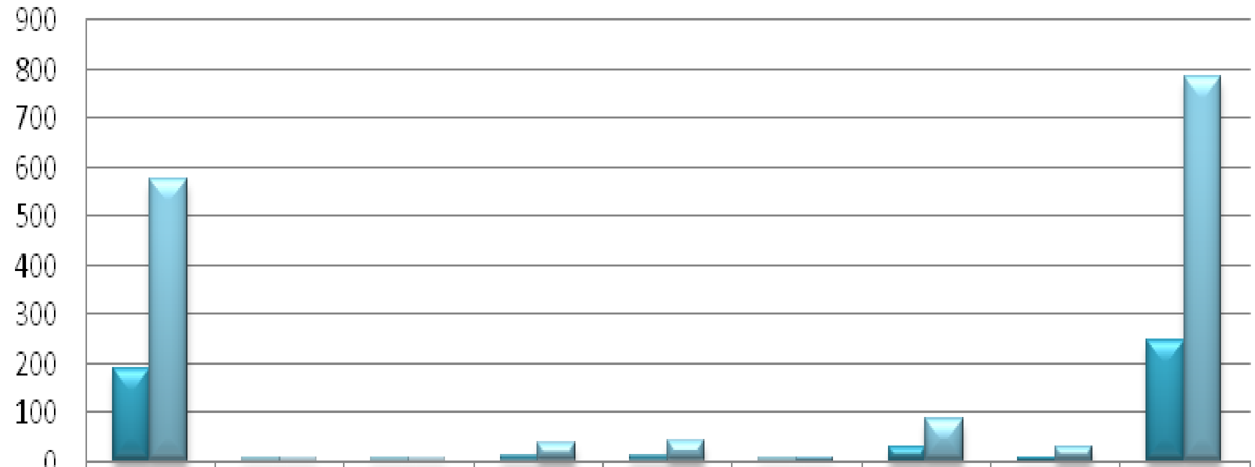
MARINAS IN TIOTB



	The Abacos	Andros	Bimini	Eleuthera	Harbour Isl	Exuma	Long Island	Nassau/PI	GBI	Other
Licensed Rooms	300	42	795	0	58	257	21	144	367	76
Number of Marinas	40	5	11	13	3	21	7	15	13	6

Abaco represents 76% of all Owner Occupied Registered Homes and 73% of all Rooms

Registered OORH Homes/Room Capacity
As at 31st August, 2011



	The Abacos	The Berry Islands	Cat Island	Eleuthera	Harbour Island	Long Island	The Exumas	Nassau/PI	Total
NUMBER OF HOMES	187	1	1	9	9	2	30	8	247
NUMBER OF ROOMS	576	4	4	36	40	8	86	30	784

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RELATIVE CONTRIBUTION

Abaco Owner Occupied Registered Homes Under Values Impact of Rentals

Selected Abaco Accommodation	Stopovers	Visitor Nights	Average Stay (nts)
APT/VILLA (Mostly Rental)	22479	191,681	8.53
OWN PROPERTY (Some Rental)	8701	149,141	17.14
HOTEL	23798	205,819	8.65
MARINA*	5141	49,268	9.58
Grand Total	**60119**	**595,909**	**9.91**

*Stayed on private boat excluding OffShore Boaters

- An Average based on Expenditures for 2008 and 2009 showed that a Hotel Visitor for each Night of Stay in Abaco spent $192
  - Amount spent by marina boaters was next ($133) followed by Rental Properties ($114) and those staying in their own homes ($76)
- Party Nights best approximate Room Nights, so an estimate of spending per room night sold at the destination was $612.
  - Similarly for Abaco Marinas, Party Nights best approximates nights spent by boat in a slip. The Marina spend was estimated to $368 per night per slip.
  - This Marina average spend was second only to the Hotel and reflected the higher proportion spent on the cost of accommodation: 56% for Hotels, 42% for Marinas

RELATIVE CONTRIBUTION

Major Spending Areas

- Examining the Five Major Areas as a % of Total Party Night Spend showed that
  - Private Home Owners while spending the least on Accommodation (consistent with Some Rental) dominate Other Purchases, Activities and Eating Out and Rental Properties spend like Marina Boaters

DISTRIBUTION OF PARTY NIGHT SPENDING (Based on 2008/09)

Expenditure Area	HOTEL	MARINA	RENTAL PROPERTY*	PRIVATE HOME**
ACCOMMODATION	**57%**	42%	42%	19%
EATING OUT	16%	15%	13%	**22%**
ACTIVITIES	9%	8%	11%	**16%**
POPULAR PURHASES	5%	10%	6%	9%
OTHER PURCHASES	**13%**	25%	28%	**34%**
TOTAL	**100%**	**100%**	**100%**	**100%**

*Apt/Villa ** Own Property

Lowest % in Area **Highest % for Area**

THE CONTRIBUTION

Major Spending Items

- Using a 50% Threshold, (at least 50% of the Travel Parties had to have made a purchase) for the 65 items of expenditure in the Survey:
  - Rental Property users dominated Groceries and Household Goods purchases (71% of all Travel Parties), and Local Transportation purchases (70%).
  - Private Home Owners scored the highest for Local Transportation Purchases (77%)

AT LEAST 50% TRAVEL PARTY MADE A PURCHASE (Based on 2008/09)				
Expenditure Item	HOTEL	MARINA	RENTAL PROPERTY*	PRIVATE HOME**
GROCERIES/HOUSE	**51%**	56%	71%	**76%**
LOCAL TRANS	67%	**77%**	70%	**50%**
T-SHIRTS	***	**52%**	**52%**	***
LOCAL MARINA TRANS	***	***	***	**51%**
TOTAL	**100%**	**100%**	**100%**	**100%**

*Apt/Villa ** Own Property *** Below 50%

Highest % for Area

THE CONTRIBUTION

Travel Party Profile

KEY TRAVEL PARTY PROFILES FOR ABACO (Based on 2008/09)

ATTRIBUTE	HOTEL	MARINA	RENTAL PROPERTY*	PRIVATE HOME**
TRAVEL PARTY SIZE	**2.97**	3.28	3.10	3.04
NUMBER IN PARTY		77%		
One	16%	5%	10%	12%
Two	41%	46%	47%	44%
Three	9%	8%	11%	11%
Four	17%	21%	13%	16%
Five to Ten	17%	20%	19%	17%
AVERAGE SPENDS***				
Per Party	$3,584	$6,271	$3,189	$2,763
Per Party Night	$612	$368	$329	$237
Per Stopover	$1,206	$1,910	$1,027	$910
Per Visitor Night	$192	$133	$114	$76
*Apt/Villa ** Own Property *** Unweighted Survey Averages Note Below				
Average Stay Intended Nights (Immigration Card)	7.9	9.3	8.4	17.1
Average Stays Night (Survey)	6.3	14.3	8.9	11.8
Comment 1= Underestimates spending 2=Overestimates		2		1


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GROWTH OPPROTUNITIES

GROWTH OPPORTUNITIES

Sun, Sand and Sea – European Plan

- *Sun, Sand & Sea EP market decreased by 8% compared to 2010.*
- *A majority of visitors stay for 7 nights.*
- *For the Sun, Sand & Sea (EP) segment, NEW YORK jump to the 3rd highest DMA; taking a lead over Orlando as follows: WEST PALM BEACH-FT. PIERCE (7.3%), MIAMI-FT.LAUDERDALE (7%), and NEW YORK (5.7%).*
- *Similar to all the above profiles, visitors in this segment also don't seem to be satisfied with Value for Money and Cleanliness.*
- *Stopovers with the Sun, Sand & Sea profile rated their experience highly as they listed Attitude in Hotel, Attitude Away from Hotel, Service in Hotel, Service Away from Hotel, and Personal Safety "Much Better than Expected".*
- *More than 85% of Visitors are Very Likely to Recommend.*

- *Marina Boaters segment decreased by 33% compared to 2010.*
- *Marina Boaters stay a longer period (15.2 nights) compared to the Average Night Stayed in Abaco.*
- *Similar to the Private Flyers overall profile, the Marina Boaters come from WEST PALM BEACH-FT. PIERCE (7.3%), ORLANDO-DAYTONA BCH-MELBRN (10.6%) and MIAMI-FT.LAUDERDALE (8.5%)*
- *Visitors in this segment aren't satisfy with Cleanliness, Service Away From Hotel and Overall Value for Money.*
- *Stopovers with the this profile highly rated Attitude Away from Hotel, Taxis and Personal Safety.*
- *More than 82% of Visitors are Very Likely to Recommend and an astounding 0% are Not at All Likely to Recommend.*

GROWTH OPPORTUNITIES

Private Flyers

- *The Private Flyer market increased by 3% compared to Jan – June 2010.*
- *While the Average Nights Stay for Visitors to Abaco is 10.2 Nights, Private Flyers tend to stay shorter periods (2-4 nights).*
- *Similar to Abaco's overall profile, a majority of Private Flyers come from WEST PALM BEACH-FT. PIERCE(14.3%) and ORLANDO-DAYTONA BCH-MELBRN (12.6%), and MIAMI-FT. LAUDERDALE (8%).*
- *Private flyers stay in Hotels (28%), Apartment/Villas (24%), Vacation Homes (16%), Private Boaters (13%), and Friends/Relatives (10%).*
- *Private Flyers highly rated Attitudes of People, Food and Service Away from Hotel.*
- *Even though Private Flyers have concerns about Cleanliness and Value for Money, more than 89% of them are Very Likely to Recommend.*

GROWTH OPPORTUNITIES

Vacation Homes

- *The Vacation Home market has grown by 3% (381) visitors during the first half of 2011.*
- *The Vacation Home market is highest during March, June, July and December. In December, visitors come for Christmas and New Year Eve celebration as the last 2 weeks of December and first week of January are the highest.*
- *Beach and Visit Friends/Relatives are the most often listed Reasons of Visit.*
- *Visitors highly rank Attitude of people, Personal Safety, Taxis while they complain about Value for Money and Cleanliness.*

YPartners /Harrison Group in their 2011 Portrait of AMERICAN TRAVELERS identify five areas that influence travel:

1. *Ideas and Inspiration*
2. *Advice and Insight*
3. *Pricing*
4. *Comparing*
5. *Purchasing*

Here's how Abaco Fares

INFUENCING PERFORMANCE

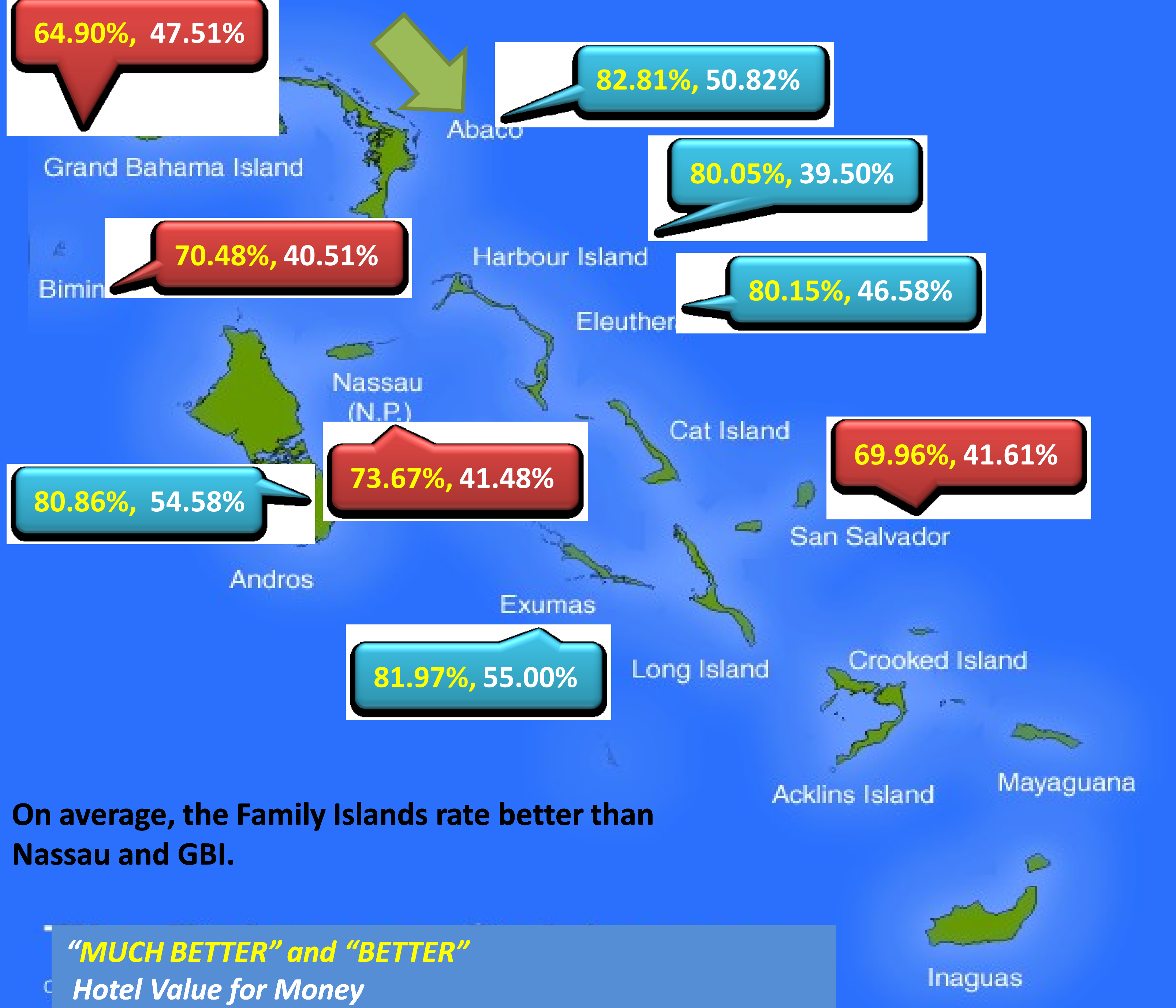
INFLUENCING PERFORMANCE *Ideas and Inspiration*

Based on Information from Visitor Satisfaction Survey and what Visitors said they liked about TIOTB, Abaco

- Beats Nassau and Exuma when it comes to eating out.
- Beats Nassau and GBI for Landscape and Scenery, Ocean and Feeling Safe, and Saying their Hotel was Excellent
- Beats Nassau, GBI and Exuma in “Unusual, Not Like Anywhere else”
- Beats Everybody for % of visitors Snorkeling, Boat Rentals

Meeting Expectations

Advice and Insight - Overall



On average, the Family Islands rate better than Nassau and GBI.

"MUCH BETTER" and "BETTER"
Hotel Value for Money

INFLUENCING PERFORMANCE

Positive Advice and Insight

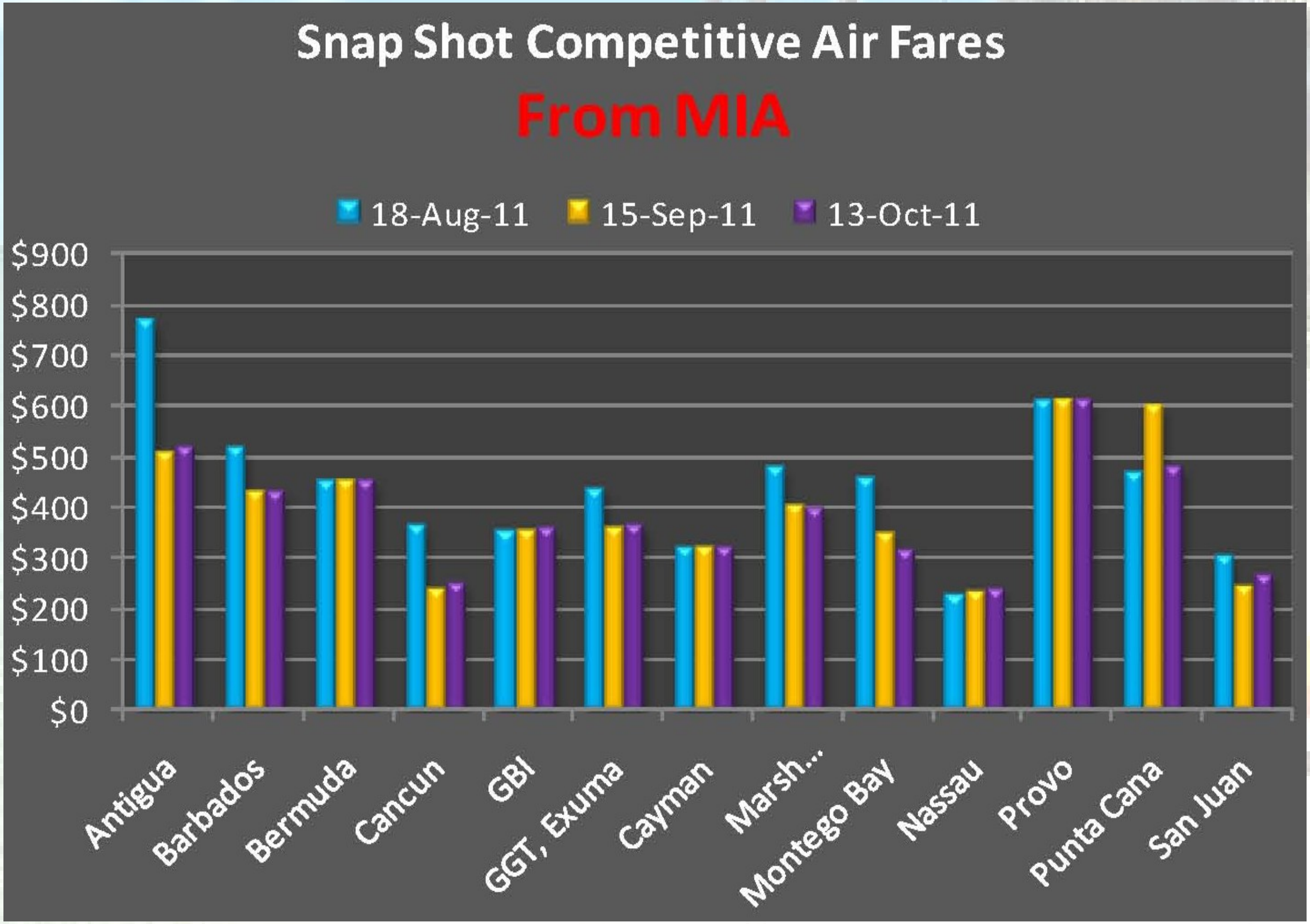
- *This is paradise. Wonderful people, wonderful food and the most beautiful place on earth.*
- *I returned many times for the weather, the excellent food and the wonderful people*
- *Love to visit each year, my kids love it. Safe clean friendly and beautiful*
- *We felt very safe compared to other places, the Bahamians are the best. We will return for sure.*
- *Fun and safe place. very friendly thanks for the memories*
- *Jeffrey Key (our taxi driver) was extremely helpful. He went above and beyond to help us and make sure everything went smoothly.*
- *The ferry service from Abaco to the Cays was excellent*
- *Customer service everywhere was exceptional.*

INFLUENCING PERFORMANCE

Negative Advice and Insight

- *Taxis are very expensive.*
- *Very expensive to eat and buy even normal grocery items.*
- *You need to endorse a deposit on cans and bottles, because Abaco has lots of litter everywhere.*
- *Beaches had too much litter in most of places.*
- *They should not burn the garbage here and there is a lot if litter all over Abaco.*
- *Airport terminal is bad, it has a dirty restroom, horrible luggage transportation to the terminal, you need modernization for sure.*
- *Regular beach cleanups would improve the garbage on the beaches that wash ashore. I hate all the garbage.*
- *Would like to see the beach areas cleaned, found cans overfilled and a lot of trash scattered around.*

- *Very expensive to eat and buy even normal grocery items*
- *Air line tickets from Florida are way too expensive , very hard to get here because of it.*

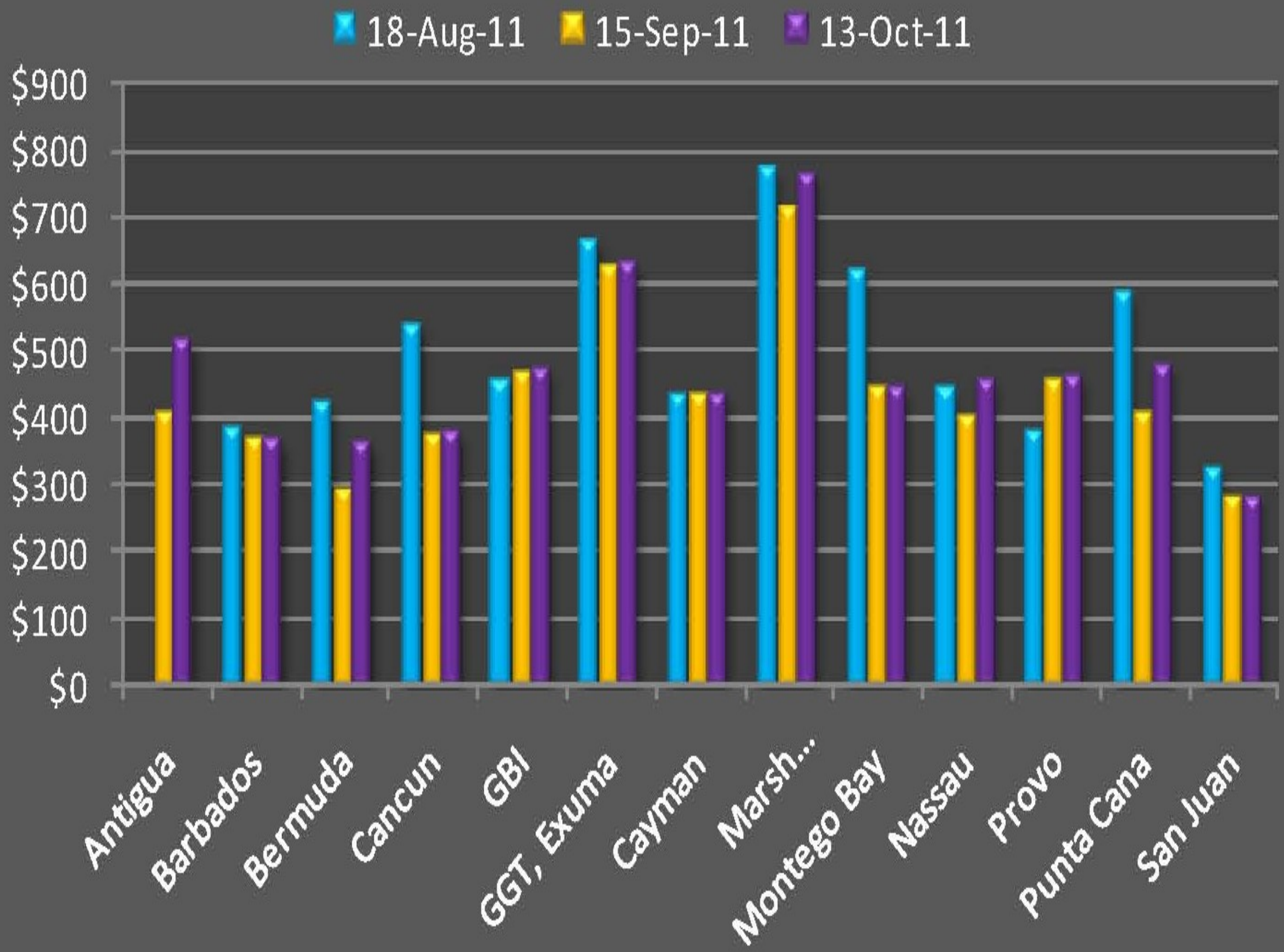


INFLUENCING PERFORMANCE

Pricing and Comparing

Snap Shot Competitive Air Fares

From JFK



INFLUENCING PERFORMANCE

Pricing and Comparing

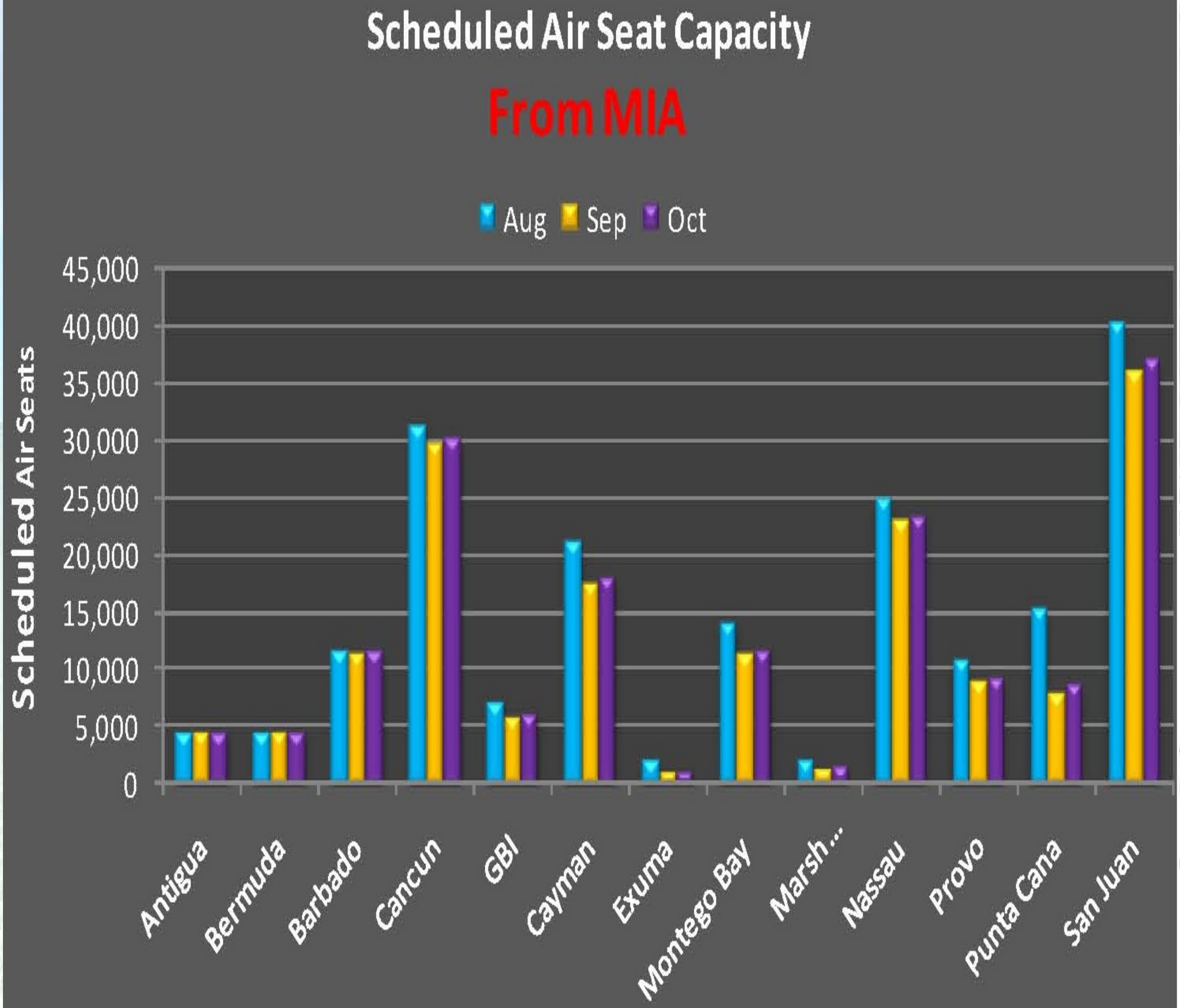
Fort Lauderdale Airfares vs Miami

Booking Date	Travel Date	Year	Origin	Destination	Airline	Stops	Connecting City	Hotel	FLL Air Fare	MIA Air Fare
18-Jul	13-Oct	2011	FLL	Nassau	Bahamasair	Non-stop	-		$219	$240
18-Jul	13-Oct	2011	FLL	San Juan	JetBlue	Non-stop	-		$269	$269
18-Jul	13-Oct	2011	FLL	GBI	Bahamasair	Non-stop	-		$265	$359
18-Jul	13-Oct	2011	FLL	Montego Bay	Caribbean Airlines	Non-stop	-		$316	$316
18-Jul	13-Oct	2011	FLL	Cancun	JetBlue	Non-stop	-		$244	$249
18-Jul	13-Oct	2011	FLL	Exuma	Gulfsream	Non-stop	-		$433	$365
18-Jul	13-Oct	2011	FLL	Bermuda	Continental	1 Stop	EWR		$522	$453
18-Jul	13-Oct	2011	FLL	MHH	Gulfsream	Non-stop	-		$473	$400
18-Jul	13-Oct	2011	FLL	Antigua	Caribbean Airlines	1 Stop	KIN		$549	$517
18-Jul	13-Oct	2011	FLL	Barbados	Caribbean Airlines	1 Stop	POS	+ 1 day	$650	$431
18-Jul	13-Oct	2011	FLL	Cayman	US Airways	1 Stop	CLT		$714	$319
18-Jul	13-Oct	2011	FLL	Providenciales	US Airways	1 Stop	CLT		$696	$610
18-Jul	13-Oct	2011	FLL	Punta Cana	US Airways	1 Stop	CLT		$663	$481

POS: Port of Spain, Trinadad   CLT: Charlotte, North Carolina   EWR: Newark   KIN: Kingston

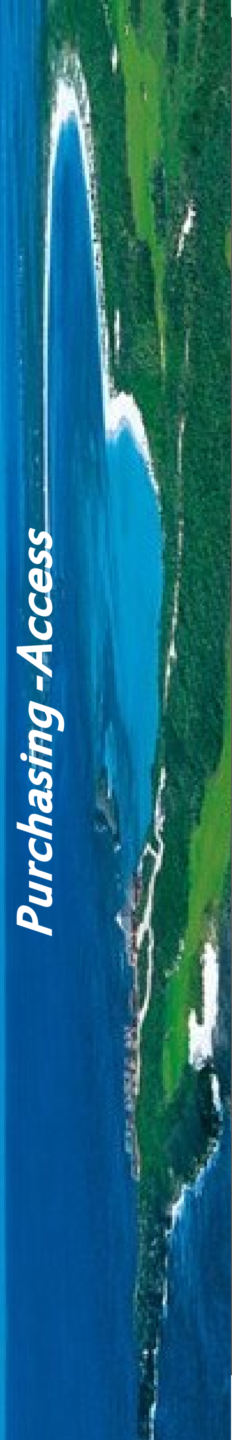
INFLUENCING PERFORMANCE

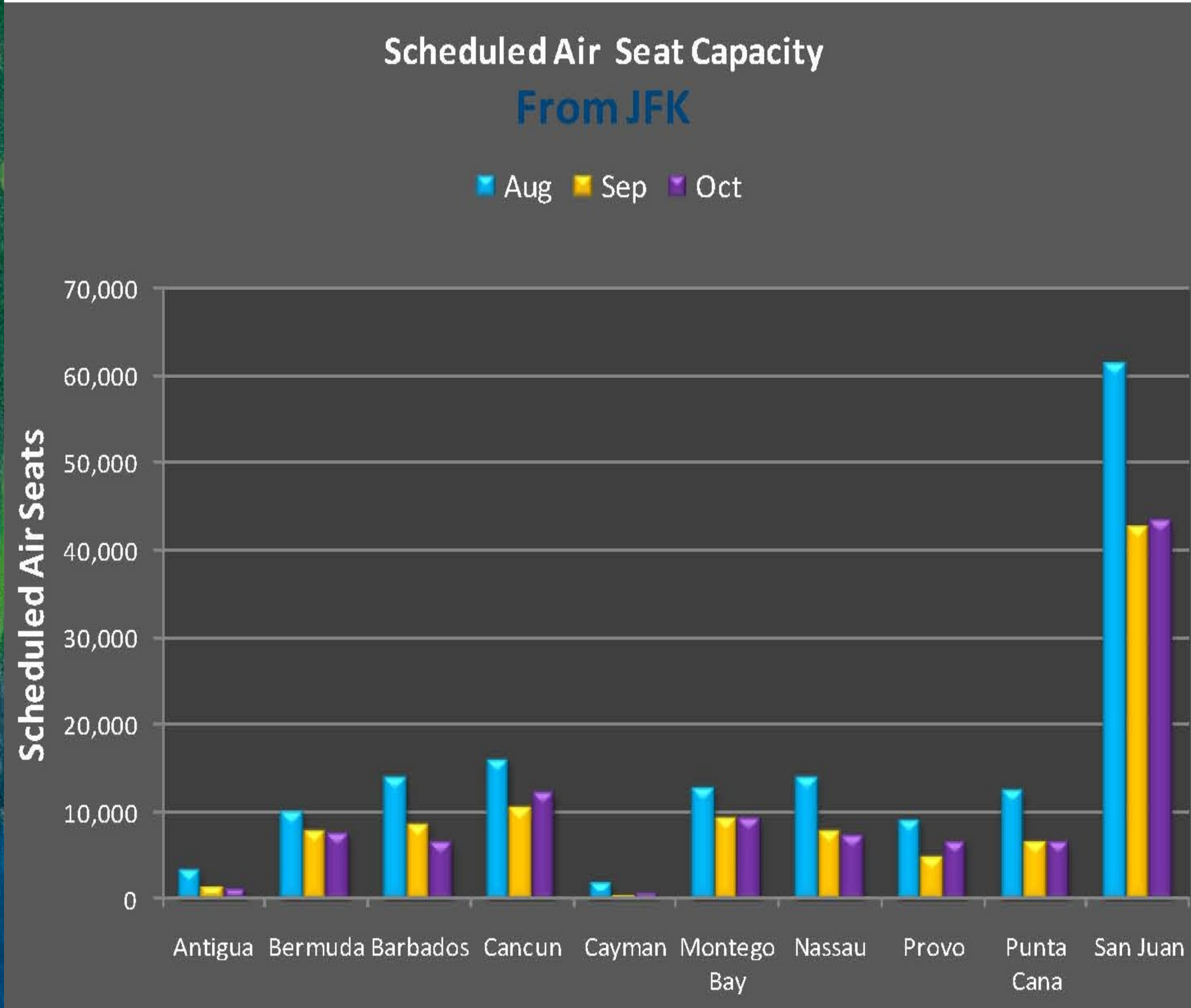
Purchasing - Access



INFLUENCING PERFORMANCE

Purchasing -Access





[1] *NB. There are no direct seats from JFK to GBI, Marsh Harbour or Exuma*

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CHANNELLING IT RIGHT

SOURCES OF INFORMATION FOR TRAVEL SERVICE PURCHASE DECISIONS FOR THOSE INTERESTED IN THE BAHAMAS (TOP 5 PER CATEGORY)

% of Responses

Ideas and Inspiration	Advice and Insight	Pricing	Comparing	Purchasing
Relationships and Media	Trusted Sources	Diligent Info Gathering from Multiple Sources	Impartial Aggregation	Best Deal
Family/friends 60%	Family/friends 56%	Online Travel Agency [1] 63%	Online Travel Agency [1] 57%	Online Travel Agency [1] 48%
Magazines 54%	Travel guidebooks 47%	Travel-service suppliers' own websites [2] 55%	Internet search websites [3] 42%	Travel-service suppliers' own websites [2] 40%
TV 54%	Internet search websites [3] 43%	Multi-brand website [4] 43%	Travel-service suppliers' own websites [2] 41%	Traditional travel agents 29%
Travel brochures/ Direct mail 48%	Travel experts 43%	Internet search websites [3] 38%	Multi-brand website [4] 38%	Multi-brand website [4] 24%
Travel guidebooks 47%	Destinations' websites 42%	Destinations' websites 36%	Traditional travel agents 31%	Destinations' websites 17%

YPartnership /Harrison Group: 2011 Portrait of American Travelers, Bahamas Ministry of Tourism Subset Analysis

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Questions???

THE ISLANDS OF THE bahamas