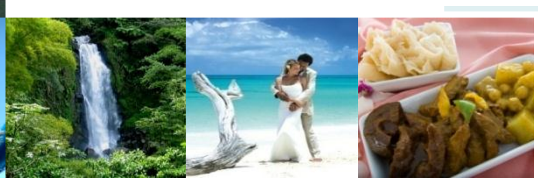
Caribbean Tourism -

State of the Industry 2012

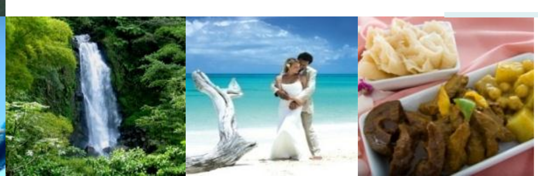
Overview

GLOBAL TOURIST ARRIVALS	International arrivals grew by 4.7% to a total of 983.8 million in 2011 compared to 939.5 million for 2010
	Rate of growth of stay-over visitor arrivals worldwide has shown a steady downward trend over the past four decades
CARIBBEAN TOURIST ARRIVALS	Arrivals to the Caribbean region grew at a slightly slower rate (3.3%) than the global rate. At the end of 2011, the region tallied 23.8 million.
	On average, arrivals to the Caribbean account for about 2.7% of total arrivals worldwide
	Growth rate of Caribbean arrivals showed an even more exaggerated downward trend than the global
CARIBBEAN CRUISE SECTOR	Caribbean cruise sector showed no appreciable change in 2011, with cruise passengers arrival moving by only 0.2%. Total cruise passenger arrivals were estimated to be 21.2 million at the end of 2011 compared to 21.1 million in 2010.

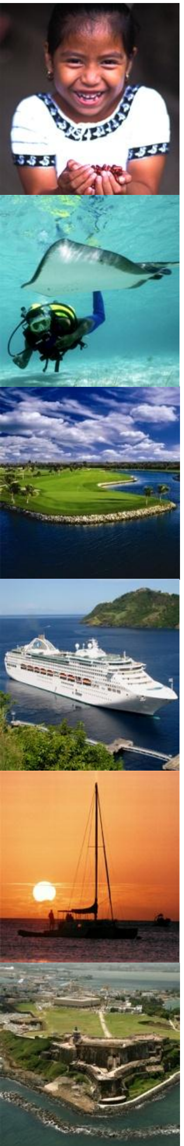


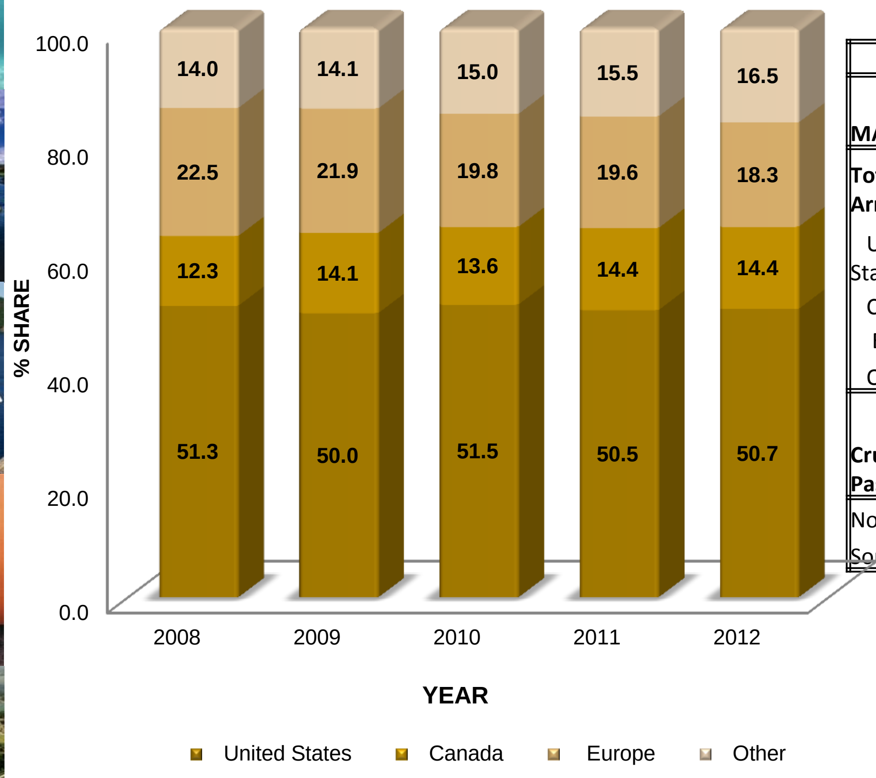
Overview Jan-Jun 2012

GLOBAL TOURIST ARRIVALS	International arrivals were reported to have increase by 5.0% between January and June 2012. Arrivals through to June totaled 467 million
	Tourism demand continued to show resilience despite the looming concerns over the global economy.
CARIBBEAN TOURIST ARRIVALS	Tourist arrivals to the region during the first six months of 2012 increased by 5.2% over the corresponding period of 2011.
	The region welcomed approximately 665.3 thousand more tourists to amass a total of 13.5 million in the period.
	The arrival levels remained buoyant, further consolidating the gains in 2011.
CARIBBEAN CRUISE SECTOR	The total number of cruise passengers to visit the islands in the was 12.3 million, an increase of 3.1% when compared to the first six months of 2011.
	There was robust growth in Cruise passenger arrivals in January (8.5%) and February(13.9%), for the 4 months thereafter arrivals fell every month for a combined (-2.4%)



1st Half Performance

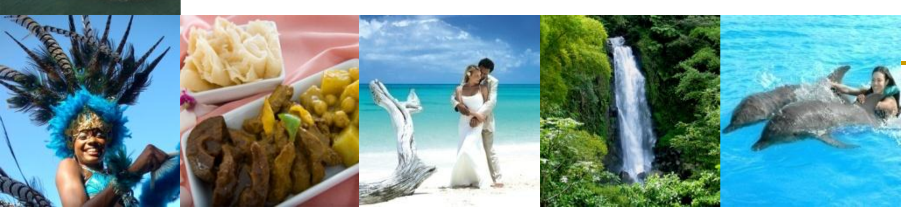




TOURIST ARRIVALS TO THE CARIBBEAN – 1st HALF 2012('000)						
MARKETS	**2008**	**2009**	**2010**	**2011**	**2012**	**%ch 12/11**
Total Arrivals	**12,645.6**	**11,847.1**	**12,398.9**	**12,816.9**	**13,483.2**	**5.2**
United States	6,482.9	5,923.0	6,385.0	6,474.2	6,838.2	5.6
Canada	1,549.3	1,666.2	1,692.3	1,849.0	1,947.6	5.3
Europe	2,842.2	2,591.1	2,456.8	2,511.0	2,466.6	-1.8
Other	1,771.2	1,666.8	1,864.8	1,982.7	2,230.8	12.5
Cruise Passengers	**10,987.9**	**10,828.3**	**11,494.8**	**11,930.0**	**12,300.6**	**3.1**

Note: Estimates for missing data are included.

Source: CTO Member Countries and CTO estimates.



1st Half Performance

TOURIST ARRIVALS

- In each month of the year arrivals were better than the corresponding month one-year earlier with March, May and June growing between 6% and 7%.
- Arrivals during the winter season were estimated to have grown by 4.5%
- There has been a 6.9% improvement upon early part (May-Jun) of the 2011 summer season

CRUISE ARRIVALS

- The fluctuations in the cruise arrival levels of the individual destinations range for declines of 24.2% (Grenada) to increases 262.5% (Martinique)

Main Markets Performance

UNITED STATES

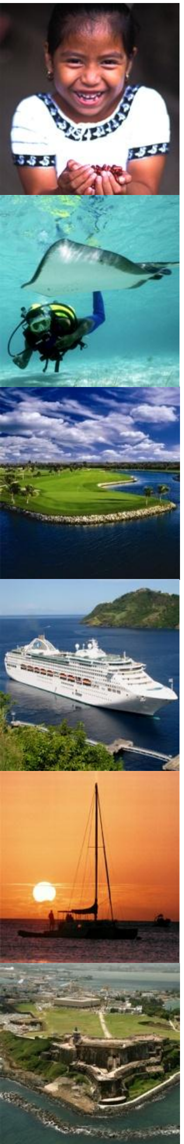
- Still the primary supplier of tourists to the Caribbean region
- Arrivals during Q2 2012 grew by 5.6% over the same period
- Best performances were recorded in Guyana, Dominican Republic Antigua & Barbuda and St. Maarten

CANADA

- Contributed 14.4% total arrivals and grew by 5.3%
- Mid year growth experienced for the sixth consecutive year.
- Cuba and Dominican Republic were the destinations most visited by tourists from this market.
- 14 (out of 20) other CTO destinations recorded increases.

EUROPE

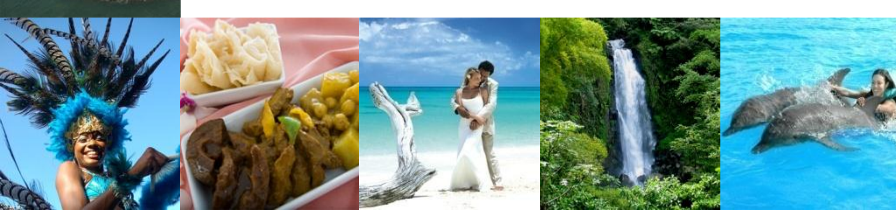
- Weak performance in the 2nd QTR eroded the gain of the 1st QTR. Consequently, arrivals dropped by -1.8% by the 1st half of 2012.
- Curacao, St. Maarten and Puerto Rico had increases in their numbers from this market.
- Destinations which benefit the most from this market continued to receive fewer tourists.

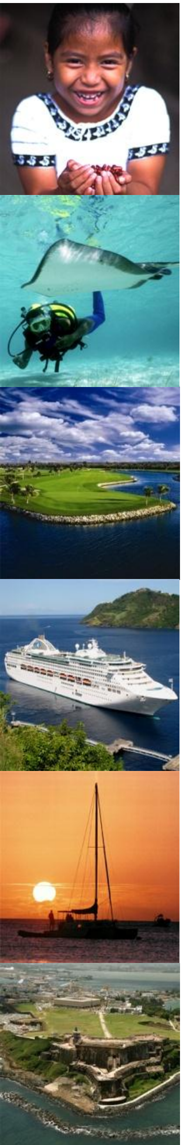


Sub-Regional Performance

ARRIVALS TO THE CARIBBEAN Jan-Jun* (000s)

SUB-REGION	2012	2011	% CH
OECS COUNTRIES (ANGUILLA, ANTIGUA & BARBUDA, DOMINICA, GRENADA, SAINT LUCIA, ST VINCENT & G'DINES)	520.9	523.1	**-0.4**
OTHER CARICOM (BAHAMAS, BARBADOS, BELIZE, GUYANA, JAMAICA, SURINAME)	2,365.6	2,311.2	**2.4**
OTHER COMMONWEALTH COUNTRIES (BERMUDA, BRITHISH VIRGIN IS., CAYMAN ISLANDS)	470.7	465.1	**1.2**
DUTCH CARIBBEAN (ARUBA, CURACAO, ST MAARTEN)	1,135.6	1,078.0	**5.3**
FRENCH CARIBBEAN (MARTINIQUE)	256.9	254.4	**1.0**
OTHER CARIBBEAN (CUBA, DOM REPUBLIC, PUERTO RICO, US VIRGIN ISLANDS)	6,380.1	5,951.8	**7.2**
TOTAL CARIBBEAN	11,129.8	10,583.6	**5.2**





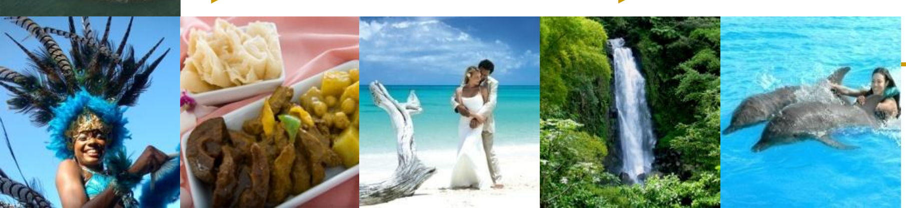
Sub-Regional Performance

All sub-regional groupings had improved performances with the exception of the OECS countries.

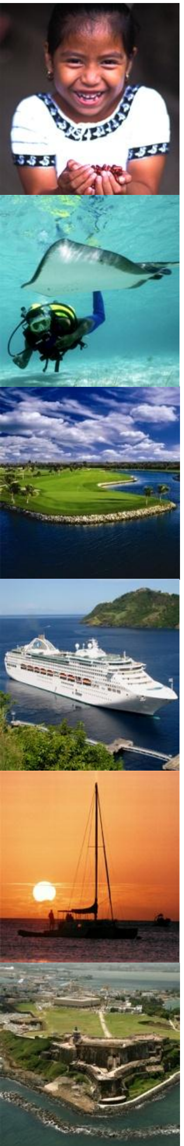
The Other Caribbean group of destinations (Cuba, Dominican Republic, Puerto Rico and the US Virgin Islands) lead growth in the period with an increase of 7.2% and 57.3% market share

The Dutch Caribbean market share (10.4%) remained almost constant despite an increase of 5.3% in tourist arrivals.

Arrivals to the OECS countries dropped marginal by -0.4% while Other CARICOM grew by 2.4%. Consequently CARIOM grew by 1.8%.

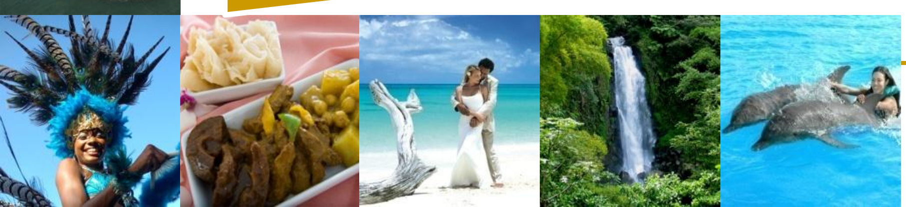


Other Key Markets – United Kingdom

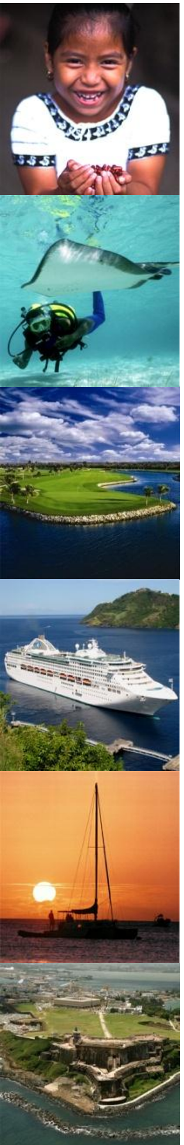


UNITED KINGDOM ARRIVALS BY SUB-REGIONAL GROUPING (Jan-Jun) ('000)						
REGION	**2008**	**2009**	**2010**	**2011**	**2012**	**% CH**
OECS COUNTRIES	129.7	104.7	93.4	99.0	99.6	**0.5**
OTHER COMMONWEALTH	262.7	239.2	217.1	224.5	204.2	**-9.0**
COMMONWEALTH COUNTRIES	392.4	343.9	310.4	323.5	303.7	**-6.1**
of which CARICOM	368.8	324.4	292.4	305.7	286.9	**-6.2**
OTHER CARIBBEAN	246.3	223.2	205.6	201.5	161.0	**-20.1**
TOTAL CARIBBEAN	**638.7**	**567.1**	**516.0**	**525.0**	**464.7**	**-11.5**

Estimates for missing data not included

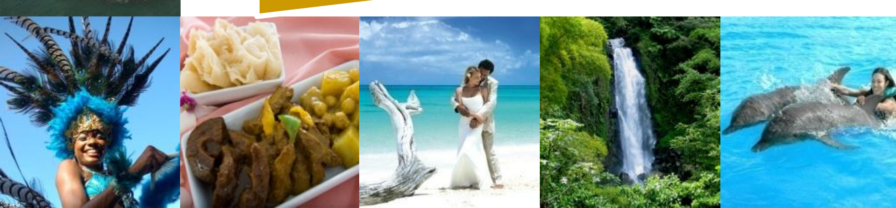


Other Key Markets – Caribbean

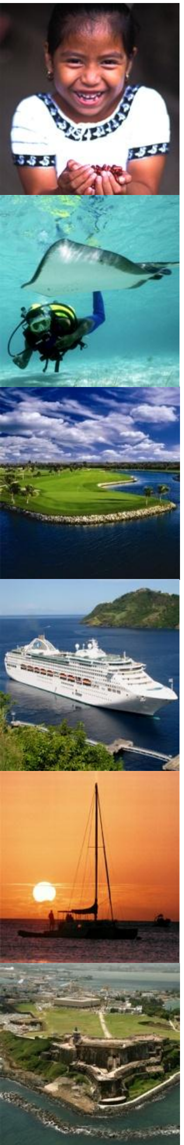


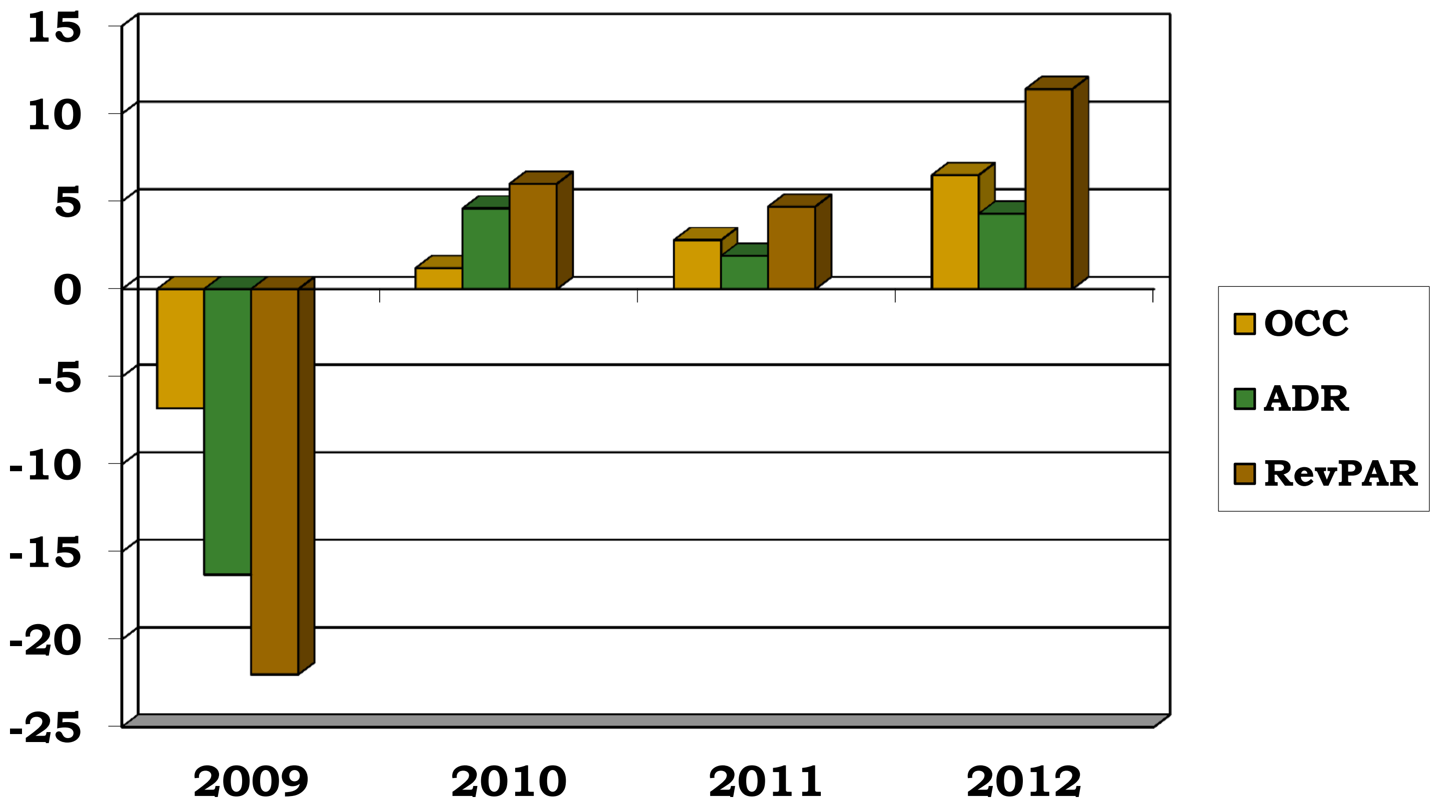
UNITED KINGDOM ARRIVALS BY SUB-REGIONAL GROUPING (Jan-Jun) ('000)						
REGION	**2008**	**2009**	**2010**	**2011**	**2012**	**% CH**
OECS COUNTRIES	99.3	98.8	96.1	87.4	86.2	**-1.4**
OTHER COMMONWEALTH	152.4	133.9	125.4	132.6	139.3	**5.1**
COMMONWEALTH COUNTRIES	251.7	232.6	221.5	220.0	225.5	**2.5**
CARICOM	258.9	243.6	240.8	241.5	249.6	**3.3**
OTHER CARIBBEAN	131.6	108.8	121.7	130.9	144.9	**10.7**
TOTAL CARIBBEAN	**383.3**	**341.4**	**343.2**	**350.9**	**370.4**	**5.6**

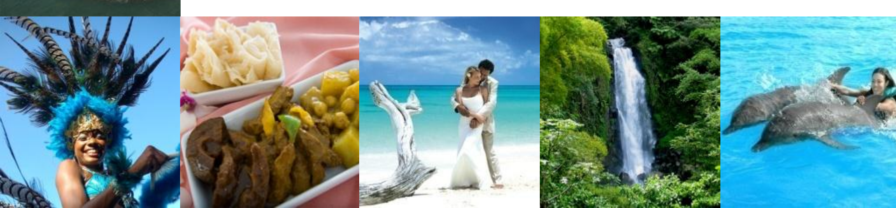
Estimates for missing data not included



Caribbean Hotel Performance *(Jan-Aug 2009-2012)*







Conclusion

OUTLOOK

LEAN

Slower rate of grow the summer months

High levels of unemployment in the main source markets and in particular the Euro Zone