



California Snow
Market and Planning Overview
Australia & New Zealand
2014/15

Australian Market Snapshot

AUSTRALIAN POPULATION:

Population:	23 million
Average full time income:	AUD 70,000

Australia is a highly urbanized country with over 65% of people living in greater capital cities. People of working age are most likely to live in the capital cities, reflecting migration to the cities to pursue career opportunities.

AUSTRALIAN ECONOMY

The Australian economy fared well throughout the world recession; fuelled by China's growth and the accompanying demand for Australia's natural resources (the mining sector is responsible for almost 20% of Australia's GDP). In 2011 and 2012, Australia enjoyed the strongest economy of the developed countries and the Australian dollar soared.

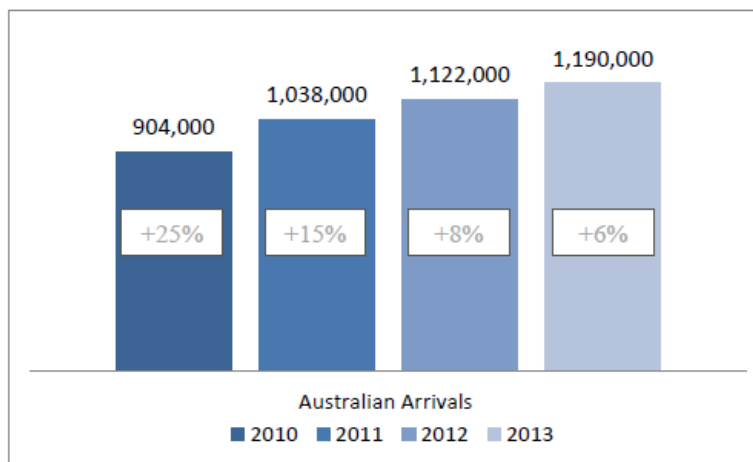
During 2013, Australia's economic growth forecasts were reduced as the economic boom slowed, softening the increased demand for natural resources. This lower-than expected demand for exports, together with strengthening of the US economy and a number of other international financial developments, has seen a significant softening of the Australian dollar in recent months from highs of \$1.05 in May 2013 to current lows of around .94c. Unemployment remains low at 5.8% as of May 2014, as does inflation at 2.9 % in the first quarter of 2014.

AUSTRALIAN TRAVEL TO THE UNITED STATES

Australians are traveling to and spending money in the United States in record numbers. Australia is the eighth-largest market in terms of visitor spending and the tenth-largest market for inbound travel to the United States. In 2012, Australians spent a record \$5.5 billion in the U.S. In 2013, 1,205,000 Australian traveled to the US, a 7% YOY increase. Australia has posted nine years of continued growth and record arrivals. Few international markets have this record of growth. It is estimated that between 2012-2018 Australian travel to the United States will grow by 33 percent (the 4th largest growth rate of the top ten inbound markets), and an additional 370,000 Australians will visit the United States.

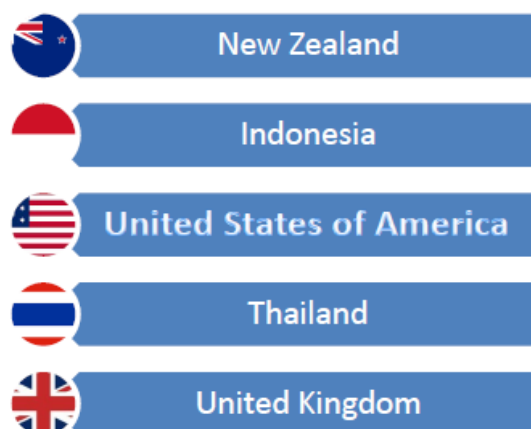
AUSTRALIAN ARRIVALS INTO THE US

(Surpassed the projected 1,190,000 to the reported 1,205,000)



TOP DESTINATIONS FOR AUSTRALIANS

The United States ranks as the number one, long haul travel destination for Australians.



Australians travel farther, stay longer, and spend more in America than many other inbound markets. The 2013 average length of stay for Australians in the U.S. is 20.4 days, higher than the average for all overseas visitors (17 days), and the second-longest out of the top 10 inbound markets. Australians have the third-highest average total trip expenditure per passenger, behind China and Brazil.

SOARING VISITATION TO THE USA

The recent surge in airlift, combined with the strong Australian dollar, meant a dramatic drop in the cost of a US holiday and visitor numbers have soared. The increases in visitation are expected to continue, with numbers projected to increase a further 39% between 2012 and 2018.

AIR CAPACITY

In the course of 2009, the landscape for travel from Australia to the US changed dramatically. Both Virgin Australia and Delta Airlines commenced trans-Pacific flights; thereby removing the previous duopoly enjoyed by Qantas and United Airlines. This led to a huge boost in capacity to LAX, and strong increases in passenger numbers to California, and to the United States as a whole.

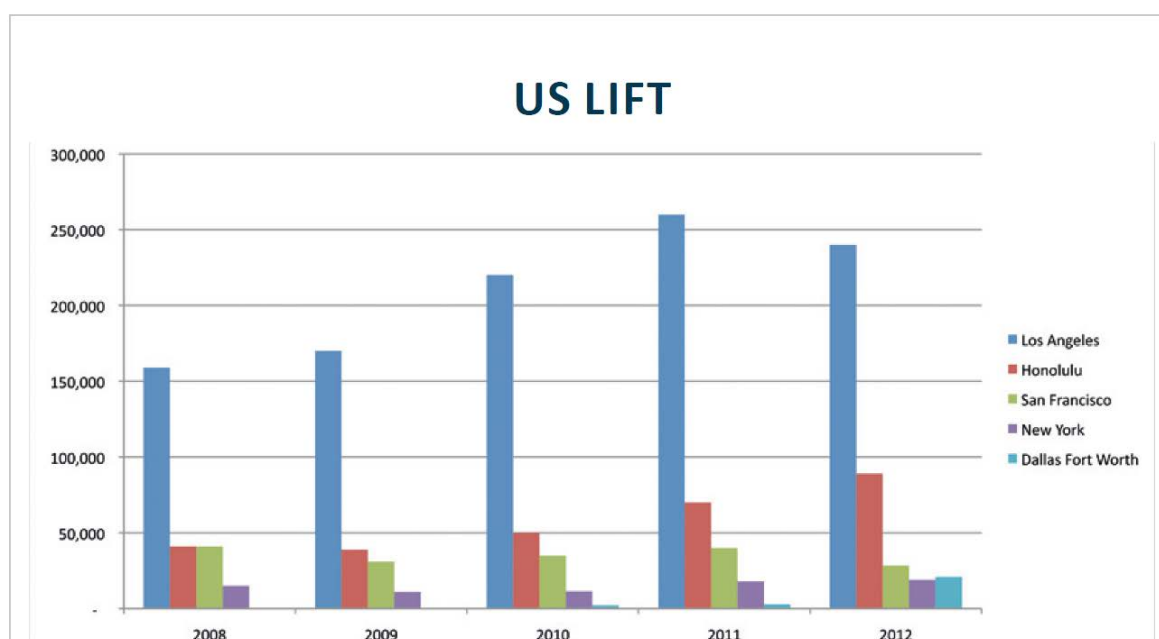
Since 2011, capacity into LAX has slightly decreased due to seat reconfigurations on the Qantas A380 and 747 aircrafts, while there have been strong increases in lift into Honolulu. The introduction of the first ever direct service from Australia into Dallas Fort Worth replaced Qantas' direct services from Sydney to San Francisco.

In 2014, United Airlines announced a new direct service from Melbourne to Los Angeles, starting in October on their new 787 aircraft.

Current average number of seats into LAX per month is: 91,439
 Current average number of seats into HNL per month is: 26,146
 Current average number of seats into DFW per month is: 10,142
 Current average number of seats into SFO per month is: 8,339

AIRLINES FLYING NON STOP FROM AUSTRALIA TO THE US

DESTINATION	AIRLINE
Hawaii	Hawaiian Airlines, Jetstar
San Francisco	United Airlines
Los Angeles	Delta Airlines, United Airlines, Qantas Airlines, Virgin Australia
Dallas Fort Worth	Qantas Airlines



AUSTRALIAN TRAVELLER PROFILE

ARRIVALS BY GEOGRAPHIC ORIGIN

85 per cent of travel to the USA from Australia originates from three states; NSW (Sydney), Victoria (Melbourne) and Queensland (Brisbane).



CHARACTERISTICS OF AUSTRALIAN VISITORS TO THE UNITED STATES

The majority of Australians travel to the United States for pleasure. The most popular months are between May-October, and December. Australians, on average, visit 2.1 states (no other inbound market has multiple state visitation levels as high as Australia, the average is 1.5).

TOP STATES VISITED

California	46.8%
New York	35.7%
Hawaii	31.9%
Nevada	28.2%
Florida	12.2%
Washington DC	9.1%
Texas	6.6%
Illinois	6.3%
Massachusetts	4.6%
Louisiana	3.3%
Colorado	2.9%
Arizona	2.7%

TOP CITIES VISITED

New York City	34.9%
Los Angeles	33.1%
Las Vegas	28.0%
Oahu/Honolulu	23.4%
San Francisco	19.7%
District of Columbia	8.8%
Anaheim	8.2%
Orlando	6.2%
Chicago	6.1%
San Diego	4.4%
Boston	4.4%
Maui	4.2%
Miami	3.7%
Dallas	3.5%

ACTIVITY PARTICIPATION

Most Australian visitors to the United States are FIT (independent) travelers. The most popular activities for Australian visitors to the U.S. include shopping; sightseeing in cities; and National Parks.

Activity Participation While in the U.S. (multiple response--top 10 of 22)	2012 (Percent)	2013 (Percent)	Point Change (2)
Shopping	94	95	1.3
Sightseeing	92	91	-1.3
National Parks/Monuments	56	58	1.6
Guided Tours	58	56	-2.3
Historical Locations	50	51	1.3
Experience Fine Dining	50	50	-0.6
Small Towns/Countryside	45	49	3.7
Art Gallery/Museum	44	39	-5.5
Amusement/Theme Parks	36	35	-1.1
Concert/Play/Musical	38	34	-4.2

New Zealand Market Snapshot

NEW ZEALAND POPULATION:

Population: 4.5 million
 Average full time income: NZD 70,000

The majority of the population is located in the greater Auckland area (Auckland alone has a population of over 1.5 million), as well as Wellington and Christchurch.



NEW ZEALAND ECONOMY

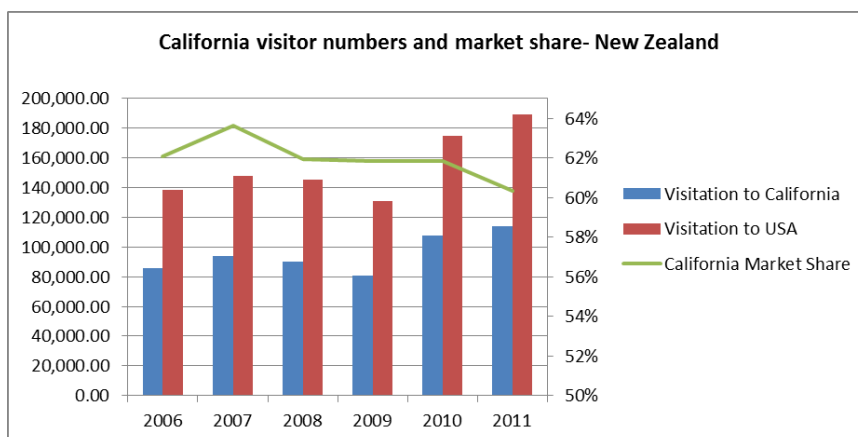
New Zealand's growth forecasts over the past year continue to increase due to strong exports, post-earthquake reconstruction and export growth. The IMF expects the New Zealand economy to grow at 3.3 per cent in 2014 and three per cent in 2015. The previous growth forecast was at 2.4 per cent.

The unemployment rate in New Zealand remains at around 6 per cent, but job numbers have shot up 3.7 per cent in the past March year, with 22,000 jobs added in the March quarter alone.

NEW ZEALAND TRAVEL TO THE UNITED STATES

New Zealand is an established and consistently strong market to the U.S. which continues to show the ability to grow (37% growth in past 5 years). The Kiwi traveller vacations in the United States on average for more than 2 weeks and enjoys exploring both urban and country.

In 2012, 189,000 Kiwis visited the USA spending an average of \$4,000 per trip. It is projected to grow an average of 2.3 per cent annually through to 2018. California consistently attracts over 60 per cent of New Zealand market share. The introduction of strong lift into Hawaii has seen the breakdown of market share change during 2013.



TOP STATES VISITED

67% Travel to California (principle gateway)
 17.5% to New York
 14% to Nevada
 10% to Hawaii
 8% to Arizona
 5.5% to Florida
 4.3% to Texas

AIR CAPACITY

California has daily direct flights with Air New Zealand into San Francisco and Los Angeles. Hawaiian Airlines flies three times weekly to Honolulu and onto four Californian destinations.

Current average number of seats into LAX per month is: 20,472
 Current average number of seats into HNL per month is: 7,392
 Current average number of seats into SFO per month is: 10,474

AIRLINES FLYING NON STOP FROM NEW ZEALAND TO THE US

DESTINATION	AIRLINE
Hawaii	Hawaiian Airlines, Air New Zealand
San Francisco	Air New Zealand
Los Angeles	Air New Zealand

AUSTRALIAN & NEW ZEALAND TRAVEL TRADE LANDSCAPE

In recent years, some of Australia's largest companies have consolidated. Today, two companies hold the majority share of the market from both a wholesale and a retail point of view. Flight Centre Travel Group and Helloworld Travel Group (formerly the Jetset Travelworld Group) are the two largest operators in Australia. They each estimate holding about 40% of the market.

Launching in December 2013 Helloworld has begun transforming its retail outlets from its various retail brands to the unified Helloworld brand. Agreements for about 700 locations across Australia are underway. The full transformation will occur over the next 12 months.

Other smaller chains and travel wholesalers (eg. Creative Holidays, Freestyle Holidays and Venture Holidays) continue to play important roles in the distribution chain.

There are approximately 2,500 travel agencies in Australia employing 18,500 agents. This equates to one travel agent for every 1,240 people.

Helloworld Travel Group	
Retail Brands	
Helloworld	300
Helloworld Affiliate locations	300
Helloworld Brand-carrying Associate locations	400
Longstanding Affiliates	440
Harveyworld Travel, JetSet & Travelscene brands	100
Total	1540
Wholesale Brands:	
Qantas Holidays	
Viva! Holidays	

Flight Centre Travel Group	
Retail Brands:	
Flight Centre	700
Escape Travel	130
Cruiseabout	46
Travel Associates	38
Student Flights	55
Total	969
Wholesale Brand:	
Infinity Holidays	

From a ski perspective, the main operators continue to capture the majority of the market, although a number of smaller, consumer-facing, online-only operators are starting to emerge and show their own potential in promoting the California snow message.

In New Zealand, things have remained fairly stable and unchanged. The impact of the Australian wholesale mergers and rebranding hasn't quite developed across the Tasman yet and most of the retail and wholesale brands remain the same as recent years. The outbound ski market is still limited to a number of smaller operators.

AUSTRALIAN BOOKING TRENDS

Australians typically book long-haul travel through travel agents. Though this has dropped nearly 3% in 2013, to successfully reach the Australian market, it is important to promote to the consumer via print and online media to stimulate interest in and awareness of the destination or product, promote to tour operators and travel agents, and ensure the destination/product is included in local brochures and websites.

INFORMATION SOURCES USED FOR TRIP PLANNING

Information Sources Used <small>(multiple response: top 6 of 9)</small>	2012 (Percent)	2013 (Percent)	Point Change (2)
Travel Agency Office	50	47	-2.9
Airlines	44	39	-5.3
Online Travel Agency	35	36	0.7
Personal Recommendation	28	30	2.0
Travel Guides	15	12	-3.1
Corporate Travel Dept.	7	8	1.0
Tour Operator/Travel Club	7	8	0.7

MARKET STRATEGY

OVERRIDING PHILOSOPHIES

Lake Tahoe

- Lake Tahoe offers a world class snow experience and is the amongst the premier snow destinations in North America.
- Lake Tahoe offers incredible value for ski holidays, with a range of resorts, villages, accommodation and destinations to suit a range of varying budgets.
- Lake Tahoe is the ultimate self-drive ski experience – with 12 resorts (many of which are accessed on the one pass) located around a beautiful, inspiring lake.
- Lake Tahoe caters to skiers/snowboarders of all levels, from seasoned professionals to beginners and families, as well as student groups.
- Lake Tahoe has a longer snow season than most other snow destinations (Nov-May).
- Lake Tahoe’s distance to San Francisco, Sacramento and Reno airports make it an easy access holiday destination in all seasons for Australian travelers.
- With a large list of ‘human powered’ activities on offer, Lake Tahoe is the ultimate American mountain/lake experience in summer and winter.
- Lake Tahoe’s geographical location across both California and Nevada provides the ultimate playground for excitement-seeking travelers.

Mammoth

- Mammoth offers a world class snow experience and is the amongst the premier snow destinations in North America.
- Mammoth offers the lowest lead in price for snow holidays in the US, offering better value than Japan.
- Mammoth caters to skiers/snowboarders of all levels, from seasoned professionals to beginners and families, as well as student groups.
- Mammoth has never been so easy to access with direct flights from California’s two international gateways, LAX and SFO (and less than five hours drive time).
- Mammoth offers an abundant and varying selection of accommodation - with ski-in/ski-out options - alongside world class restaurants and entertainment.
- Mammoth has a longer snow season than most other snow destinations (Nov-June).
- Mammoth is surrounded by some of California’s inspiring outdoor destinations and in summer is an idyllic base from which to visit Yosemite National Park.

TARGETED MAINSTREAM MARKETS

- Ski
- Leisure (overall)
- Family
- Road Trips/Touring

TARGETED NICHE MARKETS

- Student
- GLBT
- Outdoor Adventure/Recreation
- Healthy Living/Spa