

# CENTRAL EUROPEAN OFFICE

MARCH 2010

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## MARKET INTELLIGENCE / TRENDS

### Trend: Strong Sales Rise in February

The clear pick-up in bookings reported by German tour operators in recent weeks has now been confirmed by the latest GfK monthly survey which shows summer bookings up by 2% overall after strong sales in February. Travel agents increased revenues by 9% last month compared to January, the market research organization's survey of 1,200 tourism-focused agencies showed. This was the sixth successive monthly improvement. Although the final month of early booking discounts may have been a key factor, the increase also reflects a favorable mood in the German market.

Demand for holidays in July and August was particularly high, with a 30% share of sales. August now has a 7% increase in sales compared to the same period last year. October has the highest growth rate at 10.3%, and all summer season months now have a cumulative increase in sales with one exception. June is 6% lower than last year, with the World Cup in South Africa possibly dampening demand for holidays during the month. "This summer season promises to be better than last year," GfK predicted cautiously.

Late winter holiday sales were also good in February with a 4.1% rise. This increase helped to reduce the cumulative drop in winter 2009/10 sales to 6.3% from -8% the previous month. GfK also released destination booking trends at ITB last week, confirming strong growth for cruises and the Eastern Mediterranean along with a slump for Spain on the German market. Turkey (+8.7%) and Egypt (+9.5%) both have strong growth. Sales for Spain are down by 9.5%, although it remains the largest destination for German holidaymakers. Greece has a 4.9% drop in sales. Cruise sales are up by as much as 33% in revenue terms, according to the market researchers.

Other European source market figures were also released by GfK. In the UK, demand for the summer 2010 season has stabilized, and cumulative bookings were up about 3% as of January. However, the Dutch (-8.3%) and Italian (-7.2%) markets still have lower sales figures compared to the same period last year.

### FTI Flies High

German tour operator FTI has achieved "high single-digit" growth rates for summer 2010, according to director Boris Raoul. Demand is strong for all-inclusive holidays following the launch of its *Gold by FTI* premium range at the end of 2009. The company's top-selling

destinations include Dubai, the Indian Ocean, Asia, the USA, Turkey, Egypt and Spain. FTI also expects to close the winter 2009/2010 season with “very good growth”, Raoul added.  
Note: The *Gold by FTI* product includes two VSPC hotel properties!

### **Sales Grow at Rewe**

Rewe has reported that bookings for its specialist tour operators, Dertour, Meier’s Weltreisen and ADAC Reisen, are all up for this summer. “We are slightly ahead of last year,” said managing director Michael Frese. Individual holidays with flexible combinations of flights, hotels and other services are selling well, he added. North America is proving particularly popular, while Mexico, Sri Lanka and Kenya are all enjoying a comeback and Thailand is growing at a stable rate. Dertour is also experiencing good demand for Mediterranean destinations outside the Euro zone, along with Iceland and Britain, whose weak currencies have made them cheaper.

### **ITB: Stable Numbers and Good Business in 2010**

ITB 2010 closed with stable visitor numbers and high levels of business done as well as much more optimism about prospects for the summer season than at last year’s show.

ITB Berlin is the only travel trade show that continues to expand in the international marketplace, organizer Messe Berlin said. A slight rise to 11,127 exhibitors and stable trade visitor numbers at just under 111,000 people from 180 countries ensured the trade fair was a success again this year. As in 2009, 45% of the trade visitors came from abroad, with more Asian representatives this year. Total numbers, including 68,000 consumers during the weekend, came to just under 180,000 visitors.

Christian Göke, head of Messe Berlin, gave a very positive assessment of this year’s event. “ITB Berlin 2010 broke records despite the difficult overall economic situation. More than 11,000 exhibitors placed a total of more than €6 billion worth of orders. The industry demonstrated resilience and placed its trust in the strong brand that is ITB Berlin, which once again was able to gather all the leading players in the market. ITB Berlin is a trade show where senior executives do business. The proportion of decision-makers attending this year’s fair was greatly in excess of 50%.”

Klaus Laepple, President of the German Tourism Industry Federation (DRV) and the Federal Association of the German Tourism Industry (BTW), added: “The rise in the number of exhibitors and visitors who attended ITB Berlin shows that in economically difficult times those representing the tourism industry need to keep in touch. However, the trade fair is more than a place for meeting and holding talks. During the five days of the fair joint ventures were negotiated, agreements were reached and business was done. We foresee that in the medium to long term the travel sector will once again experience sustained growth. We expect the travel market to further stabilize during the course of 2010.”

ITB 2011 will take place from Wednesday to Sunday, March 9<sup>th</sup> – 13<sup>th</sup>. The partner country will be Poland.

## **World Tourism to Grow Again in 2011**

World tourism will return to moderate growth next year after stable levels during 2010, the World Travel & Tourism Council (WTTC) has predicted. Global travel and tourism GDP declined by 4.8% in 2009, it said. All regions experienced significant falls last year in visitor arrivals, spending and travel GDP, while travel and tourism investment declined by more than 12%.

The global economy is starting to recover now, but the pick-up in developed economies is likely to be gradual, the WTTC noted. "Spending in real terms is expected to increase by a mere 1%, while business travel spending will again decline, by nearly 2%," commented WTTC president and chief executive Jean-Claude Baumgarten at ITB. Travel GDP is forecast to grow by just 0.5% in 2010, but should improve by 3.2% next year.

## **U.S. Looks Upward for Growth**

Major US destinations are glad 2009 is behind them and hopeful that a good start to 2010 will bring a stronger recovery in 2011. Business may be down, but U.S. tourism officials are optimistic that 2010 will spark the beginnings of a market recovery that will gain momentum in 2011. The general feeling among American exhibitors at this year's ITB is one of relief that last year's downturn wasn't any worse - though U.S. Travel Association president Roger Dow admitted it had been a very tough year.

*Florida* saw international arrivals decline with the German market falling by 4% and the UK dropping by 12%, partly caused by the strengthening of the dollar against sterling. "We are now seeing an improvement, but we think 2011 will bring a bigger recovery," said Visit Florida international sales and marketing director Tracy Vaughan.

*California* saw a 6% fall in the number of German visitors for the first half of last year, but was optimistic the market would continue to improve in 2010, despite the Euro's falling value against the dollar.

*New York* is bullish and expects a 3.2% jump in arrivals to 46.7 million this year. NYC & Company, the city's tourist board, was confident the metropolis would hit 50 million visitors in 2012. "Last year we became the most popular US destination," said travel and tourism public relations vice president Christopher Heywood. "NYC is quite resilient and the value and affordability at the moment is unprecedented. It is a buyer's market and a great opportunity for people to come."

## **Green Light for New U.S. Tourism Promotion Body**

New legislation could see the USA spending up to \$200 million a year on tourism promotion to reverse its recent loss of world market share. The USA is back in business and a new American revolution is brewing as the country prepares to win back its place on the global tourism stage. Millions of dollars are due to be channeled into promoting the country to an international audience after a long drought of promotional funding.

Officials aim to reverse the USA's falling share of the global tourism market, which dropped from 9.4% in 1994 to 6% in 2009. Such a ground-breaking change is being made possible by the Travel Promotion Act, which could eventually channel up to \$200 million a year into the

country's tourism marketing coffers. A new tourism promotion body will be set up to take charge of marketing the USA to the world.

U.S. Travel Association president Roger Dow hailed it as the biggest event to affect the U.S. travel industry in the last 25 years, claiming that it would transform the way America promotes itself on the world stage. "The long term is going to be very positive," he said. "The Act means we can co-ordinate activities and industry policies and promote lesser-known locations in the USA to travelers. "At ITB it means the USA pavilion will be bigger and grander as we will have the money to do more. We can bring more buyers to Pow Wow and generally enhance existing things that we do."

Under the new law, the controversial \$10 charge for the Electronic System for Travel Authorization, which has to be completed by travelers to the USA, will be used for promotion. Up to \$100 million will be designated for this, but only under the condition that the private sector matches it. Dow was optimistic that once the scheme was up and running America's tourism fortunes would dramatically change. "I think we could see another three million visitors a year from 2012," he confidently predicted. "And if the economy changes, it could be even more."

### **Airline Figures Soar**

The new year started well for the airline industry, according to figures for January released by the International Air Transport Association. Passenger numbers were 6.4% higher than for the same month in 2009. Capacity rose 1.2%, leading to a jump in load factor from 72.2% to 75.9%. In spite the good news, IATA chief executive Giovanni Bisignani warned: "Passenger yields are still 15% below peak and we expect 2010 losses to be \$5.6 billion. "Regionally, the best performer was the Middle East, up 23.6%."

### **U.S.: International Visitation Up 5% in December 2009**

The U.S. Department of Commerce announced that 54.9 million international visitors traveled to the United States in 2009, a decrease of 5% from 2008. In 2009, the top inbound markets continued to be Canada and Mexico, both of which were down in arrivals along with six of the nine overseas regional markets. South America, Asia and Oceania experienced the strongest growth in the fourth quarter, due in part to increases from the emerging markets of China and Brazil.

In the month of December 2009, total visitation reached 4.1 million, an increase of 5% over December 2008. That marked the third straight month of increased travel to the United States. During the fourth quarter total arrivals increased 2% which marked the first quarter to experience growth in 2009. Positive growth occurred in 15 of the top 20 arrival markets. Arrivals from Canada, Mexico and overseas were up 4%, 3% and 1% respectively.

#### *2009 Year-End and December 2009 International Arrivals to the United States*

- **Overseas** arrivals (excluding Canada and Mexico) were down 6% from 2008, and totaled 2.2 million for the month, which was down 3% from December 2008.

- Visitation from **Western Europe** decreased 10% for the year and 4% in December. Visitation from 18 top Western European markets was down for the year, but half of the top markets were up for the month.
- **Switzerland** was the only top Western European market to post an increase in 2009, but five of the top 10 markets registered increases in December (Switzerland +17%, Italy +12%, Belgium +4%, Spain +3% and Germany +1%)
- **Eastern European** arrivals decreased 2% for the year and the month.

## SALES ACTIVITIES

### **Visit USA Workshop Belgium in Brussels (March 8<sup>th</sup>, 2010):**

We participated in the Visit USA Workshop Brussels, Belgium's most important USA seminar. Partnering with SeaWorld Parks & Entertainment for both the seminar training sessions and the workshop, we conducted six PowerPoint training sessions during the day educating 90 agents in small groups. The workshop with marketplace in the evening was visited by the seminar participants as well as an additional 60 agents and 32 travel trade press delegates. The evening culminated in a grand prize drawing with our VSPC prize being among the top three in the raffle. The Visit USA Committee was most grateful for our donation of a 5 night-beach getaway offer and combined this with two flight tickets, rental car and attraction tickets.

This training event caters to the Belgian and Luxembourgian travel trade and has developed an outstanding reputation over the past several years as one of the best U.S. product platforms. A total of 200 participants of travel agencies, tour operators and press attended.

### **ITB in Berlin, Germany (March 10<sup>th</sup> – 14<sup>th</sup>, 2010):**

The highlight this month was our participation in the world's largest tourism fair. As described at the onset of this report, ITB Berlin 2010 broke records despite the difficult overall economic situation. More than 11,000 exhibitors placed a total of more than €6 billion worth of orders. The industry demonstrated resilience and placed its trust in the strong brand that is ITB Berlin, which once again was able to gather all the leading players in the market.

We conducted over 45 appointments with tour operators, airline partners and media representatives. Most tour operators reported a slow start to 2010's bookings. By now, however, bookings are picking up nicely for the summer season and into the fall with early bird specials for the summer season boosting sales. A few operators even reported our area being more in demand than other Florida destinations! Generally, the outlook for 2010 is favorable. While the USD has recently gained strength relative to the Euro, this development does not currently appear to have adversely affected the booking pace at this stage.

Of interest were also meetings held with Condor (considering a 2x/wkly flight into Sarasota or possibly Tampa) as well as TUI Netherlands (considering a flight into PIE). Updates to be forthcoming.

### **VIP Tour Operator Appreciation Events (March 17<sup>th</sup>, April 20<sup>th</sup> and May 5<sup>th</sup>):**

We partnered with the Orlando CVB and SeaWorld Parks & Entertainment in hosting our first of three VIP tour operator appreciation events. March 17<sup>th</sup> saw us in Munich with FTI's top management from both the North America product and marketing departments. In attendance were Heike Pabst, Ulrike Grube, Stefanie Akbar, Kathrin Schwaab and Larissa Bertsch.

Of course, part of the evening was dedicated to business during which we were presented with a remarkable proposal to become FTI's "Highlight of the Year" in cooperation with Orlando

for 2012. Scheduled to launch in October 2011, this is a very extensive campaign which will give us huge exposure with one of Germany's most important USA tour operators. Pooling our resources with Orlando will not only serve to stretch dollars, but will enhance our prime marketplace presence. Note: FTI currently features 17 VSPC properties in their summer 2010 brochure.

On April 20<sup>th</sup>, the Thomas Cook AG group will be hosted in the Frankfurt area and lastly, we will show our appreciation for the excellent working relationship we enjoy with the REWE Group's top management (DERTOUR and Meier's Weltreisen) – also in the Frankfurt area. This month, personalized invitations for these two events were developed in concert with Orlando and SeaWorld Parks & Entertainment and sent to the appropriate management staff.

**Ongoing: FTI Familiarization Tour (May 5<sup>th</sup> – 11<sup>th</sup>, 2010):**

FTI, one of Germany's top five tour operators and among the most influential in bringing business to the U.S., has selected our area for an exclusive FAM trip. The group will comprise 12 hand-picked travel agents who are among the top sellers. Our co-sponsoring carrier will be United Airlines – seats have been secured. Accommodations have been confirmed and we are in the final stages of itinerary development. The preliminary itinerary was translated to German and forwarded to FTI this month. The tour operator was also sent our Release & Waiver forms in preparation for invitation distribution to agents early next month. A final rooming list is expected to be forthcoming by mid-April.

**Ongoing: Willy Scharnow Foundation Familiarization Tour (October 20<sup>th</sup> – 23<sup>rd</sup>, 2010):**

Initial plans are underway for an exclusive VSPC Willy Scharnow Fam scheduled to be held next fiscal year. This will mark the 17<sup>th</sup> annual tour in cooperation with the Willy Scharnow Foundation. We will partner with United Airlines in securing 17 seats (16 agents + 1 Willy Scharnow escort). As the tour is planned for 6 nights/7days, a co-sponsoring Florida destination will be included. For this year's tour, Lee County was approached and has agreed to co-sponsorship. A meeting was held during ITB with the Willy Scharnow Foundation and Lee County to discuss the general program. We shall proceed with itinerary development in the coming weeks.

**Ongoing: Seeheim Seminar 2010 (October 30<sup>th</sup> – 31<sup>st</sup>, 2010):**

As members of the Visit USA Committee Germany, we have volunteered to contribute our time in assisting with the organization of an extraordinary weekend travel agent training program for approximately 300 agents to be held at the Lufthansa Training and Conference Center in Seeheim, Germany. Slated for the end of October 2010, a Halloween theme will accompany the numerous training seminars and educational workshop sessions culminating in a haunted house extravaganza during the evening.

Negotiations with the Lufthansa Training Center were completed this month with the Visit USA Committee Board signing applicable contractual agreements. An official event registration form was distributed among the membership. To date, eight members have submitted registrations with 12 members indicating strong interest pending budget approvals. In addition, the Visit USA Committee Germany continued its advertising and registration initiatives for the event this month, which were captured by various travel trade online news portals again.

**Ongoing: Meier's Weltreisen Go West 2010 (November 15<sup>th</sup> – 23<sup>rd</sup>, 2010):**

We conducted follow up meetings with the operator this month regarding this prestigious event coming to our area in the fall. Ideas for itinerary elements were discussed as were various items related to general coordination. As soon as final ground program input has been

received from Meier's, we will distribute a brief to our industry members. In addition, flights were confirmed by Lufthansa for the entire delegation.

We will host 100 of the tour operator's most important travel agents, who will be selected based on revenue to the USA. High revenue agencies which have potential for Florida, but are not currently booking, will also be given consideration. The program foresees 4 nights in Orlando followed by 4 nights in our area with a visit to Busch Gardens in between. A travel mart for local industry members will be included in both destinations.

VSPC was host to a Meier's "Top 100" event in December 2004. The 2010 event now provides an excellent opportunity to showcase the exciting developments in our area since then.

#### **Virtual Trade Show: Reisesmesse.de**

In addition to our stand presence at the year-round virtual travel fair **Reisesmesse.de**, we developed and placed an editorial on the site's online travel magazine *Reisemagazin*. One of our Ambassador Campaign images was utilized with the headline "Feuer und Flamme für St. Petersburg/Clearwater" – translates to 'On Fire for St. Petersburg/Clearwater.' This article is linked to our website and was uploaded at no additional charge to us. Visitors to Reisesmesse.de have access to this magazine at [www.reisemsse.de/reisemagazin.html](http://www.reisemsse.de/reisemagazin.html).

The Reisesmesse.de site generates 34,000 page visits per month, has an excellent page ranking of 4 and is no. 1 in google.de when entering the key word 'Reisesmesse' (Travel Fair).

## **PUBLIC RELATIONS / ADVERTISING**

### **Main Echo Reisen – Aschaffenburg, Germany**

Main Echo is a Rhein-Main area daily newspaper with a circulation of 88,902. Several times a year, live phone sessions are announced in the paper. These sessions are conducted on various topics from health & wellness to real estate. Topic experts are on hand to answer readers' questions related to the featured topic.

A special travel section of the paper highlights various vacation destinations, special travel offers and hot tips on an ongoing basis. Next month, the topic "Vacationing in the USA" will be featured. For the first time, a live phone session is being announced for travel. The featured destinations are VSPC and California, whereby Meier's Weltreisen will be involved as the featured tour operator to answer questions on camping in the USA. We have sent the publisher appropriate VSPC text for the announcement, which will be placed in an upcoming April weekend issue (10<sup>th</sup>/11<sup>th</sup>). Next month, we will participate in the live phone session scheduled during prime time (18:00 – 20:00) on April 19<sup>th</sup>.

This fabulous exposure opportunity comes to us free of charge!

Our efforts continued again this month in developing and completing marketing promotions and advertising programs, which included:

#### *Tour Operators:*

- AMERICA UNLIMITED (Germany)
    - **Subway Campaign** – February into March 2010
- Developments were finalized for an exciting, electronic image campaign which will run on big screens in subway stations, train stations and busses throughout Hannover's public transportation network. Three "slides" with our imagery, logo and travel teasers developed by the tour operator will run for 10 seconds (e.g. 3 sec for first, 4 sec

for second and 3 sec for third slide) every 10 minutes for a period of 10 days. The promotion was launched on 2/23 and ended 3/08.

- CANUSA (Germany)
  - **Online iMagazine Promotion – May 2010**

iMag is an online platform visible on Canusa's homepage. It is designed to stimulate interactive communication focusing on the generation of inquiries for travel quotes. We will pool resources with Orlando to develop a 'Central Florida' iMag feature, which will be online for 6-8 weeks. During the online promotion, 2 eNews blasts will go to 510,000 customers. A sweepstakes will also be included and teased accordingly. After the online promotion, our iMag will be archived on Canusa's website indefinitely, allowing the tour operator to draw attention to our destination time and time again over the course of a year or more.

As production will take the better part of four months, we supplied the operator with additional material and comprehensive area information in augmentation to our destination video previously supplied. We are currently awaiting first draft layouts now expected the middle of April.
  
- DERTOUR (Germany)
  - **Winter Catalog 2010/11 Supplement – July/August 2010**

A big project in the works is an exclusive, 6-page VSPC supplement which will be inserted in Dertour's upcoming Winter 2010/11 catalog (circ. 500k) due out in the marketplace in July/August 2010. As we will be required to deliver the completed document as an open PDF file, we alerted our Advertising Department as to timelines, specs and content request so that we can begin with the initial development.

A conference call was held last month regarding the content, for which we plan to utilize various elements from our German Visitor Guide. A first draft was received the end of this month and feedback has been forwarded to HQ. Dertour has requested electronic submission of the final file by May 10<sup>th</sup>.
  
- FLEX TRAVEL / TUI SUISSE (Switzerland)
  - **Trade/Consumer Piece Mailing – April 2010**

A 6-page piece will be produced exclusively for VSPC and will contain our destination information, imagery and logo as well as travel offers developed by the tour operator. A total production run of 2,500 pieces will be distributed to 150 leading travel agencies, which will utilize the piece as a sales tool circulating this among consumers. We provided the operator with the necessary elements to begin the layout process.
  - **TUI News Advertorial – April 2010**

To support the above mailing, our full-page advertorial will be placed on the inside cover of the TUI News, a company trade pub distributed to 330 travel agencies on a monthly basis. The pub highlights TUI's newest travel tips, product information updates as well as top specials for the month. The operator is in receipt of our imagery, logo and text and is proceeding with the layout development.
  - **Specials Flyer – July/August 2010**

An additional Specials Flyer will be produced for insertion in an upcoming TUI News portraying VSPC specific travel specials and pushing awareness for late summer bookings.
  
- FTI TOURISTIK (Germany)
  - **Poster Campaign – March 2010**

- Targeting travel agencies and consumers alike, we pooled resources with Orlando in this high quality destination image campaign. Posters were distributed to 1,000 selected FTI travel agencies across Germany. We supplied the tour operator with our imagery and logo last month and received the final layout this month, which was approved by HQ.
- **Website Promotion** – March 2010
 

In conjunction with the above and in cooperation with Orlando, we launched an online promotion on FTI's homepage (fti.de) consisting of an animated skyscraper and teaser box with a link to a landing page containing information on VSPC. The promotion was launched 3/23 and will run through 4/06.
  - ITG COMPANIES (Netherlands)
    - **Website Promotion** – May 2010
 

Within the tour operator's TravelWorld platform, a special TravelUSA platform is now up and running with a specialized TravelFlorida site planned for the future. For the TravelUSA platform, a Florida-only eNewsletter is being developed to push summer and fall travel. We will pool our resources with Orlando in presenting ourselves to 15,000 Dutch consumers. This month, we provided the tour operator with comprehensive destination text, our logo and a selection of VSPC images and are currently awaiting the first layout.
  - KNECHT REISEN (Switzerland)
    - **Online eNews Blast (B2B)** – February 2010
 

Last month, we provided the tour operator with comprehensive area information, imagery and logo in preparation for development of this eNews blast to approximately 1,000 Swiss travel agents. HQ's approval was received and the blast launched on February 26<sup>th</sup>.
    - **Online eNews Blast (B2C)** – March 2010
 

Piggy-backing on the B2B eNews, we launched an equally comprehensive blast to Knecht Reisen's consumer database of approximately 35,000 clients. The tour operator is in receipt of our destination information, imagery and logo and has developed special VSPC travel offers for inclusion in this promotion. The layout was submitted to and approved by HQ. The eNews was hence launched on March 1<sup>st</sup>.
  - KUONI (Switzerland)
    - **Website Promotion** – March/April 2010
 

A VSPC image, logo and teaser text was placed in the March eNewsletter which is distributed to 60,000 consumers. This placement links to a special landing page platform on the kuoni.ch website and contains extensive VSPC destination information as well as travel offers. We provided the operator with all necessary elements last month and received the final layout this month which was approved by HQ. The promotion launched on 3/19 whereby the landing pages will be live for 4 weeks.
  - MEIER'S WELTREISEN (Germany)
    - **America Journal Coop Advertisement**– Feb/Mar 2010, circ. 40,000
 

We will again join forces with Meier's on a coop advertisement on the rear cover of the ITB issue of this publication. Celebrating its 20<sup>th</sup> anniversary this year, America Journal is a consumer pub focusing exclusively on the USA and enjoys a readership of 150,000. We have provided the operator with our imagery and logo and received a

final layout, which was forwarded to HQ for approval. This is the second of two advertising promotions we will conduct with Meier's this FY.

- SKYTOURS (Switzerland)
  - **Street Car Promotion** – March 12<sup>th</sup> – June 6<sup>th</sup>, 2010 (est. reach of 272,000)

One of the most innovative and successful promotions Skytours offers involves destination advertising in the street car windows of all 13 tram lines in Zurich for a period of four months. A call to action combines the Skytours website and response system via cell phone and features our logo, website and image. Layout development was completed and approved by HQ. The campaign was launched on March 12<sup>th</sup>.
  - **Flyer Mailing** – March 2010

In conjunction with the street car promotion, an exclusive VSPC special flyer was produced for circulation to 1,500 prime travel agencies, who will utilize the piece as a teaser to consumers. Comprising our imagery, logo and descriptive text, the flyer also contains special VSPC travel offers developed by the tour operator. We provided the operator with the necessary VSPC elements and receivee final layout the beginning of the month, which HQ approved promptly. The flyer was hence distributed in concert with the street car promotion launch on March 12<sup>th</sup>.
  - **Website Promotion** – March thru June, 2010

As an additional bonus in support of the street car promotion, a website promotion was also launched this month (March 22<sup>nd</sup>). VSPC product is presented on the skytours.ch homepage within the special offers platform every two weeks (est. reach of 1,280,000 page impressions).
- THOMAS COOK/NECKERMANN REISEN (Germany)
  - **Consumer Mailing** – March 2010

We participated in Neckermann's Florida-themed mailing to 20,000 customers, joining forces with Orlando, SeaWorld Parks & Entertainment, Alamo and Lufthansa. VSPC holds the key visual in the 6-page piece comprised of general area product information including text, images and our logo, special travel and hotel offers developed by the tour operator as well as a sweepstakes. We are grateful to our industry for the generous donation of a 5-night stay toward the grand prize. The mailing launched the week of March 8<sup>th</sup>.
  - **Infonet Travel Agent Promotion** – March 2010

A one-month promo on Neckermann's intranet homepage (45,000 registered users) with big teaser and link to VSPC landing page featuring a comprehensive destination description, image and logo was announced on the Neckermann homepage March 8<sup>th</sup> as well. Beginning the week of March 15<sup>th</sup>, agents can enter a sweepstakes by answering a number of questions related to VSPC during each of the four weeks. Only agents participating in all four weeks having submitted correct answers will be eligible for the grand prize – VSPC will be donating an 8GB iPod Touch. During the course of the promotion, an eNews blast to 10,200 travel agencies will be included as well.
  - **Travel Agent Sales Flyer** – March 2010

In conjunction with the above-mentioned promotions, a sales flyer was produced and distributed to 11,000 Neckerman travel agencies for use in point of sale to consumers. The flyer – highlighting 'Florida's most beautiful beaches' – comprised our Caladesi Island image, logo and travel teaser developed by Neckermann. The flyer was mailed the week of March 15<sup>th</sup>.
  - **Travel Agent Sales Poster** – March 2010

And to round off the comprehensive campaign with Neckermann Reisen, a travel agent sales poster for display in storefront windows and in agencies was distributed to 11,000 travel agencies the week of March 22<sup>nd</sup>. In keeping with the recognition concept, the same Caladesi Island image was used for the poster along with a call to action ‘Discover Florida’s most beautiful beaches’. Our logo as well as 3 teaser offers were included.

Neckermann Reisen belongs to Thomas Cook Group PLC, one of the world’s leading leisure travel groups. Neckermann Reisen is considered one of the best-known travel trademarks and is among Germany’s top five tour operators.

*Travel Trade/Consumer Publications:*

- FVW International (Germany) – circ. 30,900 *Trade*
  - ¼ **page, 4c advertorial** in the 2/10 issue of 1/22
  - ¼ **page, 4c advertorial** in the 3/10 issue of 2/05
  - ¼ **page, 4c advertorial** in the 4/10 issue of 2/19
  - ¼ **page, 4c advertorial** in the 5/10 issue of 3/04 (ITB special edition)
  - ¼ **page, 4c advertorial** in the 6/10 issue of 3/17
  - ¼ **page, 4c advertorial** in the 11/10 issue of 5/28 (Pow Wow special edition)

After the very successful “5 Good Reasons” campaign with FVW last year, we have launched a new one this year entitled “Pure Vacation Pleasure in Visit St. Pete/Clearwater”. In five consecutive issues plus the Pow Wow issue, we will highlight a new pleasure (Best Weather, Best Beaches, Pure Nature, Cultural Capital, Best Location and Advantages for customers). We supplied the publisher with text, logo and images and the ad campaign was approved promptly by HQ.

We also responded to a number of information requests generated by our advertorials in issues 2/10 – 4/10.

FVW International is Germany’s leading travel trade publication providing independent and objective information about the latest trends and current developments in the market. FVW is known as a synonym for reliable and objective journalism providing in-depth information on a diversity of topics. Last but not least, FVW also offers practical support in day-to-day business while a modern magazine-style design ensures reading fun. Surveys show that anyone who wants to keep their fingers on the pulse of industry news reads the FVW.

Pub frequency: 26x/yr

- TIP – Travel Industry Professional (Austria) – circ. 10,500 *Trade*
  - ¼ **page, 4c advertorial** in the 1/11/2010 issue
  - ½ **page 4c advertorial** in the USA supplement of issue 2/01/2010
  - ¼ **page, 4c advertorial sweepstakes** in the 3/08/2010 issue

Austria’s leading travel agent and tourism industry publication targets travel agency decision makers and counter staff alike and is known for its precise reporting of current events, insider tips and background information. We provided the publisher with all materials need for layout development. New this year is a special USA supplement in the February issue which was launched in-market in concert with the Visit USA Seminar in Austria on February 1<sup>st</sup>. All insertions have been approved by HQ.

The March insertion completes our initiatives with this important Austrian travel trade pub this FY.

Pub frequency: Weekly, 50x/yr

- Touristik Aktuell (Germany) – circ. 30,800 *Trade*

  - **½ page, 4c sweepstakes advertorial** in two consecutive issues 2/16 and 2/23  
 We provided the publisher with all necessary materials for advertorial development as well as circulating an opportunity among our industry members for the sweepstakes. A donation was secured for which we'd like to thank our industry and final layouts were approved by HQ last month.  
 This month we presented the lucky sweepstakes winner (Ms. Hahn of First Reisebüro in Mönchengladbach) with the hotel stay-certificate as well as additional information about VSPC. Touristik Aktuell featured the winner in their ITB issue.
  - **¼ page, 4c advertorial** in the 3/08 issue (ITB)  
 We provided the publisher our text, image suggestions and logo for advertorial development. The publisher was so impressed by our Dali Ambassador Campaign image, that a particularly special advertorial was developed for us. The layout was submitted to and approved by HQ last month.  
 The March insertion completes our initiatives with Touristik Aktuell for this FY.  
 Known for its concise information on relevant travel industry topics, this publication targets travel agency decision makers and counter staff alike. It is also read by tourism firms, tour operators, airline executives, hoteliers and car rental staff.  
 Pub frequency: Weekly, 51x/yr
  
- Travel Talk (Germany) – circ. 32,401 *Trade*

  - **1/8 page, 4c advertorial** in the 14/10 issue of 4/06
  - **1/8 page, 4c advertorial** in the 15/10 issue of 4/12
  - **1/8 page, 4c advertorial** in the 16/10 issue of 4/19
  - **1/8 page, 4c advertorial** in the 17/10 issue of 4/26
  - **1/8 page, 4c advertorial** in the 18/10 issue of 5/03
  - **1/8 page, 4c advertorial** in the 19/10 issue of 5/10  
 After the very successful “Pure Vacation Pleasure” campaign with FVW running in consecutive issues during 2010's first quarter, we will launch a similar campaign with Travel Talk. In six consecutive issues we will highlight a new pleasure (Best Weather, Best Beaches, Pure Nature, Cultural Capital, Best Location and Advantages for customers). We supplied the publisher with our text, logo and images, who designed the layouts which were approved this month by HQ.  
 Travel Talk is a young weekly magazine for travel agents with a circulation of 32,401. The publication's target audience is the counter sales agent and provides travel agency sales staff with new, innovative and detailed facts. It informs and animates the counter staff by conveying data and facts which play a decisive role at the point of sale.  
 Pub frequency: Weekly, 51x/yr
  
- America Journal (Germany) – Feb/Mar 2010, circ. 40,000 *Consumer*

  - **½ page, 4c ad** in the 2/10 issue due out 2/27 which is the ITB issue  
 Celebrating its 20<sup>th</sup> year anniversary, this German high-gloss consumer publication is dedicated exclusively to the USA providing in-depth coverage on American travel, culture and customs as well as insider tips and helpful hints. We provided the publisher with the necessary materials for ad development. The layout was approved by HQ last month.  
 We will be placing a ½ page sweepstakes advertorial in the September issue.  
 Pub frequency: 6x/yr

- SENSES Magazine (Germany) – circ. 85,000 *Consumer*  
 ➤ **2/1 pages, 4c advertorial** – March 2010  
 This is the second one of two advertorials in this high-end German lifestyle pub focusing on spas/wellness with a readership of 425,000. We provided the publisher with applicable text, images and our logo. Layout was completed and approved by HQ.  
 SENSES is one of the finest and most exclusive wellness magazines worldwide. The premium magazine is currently available in German-English (International Edition). SENSES concentrates on the unity of mind, body and soul, as wellness is the positive unity of the three elements, and includes the most beautiful spa and wellness addresses from all over the world.  
 Pub frequency: 4x/yr
  
- Tom On Tour / Gayfriendly Magazine (Germany) – circ. 60,000 *Consumer*  
 ➤ **2/1 page, 4c advertorial**  
 Together with the editor, we worked on development of the two-page insertion for this special guide. One page will contain general information about VSPC, whilst the second page will focus on the GLBT target group. This year, we successfully convinced the editor to include mention of one of our area’s prime gay properties!  
 Completed last month and distributed ‘hot off the press’ on the occasion of ITB in Berlin, the “Tom on Tour” travel guide is a 72-page, full-sized magazine featuring various gay friendly destinations throughout the USA including gay hot spots, web links, events and tourism information. The magazine is distributed free of charge at selected European gay locations, events and consumer shows and can also be ordered online.  
 This completes our initiatives with Tom On Tour for this FY.  
 Pub frequency: 1x/yr

All activities, projects and programs described herein have been duly completed.