### Agana Shopping Center

#### Stores

<table>
<thead>
<tr>
<th>Store Name</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-One Shoe Store</td>
<td>472-1454</td>
</tr>
<tr>
<td>The Athlete's Foot</td>
<td>475-8234</td>
</tr>
<tr>
<td>Agana Stadium Theatres</td>
<td>479-3456</td>
</tr>
<tr>
<td>Angel's Jewelry</td>
<td>477-8823</td>
</tr>
<tr>
<td>Body Secret</td>
<td>477-2388</td>
</tr>
<tr>
<td>Cartridge Outlet</td>
<td>477-7806</td>
</tr>
<tr>
<td>Casa de Essence</td>
<td>479-2272</td>
</tr>
<tr>
<td>ComPacific</td>
<td>477-6677/5577</td>
</tr>
<tr>
<td>Docomo Pacific</td>
<td>688-2273</td>
</tr>
<tr>
<td>Esprit</td>
<td>477-3806</td>
</tr>
<tr>
<td>Express Care</td>
<td>477-2873/71</td>
</tr>
<tr>
<td>G3 Internet Cafe</td>
<td>472-5133</td>
</tr>
<tr>
<td>GameStop</td>
<td>472-0561/60</td>
</tr>
<tr>
<td>Gino's</td>
<td>477-8945</td>
</tr>
<tr>
<td>GNC</td>
<td>475-1688</td>
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<table>
<thead>
<tr>
<th>Store Name</th>
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</tr>
</thead>
<tbody>
<tr>
<td>GTA</td>
<td>644-4482</td>
</tr>
<tr>
<td>Hairdresser by Kimberly</td>
<td>472-5466</td>
</tr>
<tr>
<td>Hollywood Nails</td>
<td>472-4405</td>
</tr>
<tr>
<td>I-Connect</td>
<td>477-3338</td>
</tr>
<tr>
<td>Ideal Vision Center</td>
<td>475-8089/90</td>
</tr>
<tr>
<td>IT&amp;G</td>
<td>922-4000</td>
</tr>
<tr>
<td>Jade Gift Shop</td>
<td>472-8808</td>
</tr>
<tr>
<td>La Fleur</td>
<td>472-2188</td>
</tr>
<tr>
<td>Lau's Jewelry</td>
<td>472-2888</td>
</tr>
<tr>
<td>Maranatha</td>
<td>477-7244</td>
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<tr>
<td>National Office Supply</td>
<td>477-0742</td>
</tr>
<tr>
<td>NAT'S</td>
<td>478-7849</td>
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<tr>
<td>Photo Shoot</td>
<td>477-5982</td>
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<tr>
<td>Primo Surf</td>
<td>472-8118</td>
</tr>
<tr>
<td>Time Circle</td>
<td>477-8828</td>
</tr>
<tr>
<td>SM Store</td>
<td>475-2825</td>
</tr>
<tr>
<td>Vitamin World</td>
<td>472-2547</td>
</tr>
<tr>
<td>Yamaha</td>
<td>472-0499</td>
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#### Restaurants & Food Outlets

<table>
<thead>
<tr>
<th>Restaurant</th>
<th>Phone Number</th>
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</thead>
<tbody>
<tr>
<td>369 D.S. Chinese Cuisine</td>
<td>477-5569</td>
</tr>
<tr>
<td>Capricciosa</td>
<td>472-1009/10</td>
</tr>
<tr>
<td>Century Dreyer's Ice Cream</td>
<td>472-2093</td>
</tr>
<tr>
<td>Delimanjoo</td>
<td>472-6661</td>
</tr>
<tr>
<td>Frooty</td>
<td>477-1194/95</td>
</tr>
<tr>
<td>Java Junction</td>
<td>472-8880</td>
</tr>
<tr>
<td>Pavless Supermarkets</td>
<td>477-7006</td>
</tr>
<tr>
<td>Pizza Hut</td>
<td>477-7716/17/18</td>
</tr>
<tr>
<td>Shirley's Coffee Shop</td>
<td>472-8383</td>
</tr>
<tr>
<td>Sweet Dreams</td>
<td>477-6663</td>
</tr>
<tr>
<td>Sweet Tooth</td>
<td>482-7755</td>
</tr>
<tr>
<td>Taco Bell</td>
<td>477-8226</td>
</tr>
<tr>
<td>Tapioca Drink World III</td>
<td>472-5008</td>
</tr>
<tr>
<td>Tokyo Mart</td>
<td>477-6615</td>
</tr>
<tr>
<td>Tony Roma's</td>
<td>477-4071</td>
</tr>
<tr>
<td>Wendy's</td>
<td>475-8800</td>
</tr>
<tr>
<td>Yogurtland</td>
<td>475-9595</td>
</tr>
</tbody>
</table>

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A MESSAGE FROM THE GOVERNOR & LIEUTENANT GOVERNOR OF GUAHAN

Håfa adai! This fiscal year has been an exciting time for Guahan, full of challenges and change. We are proud of the Guam Visitors Bureau for pressing forward with its strategic plan for rebranding our island and its success in presenting Guahan as an exceptional travel destination.

We applaud the GVB for the outstanding job it has done in promoting Guahan and for the positive increase in our island’s leading industry we have consistently realized in 2010. By revamping our approach to marketing our island and introducing new programs, like the Hafa Adai Pledge, village murals, and the immensely popular Guam Island Fiesta Tour (GIFT), we are reaping the benefits of promoting Guahan’s unique culture to our visitors and rekindling our own sense of pride in our beautiful island and her people.

We are pleased to share the 2010 GVB Annual Report with you. More importantly, we are proud to bestow praise and gratitude on the staff, management and Board of Directors of the Guam Visitors Bureau for an exemplary performance on behalf of our people. Un dangkolo na Sî Yu’us Ma’aše!

Sinsēru yan Magåhet,

FELIX P. CAMACHO
I Maga’ Lōhen Guåhan
Governor of Guahan

MICHAEL W. CRUZ, M.D.
I Segundo Na Maga’ Lōhen Guåhan
Lieutenant Governor of Guahan
David B. Tydingco  
Chairman

Jim Beighley  
Vice Chairman

Theresa C. Arriola  
Secretary/Treasurer

Hayato “Jack” Yoshino

Richard Lai

Bruce Kloppenburg

Hong Soon Im

Bartley A. Jackson

Carol Tayama

Gordon Chu

Dr. Judy Flores

David Kendall

Bert Unpingco
A Message from
David B. Tydingco, Chairman of the Board

Hafa Adai! The Board of Directors, GVB staff, and I are pleased to present the FY2010 Annual Report for your review. This year, our staff, management, members, and the industry have worked hard to rebound from the adverse affects of last year brought on by economic downfall and the global H1N1 pandemic.

Overall, we’ve seen an 11.2% growth over last year, which we attribute to the hard work of our staff in our core markets as well as partnerships here on Guam that have encouraged our villages to take ownership of the tourism industry through programs like the Guam Island Fiesta Tour, village ambassador programs, village festivals, and village murals.

Our numbers for each market grew significantly in FY2010, with remarkable results particularly in Korea, which has experienced double the seat capacity since the introduction of Jin Air in April 2010, and Taiwan, which saw a 51.2% boost in arrivals thanks to high-load factors and additional charters from China Airlines and Continental Airlines in peak periods.

The return of twice weekly direct flights from Hong Kong via Continental has also contributed to significant growth in that core market, which experienced a 172.5% increase in arrivals over last year.

We are all very proud of the collaborative efforts from our industry and community stakeholders that have helped us to rebound from the tumultuous year we experienced in 2009. Although our hotel occupancy rates, charter flights, and visitor arrival numbers are up, we know our work cannot stop. The only way to keep those numbers climbing is to continue building our presence in core markets throughout Asia, encouraging direct flights from new and existing airlines, and working with the U.S. Department of Homeland Security to adopt streamlined visa policies and procedures.

Most importantly, we all must contribute to making Guam a unique and satisfying destination and deliver a Guam brand experience. We look forward to the continued support from our industry and our community in FY2011.

Put Respetau,

David Tydingco
Chairman of the Board
A MESSAGE FROM THE CHAIRMAN OF THE COMMITTEE ON TOURISM, CULTURAL AFFAIRS, YOUTH, AND PUBLIC BROADCASTING

Hafa adai!

As 2010 comes to a close, I am pleased to present this Annual Report with the Guam Visitors Bureau. Despite the numerous challenges that have arisen this year, GVB has met each obstacle we’ve faced with realistic solutions and fresh ideas to propel the future of tourism on Guam.

Together, we have worked toward returning Tumon to the wholesome, family atmosphere it was founded upon while encouraging growth throughout our visitor industry. We have focused on expanding that industry outward, toward the villages, where the real soul and spirit of Guam lives through our residents.

The “We Are Guam” branding campaign has successfully enlisted the support and participation of every village, where murals have been unveiled in a yearlong celebration of pride. Visitors have also been able to experience our unique Chamorro culture through the Guam Island Fiesta Tour, which provided them an authentic fiesta experience in the homes of our residents, and through the annual Guam Micronesia Island Fair, a GVB signature event.

With a cooperative effort among GVB and industry stakeholders, I will continue our ongoing efforts to build the Guam Museum and see the inclusion of China in the Guam-CNMI Visa Waiver Program come to fruition.

Alongside the incoming Chairman of the Committee on Tourism, I look forward to accomplishing the plans we’ve made to diversify our visitor demographic and our island can offer them during their stay. I applaud the staff and management of the Guam Visitors Bureau and anticipate an exciting 2011!

Sincerely,
Benjamin J.F. Cruz
Greetings and *Hafa Adai*!

We are pleased to report on the performance of your Guam Visitors Bureau for the fiscal year ended September 30, 2010.

**Administrative and Financial Highlights**

Rebounding visitor numbers and the associated improvement in hotel occupancies contributed to the increase in room tax collections that fully funded the Bureau’s $12,196,595 FY2010 operating budget authorized in Public Law 30-196. Hotel room occupancy rose 10 percentage points to 70% (weighted average), and while average room rates remained the same at $110, it is encouraging to note the +5%, +2%, and +7% improvements for each of the trailing three months through October 31, 2010 (GHRA).

Hotel room taxes collected for the year was up +11.9% year on year to $21.7 million. The Bureau is a non-profit, non-stock membership corporation with 347 paid up individual and corporate members who contributed a combined $1,040,783 in cash and in-kind support, up +37% from last year. This improvement can be attributed to updated membership dues prior to an election year for Directors (+26% to $52,700) and continuing improvements in documented in-kind support (+38% to $988,083), the latter a whopping +368% improvement over the $268,513 documented in 2008.

Destination branding initiatives gained more traction in the community, anchored by active participation of the Mayors’ Council and emerging green shoots of newly created events and festivals sprouting up in the villages. Colorful murals designed by village residents themselves are also starting to appear around the island and more than 5,000 employees in more than 50 companies and organizations are now participating in the Hafa Adai Pledge project, a program designed to promote and practice the island’s cultural and hospitality spirit.

Buoyant arrivals enabled us to fully fund the projects planned during the year, while staying within budget. At $8 million, marketing represented the largest expenditure category in 2010, with Japan and Korea consuming the largest share combined ($7.1 million). At $1,561,181, GVB personnel salaries and benefits accounted for 11% of all expenditures and professional services 55%, or $7.9 million mostly for contracted advertising and marketing vendors in Japan, Korea, Taiwan, Hong Kong/China, and the Philippines.
Our purchasing power in source markets was seriously impacted by the yen’s +17% rise since 2008, thereby limiting our advertising and public relations expenditures, especially in Japan. The Bureau’s foreign exchange account ended with a loss of $55,843.48, and more than twice the $24,872 amount recorded last year because of the stronger yen impact in 2010.

Off island travel expenses for sales, marketing and promotional events, which accounted for 3% of expenditures, increased +24% over last year to $455,593 in 2010, but still -7% below the $477,309 spent two years prior.

About $900,000 (6%) was spent on signature events such as the Guam Micronesia Island Fair (GMIF), Guam Ko’Ko’ Road Race, GHRA New Year’s fireworks, Ladies Pro Am Golf Tournament, and a number of cultural or community events such as Historic Inalahan and the Miss Earth pageant, in addition to group travel campaigns.

With rebounding visitor numbers well under way, it is now time to focus on recapitalizing the island’s tourism plant. There is dire need to restore and upgrade the island’s deteriorated cultural and historic assets if we are to validate and sustain Guam’s differentiated brand identity, continue to be a competitive destination, and ensure the long-term viability of our tourism industry.

**Arrivals by Markets**

We finished the year very strong with the best September arrivals in the last five years. A total of 1,170,857 visitors came to Guam in 2010, up +11.2% over 2009, and exceeded expectations despite the weak global economy and continuing economic and political uncertainties in Japan.

Key drivers for this overall increase were the +8.6% and 43.3% growth in Japanese and Korean visitors, respectively, Taiwan’s +32.6% performance and the significant +11.7% contribution from the U.S. The four markets of Japan (75.6%), Korea (10.2%), the U.S. (4.5%) and Taiwan (2.5%), which comprise 92.8% of our visitors in 2009, had a combined growth of +12.3% in 2010. Growth in the smaller markets were led by Hong Kong (+101.3%) following resumption of Continental’s twice weekly service, China (+62.2%), Australia (+14.8%), the Philippines (+5.5%), Micronesia (+2.8%), and Russia (+8.1%). These six markets alone, which made up just 5% of our arrivals mix, grew +12.5% and added 55,118 to our total 2010 visitor count.

**Japan**

Airlift capacity and frequency from Japan increased +12% in total seats before the October 2010 forced bankruptcy announcement of Japan Airlines, which subsequently led to the carrier’s suspension of Osaka service, a reduction of Tokyo flights, and down gauging of their daily jumbo service
to a smaller B-757 aircraft. Continental’s resumption of Osaka service, additional flights by Delta, and charters at Haneda all contributed to the increase in Japan’s seat inventory, as did Skymark’s Haneda charters in the summer and Korean Air’s incremental impact at both Osaka and Tokyo.

Kansai’s once moribund market outperformed total Japan, in part because of the improved airlift (+40.5% seats) and limited options travel agents faced from capacity reductions to other destinations, political unrest in Thailand, frigid relations with China and other security issues in nearby Asian destinations. Visitors from Osaka increased +20.6%, compared to Nagoya’s +8.4%, Tokyo’s +5.8%, and total Japan’s +8.6% increase. The positive impact from Osaka, Nagoya and Tokyo, where 84.1% of all Guam visitors originate, drove total Japan arrivals to 887,986.

But while there is reason to celebrate the +8.6% increase in Japanese visitors, and the +0.12% gain in our share of Japan’s international travelers, there is more reason for concern over the stalled progress we are beginning to see in destination yield objectives. The volume driven momentum that rekindled demand and a turnaround in declining arrivals last year, following the H1N1 outbreak, mortgage collapse in 2008, and overall market weakness, spilled over into 2010, and resulted in significant erosion in visitor spending. Shorter package and group tours negatively impacted average length of stay for the second straight year, declining to 3.0 days visit, or -12% from 2008 and -14% from 2007.

In retrospect, the market share gained in 2010 came at an expensive cost to the local economy because the $17.2 million economic benefit from this incremental improvement was far out weighed by the estimated $23 million economic loss in island income had we stayed even with spending levels previously seen just four years ago. In 2006, when the yen was at ¥116 to the dollar, local spending was $666.21, or 33% better than the $499.40 in 2010. In short, this +0.12% market share improvement came at a direct cost of $5.8 million to the local economy, and even much more when compared to spending levels in 2006.

The obvious challenge for 2011 and beyond is sustaining or growing Guam’s share of market while working with our travel industry partners to improve destination yields by lengthening visitor stays, attracting more affluent visitors, creating more events or purchasing opportunities, and promoting higher value tours in today’s domestic environment where consumer spending is on the wane and export earnings stymied by a very strong yen (¥83.77 @ 11/26/10).

Korea

The number of Korean visitors improved dramatically in 2010, the result of an expanded air bridge (+43.8% seat increase), normalizing travel (post H1N1 concerns) and differentiated destination acceptance of the new U.S. Visa Waiver policy, which was once a significant competitive advantage enjoyed only by Guam and the CNMI. The entry of low cost carrier Jin Air last April heightened Guam’s
consumer awareness, improved market reach and penetration, and afforded consumer choices not previously available because of Korean Airlines’ (KE) monopoly service, daylight flights being a notable example aside from price.

Unlike last year, when our General Sales Agent (TLK) was penalized some $30,000 for underperforming agreed visitor targets, Korea’s performance ended 2010 with a results-based bonus of $100,000. This added cost was budgeted and worth the extra expense that produced 36,258 more visitors than last year and $26.2 million in additional income to the local economy.

**Other Markets**

While small in number compared to Japan and Korea, the smaller markets that made up 10% of total visitors in 2010 gained +20% in additional arrivals to finish the year at 148,223 and an improved 12.7% arrivals mix while Japan and Korea still grew in absolute number. Taiwan (+32.6%), the U.S. (+12.5%), Hong Kong (+101.3%), Micronesia (+2.8%), Russia (+8.1%), Australia (+14.8), and the Philippines (+5.5%) all contributed to this year’s total visitor count of 1,170,857. These markets not only add incremental income to the island, but provide market diversification value and aircraft utilization opportunities that help sustain our Japan airlift capacity.

U.S. leisure travel and military R&R visitors are increasingly being augmented by business and government-related travelers associated with the current military buildup. Taiwan’s performance was also strengthened by targeting MICE market opportunities in Taichung, expanded use of social media channels, and the +10.7% increase in airlift.

**China**

Chinese New Year charters contributed largely to the 4,669 visitors recorded for the year and a significant +59.8% increase from last year’s 2,922 total. We continue to have a presence in this market in anticipation of a more favorable non-immigrant visa process that awaits a U.S. Department of Homeland Security decision regarding the Visa Waiver Program authorized by P.L. 110-229 more than two years ago. Priming this market is an important long-term objective because of the volume and revenue impact it will bring to Guam’s future tourism viability. Indeed, a favorable resolution by DHS can very quickly open direct air service and 60,000 Chinese visitors within five years.
Outlook

Guam is well positioned to see continuing improvement in 2011’s visitor arrivals, assuming no catastrophic events occur. This optimism, however, is tempered by the uncertain sustainability of Japan’s recovering economy, which just marked the fourth consecutive quarterly growth in the country’s seasonally adjusted GDP. A weakening in domestic spending, combined with a weak export environment due to a very strong yen, remain issues that will dictate consumer travel sentiment.

There is also concern over the full impact of JAL’s 66% fewer seats instituted in October 2010 as part of the carrier’s bankruptcy recovery plan. Fortunately, however, some of these seats will be replaced by other carriers and we can also expect more seasonally operated charters originating from the new Haneda International Airport under Japan’s new open skies policy.

Korea’s continuing improvement is likely to be supported by both KE’s seasonal charters and Jin Air, the latter to see year on year passenger comparables normalize following the carrier’s late April first anniversary of service. The Korean won had remained fairly stable in the 1170 – 1200 range throughout most of 2010 and recent expectation of repatriated export income should strengthen and sustain the won’s stability in the near term. And since the shock to financial markets from North Korea’s recent shelling of Yeonpyeong island has been mostly absorbed, according to Finance Minister Yoon Hyun, Korean travel to Guam is not likely to be adversely affected.

Air service to our smaller regional markets is expected to remain stable, with Hong Kong arrivals outperforming them and demand expected to pick up in that market, as will charter-driven visitors from the tri-polar source markets of Beijing in the north, Shanghai in the east, and Guandong/Shenyang in the south of China. Growth in the Taiwan market will remain at current levels unless air service is increased beyond the twice weekly schedule and seasonal charters.

Our forecast for 2011 is a conservative +4% to 5% increase in total visitors and an improvement in hotel average room rates, both of which bode well for an increase in the Tourist Attraction Fund in 2011. On the strength of this increase and firming average room rates, we forecast hotel occupancy tax collections to be up +5.9% or $23 million.

Sensaramente’,

Gerald S.A. Perez
General Manager
From left, Dee Hernandez, Miranda Muñoz, Emily Quinata, and Jay San Nicolas