To efficiently and effectively promote and develop Guam as a safe and satisfying destination for visitors and to derive maximum benefits for the people of Guam.
A MESSAGE FROM THE GOVERNOR & LT. GOVERNOR OF GUAM

Celebrating Excellence and Building for the Future

Håfa Adai! Congratulations to the Guam Visitors Bureau, staff, management and Board of Directors on the completion of the 2012 GVB Annual Report.

GVB has seen its fair share of tough times – the instability of the global economy, natural disasters on Guam and throughout the region, and other unforeseen circumstances. However, the GVB Family continues to put its best foot forward to entice visitors to our Pacific paradise. You’re the hard working people behind promoting Guam’s culture, her white, sandy beaches, and the warm hospitality of her people known throughout the Pacific. We are a world-class destination because of you and your partners in tourism, and your efforts to showcase what Guam has to offer every traveler.

We are excited for the future of the markets we currently welcome to our shores. Last year, we saw some of the best visitor arrivals in our island’s history, the promising future of the Russian market, and the push to build capacity and enhance our services to make Guam a premier destination. This year, with your continued commitment to excellence, we hope to see more. Thank you for your diligence, and dedication to share Guam with the world.

Happy 50th Anniversary!

EDDIE BAZA CALVO
Governor of Guam
RAY TENORIO
Lt. Governor of Guam

A MESSAGE FROM THE CHAIRWOMAN COMMITTEE ON TOURISM, HOUSING, MUNICIPAL AFFAIRS, AND HAGATÑA RESTORATION AND REDEVELOPMENT AUTHORITY

Håfa Adai! As we close the chapter on another great year for tourism, we proudly present this 2012 Annual Report. Together with the Guam Visitors Bureau and our tourism stakeholders, we have made great strides to ensure Guam remains a beacon of the Håfa Adai spirit and the premier visitor destination of the Pacific.

Over the past year, we have increased our marketing efforts abroad to include our participation at events such as the Moscow International Travel and Tourism Exhibition and the 2012 Japan Association of Travel Agents Forum and Travel Showcase. Both events were successful ventures that increased our visibility to current and emerging markets.

By the end of the year, Guam welcomed nearly 1.3 million visitors to our island. This stellar figure is a testament to the dedication and hard work put forth by the Guam Visitors Bureau and private sector stakeholders. As we look ahead to 2013, we will utilize our understanding of the current visitor landscape to position Guam for another record breaking year of visitor arrivals.

I would like to commend the Guam Visitors Bureau, its Board of Directors, and our industry stakeholders for making 2012 a successful one. I am confident that as long as we continue our collaborative efforts to forge lasting partnerships with our visitors and industry counterparts abroad, we will ensure the sustainable growth of this vital economic industry.

Un Dångkulu Na Si Yu’os Ma’åse’ and may God continue to bless Guam.

Sinseru yan magåhet,

TINA ROSE MUÑA BARNES
Senator, 32nd Guam Legislature
A MESSAGE FROM THE CHAIRMAN

Håfa Adai! On behalf of the GVB Board of Directors and its management and staff, we are pleased to present this Annual Report for Fiscal Year 2012.

This was a banner year for Guam tourism as arrivals soared to 1.3 million visitors, a level not seen in the last 15 years. GVB launched a new corporate look to celebrate 50 years of tourism on Guam and a new modern logo that features the iconic symbols of the sun, ocean, land and proa set in an abstract sling stone. This is a fitting reminder that we must honor the traditions of the past even as we push forward towards our bright future as we begin the next 50 years of tourism on Guam.

Today, tourism is a billion dollar industry that supports tens thousands of jobs and contributes over $150 million in revenue for the Government of Guam.

I believe that in 2022 we will look back upon 2012 as the beginning of a new period of significant growth. Our hotels are starting to be fully occupied during peak periods, our average room rates are finally moving up and we are now reaching an important cross roads as a destination. We must now deliberately begin to move from our early beginnings as a “close and cheap” getaway towards our destiny as a first-tier international standard resort destination of choice.

NEW DIRECTIONS
This year GVB will redefine its vision and begin to move towards its potential. With your help we will achieve our goal of repositioning Guam as a world-class cultural destination of choice. We will accomplish this by:

• Improving the quality of the destination to attract higher spending, longer stay, higher yield visitors
• Adding quality hotel rooms, including five star and luxury accommodations
• Diversifying our core market base including pursuit of a China Visa Waiver program
• Attracting non-leisure visitors through active pursuit of Conference and MICE business
• Focusing on increasing Chamorro cultural elements as our primary unique destination differentiator

As always, we will actively engage with the community and our stakeholders. We will explore creative and alternative sources of funding to reach our goals. We will remain mindful of sustainability issues both environmental and social. And we will strive to achieve excellence in all we do.

There is a bright future for our island community, and together we will reach new heights and take Guam into an era of significant economic prosperity. Tourism is everyone’s business and I would like to thank all the hard working men and women in the industry as well as the Guam Visitors Bureau who have done an excellent job over the past 50 years.

Together with you, I am excited to embark upon our new journey of the next 50 years.

Un Sen Dångkulo Na Si Yu’os Ma’åse!
Senseramentee.

MARK BALDYGA
Chairman of the Board
Deputy General Manager increases the spending power of GVB's Japan marketing budget.

strength and ended the year with an average exchange rate of ¥77.85. The weaker Yen makes market continue to pay dividends with large corporate groups such as Daihatsu (1,200 pax) and Senkaku and Takeshima Islands, caused many Japanese to cancel their trips to China and Korea. Korea in the first half of FY 2012. However, later in the year, disputes over the sovereignty of the JAPAN from Russia (2,930 pax, +456%), which was granted visa waiver status in January 2012. Guam, with 32,156 visitors from the region. The biggest percentage increase for the year came also continued its upward trend with 165,143 visitors (+13.8%), and combined, Japan and Korea market with 49,851 visitors (+22.5%).

MARKETING HIGHLIGHTS Marketing Guam as tourist destination is a top priority for GVB. The Bureau utilizes visitor data and marketing intelligence to develop and implement its long-term strategic plans. GVB focuses on major marketing areas, collaborates with its global marketing partners, and works with industry stakeholders to create efficient marketing solutions that improve the strength and isolation the island’s economy.

Guam experienced an overall 10.7% increase in total arrivals, ending the year with a combined 127,081 visitors from all markets. The Japanese market fully recovered from the 3.7% triple disasters by this, with the island welcoming 907,765 travelers from its largest source market. The Korean market has continued its upward trend, gaining 124,724 tourists, combined. Japan and Korea market alone represents almost 85% of arrivals. Taiwan positioned itself as the third largest Asian source market with 48,858 visitors (+33.5%).

Travel from Chinese markets remained mixed, with Hong Kong slightly down (-1.3%) and China (+46.6%) continuing to see significant gains, but together still account for only 17,488 visitors, or 14% of total arrivals. There was positive growth from the U.S. mainland (33,229 pax, +92.5%), Hawaii (14,537 pax, +23%) and Australia (4,071 pax, +72%), while the Philippines (10,264 pax, -47%) declined slightly. Collective Laos, Malaysia, FSM, and even Guam were slightly down, with 32.56 visitors from the region. The biggest percentage increase for the year came from Russia (2030 pax, +56%), which was granted visa waiver status in January 2012.

JAPAN Total Japan outbound travel made a full recovery in FY2012, and Guam benefited with a +10.2% increase (310,000 pax) as the island received its direct flight service to Guam, with the exception of Hokkaido (-2.2%), showed increases. The most significant growth from the Japanese is from Hokkaido (2,930 pax, +456%), while valued and Guam arrivals originate from the Kantō Region (Tokyo), which showed a +14.5 increase with Guam arrivals.

The strong Yen encouraged more international travel, but despite the increase in arrivals, Guam’s market share declined from 4.94% to 4.87% due to strong demand for travel to China and South Korea. In the first half of FY 2012, however, in the year, there were 37,169 pax, up 4.3% from the previous year, due to a year-round schedule with Japan Airlines. The Guam tourism industry has continued to diversify, offering an alternative destination. Efforts to develop the meetings, incentive, conference, and exhibition (MICE) market continue to pay dividends. Both large corporate groups such as Daihatsu (2012 pax) and Cheil (4,029 pax) choosing Guam.

Improvements in the visitor profile continued in FY2012. On-island expenditures increased from $588,000 to $692,000, and those in the income bracket of $7 million ($900,000) or higher continued to comprise 33% in our visitor profile. Towards the latter part of the fiscal year, Guam’s Tourism Commission strengthened and ended the year with an average exchange rate of $78.75. The weaker Yen makes Guam more expensive for tourists at the same time boosts Japanese export earnings and increases the spending power of GVB’s Japan marketing budget.

Based upon the Japan Exit Survey, the main motivations for selecting Guam as a vacation destination are the beach and the weather. In the first half of FY2012, we continued to focus on the MICE market, improve brand image and increase market share, 2012 will conclude with industry partners to promote longer stays, increased spending and more growth.

KOREA FY2012 proved to be a banner year for South Korean visitors to Guam. With 51,583 arrivals and positive activities that are participating organizations, the tourism market to South Korea is almost 14% versus FY2011. This is attributed to several factors, one being stronger exchange rates and events and overall tourism trends.

Increased tourism to the islands to the Japanese, which resulted in some diverted bookings to Guam. The ongoing political uncertainty with North Korea provided motivation to travel abroad. Airline fare to Asia, especially from South Korea continued to add aid capacity to support this increased demand.

GVB continued its focus on maintaining and developing relationships with key trade media and travel organizations in Korea. Promotion of Guam continues to be capitalized on by major Korean tour operators and travel agencies.

The Greater China markets made up of Taiwan (+22.5%), Hong Kong (13.4%, +466%) continues to grow with 5% of total arrivals. The increase in Taiwanese visitors is due in large part from additional seasonal charters by EVA Air and China Airlines. Mainland China reached record levels with 9,040 total visitors, which can be attributed to the Bureau's efforts to support direct charter flights from major Chinese cities. GVB continues to partner with all stakeholders to lobby for the inclusion of China into the Guan-CNH Visa Waiver program, which is still the greatest opportunity for visitors from China.

On January 15, 2012, the Secretary of Homeland Security, through her parole authority, announced that Russian tourists were allowed to visit Guam within 14 days of the announcement, and initiated its marketing plan for this new source market. From January 15 to April 14, a total of 1,143 visitors (*1) for Guam. The forecast for this market is projected to remain strong in 2013, and if Guam can regain some lost market share, arrivals could be close to 200,000.

Increased air seat capacity from Korea is projected to drive more arrivals, or close to 200,000 Korean visitors, which would be a record for Guam. The forecast for 2013 shows continuing gains, at 15% higher than the previous year, 8% higher than the average, providing a greater yield per visitor.

The U.S. mainland (*10), Hawaii (*21%), and Australia (*11%) each saw positive gains while the Philippines (-4.7%) and CNMI (-3.7%) were flat. CNMI, Guam, FSM, and even Guam were slightly down, with 32.56 visitors from the region. The biggest percentage increase for the year came from Russia (2030 pax, +56%), which was granted visa waiver status in January 2012.

OUTLOOK Guam remains well positioned to see continued arrival growth in FY2013 and GVB has set next year's target at (130,000 +3%), assuring no catastrophic impact on the industry.

Additional information concerning its other long-term liabilities can be found in note 7 to the financial statements.

The Cultural, Heritage and Community Committee (CHCoC) works to develop the Chamorro culture and brand, which with the Island Fiesta Tour (GIFT), village festival support and development grants, helps to stimulate cultural tourism and ecotourism. The Guam Brand initiative is the community outreach program designed to build support for improved Guam and how to protect its reputation. This year’s highlights include the Ha’a Adai Pledge program reaching over 350 participating businesses, launch the Buy Local Forum and Expo at PHARE and the Guam Brand logo awareness campaign.

Sports and events can enhance Guam’s economy, image and quality of life. Recognizing these benefits, GVB’s Sports and Events Committee supports activities designed to boost tourism presence to a globally competitive level and create reasons to visit through events like the Olympic Games. The forecast for 2013 still shows Guam Micronesia Island Fair and the Guam No Yo Road Race saw the largest participation in 2012 in other event’s history. Other supported events included the Micronesian Games 2012 as a 14th year event and the Guam Trail Race, Trojans, Pools-Smokin’ Wheels Racing Festival.

CAPITAL ASSETS AND LONG-TERM DEBT The Bureau is not capital intensive and therefore, significant capital asset activity did not occur during FY2012 and 2011. For additional information regarding capital assets, please refer to note 5 to the financial statements.

Additionally, the Bureau has no long-term borrowings. However, additional information concerning its other long-term liabilities can be found in note 7 to the financial statements.

Management’s Discussion and Analysis for the year ended September 30, 2011 is set forth in the Bureau’s report on the audit of the financial statements, which is dated December 14, 2012, and Analysis explains the major factors impacting the 2011 financial statement and can be viewed at the Office of the Public Auditor’s website at www.guamcpa.com.

The Bureau will continue to diversify, developing new markets like Russia and China. In mature markets like Japan, Guam will benefit higher yield, longer staying markets such as the silver, wedding and honeymoon segments. EVA Air is scheduled to launch Guam and promote the island’s unique culture will also make Guam more competitive and drive demand.

A major challenge next year will be the shortage of quality hotel room inventory during peak seasons. This creates a bottleneck and hinders growth in new markets that do not have room blocks. GVB continues to work with the industry to mitigate this issue, and the opening of a new hotel, the Dusit, will add 414 rooms. In the off peak seasons, business (MOCE) and group travel can address the historic shoulder periods.

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2. Elaine Pangelinan - Marketing Secretary
3. Miranda Muñoz - Administrative Assistant
4. Pilar Laguaña - Marketing Manager
5. Doris Ada - Special Project/TAF Officer/Membership Officer
6. Brian Borja - Marketing Officer I, China
7. Rose Curiña - Controller
8. June Sugawara - Marketing Officer II, Japan
9. Gina Kono - Marketing Officer II, China, Hong Kong, Philippines & Russia
10. Karl Pangelinan - General Manager
11. Nadine Leon Guerrero - Marketing Officer II, Japan
12. Lauretta Perez - Accountant III
13. Haven Torres - Marketing Officer I, Japan
14. Jon Nathan Deright - Deputy General Manager
15. Juanita Sablan - Accounting Technician III
16. Regina Nedlic - Marketing Officer II, Pacific, Australia & Taiwan
17. Annabel Certeza - Clerk Typist III/Marketing Aide
18. Ana Cid - Research & Statistics Analyst II
19. Mark Manglona - Marketing Officer I, Korea & North America
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Not in photo:

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GUAM VISITORS BUREAU
Management & Staff
SUMMARY

The Destination Management Department (DMD) of the Guam Visitors Bureau assists in the development of the community’s needs as they relate to Guam’s visitor industry. The department and its programs, intend to complement GVB’s role in promoting our island as an attractive destination, focus on the harmonious interaction of the island’s residents and those within the visitor industry. Within DMD, there exists the Sports and Events Tourism Division, the Cultural Heritage and Community Division, Destination Improvement/Maintenance Division, the Membership Division and the Tourism Industry Relations Division.

The Sports and Events Tourism Division identifies, advocates and further develops Guam as a sports destination. In doing so, the division assists in fostering relationships between athletes from our source markets and Guam, and encourage the continued development of local athletes.

The Cultural Heritage and Community Outreach Division is tasked to provide GVB’s promotional efforts both locally and internationally, with a strong representation of Guam’s culture. The division provides Guam’s residents with opportunities to strengthen their cultural values through artistic means and has created and supported programs that give both visitors and residents a unique experience of the island’s cultural identity.

The Destination Improvement/Maintenance Division identifies capital improvement projects that will enhance Guam’s tourism infrastructure, seeks appropriations for these projects and pursues their implementation. The primary goal is to improve, upgrade and maintain infrastructure to meet the needs of the tourism industry and visitors coming to Guam.

The Membership Division maintains membership relations that will strengthen the bond of partnership between GVB, as a government office, and the private sector. This public-private partnership seeks stakeholder support for the industry that accounts for more than 60% of Guam’s economy as well as to take part in GVB promotions and programs.

The Tourism Industry Relations Division ensures visitor satisfaction and safety as well as the enhancement of local residents’ way of life by bridging the gap between visitors, the private sector and local residents.
SPORTS AND EVENTS TOURISM

Event Support and Sponsorship

The Sports and Events division of the Guam Visitors Bureau’s Destination Management team is committed to identifying, advocating and further developing Guam’s sports tourism as a tool for promoting Guam to our visitors while also encouraging the development of Guam’s local athletes.

In FY2012, the Bureau focused its support and sponsorship towards organized local community sports events, attractions and programs that had the potential to attract visitors. Once again, the Bureau welcomed several overseas teams from Japan and Korea mainly participating in training camps, friendship tournaments and international competitions.

In its sixth year, the Guam Ko’ko’ Road Race continued to grow in overseas and local participation and drew a record number 1630 participants. Once again, the event featured an attractive pool of competitors from Japan, Korea, North America and Philippines further elevating the level of competition in FY2012. The scenic run along Guam’s coast remains to be one of Guam’s more popular running events. Runners were treated to a post race breakfast, entertainment and award ceremony in which several cash prizes and airline getaways, courtesy of United Airlines (Official Ko’ko’ Road Race sponsor), were awarded.

Returning to defend his title was the overall 2010 Guam Ko’ko’ Road Race half-marathon winner, Japan’s own Masashi Shirotake. Shirotake finished in record setting fashion once again besting his previous course record time of 1 hour 12 minutes and 52 seconds as he finished with a new course record of 1 hour 12 minutes and 43 seconds. Taking the women’s division overall was Japan’s Yuko Machida with a time of 01:23:24.

XTERRA Guam Championships

Considered one of the biggest off-road triathlon races in Micronesia and known throughout the world amongst off-road triathlon enthusiasts. This years inaugural 2012 XTERRA Guam Championship qualifier was nothing short of spectacular. The race highlighted Guam’s natural scenic beauty with its treacherous and challenging terrain. To not leave out, the excellent pool of professional athletes who flew half way across the globe to make this a world-class event.

Ben Allen and Renata Bucher captured the inaugural XTERRA Guam Championship. It is the second XTERRA Championship for Allen, who also won XTERRA Brazil, and the 22nd title spanning 12 countries for the illustrious career of Renata Bucher.

18th Friendship Junko Baseball Tournament

Guam once again hosted the 18th Friendship Junko Baseball Tournament. The friendship tournament features a competitive pool of athletes from Toyo’s Junko University in Japan against Guam’s finest Major League teams. The tournament offers a unique experience for Guam athletes and visiting Japan teams as it uses a rubber baseball for greater trajectory and bounce when hit and fielded. The tournament format of using a slightly larger pingpong ball 44-millimeters in size over the traditional tournament format of using a slightly larger pingpong ball 44-millimeters in size over the traditional 40-millimeter ball results in longer rallies and players having to use more power to return serves. Once again in 2012, Japan continued to dominate the field of competitors.

Each year through Sports Grants and Event Support and Sponsorship funding, the bureau is able to support local sports federations and non-profit entities to hold events such as the XTERRA Guam Ko’ko Kids Run, the 14th Annual Guapot Y Peskadot, The Governors Council on Physical Fitness Awards and the 2012 Guam Master Games. In 2013, the Bureau remains focused in identifying and supporting key signature events and attractions for our local community and visitors alike, which remain critical to the development and enhancement of Sports Tourism on Island.

and visitors alike were able to witness some of the fastest, toughest outrigger canoe action the region has seen, with both sprint and distance races taking place in Guam owns Matatapang Beach in Tumon. Taking the overall honors in the 40mile race was Kepuha Huga.

11th Asian Seniors Bowling Championship

The 11th Asian Seniors Bowling Championship hosted by the Guam Bowling Congress showcase an excellent turnout of overseas countries participating in the tournament. Senior players from Australia, Japan, Korea, Chinese-Taipei, New Zealand, Philippines, and Guam – completed the Championships in several divisions held at Central Lanes in Tamuning. After all was said and done, it was a clean-sweep for Team Japan as the trio of Kazuyoshi Nishida, Toshihiro Takashishi and Katsumi Kamishita claimed the top three spots in the All-Events.

15th Annual TRUE GRIT Tournament

The 15th annual Budweiser “TRUE GRIT” Guam Rugby International Tournament featured Rugby squads from Asia Pacific. Micronesia and Guam. Taking the overall honors for the Men’s division was Para Todu. In the women’s finals, it was the visiting Japan team Little Blacks beating out on Guam’s Team Pokai.

FIFA’s Presidential Visit

Making headlines in 2012 was the official visit of FIFA President Joseph Blatter of the Federation International de Football Association. Blatter’s visit to Guam to unveil the new world-class turf field at the Harmon Fields further signifies Guam importance in the region and will help to develop the sport on island. More importantly, the new turf field provides the island with the opportunity to host international events.

6th Annual Guam International Large Ball Table Tennis Tournament

The 6th Annual Guam International Large Ball Table Tennis Tournament started roughly 6 years ago, however, this unique event continues to draw close to 100 participants each year from Japan and the local community. Held during the month of April, the tournament format of using a slightly larger pingpong ball 44-millimeters in size over the traditional 40-millimeter ball results in longer rallies and players having to use more power to return serves. Once again in 2012, Japan continued to dominate the field of competitors.

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CULTURAL HERITAGE and COMMUNITY OUTREACH (CHaCO)

Guam's culture plays a significant role in the island's attractiveness as a tourism destination. The Cultural Heritage and Community Outreach Division (CHaCO) of the Guam Visitors Bureau actively provides and maintains avenues for the continued development and strengthening of our culture and heritage in the tourism industry. CHaCO ensures that the cultural experience our visitors receive is consistent with the philosophies of our community.

The Cultural Heritage and Community Outreach Committee is tasked with the responsibility to provide a snapshot of Guam’s cultural experience in GVB’s promotional efforts, both locally and abroad, and to promote, support and facilitate the revitalization and display of Guam’s heritage, cultural values and natural history.

The Cultural Heritage and Community Outreach Committee, chaired by Board Member Theresa C. Arriola, is comprised of representation from the island community and our tourism stakeholders. These are the programs and activities funded in FY2012:

Cultural Presentations Overseas – Guam Chamorro Dance Academy

- Guam Chamorro Dance Academy was first piloted in FY2010 in the Tokyo area targeting Hula Dance Clubs. Five 2-day dance workshops were conducted with up to 50 pax attending each workshop conducted by the Traditional Dance Master Frank Rabon and 2 assistant instructors. The success of the program proved that our people and heritage are enticing elements in Guam’s role as an attractive destination. In FY2012 the program drew continued support through the number of participants scheduled for the year. In fact, in 2012 the GCDA students were invited to perform Guam Chamorro Dance during the Aloha Festival in Yokohama, Japan. As a result of the program, GCDA students continue to visit Guam to learn more about Chamorro culture and to participate in annual festivals in which they are invited to perform for our local audiences. The Guam Chamorro Dance Academy throughout Japan will continue in 2013 and will continue to feature Chamorro songs, dance, chants, and weaving to its students. Pa’a Taotao Tano continues to work in collaboration with the GVB locally and in Japan in promoting Chamorros culture through the performing arts.

Grants-in-Aid

GVB actively solicits individuals and organizations interested in holding events that conform to a set criteria established by GVB for community development and cultural promotion. Special emphasis was given to the development of new activities designed to attract visitors to Guam during off peak visitor arrival periods and events that offer a unique cultural experience. As a result, GVB is able to market a full year-round calendar of events that provide a range of elements in Guam’s role as an attractive destination. In FY2012 the program proved that our people and heritage are enticing elements in Guam’s role as an attractive destination. In FY2012 the program drew continued support through the number of participants scheduled for the year. In fact, in 2012 the GCDA students were invited to perform Guam Chamorro Dance during the Aloha Festival in Yokohama, Japan. As a result of the program, GCDA students continue to visit Guam to learn more about Chamorro culture and to participate in annual festivals in which they are invited to perform for our local audiences. The Guam Chamorro Dance Academy throughout Japan will continue in 2013 and will continue to feature Chamorro songs, dance, chants, and weaving to its students. Pa’a Taotao Tano continues to work in collaboration with the GVB locally and in Japan in promoting Chamorro culture through the performing arts.

2012 Guam Island Fiesta Tour (GIFT)

- Yona – Saint Francis of Assisi - October 2, 2011
- Yigo – Our Lady of Lourdes – February 12, 2012
- Barrigada - San Vicente Ferrer - April 15, 2012
- Merizo – San Dimas – April 29, 2012
- Santa Rita – Our Lady of Guadalupe – May 27, 2012
- Agat – Santa Ana - July 29, 2012
- Agat – Santa Rosa – August 26, 2012
- Talofofo – San Miguel - September 16, 2012
- Mangilao – Santa Teresita – September 30, 2012

Other supported events:

- Guam Beauty Organization – Miss Universe Guam 2012
- Beauty World Guam Organization – Miss World Guam 2012
- Miss Earth Guam 2012
- Soroptimist International of Guam – Silkbrasion Fama lao: A Festival of Arts
- Annual Manenggon Memorial
- Guam Society of America, Inc. – Capitol Hill Reception Liberation of Guam
- 6th Annual Agat Mango Festival
- GHRA - 5th Annual Taste Guam “Celebrating the Arts”
- Talofofo Banana Festival
- Santa Rita “Back to Sumay”
- 4th Annual Guapo Facha’an yan Pulan Chamoru – Chamorro Lunar Calendar Festival
- Guam Symphony Society – 22nd Annual Holiday Seaside Concert
- Japan Club of Guam - 32nd Japan Autumn Festival
- GHRA – 14th Annual Pasties in Paradise “O Christmas Treat”
- Guam Department of Education – Guapo Chamorro 2012
- Umatac Municipal Planning Council – Discovery Day 2012
- UOG – 9th Annual Inacha’igen Fino’ Chamoru – Chamorro Language Competition
- 2012 Maeso Crab Festival
- Agana Heights Annual Coconut Fair
- 3rd Annual Mangilao Donne Festival
- 2012 Maeso Fiestan Tasi
- Inetnon Gef Pago Cultural Arts Program – After School Instruction / Workshops
- Department of Chamorro Affairs - Nihii Ta Tafok, Let’s Weave
- Tamuning-Tumon-Harmon Municipal Planning Council – 1st Annual Latte Stone Festival
- Department of Agriculture – Organic Demonstration and Plant Nursery Farm
- USO – 2012 7th Annual Guam Six Star Service Salute
- 2012 Guam International Film Festival
- Miss World Guam 2012
- Beauty World Guam Organization – Miss Universe Guam 2012
- Guam Beauty Organization – Miss World Guam 2012
- Miss Earth Guam 2012
- Soroptimist International of Guam – Silkbrasion Fama lao: A Festival of Arts
- Annual Manenggon Memorial
- Guam Society of America, Inc. – Capitol Hill Reception Liberation of Guam
- 6th Annual Agat Mango Festival
- GHRA - 5th Annual Taste Guam “Celebrating the Arts”
- Talofofo Banana Festival
- Santa Rita “Back to Sumay”
- 4th Annual Guapo Facha’an yan Pulan Chamoru – Chamorro Lunar Calendar Festival
- Guam Symphony Society – 22nd Annual Holiday Seaside Concert
- Japan Club of Guam - 32nd Japan Autumn Festival
- GHRA – 14th Annual Pasties in Paradise “O Christmas Treat”
- Guam Department of Education – Guapo Chamorro 2012
- Umatac Municipal Planning Council – Discovery Day 2012
- UOG – 9th Annual Inacha’igen Fino’ Chamoru – Chamorro Language Competition
- 2012 Maeso Crab Festival
- Agana Heights Annual Coconut Fair
- 3rd Annual Mangilao Donne Festival
- 2012 Maeso Fiestan Tasi
- Inetnon Gef Pago Cultural Arts Program – After School Instruction / Workshops
- Department of Chamorro Affairs - Nihii Ta Tafok, Let’s Weave
- Tamuning-Tumon-Harmon Municipal Planning Council – 1st Annual Latte Stone Festival
- Department of Agriculture – Organic Demonstration and Plant Nursery Farm
- USO – 2012 7th Annual Guam Six Star Service Salute
- 2012 Guam International Film Festival

25th GUAM MICRONESIA ISLAND FAIR

The Guam Micronesia Island Fair is an annual signature cultural event of the Guam Visitors Bureau, showcasing the vibrant cultures of Micronesia.

In 2012 the Guam Visitors Bureau celebrated its 25th anniversary celebration of the event and expects to enhance the celebration for future events.

Overseas visitors and locals alike are able to experience the culture and arts unique to the Micronesian region during a three day celebration complete with entertainment, arts and crafts, and Micronesian cultural delicacies.

For over a quarter century, Master Carvers, blacksmiths, traditional fishing experts, jewelers, weavers, dancers, musicians and chefs from the Federated States of Micronesia, Rota, Saipan, Tinian, Republic of Kiribati, Nauru, the Marshall Islands and Palau, have gathered on Guam to commemorate the regions largest cultural event.

*Photos from the 25th Guam Micronesia Island Fair.
Tourism Industry Relations is tasked with ensuring visitors safety and satisfaction. This division also bridges the gap between the private sector and local residents. Below are programs the Tourism Industry Relations division is responsible for overseeing:

- **Golden Latte Awards** – In 2012, GVB merged its Excellence in Tourism Awards with GHRA’s All-Star Awards in the new Golden Latte Awards presented by GVB and GHRA. The GLA recognizes outstanding employees and companies that contribute great service within their organizations.
- **Tour Guide Certification** – GVB monitors tour guides and tour sites throughout Guam as well as business compliance with signage laws in Tumon.
- **Airport Ambassador Program** – GVB provides funding for the Ambassador Program at the A.B. Won Pat Guam International Airport, which offers assistance to arriving visitors by providing guidance on all forms and directions through the airport.
- **Welcome Service** – GVB provides welcome services for incentive groups as well as VIP guests upon their arrival to the Island or at an event they are hosting on Guam.

Special Projects identifies and pursues capital improvement and maintenance projects designed to enhance Guam’s product and image as a world-class destination. To achieve this mission, GVB oversees some of the projects below and are highlighted in the map to the left:

- Tumon and Hagåtña Beach Cleaning & Maintenance
- Tumon – San Vitores Road Landscaping Maintenance
- Island Roadway Maintenance
- Holiday Illumination Project

To assist in managing these projects, GVB has contracted TG Engineers to serve as the contract and compliance manager.
FY2012 was a year of tremendous growth and success for GVB and Guam tourism. Air seat capacity increased significantly and we welcomed a new Korean airline to Guam, Jeju Air. Also, in 2012, the implementation of the Russia visa waiver opened up a brand new and lucrative source market for the island.

On January 15, 2012, the Department of Homeland Security granted parole authority to eligible Russian tourists enabling them to visit Guam without a visa. GVB immediately took on the challenge to stage a strong presence within the Russia leisure travel market. By working closely with the U.S. Embassy, the U.S. Commercial Service, the Visit USA Russia Committee and the Bureau’s Social Media Strategist, GVB was able to launch and implement an aggressive marketing plan that included developing an official Guam Russian language website. GVB also participated in travel trade shows in Russia, presented destination workshops to Russian travel agents and media in Vladivostok and Khabarovsk, and even demonstrated Chamorro culture and traditional dance on Russian national television. The result is an impressive 455.1% increase of Russian visitor arrivals in FY2012 and the development of several new businesses on Guam that cater to our Russian visitors. GVB will continue to work diligently in FY2013 to grow and expand this exciting new market.

The Chinese travel market is the fastest growing visitor segment in the world and since Guam is located so close, China has become a very significant market for our island. Guam’s government and private sector leaders have been working diligently with the Commonwealth of the Northern Marianas and the U.S. Federal government to have China included in the new Visa Waiver Program being developed for the Marianas, of which Guam is a part. In the meantime, we continue to market Guam as an attractive, world-class resort destination in China and have been instrumental in minimizing the visa approval processing time down from several months to now less than a week.

In FY2012, GVB launched its first integrated cooperative social media marketing campaign, the Shop Guam Festival. The objective of the Shop Guam Festival campaign was to introduce Guam to 8 of our source markets as a trendy, diverse and duty free shopping paradise. GVB campaigned in search of 8 well-regarded and highly influential fashion bloggers from target markets in Japan, Korea, Taiwan, Hong Kong, China, Philippines, North America and Russia. Our marketing team carefully organized a week of exciting activities for the ambassadors that allowed them to experience Guam’s cultural and recreational activities, retail shopping and more. The media exposure Guam gained through the campaign was just phenomenal and I am very proud to report that the total campaign media ROI value of the Shop Guam Festival stands at $8.4 million. This could not have been possible without the outstanding work of the GVB team and the support of our campaign sponsors and partners.

As GVB celebrates its 50th Anniversary in 2013, we will continue to invest our digital capability and capitalize on the existing social media relationships to increase further brand exposure and tourist arrivals. GVB will continue to forge and strengthen travel trade relationships within all our source markets in an effort to grow and diversify the island’s tourism base and we will continue to promote Guam as a safe and satisfying world-class cultural destination.
MARKETING OBJECTIVES

- Strengthen the relationship with travel industry partners by organizing diverse programs including sales incentives and participating in tourism fairs in core markets including Japan, Korea, China, Hong Kong, Taiwan, North America, the Philippines, and Russia.
- Increase Guam’s online presence to consumers by using search engine optimization tactics such as consumer web promotion tie-ins, keyword searches, and blogging on major websites.
- Promote the beauty of Guam through location shooting of popular television drama series, music, and feature videos for each core market and generate valuable exposure value to targeted audiences of general consumers.
- Leverage popular consumer products with Guam’s messaging to travel through online promotions to produce equities of familiar brands with Guam’s brand.

MARKETING CALENDAR

<table>
<thead>
<tr>
<th>DATE</th>
<th>PROMOTION</th>
<th>VENUE</th>
<th>MARKET</th>
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</thead>
<tbody>
<tr>
<td>OCTOBER 2011</td>
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<tr>
<td>Sep 30 - Oct 2</td>
<td>JATA Tourism Forum and Travel Showcase</td>
<td>Tokyo, Japan</td>
<td>Japan</td>
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<tr>
<td>Oct 16-21</td>
<td>ITB Asia</td>
<td>Singapore</td>
<td>Asia Pacific</td>
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<tr>
<td>Oct 24</td>
<td>NTA Roadshow, Shenyang City</td>
<td>Liaoning Province, China</td>
<td>China</td>
</tr>
<tr>
<td>Oct 25</td>
<td>NTA Roadshow, Dalian City</td>
<td>Liaoning Province, China</td>
<td>China</td>
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<tr>
<td>Oct 27-30</td>
<td>(CITM) China International Travel Market</td>
<td>Kunming, China</td>
<td>China</td>
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<tr>
<td>Oct 29</td>
<td>Shanghai American School Centennial Int’l Fair</td>
<td>Shanghai, China</td>
<td>China</td>
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<td>NOVEMBER 2011</td>
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<tr>
<td>Nov 1-14</td>
<td>(ITF) Taipei International Travel Fair</td>
<td>Taipei, Taiwan</td>
<td>Taiwan</td>
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<tr>
<td>Nov 16-18</td>
<td>Cruise Shipping Asia</td>
<td>Marina Bay Sands, Singapore</td>
<td>Asia Pacific</td>
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<tr>
<td>Nov 26-27</td>
<td>(GCDA) Guam Chamorro Dance Academy</td>
<td>Osaka, Japan</td>
<td>Japan</td>
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<td>DECEMBER 2011</td>
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<tr>
<td>Dec 5-9</td>
<td>(NTA) National Tour Association Annual Convention</td>
<td>Las Vegas, Nevada</td>
<td>USA</td>
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<td>Dec 13-16</td>
<td>PATA-Micronesia 3rd Tri-Annual Chapter Meeting</td>
<td>Palau</td>
<td>Micronesia</td>
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<tr>
<td>Dec 16-18</td>
<td>China International Travel Expo on Ancient Tours and Cities</td>
<td>Beijing, China</td>
<td>China</td>
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<td>JANUARY 2012</td>
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<tr>
<td>Jan 14-15</td>
<td>Los Angeles Travel &amp; Adventure Show</td>
<td>Long Beach, California</td>
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<td>Jan 27-29</td>
<td>Los Angeles Times Travel &amp; Adventure Show</td>
<td>Los Angeles, California</td>
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<td>FEBRUARY 2012</td>
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<tr>
<td>Feb 17-19</td>
<td>(PTAA) Philippine Travel Agents Association Travel Tour Expo</td>
<td>SMX Convention Center, Mall of Asia, Pasay City, Philippines</td>
<td>Philippines</td>
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<tr>
<td>Feb 25-26</td>
<td>(GCDA) Guam Chamorro Dance Academy</td>
<td>Tokyo, Japan</td>
<td>Japan</td>
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<tr>
<th>DATE</th>
<th>PROMOTION</th>
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<tr>
<td>MARCH 2012</td>
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<tr>
<td>Mar 3-11</td>
<td>(BITF) Guangzhou Int’l Travel Fair</td>
<td>Guangzhou, China</td>
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<td>Mar 12-16</td>
<td>Seabridge Cruise Ship Convention</td>
<td>Miami, Florida</td>
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<tr>
<td>Mar 21-24</td>
<td>(MITT) Moscow Int’l Travel &amp; Tourism Fair</td>
<td>Moscow, Russia</td>
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<td>Mar 26-28</td>
<td>Guam Road Shows</td>
<td>Khabarovsk &amp; Vladivostok</td>
<td>Russia</td>
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<tr>
<td>Mar 29-31</td>
<td>PATA-Micronesia 2nd Tri Annual Chapter Meeting</td>
<td>Pohnpei, FSM</td>
<td>Micronesia</td>
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<td>APRIL 2012</td>
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<tr>
<td>Apr 6-8</td>
<td>Marina Diving Fair</td>
<td>Tokyo, Japan</td>
<td>Japan</td>
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<tr>
<td>Apr 13-16</td>
<td>(ADEX) Asia Dive Expo</td>
<td>Singapore</td>
<td>Asia Pacific</td>
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<tr>
<td>Apr 16</td>
<td>NTA Road Show</td>
<td>Tianjin</td>
<td>China</td>
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<tr>
<td>Apr 18-20</td>
<td>(COTTM) China Outbound Travel &amp; Tourism Market</td>
<td>Beijing, China</td>
<td>China</td>
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<tr>
<td>Apr 20-23</td>
<td>PATA Annual Meeting Malaysia Asia Pacific</td>
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<td>Apr 21-25</td>
<td>U.S. Travel Association International Pow Wow</td>
<td>Los Angeles, California</td>
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<td>TBC</td>
<td>JSTC Meetings</td>
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<td>MAY 2012</td>
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<td>May 4-6</td>
<td>Scuba Show</td>
<td>Long Beach, CA</td>
<td>USA</td>
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<td>May 18-20</td>
<td>Hana Tourism International Travel Fair</td>
<td>Seoul, Korea</td>
<td>Korea</td>
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<td>May 25-27</td>
<td>(PITE) Pacific International Tourism Expo</td>
<td>Vladivostok</td>
<td>Russia</td>
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<td>May 26-27</td>
<td>(GCDA) Guam Chamorro Dance Academy</td>
<td>Nagoya, Japan</td>
<td>Japan</td>
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<td>JUNE 2012</td>
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<tr>
<td>Jun 10-14</td>
<td>(KOTFA) Korea World Trade Fair</td>
<td>Seoul, Korea</td>
<td>Korea</td>
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<tr>
<td>Jun 13-14</td>
<td>(IPCOI) International Forum on Chinese Outbound Tourism</td>
<td>Beijing, China</td>
<td>China</td>
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<tr>
<td>Jun 14-17</td>
<td>(ITE) International Travel Expo Hong Kong Hong Kong China</td>
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<tr>
<td>Jun 30-Jul 4</td>
<td>US Consulate Office 4th of July Celebration</td>
<td>Vladivostok, Russia</td>
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<td>JULY 2012</td>
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<tr>
<td>Jul 10-14</td>
<td>Busan-Daejeon-Gwanju Roadshow</td>
<td>Busan/Daejeon/Gwanju-Korea</td>
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<tr>
<td>Jul 26-29</td>
<td>(GCDA) Guam Chamorro Dance Academy</td>
<td>Tokyo, Japan</td>
<td>Japan</td>
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<tr>
<td>Jul 27-29</td>
<td>Matsue Suigo Matsuri and Kashiwa Festivals</td>
<td>Kashiwa, Japan</td>
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<td>AUGUST 2012</td>
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<tr>
<td>Aug 8-11</td>
<td>PATA-Mic 2nd Tri-Annual Chapter Meeting</td>
<td>Chuuk, FSM</td>
<td>Micronesia</td>
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<td>Aug 18-22</td>
<td>Shenyang International Tourism Resources Exhibition</td>
<td>Shenyang, China</td>
<td>China</td>
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<td>Aug 22</td>
<td>NTA China Taiwan Roadshow</td>
<td>Taiyuan, China</td>
<td>China</td>
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<tr>
<td>Aug 20-27</td>
<td>Lotte Lido Hotel Summer Guam Festival</td>
<td>Jeju Island, South Korea</td>
<td>Korea</td>
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<tr>
<td>SEPTEMBER 2012</td>
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<tr>
<td>Sep 4-5</td>
<td>Visit USA Committee Russia Roadshow</td>
<td>Moscow</td>
<td>Russia</td>
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<tr>
<td>Sep 7-10</td>
<td>(BITF) Busan International Travel Fair</td>
<td>Busan, Korea</td>
<td>Korea</td>
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<td>Sep 15-19</td>
<td>Cruise Shipping Asia</td>
<td>Singapore</td>
<td>Asia Pacific</td>
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<tr>
<td>Sep 20-23</td>
<td>JATA Tourism Forum and Travel Showcase</td>
<td>Tokyo, Japan</td>
<td>Japan</td>
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<tr>
<td>Sep 20-23</td>
<td>(GCDA) Guam Chamorro Dance Academy</td>
<td>Tokyo, Japan</td>
<td>Japan</td>
</tr>
<tr>
<td>Sep 25-28</td>
<td>PATA Travel Mart</td>
<td>Manila, Philippines</td>
<td>Asia Pacific</td>
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</tbody>
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*All events may be changed at anytime and are subject to availability of funds.
**SHOP GUAM FESTIVAL 2012**

**OVERVIEW**

"Shop Guam Festival" is a global integrated cooperative social media marketing campaign that aimed to create interactive shopping experience highlighting Guam as a modern, fashionable, diverse, customer centric destination to shop. The campaign ran for a total of 120 days from September 26th 2012 to early January 25th 2013. The concept involved three Phases - "pre-qualification", "on-island shopping" and "everybody wins". The objectives of the campaign include sales, marketing and strategic development for the destination.

**Marketing goals**

- To brand and market Guam as a modern, trendy, fashionable shopping destination.
- To promote Guam's tax-free shopping, diverse brand inventories and friendly retail staffs.
- To generate tourist's awareness of US retail sales during year end holiday season.
- To increase GVB social media following and community engagements via retail sales incentives.
- To activate social influence via social technologies to drive interests to visit and shop in Guam.
- To achieve minimum media exposure ROI of $2 million dollars for the entire shopping campaign.

**Sales goals**

- To drive current and future demands for planned or spontaneous travels to Guam for shopping.
- To stimulate local retail sales and increase spending by visitor.

**Strategic goals**

- To plan and execute first ever global integrated campaigns based on "team Guam" vision
- To mobilize GVB industry members to work together on a large scale global promotion program.
- To develop a successful case study to encourage GVB members participating in the future co-op.

**ROADMAP**

To kick off, GVB offices in China, Hong Kong, Japan, Korea, Taiwan, Philippines, North America and Russia launched a series of "Shopping Ambassador" contests to identify an influential fashion blogger to be Guam’s shopping spokesperson in each of the 8 markets. Each winner is invited to Guam for a week during "Black Friday 2012" (November 23rd to 30th) with given prize of $6,000 USD to shop. Each is required to produce on the go social media contents via smartphones to share the visiting experience and create word of mouth about shopping on Guam.

To broaden the campaign exposure give Guam our own unique “sense of place”, GVB successfully integrated the launch of Shop Guam Festival (SGF) with our annual signature cultural event, Guam Micronesia Island Fair (GMIF). The Bureau invited over 80 international media from print, radio, newspapers, TV to digital publications who came to Guam from Oct 2nd - 7th 2012 to report the 25th annual GMIF and SGF. The global public relations effort not only introduced the colorful and rich cultural heritage of Guam & Micronesia but also expanded the interests and awareness of Guam’s shopping ambassador contest.

Another strategic milestone of Shop Guam Festival is the successful cooperation with key industry partners on Guam. GVB developed a co-op framework to help promote tourism stakeholders in various sectors and stimulate economic opportunities for them. Campaign supporters came from retail (DFS Galleria, The Plaza, Tumon Sands Plaza, Guam Premier Outlet), banking (Bank of Guam), and leisure & transportation (Baldyga Group, Hertz, Sky Dive, Shot Gun). The comprehensive marketing plan ensured these industry members receive adequate media coverage, social media exposure, and travel agency promotion. GVB’s marketing team accomplished a very ambitious and record breaking initiative to open its global marketing network for businesses on Guam to reach potential visitors across 8 markets in one single campaign.

**RESULTS**

120 days and 6 months of dedicated works, Guam Visitors Bureau achieved a transformational milestone. Shop Guam Festival created tremendous shared values for every marketing dollar invested. It is the first time GVB Marketing Department successfully promotes in 8 key markets. It is a huge win for the Bureau, industry supporters and also the tourists. Shop Guam Festival generated total of $8.4 million worth of media value in 120 days. The media value is estimated based on the advertising value equivalency (AVE). This involves determining what editorial coverage in traditional media would cost if purchased as paid advertising in our target countries.

In Phase 1, media coverage globally included 311 blog articles, 601 social media mentions, 51 news reports, 28 pages of magazine feature and 28 video episodes. Phase 2 was all about online word of mouth around Guam’s shopping experiences and brand inventories. Total social media efforts by our 8 shopping ambassadors generated 661 posts, 550,000 fans likes, 8,317 comments, 3,470 shares and 1.9 million web views. The reach, engagement and media value generated globally were 4 times higher than GVB originally set forth to achieve.
OBJECTIVES

• Define the most attractive market segments and visitor mix
• Attract niche segments to supplement arrivals during off peak periods
• Continue brand image advertising to upscale destination
• Maintain volume for mass travel market
• Increase impact of public relations and advertising
• Focus on MICE and Group Market
• Focus on travel experience to improve appeal

JAPAN MARKET FY2012

HIGHLIGHTS

Brand Initiatives
Our branding initiatives continue to be the forefront of our advertising messages, marketing promotions and special campaigns in Japan. Our number one source market, which makes up over 75% of Guam’s total arrivals, achieved a growth of 8.6%. Guam’s growth outpaced Japan’s outbound travel that grew by 6.36%.

Strengthening Of Yen Boosts Arrivals
The Japan Yen has played a vital role in the increase of outbound travel as the strengthening of its value has grown from USD1=JPY119 in FY2007 to USD1=JPY76.62 in FY2012. Japan outbound travel is expected to continue to rise over the next 5 – 10 years. Spending for our Japanese visitors is up to $596.00 per visitor.

Making Chamorro Culture Ubiquitous
Encouraged by a visit from Mr. Hiromi Tagawa, CEO, President and Director of JTB Corporation, the Bureau continues highlighting Guam’s uniqueness with marketing programs designed to promote our rich culture and natural beauty. Our advertising and marketing programs were focused on language, cuisine and dance.

MICE Market
In FY2011 the annual project Hafa Adai Guam Study Tour participants were agents focused on MICE and Group sales. As a result, in FY2012, 1,500 employees from Daihatsu Japan came to Guam for their annual trip. Receptions were held at the Hyatt Regency Guam, Westin Resort Guam and Hotel Nikko Guam. Guam was also the destination of choice for companies such as Cosmo Oil Navi (70 pax), Bauhaus (344 pax), Tohoku Kanami (100 pax), Charle (4,029 pax).

Other Key Initiatives
• Fine tune branding programs to promote the island as a unique destination
• Build stronger ties with national and local governments within Japan by encouraging mutual exchange programs
• Strengthen key partnerships with members of the Japan Guam Tourism Council (JGTC) comprising of top-level executives with major travel agencies in Japan.
• Work closely with the Japan Guam Tourism Council and the Japan Guam Travel Association to promote local events supporting Guam’s unique culture
• Continue with the Guam Chamorro Dance Academy creating a deeper connection with our visitors and our culture
• Design local events and promotions that promote interaction with local population
• Conduct product knowledge training and first hand experience to front line travel agents by offering three-day trips to Guam for over 90 agents who never visited the island.
• Generate Guam publicity in Japan local and national media by conducting courtesy calls on government officials with Guam goodwill ambassadors

JAPAN MARKET FY2012 AT A GLANCE

Trade Shows/Conventions/
Special Promotions: 49
Seminars/Workshops: 47
Travel Trade Fam Tours: 2
Media Fam Tours: 76

FY 2012 Total Arrivals: 907,765 (10.2%)
KOREA MARKET FY2012

OBJECTIVES

- Build the image of Guam as a family destination, like home away from home
- Position Guam as a shopping destination through co-promotion with Guam shopping centers
- Develop relaxation and “safe” concept to promote Guam as a fresh honeymoon destination
- Position Guam as a dynamic destination and actively target various sports-related SIT groups, as well as younger visitors
- Promote Guam as a destination for English learning
- Create and develop diverse programs for seniors
- Introduce various types of infrastructure for MICE travel
- Increase exposure of GVB brand and public relations through online channels
- Achieve 10% of total Korean outbound travelers

KOREA MARKET FY2012 AT A GLANCE

Trade Shows/Conventions: 3
Seminars/Workshops: 1
Cooperative Projects: 76
Travel Trade Fam Tours: 0
Media Fam Tours: 1
FY 2012 Total Arrivals: 165,143 (13.8%)

HIGHLIGHTS

First Guam Summer Festival Held in Jeju Island
In September 2012, GVB and Lotte Hotel completed a successful weeklong Guam Summer Festival promotion in Jeju Island, South Korea. The event featured Guam cultural performances, appearances by Miss Earth Guam, live weaving demonstrations and highlighted upcoming signature Guam events such as the annual Guam Micronesia Island Fair and Guam Ko’ko’ Road Race. Through this promotion, GVB was able to tap into Lotte’s direct mail membership of over 100,000 subscribers and gain media exposure for Guam in several Korean magazines and websites.

KGTC Guam Fam Tour
In February 2012, GVB hosted the Korea Guam Tourism Council for a series of meetings on Guam. The KGTC is comprised of senior level executives of the top Korean travel agencies. Discussions include support for additional airlines and gateways out of Korea to Guam.

Busan International Travel Fair (BITF)
Guam swept two awards at the Busan International Travel Fair on September 12, 2012 in Seoul, Korea — Best Folklore Performance Award and Best Tourism Marketing Award. Jesse & Ruby and the Guam cultural dancers were one of just two groups invited to perform at the opening ceremony. The Guam booth featured weaving demonstrations, live music and cultural dance performances, and meet-and-greet with Miss Earth Sarah Filush. An estimated 95,000 visitors attended the BITF, making it one of the regions largest travel fairs.

Hana Tour International Festival
On May 12, 2012, GVB participated in its first Hana International Travel Show, an exhibition that was attended by over 71,000 consumers and featured 475 organizations representing over 50 global destinations. The Guam booth featured live cultural demonstrations and a meet and greet with Miss International Guam.

Guam was presented with three awards at the 2012 Korea World Travel Fair held in Seoul. Of the 3,000 exhibitors at KOTFA 2012, GVB was presented with the prestigious “Best Tourism Publicity Award” and “Best Folklore Cultural Dance Award” while Pleasure Island Guam was awarded “Best Booth Design Award.” KOTFA 2012 drew over 3,000 exhibitors and gave them exposure and access to over 100,000 travel industry professionals, media and consumers that were in attendance over the course of four days.
OBJECTIVES

• To aggressively promote the:
  - Shoppers
  - Corporate for leisure and MICE
  - Weddings and honeymoon
  - Divers and Golfers
  - Education market

• To liaise more cost-effective joint promotion opportunities with leading travel agents, foreign chambers, and expats/local media, shopping malls, credit cards, private clubhouses, various fam tour, expats’ sponsorship events, airlines, and international expos

• To increase market share for the affluent experienced Chinese traveler and Expats

• To work closely with airlines and key travel agents for charter flights and new routes development

• To line up cross promotions opportunities with high-end shopping malls, luxury brands, credit cards, private clubhouses (golf), fashion brands, social media, etc, so as to attract more high-end segment

• To line up TV or movie management for TV/movie shootings on Guam

• To work with wedding agents for group wedding in Guam

• To line up with singers/artists for MTV/TV/movie shootings on Guam

• To work more online campaigns with more forums and seedings at popular blog sites or SNS

• Goal pax: 12,000

CHINA MARKET FY2012

HIGHLIGHTS

GVB Appoints New China Representative Agency
In December 2011, Ivy Alliance and AQ Communications became the GVB tourism destination representatives in China. Ivy Alliance works in partnership with AQ Communications Ltd, GVB’s Hong Kong and China representatives since 2004. AQ Communications continues to provide media relations and event management execution as well as daily administrative support in Guangzhou, Shanghai, and nearby provinces.

Charter Flights
Historically, Chinese New Year — late January to early February — is the peak travel period for Chinese visitors to Guam. However, increased efforts by GVB and industry wholesalers have resulted in an expansion in anticipation of the inclusion of China in the Guam-CNMI visa waiver program. As a result, China’s National Day has also become a peak traveling period with a total 15 charter flights scheduled in FY2012, bringing an additional 2,693 passengers to Guam.

Other Trade Shows:
• China’s 8th International Forum on Chinese Outbound Tourism (IFCOT)
• National Tour Association (NTA) Road Show
• CITM 2011

TAIWAN MARKET FY2012

HIGHLIGHTS

Taipei International Travel Fair 2011
For the 19th consecutive year, GVB attended the Taipei International Travel Fair in November 2011, the four-day event in which 1,500 exhibitors from 61 countries and approximately 250,000 consumers joined. During the grand opening ceremony, Senator Tina Rose Muña Barnes was invited on stage to participate in the ribbon cutting event. Furthermore, Guam was selected as one of the seven Best Booth Operator Award recipients for its outstanding performances.

During ITF 2011, Guam Booth integrated Facebook event “Check-in with Guam” for the first time and got positive responses from the participants. In addition, spectacular performances of Chamorro tradition and passionate interaction between the audience and the host attracted a lot of visitors, increasing the popularity of Guam Booth among people.

GVG also visited main airlines in Taiwan and AIT to strengthen partnership with them. During the course of visit with airlines, both airlines shared good results and charter flight plans. EVA Air also mentioned that they would begin to use Hello Kitty plane for the Taipei-Guam route starting from January 2012.

“The Fierce Wife” Movie Co-ops
GVB sponsored the Taiwanese movie, “The Fierce Wife” to shoot on Guam in February 2012. The movie was adapted from a popular TV drama and grossed over 4.3 million USD after released on August 17th. “The Fierce Wife” was adapted from a popular TV drama and grossed over 4.3 million USD after released on August 17th. The movie was adapted from a popular TV drama and grossed over 4.3 million USD after released on August 17th.

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PACIFIC MARKET FY2012

HIGHLIGHTS

GVB Participates in Productive PATA Travel Mart
GVB participated in the 2012 Pacific Asia Travel Association (PATA) Travel Mart held in Manila, Philippines in September 2012. As one of the organization’s signature events, the PATA Travel Mart is different from traditional consumer travel shows in that it is a “business to business” travel trade show. Destinations meet with travel wholesalers and agents by mostly pre-scheduled appointment. GVB’s marketing team had nearly 40 pre-scheduled appointments in addition to several walk-ins over the course of two days.

“This year’s PATA Travel Mart was one of the most productive. Our team met with many travel wholesalers, including a number from Russia, and that has already resulted in the creation of Guam travel packages in partnership with Korean Air,” said GVB Marketing Manager Pilar Laguaña.

PATA Micronesia Unveils Refreshing Brand Signature
One of the main highlights of the 3rd Tri-Annual PATA Micronesia Chapter meeting in August 2012 in Chuuk included the unveiling of the chapter’s Micronesia branding initiative campaign and new logo for the region with the tagline “Micronesia – Experience the Warmth.” The brand signature was created to invoke an image, a promise of warmth and represents the peace and tranquility of Micronesia.

HONG KONG MARKET FY2012

HIGHLIGHTS

Hong Thai Joint Summer Promotion
In May 2012, GVB partnered up with Hong Thai Travel, a leading travel agency in Hong Kong, in a joint summer campaign that showcased Guam and generated interest primarily through the use of social media marketing. Participants in the promotion qualified for a chance to win airline tickets and hotel stay on Guam by “liking” the GVB HK fanpage and Hong Thai fanpage and viewing a commercial on the page and answering a question about the commercial.

Chow Tai Fook Perfect One Facebook Campaign
GVB HK lined up with local jewel company Chow Tai Fook for a group wedding campaign on 11.11.2011 to promote Guam Weddings in Hong Kong. Couples entered the contest by uploading their “sweetest moment” photo and sharing, in 50 words or less, why they would like to get married on 11.11.2011. 11 couples each won a wedding trip to Guam.

OBJECTIVES

- To aggressively promote: - Weddings and honeymoons - FIT travelers - Families - Corporate and MICE - Golfers and divers - Education (Students)
- To organize a group wedding in Guam
- To work with airlines on joint ad placement
- To work with TV station, for TV episode shootings
- To work with singers/models on MTV/photography shootings
- Create more online campaigns with more forums, seeding in the right social network communities
- To organize media tour, agency tour, and bloggers tour
- To have joint promotions with shopping malls, luxury brands, credit cards, and more
- To organize a further boost awareness
- To have 2-3 “wow” public campaigns to drive visibility
- Goal Pax: 14,104

HONG KONG MARKET
FY2012 AT A GLANCE

Trade Shows/Conventions: 1
Seminars/Workshops: 5
Cooperative Projects: 12
Travel Trade Fam Tours: 0
Media Fam Tours: 6
FY 2012 Total Arrivals: 8,396 (-1.4%)
OBJECTIVES

• For FY2013, achieve a minimum of +10% to FY2011 arrivals of 60,940 to 67,034 from North America, Canada, Hawaii and Military and stretch goal of achieving +5% to FY2012 goal to 75,000 pax with the military build-up lead-in to main force support
• Promote to Chamorros, Friends of Guam, Families and Reunions. Enhance database of Chamorros living in the states via social media and develop online programs to generate interest on Guam
• Outreach to Military (active/retired), Veterans, families
• Solicit local industry support to create attractive reasons to visit Guam by Adventure travelers, schools, Divers, and cultural/heritage interests

NORTH AMERICA MARKET FY2012 AT A GLANCE

<table>
<thead>
<tr>
<th>Event Type</th>
<th>FY2012 Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Shows/Conventions</td>
<td>6</td>
</tr>
<tr>
<td>Seminars/Workshops</td>
<td>2</td>
</tr>
<tr>
<td>Cooperative Projects</td>
<td>7</td>
</tr>
<tr>
<td>Travel Trade Fam Tours</td>
<td>2</td>
</tr>
<tr>
<td>Media Fam Tours</td>
<td>0</td>
</tr>
<tr>
<td>FY 2012 Total Arrivals</td>
<td>65,539 (8.6%)</td>
</tr>
</tbody>
</table>

HIGHLIGHTS

Los Angeles Times Travel Show
Held at the Los Angeles Convention Center, GVB once again made a very strong impact on over 20,000 travel enthusiasts and media who attended the show and more than 1,300 trade professionals who exhibited. Daily cultural presentations on the Cultural Stage and at the GVB booth highlighted an already festive Guam presence with colorful balloons, big smiles, staff and volunteers sharing the Hafa Adai spirit. Product update presentations by GVB staff provided insight into Guam’s allure and reasons for travel to the region. United provided complimentary round-trip tickets from the U.S. to Guam and GVB used its social media outreach to raffle off the tickets using its Facebook page. Visitors to the GVB booth were encouraged to write testimonials of their visit and what they learned about Guam.

Los Angeles Travel & Adventure Show
GVB received rave reviews for its presentation at the Los Angeles Travel & Adventure Show 2012 held at the Long Beach Convention Center. Chamorro Cultural musicians and dancers from the area performed daily on the cultural stage and at the GVB booth. GVB staff made main stage presentations on Guam as a destination. United once again supported the efforts with a round-trip ticket from the U.S. to Guam and which was raffled off to GVB booth visitors. The show attracted more than 26,000 consumers, trade and media. GVB continues to reach out to Chamorros and friends of Guam living in the states and this show located in an important Guam-heavy community of California helps with GVB’s outreach efforts for Guam travel.

PHILIPPINES FY2012

HIGHLIGHTS

GVB Participates in Travel Tour Expo
Sponsored by the Philippine Travel Agencies Association (PTAA) and the Department of Tourism, the 19th annual Travel Tour Expo in Manila attracted over 80,000 consumers over the course of three days. GVB employed a photobooth to attract visitors to the Guam booth. Guests were able to take a photo with a Guam backdrop and were able to upload their photos to the GVB Philippines Facebook page for a chance to win Guam brand prizes and souvenirs.

Rogue Magazine Fam Tour
ROGUE is the Philippines’ only literary luxury magazine for a discerning and powerful audience. ROGUE is synonymous with beautiful women, world-class photography, and intelligent storytelling. A team from ROGUE visited Guam and experienced the island’s cuisine, duty-free shopping and adventure tours.

OBJECTIVES

• Enhance awareness, strengthen positive image of Guam as a family-friendly, premiere island getaway for first-time travelers and repeat tourists alike
• Build on the “island getaway,” “shopping” and “culinary feast” themes throughout the PR calendar
• Generate interest in what Guam has to offer through a more experiential messaging
• Increase visibility of Guam in Philippine traveling market through
• Maintain relations with various stakeholders: airlines, TAs, media
• Attract travelers to visit Guam through key messages, marketing activities and promotions, and word-of-mouth publicity
• Build the call-to-action campaign: Got to Go to Guam
• Springboard a campaign concept for the rest of FY-2011 and beyond
• Ultimately, increase the tourist arrivals in FY2012 to 14,808, a 20% increase in the 2010 arrivals total of 12,340 from the Philippines
• Further expand the arrivals number through promoting to expatriate communities in the Philippines
• Long-term, GVB-Philippines will exploit the seeding process in the FY2011 to tap low-hanging markets to send more tourists — both Filipinos and non-Filipinos — from the Philippines

PHILIPPINES MARKET FY2012 AT A GLANCE

<table>
<thead>
<tr>
<th>Event Type</th>
<th>FY2012 Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Shows/Conventions</td>
<td>8</td>
</tr>
<tr>
<td>Seminars/Workshops</td>
<td>0</td>
</tr>
<tr>
<td>Cooperative Projects</td>
<td>1</td>
</tr>
<tr>
<td>Travel Trade Fam Tours</td>
<td>3</td>
</tr>
<tr>
<td>Media Fam Tours</td>
<td>1</td>
</tr>
<tr>
<td>FY 2012 Total Arrivals</td>
<td>10,240 (-4.7%)</td>
</tr>
</tbody>
</table>

AR 12 | 32
OBJECTIVES

• Create a Guam brand awareness that is appealing to families, adventure travelers, and housewives
• Establish close working relationship with the U.S. Commercial Services in Moscow
• Secure membership with the Visit USA Committee
• Build our trade and media contact database and establish working relationships
• Obtain market data regarding Russian east coast cities for initial Guam brand awareness work
• Develop a strong and cost effective consumer public relations program in partnership with the private sector
• Generate special airline promotions
• To further develop air accessibility
• To develop an awareness of Guam as a U.S. visa-free destination
• To increase awareness of Guam’s visitors attractions and facilities
• To position Guam as a modern pacific tropical island resort
• To stimulate inter-island travel within the Marianas Islands
• To increase the travel trade’s knowledge and selling confidence in Guam as a close by modern pacific island resort destination and prepare them with the skill sets to sell Guam

RUSSIA MARKET FY2012

HIGHLIGHTS

Department of Homeland Security Grants Visa Parole Authority for Russian Visitors to Guam
The Department of Homeland Security on November 23, 2011 granted visa parole authority for Russian visitors to come to Guam. Parole authority allows tourists to enter the island on a case-by-case basis, without the need for a visa. The parole allows Russian visitors to stay in the Marianas Islands for up to 45 days total.

GVB Marketing Manager Pilar Laguaña stated that part of GVB’s marketing plans for Russia is to attend an international travel fair, much like the JATA fair in Japan, to be held in Moscow and to put on road shows in its focus cities in the eastern and central part of the country.

Laguaña added, “It is our intention to educate the travel trade on our Parole Authority Visa Waiver approval, provide information on the accessibility to the region, inform the trade of travel and tourism offerings, and to establish media relations for future marketing campaigns.”

GVB Welcomes First Russian Visitors to Guam Since Visa Parole Authority
On January 17, 2012, GVB welcomed the first Russian visitors since the U.S. Department of Homeland Security approved visa parole for Russian citizens on January 22, 2012. The Prudnikovs, a family of four, arrived on Guam via Korean Air under the Guam Russia Visa Waiver Parole Authority. The family stayed at the Pacific Islands Club and was on Guam for three weeks.

“We are delighted to welcome the Prudnikovs out of the cold winter weather into the gorgeous tropical climate of Guam,” said GVB General Manager Joann Camacho. “We are confident this charming family of four will enjoy all the beach, water, and family activities the island has to offer and return to Russia refreshed and recharged.”

GVB Meets with US Consul General in Moscow, Launches Russian Language Website
In March 2012, an official GVB and Mariana Visitors Authority delegation traveled to Moscow and met with the US Consul General and the U.S. Commercial Service, including the Minister Counselor for Commercial Affairs of the Embassy of the United States of America and the Chairwoman of the Visit USA Russia Committee.

The meeting marked the launch of the official GVB Russian language website and supporting social media sites.

GVB Makes First Appearance in Moscow Travel Show
GVB, together with Oversight Chairperson Senator Tina Muna Barnes and three member companies - Guam Voyage, Russia Guam Tours and United, participated in the Moscow International Travel and Tourism Exhibition from March 21-24, 2012. The exhibition attracted over 82,000 visitors during the 4-day show, with over 3,000 participants and exhibitors representing 185 destinations. The US Ambassador in Moscow visited the Guam booth area and presentation.

GVB Conducts Guam Destination Workshops in Khabarovsk and Vladivostok
A GVB delegation, led by Senator Tina Rose Muña Barnes, conducted separate Guam Destination Workshops and introduced Guam, CNMI and the region of Micronesia to all major Russia media outlets and travel agents in the Russian Far East cities of Khabarovsk and Vladivostok. Attendance at the workshops greatly exceeded GVB’s expectations and the bureau is very excited and encouraged by the incredible response. Joining GVB at its presentation were United, Korean Air, Guam Troika Tours, Russia Guam Tours and Edge Reality.

GVB Launches First Consumer Promotion in Russia, Guam Cultural Group Appears on Russian National Television
In July 2012, GVB launched the island’s first consumer promotion in Vladivostok during the city’s annual City Day holiday.

“We were privileged to have taken part in Vladivostok’s 152nd anniversary. As Russia is a new market for Guam, our participation assists us in raising awareness of Guam and what we have to offer Russian visitors,” said GVB General Manager Joann Camacho.

Award-winning Guam cultural group Inetnon Gef Pa’go was featured on the Russian national television program “Tsentre Uninmanija” (“The Center of Attention”), Members of the group discussed Chamorro culture and history on the show and performed signature Chamorro dances. The appearance was made possible through a partnership with the U.S. Consulate office in Vladivostok.

GUAM VOYAGE - Artur Mladinov at the 2012 Moscow International Travel and Tourism Exhibition

GVB Marketing Officer II Gina Kono; Russia Guam Tours - Ioulia Safer; GVB Marketing Manager Pilar Laguaña; Senator Tina Rose Muna Barnes; and Guam Voyage - Artur Mladinov at the 2012 Moscow International Travel and Tourism Exhibition

Members of Inetnon Gef Pa’go appear on the Russian television program “Tsentre Uninmania” to promote awareness of Guam culture and traditional dance.

AT A GLANCE

Trade Shows/Conventions: 2
Seminars/Workshops: 4
Cooperative Projects: 1
Travel Trade Fam Tours: 1
Media Fam Tours: 1
FY 2012 Total Arrivals: 2,931 (455.1%)
Research & Statistics
**FISCAL YEAR ARRIVALS • CIVILIAN/ARMED FORCES AIR & SEA**

**Compiled by the Guam Visitors Bureau, Research Department.**

**FISCAL YEAR ARRIVALS**
**CIVILIAN/ARMED FORCES AIR & SEA, BY ORIGIN**

***Navy Port Control. Source: Civilian air & sea and Armed Forces arrivals, Customs and Agriculture Declaration Form, Customs & Quarantine Agency. Processed and compiled by the Guam Visitors Bureau, Research Department.***

<table>
<thead>
<tr>
<th>Total Civilian Air</th>
<th>Total Civilian Sea</th>
<th>Total AF Air</th>
<th>Total AF Sea***</th>
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<td>1,123,831</td>
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<td>1,150,847</td>
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<td>1,147,134</td>
<td>1,170,857</td>
<td>1,270,161</td>
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**TOTAL ARRIVALS**

<table>
<thead>
<tr>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>% Change LY</th>
<th>MIX</th>
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</thead>
<tbody>
<tr>
<td>Japan</td>
<td>882,782</td>
<td>815,262</td>
<td>884,801</td>
<td>819,256</td>
<td>901,683</td>
<td>10.1%</td>
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<tr>
<td>Korea</td>
<td>116,041</td>
<td>83,639</td>
<td>120,002</td>
<td>144,844</td>
<td>164,821</td>
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<tr>
<td>Taiwan, R.O.C.</td>
<td>21,237</td>
<td>22,594</td>
<td>29,415</td>
<td>40,707</td>
<td>49,883</td>
<td>23.5%</td>
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<td>US Mainland</td>
<td>37,103</td>
<td>37,779</td>
<td>42,619</td>
<td>40,074</td>
<td>41,199</td>
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<tr>
<td>Hawaii</td>
<td>9,267</td>
<td>8,891</td>
<td>9,863</td>
<td>9,488</td>
<td>9,768</td>
<td>3.0%</td>
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<tr>
<td>CNMI</td>
<td>18,384</td>
<td>17,747</td>
<td>18,345</td>
<td>17,930</td>
<td>17,208</td>
<td>-3.9%</td>
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<tr>
<td>Palau</td>
<td>3,455</td>
<td>3,645</td>
<td>4,439</td>
<td>3,316</td>
<td>3,667</td>
<td>-4.3%</td>
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<td>FSM</td>
<td>8,509</td>
<td>9,239</td>
<td>9,516</td>
<td>10,164</td>
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<td>CNMI</td>
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<td>17,747</td>
<td>18,343</td>
<td>17,930</td>
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**TOTAL ARRIVALS**

1,179,246 1,053,248 1,170,857 1,147,134 1,270,161 10.7%

**FY 2008**

-15.5% 34.9% 4.7% -5.8% 0.5% -3.6% -10.7% 11.2% -2.0% 10.7%
GUAM’S MARKET SHARE OF JAPAN OUTBOUND TRAVELLERS

JAPAN VISITOR PROFILE

Marital Status

- Single .......................................................... 39%
- Married ....................................................... 61%

Age

- Less than 20 years ........................................... 2%
- 20-29 years ................................................... 54%
- 30-39 years ................................................... 21%
- 40-49 years ................................................... 14%
- 50+ years ..................................................... 8%

Income

- Less than ¥3.0M ............................................ 19%
- ¥3.0M-¥3.9M ............................................... 13%
- ¥4.0M-¥4.9M ............................................... 7%
- ¥5.0M-¥6.9M ............................................... 20%
- ¥7.0M-¥9.9M ............................................... 15%
- ¥10.0M+ ..................................................... 16%
- No income specified .................................... 2%

Travel Companions

- Friends .......................................................... 53%
- Family ......................................................... 23%
- Spouse only .................................................. 16%
- Child ............................................................ 16%
- No travel companions .................................. 24%
- Alone ........................................................... 5%
- Group ........................................................... 16%

Travel Time

- Business .................................................................. 37%
- Pleasure ........................................................... 63%

Marital Status

- Single .......................................................... 39%
- Married ....................................................... 61%

Age

- Less than 20 years ........................................... 2%
- 20-29 years ................................................... 54%
- 30-39 years ................................................... 21%
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- ¥4.0M-¥4.9M ............................................... 7%
- ¥5.0M-¥6.9M ............................................... 20%
- ¥7.0M-¥9.9M ............................................... 15%
- ¥10.0M+ ..................................................... 16%
- No income specified .................................... 2%

Travel Companions

- Friends .......................................................... 53%
- Family ......................................................... 23%
- Spouse only .................................................. 16%
- Child ............................................................ 16%
- No travel companions .................................. 24%
- Alone ........................................................... 5%
- Group ........................................................... 16%

Travel Time

- Business .................................................................. 37%
- Pleasure ........................................................... 63%

Length of Stay

- 1-2 nights ....................................................... 29%
- 3 nights ....................................................... 52%
- 4+ nights ..................................................... 19%

Expenditures (per person)

- Prepaid .......................................................... ¥900.30
- On-island ...................................................... ¥596.00
- Average Exchange Rate ................................ ¥76.62

Travel Planning

- Full tour package .............................................. 22%
- Free-time package ........................................... 69%
- Individually arranged travel ..................... 5%
- Group tour .................................................... 3%

Travel Motivation

- Beach ............................................................. 60%
- Pleasure ........................................................... 50%
- Relaxation ....................................................... 43%
- Shopping ......................................................... 34%
- Sightseeing ..................................................... 34%
- Water Sports ................................................... 24%
- Food ................................................................. 17%
- Recommendation ................................. 21%
- Honeymoon .................................................... 4%
- Scuba ............................................................... 5%

Complied by the GVB Research Department.

Source: Ministry of Justice, Japan. Compiled by the Japan National Tourist Organization.
GUAM'S MARKET SHARE OF KOREA OUTBOUND TRAVELLERS

KOREA ARRIVALS • BY REGION OF ORIGIN

Processed and compiled by the Guam Visitors Bureau, Research Department.
Source: Civilian air & sea and Armed Forces arrivals, Customs and Agriculture Declaration Form, Customs & Quarantine Agency.

KOREA ARRIVALS • BY REGION OF ORIGIN

MARKET SHARE

Seoul Inchon Chungbuk Chungnam Gangwon Jeonbuk Gyeonbuk Gyeonggi Jeonnam Gyeongnam Other TOTAL

FY2011 Market Mix 52.9% 5.9% 1.3% 3.1% 0.9% 1.2% 2.7% 21.6% 2.2% 5.0% 3.1%
FY2012 Market Mix 51.8% 5.9% 1.4% 3.3% 1.1% 1.4% 2.7% 22.2% 2.0% 5.0% 3.2%

GUAM'S MARKET SHARE OF KOREA OUTBOUND TRAVELLERS

Source: Korea Tourism Organization.

KOREA VISITOR PROFILE

Marital Status
Single ................................................. 17%
Married ............................................. 83%

Age
Less than 20 years ................................ 1%
20-29 years ......................................... 21%
30-39 years ......................................... 55%
40-49 years ......................................... 19%
50+ years ............................................ 4%

Expenditures (per person)
Prepaid .............................................. $916.10
On-island .......................................... $392.00
Average Exchange Rate ..................... KWT117.50

Travel Planning
Full tour package ................................ 55%
Free-time package ............................ 33%
Individually arranged travel ............... 6%
Group tour ......................................... 3%
Company Paid .................................... 3%

Travel Motivation
Relaxation ........................................... 57%
Beach ............................................... 41%

Trip Status
First Timers ...................................... 85%
Repeaters ......................................... 15%
Repeat Visitors Last Trip
Within the last year ......................... 30%
1 to 2 years ...................................... 19%
2 or more years ............................... 50%

Gender
Male ............................................... 50%
Female ............................................ 50%

Source: FY2012 GVB Korea Exit Surveys and FY2012 Data Aggregation Report. Fieldwork and analysis by QMark Research & Polling Guam. Percentages are rounded and may not add up to 100%. Average exchange rate source: oanda.com
TAIWAN ARRIVALS • BY REGION OF ORIGIN

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GUAM’S MARKET SHARE OF TAIWAN OUTBOUND TRAVELLERS

Source: Civilian air & sea and Armed Forces arrivals, Customs and Agriculture Declaration Form, Customs & Quarantine Agency. Processed and compiled by the Guam Visitors Bureau, Research Department.

TAIWAN VISITOR PROFILE

Marital Status
- Single ........................................ 37%
- Married .................................... 63%
- Divorced .................................. 0%
- Widowed .................................. 0%

Age
- Less than 20 years .................... 1%
- 20-29 years .............................. 41%
- 30-39 years .............................. 38%
- 40-49 years .............................. 15%
- 50+ years ................................ 5%

Expenditures (per person)
- Prepaid .................................... $659.60
- On-island ................................ $498.30
- Average Exchange Rate .............. NT30.47

Travel Planning
- Full tour package ...................... 27%
- Free-time package ..................... 43%
- Individually arranged travel........ 23%
- Group tour .............................. 4%
- Company Paid .......................... 4%

Travel Motivation
- Relaxation .............................. 32%
- Beach .................................... 58%
- Travel Time ............................. 5%
- Safe Destination ...................... 20%
- Honeymoon ............................ 12%
- Recommendation .................... 15%
- Shop ..................................... 20%
- Water Sports ......................... 12%
- Prior Trip .............................. 5%
- Price ..................................... 11%
- Scuba ................................... 14%
- Pleasure ................................. 5%
- Golf ..................................... 4%
- Get Married ............................ 5%
- Visit Friends & Relatives .......... 3%

Gender
- Male ....................................... 55%
- Female ................................... 45%

Source: FY2012 GVB Taiwan Exit Surveys and FY2012 Data Aggregation Report. Fieldwork and analysis by GVB Research & Polling Guam. Percentages are rounded and may not add up to 100%. Average exchange rate source: oanda.com
### China Arrivals • By Region of Origin

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Source: Civilian air & sea and Armed Forces arrivals, Customs and Agriculture Declaration Form, Customs & Quarantine Agency.

### China Charter Seats to Guam by Origin

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Compiled by the GVB Research Department.

### Hong Kong Visitor Profile

#### Marital Status
- Single ................................................................. 30%
- Married ................................................................. 70%

#### Age
- Less than 20 years .................................................. 0%
- 20-29 years ............................................................. 44%
- 30-39 years ............................................................. 33%
- 40-49 years ............................................................. 14%
- 50+ years ............................................................... 7%

#### Income
- Less than HKD240K .................................................. 8%
- HKD240K-HKD500K .................................................. 45%
- HKD500K-HKD1,000 ................................................... 34%
- HKD1,000+ ............................................................... 12%
- No income specified ................................................ 2%

#### Travel Companions
- Friends ................................................................. 25%
- Family ................................................................. 15%
- Spouse only ............................................................ 51%
- Child ................................................................. 10%
- Office ................................................................. 10%
- Alone ................................................................. 0%
- Other ................................................................. 0%

#### Trip Status
- First Timers ............................................................ 90%
- Repeaters .............................................................. 10%

#### Travel Motivation
- Relaxation .............................................................. 25%
- Beach ................................................................. 47%
- Safe Destination ..................................................... 13%
- Honeymoon ............................................................ 9%
- Recommendation .................................................... 7%
- Shop ................................................................. 16%
- Water Sports .......................................................... 11%
- Prior Trip .............................................................. 5%
- Price ................................................................. 6%
- Visit Friends & Relatives ......................................... 3%
- Golf ................................................................. 8%
- Get Married .......................................................... 10%

#### Length of Stay
- 1-2 nights ............................................................. 25%
- 3 nights ............................................................... 49%
- 4+ nights ............................................................. 26%

#### Expenditures (per person)
- Prepaid ................................................................. HKD$660.70
- On-island .............................................................. HKD$471.10
- Average Exchange Rate ........................................... HKD$7.79

#### Travel Planning
- Full tour package .................................................... 5%
- Free-time package ................................................... 24%
- Group tour ............................................................. 68%
- Company Paid ......................................................... 2%

#### Gender
- Male ..................................................................... 57%
- Female ................................................................. 43%
### HOTEL OCCUPANCY TAXES

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<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
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### HOTEL ROOM RATES (Avg. Weighted)

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### OTHER VISITOR ARRIVALS • BY REGION OF ORIGIN

#### HOTEL OCCUPANCY TAXES

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#### CANADA (CIVILIAN AIR)

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#### ARMED FORCES SEA ARRIVALS

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<th>AUG</th>
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#### CIVILIAN SEA ARRIVALS

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<td>FY2010</td>
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<tr>
<td>FY2011</td>
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</tbody>
</table>

### Source:
- Division of Accounts, Department of Administrative, Government of Guam.
SUMMARY

GVB’s operations is funded through an eleven percent (11%) hotel occupancy tax, authorized through the Guam Legislature’s annual budget appropriations. In fiscal year 2012, Public Law 31-77 appropriated $14,487,625 to GVB, of which $13,314,823 for operations and $1,172,802 for special projects.

Hotel Occupancy Tax collections in Fiscal Year (FY) 2012 were up over 12% versus FY2011, and the Bureau’s operational budget of $13,314,823, was fully funded. However, Special Projects, which includes projects like Tumon and Hagatña beach cleaning, Tumon landscaping and islandwide road maintenance, was underfunded by $82,096. GVB’s board, management and staff maintained a financially conservative philosophy in managing its expenditures to avoid statutory penalties associated with expenditures beyond allotments. Operating expenditures totaled $11,880,788 for the year, which does not include pass through appropriations, promotional in-kind contributions, community programs, and depreciation.

The Bureau received an additional $530,376 for pass through appropriations, $944,184 for Rainy Day fund and FESTPAC Trust Account (restricted), and $380,221 for prior year appropriations. This totaled $15,169,604 in allotment revenues. In addition, $712,243 in Federal revenues was granted to GVB through the American Recovery and Reinvestment Act (ARRA) 2009 for the completion of the Design Build Energy Upgrade project.

Direct appropriations from the Tourist Attraction Fund decreased 32% this year, from $10,001,716 in FY2011 to $6,792,247. This was primarily because of the $2,855,889 reduction in payments due to the Limited Obligation HOT Bond, Series 2011A. Comparing the total FY2012 appropriation from the TAF ($23,160,586) and the actual collections ($25,820,086), there was a $2,659,500 surplus.

Marketing was the largest expenditure at $7.6 million, almost 5% more than in FY2011. Japan and Korea represented the largest share at a combined $5,686,784. At $1,838,358, personnel salaries and benefits increased 6% over last year due to increments, but represent only 16% of all operational expenditures.

FY2012 saw the launch of capital improvement projects that use proceeds from Hotel Occupancy Tax (HOT) Revenue Limited Obligation Bonds to fund the building of the Guam Museum as well as upgrade and refurbish some of our island’s historic sites, tourist attractions and community projects. Architects Laguna & Cristobal were selected to design the $27 million Guam Museum, with groundbreaking scheduled for early 2013 with a completion date target of late 2014. Other key projects that were initiated were San Vitores flooding mitigation, the Plaza de España and Inarajan Community Center restoration.

Hotel room inventory (8,285) was down 6% from last year, with the decrease primarily due to GVB’s efforts to resurvey the properties to get a more accurate accounting of actual available accommodations. The weighted hotel occupancy rate (78%) was up 8 points versus FY2011, and the average daily room rate rose from $114 to $121. This year, the Bureau recognized $37,600 in membership dues, up 24.5% from the prior year due to it being an election year for membership directors, which occurs every other year.
PERFORMANCE

Total arrivals to Guam

<table>
<thead>
<tr>
<th>Year</th>
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<th>2010</th>
<th>2011</th>
<th>2012</th>
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<td>FY09</td>
<td>1,038,796</td>
<td>1,162,000</td>
<td>1,138,423</td>
<td>1,162,828</td>
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<td>FY10</td>
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<tr>
<td>FY11</td>
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<tr>
<td>FY12</td>
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FINANCIAL REPORT

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<th>2011</th>
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<tr>
<td>Revenues:</td>
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<tr>
<td>Consumption tax refund</td>
<td>196,118</td>
<td>224,468</td>
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<tr>
<td>In-kind contributions from members and others</td>
<td>88,550</td>
<td>1,122,635</td>
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<tr>
<td>Memberships</td>
<td>57,600</td>
<td>30,200</td>
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<tr>
<td>Total revenues</td>
<td>322,268</td>
<td>1,377,303</td>
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<tr>
<td>Loss:</td>
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<td></td>
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<tr>
<td>Bad Debts</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Net Revenues</td>
<td>322,268</td>
<td>1,377,303</td>
</tr>
</tbody>
</table>

| Expenses: |       |       |
| Professional services | 8,844,374 | 8,086,548 |
| Personnel | 1,838,358 | 1,738,183 |
| Miscellaneous | 880,722 | 896,654 |
| Pass-thru appropriations | 530,376 | 1,351,605 |
| Travel | 473,445 | 442,102 |
| Rent/lease | 271,488 | 286,979 |
| Utilities | 210,964 | 211,584 |
| Grants | 188,850 | 276,607 |
| Community Programs | 162,315 | 45,735 |
| Materials and supplies | 152,570 | 115,706 |
| Depreciation | 109,364 | 113,975 |
| Promotional in-kind contributions | 88,550 | 1,122,635 |
| Equipment | 42,039 | 22,744 |
| Advertising | 35,022 | 77,848 |
| Insurance | 23,458 | 19,940 |
| Repair and maintenance | 16,437 | 31,741 |
| Total operating expenses | 13,869,332 | 14,640,586 |
| Operating revenues net of operating expenses | (13,547,064) | (13,263,283) |
| Nonoperating revenues (expenses): |       |       |
| Grants-in-kind from Government of Guam |       |       |
| Operations | 15,729,934 | 13,177,625 |
| Pass-thru | 530,376 | 1,351,605 |
| Federal | 172,243 | 100,000 |
| Other nonoperating income (expense), net | 221,224 | 390,372 |
| Interest income | 12,925 | 10,147 |
| Total nonoperating revenues, net | 16,666,702 | 14,829,549 |
| Change in net assets | 3,119,638 | 1,566,266 |
| Net assets at beginning of year | 14,355,440 | 12,689,374 |
| Net assets at end of year | 17,375,078 | 14,255,440 |

LOOKING TO THE FUTURE

GVB Supported Organizations
- Department of Administration
- Department of Parks & Recreation
- FESTPAC & Fokile Festival
- Guam Community College
- Guam Council on the Arts & Humanities Agency
- Guam Environmental Protection Agency
- Guam International Film Festival
- Guam Museum Foundation
- Guam Police Department
- Guam Territorial Band
- Guam Tourism Foundation
- Guampedia Foundation
- Haya Cultural Preservation Foundation (Ginang-ta Outreach)
- Historic Inalahan Foundation
- Mayor’s Council of Guam
- Micronesia Cruise Association
- Pa’a Taotao Tano
- Pacific War Museum Foundation
- The As and A’s of Chamorro Project
- Tourism Education Council
- Traditions About Seafaring Islands (TASI)
- Traditions Affirming our Seafaring Ancestry (TASA)
- University of Guam
- World War II Survivor History - Video Commentary

HOT Bond Projects
- HOT stands for Hotel Occupancy Tax, which was created to fund the operations and functions of the Guam Visitors Bureau. HOT Bond Projects are Capital Improvement Projects that use proceeds from HOT Revenue Limited Obligation Bonds to fund the building of Guam’s first permanent and comprehensive cultural and educational museum as well as upgrade and refurbish some of our island’s historic sites, tourist attractions and community projects. The HOT Bond Projects were established by Public Law 30-228.

The Guam Museum
- The original Guam Museum was built in 1932 and about a decade later it was completely destroyed during World War II, with many artifacts dispatched for safe keeping to other museums and private collectors around the world.
- The vision of the Guam Museum Foundation, Inc is to build a world class facility that is home for artifacts and historic documents; a dynamic cultural destination that reflects a sense of Guam and the Chamorro culture and stimulates community ownership and involvement.

Other Hot Bond Projects
- Restoration of Plaza de España
- San Vitores Road Flooding Mitigation
- Hagåtña Vicinity Street Light Installation
- Governor Joseph Flores Memorial Park Enhancements (Ypao Beach)

INDEPENDENT AUDIT: An independent audit, performed by Deloitte & Touche, resulting in the GVB receiving an unqualified (clean) audit opinion. The Office of Public Accountability released the audited financial report dated February 21, 2013 and can be found on the OPA’s website, www.guamoa.com.