

Visit Kent's Business Barometer March 2011

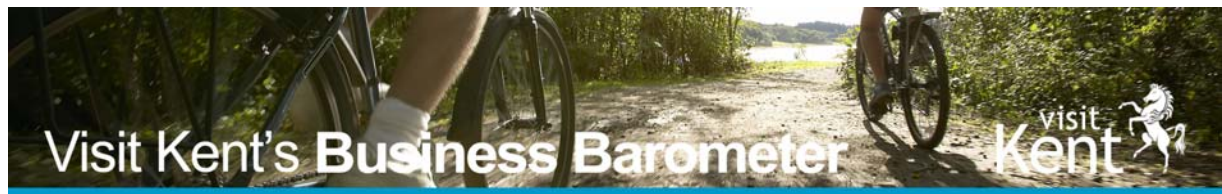
The Easter holidays began for some schools in March last year, but in 2011 no part of the Easter holidays fell in March, and so visitor numbers could be expected to be slightly down on 2010. However, the overall visitor numbers to attractions are up by 3% for the first quarter compared to 2010.

Comparison March 2010/2011

| | |
|---|----------------|
| Attraction Visitor Numbers | Down 6% |
| TIC Visitor Numbers | Down 8% |
| Cross Channel Passengers | Down 7% |
| Serviced Accommodation Smaller hotel, B&B and Guesthouses | Up 14% |
| Serviced Accommodation Larger Hotel Accommodation Occupancy for June <small>Source 2011 STR GLOBAL Ltd</small> | Down 1% |

Topline Summary

- New International Passenger Survey data shows Kent's performance over the last decade as a tourism destination, and the current strength of the day visitor market due to the Euro:Pound exchange rate.
- Page views to the Visit Kent consumer website were up 49% on 2010, and visits up by 7% showing visitors were dwelling on the site for a greater length of time in their information search.
- Smaller serviced accommodation performed well this month with average occupancy of 43.9% compared to 29.6% last year. On reference to the national picture no trends are clear, but a general good performance across the country in these early months of 2011 covers a mixed picture in the industry. Please see updated January and February figures with the March analysis
- 1st quarter visitor numbers to attractions are up by 3% compared to 2010
- TICs fall in visitors' footfall is matched by a rise in email enquiries



Attractions

Kent visitor numbers in March

| Visitor numbers | 2010 | 2011 | % change |
|-----------------|---------|---------|----------|
| | 223,400 | 210,009 | Down 6% |

In 2010 Easter was early and the related school holidays began in March. As Easter was later this year, March did not benefit with visitor numbers relating to the Easter holidays, and so it is not surprising that there has been a fall this month in numbers compared to 2010.

Kent visitor numbers – Year to date

The 'year to date' visitor figures from our sample (excluding retail) are:

| | 2010 | 2011 | % change for month | Year to date Totals 2010 | Year to date Totals 2011 | % change for year to date |
|-----------------|---------|---------|--------------------|--------------------------|--------------------------|---------------------------|
| January | 51,133 | 60,682 | Up 18% | 51,133 | 60,682 | Up 18% |
| February | 91,277 | 106,118 | Up 16% | 142,410 | 166,800 | Up 17% |
| March | 223,400 | 210,009 | Down 6% | 365,810 | 376,809 | Up 3% |

Range of performance amongst attractions overall

14 attractions reported a rise in visitor numbers ranging from 1% to 910% (although the latter was due to extended opening hours and product improvement)

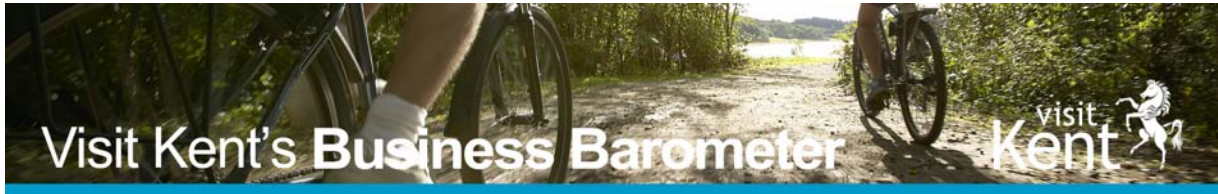
11 attractions reported a fall in visitor numbers ranging from 4% down to 22%.

Performance according to attraction type, % change March 2010/11

| Historic Building/ Heritage Attraction | Museum | Other |
|--|-----------|-------|
| Down 6% | Down 0.4% | Up 4% |

Performance according to attraction size % change March 2010/11

| Visitors of 20,000 or less | Visitors of between 20,001 and 50,000 | Visitors of between 50,001 and 100,000 | Visitors of between 100,001 and 200,000 | Visitors of over 200,000 per year |
|----------------------------|---------------------------------------|--|---|-----------------------------------|
| Down 9% | Down 1% | Up 3% | Up 15% | Down 10% |



Performance according to cost % change March 2010/11

| Charging | Free |
|----------|-----------|
| Down 7% | No change |

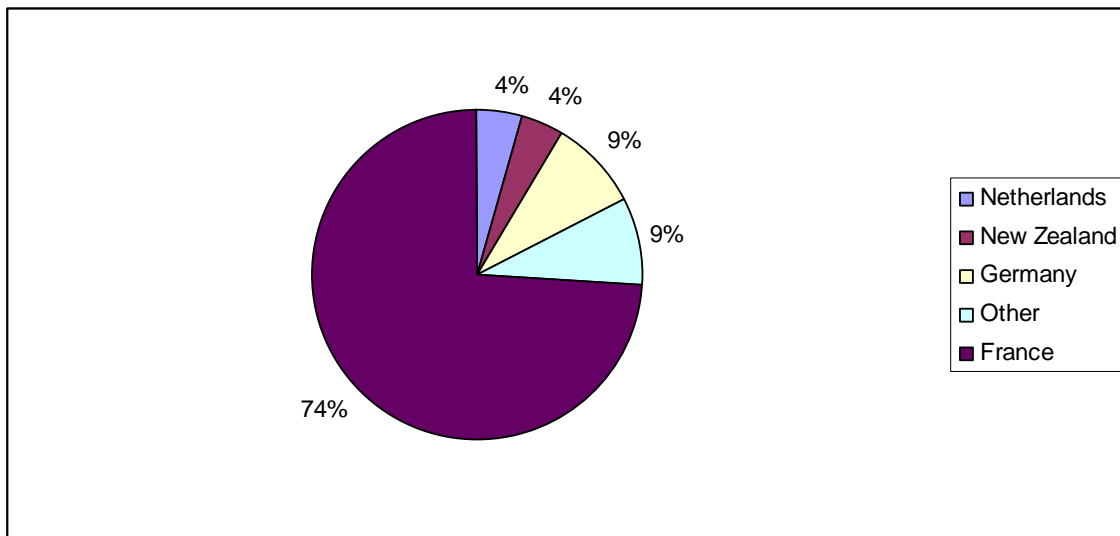
Performance according to location, % change March 2010/11

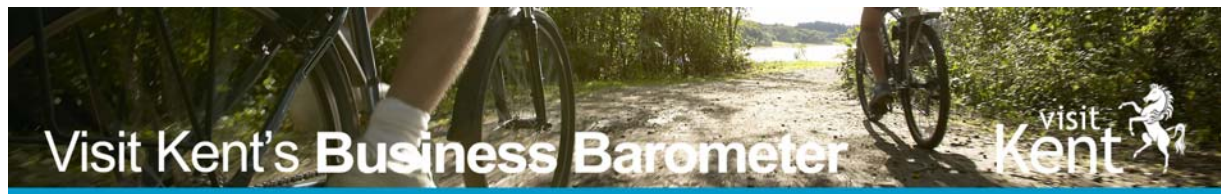
| Coastal | Rural | Urban |
|---------|-------|----------|
| Down 6% | Up 8% | Down 13% |

| Factors affecting visitor attraction results |
|--|
| Works and improvements being made - slightly off putting for visitors. |
| Weather good |
| Success of a particular event |
| Weather, we are an indoors destination |
| More season ticket visits. |
| Good weather, good groups bookings |
| Different timing of Easter |
| Promotional, reduced entrance cost, marketing and improved restaurant offer |
| Good interest in temporary exhibition. Increase in Group visits and numbers of returning visitors with 12 month ticket |
| Notable increase in Euro Day trippers |

Overseas visitors to attractions in March

It is estimated by attractions that 83% of visitors were domestic, with 3% long haul, and 14% from Europe. The origin of overseas visitors was estimated by attractions below.





Attractions' Confidence for the 1st Quarter of 2011

60% of attractions rated their performance in the first quarter of 2011 as better than the same time in 2010. Expectations for the next quarter were even more positive with 76% anticipating the next quarter will be even better.

Fuel costs raised their profile as a concern for attractions.

| Top three concerns for Kent attractions overall in March |
|--|
| Economic Climate |
| Fuel Costs |
| Weather |

| Attractions' performance in the last quarter compared to the same period last year | % |
|--|----|
| Much better | 12 |
| Better | 20 |
| Slightly better | 28 |
| About the same | 28 |
| Slightly worse | 4 |
| Worse | 8 |
| Much worse | 0 |

| Attractions expectations for the next quarter | % |
|---|----|
| Much better | 8 |
| Better | 24 |
| Slightly better | 44 |
| About the same | 12 |
| Slightly worse | 12 |
| Worse | 0 |
| Much worse | 0 |

Coach market to attractions

| Coach market up | Coach market same | Coach market down |
|-----------------|-------------------|-------------------|
| 36% | 52% | 12% |

Accommodation

Serviced Accommodation (larger hotels, chains)

Source STR Global 2011

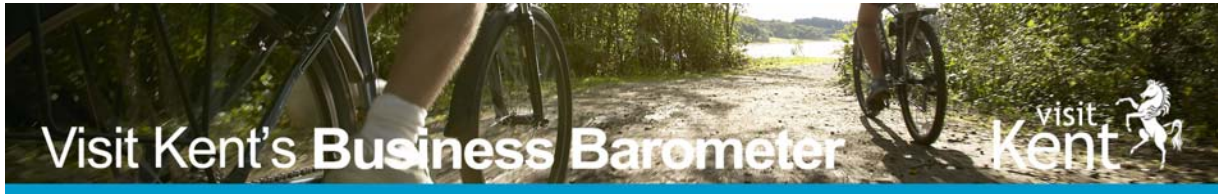
Serviced occupancy for the larger hotels/chains was 1.1% down on March 2010.

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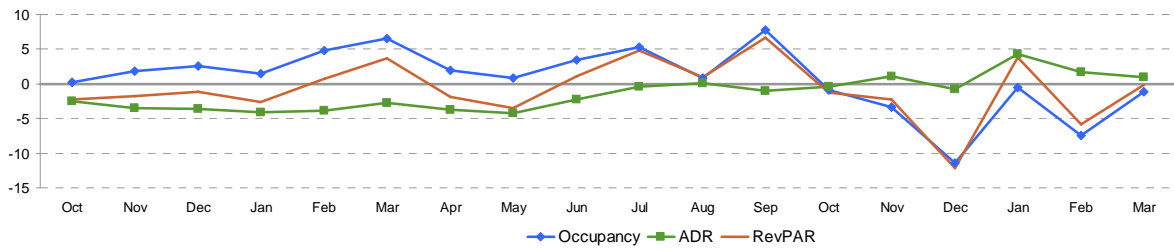
The Business Barometer is a monthly performance snapshot of over 100 Kent tourism businesses



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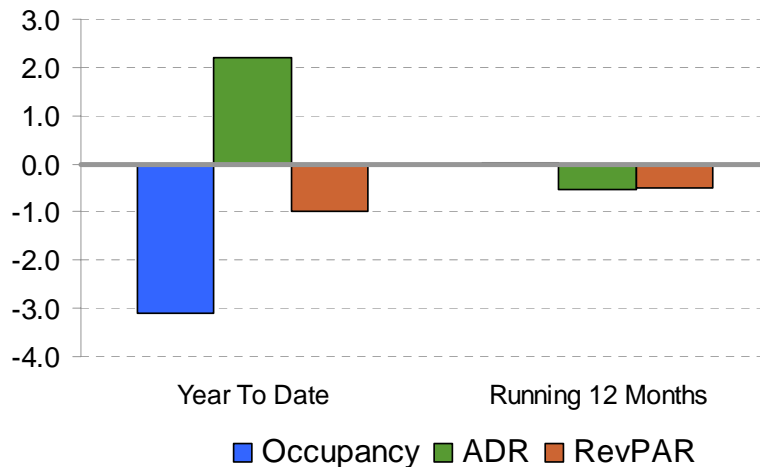


Monthly Percent Change



| 2010 | | | | | | | | | | | | 2011 | | |
|------|------|------|------|------|------|------|------|------|------|------|-------|------|------|------|
| Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| 49.4 | 64.7 | 59.8 | 69.8 | 74.3 | 76.4 | 84.5 | 80.5 | 78.4 | 70.8 | 62.8 | 51.9 | 49.2 | 59.9 | 59.2 |
| 48.7 | 61.7 | 56.1 | 68.5 | 73.7 | 73.9 | 80.3 | 79.8 | 72.7 | 71.4 | 65.0 | 58.6 | 49.4 | 64.7 | 59.8 |
| 1.5 | 4.8 | 6.5 | 1.9 | 0.8 | 3.4 | 5.3 | 0.8 | 7.7 | -0.9 | -3.3 | -11.5 | -0.5 | -7.4 | -1.1 |

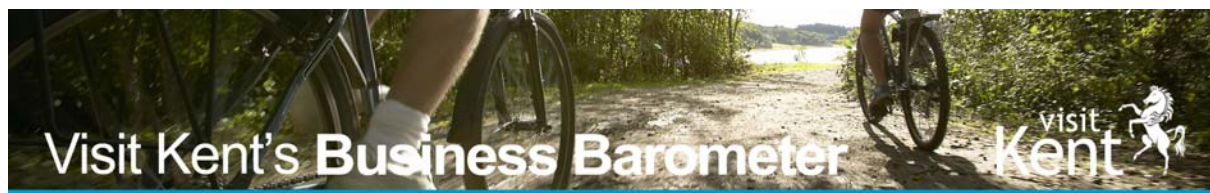
Overall Percent Change



Smaller hotels, guest houses and B&B's

Source RIBOS (www.ribos.co.uk)

Although a couple of businesses reported a downturn in tradesmen booking, and passing trade generally, March 2011 was a good month for occupancy compared to last year. Occupancy was just over 14% up bringing it into line with 2009 performance. Urban providers were doing best with 63% occupancy for small towns and 54% occupancy for large towns and cities. Hotels and Inns were the best performing business type at 57.6%.



Average length of stay was calculated at 1.8 days for UK visitors, and 1.9 days for overseas visitors.

Kent occupancy March

| | March 2008 | March 2009 | March 2010 | March 2011 |
|------|------------|------------|------------|------------|
| Kent | 47.0% | 44.5% | 29.6% | 43.9% |

Occupancy according to location

| Location | Occupancy |
|---------------------|-----------|
| Countryside/village | 33.0% |
| Seaside | 36.7% |
| Large town/city | 53.6% |
| Small town | 63.0% |

Occupancy according to business type

| Location | Occupancy |
|-------------------|-----------|
| Bed and Breakfast | 34.0% |
| Guest House | 38.6% |
| Hotel/Inn | 57.6% |

Updated occupancy figures for January and February 2011

In view of a number of accommodation providers submitting their results post issue of the January and February Barometer, we have updated the results on RIBOS for those two months to give a more robust analysis. Please find the amended summaries for the smaller hotels, B&B and Guest House accommodation below:

February figures revised

| Kent Occupancy | February 2008 | February 2009 | February 2010 | February 2011 |
|----------------|---------------|---------------|---------------|---------------|
| | 50.6% | 41.0% | 36.6% | 42.5% |

Occupancy according to location

| Location | Occupancy |
|---------------------|-----------|
| Countryside/village | 31.1% |
| Seaside | 33.7% |
| Large town/city | 52.4% |
| Small town | 60.3% |

Occupancy according to business type

| Location | Average Occupancy |
|-------------------|-------------------|
| Bed and Breakfast | 34.2% |
| Guest House | 40.6% |
| Hotel/Inn | 51.2% |

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January figures revised

| Kent Occupancy | February 2008 | February 2009 | February 2010 | February 2011 |
|----------------|---------------|---------------|---------------|---------------|
| | 32% | 26% | 43% | 34.6% |

Occupancy according to location

| Location | Occupancy |
|---------------------|-----------|
| Countryside/village | 23.6% |
| Seaside | 32.7% |
| Large town/city | 40.1% |
| Small town | 50.0% |

Occupancy according to business type

| Location | Average Occupancy |
|-------------------|-------------------|
| Bed and Breakfast | 24.7% |
| Guest House | 30.8% |
| Hotel/Inn | 42.7% |

Cross Channel Carriers

These figures are the combined totals for the Port of Dover and Eurotunnel and show a notable fall in all areas, particularly in coach crossings. The Easter holidays are a key time for the cross channel carriers, but March only captured a few days of the Easter holidays in 2010, so there has still been a small drop in March crossings in 2011.

| March | 2010 | 2011 | % CHANGE |
|------------|---------|---------|----------|
| Passengers | 943,203 | 874,740 | -7% |
| Cars | 206,110 | 198,083 | -4% |
| Coaches | 7,598 | 6,546 | -14% |

TICs

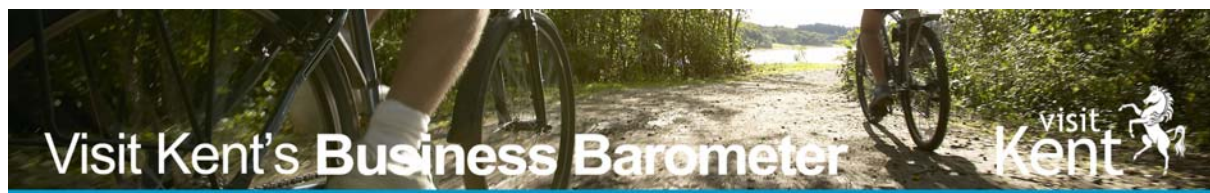
Each of the TICs monitors its visitor numbers in a slightly different way, so TICs are not directly comparable with each other. Comparison can only be made by individual TICs of their own year on year figures (unless specified otherwise).

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TICs Comparison March 2010/11

| Name of TIC | Footfall March 2011 | Footfall March 2010 | % change March 10/11 | Phone Calls March 2011 | Phone Calls March 2010 | Postal/emails March 2011 | Postal/emails March 2010 |
|----------------|---------------------|---------------------|----------------------|------------------------|------------------------|--------------------------|--------------------------|
| Ashford | 864 | 1028 | -16 | 247 | 365 | 347 | 414 |
| Canterbury | 29203 | 27085 | 8 | 478 | 500 | 171 | 157 |
| Deal | 1419 | 1855 | -24 | 131 | 121 | 302 | 198 |
| DFH&RM | 0 | 0 | n/a | 721 | 813 | 226 | 283 |
| Dover | 5208 | 5639 | -8 | 312 | 376 | 597 | 572 |
| Faversham | 1246 | 1189 | 5 | 98 | 85 | 109 | 52 |
| Gravesend | 3000 | 2767 | 8 | 244 | 280 | 413 | 308 |
| Maidstone | 5755 | 7186 | -20 | 406 | 539 | 54 | 78 |
| Medway | 19393 | 22017 | -12 | 566 | 1032 | 329 | 281 |
| Royal T. Wells | 2349 | 6103 | -62 | 326 | 365 | 482 | 483 |
| Thanet | 2943 | 3225 | -9 | 128 | 256 | 99 | 52 |
| Tonbridge | 648 | 607 | 7 | 687 | 505 | 0 | 0 |
| Kent | 72028 | 78701 | -8 | 4344 | 5237 | 3129 | 2878 |

Factors affecting visitor numbers to the TICs March 2011

| Factors affecting visitor numbers |
|---|
| Moving offices during March affected visitor numbers as we had limited services during the move |
| Low value of sterling and special deals on cross channel ferries and Eurotunnel |
| We are now booking for our annual event, plus we are becoming increasingly busy with National Express bookings. |
| Good weather, but bad road works which is affecting coach groups |
| Less cruise ship port of calls compared to this month last year |
| Delivering the TIC services from the Gateway. |
| Economy |
| School term time |
| Lots of Bank Holidays coming up and people are wanting days out and short breaks |

Nationality of TIC visitors

The top overseas visitor groups to TICs in March

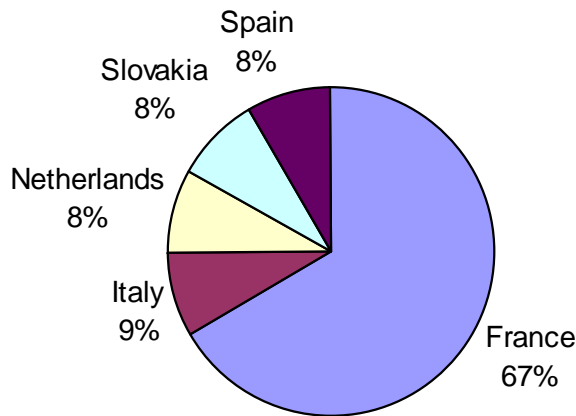
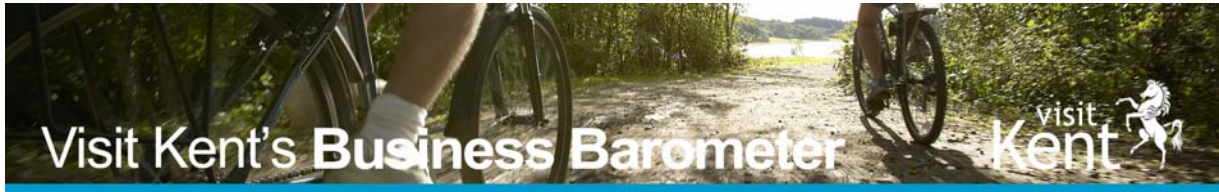
French visitors were again the most visible to our TICs with a range of other visitors in smaller numbers.

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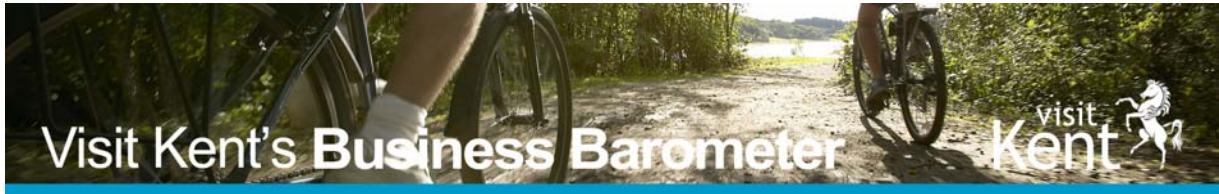


Nationality of TIC visitors

| Name of TIC | % Domestic Visitors | % Long Haul visitors | % European visitors | Euro visitors compared to March 2010 |
|---------------|---------------------|----------------------|---------------------|--------------------------------------|
| Ashford | 88 | 1 | 11 | Down 1% |
| Canterbury | 30 | 2 | 68 | Up 28% |
| Deal | 95 | 0 | 5 | No figs |
| DFH&RM | 80 | 5 | 15 | Up 2% |
| Dover | 60 | 12 | 28 | Down 2% |
| Faversham | 93 | 2 | 5 | Up 2% |
| Gravesend | 93 | 2 | 5 | Up 4% |
| Maidstone | 99 | 0.5 | 0.5 | Same |
| Medway | 65 | 5 | 30 | Up 5% |
| Royal T Wells | 96 | 2 | 2 | Down 10% |
| Thanet | 99 | 0 | 1 | Up 0.5% |
| Tonbridge | 95 | 2 | 3 | Same |

TICs' Confidence for the 1st Quarter of 2011

| TIC performance in the last quarter compared to the same period last year | % |
|---|-------|
| Much better | 0% |
| Better | 8.3% |
| Slightly better | 16.7% |
| About the same | 50% |
| Slightly worse | 8.3% |
| Worse | 8.3% |
| Much worse | 8.3% |



| TIC expectations for the next quarter | % |
|---------------------------------------|-------|
| Much better | 0% |
| Better | 16.7% |
| Slightly better | 33.3% |
| About the same | 25.0% |
| Slightly worse | 8.3% |
| Worse | 8.3% |
| Much worse | 8.3% |

| Top three concerns for Kent TICs overall in March |
|---|
| UK Economic Climate |
| Strength of the pound |
| Competition from other parts of the UK |

Visit Kent News

Visit Kent Research

2012 feedback

Respondents were asked in this month's survey whether they had received any bookings or enquiries for 2012.

Attractions

57% said no at this stage they had not, 29% had some enquiries, 19% some bookings, 5% a lot of enquiries, and 5% a lot of bookings.

When asked about how they were feeling about 2012, 4% were very positive, 60% quite positive, 28% were not sure, and 8% were a little negative.

TICs

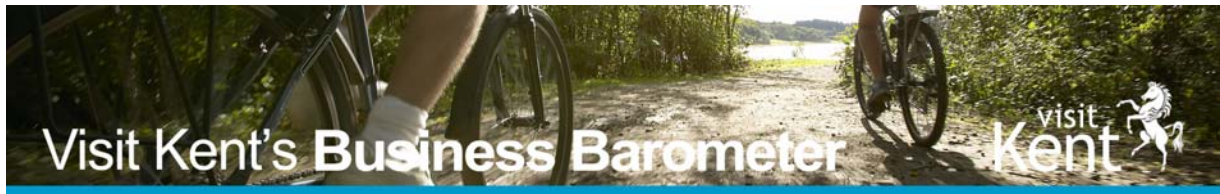
Most of Kent TICs (67%) had received enquiries regarding the Olympics

Accommodation

31% of accommodation providers had no enquiries, but 54% had some enquiries, and 15% had bookings.

High Speed Link

A number of TICs have noticed an increase in visitors arriving via the high speed link since its inception. Ashford, Dover and Thanet reported a marginal increase, and Gravesend and Folkestone, Hythe and Romney Marsh a noticeable increase.



No attractions had noticed a change in business since the introduction of the High Speed Rail link.

Visit Kent Marketing

March was a busy month for travel trade activity with Visit Kent and its partners being represented at the European Tour Operator's Association Britain and Ireland Marketplace event in London, the Coach Tourism Council's National Conference in Darlington and at the Best of Britain and Ireland exhibition at the NEC in Birmingham.

We continue to welcome a large number of European journalists to the county, all of whom are hosted to an exceptionally high standard by our investors which results in some great press coverage in high quality publications. Planning is underway for the main consumer campaigns for the peak-season.

Visit Kent Websites

The consumer website showed a 7% increase in visits to the site, and an astounding 49% increase in page views from last year. This indicates that not only are visitors to the site steadily increasing, but also that they are staying on the site for longer – around 2.4 times longer.

Consumer website www.visitkent.co.uk

| Visits March 2009 | Visits March 2010 | Visits March 2011 |
|-------------------|-------------------|-------------------|
| 136,293 | 203,104 | 217,372 |

The B2B website visits have reduced by 11.54% with page views reducing by 14%.

B2B website www.visitkentbusiness.co.uk

| Visits March 2009 | Visits March 2010 | Visits March 2011 |
|-------------------|-------------------|-------------------|
| 1,417 | 1,829 | 1,618 |

Other News

Weather

According to the BBC, the UK mean temperature for the month was 0.6°C above the 1971-2000 average and it was particularly mild in the second half with some fine spring weather. Maximum temperatures were well above average. However, there were some cold nights and the number of air frosts was close to normal for March.

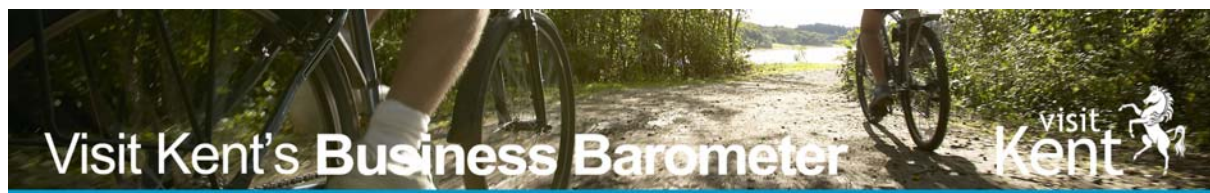
During the last ten days spring arrived across the UK, with temperatures climbing above 17°C widely on several days and approaching 20°C in a few places on the 25th. Rainfall amounts were notably low over large parts of England, with a number of stations totaling less than 5mm for the whole month.

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International Passenger Survey (Visit Britain) – headlines for March 2011

Visit Britain has released more detail on visits to Britain from the International Passenger Survey broken down to county level. We can therefore get more of an idea of how visits to Kent have changed over the last seven years. Other detail can be found on <http://www.visitbritain.org/insightsandstatistics/inboundvisitorstatistics/index.aspx>

Note from VisitBritain - Please be aware of the sample sizes!

Figures for a number of regions are based on small sample sizes. It is not recommended to use data where the sample size is less than 30 (although the data below for Kent exceeds this minimum sample). Even if the sample size is above 30 the user may find it helpful to consider looking at three year averages rather than the results from a single year.

From the table it shows the notable increase in the number visitors to Kent during 2009 and into 2010 for holiday purposes. This reinforces conclusions drawn in our Business Barometers in 2009 and 2010 as leisure business was up dramatically in 2009, but eased a little in 2010 in comparison. The results also show that the nature of visits tended more towards shorter stays or day visits as 'total nights' have diminished almost consistently since 2006. Our proximity to Europe, ease of access to the county and the strength of the Euro in comparison to Sterling were undoubtedly factors in these changes.

For Business Tourism, 2010 was a better year for numbers of business visitors than 2009, but accommodation associated with the business visits was down, and therefore spend reduced.

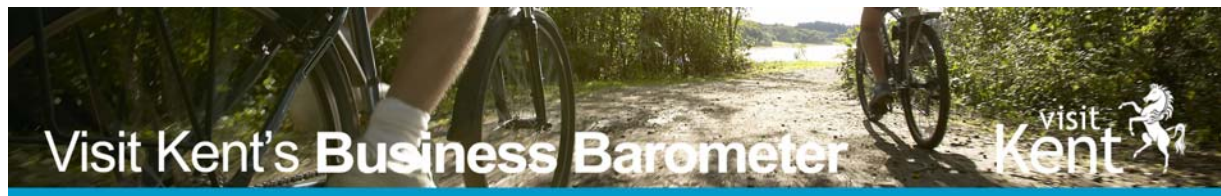
As VisitBritain indicates, to identify a real trend it is more helpful to look at three year averages than the results from a single year.

| KENT | | year | | | | | | |
|--------------|----------|-------|-------|-------|-------|-------|-------|-------|
| Data | purpose | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010P |
| Visits (000) | Holiday | 246 | 259 | 250 | 303 | 320 | 367 | 366 |
| | VFR | 243 | 248 | 281 | 294 | 278 | 265 | 287 |
| | Business | 154 | 203 | 163 | 208 | 256 | 163 | 183 |
| | Other | 50 | 48 | 53 | 42 | 44 | 44 | 53 |
| | Study | 43 | 34 | 43 | 22 | 21 | 31 | 18 |
| Nights (000) | Holiday | 1,104 | 1,195 | 1,147 | 1,344 | 1,489 | 1,895 | 1,953 |
| | VFR | 1,877 | 2,629 | 2,175 | 2,599 | 2,127 | 1,704 | 2,260 |
| | Business | 606 | 923 | 617 | 626 | 876 | 565 | 477 |
| | Other | 435 | 513 | 1,228 | 418 | 202 | 198 | 130 |
| | Study | 1,104 | 827 | 1,261 | 515 | 821 | 944 | 359 |

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| KENT | | year | | | | | | |
|--------------------|----------|-------|-------|-------|-------|-------|-------|-------|
| Data | purpose | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010P |
| Spend (£m) | Holiday | 50 | 54 | 52 | 63 | 71 | 144 | 114 |
| | VFR | 47 | 52 | 75 | 76 | 55 | 70 | 75 |
| | Business | 66 | 33 | 51 | 42 | 47 | 50 | 37 |
| | Other | 9 | 15 | 31 | 15 | 11 | 11 | 10 |
| | Study | 52 | 37 | 46 | 22 | 35 | 49 | 18 |
| Sample | Holiday | 309 | 288 | 260 | 276 | 278 | 396 | 420 |
| | VFR | 389 | 395 | 454 | 371 | 313 | 387 | 401 |
| | Business | 170 | 191 | 182 | 168 | 154 | 173 | 192 |
| | Other | 61 | 53 | 66 | 45 | 38 | 49 | 48 |
| | Study | 42 | 47 | 65 | 62 | 26 | 34 | 42 |
| Total Visits (000) | | 736 | 792 | 791 | 868 | 919 | 870 | 906 |
| Total Nights (000) | | 5,125 | 6,088 | 6,428 | 5,503 | 5,515 | 5,307 | 5,180 |
| Total Spend (£m) | | 223 | 191 | 255 | 218 | 219 | 323 | 255 |
| Total Sample | | 971 | 974 | 1,027 | 922 | 809 | 1,039 | 1,103 |

The IPS survey also shows the Top 20 UK Towns for 'staying visits' by inbound visitors. Canterbury, as a honey pot destination in Kent, has featured in this list over the past few years as follows:

| | Inbound staying visitors to Canterbury | Position |
|-------------|--|------------------|
| 2010 | 161,000 | 20 th |
| 2009 | 197,000 | 19 th |
| 2008 | 164,000 | 20 th |
| 2007 | 156,000 | 20 th |
| 2006 | n/a | Not placed |
| 2005 | n/a | Not placed |
| 2004 | n/a | Not placed |
| 2003 | n/a | Not placed |
| 2002 | 150,000 | 19 th |
| 2001 | 130,000 | 18 th |
| 2000 | n/a | Not placed |
| 1999 | n/a | Not placed |

This again highlights the incredible boost to visitors in 2009 for Kent, particularly day visitors to Canterbury from near European neighbours.

Visit Britain – Tourism Trends - Update 149 & 150

- It is confirmed in the Budget that Air Passenger Duty will not increase in 2011
- According to TRI Hospitality Consulting London chain hotel occupancy dipped in February to 74.5% from 77.6% a year before while in the

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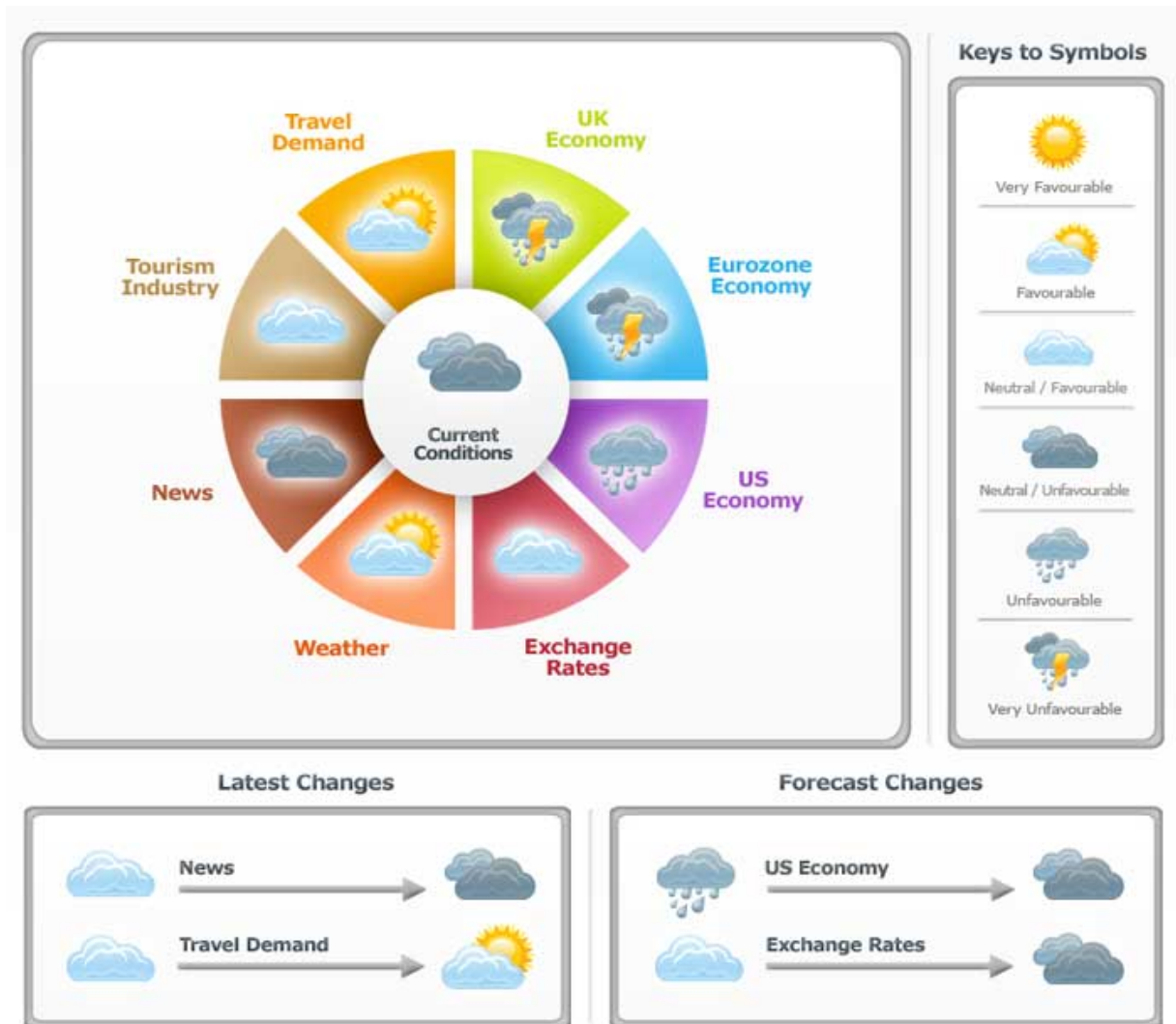
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Visit Kent's Business Barometer



provinces occupancy fell to 65.9% from 66.2% in February 2010 – however London average room rates were up 7.4% to £122.60 and those in the provinces up 1.3% to £67.25

- From 6 April the cost of a multi-entry six-month UK visitor visa increased from £70 to £76



- ◆ The Business Barometer is produced by the Research Team at Visit Kent. Contact Tracey Parker, Research Manager on 01227 812905, tracey.parker@visitkent.co.uk

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