

A person in a vibrant, multi-colored costume with a tall, pointed hat and a mask, performing a dance move in front of classical columns. The costume is adorned with many colorful tassels and ribbons. The person is captured in a dynamic pose, with one leg raised and bent. The background shows a clear blue sky with some clouds and the tops of several classical columns.

VISITOR ARRIVALS REPORT

2014 YEAR END

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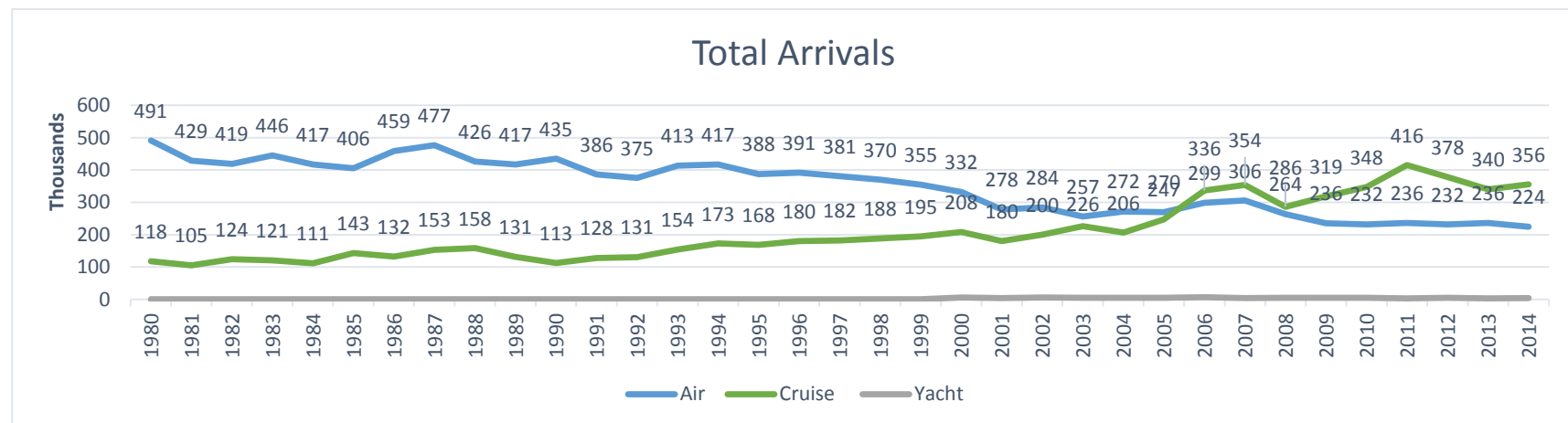
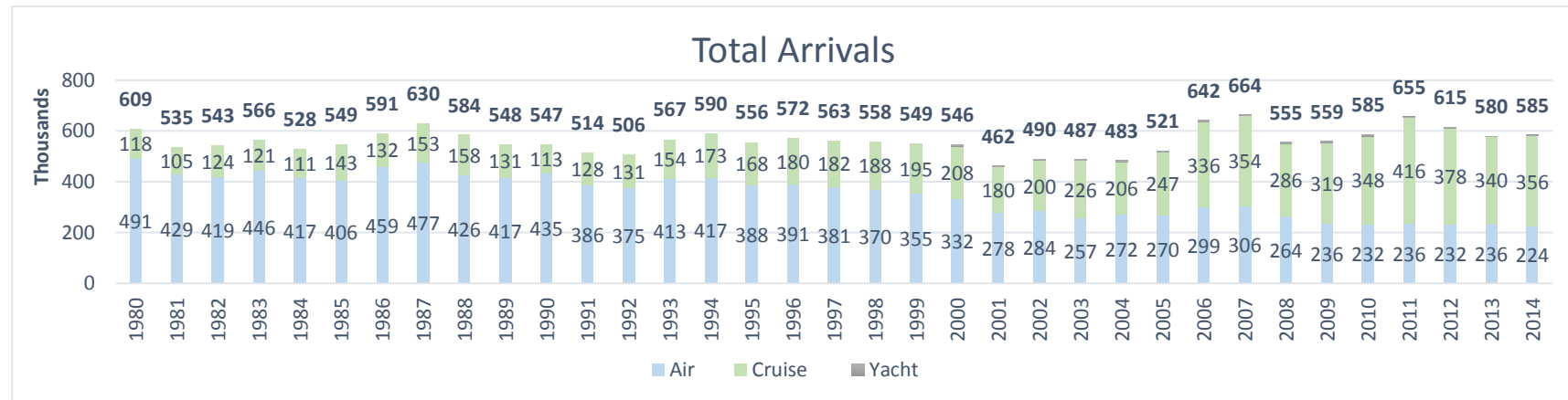


TABLE OF CONTENTS

Arrivals Summary	Page 1
Arrivals by Month for 2014	Page 2
Air Arrival Statistics	Page 3
Air Load Factor	Page 4
Cruise Arrival Statistics	Page 5
Yacht Arrival Statistics	Page 6
Air Visitors Purpose of Visit	Page 7
Hotel Statistics	Page 9
Visitors Intended Place to Stay	Page 12
Air Arrival Demographics	Page 12
Length of Stay	Page 13
Visitor Expenditure	Page 14

Summary

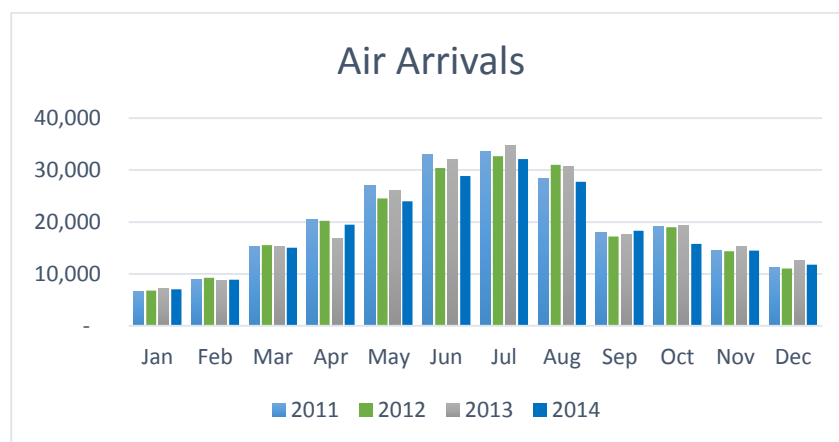
2014 was a year of transition for Bermuda Tourism. The year saw the creation of the Bermuda Tourism Authority; a transition from the way tourism was historically managed in Bermuda. Though most of our competitors experienced increases in air arrivals compared to 2013, Bermuda experienced an overall decline of 5.1%. This decline in air arrivals started in the 1990's and has continued until the current date. This year's decline can be attributed to various factors which will be discussed latter in this report. Total arrivals for 2014 were relatively flat with growth of 0.8%.



* Source, Bermuda Tourism Authority, Visitor arrival forms

Arrivals by Month for 2014

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2014 Total	YoY % Δ
Yacht	5	37	213	326	1,210	1,831	154	24	26	104	265	85	4,280	24.6%
Cruise	-	-	213	25,433	53,397	68,086	69,795	59,562	40,489	28,375	9,783	960	356,093	4.7%
Air	7,126	8,908	14,998	19,476	24,898	28,840	32,113	27,760	18,321	15,732	14,416	11,741	224,329	-5.1%
Total	7,131	8,945	15,424	45,235	79,505	98,757	102,062	87,346	58,836	44,211	24,464	12,786	584,702	0.8%



- Air arrivals were down year over year with lower demand in the summer and hurricanes in October contributing to a 5.1% decline. Air arrivals have declined 16.8% over the past 10 years.
- Cruise arrivals were up year over year by 4.7%. The driver behind the increase was problems with the port in 2013, decreased total calls to island in 2013, as well as additional arrivals in November and December of 2014. Cruise arrivals have increased 44.0% over the past 10 years.
- Total Yacht arrivals increased year over year by 24.6%. The Biennial Newport to Bermuda race was the drive behind this increase. Yacht arrivals have experienced a 4.1% decline over the past 10 years.
- July was the busiest month for arrivals with 102,062 visitors.



* Source, Bermuda Tourism Authority, Visitor arrival forms

Air Arrivals Statistics

Country of Origin	2011	2012	2013	2014	YoY % Δ	% of 2014 Total
USA	172,890	168,178	171,215	159,403	-6.9%	71.1%
Canada	29,217	30,565	27,613	29,124	5.5%	13.0%
UK	21,524	21,029	23,610	22,202	-5.9%	9.9%
Europe	5,416	4,737	5,150	6,096	18.4%	2.7%
Rest of World	6,991	7,554	8,755	7,484	-14.4%	3.3%
TOTAL	236,038	232,063	236,343	224,329	-5.1%	100.0%
2014 Arrivals by Month						% Δ vs 2013
	USA	Canada	UK	Rest of World	Total	
Jan	4,474	1,275	782	595	7,126	-5.1%
Feb	5,360	1,956	1,078	514	8,908	0.1%
Mar	9,893	3,041	1,281	783	14,998	-0.3%
Apr	13,600	2,924	1,910	1,042	19,476	18.0%
May	17,612	3,295	2,489	1,502	24,898	-10.0%
Jun	22,511	2,602	2,257	1,470	28,840	-12.5%
Jul	24,762	2,790	2,859	1,702	32,113	-3.1%
Aug	20,921	2,634	2,595	1,610	27,760	-13.1%
Sep	12,932	1,986	2,119	1,284	18,321	2.6%
Oct	10,243	2,368	1,900	1,221	15,732	-23.8%
Nov	9,633	2,167	1,603	1,013	14,416	-8.4%
Dec	7,462	2,086	1,329	864	11,741	-9.4%
Total	159,403	29,124	22,202	13,600	224,329	-6.9%

Some of the factors that contributed to the air arrival decline in 2014 include:

- Transition of responsibilities to the Bermuda Tourism Authority
- Two hurricanes in October

Geographical distribution of travelers:

- Decreased demand from the US was the core driver of the air visitor decline with US visitors declining 6.9%.
- An increase of 5.5% was observed with Canadian travelers due to Air Canada's increase in capacity for 2014.
- Travelers from the UK declined by 5.9% while European travelers increased by 18.4%.
- Bermuda experienced a decline of 14.4% from travelers originating outside of Europe, UK and North America.

* Source, Bermuda Tourism Authority, Visitor arrival forms

Air Load Factor

Capacity (Available Seats)

	2011	2012	2013	2014	YoY % Δ
Jan	40,678	36,460	35,636	36,980	3.8%
Feb	37,920	35,140	32,132	32,206	0.2%
Mar	42,936	41,802	38,376	41,640	8.5%
Apr	47,020	47,253	44,548	44,036	-1.1%
May	59,231	52,627	52,018	52,058	0.1%
Jun	60,616	61,368	61,667	56,752	-8.0%
Jul	64,196	62,051	63,993	60,902	-4.8%
Aug	59,511	59,381	61,161	58,768	-3.9%
Sep	49,008	46,059	44,888	48,508	8.1%
Oct	49,556	45,635	47,324	43,988	-7.0%
Nov	39,824	38,392	43,010	41,726	-3.0%
Dec	39,392	39,064	41,334	36,676	11.3%
Total	589,888	565,232	566,087	554,240	-2.1%

Arriving Passengers (includes Residents)

2011	2012	2013	2014	YoY % Δ
21,349	19,723	19,482	19,601	0.6%
19,427	19,763	18,616	18,557	-0.3%
25,729	26,106	25,731	25,178	-2.1%
35,072	33,737	30,337	32,659	7.7%
40,713	37,321	38,778	37,285	-3.9%
45,072	42,288	43,846	40,377	-7.9%
47,673	46,488	47,242	45,185	-4.4%
46,942	48,407	48,094	45,806	-4.8%
32,180	31,055	30,972	31,104	0.4%
32,506	31,692	30,079	26,955	-10.4%
27,182	26,596	27,749	27,184	-2.0%
24,721	25,306	26,764	25,332	-5.4%
398,566	388,482	387,690	375,223	-3.2%

Load Factor (% of seats filled)

2011	2012	2013	2014	YoY % Δ
52.5%	54.1%	54.7%	53.0%	-3.0%
51.2%	56.2%	57.9%	57.6%	-0.5%
59.9%	62.5%	67.0%	60.5%	-9.8%
74.6%	71.4%	68.1%	74.2%	8.9%
68.7%	70.9%	74.5%	71.6%	-3.9%
74.4%	68.9%	71.1%	71.1%	0.1%
74.3%	74.9%	73.8%	74.2%	0.5%
78.9%	81.5%	78.6%	77.9%	-0.9%
65.7%	67.4%	69.0%	64.1%	-7.1%
65.6%	69.4%	63.6%	61.3%	-3.6%
68.3%	69.3%	64.5%	65.1%	1.0%
62.8%	64.8%	64.8%	69.1%	6.7%
67.6%	68.7%	68.5%	67.7%	-1.1%

- Total capacity (seats available) for flights to Bermuda has decreased compared to 2013 by 2.1%
- Visitors accounted for 59.6% of all airline arrivals to Bermudian 2014
- From 2011 through 2014 total capacity has declined by 6%
- Total Arriving passengers has decreased by 3.2% compared to 2013 (includes Bermuda resident travel)
- Bermuda's load factor (percentage of seats filled) for the entire year of 2014 was 67.7%, down 1.1% from 2013
- This ratio has remained relatively flat as decreases in arrival have declined in proportions with capacity
- The highest load factor in the past 10 years (2009) was 74.7%, a year which saw 415,762 air arrivals

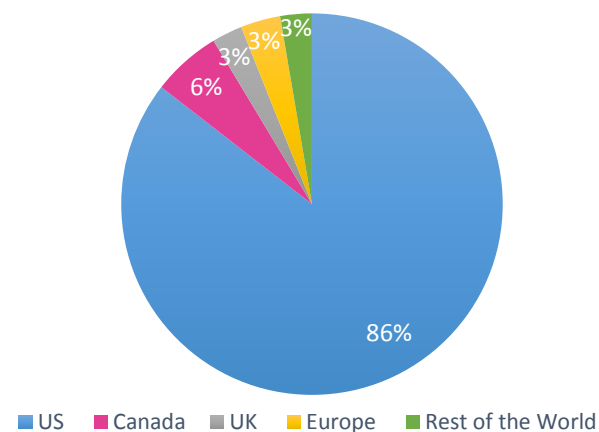
* Source, Department of Airport Operations

Cruise Arrivals Statistics

Cruise Passengers

	2011	2012	2013	2014	YoY % Δ
Jan	-	-	-	-	0.00%
Feb	-	-	-	-	0.00%
Mar	675	2,719	1,484	213	-85.6%
Apr	37,990	31,869	24,136	25,433	5.4%
May	57,327	65,761	51,393	53,397	3.9%
Jun	65,719	63,721	58,208	68,086	17.0%
Jul	72,970	70,165	65,980	69,795	5.8%
Aug	68,245	68,144	59,571	59,562	0.0%
Sep	46,025	40,815	31,822	40,489	27.2%
Oct	49,857	30,343	39,245	28,375	-27.7%
Nov	13,243	4,099	7,560	9,783	29.4%
Dec	3,660	626	631	960	52.1%
TOTAL	415,711	378,262	340,030	356,093	4.7%

Cruise Arrivals by Nationality



Cruise Calls per Month

	2011	2012	2013	2014	YoY % Δ
Jan	-	-	-	-	0.0%
Feb	-	-	-	-	0.0%
Mar	1	3	3	1	-66.7%
Apr	17	14	13	12	-7.7%
May	25	28	20	18	-10.0%
Jun	26	26	18	22	22.2%
Jul	27	27	20	21	5.0%
Aug	27	26	18	19	5.6%
Sep	23	16	11	13	18.2%
Oct	25	14	15	12	-20.0%
Nov	7	2	6	6	0.0%
Dec	3	1	1	2	100.0%
TOTAL	181	157	125	126	0.8%

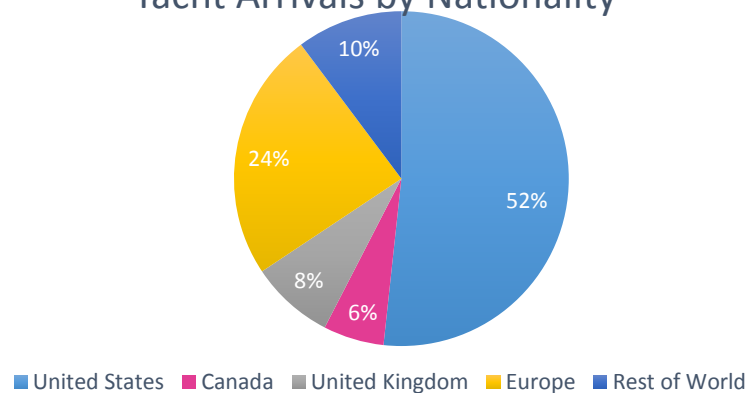
- Cruise arrivals accounted for 60.9% of total Visitors to Bermuda in 2014.
- This is a considerable increase from the year 2000 when cruise passengers accounted for 38.1% of visitors.
- US residents accounted for 85.5% of cruise passengers, while Canadians contributed 5.9%; North Americans accounted for over 90% of cruise visitors.
- Total calls were relatively flat year over year and have declined 30.4% since 2011. Arrivals have increased while calls have decreased due to calls by larger ships with increased capacity.

* Source, H.M Customs

Yacht Arrival Statistics

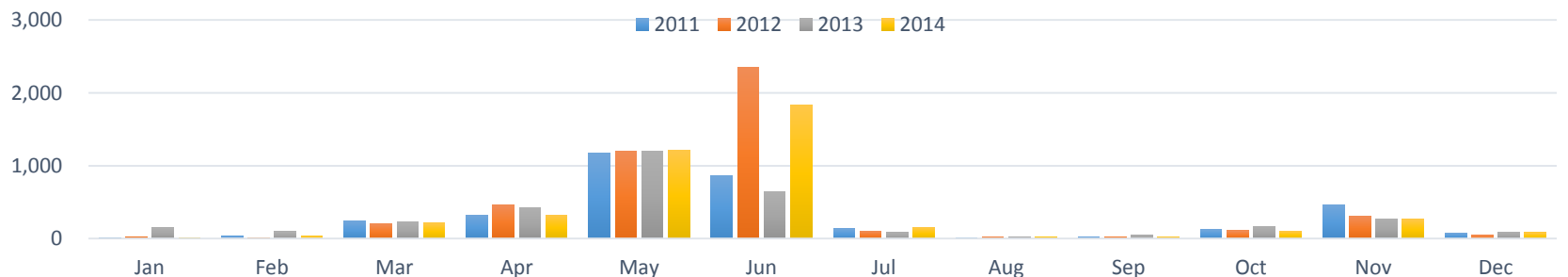
	2011	2012	2013	2014	YoY % Δ
United States	1,702	2,815	1,400	2,213	58.1%
Canada	245	316	208	251	20.7%
United Kingdom	459	440	454	346	-23.8%
Europe	769	946	1118	1032	-7.7%
Rest of World	312	329	255	438	71.8%
TOTAL	3,487	4,846	3,435	4,280	24.6%

Yacht Arrivals by Nationality



- Compared to 2013, 2014 saw an increase of 24.6% in yacht visitors driven by the Newport to Bermuda Race.
- This can be seen in the 58.1% increase in yachts originating in the US.
- Yacht visits from the UK have declined by 23.8% or 108 persons; this is the lowest arrival figure in the past 3 years.
- Arrivals from Europe were down 7.7% however were still higher than figures recorded in 2011 or 2012.
- Travelers from the Rest of the World increased by 71.8% or 183 persons.

Yacht Arrivals by Month

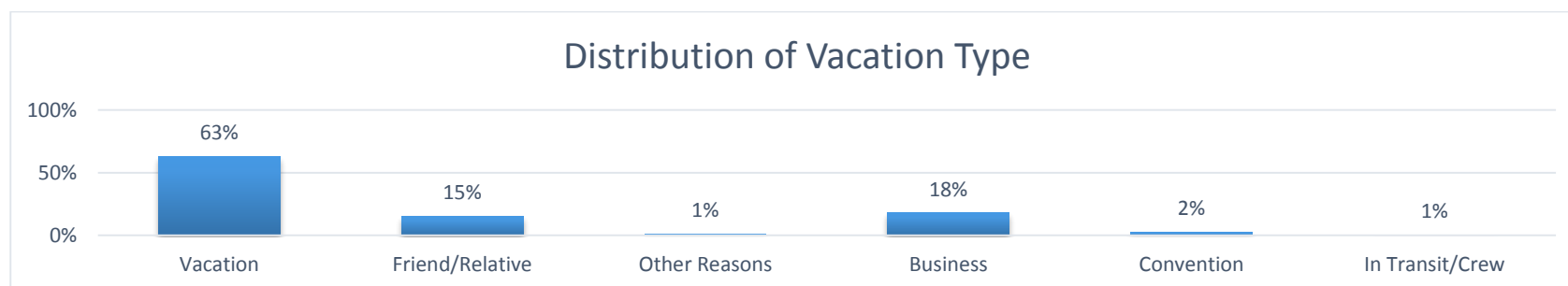


* Source, H.M Customs

Air Visitors Purpose of Visit

Purpose of Visit by Country							
	Vacation	Friend/Relative	Other Reasons	Business	Convention	In Transit/Crew	Total
US	109,047	17,090	893	27,472	4,077	824	159,403
Canada	17,218	7,720	338	3,378	403	67	29,124
UK	9,759	6,475	692	4,970	204	102	22,202
Europe	2,961	1,095	79	1,646	120	195	6,096
Japan	85	21	1	169	9	1	286
Australia	223	203	12	173	19	10	640
Rest of World	2,216	1,441	177	2,272	265	207	6,578
Total	141,509	34,045	2,192	40,080	5,097	1,406	224,329

Year over Year Percentage Change							
	Vacation	Friend/Relative	Other Reasons	Business	Convention	In Transit/Crew	Total
US	-8%	2%	51%	-12%	11%	18%	-7%
Canada	6%	12%	24%	-9%	-7%	-6%	5%
UK	-10%	1%	11%	-5%	-13%	-53%	-6%
Europe	11%	49%	114%	18%	43%	-11%	18%
Japan	-33%	-42%	100%	-22%	-55%	0%	-29%
Australia	13%	22%	0%	23%	0%	233%	19%
Rest of World	-25%	-10%	-29%	-13%	7%	21%	-16%
Total	-7%	4%	22%	-10%	8%	2%	-5%



* Source, Bermuda Tourism Authority, Visitor arrival forms

Purpose of Visit by Intended Address							
	Vacation	Friend /Relative	Other Reasons	Business	Convention	In Transit/Crew	Totals
Resort Hotels	62,443	3,547	316	23,146	4,329	109	93,890
Small Hotels	33,636	1,976	54	8,068	408	29	44,171
Cottage Colonies	10,169	773	8	478	79	15	11,522
Private Clubs	150	18	3	385	12	1	569
Cottage Suites/Apt	3,298	294	2	320	12	10	3,936
Inn/Guest Houses	2,598	441	67	1,760	50	21	4,937
Bed & Breakfast	1,107	185	8	384	10	5	1,699
Private Homes	27,410	26,602	1,697	5,278	188	588	61,763
Uncertain	698	209	37	261	9	628	1,842
Total	141,509	34,045	2,192	40,080	5,097	1,406	224,329

Year over Year Percentage Change							
	Vacation	Friend/Relative	Other Reasons	Business	Convention	In Transit/Crew	Totals
Resort Hotels	-13%	-7%	86%	-15%	8%	-23%	-12%
Small Hotels	-2%	6%	10%	5%	34%	7%	-1%
Cottage Colonies	-11%	-1%	-27%	-15%	98%	25%	-11%
Private Clubs	-67%	-62%	0%	-15%	200%	-95%	-42%
Cottage Suites/Apt	12%	24%	-50%	54%	300%	1000%	16%
Inn/Guest Houses	-10%	-24%	97%	4%	-28%	-5%	-7%
Bed & Breakfast	2%	23%	-27%	-8%	-47%	25%	1%
Private Homes	5%	6%	13%	-9%	-28%	3%	4%
Uncertain	29%	423%	208%	3%	125%	7%	28%
Total	-7%	4%	22%	-10%	8%	2%	-5%

* Source, Bermuda Tourism Authority, Visitor arrival forms

Hotel Statistics – Inventory

Number of Properties

	2011	2012	2013	2014	YoY % Δ
Jan	48	48	48	47	-2.1%
Feb	48	48	48	47	-2.1%
Mar	48	48	47	47	0.0%
Apr	48	48	47	44	-6.4%
May	48	48	47	44	-6.4%
Jun	49	48	47	45	-4.3%
Jul	49	48	47	45	-4.3%
Aug	49	48	47	45	-4.3%
Sep	49	48	47	45	-4.3%
Oct	49	48	47	45	-4.3%
Nov	48	48	47	45	-4.3%
Dec	48	48	47	45	-4.3%

Room Count

	2011	2012	2013	2014	YoY % Δ
	2,604	2,533	2,532	2,538	0.2%
	2,604	2,533	2,531	2,538	0.3%
	2,604	2,533	2,541	2,538	-0.1%
	2,596	2,533	2,541	2,407	-5.3%
	2,596	2,528	2,541	2,407	-5.3%
	2,604	2,528	2,541	2,415	-5.0%
	2,604	2,528	2,541	2,415	-5.0%
	2,604	2,528	2,541	2,415	-5.0%
	2,604	2,527	2,538	2,415	-4.8%
	2,604	2,532	2,538	2,415	-4.8%
	2,532	2,532	2,538	2,415	-4.8%
	2,533	2,532	2,538	2,415	-4.8%

Bed Count

	2011	2012	2013	2014	YoY % Δ
	5,550	5,244	5,256	5,264	0.2%
	5,550	5,244	5,252	5,264	0.2%
	5,550	5,244	5,270	5,264	-0.1%
	5,368	5,244	5,270	5,002	-5.1%
	5,384	5,234	5,270	5,002	-5.1%
	5,384	5,234	5,270	5,018	-4.8%
	5,384	5,234	5,270	5,018	-4.8%
	5,384	5,234	5,270	5,018	-4.8%
	5,384	5,232	5,264	5,018	-4.7%
	5,384	5,256	5,264	5,018	-4.7%
	5,240	5,256	5,264	5,018	-4.7%
	5,244	5,256	5,264	5,018	-4.7%

The decline in air visitors has impacted an already fragile hotel inventory. Total beds have declined by approximately 6.0% between 2011 and 2014. Beds available have declined by 3.6% and rooms by 3.7%.

* Source, Ministry of Tourism Development & Transport

Hotel Statistics

This data is provided by the Bermuda Hotel Association and its members, and does not include all of the hotel inventory, as such statistics will not reconcile to the previous table.

Room Nights Available

	2011	2012	2013	2014	YoY % Δ
Jan	53,351	53,475	53,444	42,408	-20.6%
Feb	48,188	48,256	43,736	37,100	-15.2%
Mar	53,599	53,506	52,669	45,818	-13.0%
Apr	51,870	51,870	50,580	44,252	-12.5%
May	53,599	53,382	52,266	48,918	-6.4%
Jun	51,870	51,630	50,760	48,660	-4.1%
Jul	53,506	53,413	52,483	52,483	0.0%
Aug	53,568	53,413	52,049	54,243	4.2%
Sep	51,840	51,690	51,720	44,880	-13.2%
Oct	53,568	53,413	52,204	54,901	5.2%
Nov	51,840	51,690	46,230	46,830	1.3%
Dec	53,599	53,413	45,632	47,151	3.3%
TOTAL	630,398	629,151	603,773	567,644	-6.0%

Room Nights Sold

	2011	2012	2013	2014	YoY % Δ
Jan	13,964	14,235	15,162	14,665	-3.3%
Feb	15,420	16,003	14,000	14,591	4.2%
Mar	26,696	26,570	22,985	23,416	1.9%
Apr	30,940	30,796	26,157	27,601	5.5%
May	37,540	33,926	36,639	34,726	-5.2%
Jun	43,276	40,826	42,253	38,810	-8.1%
Jul	45,684	44,991	45,064	40,673	-9.7%
Aug	43,895	43,378	40,933	37,273	-8.9%
Sep	26,684	27,935	29,003	29,280	1.0%
Oct	30,084	31,570	30,378	27,660	-8.9%
Nov	24,685	23,976	23,552	25,256	7.2%
Dec	16,277	16,150	16,641	16,442	-1.2%
TOTAL	355,145	350,356	342,767	330,393	-3.6%

* Source, Bermuda Hotel Association

Occupancy Rate

	2011	2012	2013	2014	YoY % Δ
Jan	26%	27%	28%	35%	21.9%
Feb	32%	33%	32%	39%	22.9%
Mar	50%	50%	44%	51%	17.1%
Apr	60%	59%	52%	62%	20.6%
May	70%	64%	70%	71%	1.3%
Jun	83%	79%	83%	80%	-4.2%
Jul	85%	84%	86%	77%	-9.7%
Aug	82%	81%	79%	69%	-12.6%
Sep	51%	54%	56%	65%	16.3%
Oct	56%	59%	58%	50%	-13.4%
Nov	48%	46%	51%	54%	5.9%
Dec	30%	30%	36%	35%	-4.4%
TOTAL	56%	56%	57%	58%	2.5%

* Source, Bermuda Hotel Association

- Total rooms available continued to decline, with the year over year decrease totaling 6.0%
- However rooms which added to the decline have been taken off for renovations and will be added back to the inventory once they are completed.
- Total rooms sold decreased year over year by approximately 3.6%.
- Occupancy improved to 57.6% year over year, however this is the result of a lower level of inventory.
- Both ADR and RevPar have increased compared to 2013 by 4.8% and 3.3% respectively.

ADR and RevPar Trending

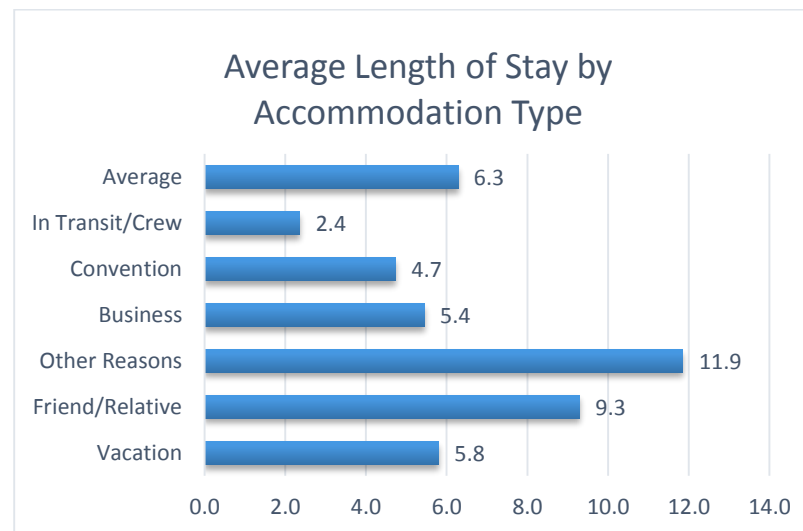
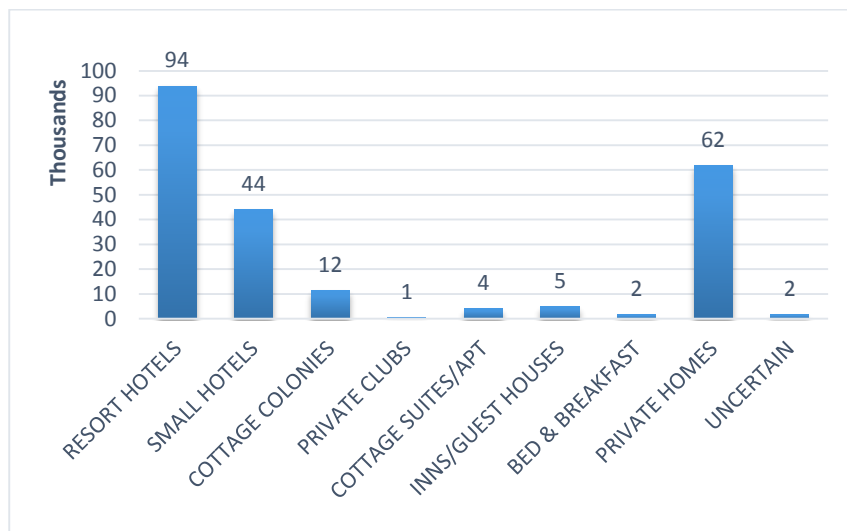
ADR Year Average				
	2012	2013	2014	YoY % Δ
Average	\$301	\$316	\$327	3.3%

REVPAR Year Average				
	2012	2013	2014	YoY % Δ
Average	\$174	\$180	\$188	4.8%

Both Average Daily Rate and RevPAR have increased year over year. The increase in RevPAR can be attributed to falling inventory, resulting in higher occupancy. Average daily rates have increased compared to 2014 even though overall visitor spending on accommodation by visitors has fallen.

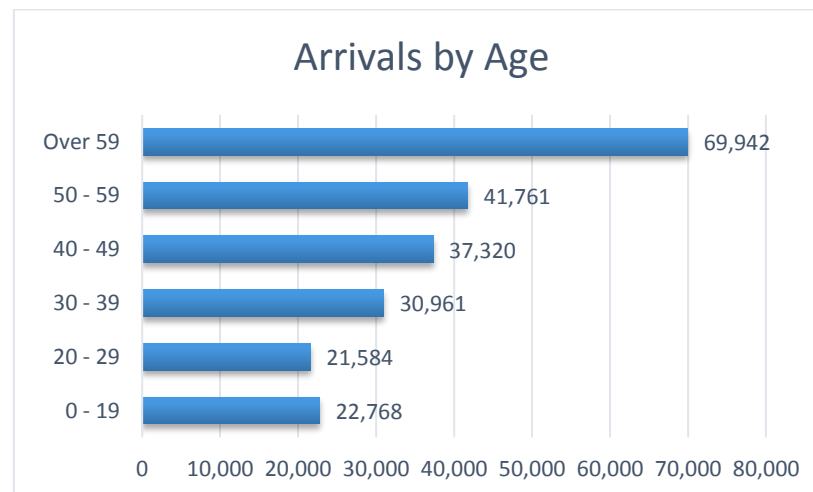
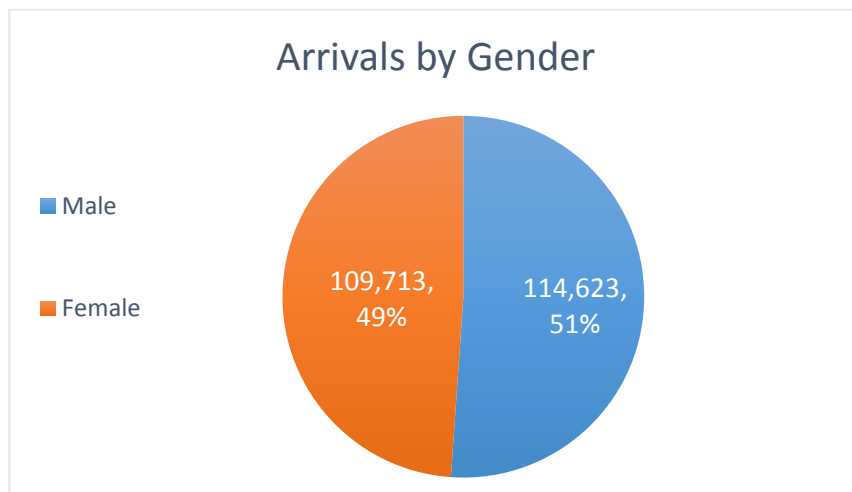
* Source, Bermuda Hotel Association & STR

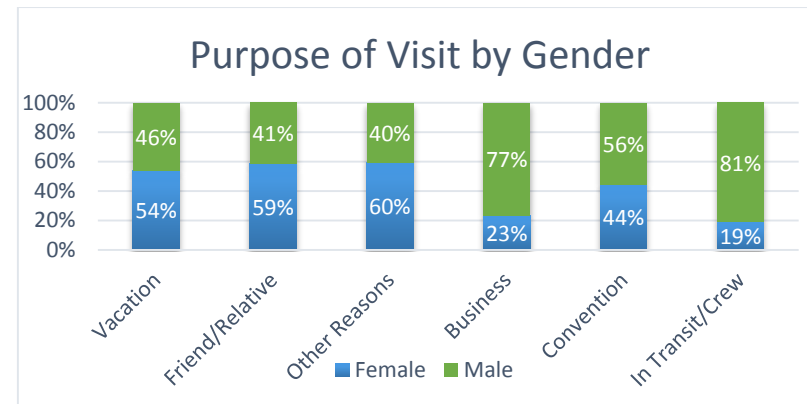
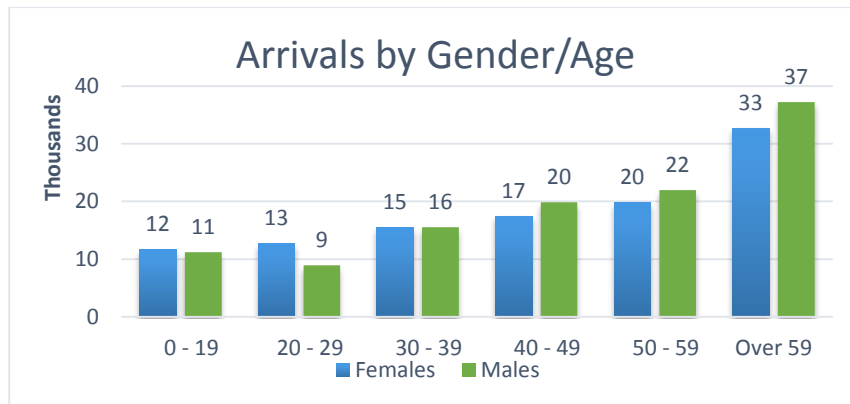
Accommodation by Type – Visitors' Intended Place to Stay



* Source, Bermuda Tourism Authority, Visitor arrival forms

Air Arrival Demographics

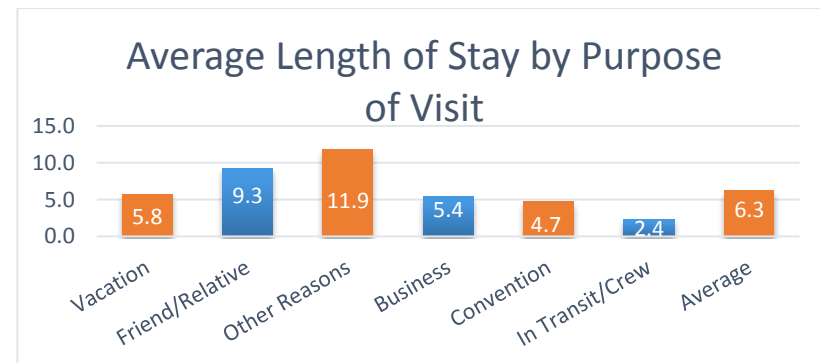
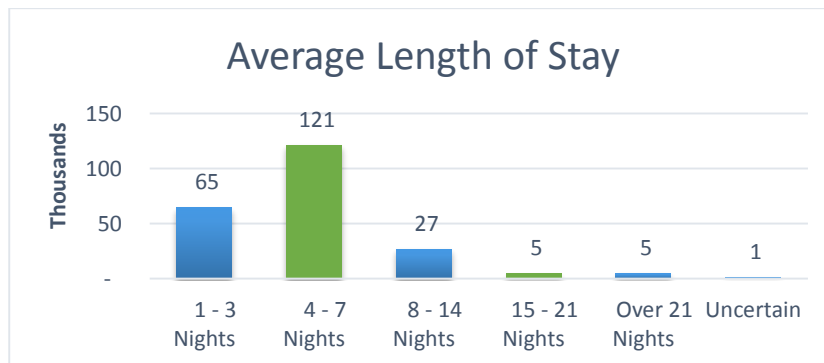




Bermuda experienced a near equal distribution of male and female travellers. Approximately 49.8% of travellers or 111K visitors were over 50 years old. Approximately 19.8% of travellers were under 30. Business travellers were mostly male (77%), those in transit were also overwhelmingly male (81%).

* Source, Bermuda Tourism Authority, Visitor arrival forms

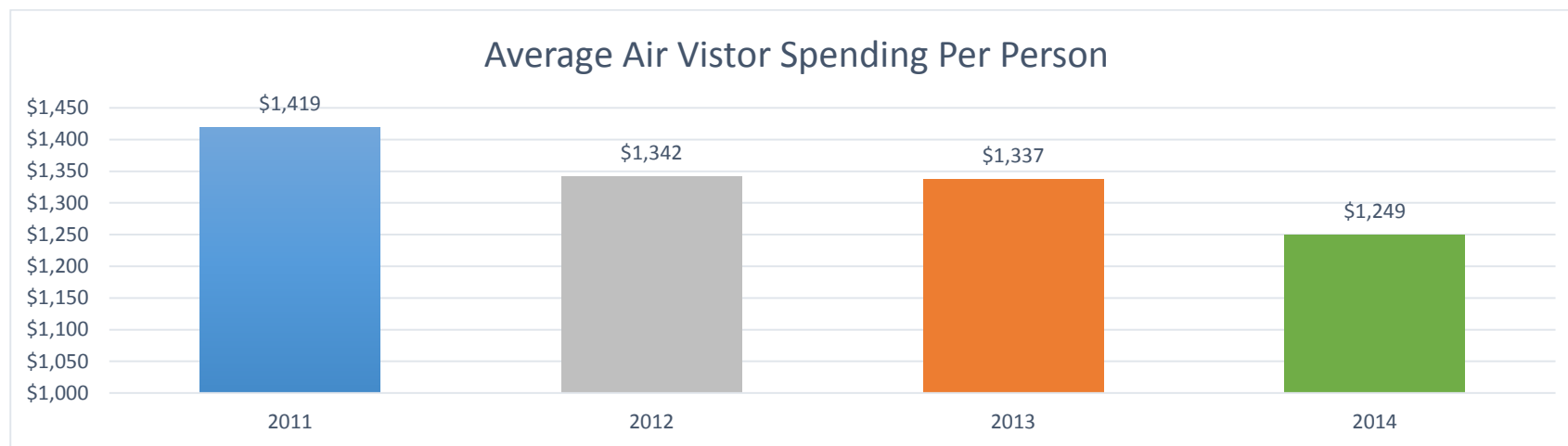
Length of Stay



Average Length of stay in 2014 was 6.3 nights, a decrease year over year from 7.1 nights in 2013. Persons visiting friends and family were more likely to spend a longer time on island with an average stay of 9.3 nights. Vacationers spent on average 5.8 nights an increase of 11.5% from 2013. Business travellers stayed on average 5.4 nights while those coming for conventions stayed for 4.7 nights.

* Source, Bermuda Tourism Authority, Visitor arrival forms

Visitor Spending



Per persons spending has declined by 12% from 2011 – 2014. This decline comes in a time where many of our competitors are experiencing increases in arrivals and spending as the US economy recovers.

Overall spending has decreased 11.3% due to lower per person spending and lower air arrivals.

* Source, Total Research Associates, Air Visitor Exit Survey