

2010 VISITOR ARRIVALS REACH AN ALL TIME HIGH

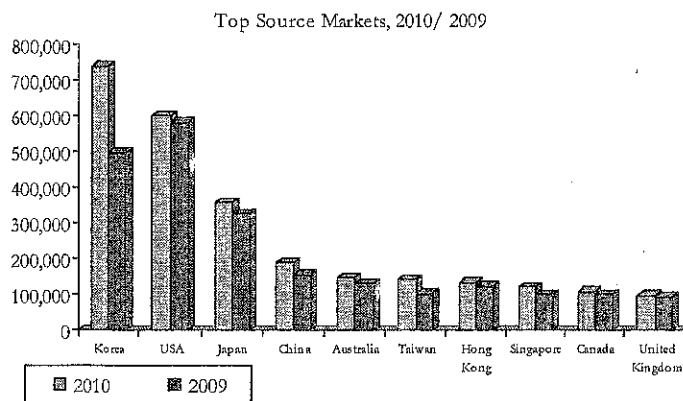
Inbound visitors to the Philippines in 2010 reached 3.52 million surpassing the target of 3.3 million earlier set by the Department of Tourism (DOT).

Visitors from the East Asia region accounted for 44.4% of the total visitor count in 2010 with Korea having the biggest share at 21% or 740,622 arrivals. This market grew by a hefty 48.7% vis-à-vis its 2009 volume of 497,936 arrivals, thereby, regaining its number one position among the major source markets.

The USA ranked as the second main source market with 600,165 visitors for a share of 17% of total tourist traffic. Taiwan and Japan, which in the past years posted declines in arrivals, have rebounded with double digit growth of 39.2% and 10.3%, respectively. The improved economic condition in these markets boosted their outbound traffic and significantly contributed to sustaining the monthly increase in visitor count to the Philippines during the year.

Arrivals from China and Hong Kong posted 20.9% and 8.9% increases, respectively, with the month of December demonstrating a positive growth in visitor count following the decline in September on account of the August tragedy. This market is anticipated to pose continued growth as the DOT undertakes aggressive marketing and promotions to regain and re-establish confidence in the Philippines as a safe and secure tourist destination.

Visitors from Australia recorded an all time high of 147,469 arrivals during the year, thus, making it the fifth source market with 11.4% growth rate and one of the fastest growing. This market is expected to yield more as JetStar Air commences flights between Darwin and Clark in 2011.



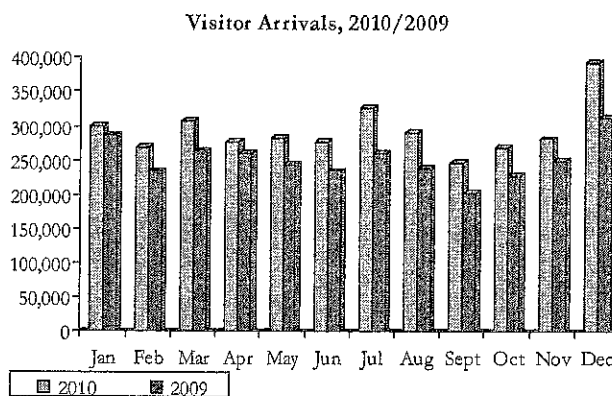
Inbound tourists from the ASEAN region accounted for 8.4% of the total visitor count during the year. This region grew faster at 16.7% reaching 298,176 visitors, with Singapore (121,083 arrivals) and Malaysia (79,694

arrivals) having the biggest turn-out of tourists. The growth in visitor arrivals from Vietnam remained robust at 29.2%. Expansion of tourist traffic from this region is anticipated with the implementation of the Multi-lateral Agreement on Full Liberalization of Passenger Air Services in ASEAN, signed in November 2010.

Most European markets recorded double digit gain in 2010 with the Russian Federation growing faster at 33.6% followed by the Scandinavian countries (12%), France (11%), United Kingdom (6.5%), and Germany (5%).

For the Middle East region, the United Arab Emirates and Saudi Arabia remained the key source markets as visitor arrivals grew by 21.4% and 16.3%, respectively. In addition, arrivals from Qatar and Bahrain exhibited significant growth at 15.2% and 10.6%, respectively.

On a monthly basis, December recorded the highest number of tourists at 393,585. Growth rate during this month at 26% is deemed impressive with the heavy turn-out of arrivals from East Asia and the Pacific, as well as the Middle East. Similarly, December arrivals of Overseas Filipinos



increased by 24.9% vis-à-vis that of the previous year. Overall, December accounted for 11% of the total tourist count during the year. This is followed by the months of July and March for 9% and 8.8% shares, respectively.

The assumption of a new administration in July ushered in a renewed spirit and confidence in the Philippines as a tourist destination. This has pumped up growth in the second half of 2010 at 21.2% than the first semester's increase at 12.2%.

Visitor receipts grew by 11.3% to US\$ 2.49 (Php 112.55) billion vis-à-vis the 2009 receipts of US\$ 2.23 (Php 106.38) billion. This feat is brought by the increase in visitor average daily expenditure by 10.8% to US\$ 83.93 while average length of stay remained at 8 nights. Per capita expenditure of visitor during the year was recorded at US\$ 672.28.

Visitors spent more for shopping (27%), food and beverage (26.8%), accommodation (23%) and entertainment/ recreation (16%).