



TRAVELER SENTIMENT INDEX™

October 2011

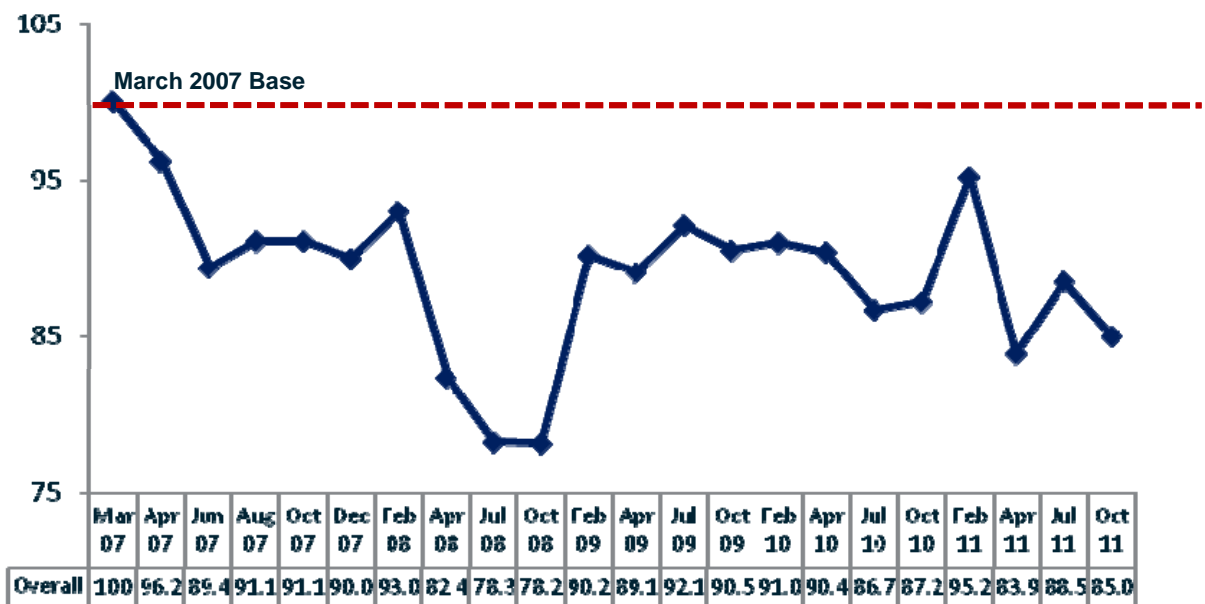
RESULTS

Similar to Consumer Confidence, the Traveler Sentiment Index™ is unable to sustain improvement. The Traveler Sentiment Index™ fell from 88.5 to 85.0 between July 2011 and October 2011. Five of the six factors that comprise the overall TSI declined between the two survey periods. Interestingly, the “affordability of travel” increased from 86.5 to 95.0 between July and October, while “money available for travel” declined slightly from 79.9 in July to 75.3. The October “money available for travel” index of 75.3 is on par with April 2011 (75.2) and represents no change from last October (75.4). Perhaps reflecting increased pessimism about the economy as we approach the holidays, the “interest in travel” index displayed the sharpest drop, moving from 89.0 in July to 77.9 in October, and its lowest point in three years.

Placing October 2011’s overall TSI of 85.0 into context, the index is down over two points from last October and five points below the post-recession index realized in October 2009. The overall TSI fell to a low of 78.2 three years ago when the recession was at its zenith. The TSI for October 2011 is, however, only seven points above the all-time low, suggesting that, from the consumer’s point of view, the economy has yet to turn the corner.

The following graph reveals the overall Traveler Sentiment Index™ from March 2007 through October 2011. See last page for methodology.

OVERALL TRAVELER SENTIMENT INDEX™



DEFINING TRAVELER SENTIMENT INDEX™ AND SCORES

BACKGROUND

The Traveler Sentiment Index™ (TSI), much like the Conference Board's Consumer Confidence Index, tracks changes in six travel-related factors over time through the *travelhorizons™* survey. The U.S. Travel Association and the Ypartnership has measured the TSI since the inception of the *travelhorizons™* survey in March 2007. Results are reported through these reports and press releases.

The Traveler Sentiment Index™ is tied to a March 2007 base. The TSI is calculated by taking the Traveler Sentiment Score for a survey period divided by the March 2007 value and multiplying this by 100.

Example: Score for interest in travel as of October 2011 = 101.7

Score for interest in travel as of March 2007 = 130.5

Traveler Sentiment Index: $101.7/130.5 * 100 = 77.9$

In addition to the Index, attitudes toward travel are also measured in terms of Traveler Sentiment Scores. Traveler Sentiment Scores are calculated by subtracting the percentage of adults responding negatively to one of the indicators from those providing positive scores and adding 100 to the calculation. Each survey period is treated separately from the other.

Example: % more interested in travel = 27.7%

% less interested in travel = 26.0%

Traveler Sentiment Score: $27.7 - 26.0 = 1.7 + 100$ or 101.7.

A value above 100 means that a higher percentage of respondents hold more positive perceptions about a particular attitude toward travel than those who feel negatively. A score below 100 reflects higher negative attitude than positive, while a score below 100 reflects a more negative than positive perception.

The Traveler Sentiment Score for each subsequent survey period is divided by the March 2007 Score, thereby providing a trend line showing changes relative to the March 2007 base.

The Traveler Sentiment Index™ and Score are based on six indicators, including:

- Overall interest in travel
- Demands on time available to travel
- Personal finances available for travel
- Affordability of travel
- Quality of service received
- Safety of travel in the United States