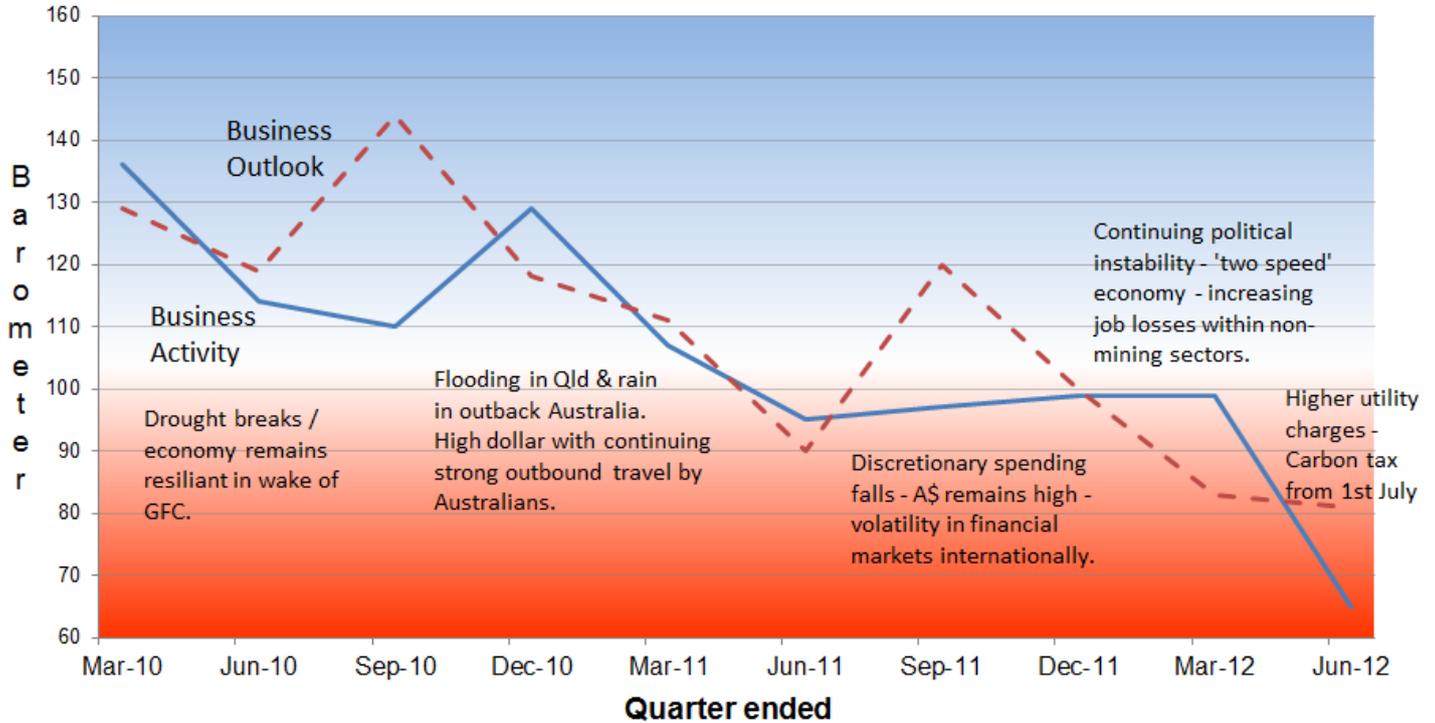


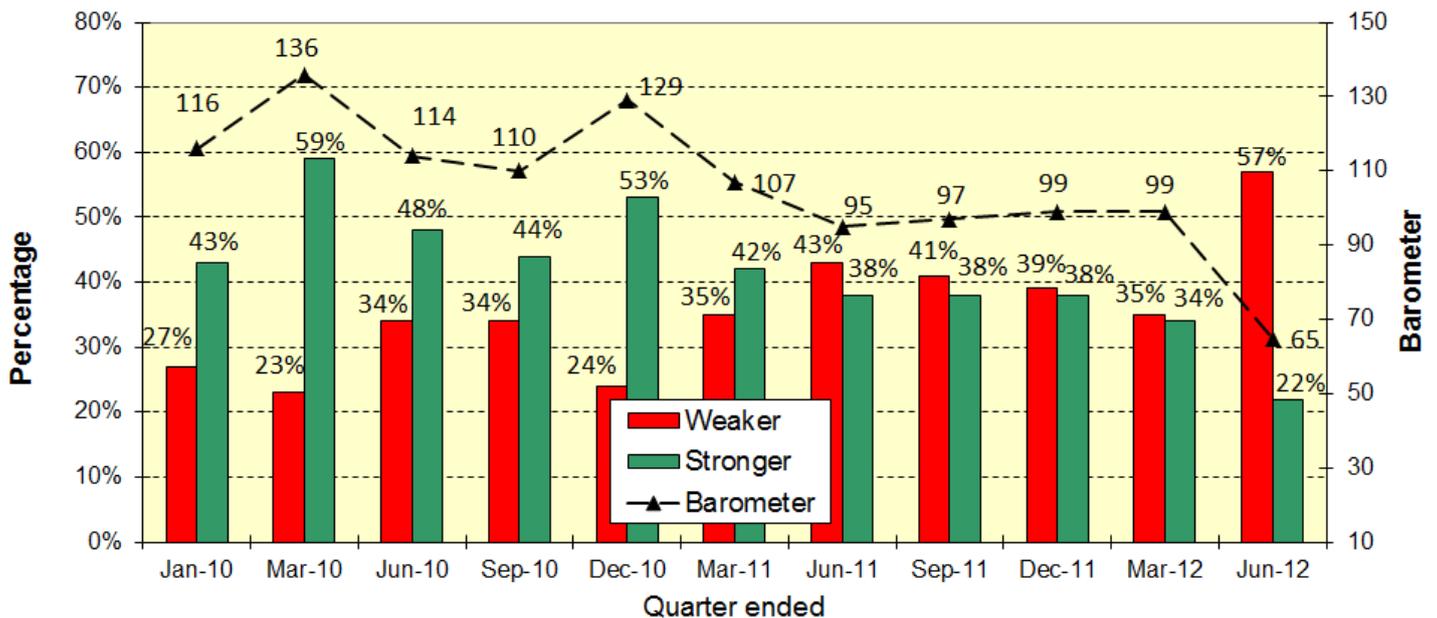
South Australian Tourism Barometer – June Quarter 2012



The Barometer results for the June quarter show a sharp decline in the business activity index (down 34%). While demand continues to be weak respondents were also experiencing increasing pressure on yields due to factors such as rising utility costs. Rising prices were also felt to be a factor for consumers who may feel that they have lower disposable income.

The survey respondents were asked to state whether their business had experienced stronger or weaker activity in the June quarter of 2012 when compared to the same period in 2011.

Business Activity in the Last 3 Months



In the June quarter of 2012 the proportion of survey respondents experiencing weaker business activity when compared to the same period last year was 57% - up from 35% at the March quarter survey. The proportion experiencing stronger conditions was down from 34% in March to 22% in the current survey.

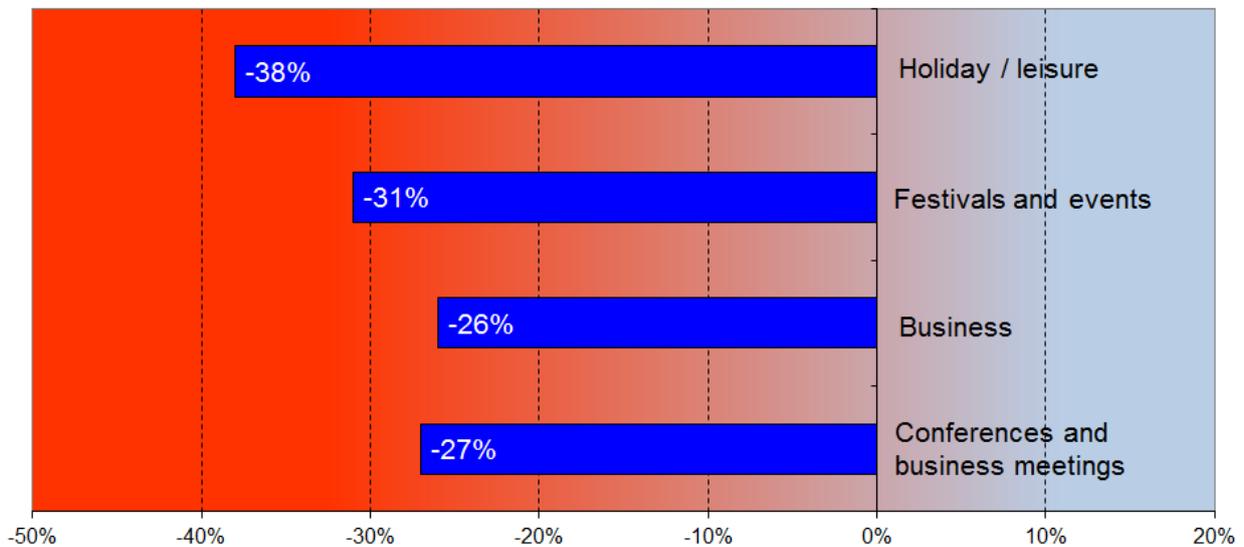
Factors underpinning performance included:

- Packaging with partners to offer a more appealing overall experience to visitors.
- Improved online booking capabilities.
- Local events.
- SATC KI campaign.

Where less positive:

- Increasing business costs eroding profitability / rising insurance and utilities.
- Pressure from wholesalers to hold or lower rates.
- For households rising utility costs and publicity around job losses.
- Lack of promotion of what's on – e.g. whales.
- B&B sector is soft.
- 'Grey nomads' not spending.
- Lack of state marketing (apart from KI).
- Fewer visitors travelling to Lake Eyre.

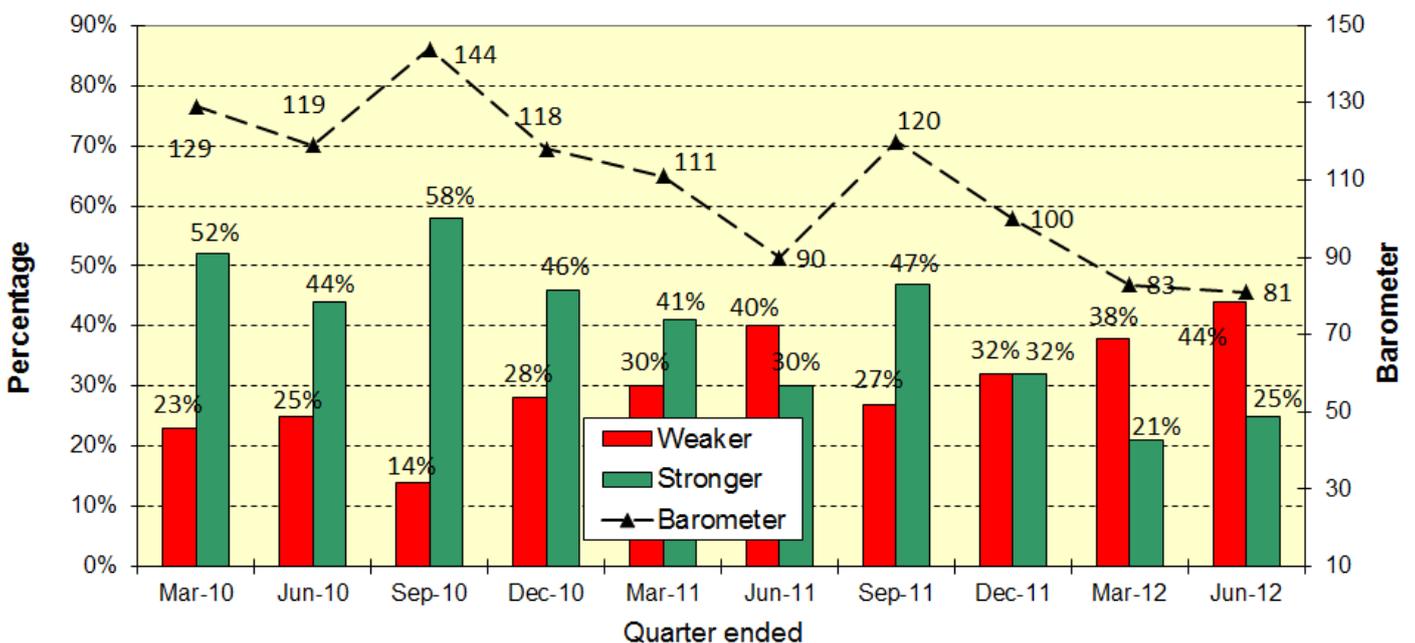
Business Activity by Sector



Business Activity - Deviation from Mid Point of 100

The activity level was below 100 for each of the market sectors. All sectors experienced significant decline.

Business Outlook for the Next 3 Months



In the June 2012 quarter the barometer measuring expectations for the next 3 months was steady (down 2 points from 83 to 81). The proportion expecting stronger performance was 25% while the proportion expecting weaker performance was 44%.

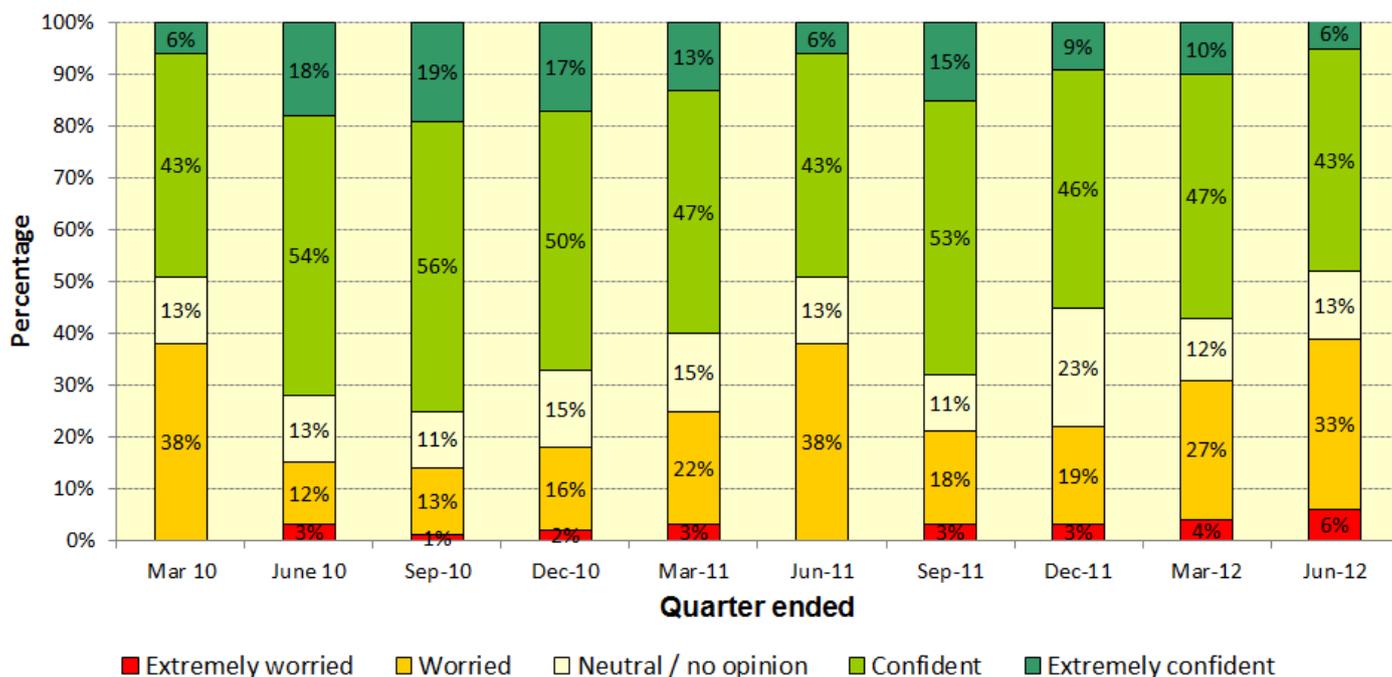
Factors influencing the outlook for the short term included the following:

- Forward bookings up.
- More marketing / promotion of our business.
- More regional events / activities.

Less positively:

- Quietest June for 15 years.
- Forward bookings poor.
- Economic outlook.
- Carbon tax.

Business Outlook for the Next 12 Months



In the June 2012 quarter 6% of the respondents were ‘extremely confident’ about the next 12 months and 43% were ‘confident’. The proportion who were ‘worried’ or ‘extremely worried’ increased from 31% in the March quarter survey to 39%.

Factors underpinning the outlook for the next 12 months included the following:

- Focus on China;
- People travelling closer to home / expect domestic demand to improve;
- Air access (Emirates);
- Repeat business;
- Regional Festivals – Barossa Vintage Festival, Copper Cove Marina Festival and Kernewek Lowender.
- Refurbishment.
- New product development.

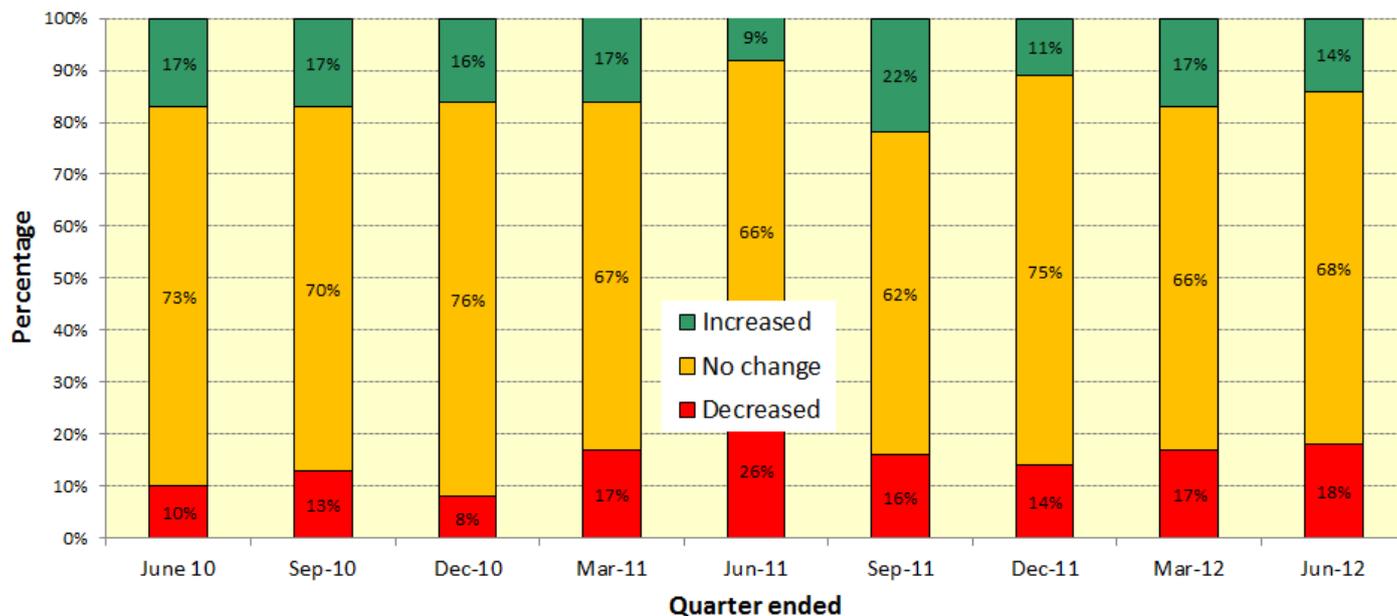
Less positively:

- Pressure on costs. Water & power prices increase while bed prices static.
- Low interest rates don’t help self-funded retirees.
- Economy, electoral uncertainty, carbon tax, cost of living, utility prices.
- Ned to do more to attract Chinese.

Employment

Respondents were asked whether the number of people employed in their business had increased, decreased or remained the same when compared to the same period last year.

Employment Trends



In the June quarter 2012 the proportion employing more people was 14% while 18% were employing fewer people.

About the SATIC Tourism Barometer

The SATIC Tourism Barometer is a quarterly survey of SATIC members designed to measure recent activity levels and the outlook for the future.

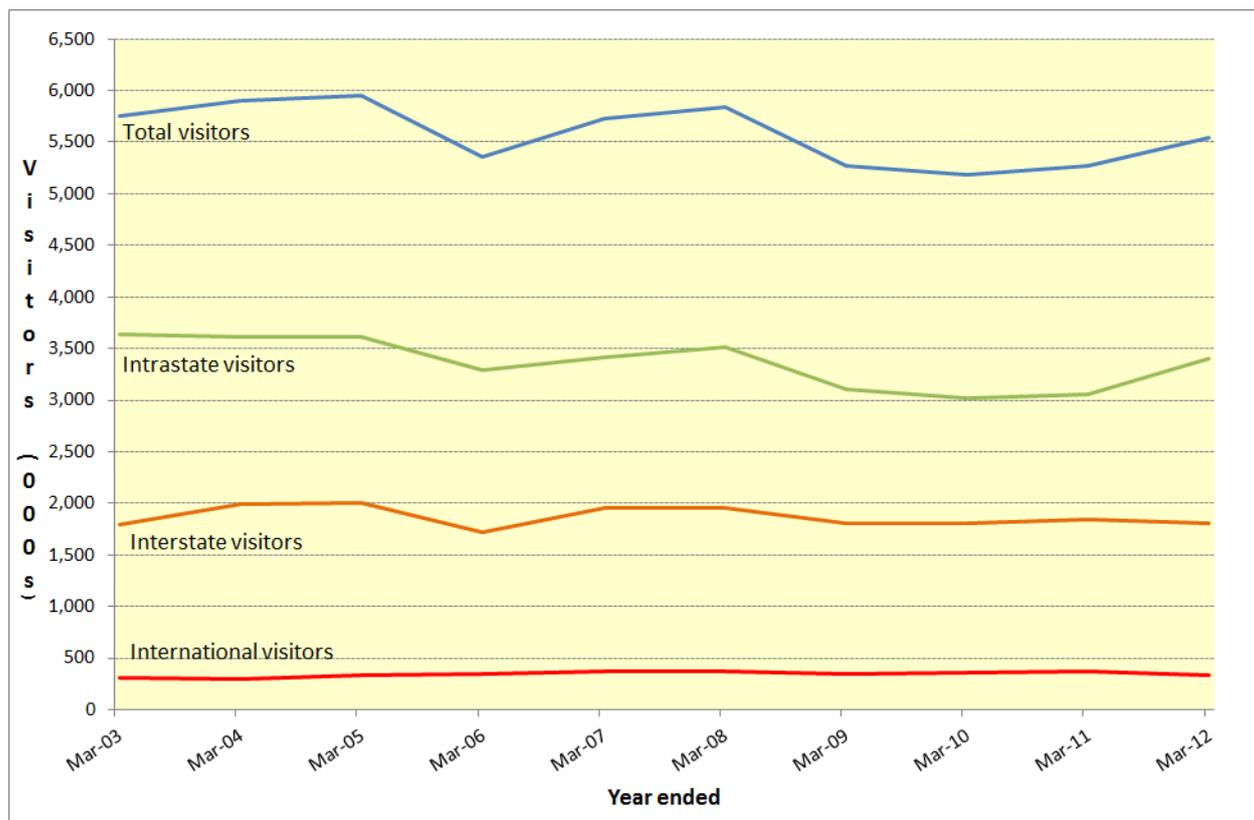
The Barometer survey is conducted on-line and a total of 87 members responded to the June 2012 quarter survey.

Report prepared by independent research consultants – Greenhill Research and Planning.

Annual Performance to March 2012

Information regarding travel demand in Australia is collected by Tourism Research Australia through two national sample surveys: the National Visitor Survey and the International Visitor Survey.

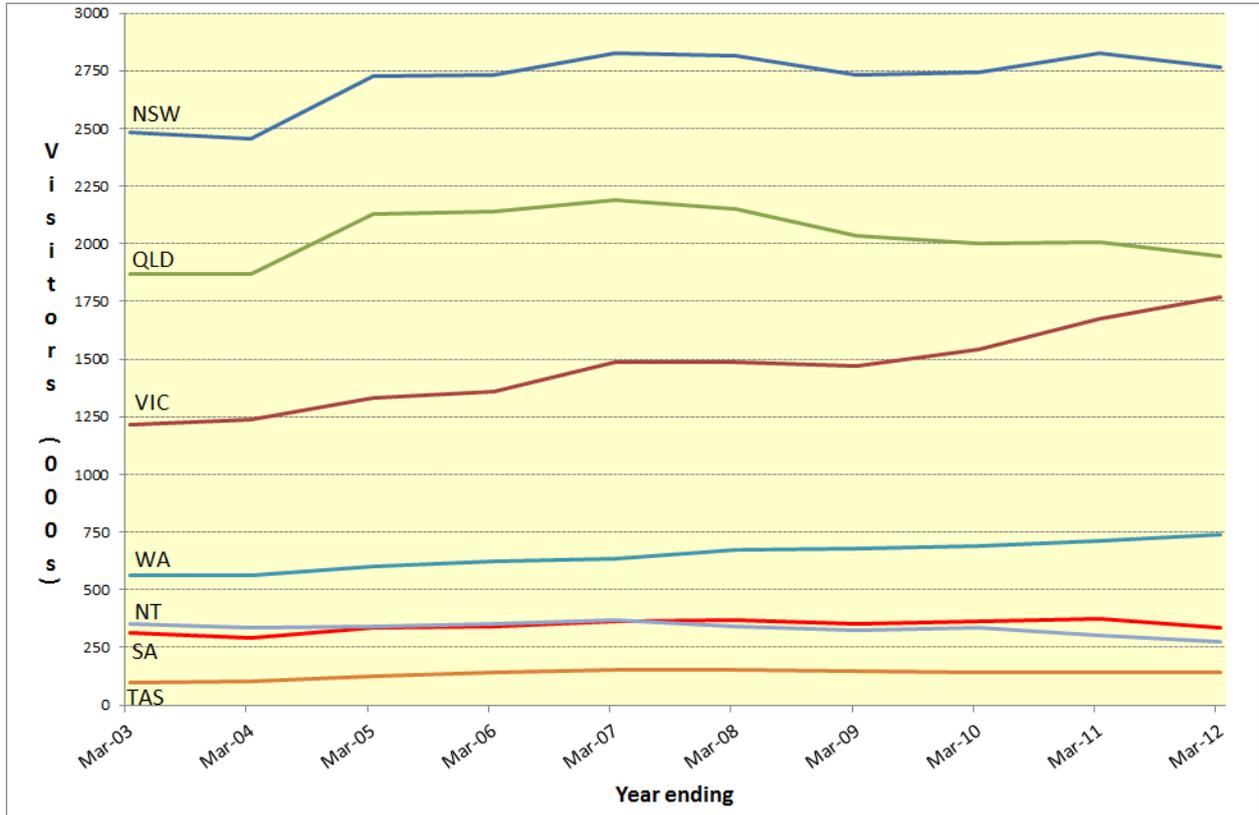
Overview of Visitor Demand for South Australia



The results of these surveys show that the number of overnight visitors to and within South Australia increased by 5% in the year to March 2012 compared with the previous year. Visitor demand within Australia as a whole also increased by 5% during this period.

Intrastate demand increased by 12%, interstate fell 2% while the number of overseas visitors was down by 10%.

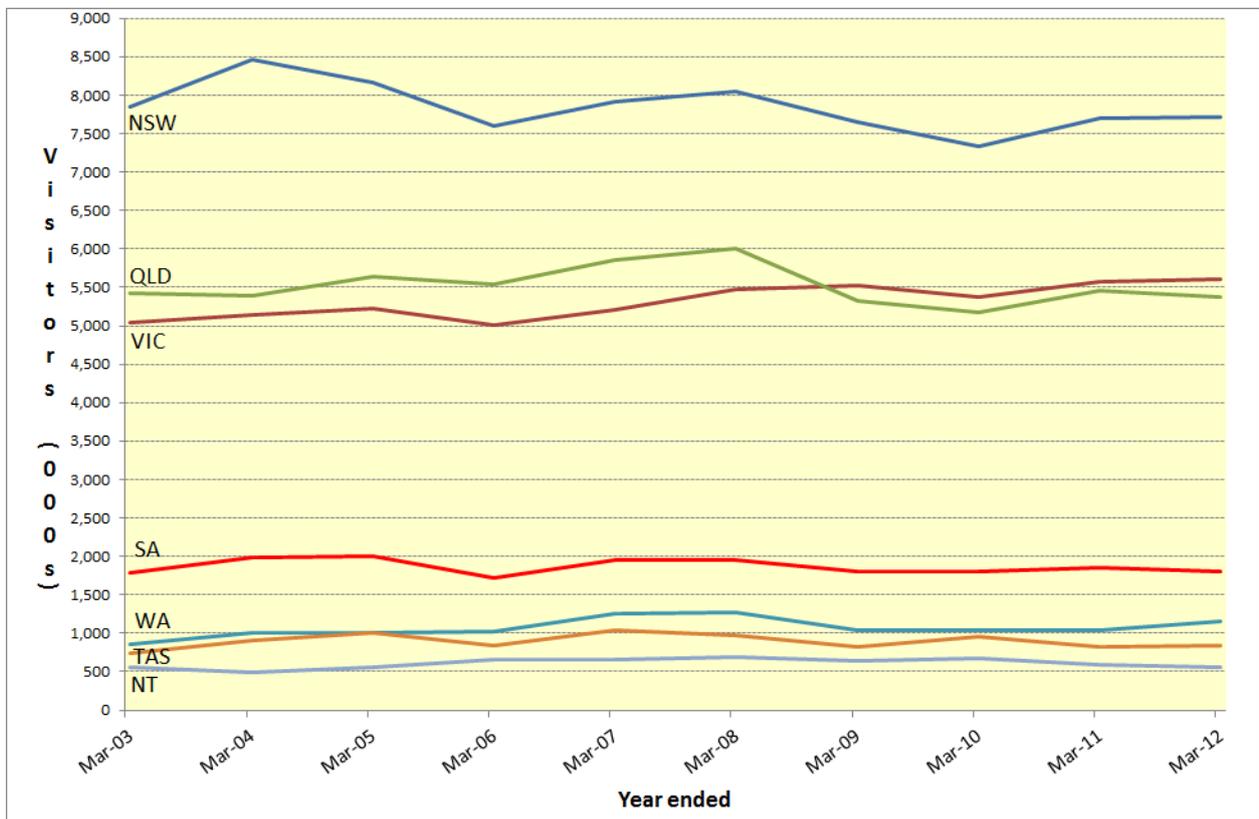
International Visitors by State / Territory



Tourism Research Australia. <http://www.ret.gov.au/tourism>. International Visitor Survey

International visitors to South Australia contracted by 10% compared with an increase of 1% nationally.

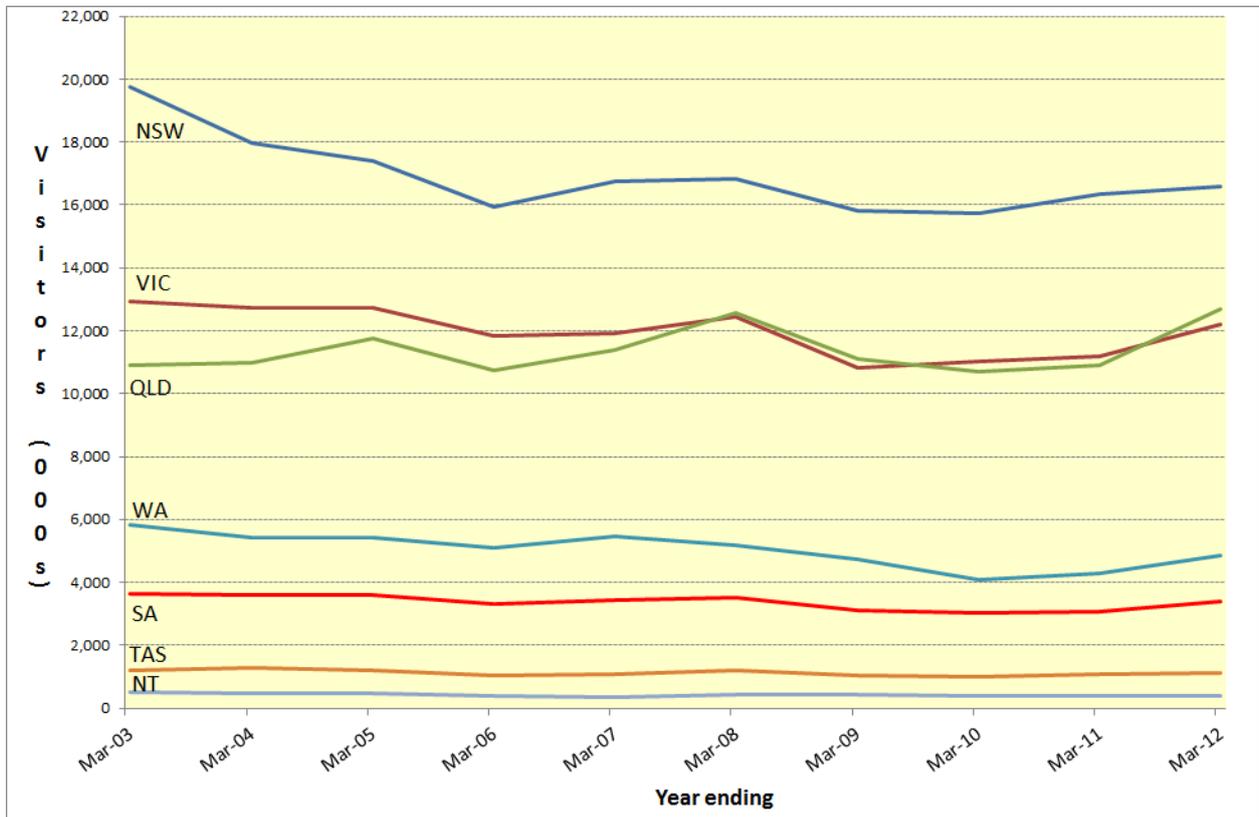
Interstate Visitors by State / Territory



Tourism Research Australia. <http://www.ret.gov.au/tourism>. Travel by Australians. National Visitor Survey

Interstate visitors to South Australia contracted by 2% compared with no change nationally.

Intrastate Visitors by State / Territory

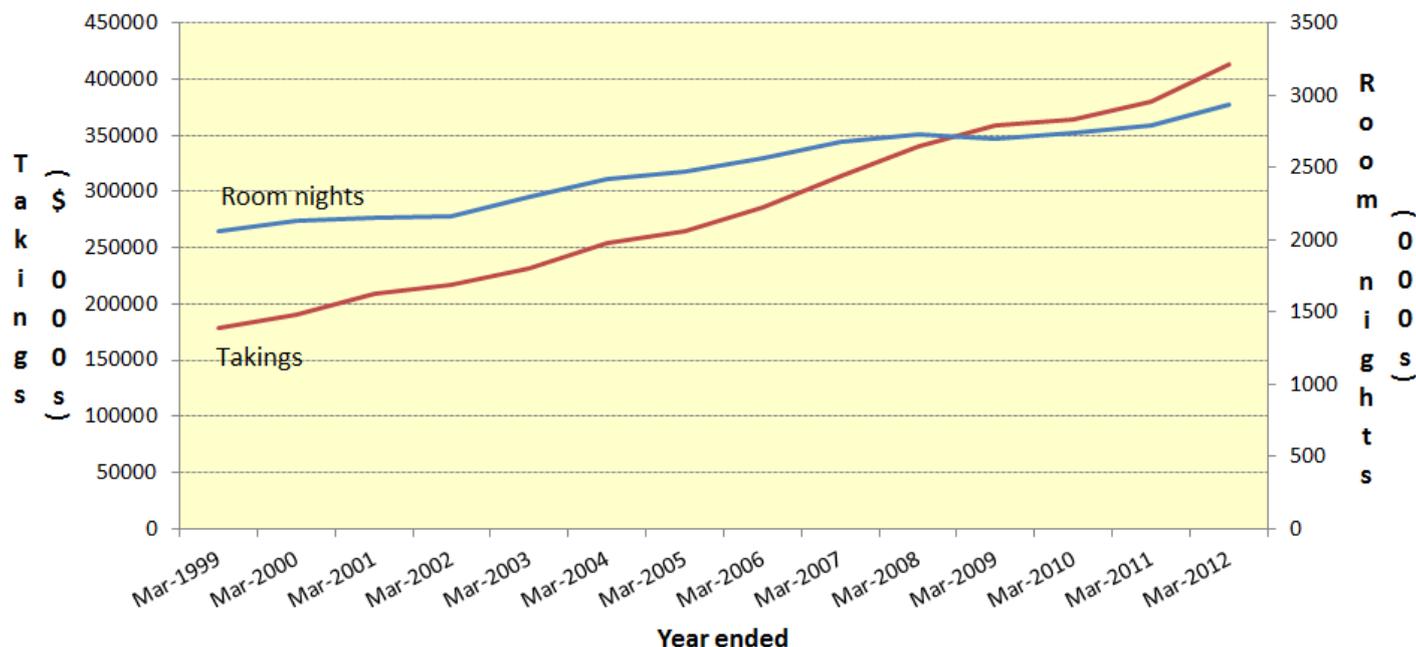


Tourism Research Australia. <http://www.ret.gov.au/tourism>. Travel by Australians. National Visitor Survey

Intrastate visitors in South Australia increased by 12% which was greater than the national increase (9%).

Information regarding the performance of the accommodation sector in South Australia is published by the Australian Bureau of Statistics.

Trend in Room Nights Sold & Takings from Accommodation In SA - Hotels, Motels & Serviced Apartments with 15+ Rooms

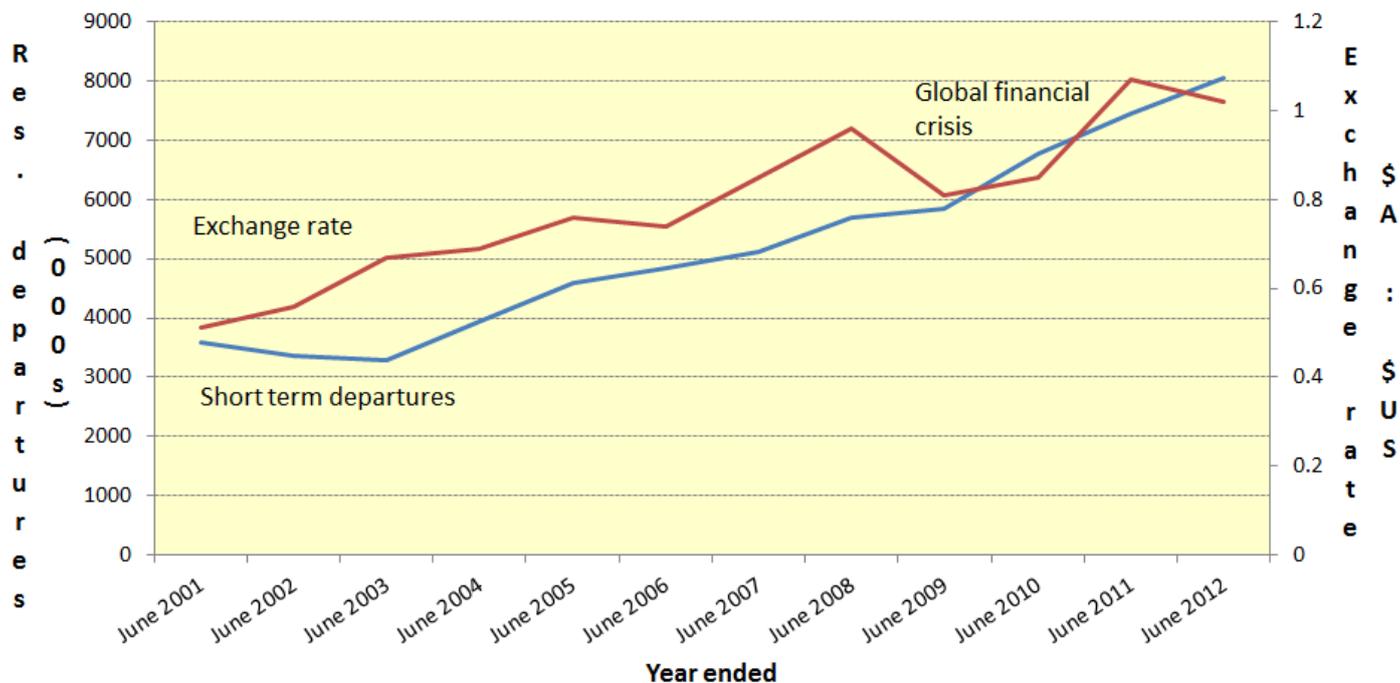


Source: Australian Bureau of Statistics. Cat. 8635.0

Room nights sold in hotels, motels and serviced accommodation in South Australia increased by 4.9% in the year to March 2012 to 2.94 million while takings from accommodation increased by 8.6% to \$413 million.

Information regarding short term overseas departures by Australian residents is also published by the Australian Bureau of Statistics.

Trend in Short Term Australian Resident Departures and \$A - \$US Exchange Rate



Australian Bureau of Statistics Cat. 3401.0 - Overseas Arrivals and Departures.
Reserve Bank of Australia. <http://www.rba.gov.au/statistics/frequency/exchange-rates.html>

The latest figures for the year to June 2012 show short term departures by Australian residents grew by 8.0% when compared to the previous year to a total of 8.0 million for the 12 month period.