



Tracking Domestic Visitor Volumes for Arizona:

2014 Estimates



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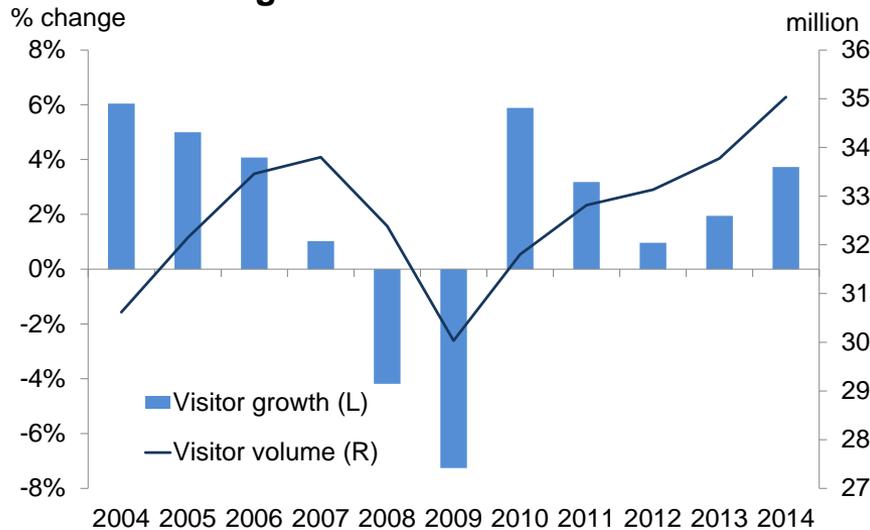
Annual summary

- Arizona attracted 35.0 overnight domestic visitors in 2014, a new record that exceeds the prior peak (33.8 million in 2007).
- Overnight visitation growth improved further in 2014, accelerating to 3.7% growth, from 1.9% in 2013.
- The significant leisure segment performed well, growing 3.9%. The business segment (2.7%) lagged leisure growth, but showed favorable acceleration relative to 2013 (0.9%).
- Resident (3.5%) and nonresident growth (3.8%) were similar to the state average (3.7%).
- National park visitation in 2014 rose 8.1%, as 2013 had been negatively impacted by a period of government shutdown (October 2013).

Annual summary

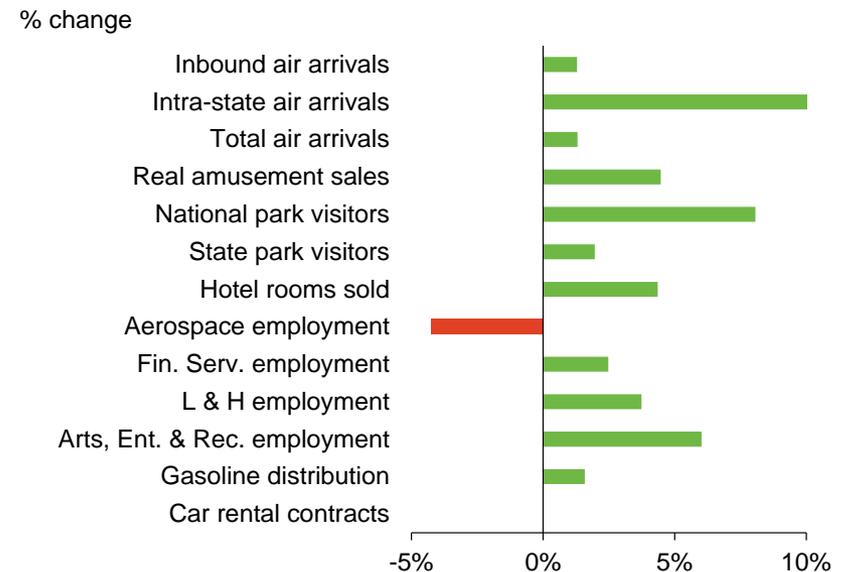
- Air arrivals reversed the declines experienced in 2013, with both inbound and intra-state air rising to levels ahead of 2012 totals. Except for declines in aerospace employment and car rentals (in part due to historical adjustments that were reflected in August 2014), all indicators increased for the year.

Annual overnight visitor trend



Source: AOT / Tourism Economics

2014 Growth in indicators



Annual visitation summary

AZ Domestic Overnight Visitor Volume Estimates (million)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Overnight Leisure | 22.66 | 23.50 | 24.74 | 25.78 | 26.69 | 27.00 | 25.60 | 24.75 | 26.08 | 27.02 | 27.44 | 28.03 | 29.14 |
| Overnight Business | 4.99 | 5.38 | 5.87 | 6.37 | 6.77 | 6.80 | 6.79 | 5.28 | 5.72 | 5.79 | 5.69 | 5.74 | 5.90 |
| Overnight Resident | 8.68 | 8.92 | 9.32 | 9.66 | 9.97 | 10.08 | 9.70 | 8.96 | 9.25 | 9.31 | 9.37 | 9.56 | 9.89 |
| Overnight Nonresident | 18.98 | 19.95 | 21.30 | 22.48 | 23.49 | 23.72 | 22.69 | 21.08 | 22.55 | 23.50 | 23.76 | 24.22 | 25.14 |
| Total Overnight Visitors | 27.65 | 28.87 | 30.62 | 32.15 | 33.46 | 33.80 | 32.39 | 30.03 | 31.80 | 32.81 | 33.13 | 33.77 | 35.03 |

AZ Domestic Overnight Visitor Volume Estimates (annual % growth)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------------------|-------|------|------|------|------|------|-------|--------|------|------|-------|------|------|
| Overnight Leisure | -0.2% | 3.7% | 5.3% | 4.2% | 3.5% | 1.2% | -5.2% | -3.3% | 5.4% | 3.6% | 1.5% | 2.2% | 3.9% |
| Overnight Business | -0.3% | 7.6% | 9.3% | 8.5% | 6.3% | 0.5% | -0.2% | -22.2% | 8.3% | 1.3% | -1.7% | 0.9% | 2.7% |
| Overnight Resident | -0.2% | 2.8% | 4.4% | 3.7% | 3.2% | 1.1% | -3.8% | -7.6% | 3.3% | 0.7% | 0.6% | 2.0% | 3.5% |
| Overnight Nonresident | -0.2% | 5.1% | 6.8% | 5.6% | 4.5% | 1.0% | -4.4% | -7.1% | 7.0% | 4.2% | 1.1% | 1.9% | 3.8% |
| Total Overnight Visitors | -0.2% | 4.4% | 6.0% | 5.0% | 4.1% | 1.0% | -4.2% | -7.3% | 5.9% | 3.2% | 1.0% | 1.9% | 3.7% |

Overnight visitor shares by segment

AZ Domestic Overnight Visitor Volume Estimates
Share of Overnight Visits (%)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Overnight Leisure | 81.9% | 81.4% | 80.8% | 80.2% | 79.8% | 79.9% | 79.0% | 82.4% | 82.0% | 82.3% | 82.8% | 83.0% | 83.2% |
| Overnight Business | 18.1% | 18.6% | 19.2% | 19.8% | 20.2% | 20.1% | 21.0% | 17.6% | 18.0% | 17.7% | 17.2% | 17.0% | 16.8% |
| Overnight Resident | 31.4% | 30.9% | 30.4% | 30.1% | 29.8% | 29.8% | 29.9% | 29.8% | 29.1% | 28.4% | 28.3% | 28.3% | 28.2% |
| Overnight Nonresident | 68.6% | 69.1% | 69.6% | 69.9% | 70.2% | 70.2% | 70.1% | 70.2% | 70.9% | 71.6% | 71.7% | 71.7% | 71.8% |



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