

***South Korea MERS Outbreak
Global Air Net Bookings Reactions
Update as of 28-Jun-2015***

Valencia – July 2015



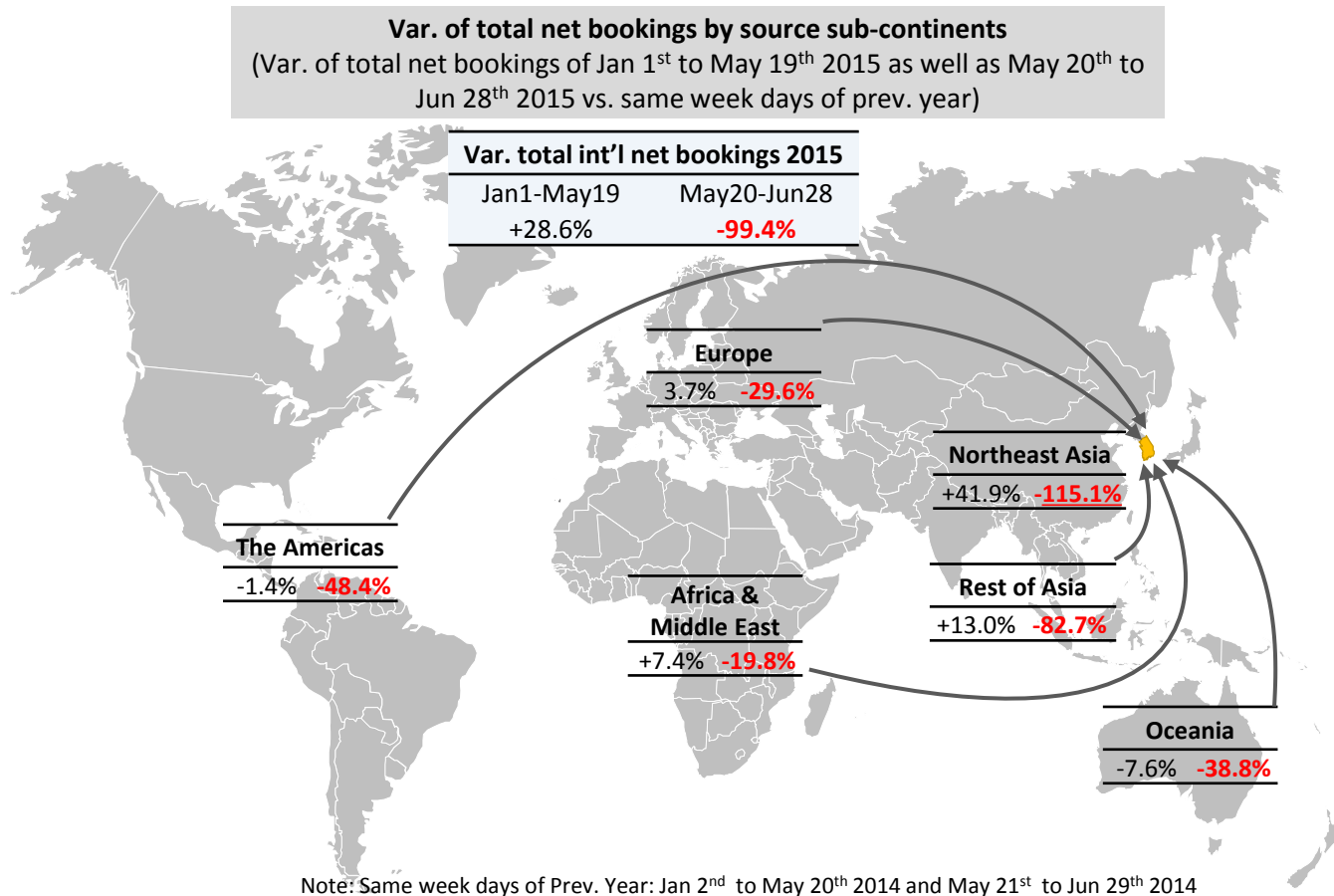
*“Applied traveler operational intelligence to support
tactical business decisions”*

www.ForwardKeys.com

Int'l Air Net Bookings to South Korea by Sub-continents

Most Fierce Reaction from Key Market Northeast Asia

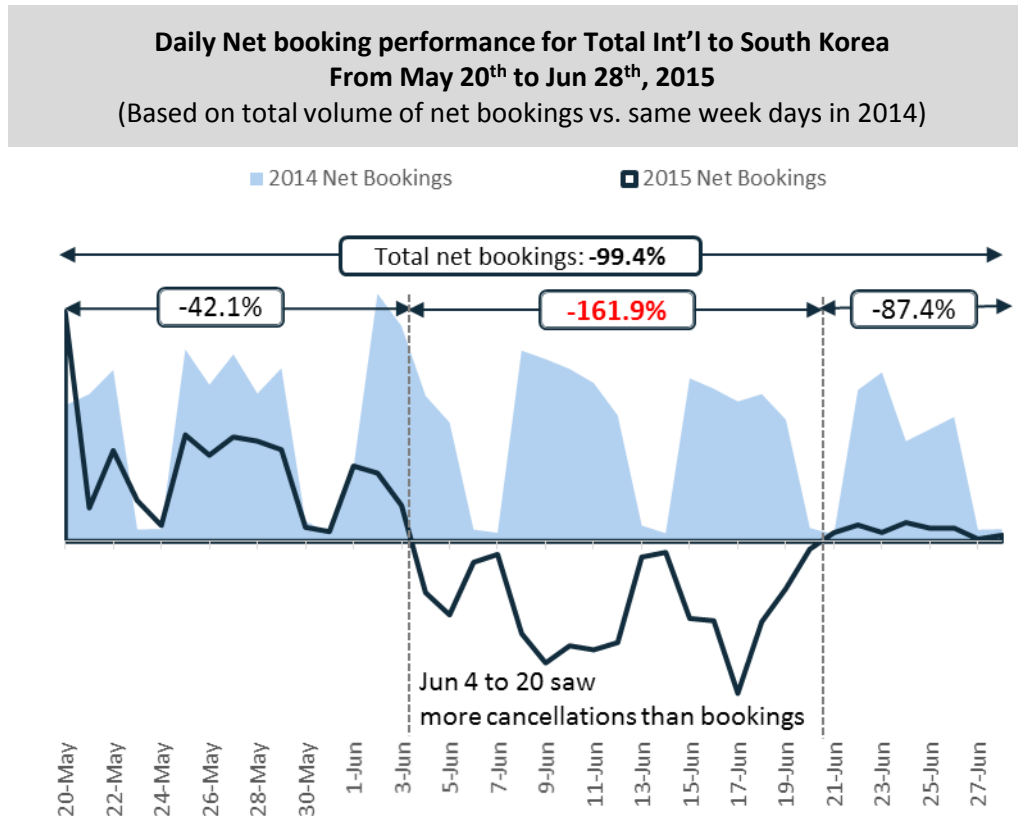
- ▶ Net bookings were hardly gained from first case date (May 20th) until June 28th. Northeast Asia changed from top feeder into quickest turn-away customer.



Int'l Air Net Bookings to South Korea since MERS Outbreak

Recovery Seen in the Most Recent Week

- ▶ South Korea experienced the most painful 17 days from June 4th to the 20th, seeing way more cancellations than bookings. The little recovery in the week of Jun 21 to 28 indicates the MERS haunt is leaving.

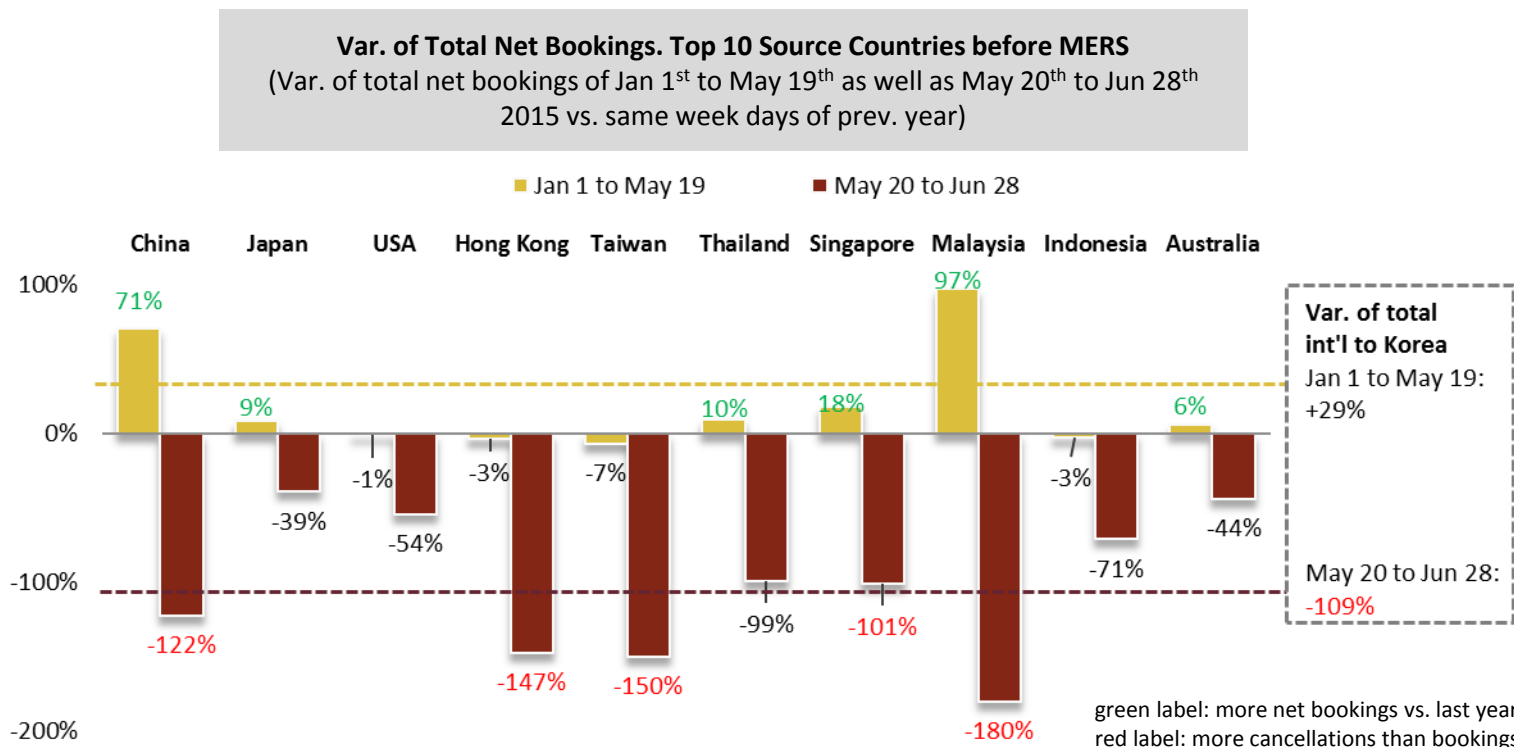


Note: Same week days in 2014: May 21st to Jun 29th 2014; The valley in the graph is because travel agencies usually do not work during the weekends.

Int'l Air Net Booking Performance of Top 10 Sources before MERS

Japan's Decline Started Two Weeks Later than Other Countries

- ▶ Japan saw the decreases in daily net bookings only started on June 2nd, while the other 9 countries showed sharp decreases with one day or two after the first case reported on May 20th.



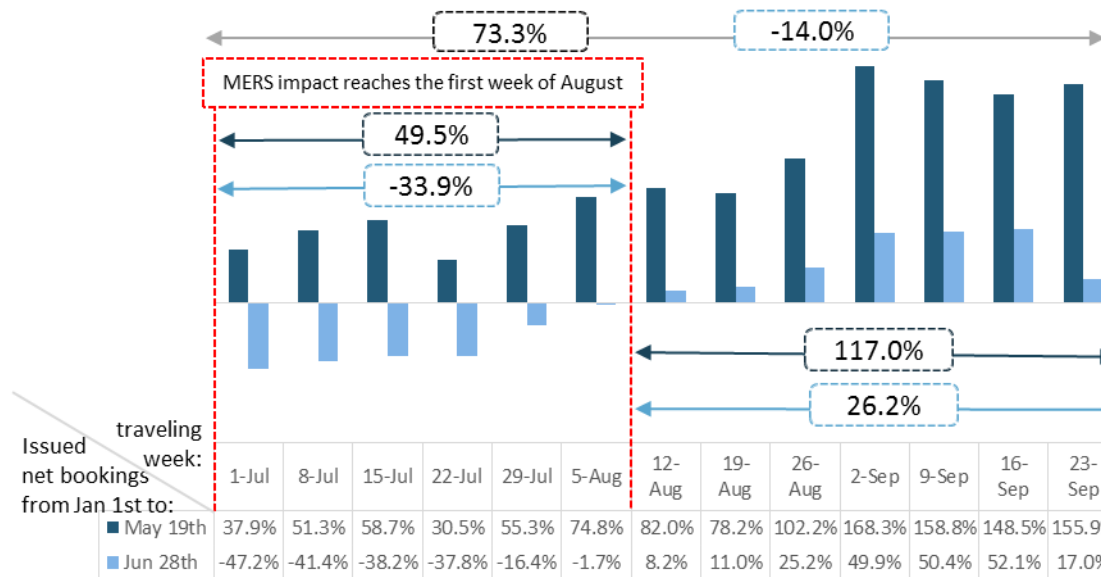
Note: Same weeks in 2014: Jan 2nd to May 20th, 2014; May 21st to Jun 6th, 2014; Jun 7th to Jun 13th, 2014;

Forward Looking Arrivals into South Korea July to September 2015

Collapse into July while mid-Aug-Sep still Resilient

- As of 28 June 2015, July arrivals into South Korea don't look promising with a decrease of over one-third on the book compared to last year. As South Korea announced visa-fee-waiver for China and Southeast Asia countries on July 1st, summer season performance is still worth watching.

Weekly Net booking performance. Total Int'l to South Korea
int'l traveling between Jul 1st and Sep 29th 2015 vs. same weeks in 2014
 (Var. of issued net bookings during Jan 1st to Jun 28th 2015 vs. same weeks in 2014)



Note: Same weeks in 2014 for arrivals: Jul 2nd to Sep 30th, 2014; Same weeks for issued bookings: Jan 2nd to Jun 29th, 2014.

*News report on waiving visa fee: <http://www.gmanetwork.com/news/story/513842/pinoyabroad/worldfeatures/south-korea-waives-visa-fees-to-attract-tourists-amid-mers>

Methodology and glossary

- ▶ This analysis is based on Air Reservation Data propriety of ForwardKeys® as of 1st July 2015. Database contains reservations made by 180,000 travel agencies worldwide, collected daily from the main GDSs worldwide.
 - ▶ Database updated as of **28th June 2015**.

 - ▶ **Perimeter:**
 - ▶ Markets: **Total International**, focus on **Greater China area** as China Mainland, Hong Kong, and Taiwan
 - ▶ Destinations: South Korea
 - ▶ Period:
 - ▶ Booking History: 1st Jan to 28th Jun 2015;
 - ▶ On the Book: 1st July 2015 to 30th Sep 2015;
 - ▶ Lengths of Stay: Current analysis includes only those reservations that stayed at least one night in the destination, therefore excluding transits, day trips or one way trips.
-
- ▶ **Arrivals** refer to the number of airline passengers arriving at the destination within a specific time frame.
 - ▶ **Arrivals on the Book (OTB Arrivals)** refer to the number of airline passengers arriving at the destination within a specific future time frame according to the bookings that have been issued as noted.
 - ▶ **Net Bookings** = bookings – cancellations. When the variation of the Net Bookings is over -100%, meaning cancellations are more than bookings during the period stated.