



The only constant is **CHANGE**

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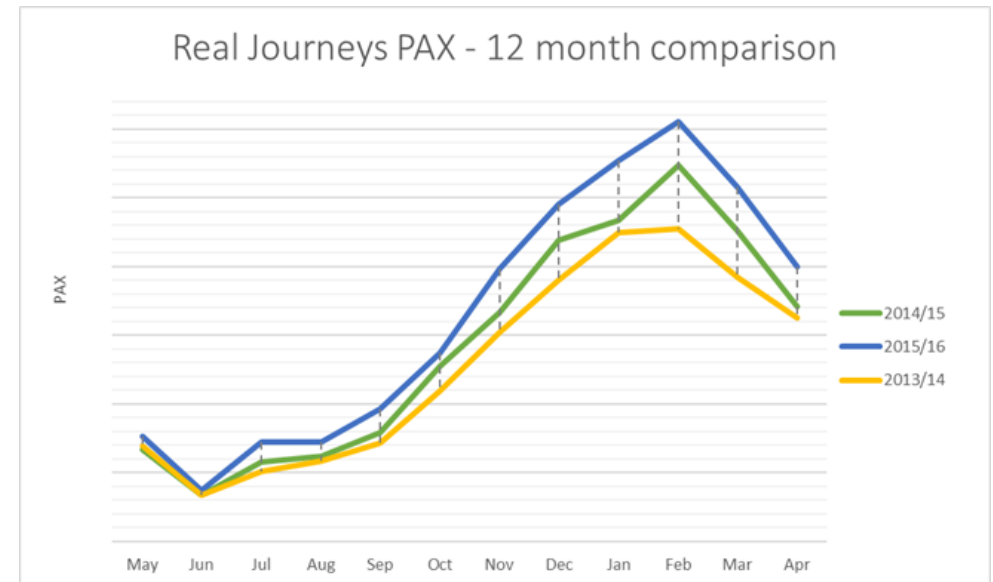
Who are we?

- Tourism operator – Queenstown, Te Anau, Milford Sound, Doubtful Sound, Stewart Island and Christchurch
- Family-owned business established in 1954
- Real Journeys Group consists of
 - Real Journeys
 - Stewart Island Experience
 - Cardrona Alpine Resort
 - Go Orange
 - International Antarctic Centre
- 1000+ employees across the group



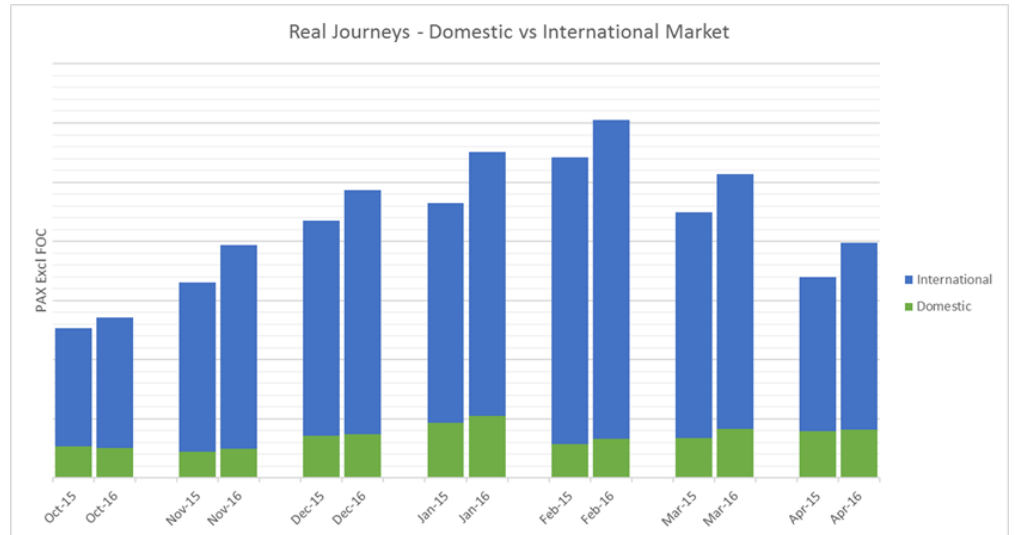
Our Observations of summer 15/16

- Lengthening of season
- Chinese New Year continues to grow and now largest holiday period
- Speed of change in the China market with respect to FIT or semi-FIT
- Forward booking pattern changes
- Significant increase in online booking – proprietary and OTA



Our Observations of summer 15/16

- Well geared for the season this year following the learnings from 14/15
- Chinese becoming more adventurous and branching out into different products/experiences
- American premium and small group operators growing strongly
- More regional dispersal helping grow off peak business
- Domestic market continues to be important for business



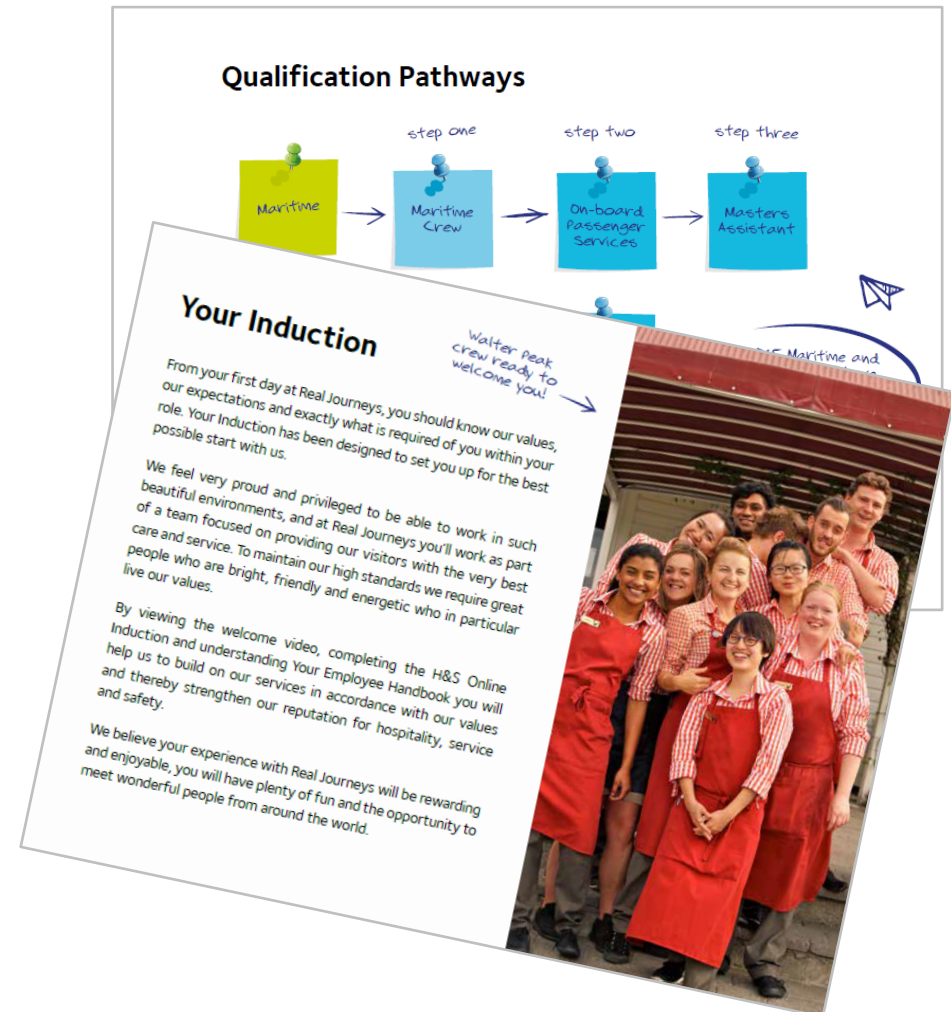
So what varied to our initial planning?

- Growth exceeded expectations at the time of setting annual business plans
- February growth astounded us as we felt there wasn't significant room to grow
- Extra airline capacity that was announced and came on stream through the season



Learnings

- Product development and refinement is key
- Different approach to our timetable and capacity management in season 15/16.
- Recruitment and planning all formed around this approach
- On boarding process and employee development provided assisted in setting up for increased volume and to maintain a remarkable experience
- Peak capacity constraints driven change in consumer purchase
- Further develop our capability and capacity to cater to the evolution of visitor mix and booking patterns



How will we manage future growth?

- Very clear idea of our peak demand and thus our opportunity outside of peak to grow our business
- Developing new strategies around recruitment and the balance of seasonal vs. permanent roles
- Continue to invest in product and tailoring experiences to target new business/markets
- Further refine pricing strategies
- New roles developed such as the Director of Product Development recently advertised
- Moved into an active capital investment programme with 10 year development plans for our existing portfolio



What has been driving us to invest and develop?

- Brand and product positioning has driven quality investment
- Board confidence in business performance and outlook has allowed us to invest in our existing product and brand but also look at external opportunities to grow our business
- Significant improvement in business information intelligence to maximise opportunities
- Product enhancements and investment has helped underpin retail price increases
- Focus on increasing average spend per person for the past three years



What has been driving us to invest and develop?

- Better conditions for industry growth
 - Low cost of capital
 - Weakening NZD
 - Low fuel costs – improving profitability
 - Airline expansion – opening up new markets and capacity
 - Industry focus on growing shoulder seasons



Thank You

