



Investment Opportunities for Travel & Leisure Globally

Slim Ventures, LLC

There are Tremendous Opportunities to
Capitalize on the **\$12 Trillion in Tourism
and Leisure Infrastructure** Investments
Globally Over the Next 10 Years



Summary Driving Themes

By 2025, annual consumption in emerging markets will reach \$30 trillion-the biggest growth opportunity in the history of capitalism.

-McKinsey Quarterly

Demographics

1. Population growth
2. The graying of developed markets
3. The rise of emerging markets

Infrastructure

1. Building in the path of growth
2. Underdeveloped infrastructure & opportunities
3. Maximize often under exploited digital lead generation partnerships and technologies.

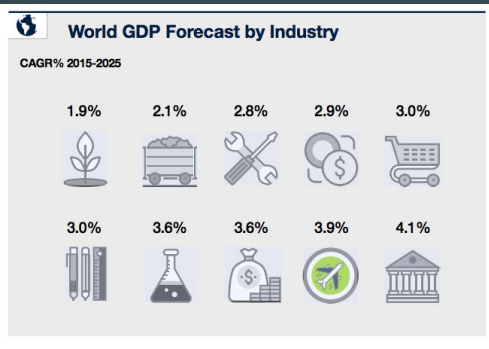
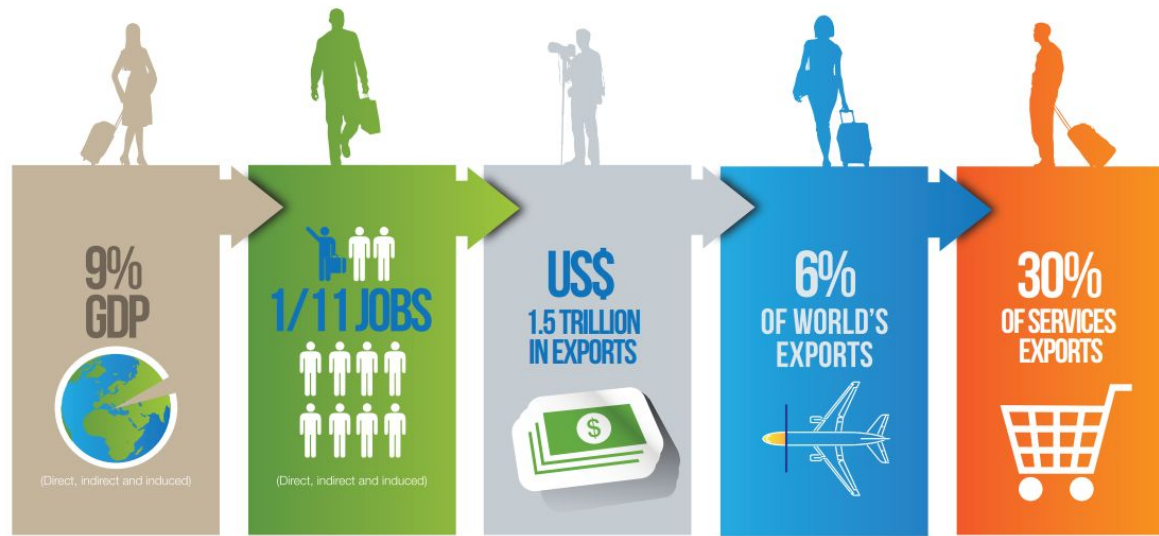
Culture

- Growth & changes in loci of heritage tourism

Partnerships

- Partnerships and co-investing with leading executives in the industry / geography

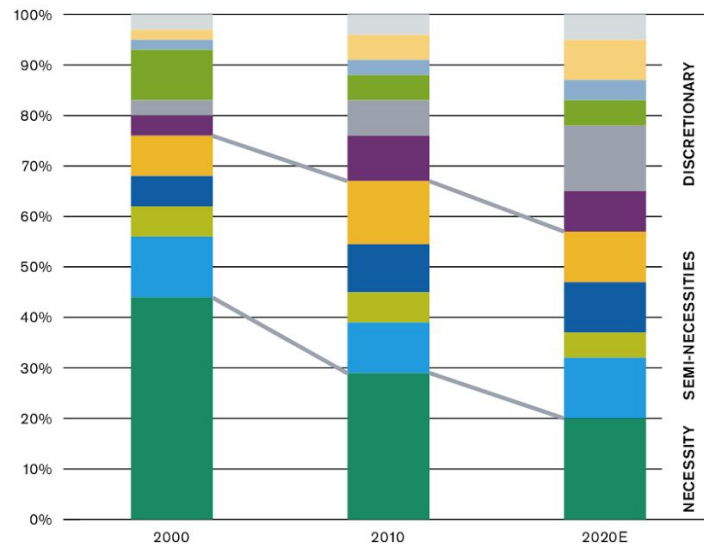
A Driving Pillar in the World Economy



WHY TOURISM MATTERS

Source: UNWTO, 2015

Discretionary Spending Continues to Grow

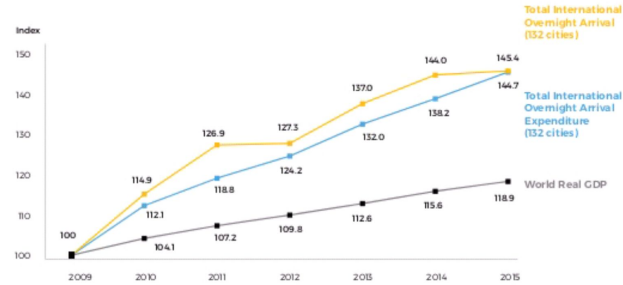


Source: Economist Intelligence Unit; World Bank, McKinsey & Co.

Tourism Growing Faster than GDP

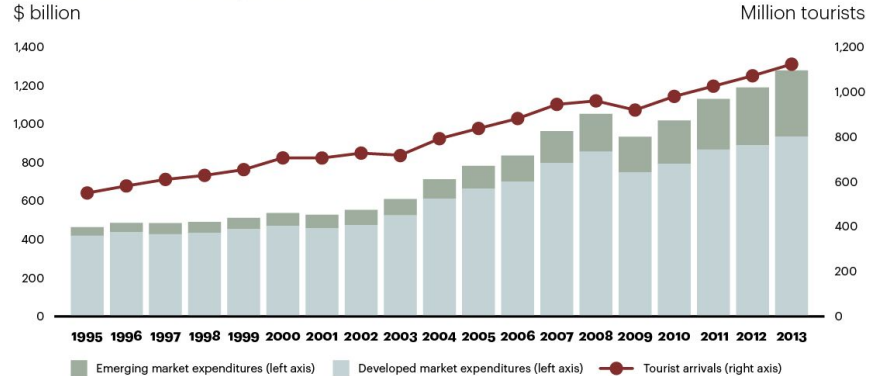


WORLD GDP GROWTH VS. GROWTH OF VISITOR ARRIVALS AND SPENDING



Global tourism continues to expand, with emerging market tourists growing as a share of the total

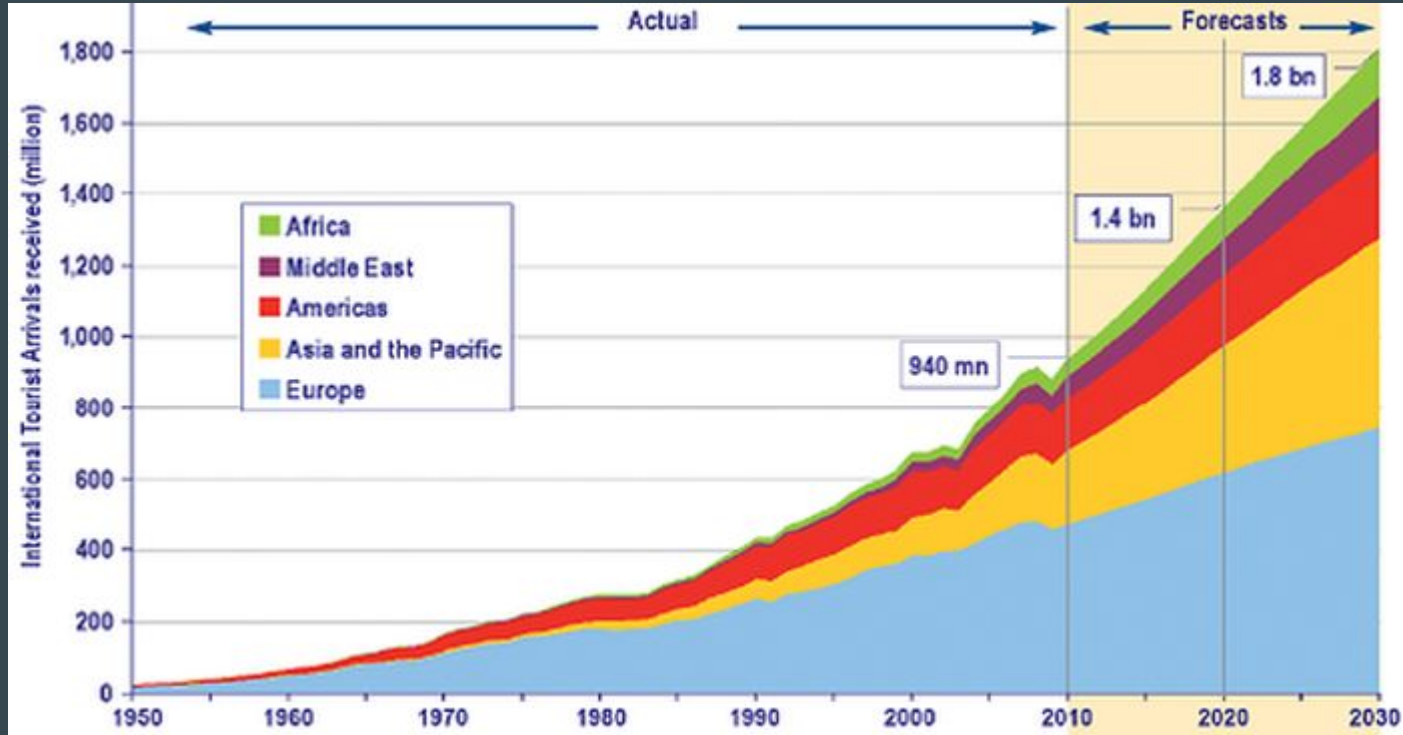
International tourism expenditures and arrivals



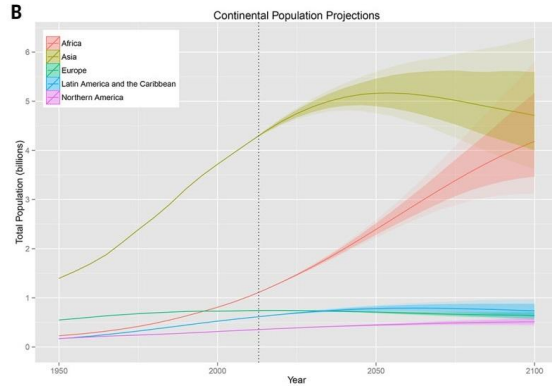
Note: Developed markets are "high-income" countries; emerging markets are "low- and middle-income" countries.

Sources: World Bank Worldwide Development Indicators; A.T. Kearney analysis

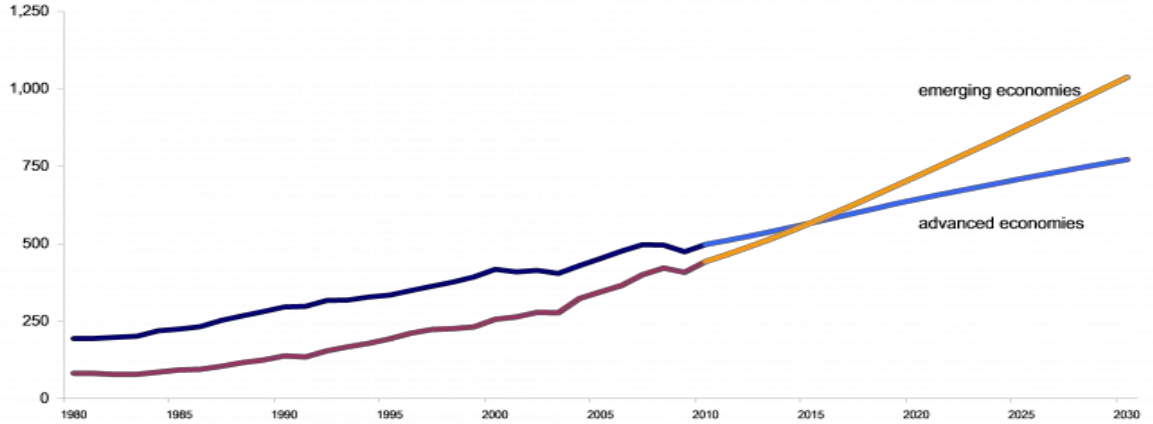
Tourism Growth Projected to Continue



Fueled by Population Growth & the Emerging Consumer Class



Inbound tourism, advanced and emerging economies



source: World Tourism Organization (UNWTO) ©

SHARES OF GLOBAL MIDDLE-CLASS CONSUMPTION, 2000-2050

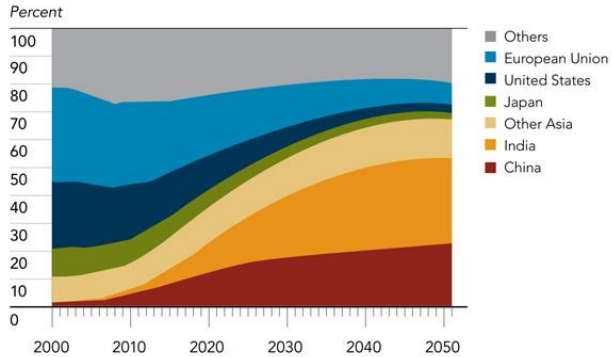
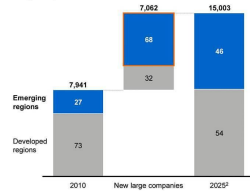
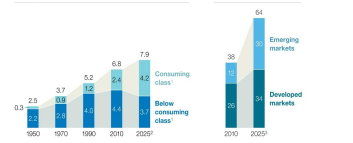


Exhibit E1
Of the 7,000 new large companies that are expected to develop by 2025,
seven out of ten will be in emerging regions
% number of large companies¹

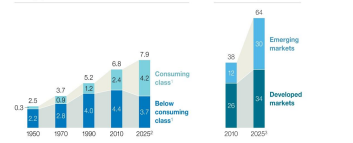


¹ Companies with \$1 billion or more in revenue in 2010 or closest available year, captured at headquarters location.
² Projections for 2025 are based on city GDP forecasts (see technical appendix for methodology).
SOURCE: MGI CompanyScope; McKinsey Global Institute analysis

World population, billions



World consumption, \$ trillion

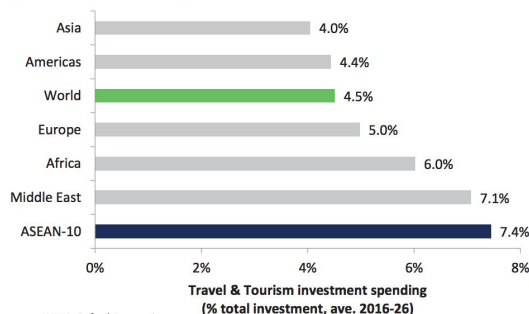


¹ Constant 2010 daily disposable income is a proxy for emerging class; China income adjusted for purchasing power parity.
² Projections for 2025 are based on city GDP forecasts (see technical appendix for methodology).
SOURCE: Angus Maddison, Institute of Economics Growth and Development Centre, University of Cambridge; David Khayat, writer fellow at Wellesley Center for Development and Brookings Institution; McKinsey Global Institute analysis

\$12.57 Trillion in Travel Infrastructure over 10 Years

US\$3.6 trillion worth of Travel & Tourism investment made in the Americas over the next decade, 28% of total world investment over the same period.

Figure 2-6 – ASEAN and world regions: T&T investment share of total investment




| Table 2.2: WEF infrastructure ratings by selected country by type (2013) | | | | | |
|--|----------------|-----------------------|-----------------------------|-----------------------------------|--------------------------------------|
| | Composite rank | Composite score (0-7) | Tourism infrastructure rank | Air transport infrastructure rank | Ground transport infrastructure rank |
| France | 1 | 5.9 | 2 | 5 | 2 |
| United States | 2 | 5.8 | 1 | 2 | 6 |
| Canada | 3 | 5.7 | 4 | 1 | 7 |
| United Arab Emirates | 4 | 5.6 | 5 | 3 | 5 |
| Singapore | 5 | 5.5 | 8 | 6 | 1 |
| Australia | 6 | 5.3 | 3 | 4 | 9 |
| Barbados | 7 | 5.3 | 6 | 10 | 4 |
| Japan | 8 | 5.1 | 12 | 8 | 3 |
| Thailand | 9 | 4.5 | 7 | 7 | 13 |
| Turkey | 10 | 4.4 | 10 | 9 | 11 |
| Russian Federation | 11 | 4.1 | 9 | 11 | 17 |
| South Africa | 12 | 4.1 | 13 | 14 | 14 |
| Chile | 13 | 4.0 | 11 | 17 | 12 |
| Mexico | 14 | 3.9 | 16 | 15 | 15 |
| India | 15 | 3.8 | 20 | 13 | 8 |
| China | 16 | 3.6 | 21 | 12 | 10 |
| Brazil | 17 | 3.6 | 15 | 15 | 21 |
| Argentina | 18 | 3.4 | 14 | 19 | 19 |
| Peru | 19 | 3.3 | 17 | 21 | 19 |
| Egypt | 20 | 3.1 | 18 | 18 | 18 |
| Kenya | 21 | 2.8 | 22 | 22 | 16 |
| Colombia | 22 | 2.8 | 19 | 20 | 22 |

Sources: World Economic Forum, WTTC, Oxford Economics


Note: Countries from the Americas are shaded in blue

Ranks and ratings are shaded using a colour scale, where green signifies strong performance and red signifies weak performance

Infrastructure Needs - Worldwide



MENU



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TRAVEL DAILY

CANADA April 25, 2016 11:18 am

Quebec to invest \$35M to attract cruise ships, tourism



By R... Web...

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Industry News & Analysis



126



PLAY VIDEO

Engineering News

Private Investors to Fund Australia's Infrastructure Agenda



CHINADAILY USA



Tourism official vows big 2016 investment, return



Tourism official vows big 2016 investment, return



Tourism official vows big 2016 investment, return

HAIKOU - China will invest 20 percent more in its tourism industry this year than in 2015 in hope that the industry's annual revenue will rise by 10 percent, according to a senior tourism official.


Investment will rise to 1.2 trillion yuan (\$180 billion) and revenue to 4.55 trillion yuan, said Li Jinzao, head of the National Tourism Administration, at an industry conference on Friday.

Chinese are expected to make 4.38 billion trips for tourism within China this year, up 5 percent on 2015, and revenue from their travels will rise by 11 percent year on year to 3.8 trillion yuan, said Li.

A total of 263 million tourist trips are expected to be made by Chinese going abroad and foreigners coming into China in 2016, up 5 percent year on last year.

Tourism is playing an increasingly important role in China's economic growth as the country is steering the economy from one led by investment to one more driven by consumption. The sector accounted for about 10.8 percent of total GDP growth and 10.2 percent of national employment last year.

Silk Road countries meet in Iran to advance tourism



COUNTER PUNCH

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APRIL 29, 2016

Crimea as a Paradise for High-Class Tourism?

by [ULRICH HEYDEN](#)

Plans for the economic renewal and modernization of Crimea were discussed at recent economic forum in Yalta.



WallaAfrica

Countries Topics BizTech Sport

ts to partner w
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ealth grants f

will reveal his "s

Tanzania: Nation Abounds With Tourist Attractions Yet to Be D

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27 APRIL 2

Slim Ventures, LLC

Infrastructure a letdown for visiting Sial



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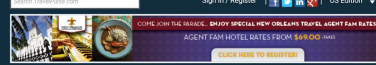
Video: Tourism Infrastructure & Industry Growth

January 18, 2016 | 8 Comments

Tourism infrastructure and industry growth for 2016 are tackled in the latest edition of [Tourism Forward](#), a public affairs program produced by the Bermuda Tourism Authority. Hotel development,



TRAVEL PULSE



TRAVEL PULSE

Egypt Launches Six-Part Plan to Boost Tourism

DESTINATION & TOURISM | JANEEN CHRISTOFF | APRIL 11, 2016

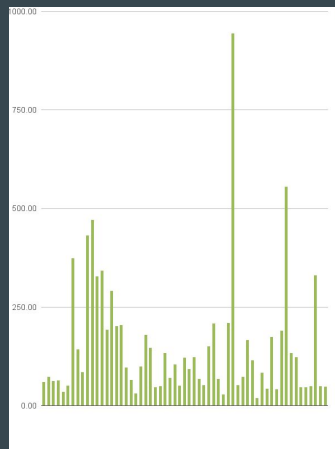
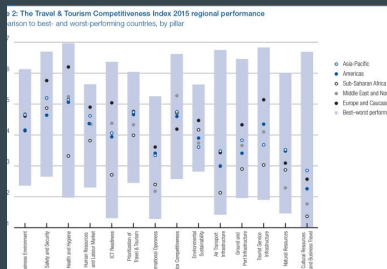


NEW ORLEANS



NEW ORLEANS

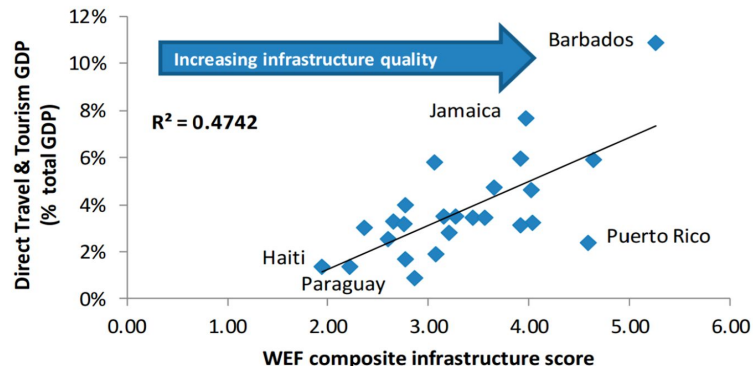




151x
Average ROI
On government tourism
marketing campaigns

Uneven infrastructure development across regions but clear results from investments

*WEF composite Travel & Tourism infrastructure score
and Travel & Tourism direct GDP contribution (2013)*



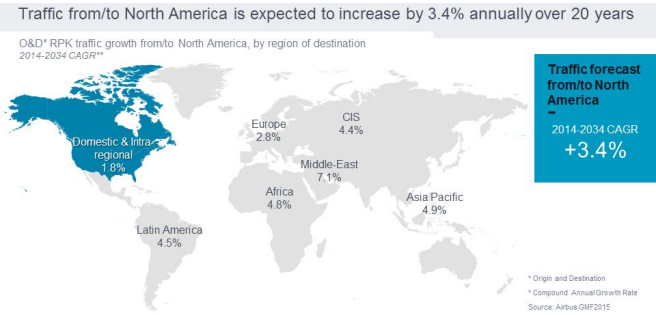
Sources: WTTC, World Economic Forum, Oxford Economics

Note: US and Canada are excluded from this analysis due to their distorting effect. These nations both have very high WEF composite infrastructure scores despite direct Travel & Tourism GDP making a relatively small contribution to total GDP. Countries not included in the WEF Travel & Tourism Competitiveness index are also excluded from this analysis.

Travel & Tourism investment in the Americas: Will the region's infrastructure and investment constrain or support future industry growth?

Diverse Niches, Trends & Location Selection Provide Robust Opportunity

Locations

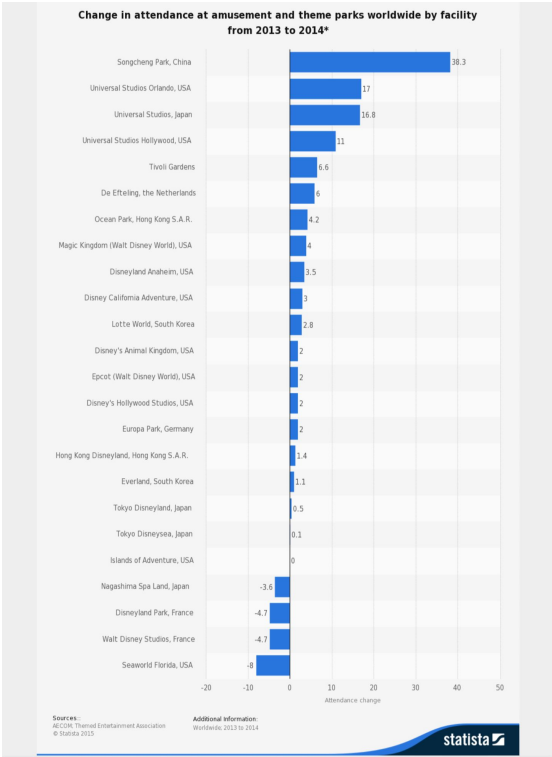


| UNWTO Tourism Towards 2030: International tourism by region of destination | | | | | | | | | | | | |
|--|---|-------|-------|-------------|-------|---------------------------|----------|--------------------|----------|------|-----------|------|
| | International Tourist Arrivals received (million) | | | | | Average annual growth (%) | | | | | Share (%) | |
| | Actual data | | | Projections | | Actual data | | Projections | | | | |
| | 1980 | 1995 | 2010 | 2020 | 2030 | 1980-'95 | '95-2010 | 2010-'30, of which | | | | |
| | | | | | | | | 2010-'20 | 2020-'30 | 2010 | 2030 | |
| World | 277 | 528 | 940 | 1,360 | 1,809 | 4.4 | 3.9 | 3.3 | 3.8 | 2.9 | 100 | 100 |
| to Advanced economies ¹ | 194 | 334 | 498 | 643 | 772 | 3.7 | 2.7 | 2.2 | 2.6 | 1.8 | 53 | 43 |
| to Emerging economies ¹ | 83 | 193 | 442 | 717 | 1,037 | 5.8 | 5.7 | 4.4 | 4.9 | 3.8 | 47 | 57 |
| By UNWTO regions: | | | | | | | | | | | | |
| Africa | 7.2 | 18.9 | 50.3 | 85 | 134 | 6.7 | 6.7 | 5.0 | 5.4 | 4.6 | 5.3 | 7.4 |
| North Africa | 4.0 | 7.3 | 18.7 | 31 | 46 | 4.1 | 6.5 | 4.6 | 5.2 | 4.0 | 2.0 | 2.5 |
| West and Central Africa | 1.0 | 2.3 | 6.8 | 13 | 22 | 5.9 | 7.5 | 5.9 | 6.5 | 5.4 | 0.7 | 1.2 |
| East Africa | 1.2 | 5.0 | 12.1 | 22 | 37 | 10.1 | 6.1 | 5.8 | 6.2 | 5.4 | 1.3 | 2.1 |
| Southern Africa | 1.0 | 4.3 | 12.6 | 20 | 29 | 10.1 | 7.4 | 4.3 | 4.5 | 4.1 | 1.3 | 1.6 |
| Americas | 62.3 | 109.0 | 149.7 | 199 | 248 | 3.8 | 2.1 | 2.6 | 2.9 | 2.2 | 15.9 | 13.7 |
| North America | 48.3 | 80.7 | 98.2 | 120 | 138 | 3.5 | 1.3 | 1.7 | 2.0 | 1.4 | 10.4 | 7.6 |
| Caribbean | 6.7 | 14.0 | 20.1 | 25 | 30 | 5.0 | 2.4 | 2.0 | 2.4 | 1.7 | 2.1 | 1.7 |
| Central America | 1.5 | 2.6 | 7.9 | 14 | 22 | 3.8 | 7.7 | 5.2 | 6.0 | 4.5 | 0.8 | 1.2 |
| South America | 5.8 | 11.7 | 23.6 | 40 | 58 | 4.8 | 4.8 | 4.6 | 5.3 | 3.9 | 2.5 | 3.2 |
| Asia and the Pacific | 22.8 | 82.0 | 204.0 | 355 | 535 | 8.9 | 6.3 | 4.9 | 5.7 | 4.2 | 21.7 | 29.6 |
| North-East Asia | 10.1 | 41.3 | 111.5 | 195 | 293 | 9.9 | 6.8 | 4.9 | 5.7 | 4.2 | 11.9 | 16.2 |
| South-East Asia | 8.2 | 28.4 | 69.9 | 123 | 187 | 8.7 | 6.2 | 5.1 | 5.8 | 4.3 | 7.4 | 10.3 |
| Oceania | 2.3 | 8.1 | 11.6 | 15 | 19 | 8.7 | 2.4 | 2.4 | 2.9 | 2.0 | 1.2 | 1.0 |
| South Asia | 2.2 | 4.2 | 11.1 | 21 | 36 | 4.3 | 6.6 | 6.0 | 6.8 | 5.3 | 1.2 | 2.0 |
| Europe | 177.3 | 304.1 | 475.3 | 620 | 744 | 3.7 | 3.0 | 2.3 | 2.7 | 1.8 | 50.6 | 41.1 |
| Northern Europe | 20.4 | 35.8 | 57.7 | 72 | 82 | 3.8 | 3.2 | 1.8 | 2.2 | 1.4 | 6.1 | 4.5 |
| Western Europe | 68.3 | 112.2 | 153.7 | 192 | 222 | 3.4 | 2.1 | 1.8 | 2.3 | 1.4 | 16.3 | 12.3 |
| Central/Eastern Europe | 26.6 | 58.1 | 95.0 | 137 | 176 | 5.3 | 3.3 | 3.1 | 3.7 | 2.5 | 10.1 | 9.7 |
| Southern/Mediterr. Eu. | 61.9 | 98.0 | 168.9 | 219 | 264 | 3.1 | 3.7 | 2.3 | 2.6 | 1.9 | 18.0 | 14.6 |
| Middle East | 7.1 | 13.7 | 60.9 | 101 | 149 | 4.5 | 10.5 | 4.6 | 5.2 | 4.0 | 6.5 | 8.2 |

Source: World Tourism Organization (UNWTO) ©
¹ Classification based on the International Monetary Fund (IMF), see the Statistical Annex of the IMF World Economic Outlook of April 2012, page 177, at www.imf.org/external/pubs/ft/weo/2012/01.

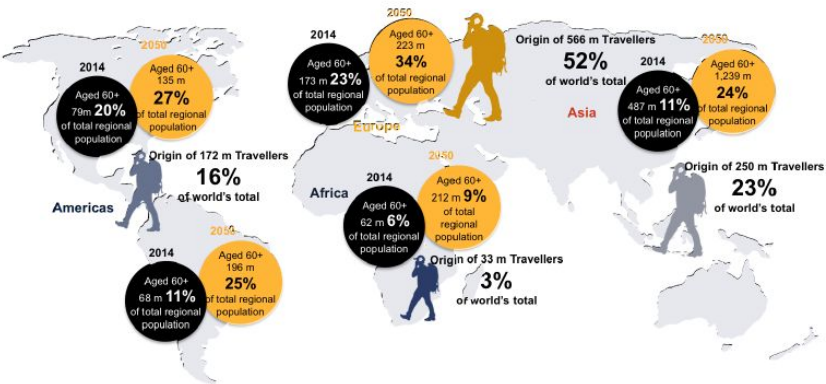
Diverse Niches, Trends & Location Selection Provide Robust Opportunity

Attractions

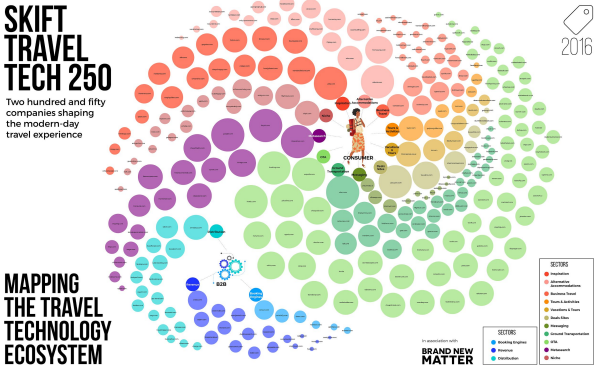


Demographics

Global aging population, 2014 vs 2050



Technologies



Result in Transformative Changes Over a Generation



Dubai



Cancun

Potential investment Types

Casinos & Gaming

SUBSECTORS

Betting/Bookmaking
Bingo
Casinos
Gaming Equipment
Lotteries
Online/Mobile Gaming
Pari-Mutuel

Lodging & Hospitality

SUBSECTORS

Hotels
Pubs & Clubs
Resorts
Restaurants

Travel & Tourism

SUBSECTORS

Content
Online
Specialist Tour Operations
Systems & Technology
Tour Operators
Transport Providers

Health & Fitness

SUBSECTORS

Fitness Equipment
Health Clubs
Nutrition & Diet
Specialty Sports Equipment
Wellness & Beauty

Retailing & Lifestyle

SUBSECTORS

Lifestyle Products &
Services
Luxury Brands
Specialty Retailers

Consumer Media & Entertainment

SUBSECTORS

Cinema
Consumer Media
Content/IP
Digital Media
Games & Gaming
Sports & Entertainment
Theme Parks & Destinations

A Model - Dalian Wanda - 37.97% Revenue Compounded Growth



Conglomerate of real estate, hotel, amusement park, cinema, yacht and tourism company. Established 1988, (by richest man in China, Wang Jianling with \$30bn net worth). Wanda is targeting \$200 billion revenues by 2020.

Revenues: \$40 billion

Income: \$2 billion

Assets: \$87 billion

Employees: 110,000

China Holdings

- 88 Shopping Plazas
- 55 Five-star Hotels
- 1,247 Cinema Screens
- 78 Department Stores
- 15 Amusement Parks

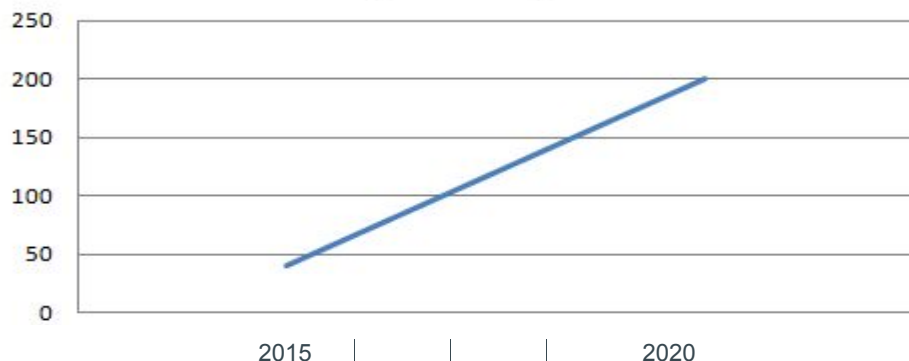
Foreign Holdings

* AMC Theatres

* IronMan

* Dick Clark Productions

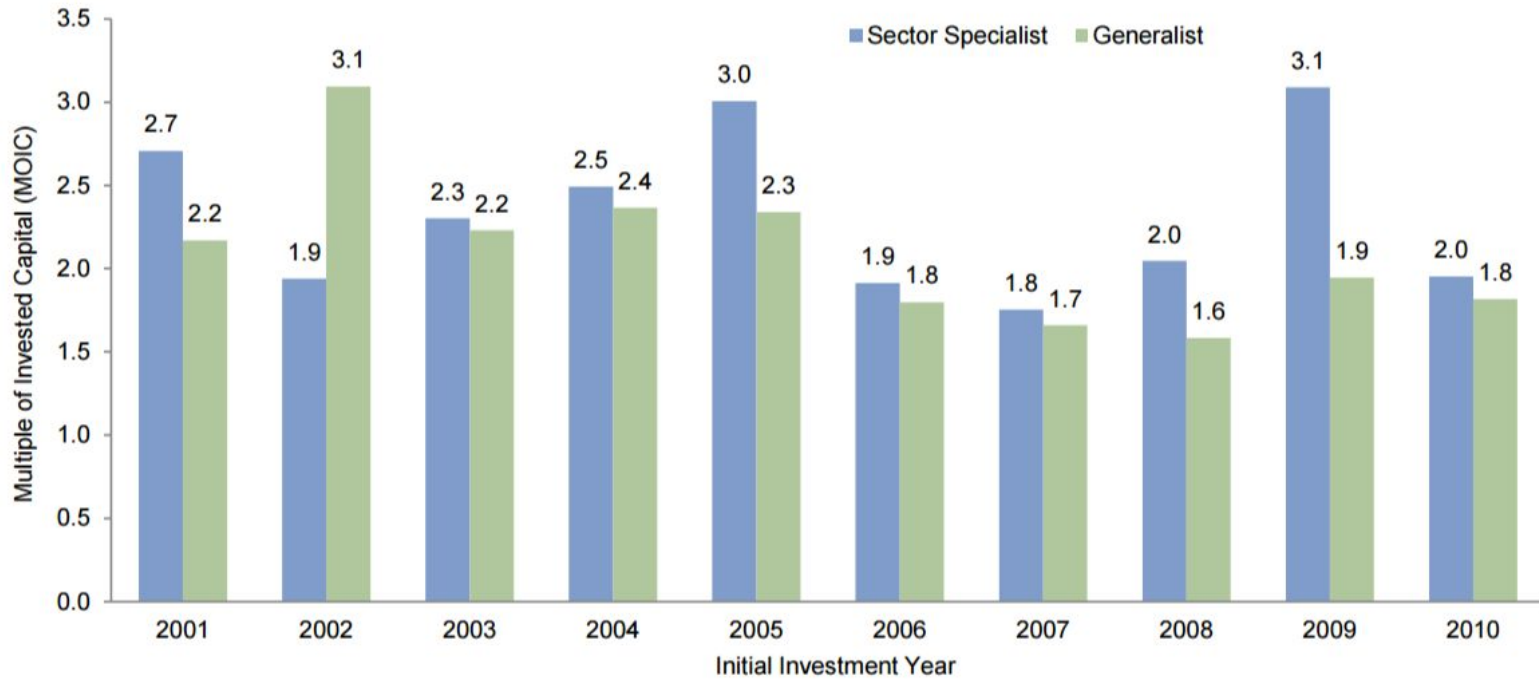
Wanda's Revenue Goals (\$ billions)



* Madrid Football Club

* Legendary Films

Specialist Funds Outperform Generalist Funds



14.22% IRR

Average Historic Returns
for International (ROW)
Leisure (LE)
Private Equity

Table 13.4 Regional Comparison of Internal Rate of Return




| Region | | Industry | FI | SI&I | I&M | HC | TC | CI | R&T | ME | H&S | NR | BM | LE |
|---------------------------------|--------|----------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|----------------|-----------------|
| All private equity transactions | | N | 280 | 2,980 | 1,472 | 1,466 | 1,053 | 858 | 596 | 552 | 486 | 247 | 193 | 145 |
| | US | Average | 42.97% | 26.33% | 24.77% | 31.23% | 47.62% | 21.36% | 28.27% | 40.89% | 47.83% | 34.46% | 55.90% | -11.66% |
| | | Median | 32.46% | -19.20% | 24.80% | 10.61% | -1.89% | 22.23% | 17.98% | 31.40% | 15.13% | 22.70% | 24.54% | 5.44% |
| | ROW | Average | 27.61% | 5.44% | 29.32% | 22.76% | 64.75% | 28.97% | 26.32% | 27.72% | 55.61% | 47.09% | 23.63% | 14.22% |
| | | Median | 18.94% | -28.79% | 18.74% | 13.62% | 17.36% | 22.28% | 18.43% | 17.21% | 4.89% | 19.56% | 13.97% | 17.27% |
| | t-Test | t Sig. | -1.686 0.093 | -2.285 0.022 | 0.941 0.347 | -0.958 0.338 | -0.771 0.441 | -0.299 0.765 | 0.181 0.857 | 1.481 0.139 | -0.212 0.832 | -0.808 0.420 | 1.156 0.251 | -1.767 0.087 |
| Private equity buyouts | | N | 134 | 523 | 750 | 315 | 183 | 461 | 334 | 222 | 113 | 75 | 93 | 93 |
| | US | Average | 44.36% | 63.94% | 25.04% | 36.27% | 40.85% | 24.39% | 49.67% | 43.56% | 95.97% | 55.16% | 149.64% | -30.35% |
| | | Median | 43.77% | 24.14% | 25.19% | 18.98% | 23.43% | 28.46% | 18.76% | 36.33% | 63.25% | 22.94% | 23.06% | 4.01% |
| | ROW | Average | 33.71% | 52.79% | 34.92% | 51.75% | 41.45% | 30.83% | 38.24% | 37.06% | 56.07% | 74.16% | 27.73% | 12.21% |
| | | Median | 23.58% | 12.52% | 20.93% | 31.57% | 25.65% | 26.25% | 24.30% | 27.76% | 21.85% | 28.96% | 18.57% | 12.08% |
| | t-Test | t Sig. | -0.812 0.418 | -0.496 0.620 | 1.134 0.258 | 1.197 0.232 | -0.029 0.977 | -0.759 0.449 | 0.509 0.612 | 0.455 0.649 | 1.142 0.256 | -0.709 0.485 | 1.205 0.246 | -2.032 0.065 |

Notes: The table shows, per industry segment, the number (N) of all private equity transactions as well as the number (N) of private equity buyout transactions only. Data for the average and the median internal rate of return (IRR) for each industry segment are separated into U.S. and rest of the world (ROW) transactions. Returns of both regions are compared by two-tailed t-tests ($\alpha = 5\%$).

The industries are abbreviated as follows: FI = financial institutions; BHC = bank holding companies; SI&I = software, IT, & Internet; I&M = industrials & manufacturing; HC = health care; TC = telecommunication; CI = consumer industry; R&T = retail & textiles; ME = media; H&S = high-tech & semiconductors; NR = natural resources; BM = basic materials; LE = leisure.

Attractive ROI Potential

Some Specific Examples

| Situation | Example | Result |
|---------------------------------|---|---|
| Carrier (2002) |  | 23X return to investors (now part of Norwegian Cruise Lines) |
| Emerging Technologies (2008) |  | \$20k seed: \$30bn current valuation |
| Destinations / Monuments (2016) | <p>Bridge, Zhangjiajie Grand Canyon, China</p>  | <p>\$37,500,000 construction cost; \$3.04 million <u>per day</u> and 80,000 tourists</p> <p>(temporarily closed for improvements due to unforeseen demand)</p> |

Competitive Landscape - Travel & Leisure Investors

