



Age Groups

One out of four tourists visiting the Costa del Sol in the second quarter of 2008 were 40 to 49 years old

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Accommodation

Over 60% tourists stayed in 3- and 4-star hotels.

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Internet

One out of four tourists used the Internet to plan their trips to the Costa del Sol.

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MAIN CONCLUSIONS

	SECOND QUARTER 2008	SECOND QUARTER VARIATION (%)	ACCUMULATED 2008	ACCUMULATED 2008/2007 VARIATION (%)
TRAVELLERS - HOTELS	1,413,664	+1.4%	2,323,508	+4.7%
OVERNIGHT STAYS - HOTELS	4,809,986	+3.5%	7,902,064	+5.7%
OCCUPANCY RATE	58,83%	-1.12	51.38%	-0.86
TRAVEL INDUSTRY EMPLOYEES	81,758	+0.3%	78,397	+1.1%
TRAVELLERS ARRIVING BY PLANE	1,823,453	-3.79%	3,068,203	-1.4%
TRAVELLERS ARRIVING BY PLANE (LOW-COST AIRLINES)	984,030	9.57%	1,646,124	+11.9%
LOW-COST AIRLINE SHARE	53.97%	+6.67	53.6%	+5.35

TECHNICAL DATA

Survey Locations

Málaga, Torremolinos, Benalmádena, Mijas, Fuengirola, Marbella, Estepona, Manilva, Vélez-Málaga, Nerja, Rincón de la Victoria, and Torrox

Survey dates

April 11 - 16
May 20 - 26
June 12 - 19

Languages

Spanish, English, French, German, Italian

Number of valid answers: 860
Confidence level: 98.0%
Sampling error: ± 1.8

STEADY GROWTH OF TOURISM IN MÁLAGA PROVINCE ACCORDING TO MAIN INDICATORS

In the second quarter of 2008, the number of airport arrivals in Málaga fell by 3.79%, which means there were 71,844 fewer passengers than in Q2 2007. The cause of this drop is the reduction in the number of Spanish tourists coming by plane: -18.02% (-81,806). On the other hand, the number of international travellers increased slightly (+0,69%, i.e. 9,962 passengers).

With regard to the main accommodation indicators, the number of hotel guests rose by 1.4% and the number of overnight stays also increased, by 3.5%, whereas the occupancy rate fell by 1.12%. The average stay lengthened by 0.07 days.

The number of accommodation facilities and bed spaces available continued to rise in Q2 2008 (+1.9% and +0.8%, respectively, over Q2 2007). By the end of the term, there were 145,911 bed spaces available, 58.21% of which corresponded to hotels.

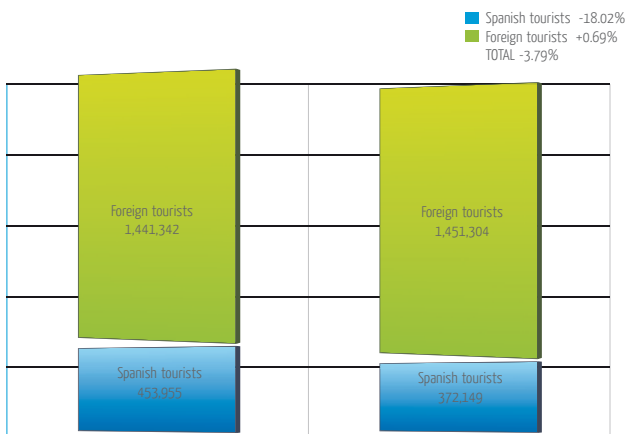
The number of companies in the travel industry continues to grow. Its yoy variation for Q2 2008 was 2.5%. On the other hand, job creation stagnated (+0.3%).

OFFER INDICATORS

AIRPORT ARRIVALS

During Q2, 2008, 1,823,453 passengers arrived at Málaga Airport. This was 71,844 fewer travellers than in the second quarter of 2007 (-3.79%).

This negative evolution was triggered by a sharp fall in the number of Spanish tourists using planes to come to Málaga (-18.02%, i.e. -81.806 passengers) as a result of the introduction of the high-speed train. On the other hand, the number of foreign arrivals rose slightly (+0.69%).



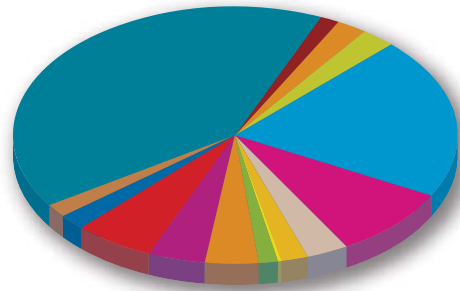
Airport arrivals

Source: AENA

With regard to the main foreign markets –the UK and Germany–, the former showed some recovery, with 2% more airport arrivals, whereas de latter evolved negatively sending -2.34% less travellers (-3,917).

The countries with the highest growth rates for this term were Finland (+20.34%, +4,095 airport arrivals), Russia (+17.68%, +1,268), Norway (+15.87%, +4,368), Ireland (6,68%, +6,662), and the Netherlands (+2,31%, +1,684).

Besides Germany, the countries with a negative evolution for this period were Denmark (-16.42%), Italy (-14.36%), Sweden (-8.73%), and Switzerland (-4.25%).



Spain 372,149 20.41% -18.02%	Ireland 106,431 5.84% +6.68%
Germany 163,670 8.98% -2.34%	Italy 34,846 1.91% -14.36%
Belgium 53,291 2.92% -1.07%	Norway 31,893 1.75% +15.87%
Denmark 33,632 1.84% -16.42%	UK 738,746 40.51% +2.0%
Russia 8,441 0.46% +17.68%	Sweden 25,991 1.43% -8.731%
Finland 24,231 1.33% +20.34%	Switzerland 41,705 2.29% -4.25%
France 71,511 3.92% -4.32%	Other countries 42,210 2.31% +4.71%
Netherlands 74,706 4.10% +2.31%	TOTAL 1,823,453 -3.79%

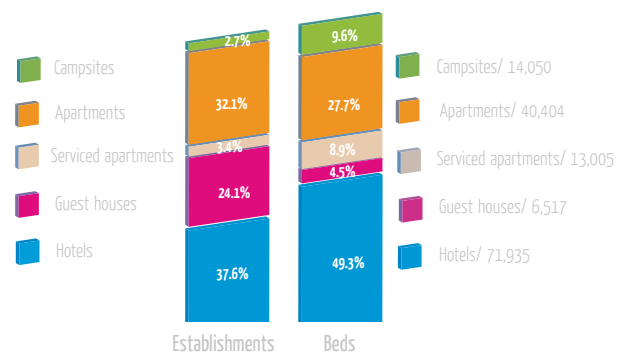
Airport arrivals by countries of origin

Source: AENA

ACCOMMODATION OFFER

At the end of June 2008, Málaga Province had 417 hotels, 38 serviced apartments, 267 guest houses and hostels, 356 apartments, and 30 campsites. This makes 145,911 tourist beds.

Comparing these figures with those of the second quarter of 2007, it can be seen that the number of beds increased by 1,088, which means a 0.8% rise, and the number of establishments is 1.9% higher.

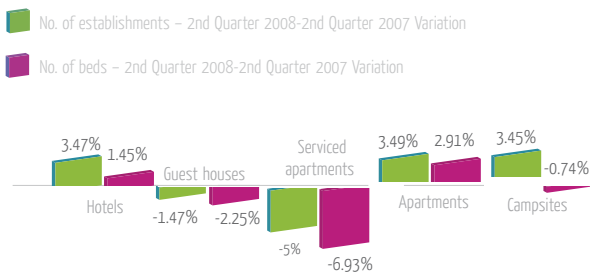


Accommodation offer – 2nd Quarter 2008

Source: Tourism Department
Tourism Planning GD

The number of hotels and serviced apartments increased by 3.47%, offering 1.45% more beds. By July 2008, the total number of beds available in hotels was 84,940 and thus accounted for 58.21% of the whole accommodation offer. More than half of the hotel beds available in the province (53.40%) corresponded to four-star hotels.

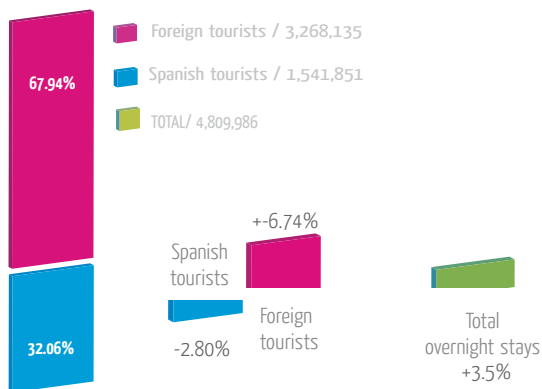
With regard to holiday apartments, they had 40,404 beds to offer in Q2, 2008, making a 27.70% share of all registered beds in the province. Compared to Q2, 2007, they are 3.49% more establishments and 2.91% more bed spaces available in the second quarter of 2008.



Accommodation offer variation Source: Tourism Department Tourism Planning GD

OVERNIGHT STAYS

According to the Hotel Occupancy Survey (OEH) conducted by the National Statistics Institute (INE), there were 4,809,986 overnight stays in Málaga's accommodation facilities in Q2, 2008. 67.94% of them (3,268,135) corresponded to international travellers, while Spanish tourists accounted for the remaining 32.06% (1,541,851).



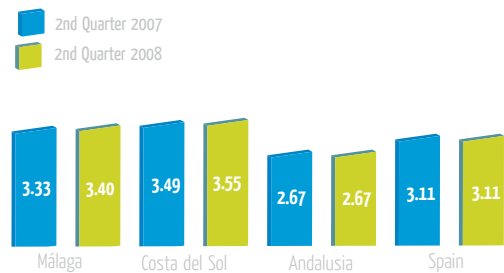
Overnight stays 2nd Quarter 2008-2nd Quarter 2007 Variation Source: EOH (INE)

Comparing the quarter under study with Q2, 2007, an increase of 161,783 overnight stays can be observed (+3.5% in the total number of overnight stays in Málaga Province). This rise that was mostly related to the behaviour of international tourists, whose overnight stays rose by 6.74% (206,246), vis-à-vis the 2.8% drop in the overnight stays of Spanish travellers.

AVERAGE LENGTH OF STAY

The average length of stay in the Costa del Sol's hotels for the second quarter of 2008 was 3.55 days. In Málaga Province's hotels, the average length of stay was somewhat shorter: 3.4 days.

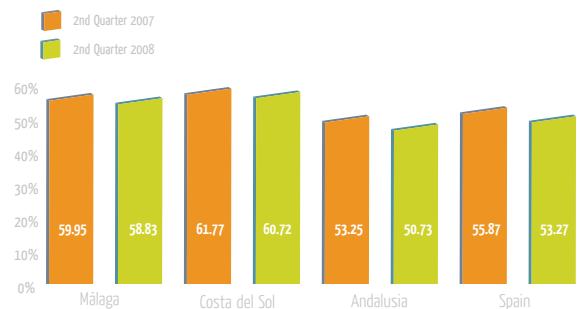
Q2 shows a slight lengthening of the average stay vis-à-vis the second quarter of 2007. The increase is 0.06 days for the Costa del Sol and 0.07 for Málaga Province. The trend is not consistent with the overall regional and national patterns, as the average stay remained stable at 2.67 days in Andalusia and 3.11 days in Spain as a whole.



Average length of stay Source: EOH (INE)

OCCUPANCY RATES

In Q2, 2008, occupancy rates in Málaga Province's hotels fell by 1.12% over the same season in 2007, averaging 58.83%.



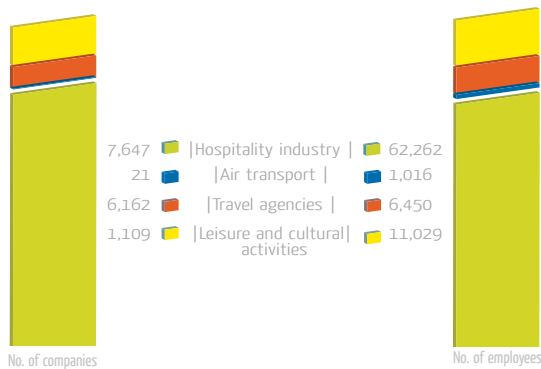
Occupancy rates Source: EOH (INE)

Rates also decreased for Costa del Sol hotels (-1.05%), where they averaged 60.72%.

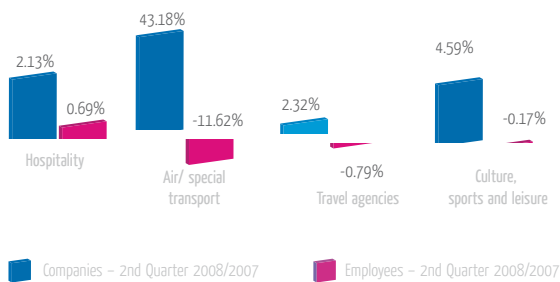
The regional and national patterns were also negative. In Andalusia, occupancy rates averaged 50.73% (-2.56%), while in Spain, they stood at 53.27% and were 2.60% lower than in the second quarter of 2007.

JOBS AND COMPANIES IN THE TRAVEL INDUSTRY

The statistics published by the Málaga Social Security General Treasury show that, in Q2, 2008, there were 81,758 direct jobs on average in the hospitality, air transport, travel agency, and leisure sectors, corresponding to an average 9,394 companies. This means that there was a yoy growth of 2.5% in the number of companies (Q2, 2008 vis-à-vis Q2, 2007).



With regard to the interannual variation in job creation, the only sector that posted growth was the hospitality industry (+0.69%, 426 jobs). The other three sectors –air transport, travel agencies, and leisure, cultural and sports activities– offered fewer jobs than in the Apr-Jun 2007 period.



Jobs and companies variation

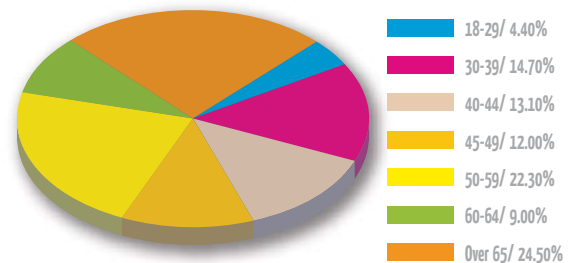
Source: Málaga Social Security General Treasury

DEMAND INDICATORS

SOCIO-ECONOMIC PROFILE OF TOURISTS

Over 50% of the tourists coming to the Costa del Sol from April to June 2008 came from other Spanish regions or from the UK.

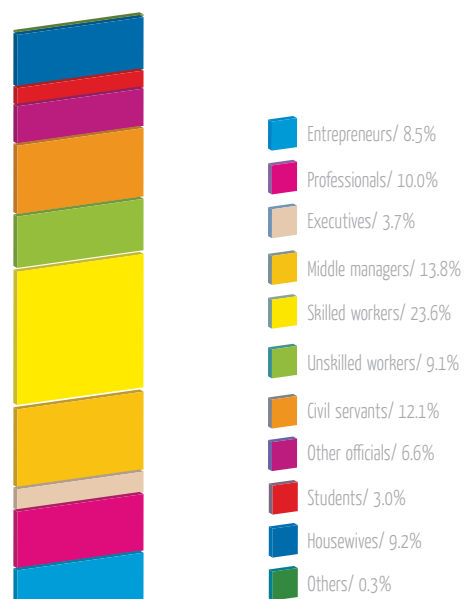
With regard to age groups, one out of four tourists were between 40 and 49 years old, while those travellers aged 65 or over accounted for 24.5% of total visitors during Q2, 2008.



Age groups

Source: Costa del Sol Tourism Observatory

As to occupations, 24.4% of the tourists visiting the Costa del Sol in Q2, 2008 were retired. On the other hand, 64.3% were freelance workers or employees. The most numerous professional group was

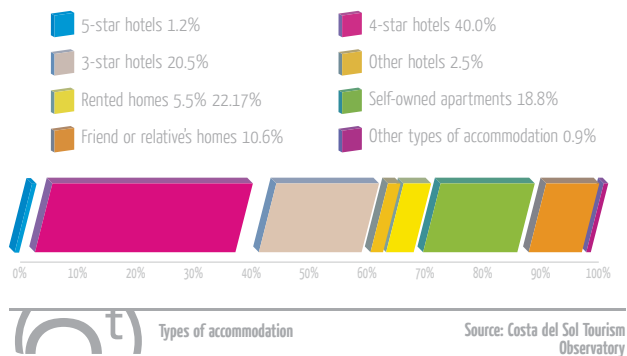


Occupation

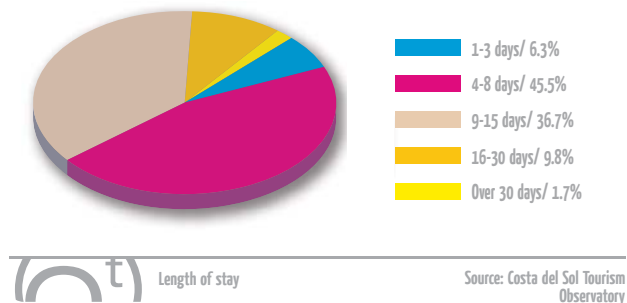
Source: Costa del Sol Tourism Observatory

TOURISM INFRASTRUCTURE

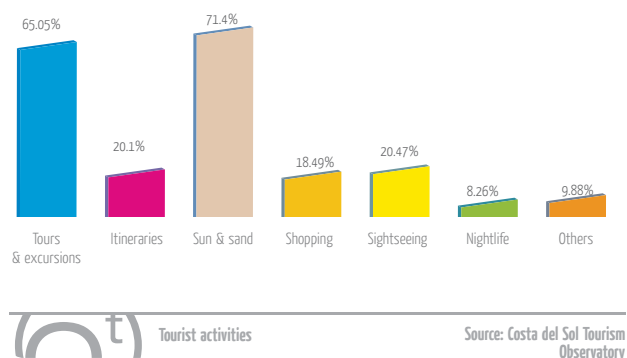
Over 60% of the tourists coming to the Costa del Sol in Q2, 2008 stayed in hotels, especially in four- and three-stars (40% and 20.5%, respectively). Self-owned property was used by a high number of travellers, too (18.8%).



As to length of stay, the most common average lengths were 4 to 8 and 9 to 15, chosen by 45.5% and 36.7% of tourists coming to the Costa del Sol in the second quarter of 2008.



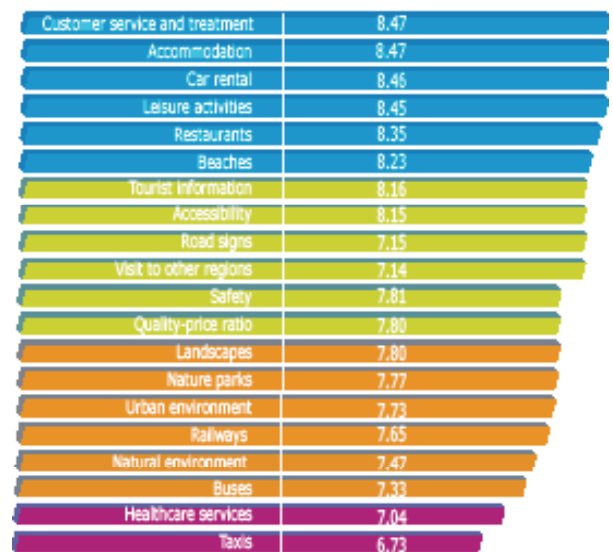
With regard to the activities visitors engaged in, the most popular ones were sand & sand activities (71.4%), tours and excursions (65.05%), sightseeing (20.47%), itineraries (20.1%), and shopping (18.49%).



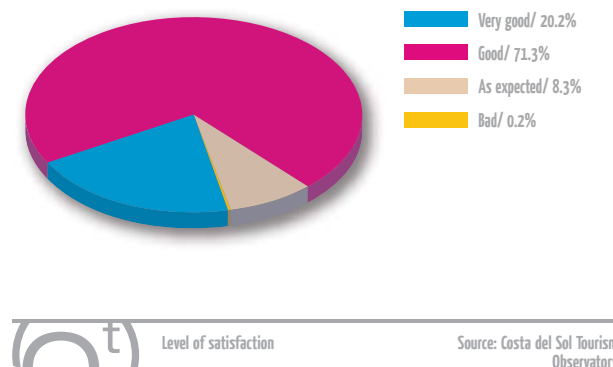
EXPECTATIONS

According to the travellers visiting Málaga Province between April and June 2008, the strongest points of the tourism sector in the area were the customer service and treatment, accommodation facilities, car rentals, leisure activities, restaurants, beaches, tourist information, and accessibility. These aspects were all rated with an average of 8 or higher.

The weakest point was taxis services, which was the only one that got less than 7. All the other aspects were rated as satisfactory or good (7 or higher).

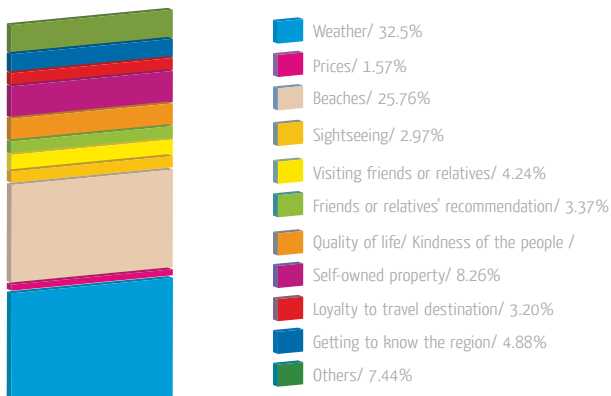


Overall, the level of satisfaction for Q2, 2008 was high, as nine out of ten visitors said they were either very satisfied or satisfied with their trips to Málaga (20.2% and 71.3%, respectively). Negative opinions only amounted to 0.2%, while 8.3% tourists said they trip had been just as expected.



With regard to customer expectations for Q2, 2008, the aspects with the highest level of satisfaction were the weather, the beaches, the kindness and warmth of the people, and the peaceful and quiet atmosphere. A large number of tourists said they were satisfied with the destination "in general."

As to the reasons for choosing the Costa del Sol, the most popular were the weather and going to the beach. Self-owned property, the quality of life, and the desire to visit the region were also mentioned.



Reasons for choosing the Costa del Sol Source: Costa del Sol Tourism Observatory

COMPETITORS

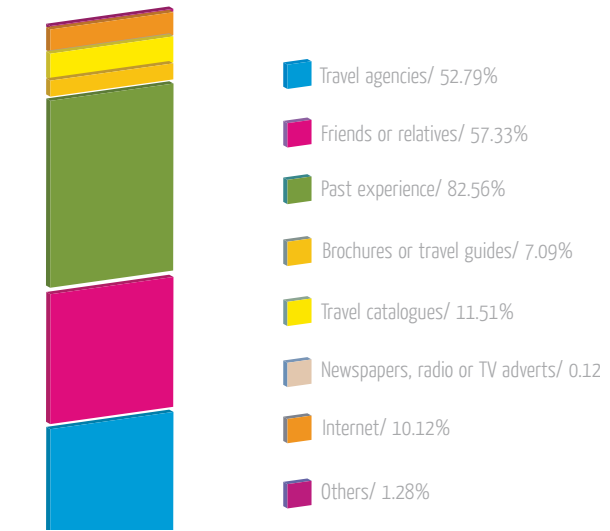
The Balearic Islands and the Canary Islands were perceived as the strongest competitors of the Costa del Sol by the tourists interviewed for the Q2, 2008 survey. The Costa Blanca was also mentioned.

The main international competitors mentioned were Portugal and, to a lower extent, Italy, France, and Greece.

Tourists interviewed during Q2, 2008 considered the ambience, the weather, the kindness and warmth of the people, and the destination's proximity as the Costa del Sol's main strengths against its competitors. On the other hand, the prices, the beaches, and overcrowding were mentioned as the region's least competitive aspects.

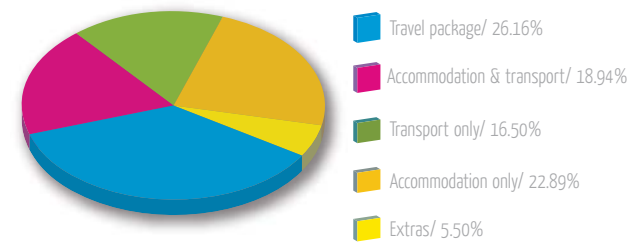
WAYS OF FINDING INFORMATION AND MAKING RESERVATIONS

The tourists coming to the Costa del Sol in the second quarter of 2008 said the best way of finding information on the travel destination was past experience. Other common sources of information were the advice of friends and relatives and travel agencies.



Ways of finding information about the Costa del Sol Source: Costa del Sol Tourism Observatory

With regard to the ways of making reservations using traditional channels, 26.16% travellers said they had bought holiday packages, while 22.89% made reservations for accommodation only.

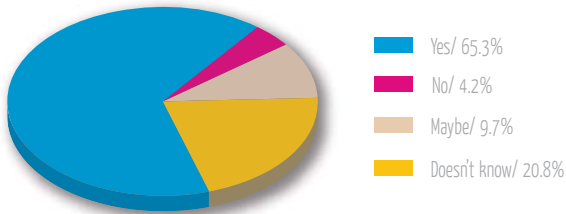


Ways of making reservations Source: Costa del Sol Tourism Observatory

As to trip planning, 45.7% of the tourists coming to Costa del Sol in Q2, 2008 said they had planned their own trips, while over half travellers had bought their travel products from a travel agency.

TRAVEL DESTINATION LOYALTY

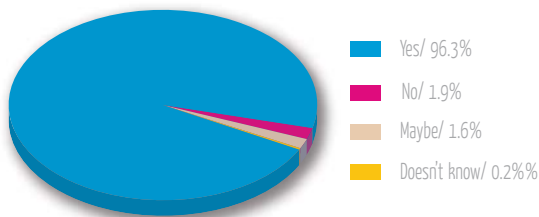
65.3% of the tourists coming to Málaga between April and June 2008 said they intended to come back within the next three years. 4.2% were not interested in returning to the Costa del Sol.



Would you like to come back in the next 3 years?

Source: Costa del Sol Tourism Observatory

Moreover, 96.3% travellers said they would recommend the Costa del Sol as a travel destination to their friends and relatives, and 1.9% said they would not.

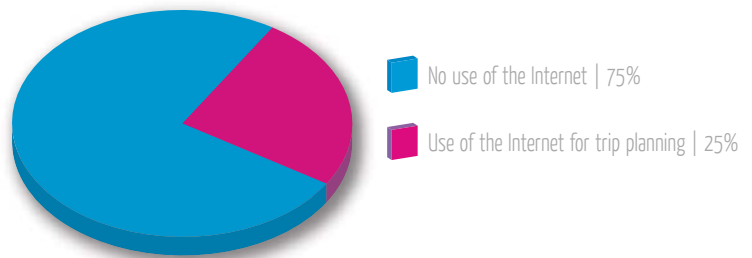


Would you recommend the Costa del Sol as a travel destination?

Source: Costa del Sol Tourism Observatory

USE OF THE INTERNET

One out of four travellers coming to Málaga in the second quarter of 2008 said they had used the Internet when planning their trips. 75% of the tourists did not use the web for trip planning.

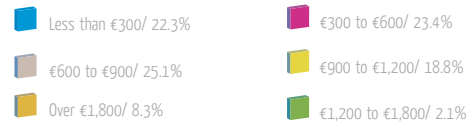


Internet use

Source: Costa del Sol Tourism Observatory

TRAVEL BUDGET AND DAILY EXPENSES

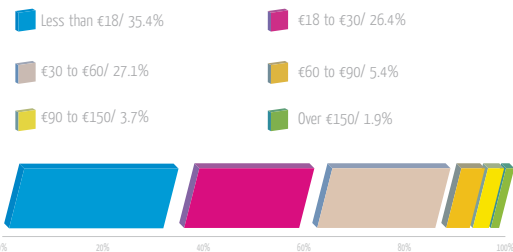
Dividing the tourists coming to the Costa del Sol in Q2, 2008 into budget groups, 25.1% had 600 to 900 euros to spend. The second most important category comprised travellers with 300-to-600-euro budgets, who accounted for 23.4% of total visitors.



Travel budget

Source: Costa del Sol Tourism Observatory

Regarding daily expenses, 35.4% tourists said they had spent less than 18 euros a day, while 27.1% had between 30 and 60 euros for their daily expenses. Finally, 11.1% travellers had over 60 euros a day to spend on the Costa del Sol.



Daily expenses

Source: Costa del Sol Tourism Observatory



BRITISH MARKET

TRAVELLERS STAYING IN HOTELS

TRAVELLERS	MÁLAGA	SPAIN	SHARE (%)
2002	685,159	5,566,894	12.31%
2003	773,387	6,808,492	11.36%
2004	758,542	6,814,135	11.13%
2005	855,341	7,018,454	12.19%
2006	865,292	7,979,996	10.84%
2007	899,464	7,983,273	11.27%
VAR 07/02	31.28%	43.416%	

PROFILE OF BRITISH TOURISTS

Type of trip	Leisure or Rest
Place of Residence	26.6 Torremolinos 18.7 Benalmádena
Type of Accommodation	31% 4-Star Hotels 27.4% 3-Star Hotels
Occupational Situation	53.2% Employed 24.3% Retired
Occupation	25.1% Skilled Workers 13.9% Middle Managers
Age	19.5% 50 To 59 18.03% Over 65
Travel Budget	34.6% €600 To €900 26.65% €900 To €1,200
Average Daily Expenses	35% €30 To €60 28.33% Less Than €18

LOW-COST AIR. IN MÁLAGA

MÁLAGA AIRPORT ARRIVALS

PASSENGERS 2008	Total	Low Cost	Traditional
APRIL	541,106	244,752	296,354
MAY	633,279	363,850	269,429
JUNE	649,068	375,428	273,640
SECOND QUARTER	1,823,453	984,030	839,423
SECOND QUARTER SHARE (%)		53.97%	46.03%
VARIATION 2008/2007	-3.79%	+9.57%	-16.02%

TOP FIVE LOW-COST AIRLINES IN MÁLAGA

Low Cost	Passengers Second Quarter	Low-Cost Airline Share (%)	08/07 Variation (%)
Easyjet	309,481	31.45%	23.85%
Monarch Airlines	114,359	11.62%	-3.67%
Air Berlin	93,036	9.45%	-3.35%
Thomsonfly	85,351	8.67%	-4.93%
Ryanair Ltd	80,112	8.14%	74.07%

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