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HAWAI'I'S MEETINGS, CONVENTIONS AND INCENTIVES MARKET HEATS UP – Hawai'i Convention Center has best year in 2014, Meet Hawai'i sees growth in future bookings –

HONOLULU – On the heels of its best financial year since opening in 1998 and its first year being managed by AEG Facilities, the Hawai'i Convention Center (HCC) continues its positive momentum into 2015 launching a series of new offerings and initiatives to meeting planners in an effort to boost bookings at Hawai'i's premier meetings venue.

"In the first year of running the Hawai'i Convention Center, we took a hard look at all aspects of our business from operations to sales and marketing," said Teri Orton, HCC general manager. "By focusing on reducing our operating expenses through energy saving initiatives and working collaboratively with the Meet Hawai'i team to align our sales and marketing efforts, we've been able to operate more efficiently overall. There's more great work to be done and 2015 is off to a solid start."

HCC's new initiatives include:

- The successful launch of a new partnership program with many local hotel brands that may not have the meeting space options for groups to normally consider using such properties. This allows hotel partners to maximize occupancy levels by hosting group room blocks at their hotel and utilizing HCC for the meeting space component, as needed.
- AEG's corporate leadership has extended invitations and hosted corporate meeting planners in other AEG venues and facilities in both Los Angeles and Australia, allowing new partners and decision makers to become more familiar with HCC.
- Initiated a lead exchange program with the AEG Facilities team in Australia and Kuala Lumpur, which resulted in several leads and one site visit thus far. This program will be expanding in 2015.

HCC's performance highlights in 2014:

- Reduced operating expenses by more than \$1.1 million enabling HCC to perform better than budgeted and achieving its best-ever financial year in the Center's 16 year history. AEG is carefully considering new revenue streams in addition to finding new business to increase revenues and economic impact, to include:
 - Sales Strategy to book more corporate business through AEG's network of corporate partners
 - Developing new events (Hawaiian music and dance)
 - o Advertising and sponsorship sales opportunities

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- HCC hosted 182 total events surpassing its targeted goal of 150 for the year welcoming 320,680 attendees, 30 percent more than its goal of 246,260.
- Attendees spent more than \$501 million during their visits that included a HCC component within the program generating more than \$48 million in tax revenue to the state.

"We are very pleased with our first year results managing the Hawai'i Convention Center and are extremely proud of our staff there at the Center," said Brad Gessner, senior vice president – convention centers for AEG Facilities. "The teamwork between our AEG Facilities team at the HCC and our worldwide AEG assets, the Hawai'i Tourism Authority and the Hawai'i Visitors and Convention Bureau has been exemplary and has contributed significantly to this past year's success."

HCC's primary purpose and mission is to attract visitors to the islands, creating economic impact and creating jobs. Reducing operating expenses while increasing economic impact improves the ROI of the convention center.

Hawai'i's Competitive Landscape

When comparing convention centers around North America, the Meet Hawai'i team relies heavily on TAP data (Trends, Analysis and Projections), which is provided by a private company based out of Kansas that collects information from more than 60 cities across the United States. The company produces a report based on three (3) years of history that is updated on a monthly basis and projects eight (8) years into the future.

Compared to other cities that compete on conventions, such as Anaheim, Los Angeles, Seattle, and San Francisco, the data shows Hawai'i is running at 104 percent of its historical pace over next eight (8) years versus the competitive set at 88 percent. In 2015, HCC is at 130 percent of its pace compared to the competitive set at 95 percent respectively.

"The first year of management of the Hawai'i Convention Center by AEG Facilities generated some positive results both in the Convention Centers bottom line performance and in room night generation," said Brian Lynx, vice president of meetings, conventions, and incentives for the Hawai'i Tourism Authority. "With a full sales team now in place, under the Meet Hawai'i's HTA umbrella, we are anticipating more innovative strategies continuing to unfold and existing initiatives to gain further traction in the upcoming year."

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Noteworthy events taking place at HCC in 2015/2016 include:

- June 26-30, 2015 Lions Club International Convention expected to draw 18,000 attendees and marking the first time the organization is holding its annual meeting in Hawai'i.
- November 8, 2015 61st U.S. Annual Employee Benefits Conference expected to draw 12,500 attendees.
- December 15-21, 2015 2015 International Chemical Congress of Pacific Basin Societies expected to draw 11,620 attendees.
- September 1-10, 2016 International Union for Conservation of Nature (IUCN)
 World Conservation Congress expected to draw 8,000 attendees and marking the first time this event will be held in the United States.

Statewide MCI Business Showing Growth

A broader look at Hawai'i's meetings, conventions and incentives market shows Meet Hawai'i, a collaboration between the Hawai'i Visitors and Convention Bureau and Hawai'i Convention Center, continues to build up momentum as it works towards its annual goal of 383,250 definite room nights in 2015.

Lynx added "HTA would like to thank our entire industry for being incredible partners. The successes we are seeing now are largely due to the diligence and longstanding efforts of our local hospitality industry community who have built strong relationships with conference organizers around the world."

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About Meet Hawai'i

Meet Hawai'i is a collaboration of the Hawai'i Visitors and Convention Bureau (HVCB) and Hawai'i Convention Center (HCC) to reinforce the brand of the Hawaiian Islands as a world-class destination for business meetings, conventions, and incentive programs. The marketing efforts of the Meet Hawai'i team are overseen by the Hawai'i Tourism Authority (HTA), the state of Hawai'i's tourism agency. HTA was established in 1998 to ensure a successful visitor industry well into the future. Its mission is to strategically manage Hawai'i tourism in a sustainable manner consistent with the state of Hawai'i's economic goals, cultural values, preservation of natural resources, community desires, and visitor industry needs. For information about Meet Hawai'i and the hosting of meetings, conventions and incentives, please visit <u>MeetHawaii.com</u>.

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