

Golf market situation:

In Western Europe something more than 1% population plays golf. In the U.S.A. the number of players is about 8% and in Canada 16%. Will Europe be able to reach the percentages of the U.S.A. or Canada?

In Spain there is a 0.7% penetration of golf in the population. There is a long-haul to compare penetrations between golf most developed countries to the golf typical developed countries.

COUNTRY	COURSES	PLAYERS	POPULATION	PLAYERS PER COURSE (PLAYERS/ COURSES)	% GOLFERS POPULATION (PLAYERS/ POPULATION)
SPAIN	318*	318.331*	44.708.964	1.001	0,71%
FRANCE	559	378.275	60.561.200	677	0,6%
ENGLAND	1.960	872.665	50.431.700	445	1,7%
SCOTLAND	579	257.132	5.062.011	444	5,1%
UNITED STATES	17.000	26.700.000	298.573.958	1.571	8,9%
CANADA	1.805	5.000.000	32.805.000	2.811	16,3%
JAPAN	2.202	14.000.000	127.343.201	6.358	11%
SWEDEN	442	539.637	9.011.000	1.221	6%

* Data January 2008

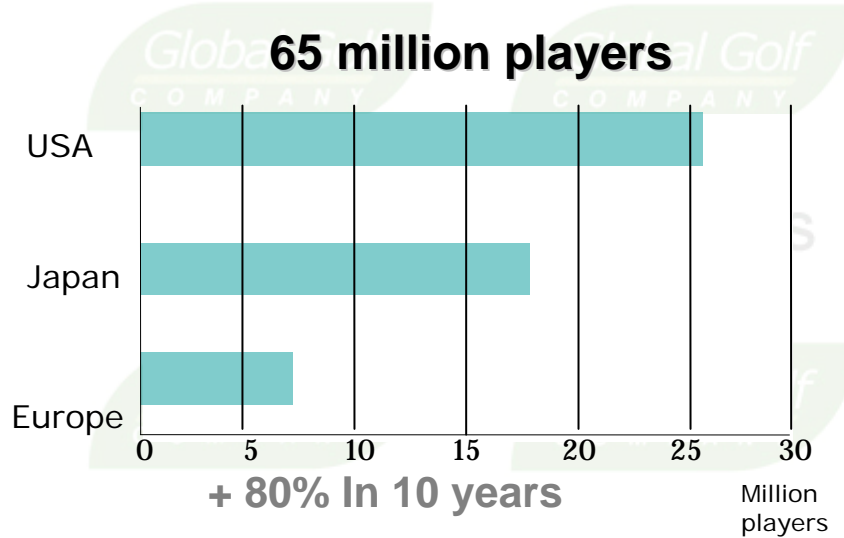
Sources: Eurostat and European Golf Association

GOLF INDUSTRY

Golf market situation:

COUNTRY	COURSES	PLAYERS	POPULATION	PLAYERS PER COURSE (PLAYERS/ COURSES)	% GOLFERS POPULATION (PLAYERS/ POPULATION)	RESIDENTS PER COURSE
AUSTRIA	147	89.812	8.206.000	611	1,1%	55.823
BELGIUM	75	47.134	10.396.000	628	0,5%	138.613
DENMARK	154	137.062	5.397.000	890	2,5%	35.045
FINLAND	115	110.185	5.249.000	958	2,1%	45.643
GERMANY	658	506.746	82.468.000	770	0,6%	125.331
ICELAND	60	15.607	300.000	260	5,2%	5.000
IRLAND	406	280.240	4.015.000	690	7,0%	9.889
ITALY	238	81.100	58.462.000	341	0,1%	245.639
NETHERLANDS	139	251.000	16.400.000	1.806	1,5%	117.986
NORWAY	155	122.000	4.640.000	787	2,6%	29.935
PORTUGAL	72	15.791	10.566.000	219	0,1%	146.750
SWITZERLAND	87	48.442	7.275.000	557	0,7%	83.621

A GROWING INDUSTRY

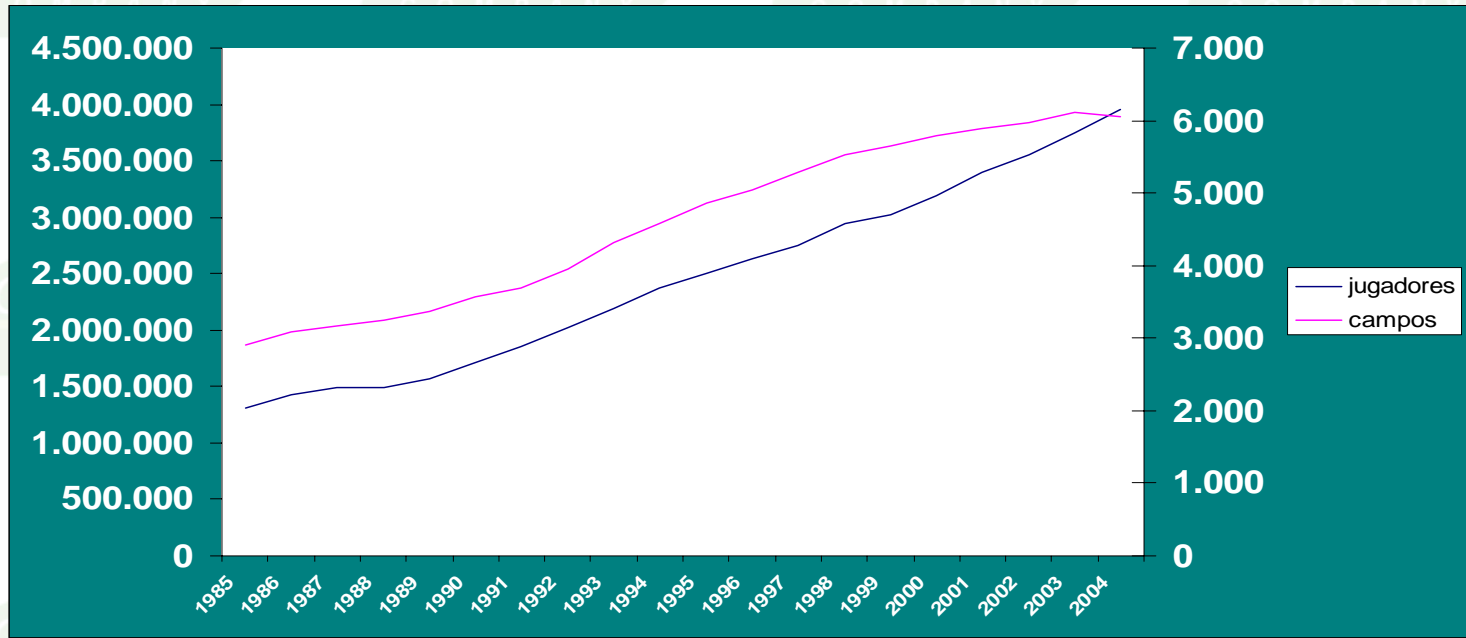


www.globalgolf.es

- It is hard to enumerate all golf players in the world because there are different kinds of classifications: While in USA a golf player is a person with more than 18 years that have played 18 holes in the last 12 months, in Europe is a player with federative license.
- In Spain, with more than 318.000 licenses, golf is the 3rd sport in number of licenses after football and hunting.

A GROWING INDUSTRY

PLAYERS AND COURSES EVOLUTION IN EUROPE SINCE 1985



Source: European Golf Association

- 4 million European players with golf license, 3 times more than 20 years ago.
- Fast growing for European infrastructures. 95% in 15 years.

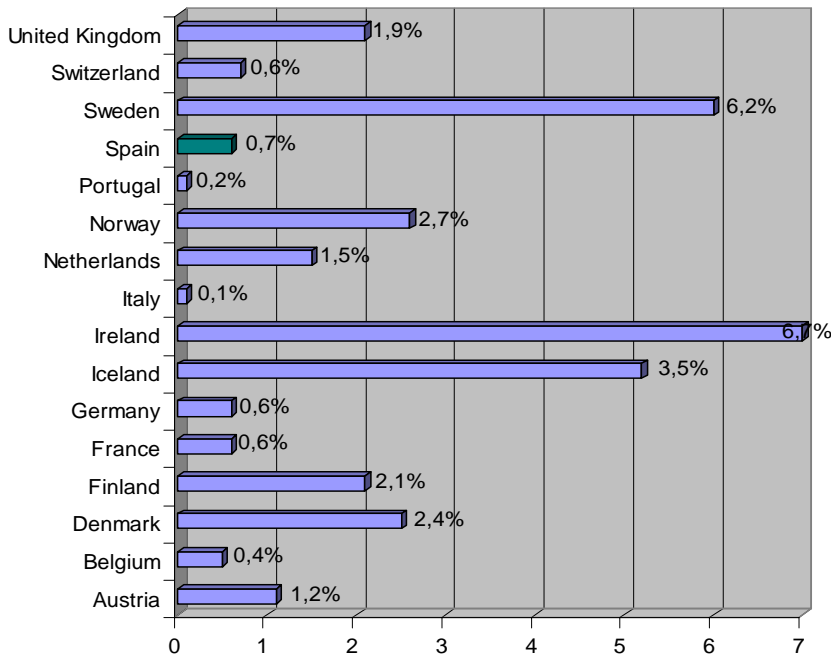
Companies associated to the European Golf Association:

- | | | | | | | | |
|-----------------|-------------|------------|------------------|-----------------------|-----------|---------------|-------------|
| -Great Britain. | -Iceland. | -Russia. | -Czech Republic. | -Serbia & Montenegro. | -Croatia. | --Kazakhstan. | -Eslovenia. |
| -Ireland. | -Latvia. | -Sweden. | -Germany. | -Romania. | -Cyprus. | | -España. |
| -Denmark. | -Lithuania. | -Austria. | -Hungary. | -Switzerland. | -France. | | -Turquía. |
| -Estonia. | -Norway. | -Belgium. | -Luxemburg. | -Portugal. | -Greece. | | |
| -Finland. | -Poland. | -Bulgaria. | -Netherlands. | -Italy. | -Israel. | | |

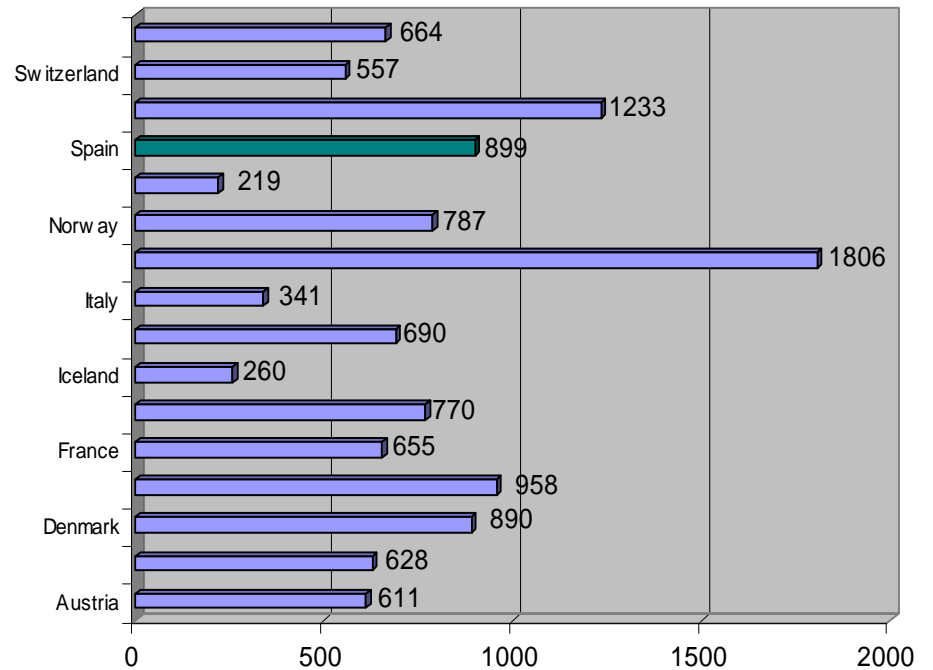
A GROWING INDUSTRY

COMPARATIVE RATIOS BETWEEN OTHER EUROPEAN COUNTRIES

Penetration rate: (Penetration = Licenses/Population)



Saturation rate: (Saturation = Licenses/Courses)



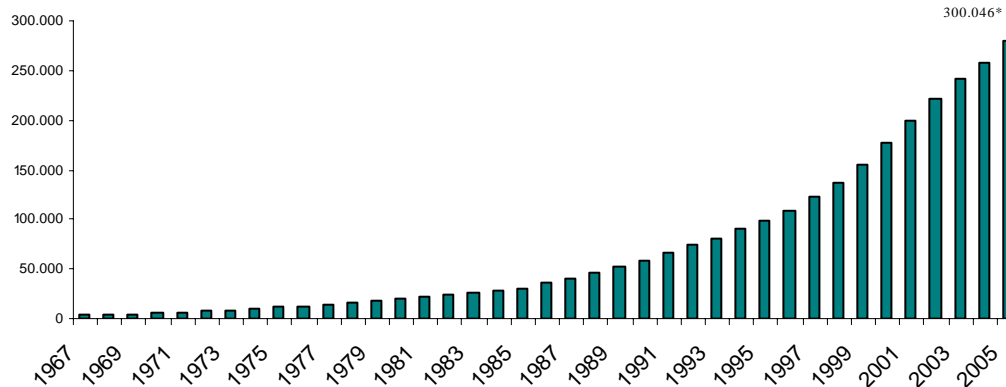
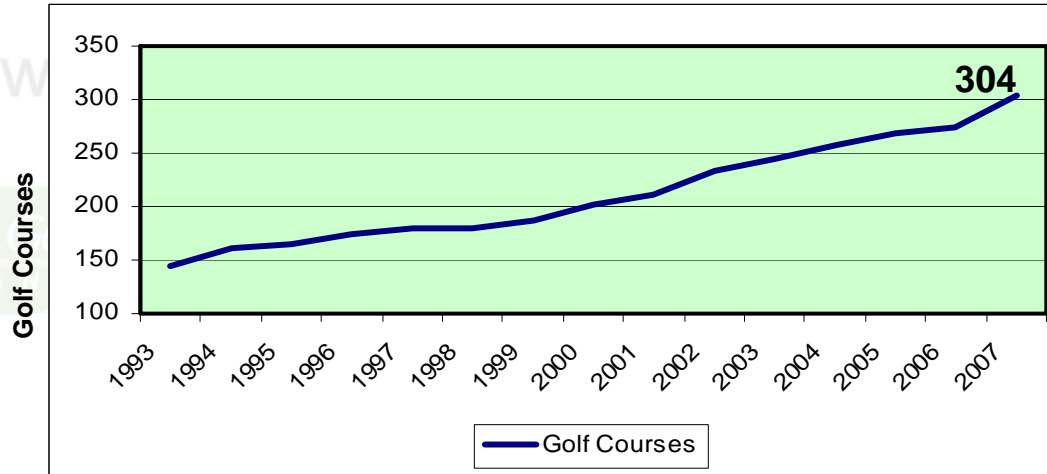
A GROWING INDUSTRY

NEW GOLF COURSES IN EUROPE

Countries	Number of courses 1998	Number of courses 2007	Difference	%
France	505	548	43	8,51%
United Kingdom	2571	2618	47	1,83%
Sweden	380	442	62	16,32%
Germany	534	648	114	21,35%
Finland	89	115	26	29,21%
Belgium	77	75	-2	-2,60%
Denmark	126	154	28	22,22%
Spain	186	298	111	59,68%
Austria	98	147	49	50,00%
Ireland	359	403	44	12,26%
Portugal	46	72	26	56,52%
Norway	63	155	92	146,03%
Netherlands	112	142	30	26,79%
Italy	202	238	36	17,82%
Switzerland	59	87	28	47,46%

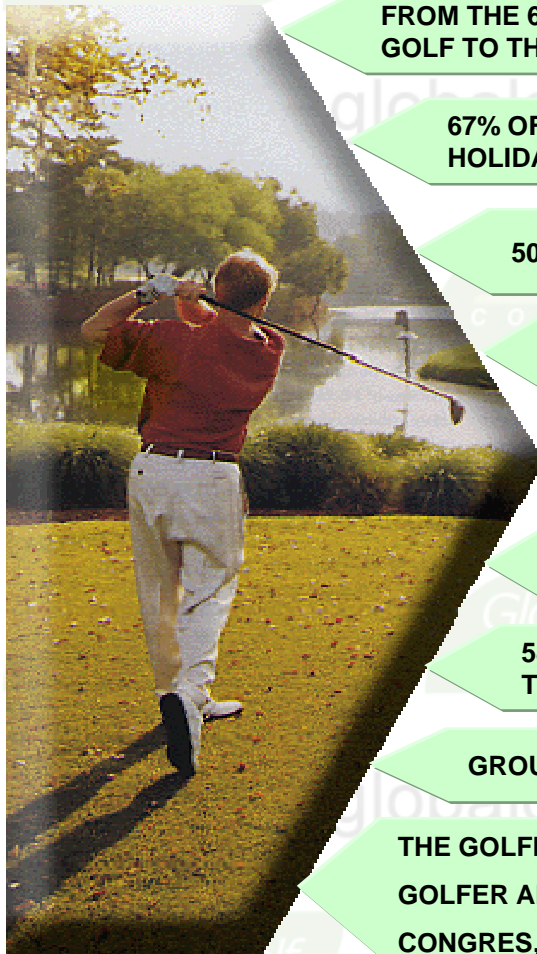
EVOLUTION OF SPANISH GOLF COURSES

Golf Courses Evolution in the last 15 years*



Source: Spanish Golf Federation

GOLF TOURISM IN SPAIN



FROM THE 65 MILLION OF GOLFERS IN THE WORLD, 30% TAKES AT LEAST A TRIP OF GOLF TO THE YEAR

67% OF GOLFERS DECLARES THAT GOLF IS BASIC IN THE PLANING OF THEIR HOLIDAYS

50% OF GOLF TRAVELERS ARE 40 – 60 YEARS OLD.

THE AVERAGE ESPENSE IN SPAIN OF A TOURIST OF GOLF IS 240 €/DAY, OPPOSITE TO 48,08 €/DAY THAT SPENDS THE TOURIST OF SUN&BEACH

THE MEDIUM STAY IN SPAIN GOLF TRAVELS IS BETWEEN 7-9 DAYS

TOURIST GOLFERS IN SPAIN PLAYS AN AVERAGE OF 5,5 ROUNDS AND VISIT 4 COURSES

58% OF GOLF PLAYERS CAMEBACK TO THE COURSES MEETED IN THEIR GOLF TRAVELS

GROUPS ARE COMPOSED BY 11 PAX

THE GOLFER REPRESENTS A MAJOR PERCENTAGE OF TRIPS FOR BUSINESS THAT NOT GOLFER AND TAKES ADVANTAGE OF HIS 8,3 TRIPS OF GOLF TO THE YEAR (BUSINESS, CONGRES,ETC) TO PLAY GOLF 4,9 TIMES.

GOLF TOURISM – GERMAN PLAYERS SURVEY

GERMANY

MORE THAN 500.000 PLAYERS AND 658 COURSES

65% MAKES, AT LEAST, ONE GOLF TRIP IN A YEAR (230.000)

30% COMES TO PLAY TO SPAIN (150.000)

GERMAN PLAYER PROFILE:

- DEMANDING CLIENTS, THEY ATTACH IMPORTANCE TO THE QUALITY OF COURSES AND TO THE OFFER VARIETY**
- THEY LIKE TO GO IN PAIRS(81%) OR SMALL GROUPS UNTILL 6 PERSONS**
- THEY ARE INTERESTED IN HOLIDAYS PACKAGES**
- 20% REQUIRES GOLF LESSONS OR A TEACHER**
- SPENDS 7 TIMES MORE THAN A TRADITIONAL (“NO GOLF BAG”)**

GERMAN TOURIST

GOLF TOURISM

FAVOURITE KIND OF GOLF COURSES

18 HOLES GOLF COURSE	66,3%
WITH RESORT	17,6%
NOT PREFERENCES	16,0%
9 HOLES GOLF COURSE	0,2%

MOST IMPORTANT FACTORS TO HAVE A PERFECT DAY OF GOLF

NICE TEMPERATURE	8,78%
LIGHT WIND	8,16%
GOOD GOLF COURSE DESIGN	9,09%
GOOD GOLF COURSE MAINTENANCE	9,15%
PROFESSIONAL SERVICE AND CLIENT TREATMENT	8,74%
19 HOLE WELL CONCEIVED	7,51%
GOOD AND EFFECTIVE SCHOOL OF GOLF	6,74%
PLAY TOURNAMENTS	6,71%

COMPLEMENTARY ACTIVITIES FOR GOLF

BEACH	67,9%
RESTAURANT	42,0%
NATURE AND CULTURAL VISIT	23,9%
NIGHT ACTIVITIES	22,2%
SHOPPING	16,1%

● The **GOLF COURSE TARGET**

¿Why do I make a golf course?

- In order to be able to sell the real estate in a favourable way
- In order to give added value to the hotel
- Like business as itself
- Golf like main element of the project

● Key **variables** for the correct **location** of the golf course

- The master plan
- Integration of golf architects from the first day
- Safety, comfort, strategy
- Golf + Hotel, clubhouse, maintenance area, parking, driving, chipping, driving range
- Golf course surface
- New laws of golf
- The election of the golf course designer

● How am I going to **operate** the golf course?

- Golf for the house buyers
- Golf for hotel guests
- Golf for the visits

Golf as promoter in residential development

Is it golf a boost for house selling?

- The existence of a golf course in the proximities, revalues the value of a house in a considerable percentage, normally between 15% and 30% (in very exceptional cases the revaluation can surpass 50% and goes until the 200%). According to the article published by the National Golf Foundation in 2.002 "The economic Contribution of the Golf Industry to the Pennsylvania Economy".
- The statistical estimations made in Florida showed that the average price of the properties that are one mile close to a golf course, is increased in a 7%. HAYDU J and HODGES ALAN W. (2002) "Economic Impacts of the Florida Golf Course Industry, University of Florida".

But, be Careful

- "A great golf can save a bad real estate but a bad golf can destroy a good touristic or real estate product"
- Until 90% in Spain and 70% in the USA of the `close to golf´ real estate house buyers, do not practice this sport, being the surroundings and the landscape the principal reason of the acquisition. *TOMPSON M. (2000): Economic Impact of Golf in Ocean City, Maryland, University of Maryland, Institute for Governmental Service.*



● Resort location

- | | |
|---|------------------------------|
| ● 1st line of beach: Golf “Miracle” | golf and beach hotel |
| ● 5th line of beach: Golf 18 holes | golf hotel |
| ● > 30 Km from the beach: Golf 36 holes | golf hotel |
| ● < 20 Km from medium city: Social Golf or C.C. | business meeting+golf hotel. |
| ● < 60 Km from big city: Golf+C.C. | business meeting+golf hotel. |

● Target market

- | | |
|------------------------|----------------------------|
| ● 1st Residence | ● 2nd Weekend residence |
| ● 2nd Summer residence | ● 2nd summer+ski residence |

● National, foreign market or both.

● Golf as hotel complement of 175 rooms.

5 stars

4 stars

3 stars

● With real estate: golf must affect real estate price

- land cost
- construction cost