

Tourism Performance 2006

1st Quarter

April 2006

PEI Tourism Year Off to Strong Start

Festivals and events kept the tourism industry busy in the first quarter of 2006. The Jack Frost Festival, the East Coast Music Awards and several sporting events stimulated increased activity at the Charlottetown Airport, the Confederation Bridge, and many accommodation operations, driving room sales to increase by more than 4,600 room-nights as compared to the same period of 2005.

Results on Key Indicators

- The Charlottetown Airport is off to a strong start for the year, experiencing significant gains in each month of the quarter, for an overall increase this quarter of 28% over 2005. This number represents the number of “enplaned” passengers – those passengers leaving via the airport. (Airport and ferry statistics also reflect departing traffic only.)
- Non-resident traffic on the bridge was up by 5% for the quarter. The Confederation Bridge was particularly busy early in the quarter, hitting record breaking traffic for the months of January and February.
- The Provincial Tourism website continues to attract an increasing number of hits, with each month of the quarter having significantly more visitation than the corresponding month of the previous year. The launch of the website www.gentleisland.com should generate even more activity.
- The Charlottetown Visitor Information Centre was the only centre open this quarter and experienced an 8% decline in parties counseled. The Borden-Carleton Centre begins operating in April.
- Total visitors at PEI’s Historic Sites are up by 10% for the quarter, bolstered particularly by visitation to Beaconsfield and Eptek Centre.

Occupancy Data

- Exhibit 1 presents 1st quarter occupancy rates by touring region. It indicates a particularly strong quarter for the Charlotte’s Shore region, fueled by a particularly strong month of February when occupancy peaked at 38%.

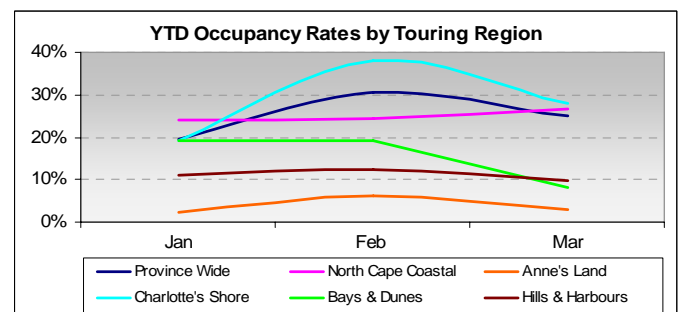


Exhibit 1

- As Exhibit 2 depicts, all fixed roof accommodation sectors saw an increase in the number rooms sold this quarter. The largest increase in volume of sales was within the Hotels/Motels/Resorts (H/M/R) sector, which saw 3,296 additional room-nights being sold.
- Inns experienced a particularly strong quarter achieving an overall occupancy of 34.5%, more than 12% higher than the occupancy rate for the same period in 2005. This translated into over 37% more room-nights being sold.

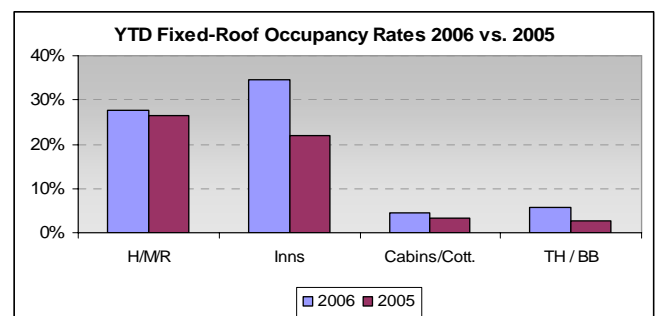


Exhibit 2

Origin Data

- The Origin of Visitors market share evolves throughout the year. As depicted in Exhibit 3, 1st quarter visitors were predominantly from our neighbors, Nova Scotia and New Brunswick. As the season goes on, we can expect the distribution of visitors' origins to be more evenly distributed among origins, as it did in 2005.
- Guests from Prince Edward Island represent a substantial component of the fixed-roof accommodation market, at 18.6%
- 95% of all guests were from Canada.

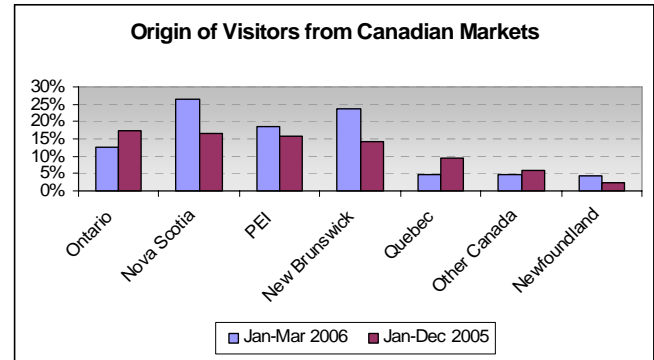


Exhibit 3

News from the Policy, Planning & Research Division

Occupancy Reporting

One success story of Occupancy Reporting continues to be the compliancy rate. In January and February, we achieved 100% compliancy, and we're moving toward that for March.

With a full year of occupancy reporting behind us, we now have baseline data against which we can compare current and future trends with respect to flow of visitors throughout the year, and their origins – where visitors have traveled *from*. Baseline data is initial information that is collected, against which future outcomes can be compared. These comparisons occur at strategic times (eg. monthly, quarterly, annually) or following particular interventions or circumstances (eg. a marketing campaign, a festival or event, or weather incident).

The technical aspect of the program continues to evolve and improve. New information modules will be made available to operators to allow them access their occupancy data online, and to compare their performance to the group of operators within their touring region, their type of accommodation, or their star rating. Individual operator confidentiality will be respected and protected by ensuring that the system will not

generate results unless there are more than five operations included in the calculation.

Beginning in May, regional meetings will be held which will offer operators opportunities to learn how to use the system, how to interpret the data, and how to use the information to make more informed business decisions.

Performance Reports to the Industry on New Schedule

Beginning in March, performance data is being released in two components. The first component will report on *activity* indicators, including traffic, visitation, and inquiries. It will be released early the following month. The second component will report on *accommodation* indicators, including occupancy and origin data, and will be released later in the month. Operators are reminded to submit occupancy data by the 10th of the following month. Not until the compliance rate reaches 95% will the report will be produced, so please respect this deadline.



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KEY PERFORMANCE INDICATORS

March - 2006

% Increase / Decrease - 2005/2006 ~ = Not Open / Operating	YTD % Chg	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Traffic													
Air (All Enplaned)	28%	31%	21%	32%									
Bridge (Non-Resident Vehicles)	5%	16%	6%	-5%									
Ferry (All Vehicles)	~	~	~	~									
Visitor Inquiries													
Website Sessions	136%	126%	138%	142%									
Call Centre Inquiries	6%	6%	19%	-2%									
Total Inquiries	125%	119%	127%	128%									
Campaign Inquiries	~	~	~	~									
Mail Out Kits	-4%	3%	14%	-17%									
Visitor Information Centres													
Charlottetown	-8%	-1%	5%	-22%									
Borden	~	~	~	~									
Wood Islands	~	~	~	~									
Cavendish	~	~	~	~									
St.Peters	~	~	~	~									
Summerside	~	~	~	~									
Souris	~	~	~	~									
West Prince	~	~	~	~									
Airport Display	~	~	~	~									
Total Parties Counselling	-8%	-1%	5%	-22%									
Provincial Parks													
Parks West	~	~	~	~									
Parks East	~	~	~	~									
Total	~	~	~	~									
Golf PEI													
Total Rounds Played	~	~	~	~									
Cruise Ships													
Total # of Passengers	~	~	~	~									
Parks Canada													
PEI National Park	~	~	~	~									
Province House	72%	42%	-2%	215%									
Green Gables	182%	840%	363%	124%									
Campgrounds	~	~	~	~									
Historic Sites													
Elmira	~	~	~	~									
Basin Head	~	~	~	~									
Orwell	-11%	-23%	1%	-10%									
BeaconsField	22%	63%	-31%	137%									
Eptek	29%	53%	22%	19%									
Acadian Museum	-37%	-23%	-72%	-25%									
Green Park	~	~	~	~									
Total Visitors	10%	32%	-8%	12%									



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FIXED ROOF ACCOMMODATION

OCCUPANCY BY REGION

Occupancy Rate = total number of room nights rented divided by total number of room nights available.	YTD	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Current Compliancy Rate	98.5%	100%	100%	95%									
Total Room Nights Available	212,813	73,279	67,018	72,516									
REGION													
Province Wide													
2006 - Occupancy Rate %	24.9%	19.4%	30.6%	25.1%									
2005 - Occupancy Rate %	22.6%	18.6%	23.7%	25.6%									
% Point Change from Previous Year	2.3%	0.8%	6.9%	-0.5%									
2006 - Room Nights Sold	52,898	14,216	20,501	18,181									
2005 - Room Nights Sold	48,255	13,463	16,109	18,683									
% Change from Previous Year	9.6%	5.6%	27.3%	-2.7%									
North Cape Coastal Drive													
2006 - Occupancy Rate %	25.0%	24.0%	24.3%	26.6%									
2005 - Occupancy Rate %	28.1%	22.6%	29.7%	31.3%									
% Point Change from Previous Year	-3.1%	5.4%	-5.4%	-4.7%									
2006 - Room Nights Sold	16,543	5,190	5,111	6,242									
2005 - Room Nights Sold	16,785	4,245	5,623	6,917									
% Change from Previous Year	-1.4%	22.3%	-9.1%	-9.8%									
Anne's Land													
2006 - Occupancy Rate %	3.7%	2.2%	6.2%	2.8%									
2005 - Occupancy Rate %	4.5%	5.4%	5.0%	3.0%									
% Point Change from Previous Year	-0.8%	-3.2%	1.2%	-0.2%									
2006 - Room Nights Sold	459	96	251	112									
2005 - Room Nights Sold	739	307	264	168									
% Change from Previous Year	-37.9%	-68.7%	-4.9%	-33.3%									
Charlotte's Shore													
2006 - Occupancy Rate %	28.1%	19.3%	38.1%	27.9%									
2005 - Occupancy Rate %	24.3%	20.0%	25.5%	27.9%									
% Point Change from Previous Year	3.8%	-0.7%	12.6%	0.0%									
2006 - Room Nights Sold	34,433	8,382	14,596	11,455									
2005 - Room Nights Sold	28,803	8,228	9,614	10,961									
% Change from Previous Year	19.5%	1.9%	51.8%	4.5%									
Bays and Dunes													
2006 - Occupancy Rate %	15.3%	19.2%	19.2%	8.1%									
2005 - Occupancy Rate %	6.6%	9.6%	3.3%	6.5%									
% Point Change from Previous Year	8.7%	9.6%	15.9%	1.6%									
2006 - Room Nights Sold	666	274	269	123									
2005 - Room Nights Sold	307	159	48	100									
% Change from Previous Year	117%	72%	460%	23%									
Hills and Harbours													
2006 - Occupancy Rate %	10.9%	11.0%	12.3%	9.7%									
2005 - Occupancy Rate %	11.7%	10.5%	12.3%	12.3%									
% Point Change from Previous Year	-0.8%	0.5%	0.0%	-2.6%									
2006 - Room Nights Sold	797	274	274	249									
2005 - Room Nights Sold	1,621	524	560	537									
% Change from Previous Year	-50.8%	-48%	-51%	-54%									



FIXED ROOF ACCOMMODATION

OCCUPANCY BY TYPE OF ACCOMMODATION

Occupancy rate = total number of room nights rented divided by total number of room nights available.	YTD	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
All Fixed Roof													
Hotels / Motels / Resorts													
2006 - Occupancy Rate %	27.8%	22.0%	34.1%	27.1%									
2005 - Occupancy Rate %	26.4%	21.9%	27.7%	29.5%									
% Point Change from Previous Year	1.4%	0.1%	6.4%	-2.4%									
2006 - Room Nights Sold	48,627	13,320	18,807	16,500									
2005 - Room Nights Sold	45,331	12,750	15,219	17,362									
% Change from Previous Year	7.3%	4.5%	23.6%	-5.0%									
Inns													
2006 - Occupancy Rate %	34.5%	21.9%	35.8%	51.0%									
2005 - Occupancy Rate %	22.1%	15.6%	24.0%	27.0%									
% Point Change from Previous Year	12.4%	6.3%	11.8%	24.0%									
2006 - Room Nights Sold	2,712	646	1,023	1,043									
2005 - Room Nights Sold	1,976	490	658	828									
% Change from Previous Year	37.2%	31.8%	55.5%	26.0%									
Cabins / Cottages													
2006 - Occupancy Rate %	4.4%	4.4%	5.5%	3.4%									
2005 - Occupancy Rate %	3.3%	4.1%	3.6%	2.3%									
% Point Change from Previous Year	1.1%	0.3%	1.9%	1.1%									
2006 - Room Nights Sold	278	97	111	70									
2005 - Room Nights Sold	242	102	82	58									
% Change from Previous Year	14.9%	-4.9%	35.4%	20.7%									
Tourist Home / B&B													
2006 - Occupancy Rate %	5.8%	2.0%	7.9%	7.6%									
2005 - Occupancy Rate %	2.8%	1.4%	1.9%	5.0%									
% Point Change from Previous Year	3.0%	0.6%	6.0%	2.6%									
2006 - Room Nights Sold	1,281	153	560	568									
2005 - Room Nights Sold	706	121	150	435									
% Change from Previous Year	81%	26%	273%	31%									
Other (eg. Hostels)													
2006 - Occupancy Rate %	0.0%	0%	0%	0%									
2005 - Occupancy Rate %	0.0%	0%	0%	0%									
% Point Change from Previous Year	0.0%	0%	0%	0%									
2006 - Room Nights Sold	0	0	0	0									
2005 - Room Nights Sold	0	0	0	0									
% Change from Previous Year	0.0%	0%	0%	0%									



FIXED ROOF ACCOMMODATION

PERCENTAGE SHARE BY MARKET ORIGIN

Where visitors travel from	YTD	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
GEOGRAPHIC ORIGIN													
Canadian Provinces(total)	95.1%	96.1%	95.9%	93.6%									
New Brunswick	23.8%	26.0%	23.0%	23.0%									
Newfoundland	4.3%	6.2%	4.4%	2.7%									
Nova Scotia	26.6%	23.7%	29.7%	25.3%									
Ontario	12.5%	11.0%	11.6%	14.7%									
Prince Edward Island	18.6%	18.8%	17.8%	19.3%									
Quebec	4.8%	5.2%	5.1%	4.1%									
Other Canada	4.6%	5.3%	4.2%	4.6%									
United States (total)	3.4%	2.6%	2.7%	4.8%									
Connecticut	0.16%	0.13%	0.20%	0.10%									
Maine	0.37%	0.58%	0.33%	0.25%									
Massachusetts	0.35%	0.44%	0.32%	0.32%									
New Hampshire	0.12%	0.13%	0.09%	0.15%									
New Jersey	0.05%	0.09%	0.03%	0.03%									
New York	0.25%	0.19%	0.20%	0.32%									
Pennsylvania	0.10%	0.03%	0.09%	0.17%									
Rhode Island	0.04%	0.01%	0.02%	0.08%									
Vermont	0.01%	0.01%	0.01%	0.02%									
Other USA	1.94%	1.01%	1.38%	3.31%									
Other Countries (total)	1.5%	1.3%	1.4%	1.6%									
Germany	0.16%	0.01%	0.07%	0.33%									
Great Britain	0.36%	0.54%	0.34%	0.24%									
Ireland	0.14%	0.16%	0.17%	0.09%									
Japan	0.19%	0.26%	0.13%	0.20%									
Other	0.64%	0.35%	0.74%	0.76%									
Motorcoach	0.01%	0.00%	0.01%	0.02%									



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CAMPGROUND OCCUPANCY

~ = Not Open / Operating	YTD	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total # of Monthly Site Nights Available		~	~	~									
OCCUPANCY BY REGION													
Province Wide	~	~	~	~									
North Cape Coastal Drive	~	~	~	~									
Anne's Land	~	~	~	~									
Charlotte's Shore	~	~	~	~									
Bays and Dunes	~	~	~	~									
Hills and Harbours	~	~	~	~									
OCCUPANCY BY ORIGIN													
Canadian Provinces													
New Brunswick	~	~	~	~									
Newfoundland	~	~	~	~									
Nova Scotia	~	~	~	~									
Ontario	~	~	~	~									
Prince Edward Island	~	~	~	~									
Quebec	~	~	~	~									
Other Canada	~	~	~	~									
United States													
Connecticut	~	~	~	~									
Maine	~	~	~	~									
Massachusetts	~	~	~	~									
New Hampshire	~	~	~	~									
New Jersey	~	~	~	~									
New York	~	~	~	~									
Pennsylvania	~	~	~	~									
Rhode Island	~	~	~	~									
Vermont	~	~	~	~									
Other USA	~	~	~	~									
Other Countries													
Germany	~	~	~	~									
Great Britain	~	~	~	~									
Ireland	~	~	~	~									
Japan	~	~	~	~									