

EUROPE MARKETS

Europe continues to provide Alberta with its largest number of overseas visitors and this market will be aggressively pursued, especially in light of the softening U.S. market. In 2005, visitation from Europe increased to 442,000 from 418,000 visitors in 2004. Expenditures increased by 18 per cent to \$503 million in 2005 from \$425 million in 2004.

Stability and steady economic growth throughout the European Union and neighbouring countries will be reflected in continued visitor traffic growth to Alberta. Facilitating this growth is an increase in non-stop scheduled and charter air access from a number of European gateways to Alberta, including additional non-stop service from London to Calgary and Edmonton.

Travel Alberta research has identified a need for new experiential product to meet the travel interests of this market. More work will be done in this area to develop and increase experiential product.

Eastern Europe has been identified as a new emerging market and research will begin to further define this market's potential. Travel Alberta will be responsive to positive opportunities that are revealed through research.

Travel Alberta's current and new investments focus on reinforcing Alberta's presence in established markets. While continuing to develop our relations with media, tour operators and partners, e-marketing initiatives will be aggressively pursued.

TOURISM VISITATION (THOUSANDS OF OVERNIGHT PERSON VISITS)

	2001	2002	2003	2004	2005	(Estimate) 2006	(Target) 2007	(Target) 2008	(Target) 2009
EUROPE	439	386	386	418	442	438	450	470	487
PRIMARY MARKETS									
UNITED KINGDOM	216	188	201	228	225	226	235	245	255
GERMANY	92	68	71	76	85	85	88	92	96

TOURISM EXPENDITURES (\$ MILLIONS)

	2001	2002	2003	2004	2005	(Estimate) 2006	(Target) 2007	(Target) 2008	(Target) 2009
EUROPE	382	364	385	425	503	513	540	580	615
PRIMARY MARKETS									
UNITED KINGDOM	207	200	222	254	286	294	314	334	355
GERMANY	67	55	62	67	82	84	89	96	102

Note: For the period 2006 - 2009, it is assumed that the Travel Price Index (TPI) will increase 2.50% each year.

MARKET SHARE

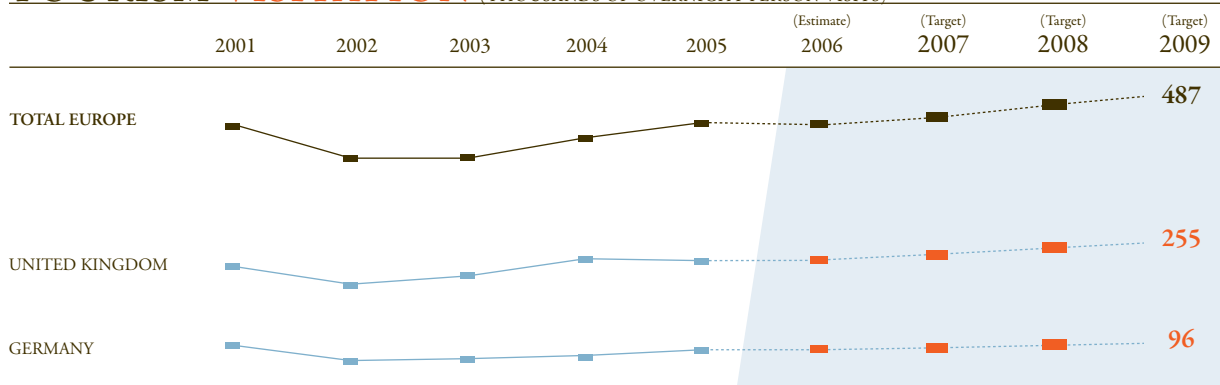
	2001	2002	2003	2004	2005
UNITED KINGDOM	18.8%	18.3%	20.9%	20.0%	18.7%
GERMANY	18.8%	16.1%	19.3%	17.6%	18.9%

Note: Market share is the percentage of Canadian province visits by travellers from each market to Alberta.

With European consumers defining their vacation interests more narrowly and asking for more personalized travel choices, the Internet is the ideal platform to reach consumers with relevant travel information and brand messaging. Travel Alberta will use new web-based technology to develop targeted consumer awareness and promotions to key segments of this marketplace. Travel Alberta will build on the newly launched TravelAlberta.com platform to match new Alberta experiences with consumers in co-operation with key accounts and Alberta industry partners. A focus will be placed on developing awareness of Alberta as a preferred destination through web-based social networking applications and enhanced content.

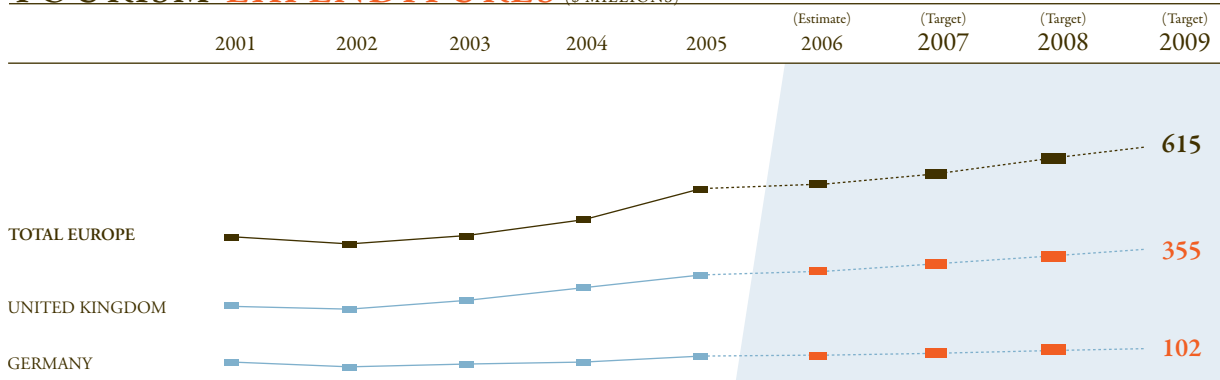
Web-based programs will be integrated with innovative public relations, non-traditional partnerships, and new experiential products offered by Alberta industry.

TOURISM VISITATION (THOUSANDS OF OVERNIGHT PERSON VISITS)



Note: Graphs are not drawn to scale.

TOURISM EXPENDITURES (\$ MILLIONS)



Note: Graphs are not drawn to scale.