

Tourism Performance 2006

2nd Quarter

July 2006

Results on Key Indicators

This report is a commentary on key tourism indicators from January to June 2006.

- Airport activity remains strong with a year-to-date (YTD) increase of 34% over 2005. This is primarily due to expansion of air service since 2005, with new airlines beginning to offer service to Charlottetown, as well as additional flights being offered among existing carriers.
- Exhibit 1 depicts data on traffic leaving PEI, as compared to the same period in 2005. Air traffic was consistently and significantly higher each month than the corresponding month in 2005. The Confederation Bridge reported a slight year-to-date increase (1%) over 2005 levels, with decreases in May and June offsetting the very strong start to the year. Northumberland Ferries commenced service for 2006 in May, and by the end of June, saw YTD traffic decline by 2%.

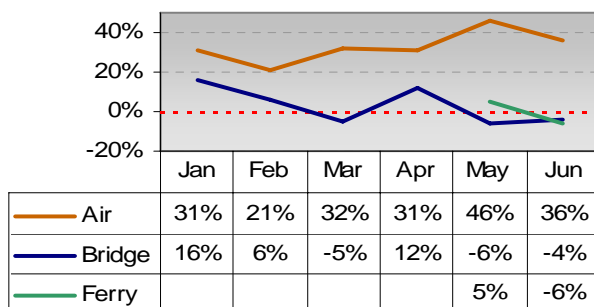


Exhibit 1: Monthly Traffic Flow, January-June, 2006

- Tourism campaign numbers appear to fluctuate significantly from month to month, primarily due to the timing of particular components of the campaign. For example, the Atlantic online campaign took place a month later in 2006 than in 2005, and high campaign response numbers from Quebec in 2005 were driven by an online contest targeting that particular market. The most informative indicator of campaign activity is the year-to-date figure which tells that campaign

inquiries are down 24% from 2005. This is relative to the decrease in dollars spent for this time period.

- A number of key indicators point to a weaker tourism activity for late spring and early summer for 2006, offsetting the strong numbers seen earlier in the year.
- Other key indicators show a mix in the level of activity relative to the same period in 2005:
 - Provincial parks were down 2% in site nights sold;
 - Golf PEI was reporting a particularly strong May with total rounds played up 37%. June activity, however, dropped by 6%, giving an increase in the YTD total for the 2nd Quarter of 17%;
 - Most indicators for Parks Canada demonstrate a decrease in activity, with park visitation down by 25%. Visitation to Province House was up 1%, Green Gables down 6%, and Parks Canada campgrounds down 16%.

Occupancy Data

- The 2006 YTD occupancy rate for fixed roof accommodations is 1% higher than 2005. (See Exhibit 2.) This is attributed to strong winter and spring numbers bolstering room nights sold enough to offset declining numbers in May and June.

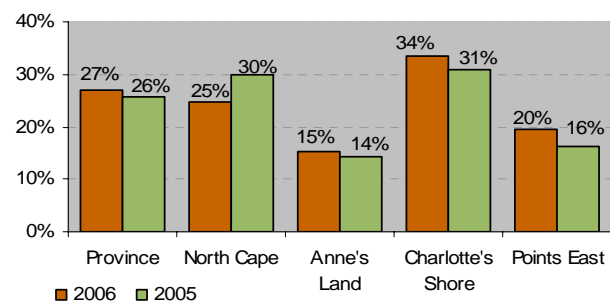


Exhibit 2: YTD Occupancy Rates, 2006 vs. 2005

- North Cape Coastal Drive saw a 5% decline in occupancy rate resulting from over 2,400 fewer room nights being sold in that touring region. (See Exhibit 3.)
- Considering actual unit-nights sold in Exhibit 3, more than 10,000 additional units were sold in Charlotte's Shore, as compared to 2005. This buffered the declines in other touring regions, giving an increase province-wide of 1,669 units.

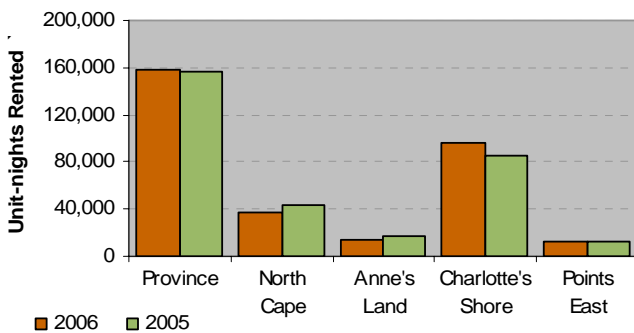


Exhibit 3: YTD Unit-nights Sold, 2006 vs. 2005

- By the end of the 2nd Quarter, Inns had an 8% increase in occupancy rate over 2005. This was driven by an increase of 229 units sold. All other accommodation types remained relatively stable, as shown in Exhibit 4.

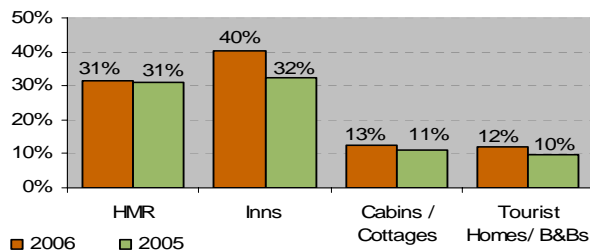


Exhibit 4: YTD Occupancy Rates by Accommodation Type

Origin Data

- Despite campaign inquiries from Quebec being down, occupancy data reveals that more visitors came from Quebec each month in 2006 than in the corresponding month in 2005. (See Exhibit 5.)

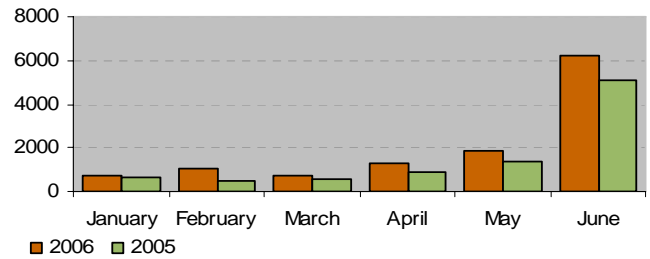


Exhibit 5: Guest Origins - Quebec

- Year-to-date (until June 30th) Occupancy Data indicates unit-nights sold to Canadians increased while unit-nights sold to all other areas, and to motorcoach, decreased. (See Exhibit 6.)

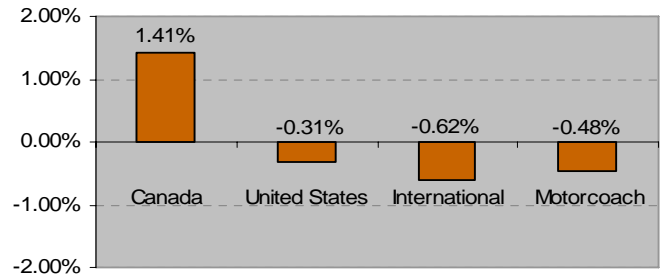


Exhibit 6: Unit-nights Sold by Geographic Origin, 2006 vs. 2005

News from the Policy, Planning & Research Division

Each month, Tourism PEI releases Key Performance Indicators. Performance indicators are quantifiable measurements that reflect the critical factors that contribute to success in the industry. Our performance indicators fall into four categories:

- traffic, (ferry, bridge, airport, cruise ship);
- inquiries and campaign activity, (contact from potential visitors, response to campaign, and activity at Visitor Information Centres);
- visitation and participation, (national parks, provincial parks, historic sites, rounds of golf); and
- occupancy and guest origin.

Each performance indicator sheds a little light, but no one indicator alone is enough to see the full picture. The full collection of indicators gives us the best view and we encourage you to take this same approach when examining indicators.



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KEY PERFORMANCE INDICATORS

JUNE - 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)	34%	31%	21%	32%	31%	46%	36%						
Bridge (Non-Resident Vehicles)	1%	16%	6%	-5%	12%	-6%	-4%						
Ferry (All Vehicles)	-2%	~	~	~	~	5%	-6%						
Visitor Inquiries													
Website Sessions	64%	126%	138%	142%	22%	20%	43%						
Call Centre Inquiries	-27%	6%	19%	-2%	-61%	-20%	-5%						
Total Inquiries	53%	119%	127%	128%	7%	14%	38%						
Campaign Inquiries ⁽¹⁾	-24%	~	~	~	-75%	-42%	60%						
Mail Out Kits	-29%	3%	14%	-17%	-61%	-26%	13%						
Visitor Information Centres													
Charlottetown	3%	-1%	5%	-22%	-47%	-32%	38%						
Borden	-17%	~	~	~	-27%	-40%	-11%						
Wood Islands	-5%	~	~	~	~	51%	-13%						
Cavendish	-19%	~	~	~	~	-36%	-16%						
St. Peters	-19%	~	~	~	~	~	-19%						
Summerside	15%	~	~	~	~	~	15%						
Souris	3%	~	~	~	~	~	3%						
West Prince	32%	~	~	~	~	~	32%						
Total Parties Counseled	-10%	-1%	5%	-22%	-40%	-31%	-1%						
Provincial Parks													
Parks West	-4%	~	~	~	~	0%	-4%						
Parks East	0%	~	~	~	~	7%	-1%						
Total	-2%	~	~	~	~	4%	-2%						
Golf PEI													
Total Rounds Played	17%	~	~	~	~	37%	-6%						
Cruise Ships													
Total # of Passengers	2%	~	~	~	~	61%	-20%						
Parks Canada													
PEI National Park	-25%	~	~	~	~	~	-25%						
Province House	1%	42%	-2%	215%	-51%	25%	-3%						
Green Gables	-6%	840%	363%	124%	371%	-7%	-10%						
Campgrounds	-16%	~	~	~	~	~	-16%						
Historic Sites													
Orwell	0%	-23%	1%	-10%	78%	-15%	2%						
Beaconsfield	9%	63%	-31%	137%	-35%	12%	9%						
Eptek	4%	53%	22%	19%	1%	-24%	-9%						
Acadian Museum	-7%	-23%	-72%	-25%	-50%	52%	38%						
Elmira	-41%	~	~	~	~	4%	-47%						
Basin Head	-4%	~	~	~	~	~	-4%						
Green Park	32%	~	~	~	~	0%	32%						
Total Visitors	-1%	32%	-8%	12%	-16%	-6%	-2%						
(1) The timing of marketing activity varies from year to year and will therefore result in significant swings in monthly comparison data.													



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JUNE 2006 OCCUPANCY REPORT

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	100%	100%	100%	100%	100%	98%	85%						
Total Room Nights Available	416,588	73,279	67,018	73,105	74,767	129,157	170,943						
REGION													
Province Wide													
2006 - Occupancy Rate %	26.9%	19.4%	30.6%	24.9%	22.5%	24.4%	33.3%						
2005 - Occupancy Rate %	25.7%	18.6%	23.7%	25.6%	23.6%	22.3%	32.9%						
% Point Change from Previous Year	1.2%	0.8%	6.9%	-0.7%	-1.1%	2.1%	0.4%						
2006 - Room Nights Sold	158,198	14,216	20,501	18,191	16,755	31,367	56,974						
2005 - Room Nights Sold	156,529	13,463	16,109	18,683	17,801	30,331	60,142						
% Change from Previous Year	1.1%	5.6%	27.3%	-2.6%	-5.9%	3.4%	-5.3%						
North Cape Coastal Drive													
2006 - Occupancy Rate %	24.8%	24.0%	24.3%	26.6%	19.6%	22.7%	30.3%						
2005 - Occupancy Rate %	30.0%	22.6%	29.7%	31.3%	27.9%	29.9%	34.8%						
% Point Change from Previous Year	-5.2%	5.4%	-5.4%	-4.7%	-8.3%	-7.2%	-4.5%						
2006 - Room Nights Sold	36,481	5,190	5,111	6,242	4,494	6,204	9,212						
2005 - Room Nights Sold	42,824	4,245	5,623	6,917	6,013	8,392	11,634						
% Change from Previous Year	-14.8%	22.3%	-9.1%	-9.8%	-25.3%	-26.1%	-20.8%						
Anne's Land													
2006 - Occupancy Rate %	15.2%	2.2%	6.2%	2.6%	3.6%	8.3%	22.9%						
2005 - Occupancy Rate %	14.3%	5.4%	5.0%	3.0%	3.0%	6.3%	23.1%						
% Point Change from Previous Year	0.9%	-3.2%	1.2%	-0.4%	0.6%	2.0%	-0.2%						
2006 - Room Nights Sold	14,384	96	251	112	188	2,153	11,552						
2005 - Room Nights Sold	16,311	307	264	168	182	2,165	13,225						
% Change from Previous Year	-11.8%	-68.7%	-4.9%	-33.3%	3.3%	-0.6%	-12.7%						
Charlotte's Shore													
2006 - Occupancy Rate %	33.3%	19.3%	38.2%	27.8%	27.4%	34.8%	46.5%						
2005 - Occupancy Rate %	30.9%	20.0%	25.5%	27.9%	26.1%	31.7%	46.1%						
% Point Change from Previous Year	2.4%	-0.7%	12.7%	-0.1%	1.3%	3.1%	0.4%						
2006 - Room Nights Sold	95,561	8,382	14,596	11,463	11,625	20,927	28,505						
2005 - Room Nights Sold	85,056	8,228	9,614	10,961	10,754	17,323	28,176						
% Change from Previous Year	12.4%	1.9%	51.8%	4.6%	8.1%	20.8%	1.2%						
Bays and Dunes													
2006 - Occupancy Rate %	18.1%	18.9%	19.2%	8.1%	16.2%	12.2%	22.4%						
2005 - Occupancy Rate %	14.6%	9.6%	3.3%	6.5%	20.7%	10.7%	18.8%						
% Point Change from Previous Year	3.5%	9.3%	15.9%	1.6%	-5%	2%	4%						
2006 - Room Nights Sold	4,169	274	269	123	228	653	2,551						
2005 - Room Nights Sold	3,863	159	48	100	335	753	2,468						
% Change from Previous Year	8%	72%	460%	23%	-31.9%	-13.3%	3.4%						
Hills and Harbours													
2006 - Occupancy Rate %	20.5%	11.0%	12.3%	9.7%	8.8%	14.8%	29.3%						
2005 - Occupancy Rate %	17.2%	10.5%	12.3%	12.3%	10.4%	13.8%	25.5%						
% Point Change from Previous Year	3.3%	0.5%	0.0%	-2.6%	-1.6%	1.0%	3.8%						
2006 - Room Nights Sold	7,603	274	274	251	220	1,430	5,154						
2005 - Room Nights Sold	8,475	524	560	537	517	1,698	4,693						
% Change from Previous Year	-10.3%	-48%	-51%	-53%	-57.4%	-15.8%	9.8%						



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 %	31.3%	22.0%	34.1%	26.9%	25.3%	31.2%	42.0%						
2005 - Occupancy Rate %	31.2%	21.9%	27.7%	29.5%	27.5%	30.3%	42.4%						
% Point Change from Previous Year	0.1%	0.1%	6.4%	-2.6%	-2.2%	0.9%	-0.4%						
2006 - Room Nights Sold	131,878	13,320	18,807	16,500	15,554	26,660	41,029						
2005 - Room Nights Sold	131,239	12,750	15,219	17,362	16,696	26,288	42,924						
% Change from Previous Year	0.5%	4.5%	23.6%	-5.0%	-6.8%	1.4%	-4.4%						
Inns													
2006 - Occupancy Rate %	40.3%	21.9%	35.8%	51.0%	33.6%	47.9%	44.8%						
2005 - Occupancy Rate %	32.2%	15.6%	24.0%	27.0%	20.3%	37.2%	44.8%						
% Point Change from Previous Year	8.1%	6.3%	11.8%	24.0%	13.3%	10.7%	0.0%						
2006 - Room Nights Sold	8,230	646	1,023	1,043	683	1,563	3,272						
2005 - Room Nights Sold	8,001	490	658	828	621	1,637	3,767						
% Change from Previous Year	2.9%	31.8%	55.5%	26.0%	10.0%	-4.5%	-13.1%						
Cabins / Cottages													
2006 - Occupancy Rate %	12.5%	4.4%	5.5%	3.4%	5.4%	6.2%	17.2%						
2005 - Occupancy Rate %	11.3%	4.1%	3.6%	2.3%	4.6%	3.7%	17.1%						
% Point Change from Previous Year	1.2%	0.3%	1.9%	1.1%	0.8%	2.5%	0.1%						
2006 - Room Nights Sold	10,358	97	111	70	131	1,490	8,341						
2005 - Room Nights Sold	10,179	102	82	58	129	1,082	8,726						
% Change from Previous Year	1.8%	-4.9%	35.4%	20.7%	1.6%	37.7%	-4.4%						
Tourist Home / B&B													
2006 - Occupancy Rate %	12.2%	2.2%	8.0%	7.5%	4.9%	11.2%	24.5%						
2005 - Occupancy Rate %	9.8%	1.4%	1.9%	5.0%	4.0%	8.2%	21.3%						
% Point Change from Previous Year	2.4%	0.8%	6.1%	2.5%	0.9%	3.0%	3.2%						
2006 - Room Nights Sold	7,732	153	560	568	387	1,654	4,332						
2005 - Room Nights Sold	7,054	121	150	435	355	1,324	4,669						
% Change from Previous Year	10%	26.4%	273.3%	30.6%	9.0%	24.9%	-7.2%						
Other (eg. Hostels)													
2006 - Occupancy Rate %	0.0%	0%	0%	0%	0%	0%	0%						
2005 - Occupancy Rate %	11.7%	0%	0%	0%	0%	0%	11.7%						
% Point Change from Previous Year	-11.7%	0%	0%	0%	0%	0%	-11.7%						
2006 - Room Nights Sold	0	0	0	0	0	0	0						
2005 - Room Nights Sold	56	0	0	0	0	0	56						
% Change from Previous Year	-100.0%	0%	0%	0%	0%	0%	-100%						



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FIXED ROOF ACCOMMODATION



Beginning in May, data comparing 2006 guest origins with those of 2005 is also presented

PERCENTAGE SHARE BY MARKET ORIGIN

Home Province / State / Country of Guests	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)	87.6%	96.1%	95.9%	93.6%	95.2%	88.4%	78.4%						
New Brunswick	18.8%	26.0%	23.0%	23.0%	22.2%	17.7%	14.1%						
% Change over 2005	4.0%					-2.4%	-0.4%						
Newfoundland	3.4%	6.2%	4.4%	2.7%	4.2%	3.5%	2.2%						
% Change over 2005	0.7%					0.14%	-0.1%						
Nova Scotia	22.1%	23.7%	29.7%	25.3%	26.8%	20.6%	17.6%						
% Change over 2005	3.7%					-1.3%	-0.8%						
Ontario	16.1%	11.0%	11.6%	14.7%	11.0%	18.3%	19.4%						
% Change over 2005	-3.8%					0.05%	1.1%						
Prince Edward Island	12.5%	18.8%	17.8%	19.3%	15.7%	9.6%	7.7%						
% Change over 2005	4.4%					-3.1%	2.0%						
Quebec	6.8%	5.2%	5.1%	4.1%	7.6%	5.7%	8.9%						
% Change over 2005	-1.8%					1.3%	2.6%						
Other Canada	8.0%	5.3%	4.2%	4.6%	7.9%	13.0%	8.4%						
% Change over 2005	1.2%					5.7%	-0.8%						
United States (total)	7.6%	2.6%	2.7%	4.8%	2.96%	7.4%	12.7%						
Connecticut	0.3%	0.13%	0.20%	0.10%	0.10%	0.11%	0.46%						
% Change over 2005	-0.3%					-0.09%	-0.12%						
Maine	0.9%	0.58%	0.33%	0.25%	0.50%	0.83%	1.39%						
% Change over 2005	0.6%					0.05%	-0.26%						
Massachusetts	0.8%	0.44%	0.32%	0.32%	0.34%	0.73%	1.24%						
% Change over 2005	-1.1%					-0.12%	-0.24%						
New Hampshire	0.3%	0.13%	0.09%	0.15%	0.34%	0.27%	0.57%						
% Change over 2005	-0.5%					-0.16%	-0.13%						
New Jersey	0.1%	0.09%	0.03%	0.03%	0.09%	0.15%	0.19%						
% Change over 2005	-0.3%					-0.07%	-0.06%						
New York	0.4%	0.19%	0.20%	0.32%	0.21%	0.40%	0.63%						
% Change over 2005	-0.5%					0.03%	-0.35%						
Pennsylvania	0.27%	0.03%	0.09%	0.17%	0.11%	0.20%	0.51%						
% Change over 2005	-0.2%					0.08%	-0.10%						
Rhode Island	0.07%	0.01%	0.02%	0.08%	0.01%	0.10%	0.09%						
% Change over 2005	-0.1%					0.01%	-0.12%						
Vermont	0.2%	0.01%	0.01%	0.02%	0.11%	0.18%	0.47%						
% Change over 2005	-0.1%					0.11%	0.17%						
Other USA	4.3%	1.01%	1.38%	3.31%	1.36%	4.40%	7.18%						
% Change over 2005	-0.9%					0.37%	-0.05%						
Other Countries (total)	2.5%	1.3%	1.4%	1.6%	1.79%	2.82%	3.31%						
Germany	0.3%	0.01%	0.07%	0.33%	0.13%	0.28%	0.40%						
% Change over 2005	-0.1%					0.05%	-0.21%						
Great Britain	0.5%	0.54%	0.34%	0.24%	0.50%	0.80%	0.52%						
% Change over 2005	0.04%					0.43%	-0.12%						
Ireland	0.1%	0.16%	0.17%	0.09%	0.14%	0.04%	0.06%						
% Change over 2005	0.04%					-0.01%	-0.02%						
Japan	0.7%	0.26%	0.13%	0.20%	0.26%	0.72%	1.17%						
% Change over 2005	-0.3%					0.01%	-0.28%						
Other	0.9%	0.35%	0.74%	0.76%	0.76%	0.98%	1.16%						
% Change over 2005	-0.6%					-0.01%	-2.62%						
Motorcoach	2.3%	0.00%	0.01%	0.02%	0.02%	1.4%	5.6%						
% Change over 2005	-3.0%					-0.79%	-0.73%						



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		25,929	~	~	~	~	25,929	16,503						
OCCUPANCY RATE (%) BY REGION														
Province Wide		14%	~	~	~	~	8.9%	16.1%						
North Cape Coastal Drive		10%	~	~	~	~	3.0%	11.6%						
Anne's Land		17%	~	~	~	~	9.6%	18.8%						
Charlotte's Shore		12%	~	~	~	~	13.6%	11.7%						
Bays and Dunes		24%	~	~	~	~	~	24.0%						
Hills and Harbours		10%	~	~	~	~	5.6%	11.0%						
OCCUPANCY BY ORIGIN														
Canadian Provinces		89.9%					92.1%	89.5%						
New Brunswick		11.0%	~	~	~	~	7.9%	11.5%						
% Change over 2005		-1.1%					4.09%	1.31%						
Newfoundland		1.2%	~	~	~	~	0.2%	1.3%						
% Change over 2005		-0.1%					0.12%	0.58%						
Nova Scotia		10.9%	~	~	~	~	6.7%	11.5%						
% Change over 2005		-0.7%					-1.39%	3.49%						
Ontario		7.9%	~	~	~	~	5.2%	8.4%						
% Change over 2005		-3.2%					1.74%	1.13%						
Prince Edward Island		47.9%	~	~	~	~	67.1%	44.8%						
% Change over 2005		12.1%					-4.32%	-9.01%						
Quebec		6.1%	~	~	~	~	2.0%	6.8%						
% Change over 2005		-7.1%					-0.09%	0.91%						
Other Canada		4.9%	~	~	~	~	3.0%	5.2%						
% Change over 2005		1.5%					-0.63%	1.61%						
United States		8.5%					6.53%	8.87%						
Connecticut		0.2%	~	~	~	~	0.09%	0.23%						
% Change over 2005		-0.2%					0.09%	-0.26%						
Maine		1.0%	~	~	~	~	0.21%	1.11%						
% Change over 2005		-0.7%					0.07%	-0.46%						
Massachusetts		0.7%	~	~	~	~	1.07%	0.66%						
% Change over 2005		-0.2%					0.97%	-0.36%						
New Hampshire		0.5%	~	~	~	~	0.43%	0.52%						
% Change over 2005		-0.2%					0.43%	-0.02%						
New Jersey		0.1%	~	~	~	~	0.21%	0.11%						
% Change over 2005		-0.2%					0.21%	-0.03%						
New York		0.2%	~	~	~	~	0.09%	0.16%						
% Change over 2005		-0.4%					0.04%	-0.03%						
Pennsylvania		0.1%	~	~	~	~	0.00%	0.16%						
% Change over 2005		-0.2%					-0.14%	-0.09%						
Rhode Island		0.04%	~	~	~	~	0.00%	0.04%						
% Change over 2005		-0.2%					0.00%	0.00%						
Vermont		0.1%	~	~	~	~	0.00%	0.10%						
% Change over 2005		-0.4%					0.00%	-0.64%						
Other USA		5.6%	~	~	~	~	4.43%	5.78%						
% Change over 2005		-0.8%					-0.56%	1.69%						
Other Countries		1.6%					1.36%	1.59%						
Germany		0.8%	~	~	~	~	0.38%	0.88%						
% Change over 2005		0.3%					-0.90%	0.26%						
Great Britain		0.2%	~	~	~	~	0.34%	0.18%						
% Change over 2005		0.0%					0.20%	0.08%						
Ireland		0.1%	~	~	~	~	0.04%	0.09%						
% Change over 2005		-0.1%					0.04%	-0.04%						
Japan		0.03%	~	~	~	~	0.00%	0.04%						
% Change over 2005		-0.1%					0.00%	0.04%						
Other		0.4%	~	~	~	~	0.60%	0.40%						
% Change over 2005		0.1%					0.03%	-0.17%						