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Feel the Wonder at Seatrade

Cruise BC partners invite the world's cruise line industry to visit Canada's West Coast Pavilion at the Seatrade Cruise Shipping Convention in Miami, March 13 to 16, 2006. Local destinations – Vancouver, Victoria, Prince Rupert, Port Alberni, Nanaimo and Campbell River – will be on hand to demonstrate the warm hospitality and spectacular attractions that define British Columbia, Canada.

In addition to being welcomed by one of Canada's most well-known icons, a Royal Canadian Mounted Police, guests can experience first-hand the thrill of catching another West Coast icon – a Pacific salmon – with our sportfishing simulator. Those that catch a salmon will be treated to real sportfish-caught salmon from St. Jean's Cannery (Nanaimo, BC).

Additional features at the pavilion include a partnership between the Canadian Tourism Commission and the U.S. Postal Service in a joint promotion that will allow American guests to submit their passport applications for processing. And illustrating the talent and skill of BC's industrial marine sector, members of Cruise Industry Association of British Columbia have teamed up to offer a one-stop look for visitors to discuss their ships' needs when travelling the Alaska route.

Cruise line representatives are also invited to attend the Annual West Coast Pavilion Reception – Wednesday March 15 – sponsored by Cruise BC, International Trade Canada, Industry Canada, Vancouver Port Authority and Victoria Shipyards. Guests will be treated to local refreshments from Labatt's Blue and NK'MIP Wine Cellars (Osoyoos, BC).

We look forward to seeing you there!



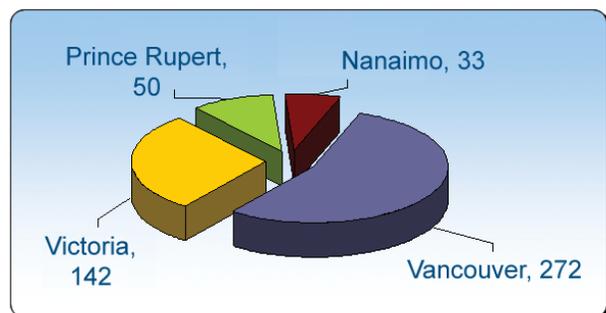
2005 Cruise Season Results in Economic Success for BC

The 2005 cruise season in British Columbia brought more ships and passengers to British Columbia than ever before. Overall cruise visits to BC destinations hit an all-time high of 520 ship calls with 1,296,871 revenue passengers, representing an increase of 4.8% over 2004. The total economic impact for the 2005 cruise season in British Columbia was estimated at nearly \$1.3 billion.

"What we're seeing right now is a diversification of cruise products in the region with much more exposure for ports throughout British Columbia as the result," said Greg Wirtz, Chair of Cruise BC and Manager, Trade Development, Cruise for Vancouver Port Authority. "While Vancouver still faces competition for homeport business from U.S. ports, the overall market continues to grow with new port-of-call opportunities for Vancouver, Victoria and emerging cruise destinations such as Prince Rupert, Nanaimo, Campbell River, and Port Alberni."

Contributing to the success of the 2005 BC cruise season was the introduction of coastal cruises to British Columbia by Celebrity Cruises aboard the *Mercury*. Six new cruise itineraries featuring the ports of Vancouver, Victoria, Nanaimo and Prince Rupert, were offered in September and October of 2005 and nearly every sailing was sold out.

2005 BC Cruise Season Port Calls



continued on page 3...

The Wei Wai Kum Cruise Ship Portal



Artist's rendering of the new dock at Campbell River. For full details, see the last page.

2005 BC Cruises Highly Rated by Passengers

In the Fall of 2005, Cruise BC commissioned a passenger survey that indicates a high level of satisfaction among passengers cruising through BC's Inside Passage. The study, conducted by Klugherz & Associates, interviewed passengers aboard the Celebrity Cruises vessel *Mercury* following their cruises to BC and visits to various ports in the Province. The ports included in these itineraries were Vancouver, Victoria, Nanaimo and Prince Rupert. Results showed:

- Over 90% of the passengers rated their overall British Columbia cruise experience as a "4" or "5" on a scale of 1 to 5 (with 1 as poor and 5 as excellent).
- Passenger experience compared their expectations was also rated well, with 78% of the respondents indicating that the cruise exceeded their expectations. Another 19% said that the cruise met their expectations.
- Three-quarters (75%) of the passengers indicated that the BC cruise was a good or excellent value compared to other destinations.
- Visiting sights and attractions was a top passenger activity in all the ports on the itineraries. Shopping, visiting parks and historic sites, dining out, and outdoor activities were also popular activities.

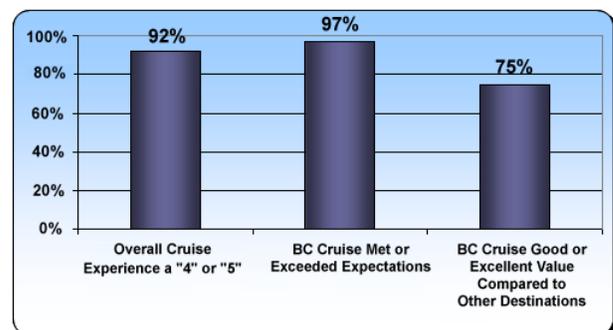
Passengers were asked to comment on what were their most memorable experiences in the ports of call. Many comments mentioned the beauty and cleanliness of the towns and cities of BC,

the friendliness of the people, and the sights and attractions that were visited during port calls as the most memorable aspects of their trips.

Other study findings:

- In all ports, the majority of passengers rated their port experiences as "good" or "excellent."
- BC cruises attracted a largely West Coast U.S. market that was highly educated and affluent. Nearly two-thirds (63%) of respondents reported having graduated from college/university or graduate school. Household income levels averaged nearly \$80,000USD.

2005 BC Cruise Passenger Ratings



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Passenger Survey (Cont'd)

- A large percentage of the market was experienced cruisers; 78% had taken one or more cruises in the past.
- There was a high level of interest (73%) in returning to BC among the respondents.
- BC cruise ports offer distinct and different experiences from one another. Each port community has unique characteristics that provide diverse opportunities for cruise passengers.
- The majority of respondents had some familiarity with Aboriginal tourism in BC and four in ten had interest in experiencing Aboriginal culture while on a cruise.

"Passengers clearly enjoyed their visit to BC communities and provided insight into their favourite activities including shopping and sightseeing, as well as more active excursions like whale watching and kayaking. This research will be used to help us continue to develop Canada's Inside Passage with BC ports becoming cruise destinations in their own right rather than as a stop-over to Alaska," said Greg Wirtz, chair of Cruise BC and Manager, Trade Development, Cruise for Vancouver Port Authority.

As a result of the success of the 2005 season and positive passenger feedback, Celebrity Cruises again will offer cruises to British Columbia's coastal region again in 2006. A total of eight cruises are scheduled for September and October.

Back by Popular Demand

Celebrity Cruises knows a good thing when they see it. Three and four-night cruises in the Pacific Northwest were very popular last year and will again be available beginning September 15, 2006. With eight departure dates to choose from in September and October, passengers will get an opportunity to experience a spectacular west coast fall season in destinations such as Victoria, Vancouver, Campbell River, Nanaimo and Prince Rupert.

For more information, visit www.celebrity.com.

Economic Success (Cont'd)

Economic benefits from the growing cruise business were felt all along the BC coast. In 2005, Cruise BC commissioned BREA, Business Research and Economic Advisors, to create a cruise sector economic impact model for Cruise BC. This model was designed to develop estimates of the direct and indirect economic impacts in the Province of British Columbia generated by cruises originating or calling at BC ports. For the first time, economic impacts of the cruise sector in the Province can be tracked on an annual basis.

Since 2003, ship visits to BC have increased by 10%, passenger visits have increased by 15% and total economic impact has increased by 3%. This upward trend has been felt in newer cruise destinations, such as Nanaimo and Prince Rupert, communities in the early years of cruise industry development. Victoria and Vancouver, both more experienced cruise destinations, are also reaping the economic rewards of their efforts to maintain and build the cruise business.

Cruise Economic Impacts in BC

| | 2003 | 2005 |
|--------------------------------|----------------|----------------|
| Total Ship Visits (port calls) | 472 | 520 |
| Total Passengers | 1,129,633 | 1,296,871 |
| Total Economic Impact | \$1.25 billion | \$1.29 billion |

The economic benefits to British Columbia and its communities are generated from passenger, crew, and cruise line spending. A cruise ship port call can generate up to \$200,000 in spending and even higher per call for home ports, such as Vancouver. This spending occurs in a wide variety of economic sectors, such as retail, manufacturing, transportation, professional services, construction, and ship building and repair. The result of the spending creates employment, wages, and taxes in British Columbia and the port communities.

With other communities, such as Port Alberni and Campbell River, developing their cruise capabilities, BC's overall cruise capacity will continue to grow, providing the opportunity for the economic benefits to expand even further in British Columbia.

Port Profile – Campbell River

The Campbell River Indian Band and the City of Campbell River are well on their way to meeting a Fall deadline for the construction of a new cruiseship facility. In announcing a marine tender award to ACC-Hurlen Canada Ltd., Campbell River confirmed that it is on track to welcoming the Celebrity vessel, the Mercury in September, 2006. "This is a significant step in the construction program," said Chief Robert Pollard. "With the marine portion of the project now underway, Campbell River is well-positioned to meet the needs of the largest ships travelling the Alaska route."

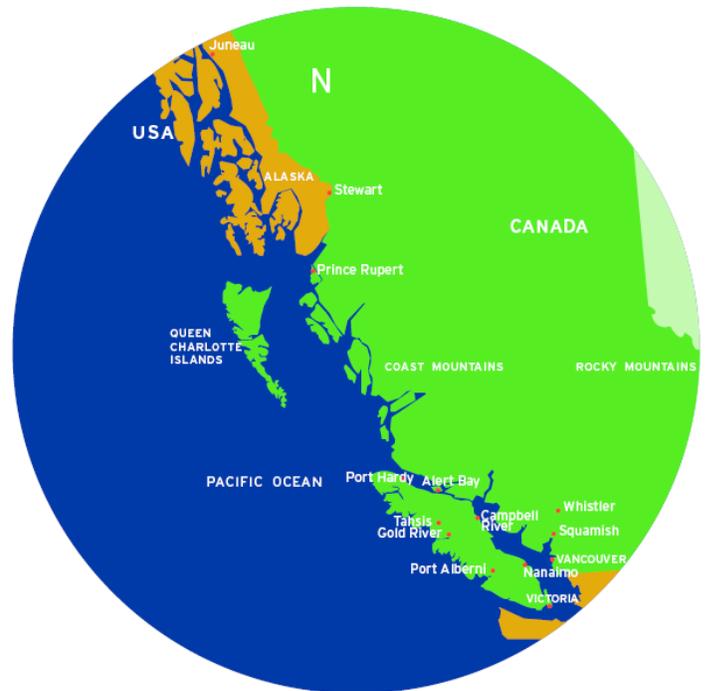
The marine portion of the dock program involves the construction of a concrete floating deck structure with four massive mooring dolphins and four berthing dolphins, a trestle from the concrete floating dock to the foreshore extending out approximately 44 meters and the placement of \$1.6 million worth of pilings. The trestle will be covered and protected from the weather and the dock portion will float on the tides to allow it to accommodate the largest cruise ships on the west coast all the way down to 100 passenger pocket cruisers.

The new dock has been made possible through a partnership between Western Economic Development Canada, Indian and Northern Affairs Canada, the BC Ministry of Economic Development, the City of Campbell River and the Campbell River Indian Band. "The expansion of the facilities available for cruiseships has been made possible through an incredible amount of teamwork," said Lise Steele, Cruise BC's representative for Campbell River. "It's been very impressive to watch how all levels of government and the Campbell River Indian Band have coordinated their efforts to bring this concept into reality."

Campbell River is a thriving central hub of North Central Vancouver Island. In addition to an authentic First Nations history and culture, visitors can experience a multitude of recreational activities, including the reason why no one contests Campbell River's status as the Salmon Capital of the World.

"With 12 parks, several marine parks, numerous historic sites, three golf courses, a glacier, a ski hill and a world-class Museum, all within 30 minutes from the city's centre, Campbell River offers both the sophistication of a large city and the charming, friendly, small-town atmosphere that treats visitors like much-welcomed friends," says Steele. "We are very proud of our culture and history and look forward to showcasing our heritage to visitors from all over the world."

For more information about Campbell River's cruise capabilities, recreational activities and history, please visit www.northcentralisland.com.



Cruise BC Association – Board of Directors

President: Greg Wirtz, Vancouver Port Authority

Vice President: Shaun Stevenson, Prince Rupert Port Authority

Secretary/Treasurer: Doug Peterson, Nanaimo Port Authority

Directors-at-large:

Darryl Anderson, Port Alberni Port Authority

Mike Carter, Alberni Valley Chamber of Commerce

Jodee Dick, Campbell River Indian Band

Helen Glavinic, Western Economic Diversification Canada

Norman Lee, BC Ministry of Tourism, Sport and the Arts

Richard Lewis, Tourism BC

Tim Low, Indian and Northern Affairs Canada

Dayna Miller, Tourism Vancouver

Jerry Pink, Tourism Nanaimo

Paul Servos, Greater Victoria Harbour Authority

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