



MEDCRUISE NEWS

Celebrating 10 Years 1996-2006

QUARTERLY SEPTEMBER 2006

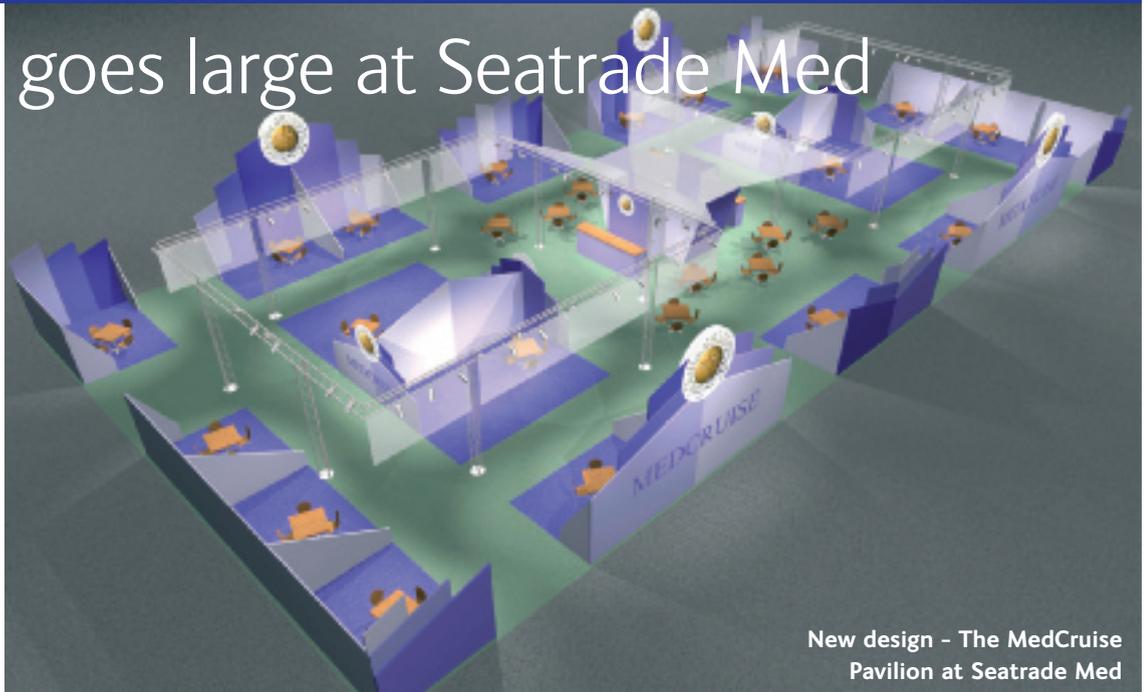
ISSUE 13

MedCruise pavilion at Seatrade Med 2006 in Naples October 18th-20th

MedCruise goes large at Seatrade Med

MedCruise will be participating as an exhibitor at the Seatrade Med Cruise & Ferry Convention in Naples between October 18-20th, 2006. The 800 sq mtr pavilion is the biggest MedCruise presence ever at the bi-annual event and will house 22 exhibition stands representing the following ports: Croatian Adriatic Ports, Gibraltar, French Riviera Ports, Italian Adriatic Ports, Malta, Livorno and Portoferraio, Palermo and Messina, Koper, Ports of the Generalitat, Sochi, Tunisian Ports, Barcelona, Portuguese Ports, Monaco, Moroccan Ports, Ceuta, Cartagena, Valencia, Alicante, Malaga, Sete and Balearic Islands.

To celebrate the Association's 10th anniversary year in 2006, a cocktail event will take place at the pavilion on Thursday 19th October at 4:30 pm where MedCruise will honour founding members, past presidents and



New design - The MedCruise Pavilion at Seatrade Med

board members, and current members.

MedCruise representatives will also play a full role in the conference programme that runs in parallel with the exhibition at the Maritime Station in Naples. Francesco Nerli, president of the Port Authority of Naples will give the welcoming address on the opening day (October 18th) of the conference and MedCruise president Laurent Monsaingeon will present a paper in the Destinations and Shore

Excursions panel taking place the same day, as will Giovanni Spadoni MedCruise director (Security) and evp of Port of Livorno 2000.

On the following day MedCruise secretary general Jose Campos will present a paper in the Product Diversity in the Med session, whilst Albert Poggio svp MedCruise and Port of Gibraltar will appear on stage in the Super Yacht panel which takes place on Friday October 20th, the final day of the show.

Board View – Giovanni Spadoni, Director of Security and evp of Port of Livorno 2000

Giovanni Spadoni played a very integral role at this year's International Association Cities and Ports (IACP) General Meeting held on June 8th and 9th in Rijeka, Croatia in partnership with the Municipality of Rijeka and Port of Rijeka Authority.

Around 100 port executives and city planners from around the world heard Spadoni give papers on The Cruise Industry towards 2010, detailing the new opportunities and concerns facing Mediterranean ports and a paper related to port security entitled: The European Community Directive EC 2005/65 on the Enhancement of Port Security. He also

moderated the panel session: Management of Tourist Flows at the City-Port Interface which included panellists Signe Adamsen Project Director of Cruise Baltic Project and a representative from Bremerhaven.

Regarding the implementation of Directive EC 2005/65, Spadoni suggests the following guidelines: remain pragmatic; share best practices among 'same configuration' ports; open communication with shipping lines and ship owners organisations; and watch for fair competition in relation to security costs; security levels; and conflict or confusion of roles between the regulator and the operator.



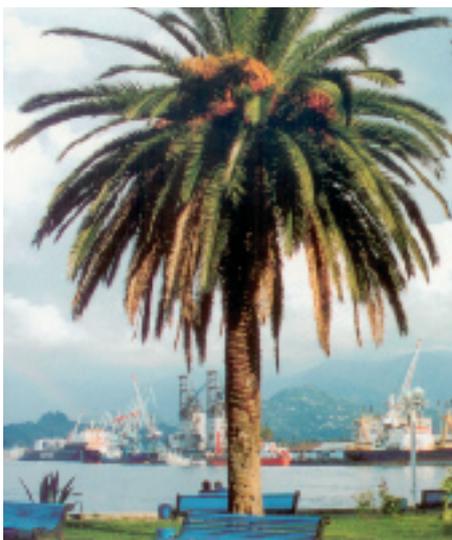
Batumi

Black Sea newcomer eyes cruise



Batumi, to be voted in at the Naples general assembly in October, is one of MedCruise's newest members. It is a new port of call in the cruise market and therefore is trying to boost its appeal to cruise lines. The port is due to receive three cruise ships in 2006 including Minerva II which will be calling at the end of September. There are also three calls booked for 2007. The three ships due to call this year, Minerva II, Discovery and Andrea are all first time callers to the port.

Batumi lies on the Adjara coast nearby to a number of resorts including: Kobuleti, Tsikhisdziri, Green Cape, Makhinjauri. Pleasure resorts close to Batumi include: Pchichvnari, Bobokvati, Chakvi, Gonio, Kvariati and Sarpi.



Almeria

47 cruise calls due in 2006



In 2006 Spain's Almeria port saw a small decline in cruise visitors, although the number of cruise calls went up. Through to end July, 21 ships had called with an expected 47 for the entire year, compared to 2005 when 24 called up to end July and 44 for the entire year. About 32,000 passengers are expected by end December, whereas in 2005 43,624 visited Almeria port.

Three ships made their maiden visits to Almeria this year, Louis Cruise Lines' Coral, Metropolis Tur's Grand Victoria and Fred Olsen Cruise Lines' Boudicca.

Cyprus

Cyprus sees traffic increase; new terminal ready 2010

Cyprus' ports, Lemesos and Larnaka, saw an increase in both cruise calls and passenger numbers in 2006. From January to end August 2006 the ports received 135 cruise calls and 143,070 passengers. In comparison to the same period in 2005 this represents an increase of 3% in cruise calls and an increase of 24% in cruise passengers. Expectations for 2007 are similar to the results seen this year.

Cyprus Ports Authority is currently investing in a new 10,000sq mtr passenger terminal at Lemesos port which should be completed by 2010.



Dubrovnik

Undergoing development



Dubrovnik port is undergoing major reconstruction work. Between now and 2009 two phases of development are planned: Dubrovnik Port Development Project is undertaking phase one which includes the reconstruction of a quay to be completed by 2008. Phase two involves the construction of the port superstructure.

Dubrovnik Port is expecting to see a rise in visitor numbers in 2007, with an expected 620 cruise calls bringing 650,000 passengers. This year 578 cruiseships called and 570,000 passengers which represents a 7.2% increase in cruise calls and a 14% increase in passenger numbers.

If you are visiting Dubrovnik in the summer, do not miss the world-renowned Dubrovnik Summer Festival, with music, theatre and dance performances. The production of Hamlet on Lovrijenac Tower is a must see.

Koper

Cruise calls on the rise



Koper is expecting a huge rise in cruise calls in 2007. In 2006 the Slovenian port received 22 calls but next year somewhere in the region of 70 cruiseship calls have already booked for the 2007 season. That represents a 218% increase on 2006.

To cope with this high influx of new visitors the port is investing in a new passenger terminal building which should be ready in 2008. The Port Authority is also planning reconstructing the existing port infrastructure, with work to include updating the pier, bollards and fenders, surfaces for passenger services, bus services and city access. It hopes these changes will be ready by the start of the 2007 season.

French Riviera

A busy season



The three French Riviera Ports; Cannes, Nice and Villefranche have had a busy season in 2006, with more than 500,000 passengers to the ports. There have been 629 cruise calls to the three ports this year with 640 expected in 2007.

Regular callers to Cannes include P&O Cruises, Cunard Line, Seabourn Cruise Line and Star Clippers. MSC Cruises has been calling every Tuesday since April and Carnival Cruise Line began its season earlier this year – May instead of July – which accounts for the significant jump in passenger numbers.

Cruise lines calling regularly at Nice/Villefranche include Pullmantur, Royal Caribbean Group, Seabourn Cruise Line, Elysian Cruises and Club Med. The number of passengers increased to 380,000 with homeport passengers rising to 40,000. This demonstrates that homeport passengers represent only 10% of the total.

The nationalities of cruise passengers visiting the French Riviera Ports are mainly American or British. There has also been a 25% increase in Spanish visitors to Nice/Villefranche this year.

Cruise lines visiting Nice/Villefranche and Cannes regularly include: Elysian Cruises (34 calls to Nice); Island Cruises (34 calls to Nice); Royal Caribbean (67 calls to Villefranche); Pullmantur (62 calls to Villefranche); MSC (23 calls to Cannes), Aida (17 calls to Cannes), Carnival Cruise Line (15 calls to Cannes) and Princess Cruises (8 calls to Cannes).

The Riviera ports are looking forward to 2007 with a highlight being the first visit of Disney Cruise Line's Disney Magic.



Palamós



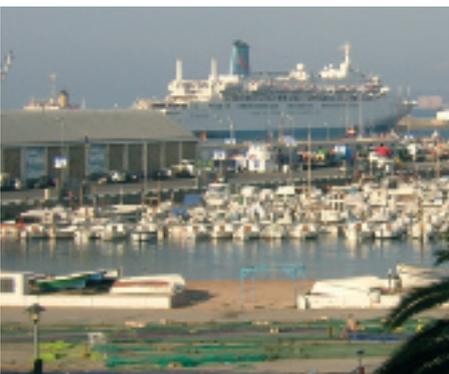
New cruise facilities ready next year

The Port of Palamós (Ports de la Generalitat) has received 14 cruise calls and 14,500 passengers during the spring and summer season. Another four calls are expected during October, resulting in a total of 18 cruise calls. 32 cruise calls are already booked for 2007.

Four ships made maiden visits in 2006, these were Thomson Destiny, Thomson Celebration, Spirit of Adventure and Prinsendam.

Ports de la Generalitat is planning to build a passenger terminal and facilities are expected to be finished and operational by Spring 2007.

Port of Palamós is situated on the Costa Brava, an area that has always attracted visitors because of the beaches, endless sunshine and fantastic food. Highlights worth visiting are the many medieval towns closeby, the Dali Museum, the P.G.A. Golf Course and City Girona, well known by its old Jewish neighbourhood.



Rijeka



Expansion underway

The Port of Rijeka Authority is planning to expand and modernise its existing passenger terminal. The southern Delta and Porto Baros, are due to be redesigned to make them accessible to both local citizens as well as visitors. Reconstruction of the site includes a modern passenger terminal, upgraded port

facilities, new commercial and residential facilities, nautical centre, a marina and better road connections. These expansion plans are considered to benefit the town of Rijeka and its population as well as the port itself.

Port of Rijeka received 16 cruise calls in 2006 bringing 3,897 passengers. Although final numbers haven't been confirmed for 2007, the Port Authority is expecting an increase in visitors. The cruise ship Arion made its maiden call to Rijeka this season.

The most popular resorts in the vicinity are Opatija, Lovran, Crikvenica, Kraljevica and Novi Vinodolski.

Sevastopol

Coming in from the cold



Sevastopol received 17 cruise calls in 2006 bringing a total of 9,500 passengers. For the 2007 season 36 calls have been booked from 17 ships. Maiden calls this year included Le Levant, Nautica, Costa Classica and Spirit of Adventure.

The Cold War Museum in Balaclava offers a unique experience for history enthusiasts. During Soviet rule a secret submarine tunnel was located inside the mountain which has since been transformed into the Cold War Museum.



Tarragona



Massive leap in cruise calls and passenger numbers

Tarragona looks set to increase its cruise calls by 250% and passenger numbers by 650% in 2007. The port received four calls and 2,000 passengers in 2006 and 14 calls and 15,000 passengers are expected in 2007. *Corinthian II* and *Funchal* called at the Port of Tarragona for the first time this year. A new cruise terminal is expected to be operational in 2008.

Tarragona is a UNESCO World Heritage site brimming with Roman and Medieval remains. It is a city best visited on foot as all of the monuments and museums are in the old city and the streets are all pedestrianised. Highlights include the Cyclopes Walls, the Cathedral of Santa Maria and Roman Amphitheatre.

Trieste

Festivities for QE2

Trieste port received 35 calls and 50,000 passengers this season: visiting ships were *Costa Marina* (making 15 calls); *The Emerald* (10 calls); *Lili*

Marleen (4 calls); *Mona Lisa*, *QE2*, *Hebridean Spirit*, *Astoria*, *Costa Magica* and *Crystal Serenity*. Of these ships *Lili Marleen*, *Costa Marina*, *Astoria*, *Costa Magica* and *Crystal Serenity* are newcomers to the port. For 2007 35 calls and 65,000 passengers are expected.



A new luggage store / warehouse for homeporting ships is currently under construction and should be ready in 2007.

There were special celebrations in Trieste when *QE2* arrived in the port on September 5th. Festivities included a jazz band, fireworks and passengers were treated to gastronomic local products.

Zadar

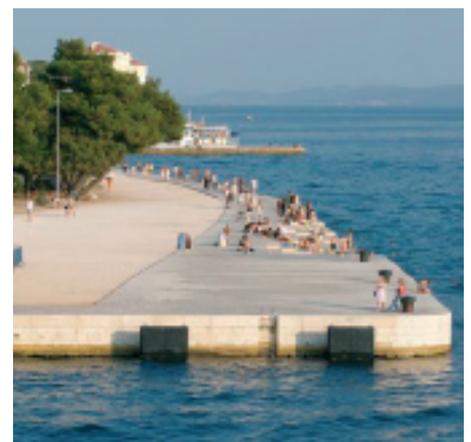
100 cruise calls expected in 2007



A new project is underway at Zadar Port, including plans for a new passenger terminal at *Gazenica*, situated two miles from the old town. Building is due to start at the end of this year and the Port Authority hopes to inaugurate it in three years time.

Cruise calls are increasing at the Croatian port with 80 calls recorded for 2006 and 100-110 calls booked for next year, a rise of 37%. New cruiseships calling at Zadar this year were *Crystal Symphony*, *Marco Polo*, *Le Diamant* and *Regina*.

The 3,000 year old city of Zadar and the five national parks in its vicinity are the most popular tours taken by arriving cruise passengers. Another attraction is the *Sea Organ*, which has received great acclaim from tourists and locals alike.



Holland America Line

HAL returns with five ships

2007 will mark a big year in Europe for Holland America Line when five ships are deployed on the Continent for a nine-month season. Sailings will begin March 12 and run through November 3.

Maiden calls are scheduled at 13 ports, including new MedCruise member Koper in Slovenia.

Ten- to 28-day Mediterranean, Northern Africa and Black Sea cruises are planned, with departures from Civitavecchia, Venice and Piraeus. Tunis and Carthage are featured ports in North Africa, and Black Sea



destinations include Varna, Constanta, Yalta and Sochi.

Fourteen- to 28-day 'European Treasures' sailings bridge northern and southern regions, from the Greek Isles to the British Isles, and feature as many as 21 ports in 16 countries.

Island Cruises

Island cannot escape

Island Cruises recently launched a second edition 2007 brochure featuring seven-night Mediterranean cruises starting at £499.

Throughout Summer 2007, Island Cruises will offer seven Mediterranean itineraries on Island Escape and Island Star. A revamped 'Mediterranean Explorer' programme adds the new ports of Valencia and Genoa, whilst the 'Mediterranean Discovery' itinerary now visits Mahon (Menorca) rather than Sète (France).



Louis Cruise Lines

Louis Cruise Lines' 13 ship fleet and growing



Louis has acquired Orient Queen (left) via a five-year bareboat/hire purchase agreement. The 349-cabin ship (ex Bolero, ex Starward) was bought by Abou Merhi Cruises of Lebanon in 2005 which operated her on an East Med programme out of Beirut last summer. In December 2005 the company cancelled its Arabian Gulf winter cruise programme less than a

month into its operation and repositioned Orient Queen back to Beirut.

Most recently Orient Queen was chartered by the US government to evacuate US citizens from war-torn Lebanon. After the charter, which finished at the beginning of this month, the ship remained in Limassol.

The 850-passenger Orient Queen underwent a \$22m refurbishment last year. This latest acquisition brings the total number of owned ships in the Louis fleet to 13.

Meanwhile easyCruise and Louis plc said they will jointly approach Neorion Holdings, the Greek shipyard group, to increase the number of newbuilds in the letter of intent already announced by easyCruise from two firm and two optional, to three firm and three optional vessels.

The new agreement means if all the newbuilding contracts and options are exercised, the total fleet operating under the easyCruise brand will reach eight vessels by 2011.

easyCruise chairman Stelios Haji-Ioannou (right) said Louis will provide 'exceptional operational know-how in the Eastern Med area' and will allow easyCruise to grow more rapidly and cover more geographical areas faster. Louis owns 13 ships and 27 hotels.



Pullmantur

Royal Caribbean to buy Pullmantur

Pullmantur, which is being acquired by Royal Caribbean Cruises Ltd., has been an important force in driving the expansion of the Spanish cruise business.

Spain in recent years has been among Europe's fastest growing source markets, with 379,000 passengers carried in 2005, a 26% increase over the previous year.

That figure places it fourth among European source markets, with a 12% share according to European Cruise Council data.

The Pullmantur fleet mixes newer and older ships. The newest, Blue Moon and Blue Dream, are former R-class vessels, which carry 716 passengers each. The 37,000gt Holiday Dream, acquired from Star Cruises in 2004, previously sailed as SuperStar Aries and carries 750 passengers.

Sky Wonder is a 1,200-passenger vessel that earlier sailed as Pacific Sky for P&O Cruises Australia whilst Oceanic (pictured in Valletta), a 1,500-passenger vessel sailed for Premier Cruise Lines from 1985 until that company's collapse in 2000.



Star Cruises

Star set to return



A second Mediterranean season is on the charts for Star Cruises next year as the company outlined itineraries for January 2007 until April 2008.

SuperStar Libra, which returns to India for a second season from Mumbai this month, will go back to the Med next summer, adding Mykonos as a new port. The programme includes varied cruises of seven to 15 nights with departures from Valletta, Piraeus, Istanbul, Venice and Civitavecchia.

Ship launches

The sound of new ships

Summer 2006 saw the delivery of two ships both of which will be year-round players in the Med. First to set sail was MSC Musica named in Venice on a balmy June night.

Not surprisingly, music was a central theme of the event with performances ranging from opera to a big band sound. Dancers and masked Venetian characters mingled with guests. Star of the show and



MSC Cruises 'very own' godmother, Sophia Loren, cut the ribbon accompanied by MSC owner Gianluigi Aponte (pictured on Loren's left) and the master of the ship.

A few weeks later supermodel Eva Herzigova named Costa's new flagship Costa Concordia in a ceremony in Civitavecchia (below). 'The Waters of Rome' was the theme of the quayside christening with the lighted ship as the backdrop, a shallow expanse of water served as the stage for a



spectacle of music, dance, film and flying acrobats.

VIP guests at the christening festivities included Italian Transport Minister Alessandro Bianchi.

Barcelona

Hands-on learning for Koper's Matjaz Francé

Matjaz Francé, cruise manager at the Port of Koper, Slovenia, used the MedCruise network to visit the Port of Barcelona to learn about managing a major cruise hub.

He shadowed Sandra Yunta, Cruise Manager for three days during July and met with Joaquim Gonzalez, who is in charge of security at the port of Barcelona and its cruise terminals. Here are some pictures taken during France's visit.



Matjaz Francé and Sandra Yunta



L-R: Joaquim Gonzalez, Matjaz Francé and Sandra Yunta



Keeping an eye on cruise operations at Barcelona

New Positions

Changes afoot in Barcelona

Sandra Yunta (left), MedCruise member Barcelona's representative, is leaving her post as cruise manager to become Costa Crociere's new General Manager of the Palacruceros cruise ship terminal in Barcelona. The Palacruceros terminal, opening this fall, will serve Costa and all the Carnival group ships on Barcelona's Adossat pier.

Meanwhile, former MedCruise Secretary General, Carla Salvadó (right), who is currently working at the port of Barcelona, will take Sandra's place as cruise manager and as Barcelona's MedCruise rep.



MedCruise Members

- Alanya
- Alicante
- Almeria
- Balearic Islands
- Barcelona
- Bari
- Batumi
- Cagliari
- Cartagena
- Castellon
- Catania
- Ceuta
- Cyprus ports
- Dubrovnik, Korcula
- Egyptian ports
- French Riviera ports
- Gibraltar
- Israeli ports
- Koper
- La Spezia
- Lattakia
- Livorno
- Malaga
- Messina
- Monaco
- Moroccan ports
- Naples
- Palamos
- Palermo
- Pescara
- Piraeus
- Portoferraio
- Portuguese ports
- Ravenna
- Rijeka
- Sete
- Sevastapol
- Sibenik
- Sochi
- Split
- Tarragona
- Toulon, St Tropez
- Trieste
- Tunisian ports
- Valencia
- Valletta
- Venice
- Volos
- Zadar

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Published by Seatrade Communications Ltd