

2011 Cruise Industry Update



CRUISE LINES
INTERNATIONAL
ASSOCIATION, INC.

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Association

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25 CLIA Member Cruise Lines



CLIA Supports the World's Largest Travel Agency Membership



16,000 of the world's leading leisure-focused travel agencies and agents in North America rely on us



Presentation Highlights



- **Positive Outlook:** Cruise lines, agents, and the travel industry are bullish on 2011 and beyond
- **Growth:** Cruise industry demonstrates resiliency and continues to grow
- **Additions:** 14 new ships, large and small, are scheduled from 10 CLIA lines in 2011
- **Value:** Extraordinary diversity of product, outstanding value, and agency distribution system continues to drive success
- **Trends:** Popularity of small/river cruises; family cruises/multigenerational; friends cruising with friends/social group cruises; continued innovation in shipboard experience



12 New Ships Joined CLIA Fleet in 2010 For Total Investment of \$5.9 billion



Celebrity Cruises

Celebrity Eclipse 2,850

Costa Cruises

Costa Deliziosa 2,260

Holland America

Nieuw Amsterdam 2,100

MSC

MSC Magnific 3,103

Norwegian Cruise Line

Norwegian Epic 4,200

Royal Caribbean International

Allure of the Seas 5,400

Cunard Line

Queen Elizabeth 2,092

Seabourn Cruise Line

Sojourn 450

Avalon Waterways

Avalon Luminary 138

Avalon Felicity 138

American Cruise Line

American Independence 101

AMA Waterways

Amabella 212



CLIA Passenger Volume Keeps Pace with Capacity



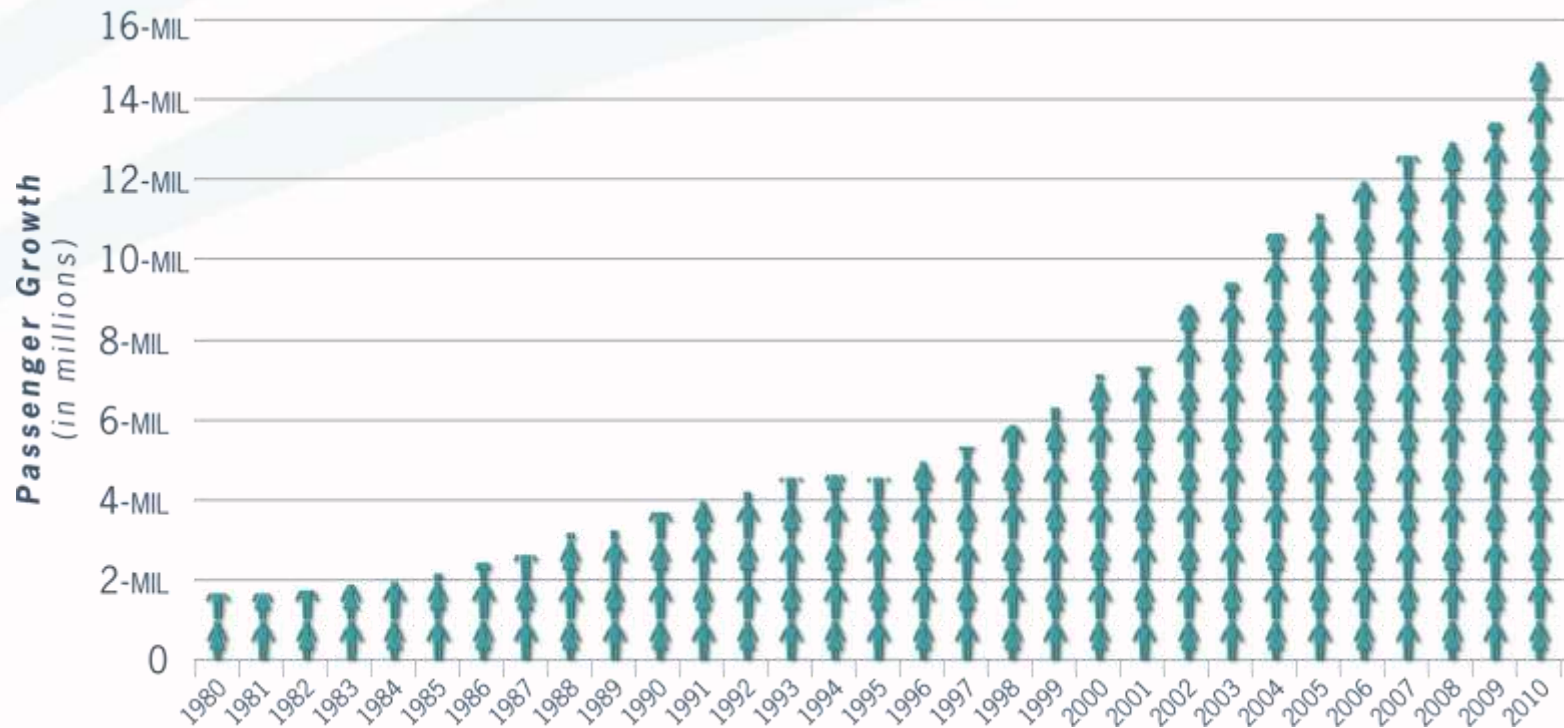
CLIA Member Line PAX Summary

2010 Year-End Estimate

- 15,000,000 Total Guests
- 74% from U.S. & Canada
- 26% Sourced Internationally
- 103% Occupancy
- Average Length of Cruise: 7.2 days



Celebrating a History of Passenger Growth Over the Years



Average Passenger Growth Rate 1980-2010: +7.5%



International CLIA Guests Increased to 26.5% in 2010



Opportunities – Penetration



US / Canada Population
340,700,000



2010 CLIA NA Cruisers
11,100,000
3% of population

Europe Union Population
492,390,000



2010 CLIA Int'l Cruisers
3,900,000
~ 1% of population



2011 New Ships = \$4.6 billion Investment



Large Ships

Carnival

Carnival Magic 3,652

Celebrity

Silhouette 2,850

Disney

Dream 4,000

Costa

Favalosa 3,502

Oceania

Marina 1,260

Small & Luxury Ships

AMA

AmaLotus 124

Amaverde 162

Ama Katerina 212

Avalon

Panorama 166

Pearl Seas

Pearl Mist 210

Uniworld

SS Antoinette 164

Douro Spirit 128

River Victoria 206

Seabourn

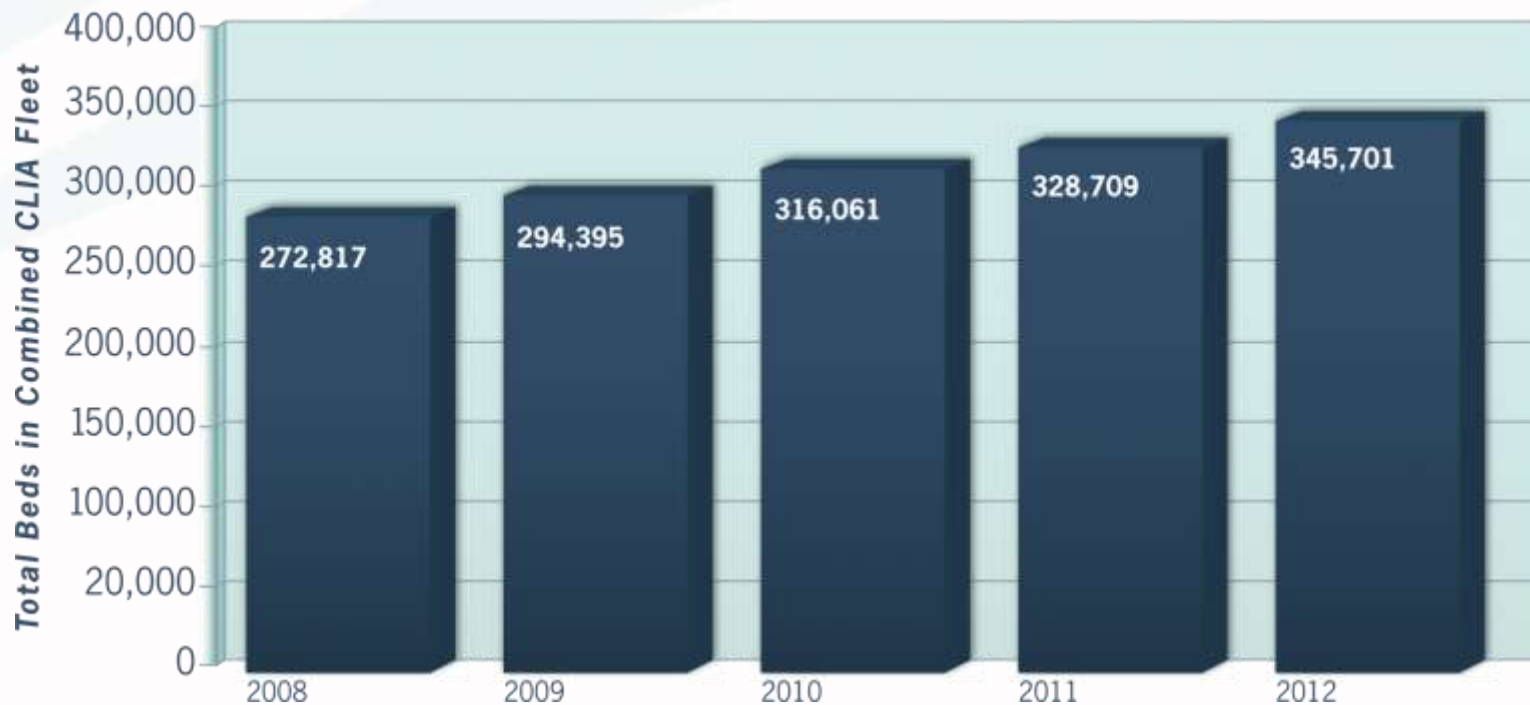
Quest 450



22 New CLIA Ships Are On Order For 2011-2012



51,306 Net Beds Added to CLIA Cruise Lines in 2010-2012



17.4% Net Increase In CLIA Member Line Capacity, 2010-2012



CLIA 2011 Passenger Forecast



16.0 million passengers (+6.6%)

- 11.68 million passengers – North America, 73%
- 4.32 million passengers – International, 27%



Keys to Success: Value, Flexibility and Adapting to New Realities



**Vessel Mobility
And Redeployment**



**New Ships &
Remarkable Product**



**Generating Demand
With Incredible Value**



**Continued High
Interest and Demand**



**Global Passenger
Sourcing**



**Strong Travel Agent
Distribution Channel**



2011 Travel Agent Optimism Index



- 2010 shaping up stronger than 2009; even better results for 2011
- 85 percent anticipate 2011 “Wave Season” booking activity to surpass 2010 increasing on average by 16 percent
- 86 percent of agents anticipate cruise booking increases in 2011
- 66 percent expect “a very good year and better than 2010” or “our best year”
- Cruises predicted to outperform other types of travel



2011 Trends Predicted By CLIA Agents



- **Destinations:** Top ten destinations for 2011: the Caribbean & Bahamas; Alaska; the Mediterranean; Europe; Hawaii; Panama Canal; European rivers; Bermuda; Canada & New England; and Mexico & the U.S. West Coast
- **Excitement:** “Hot” destinations for 2011 include: European rivers; the Mediterranean, Greek Islands & Turkey; Caribbean & Eastern Mexico; Europe; South America; the Panama Canal; Hawaii & the South Pacific; China & Japan; Southeast Asia; the Baltic; and Scandinavia
- **Continuing trend toward family & multi-generational cruises:** Also traditional popularity among couples, seniors and singles
- **Booking windows continue to expand:** Windows grew from an average 4.5 months in 2009 to an anticipated 5.8 months in 2011
- **Large ship cruising dominates:** Strong interest in small ship and luxury cruises, notably European river cruises, also increase



Cruise Lines Trends Poll



Top and emerging trends include:

- **Increased choice in dining:** Specialty restaurants, guest chefs, local cuisine
- **Stimulating activities and enrichment programs:** Interactive workshops, expert lecturers, culinary demonstrations
- **Strong interest in theme cruises:** Music, food & wine, culture and art
- **Globalization of itineraries:** New ports and destinations throughout the world
- **Continued evolution of onboard spas:** Spa suites, top-brand spa partners
- **Focus on fitness:** More active vacationing in shipboard and shore activities



Cruise Lines Trends Poll



- **2011 Hot Destinations** Europe, South America, Caribbean, Mediterranean, (European Rivers, Africa/Middle East, Bermuda, South Pacific tied for 5th)
- **Personalized experiences:** Private and exclusive shore excursions targeted to specific demographics (children, family, personal interests such as extreme sports, photography, gardening)
- **Passenger growth by category:** Baby boomers families/multigenerational groups, first timers, meetings
- **Passenger booking:** Cruise lines report average booking window of seven months



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Looking Forward To Best Year Yet

