2011 Cruise Industry Update

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Executive Vice President of Marketing and Distribution, Cruise Line Industry 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

<table>
<thead>
<tr>
<th>Cruise Line</th>
<th>Ship Name</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Cruises</td>
<td>Celebrity Eclipse</td>
<td>2,850</td>
</tr>
<tr>
<td>Costa Cruises</td>
<td>Costa Deliziosa</td>
<td>2,260</td>
</tr>
<tr>
<td>Holland America</td>
<td>Nieuw Amsterdam</td>
<td>2,100</td>
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<tr>
<td>MSC</td>
<td>MSC Magnific</td>
<td>3,103</td>
</tr>
<tr>
<td>Norwegian Cruise Line</td>
<td>Norwegian Epic</td>
<td>4,200</td>
</tr>
<tr>
<td>Royal Caribbean International</td>
<td>Allure of the Seas</td>
<td>5,400</td>
</tr>
<tr>
<td>Cunard Line</td>
<td>Queen Elizabeth</td>
<td>2,092</td>
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<tr>
<td>Seabourn Cruise Line</td>
<td>Sojourn</td>
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<tr>
<td>Avalon Waterways</td>
<td>Avalon Luminary</td>
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<tr>
<td></td>
<td>Avalon Felicity</td>
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<tr>
<td>American Cruise Line</td>
<td>American Independence</td>
<td>101</td>
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<tr>
<td>AMA Waterways</td>
<td>Amabella</td>
<td>212</td>
</tr>
</tbody>
</table>
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

Europe Union Population
492,390,000

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

2010 CLIA Int’l Cruisers
3,900,000
~ 1% of population
### 2011 New Ships = $4.6 billion Investment

#### Large Ships

<table>
<thead>
<tr>
<th>Line</th>
<th>Ship Name</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carnival</td>
<td>Carnival Magic</td>
<td>3,652</td>
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<tr>
<td>Celebrity</td>
<td>Silhouette</td>
<td>2,850</td>
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<tr>
<td>Disney</td>
<td>Dream</td>
<td>4,000</td>
</tr>
<tr>
<td>Costa</td>
<td>Favalosa</td>
<td>3,502</td>
</tr>
<tr>
<td>Oceania</td>
<td>Marina</td>
<td>1,260</td>
</tr>
</tbody>
</table>

#### Small & Luxury Ships

<table>
<thead>
<tr>
<th>Line</th>
<th>Ship Name</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMA</td>
<td>AmaLotus</td>
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<tr>
<td></td>
<td>Amaverde</td>
<td>162</td>
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<tr>
<td></td>
<td>Ama Katerina</td>
<td>212</td>
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<tr>
<td>Avalon</td>
<td>Panorama</td>
<td>166</td>
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<tr>
<td>Pearl Seas</td>
<td>Pearl Mist</td>
<td>210</td>
</tr>
<tr>
<td>Uniworld</td>
<td>SS Antoinette</td>
<td>164</td>
</tr>
<tr>
<td></td>
<td>Douro Spirit</td>
<td>128</td>
</tr>
<tr>
<td></td>
<td>River Victoria</td>
<td>206</td>
</tr>
<tr>
<td>Seabourn</td>
<td>Quest</td>
<td>450</td>
</tr>
</tbody>
</table>
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

Generating Demand with Incredible Value

Global Passenger Sourcing

New Ships & Remarkable Product

Continued High Interest and Demand

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
Visit Cruising.org, cruiseindustryfacts.com and follow us on Facebook for the latest news and information about the cruising industry and CLIA member lines.
Looking Forward To Best Year Yet