

Cruise Industry Outlook – 2009 & Beyond



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CRUISE LINES
INTERNATIONAL
ASSOCIATION, INC.

The CLIA Member Cruise Lines...



Over 14,000 of the World's Leading Leisure Focused Travel Agencies in North America



Nearly 100 Strategic Executive Partners



EXECUTIVE PARTNER

Shipyards & Engineering

Over 40 Ports

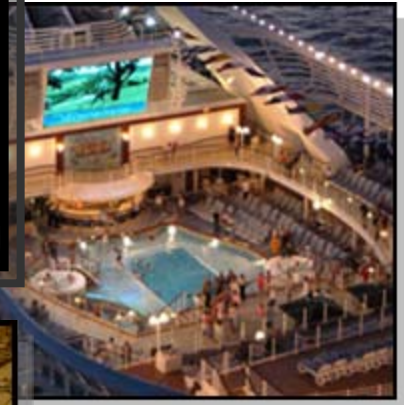
Legal & Insurance

Environment & Health

P&I Clubs & Class Societies

Safety / Security

Communications and Cruise Product



Why CLIA?

CLIA promotes all measures that foster a safe, secure and healthy cruise ship environment, to educate, train its travel agent members, and to promote and explain the value, desirability and affordability of a cruise vacation.

- **Travel Marketing and Distribution Membership**

- Marketing and Training Resources
- Public Relations and Promotions
- Research

- **Industry Responsibility**

- Provides a safe, healthy, secure shipboard environment for both passengers and crew.
- Minimizing the environmental impact of ship operations on the ocean and destinations.
- Adhere and contribute to regulatory initiatives and lead the effort to improve maritime policies and procedures.
- Creating a regulatory environment that will foster the continued growth of the industry.
- Delivering a reliable, affordable and enjoyable cruise experience.

A look back on 2008 and so far in 2009



A look back on 2008...

1st Half, Relatively Smooth Sailing



A look back on 2008...

1st Half, Relatively Smooth Sailing

	<u>Q1 '08</u>	<u>Q2 '08</u>	<u>1st Half '08</u>	<u>Chg. Vs. '07</u>
North American Guests (000)	2.612	2.522	5.114	+.29%
International Guests	.551	.775	1.327	+31.37%
Total Guests	3.163	3.278	6.441	+ 5.43%
Occupancy	104.7%	104.8%	104.7%	-

- Demand pacing new capacity
- Int'l guests reflect new source market emphasis and deployments

The fun began in the 2nd half of 2008...



Peak of Fuel Price Escalation



U.S Subprime Hangover Spreads



Rising Food & Commodity Prices



US Election - Change & Uncertainty



Declining Stocks & Consumer Confidence

Capacity Growth Continued... 7 New Ships in 2008

RCI Independence of the Seas



Ruby Princess



MSC Fantasia



MSC Poesia



Celebrity Solstice



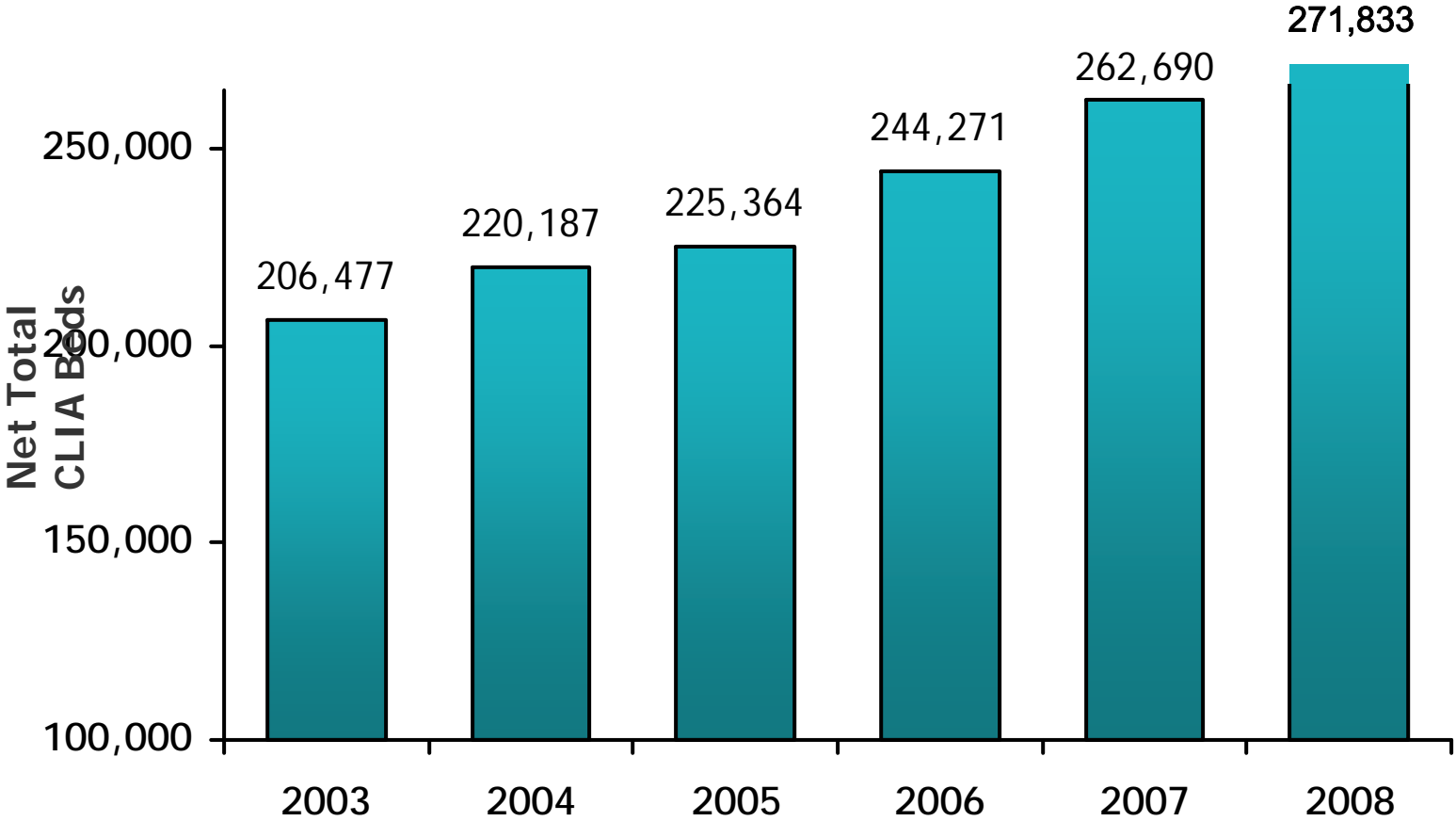
Carnival Splendor



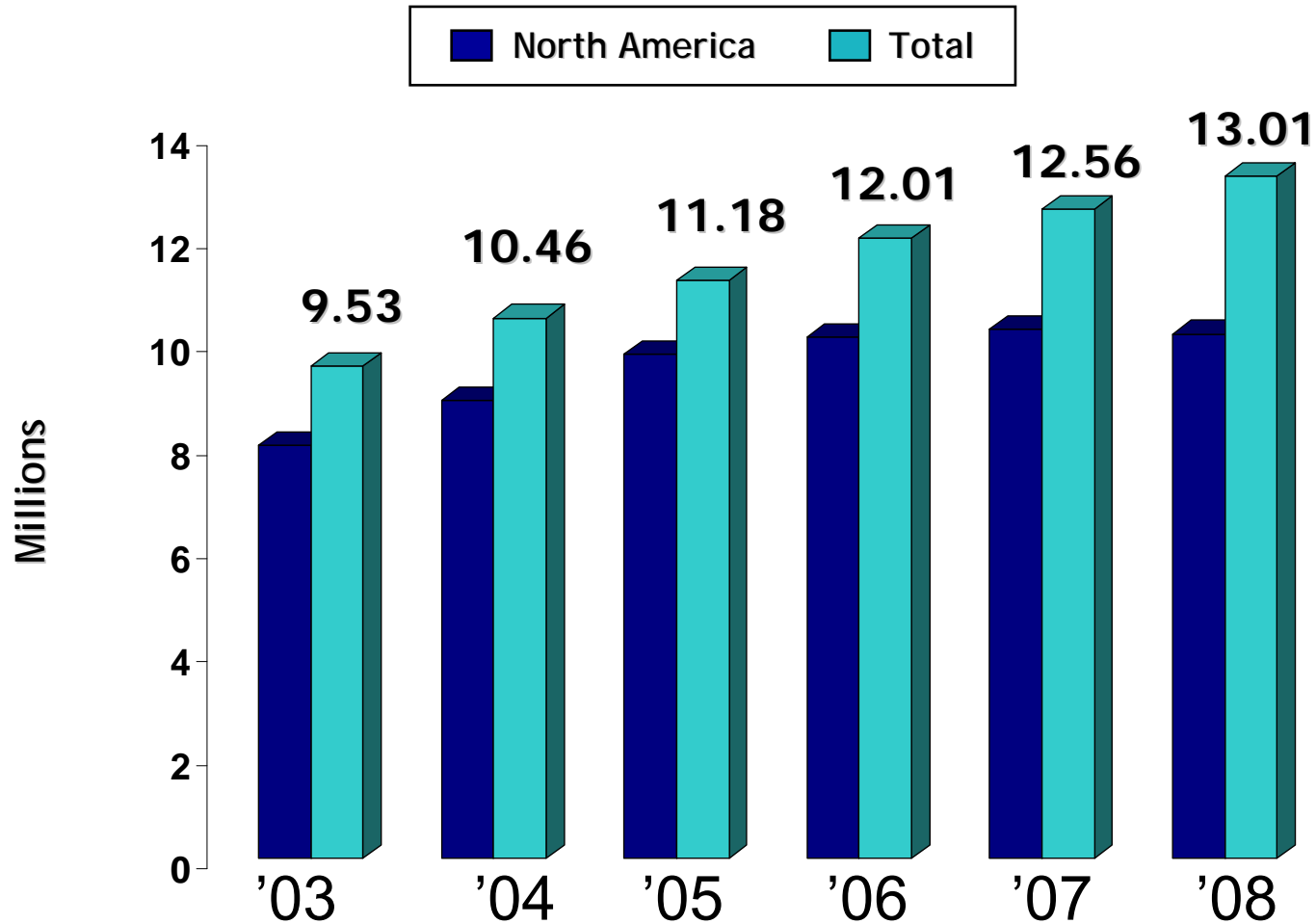
HAL Eurodam



Steady Capacity Growth ~104% Occupancy



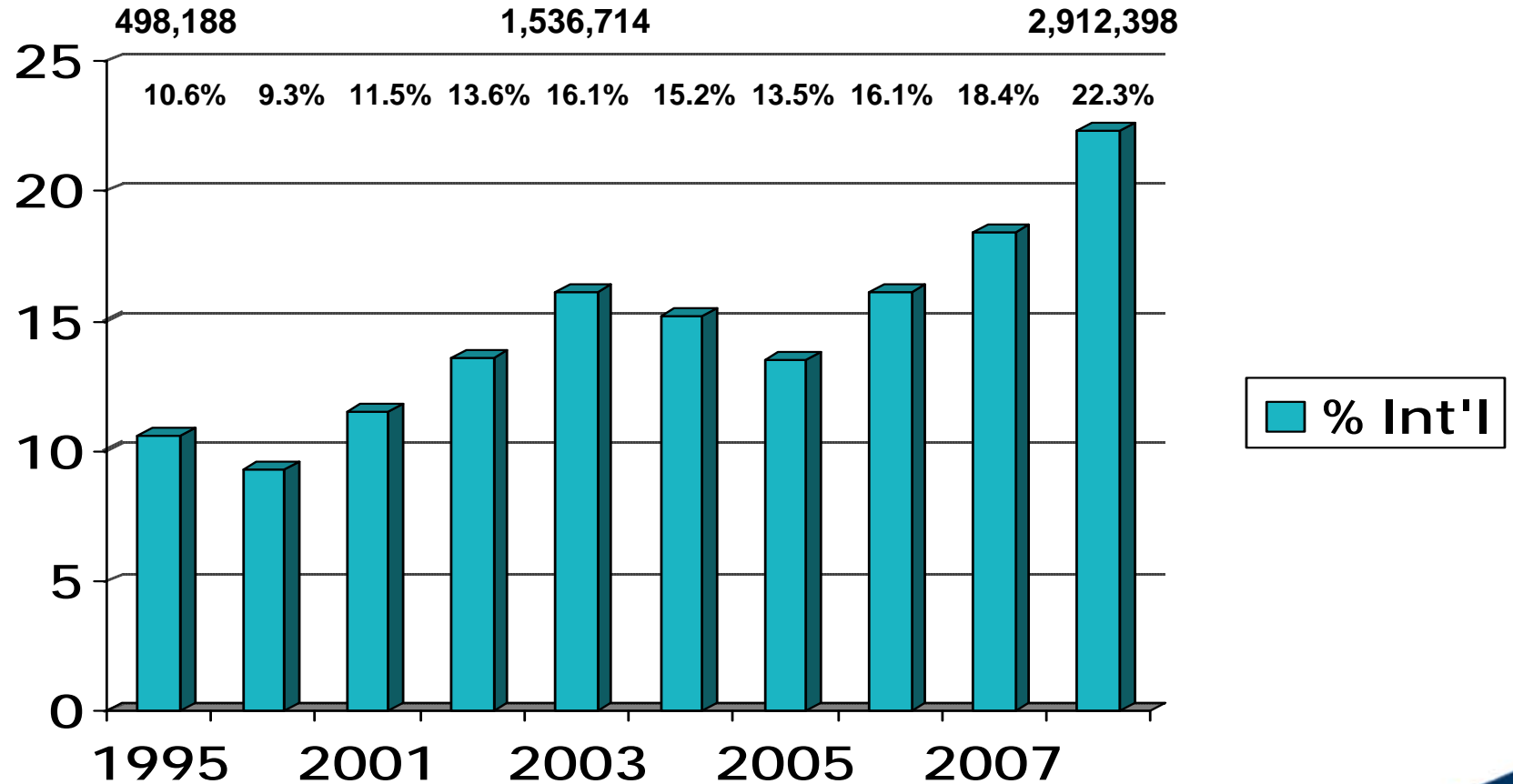
Passenger Growth Continued in 2008



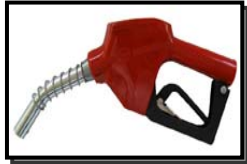
13.01 million passengers in 2008

International Sourced Guests on the Rise

22.3% of total in 2008, a 25% increase year over year



And now it's 2009...



Fuel Price reductions and some stability



Stimulus Plans and Bailouts



Corporate cut-backs and restructuring



New US Administration-Change & Uncertainty



Improving Stocks & Consumer Confidence



And, of course, other 2009 challenges & items in the news...



Somali Piracy

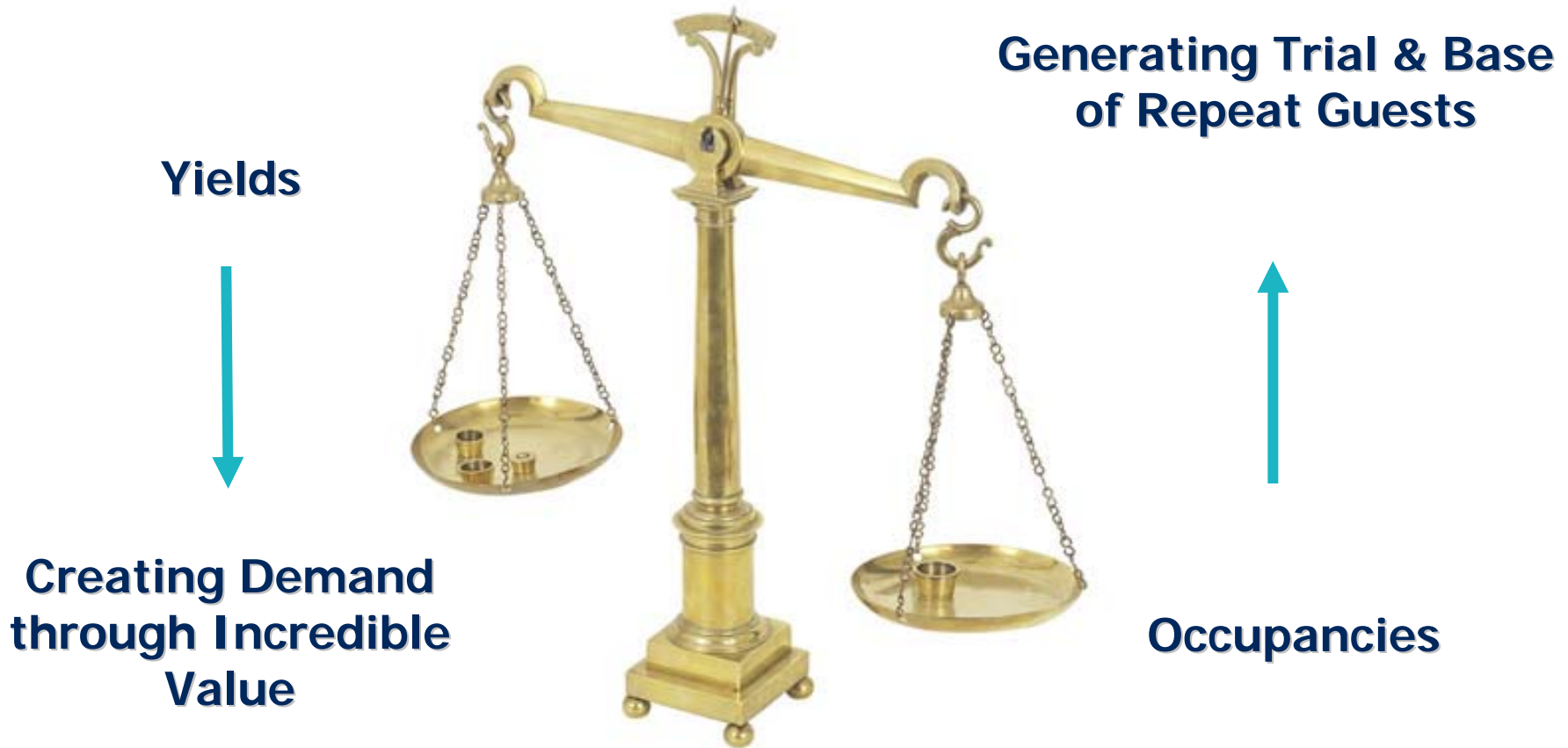


Mexico Travel

H1N1



So, How Are We Doin' so far in 2009?



Flexibility and adapting to the new realities...



Vessel mobility and redeployment



Generating demand with incredible value



Expense management



Global passenger sourcing

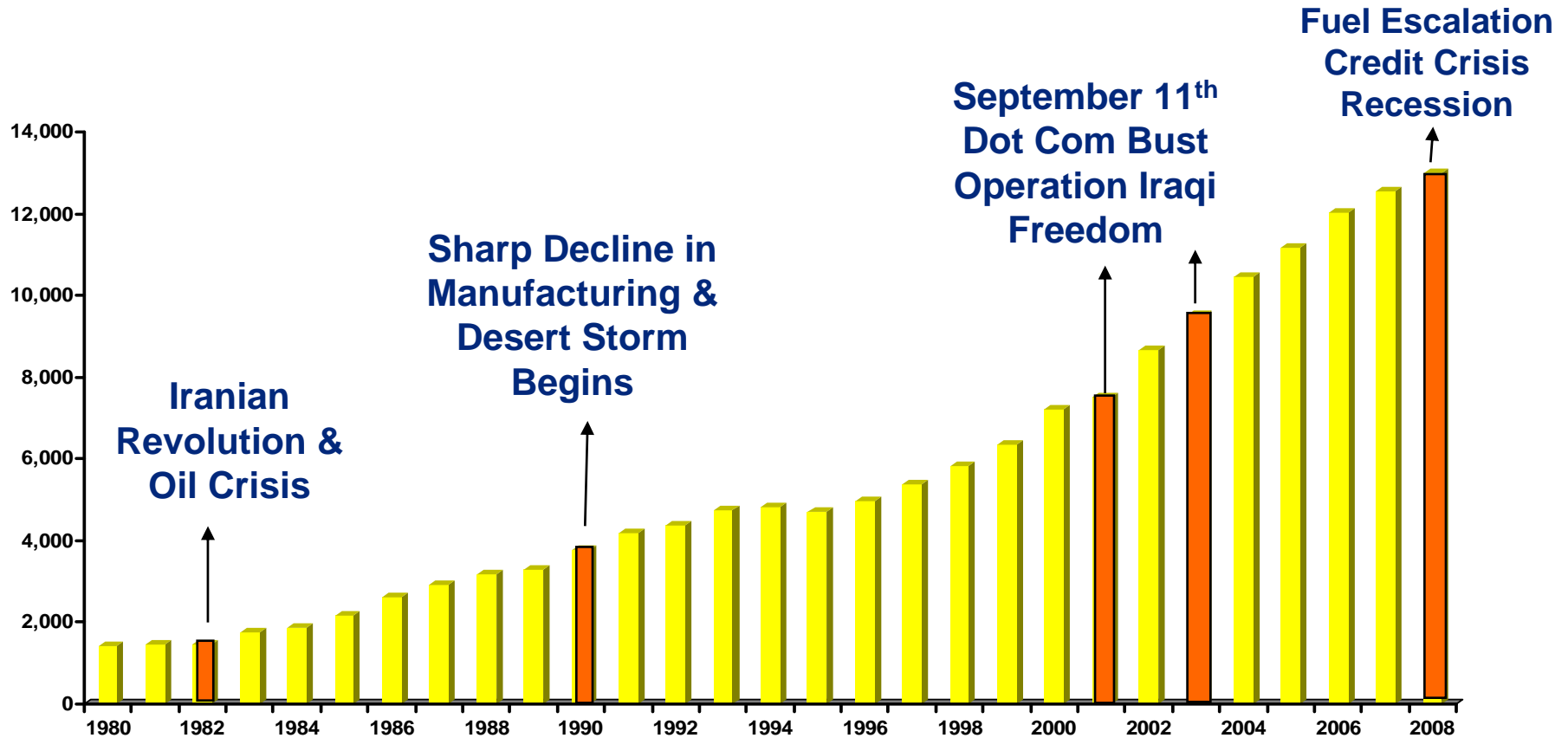


Quickly adapting to change



Filling the ships

Despite Obstacles...History of Growth



Average Passenger Growth Rate
1980 – 2008: +7.4%

What can we expect going forward...?



2009 Industry Developments

- Value packages and promotions
- 13 new ships join the fleet
 - Continued evolution of onboard facilities
- Avalon Waterways becomes CLIA's 3rd European Riverboat company – 9 vessels
- Diversification and global expansion
- Year-round markets
- New exotic, remote ports
- Continued growth of domestic home ports



2009 - 13 *New Ships* Join CLIA Fleet

Net Bed Day Increase of 5% - total Cost: \$4.7 Billion

AMA Waterways

ms Amadolce (Apr) 148 pax
ms Amalrya (Mar) 148 pax

American Cruise Lines

Independence (Aug) 104 pax

Carnival Cruise Lines

Carnival Dream (Sep) 3,646 pax

Celebrity

Celebrity Equinox (Sum) 2,850 pax

Costa Cruises

Costa Luminosa (Jun) 2,260 pax
Costa Pacifica (Jun) 3,000 pax

Avalon Waterways* – September 2009

9 Riverboat fleet 1,270 pax
2 new vessels in 2009 278 pax

* New CLIA member line

MSC Cruises

MSC Splendida (Jul) 3,300 pax

RCI

Oasis of the Seas (Fall) 5,400 pax

Seabourn Cruise Line

Seabourn Odyssey (Jun) 450 pax

Silversea Cruises

Silver Spirit (Nov) 540 pax

Uniworld River Cruises

River Beatrice (Mar) 160 pax
River Tosca (Apr) 82 pax

Coming Soon – Size Matters...



2009

RCI <i>Oasis of the Seas</i>	5,400
Carnival <i>Dream</i>	3,652
MSC <i>Splendida</i>	3,300
Costa <i>Pacifica</i>	3,004
Celebrity <i>Equinox</i>	2,850
Costa <i>Luminosa</i>	2,260

2010

RCI <i>Allure of the Seas</i>	5,400
NCL <i>Epic</i>	4,200
Celebrity <i>Eclipse</i>	2,850
MSC <i>Magnifica</i>	2,550
Costa <i>Deliziosa</i>	2,260
HAL <i>Nieuw Amsterdam</i>	2,100
Cunard <i>Queen Elizabeth</i>	2,092

Coming Soon – Size Matters...

Smaller Ships and Luxury Capacity Grows



2009

Silversea <i>Spirit</i>	540
Seabourn <i>Odyssey</i>	450
AMA <i>Amadolce</i>	142
AMA <i>Almyra</i>	142
American <i>Independence</i>	101
Avalon <i>Felicity</i>	138
Avalon <i>Luminary</i>	138
Uniworld <i>River Beatrice</i>	160
Uniworld <i>River Tosca</i>	84

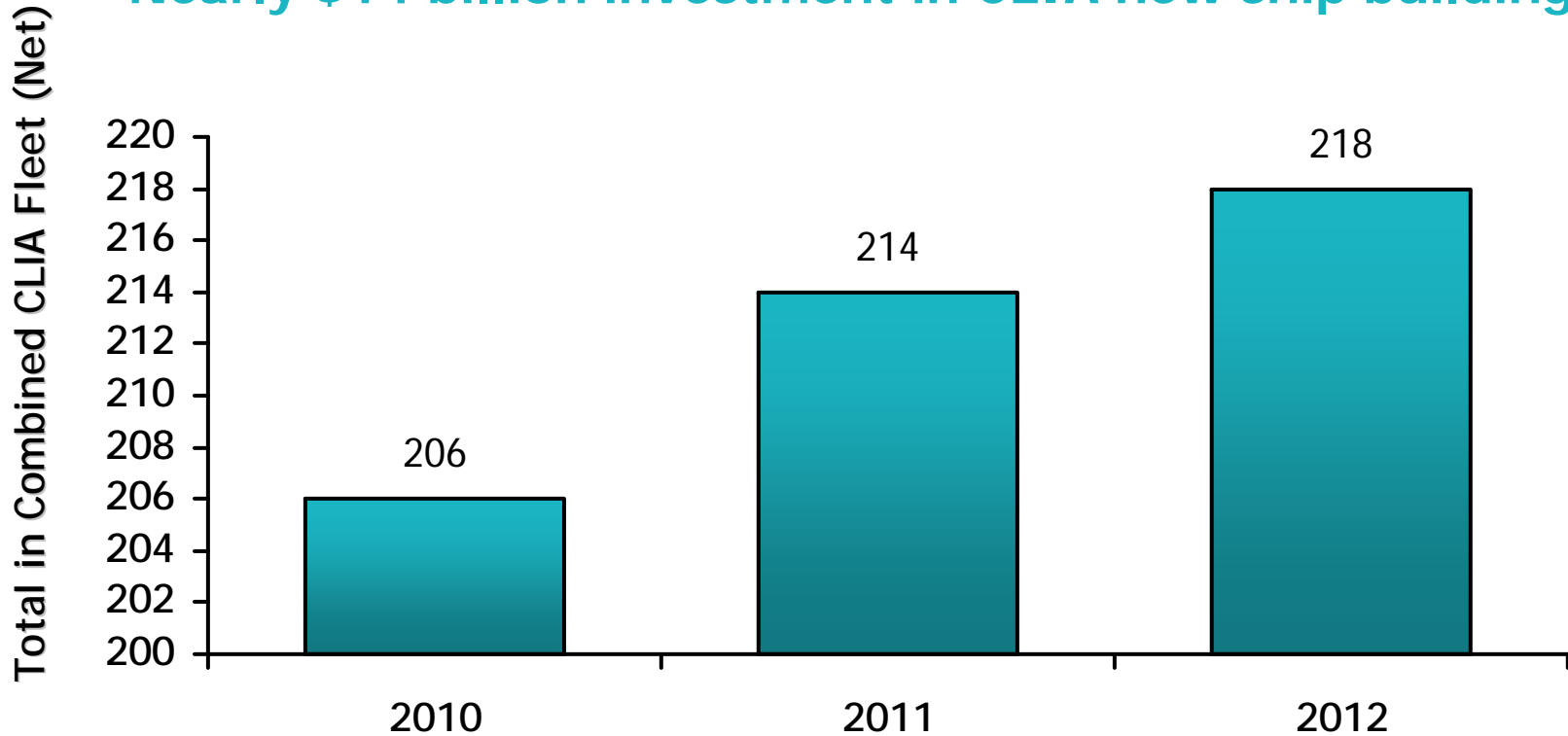
2010

Oceania <i>Marina</i>	1,260
Seabourn <i>Sojourn</i>	450
Pearl Seas <i>Pearl Mist</i>	110

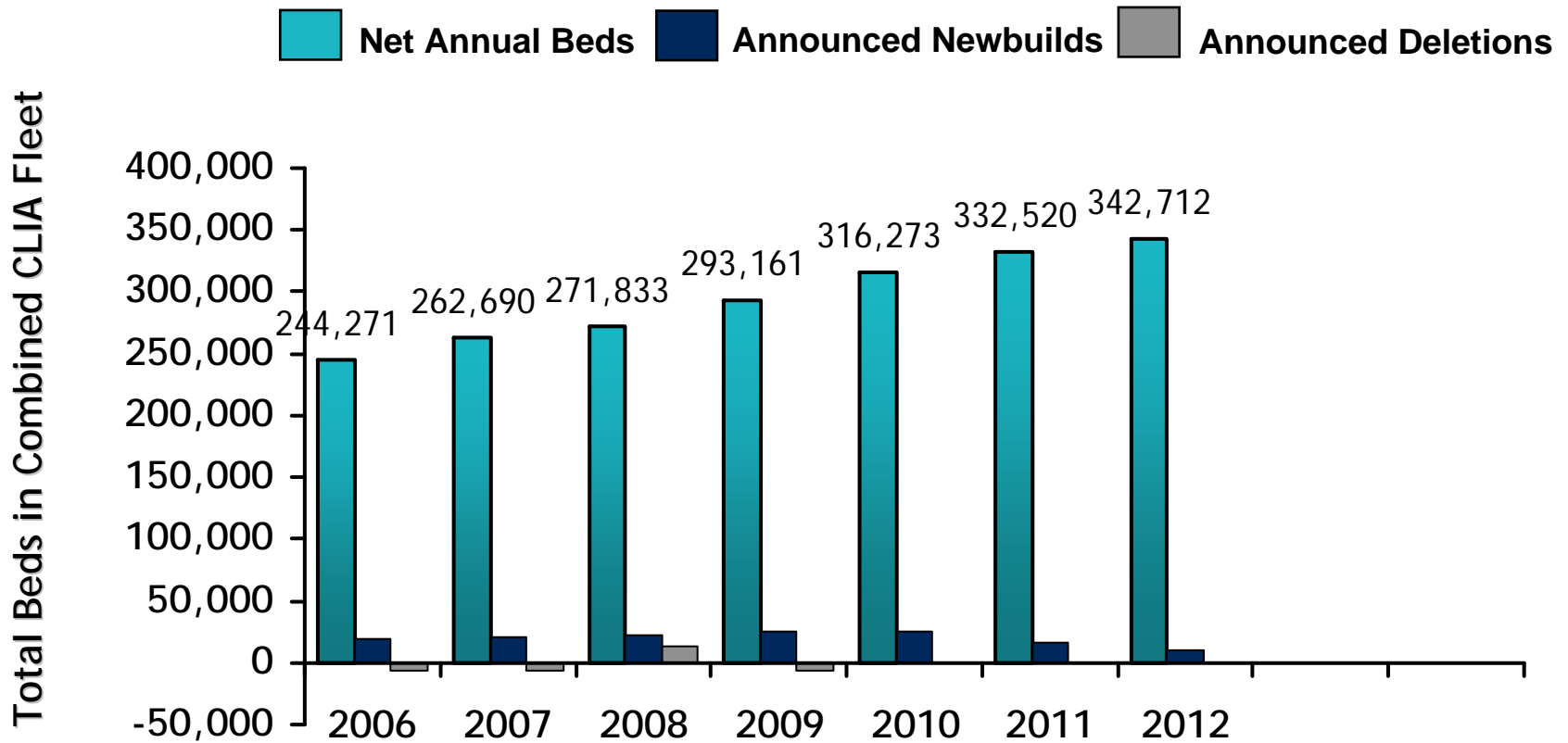
24 *New* CLIA Ships on Order: 2010–2012

- * 22 Ocean-going and 2 Riverboat
- * Seatrade Order Book: 27 New Vessels

Nearly \$14 billion investment in CLIA new ship building



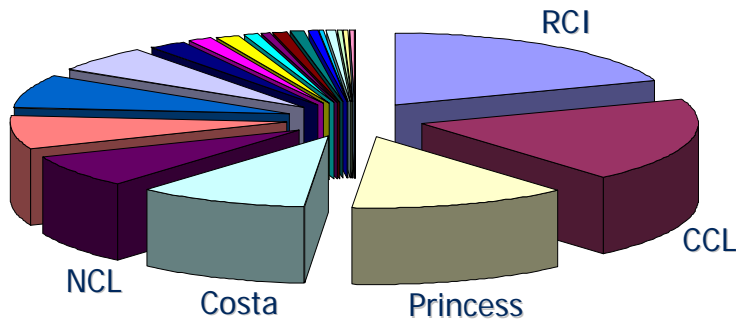
Represents 70,892 *Net* Added Beds (2009-2012)



26% Net Increase in CLIA Member Line Capacity, 2009 -2012

Dividing the CLIA capacity pie...2009 YE Beds

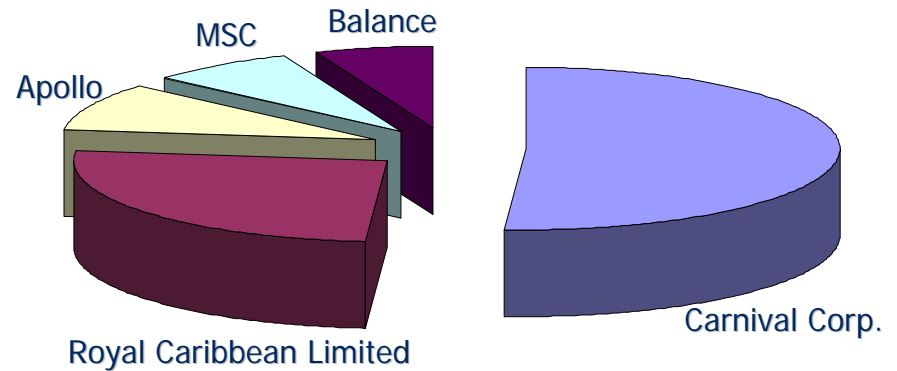
Individual Cruise Line Share



Top ten

RCI	19.57%	MSC	7.55%
Carnival	18.91%	HAL	7.39%
Princess	12.89%	Celebrity	5.96%
Costa	9.88%	Hurtigruten	2.05%
NCL	7.66%	Crystal	1.60%

Corporate Share



Carnival Corporation	51.05%
Royal Caribbean Limited	26.02%
Apollo Group	9.21%
MSC	7.55%
Balance	6.17%

CLIA 2009 Passenger Forecast

- 13.35 million passengers (+300,000)
 - 10.30 million passengers – North America
 - 3.05 million passengers – International



So, How Are We Doin' so far in 2009?

CLIA Member Line Passenger Summary – Through Q1, 2009

- **3,077,909 Total Guests**
 - **79% from U.S. & Canada**
 - **21% Sourced Internationally**
 - **102.6% Occupancy**
 - **Length of Cruise – 7.2 days**
- **On Pace with 2009 Forecast of 13.35 Million**



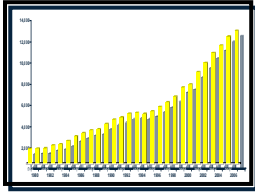
What Can We Expect for 2009 and Beyond?

***“Past performance is not a
guarantee of future results”***

My Charles Schwab Investment Statement



Positive Fundamentals



History of Recession Resistance



Vacations are more needed now than ever



Vacationers are “Value Seekers”



Cruising Exceeds Traveler Expectations

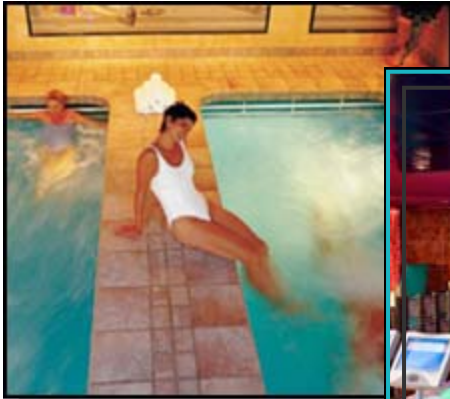


Underpenetrated & Strong Consumer Intent



“Close to Home” cruise options generates trial

A World of Innovation at Sea



Operating in the New Reality...

- Managing the balance



Capitalizing on Opportunities. *Together.*

Associate Cruise Degree – U.S.

***Associate Cruise Program –
Canada***

More than 15 Colleges and

Universities in the U.S. & Canada



THE DESIGNATION:

- The *Associate Cruise Degree & Associate Cruise Program* designations represent the successful completion of 80 credits of CLIA training by a student in a CLIA-approved Learning Center.
- Upon active employment by a CLIA designated agency, and a letter from the owner or manager that the applicant has completed six months of full time employment, the ACD may apply for an ACC designation. The ACD designation would be accepted as completion of the ACC Mandatory and Elective classroom or home study requirements.

THE TRAINING:

- With a minimal class size of 15 students, CLIA would provide an instructor, at CLIA's expense (when the Learning Center provides the meeting room and all audio visual equipment) to present 5 classroom programs worth 15 credits each, over a period of one week (or a shorter period, at the discretion of the Learning Center). Attendance at all seminars would earn additional 5 credits for participation, equaling a total of 80 credits for the period of instruction. Credits and a certificate of completion are awarded by the CLIA Testing Center upon achieving a passing grade on the Certification examinations.
- The classes presented would be:
- Cruise Vacations – An Introduction
- Power Selling Techniques
- Cruising – Knowing the World You Sell
- Principles of Professional Selling
- Psychology of Selling



THE COST:

- **Learning Center:** The Center would be required to apply for CLIA designation and pay all required fees (\$319.00US plus \$80US as a one-time application fee. Annual fees are currently \$319US per year). All students would be enrolled under this CLIA number for the purpose of testing out.
- **The Student:** The student would be required to pay an application fee of \$40 directly to CLIA for the ACD program. This fee is for the inclusion of the student in the database, the processing and notification of exam grades and the granting of the ACD certificate. Additional fees apply for online courses, textbook and video purchase.

Capitalizing on Opportunities. *Together.*



Thank you...

