Cruise Industry Overview

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REPORT UPDATES

Regular updates/additions to "The Cruise Industry - An Overview" are completed twice each year - Spring and Fall. Based on the typical availability of data, the following is our schedule for updates.

Categories/Data	Spring	Fall
■ Market Size/Growth (Even Years)	•	•
■ Market Potential/Prospects (Even Years)		•
■ Prior Cruises/Product Evaluation (Even Years)		•
■ Source of Business-Passengers	•	
■ North American Port Embarkation		•
■ Cruise Capacity	•	•
■ CLIA Information	•	•
■ Cruising and Travel Agents	•	•
■ Other Key Sources of Information	•	•

Executive Summary

The cruise industry is the most exciting growth category in the entire leisure market. Since 1980, the industry has had an average annual growth rate of 8.4% per annum.

The cruise industry is young. Since 1980, an estimated 82 million passengers have taken a deep-water cruise (2+ days). Of this number, 64% of the total passengers have been generated in the past 10 years. Thirty seven percent of total passengers have been generated in the past five years alone.

The cruise market potential is huge. Over the next five years, the cumulative market potential for the cruise industry is $85 billion. In 2002, we project that approximately 7.4 million passengers will take a cruise. Taking a cruise is a dream of 50% of all adults with the highest interest being exhibited by the emerging baby-boomer category. To date, approximately 13% of the U.S. population have ever cruised.

The cruise product is incredibly diversified with literally a cruise vacation for everyone. Over the past 10 years, the industry has responded to extensive market and consumer research: research that has guided the addition of new destinations, new ship design concepts, new on-board/on-shore activities, new themes and new cruise lengths to reflect the changing vacation patterns of today's market.

The cruise industry's product delivers unparalleled customer satisfaction. Whether a frequent or first-time cruiser, the cruise experience consistently exceeds expectations on a wide range of important vacation attributes. On a comparative basis versus other vacation categories, cruising consistently receives top marks. The on-going challenge for our industry is to convert cruise prospects into new cruisers.

Cruising is an important vehicle for sampling destination areas to which passengers may return. Over 85% of cruise passengers agree with this statement. Nearly 50% fully expect to return to the same geographical area/destination for another type of vacation. Cruisers are not exclusively cruisers; rather they are frequent vacationers who cruise as part of their vacation mix.

The North American cruise market is strong across all 50 states and Canada. Today's array of airlift options and streamlined port processing have opened up cruising as a vacation alternative to more and more individuals. The addition of new North American embarkation ports provides cruise vacationers more options and opportunities to drive versus fly.

CLIA Member Lines represent 95% of North American-marketed berths. From a capacity standpoint, utilization is consistently around 90%. The Caribbean represents the number one destination with almost 47% of capacity placement. Europe, the Mediterranean, Alaska, Mexico, Trans-Canal, Hawaii and South America follow the Caribbean in popularity.

CLIA has become one of the largest and most influential industry associations. Today, it has 23 member lines and approximately 17,000 travel agency affiliates. It's the largest association in terms of North American travel agency affiliate representation.

Finally, the cruise industry has a very close working relationship with the travel agency community. Almost all passengers (est. 90+ %) are booked through travel agents. Cruises are profitable to sell and generate a high repeat rate. The most successful and productive agencies are those that place a premium on selling cruises and training their personnel.

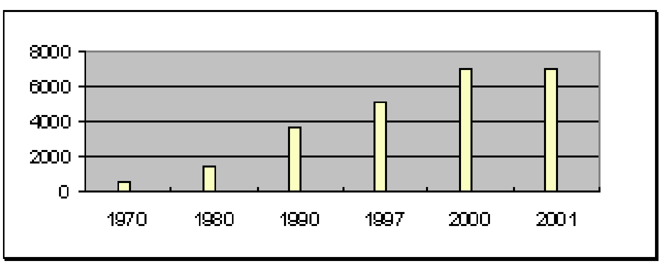
NOTE: In this report, North American market designates only U.S. and Canada.

A. Recent Market/Growth Statistics

1. Overall Passenger Growth -- North American Cruise Market

The cruise industry is the most exciting vacation category in the United States and Canada. Its average rate of growth has been far greater than any other category.

THE BIG PICTURE
ANNUAL PASSENGERS
(2 Day or More Market)



RECENT GROWTH TRENDS

	Annual Passenger Growth Actual (000's)
1980	1,431
1981	1,453
1982	1,471
1983	1,755
1984	1,859
1985	2,152
1986	2,624

1987	2,898
1988	3,175
1989	3,286
1990	3,640
1991	3,979
1992	4,136
1993	4,480
1994	4,448
1995	4,378
1996	4,656
1997	5,051
1998	5,428
1999	5,894
2000	6,882
2001	6,906
Average Growth Rate 1980-2001	+8.4%

SOURCE: CLIA Passenger Carryings Reports-adjusted to 100% of cruise lines for passengers marketed/sold from North America

2. Growth by Length of Cruise -- North American Market

Reflecting North America's shorter vacation patterns, the cruise industry's hottest growth category has been the 2-5 day cruise category.

PASSENGERS:

Passengers (000's)

	1980	2001	% Growth
2-5 Days	347	2,566	639.5
6-8 Days	846	3,549	319.5
9-17 Days	221	757	242.5
18+ Days	17	34	100.0
TOTAL	1,431	6,906	382.3

SHARE:

Category Shares

1980	2001	% Point Change

2-5 Days	24.3%	37.2%	12.9
6-8 Days	59.1	51.4	-7.7
9-17 Days	15.4	11.0	-4.4
18+ Days	1.2	0.4	-0.8
TOTAL	100.0%	100.0%	+ 0.0

SOURCE: CLIA Passenger Carryings Reports-adjusted to 100% of cruise lines.
CLIA's data does not include one day cruises.

3. Average Length of Cruise

From 1983 through 1991, there was a steady decline in the length of cruise vacations -- a reflection of more capacity being added in the short cruise market.

	Average Length of Cruise (Days)	% of Total Passengers in 2-5 Day Category
1981	6.7	29.6%
1982	6.9	25.3
1983	6.9	21.6
1984	6.9	22.3
1985	6.8	26.3
1986	6.4	35.1
1987	6.4	32.8
1988	6.4	32.9
1989	6.4	33.8
1990	6.2	38.3
1991	6.1	37.4
1992	6.2	35.2
1993	6.4	36.7
1994	6.3	38.0
1995	6.5	33.7
1996	6.4	35.9
1997	6.5	33.6
1998	6.7	34.7
1999	6.6	35.8
2000	6.5	36.9

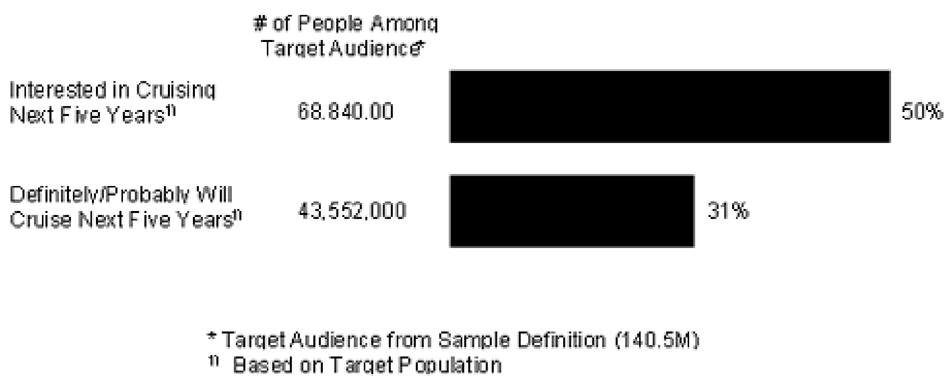
2001	6.4	37.2

SOURCE: CLIA Passenger Carryings Report.

B. Cruise Market Potential

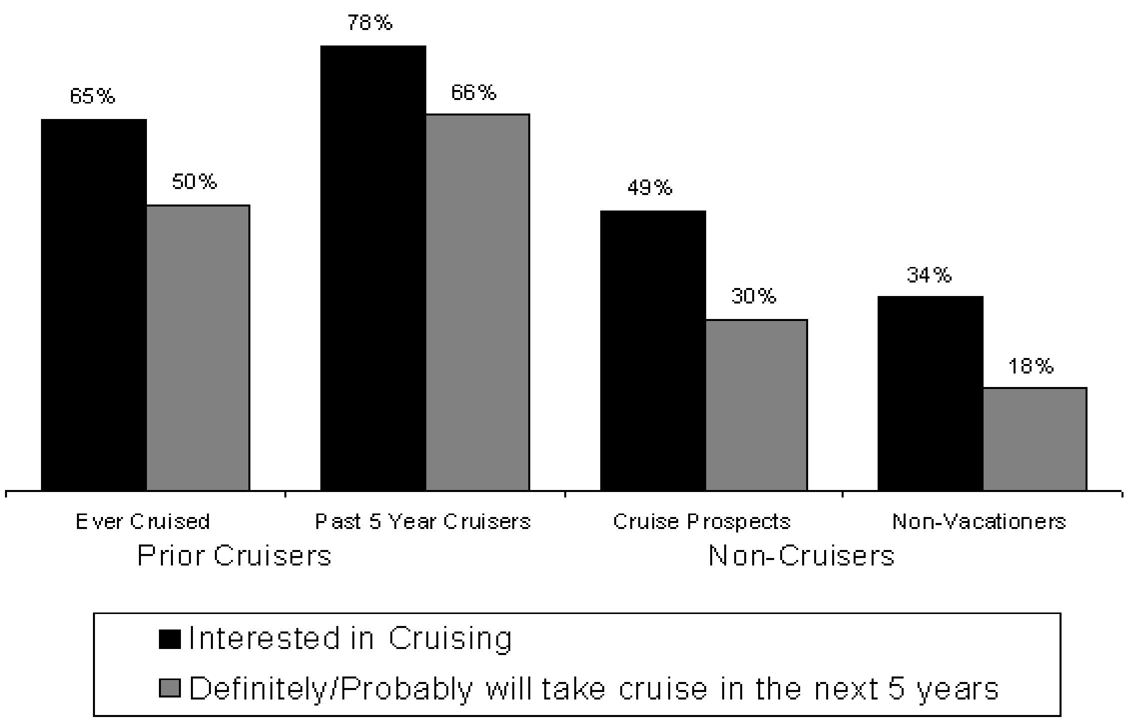
Consistent with past data, half of the target population reports that they are interested in taking a cruise. Of this group, 43.6 million indicate they definitely/probably will take a cruise over the next 5 years; a 5.2% increase over 1998.

Future Potential Next Five Years



SOURCE: 2000 Market Profile Study
2002 Update expected September 2002

Not surprisingly, intent to cruise is highest among recent cruisers (past 5 years). The data also underlines the need to motivate both prospects and non-vacationers to consider cruising as a great vacation opportunity.



*Repercentaged without don't know/no answer

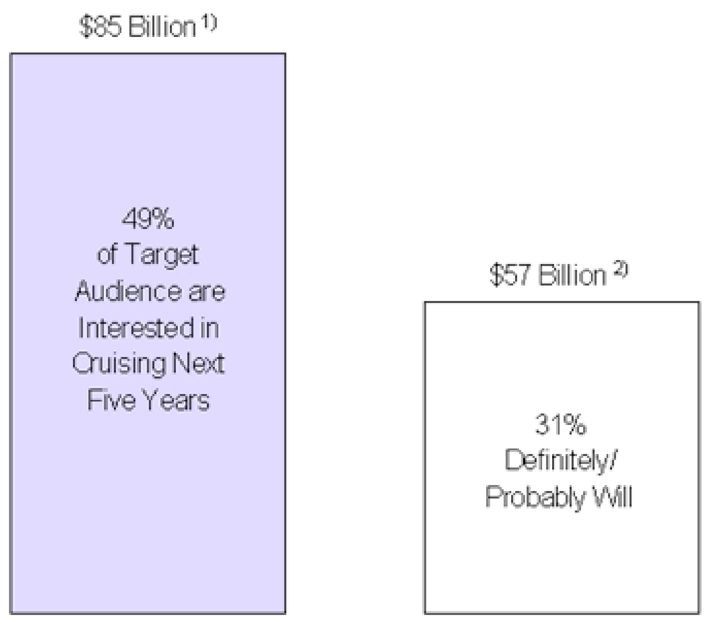
SOURCE: 2000 Cruise Market Profile Study

Cruise Market Potential

The existing cumulative market potential over the next five years could be as high as $85 billion based on individuals who express some degree of interest in cruising.

Even if the potential only exists among those who will definitely/probably cruise in the next five years, up to a $57 billion cumulative opportunity exists.

Future Potential Next Five Years*



*Target Audience does not include: children under 18, 18-24 year olds
[1] 64,840,000 people x cost for the average cruise (6.56 days x $200 per diem).
[2] 43,552,000 people x cost for the average cruise (6.56 days x $200 per diem).

SOURCE: 2000 Cruise Market Profile Study

C. Cruise Demographics & Psychographics

1. Demographic Profiles

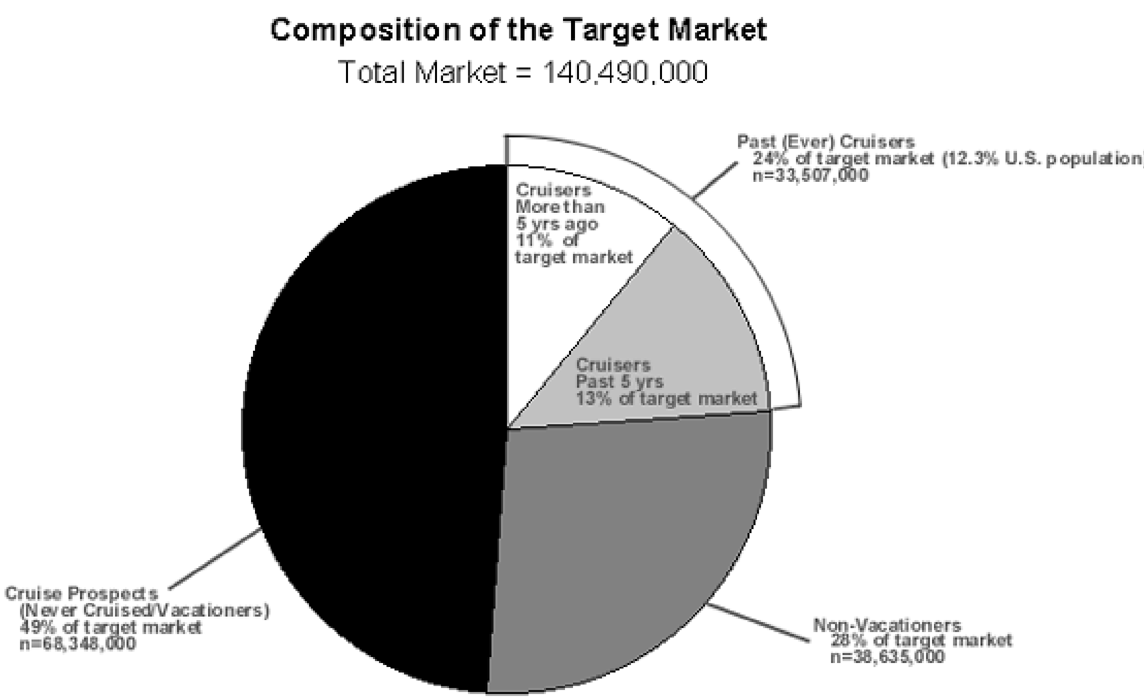
		Ever Cruised	Past 5 Year Cruisers	Cruise Prospects	Non-Vacationers
Gender:	Male Female	49% 51%	51% 48%	50% 49%	50% 50%
Age:	25-under 40 years 40-59 years 60 years or older	27% 42% 32%	28% 42% 30%	43% 44% 13%	35% 43% 22%
	Average Median	51 yrs. 51 yrs.	50 yrs. 51 yrs.	43 yrs. 42 yrs.	47 yrs. 47 yrs.
Marital Status:	Married Not Married	76% 24%	78% 22%	69% 31%	65% 35%

Household Composition:	Have children under 18 Adults only	37% 63%	35% 65%	54% 46%	51% 49%
	Occupants	3	3	3	3
Education:	Some College or less College Graduate or more	42% 58%	36% 64%	54% 46%	76% 24%
Household Income:	\$20,000-\$29,999 \$30,000-\$39,999 \$40,000-\$59,999 \$60,000-\$99,999 \$100,000 or more	8% 12% 32% 28% 20%	5% 10% 31% 30% 25%	13% 17% 31% 29% 9%	32% 26% 27% 11% 4%
	Average Median	\$72,600 \$58,500	\$79,100 \$64,500	\$60,400 \$51,800	\$44,200 \$36,900

* Repercentaged without refusal/no answer

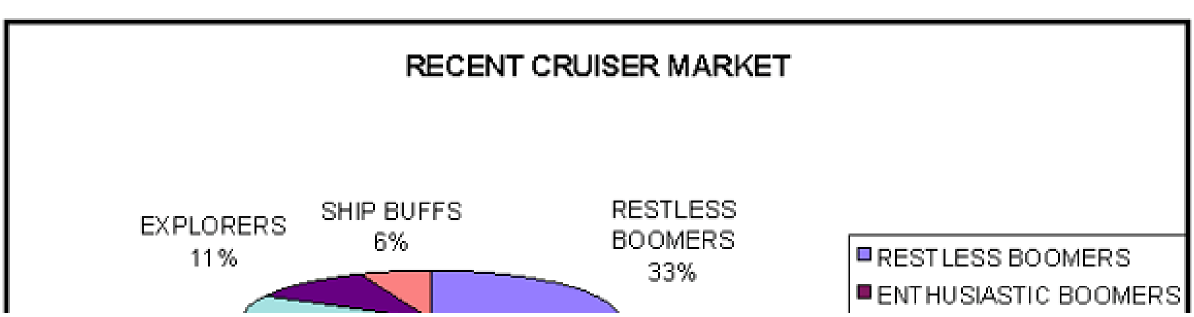
2. Composition of Target Markets

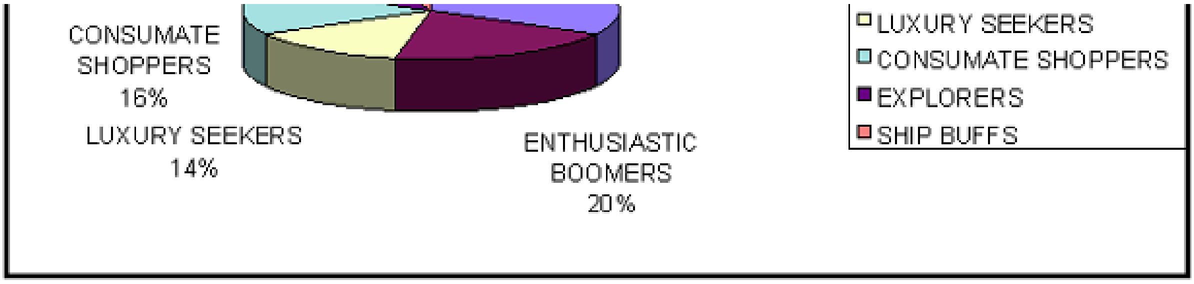
Of the target market, 24% are past (ever) cruisers; 13% have cruised in the past five years. Cruise prospects - those who have never cruised but take paid vacations - comprise 49% of the target market.



SOURCE: 2000 Market Profile Study

3. Recent Cruiser Market Segmentation





(Baby Boomers= 53% of Cruisers)

Recent Cruiser Segments

Six segments are identified within the recent cruiser market. Members of each segment resemble each other (and are different from members of other segments) in many respects that have to do with how they approach cruising. As expectations and benefits differ across the segments, different marketing messages will appeal to the segments.

1. **Restless Baby Boomers** are newest to cruising. They have enjoyed their cruise experience and would like to cruise again but, cost may be an impediment, at least in the near term. They are also at a point in time when they may be trying different vacation experiences. Marketing messages to this segment need to reinforce the affordability of cruising and its superiority over other vacation experiences. (This segment represents 17% of total cruising days and 59% are first-timers)

2. **Enthusiastic Baby Boomers** are already convinced and excited about cruising and its many activities. They live intense, stressful lives and look to vacations generally, and cruises in particular, for the escape and relaxation they offer. Marketing messages to this segment need to underscore the fun and excitement of cruises, cruising as a way to "get away from it all" and cruising as a family experience. (This segment represents 15% of total cruising days and 46% are first-timers)

3. **Luxury Seekers** can afford, and are willing to spend money for deluxe accommodations and pampering. Marketing messages to this segment need to address their desire for luxury and extravagance, recognizing that they are sophisticated in their experience and expectations. (This segment represents 18% of total cruising days and 30% are first-timers)

4. **Consummate Shoppers** are looking for the best value (not necessarily the cheapest) in a vacation and in a cruise. Members of this segment are very committed cruisers. Cruising has met their needs versus other types of vacations. Marketing messages need to continue to reinforce the value theme and highlight promotions with special rates. (This segment represents 20% of total cruising days and 20% are first-timers)

5. **Explorers** are well-educated, well-traveled individuals with an intellectual interest and curiosity about different destinations. Marketing messages stressing new destinations with opportunities to explore and learn about the area should appeal to this segment. (This segment represents 18% of total cruising days and 20% are first-timers)

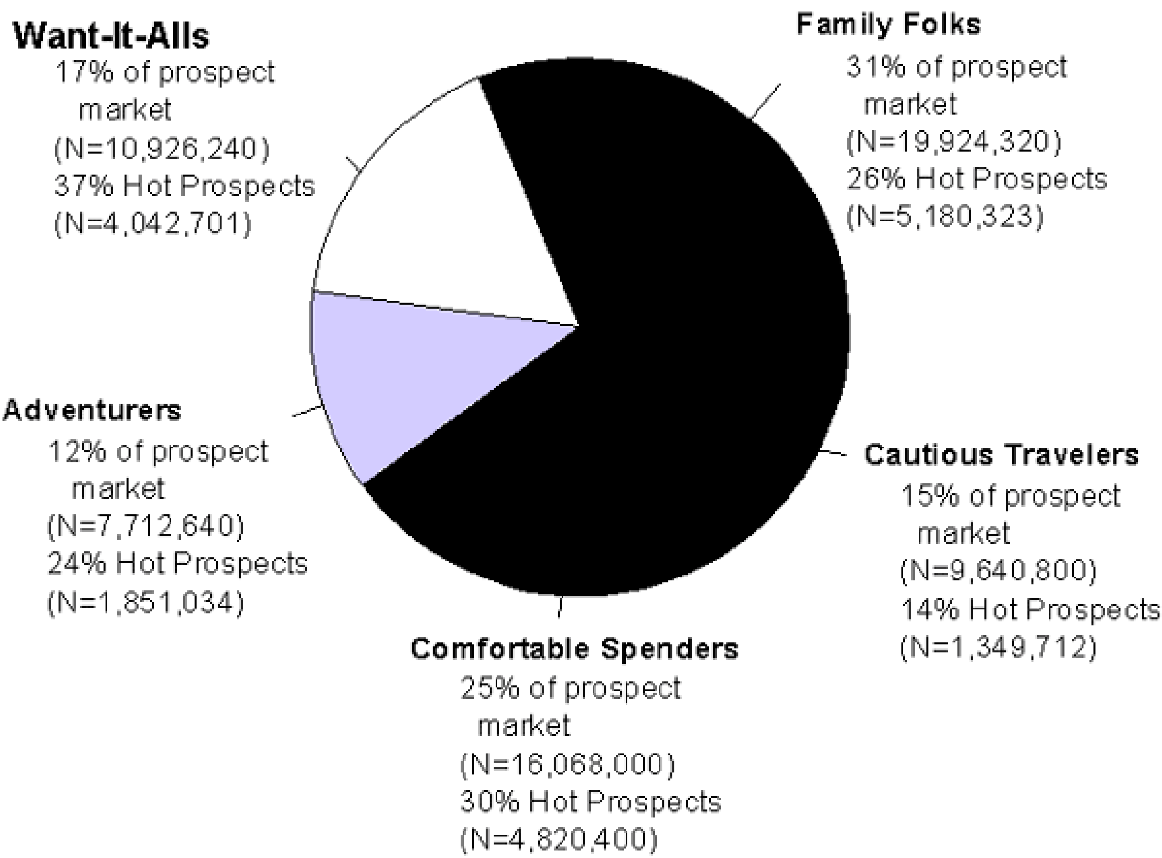
6. **Ship Buffs** are the most senior segment: they have cruised extensively and expect to continue because they find the on-board experience of cruising so pleasurable and comfortable. Messages to this segment need to do little more than reinforce the ship experience as one they know and enjoy. (This segment represents 11% of total cruising days and 13% are first-timers)

4. Cruise Prospect Market Segmentation

Cruise Prospect Market

- By Segment -

Total Prospect Market = 64,272,000



Note: Hot Prospects=Definitely/Probably will take a cruise or air/sea package in next two years

SOURCE: Market Profile and Cruise Prospect Segmentation Study

PROTOTYPICAL DESCRIPTIONS

Family Folks

Our values are basic: we are family oriented, we are practical and down-to-earth people. We tend to be traditional in our outlook; we are not concerned about keeping up with what's fashionable. We stick with what we know and are comfortable with. We are cautious, and we don't like to experiment or take risks. Our pleasures are the simple things in life.

When it comes to money, we are conservative. We watch our budgets and we don't spend freely. We find we worry about how much we are spending. Our lives are stressful. It's hard to get everything done that needs to be done.

On vacation we go to theme parks more than others. We also go to beach resorts, historic sites and cities, although we visit cities less often than other people. Like everyone else we go sightseeing and shopping on vacation, and we particularly like to go swimming. We are less involved with eating in fancy restaurants, nightlife or gambling.

Want-It-Alls

We consider ourselves to be on our way up. While we may not be particularly successful or wealthy yet, we have high aspirations, so we sometimes spend beyond our current means to get what we want.

We indulge ourselves; we are not concerned about budgets. We believe in living for today and we often do things on the spur of the moment.

Basically, we are satisfied with our lives although we work hard and are under a lot of stress.

We expect a lot from our vacations. Since we are workaholics and our lives are so stressful, we feel we deserve our vacations. We escape when we go on vacation and, for us part of the escape is being in luxurious accommodations, being pampered and having lots to do. During the day we go shopping, at night we eat in expensive restaurants and enjoy the entertainment and nightlife. Even though our incomes are not that high, we are extravagant on vacations and we demand the highest quality in everything.

Many of us are interested in taking a cruise, and a number of us feel we will likely do so in the next couple of years. Our concern about cruises is that the quality might not be top notch. The food, the nightlife, and the accommodations may not meet our very high expectations.

Adventurers

We love to experiment; we are always ready to try new and different experiences. We are confident and independent-minded. We don't like to follow others, nor do we necessarily do things the way they've been done before. Keeping up with the latest fashions or trends is just not important to us.

We don't feel a lot of stress in our lives. We are not worriers; we're not concerned about budgets and we actively pursue our interests without being afraid of taking risks.

We are sophisticated travelers; we've traveled a lot and we are confident about our travel and travel planning.

Our interests are adventurous and exciting vacations. We love to visit unusual places and we often travel internationally. We feel a vacation is a learning experience.

We spend a lot on our vacations; not for luxury, but for the exotic and far away types of destinations we go to. We also like to go on camping trips; we often go hiking or mountain climbing.

We also like to participate in cultural activities on vacation. Golfing and gambling are not vacation activities that appeal to us.

We haven't taken a cruise because we are concerned about the constraints, that is, the inability to do what we want when we want.

Comfortable Spenders

We can afford to spend money and we do. We would never compromise quality to save a few dollars. We don't need to be concerned about budgets or to settle for just the basics.

We've reached a level of success that means we don't have to work as hard as some others and we don't feel we are under a lot of stress.

While we are not risk-takers, we are not particularly cautious either. We stay in fashion, but we don't feel the drive to keep up.

We tend to be sports-oriented and physically active. In our leisure time we attend professional sporting events, or we exercise and participate in sports, like bicycling, golf or tennis.

We take more vacations than others, and we feel comfortable spending money on these vacations. We pay more to stay at the best hotels; after all, we can afford to be extravagant. We enjoy resort vacations and we often travel to foreign countries.

When we are on vacation, we enjoy nightlife and dining in fine restaurants. We also like to gamble. We go to beach resorts and sunbathe. Some of us play golf or tennis. We also like to ski.

Although we have never taken a cruise and prefer resort vacations, we are less concerned than others about the expense of cruising. We wouldn't mind dressing up in the evenings.

Cautious Travelers

We're cautious people. We like to stick with what is familiar to us and we don't like to make changes. We are reluctant to try anything new or different or to do things on the spur of the moment. We are not very confident people; we let others take the lead and we tend to be followers.

We are content with the simpler things in life. We don't pay attention to what is fashionable or trendy. While we're not particularly thrifty or budget conscious, we don't think that it is worth spending money to try to get higher quality.

We are not physically active. In our leisure time we don't swim, play baseball, go skiing or play tennis as much as others.

We are not very confident travelers. We like to take vacations that are close to home. We prefer familiar kinds of vacations; we have little interest in trying anything new and different.

Like everyone else on vacation, we go sightseeing and shopping, but we are less interested in eating in fancy restaurants or enjoying the nightlife. We're also less involved in active pursuits like swimming, hiking, skiing and scuba diving.

Of all the segments, we are the least interested in taking a cruise and the least likely to take one in the next few years. We are somewhat concerned about getting seasick. Taking a cruise is just something we've never done, and we are very reluctant to experiment with unfamiliar experiences.

Segment Summary Profiles

Share of Prospect Market:	**Family Folks** **31% of Market** **Total segment = 19.92M** **Hot Prospects = 5.2M**	**Want-It-Alls** **17% of Market** **Total segment = 10.92M** **Hot Prospects = 4.0M**	**Adventurers** **12% of Market** **Total segment = 16.0M** **Hot Prospects = 4.8M**	**Comfortable Spenders** **25% of Market** **Total segment = 16.0M** **Hot Prospects = 4.8M**	**Cautious Travelers** **15% of Market** **Total segment = 9.6M** **Hot Prospects = 1.3M**

Demographics:	40 yrs. old 38% college grads 89% married $48K average income	42 yrs. old 37% college grads 70% married $53K average income On the way up	44 yrs. old 65% college grads 60% married $56K average income Independent-minded	44 yrs. old 56% college grads 76% married $64K average income Physically active	50 yrs. old 49% college grads 66% married $40K average income Cautious
Psychographics:	Family oriented Practical, down to earth Budget-conscious Satisfaction with basics Cautious Happier with simpler things	Workaholic Fashionable Trendy	Ready to try new things Willing to take risks Well-traveled Intellectual Cultured	Successful Sports-oriented Well traveled Cultured Fashionable	Not physically active Happier with simpler things
Vacations in Past 3 Years:	Average No. = 3 Average length-6 days Average per diem=$115 5% took international vac. 43% stayed at resorts 67% traveled with children	Average No. = 3 Average length = 9 days Average per diem=$157 21% took international vac. 49% stayed at resorts 38% traveled with children	Average No. = 4 Average length = 8 days Average per diem= $140 24% took international vac. 42% stayed at resorts 25% traveled with children	Average No. = 5 Average length = 7 days Average per diem=$154 23% took international vac. 59% stayed at resorts 45% traveled with children	Average No. = 3 Average length = 7 days Average per diem=$130 8% took international vac. 42% stayed at resorts 29% traveled with children
Vacation Activities:	Swimming Not dining in fine restaurants Not cultural activities Not gambling Not nightlife	Shopping Dining in fine restaurants Nightlife Not hiking	Cultural activities Hiking Not gambling Not golfing	Dining in fine restaurants Sunbathing Nightlife Gambling Golfing Skiing Tennis	Fewest activies
Interest to Cruise:	35% Likely in next 5 yrs. 26% Hot prospects	46% Likely in next 5 yrs. 37% Hot prospects	33% Likely in next 5 yrs. 24% Hot prospects	39% Likely in next 5 yrs. 30% Hot prospects	19% Likely in next 5 yrs. 14% Hot prospects
Barriers to Cruising:	Expense Not for children	Not highest quality	Lack of freedom Not enough to do	No major barriers	Unfamiliar experience

D. Vacation Behavior and Attitudes

1. Vacation Planning Criteria

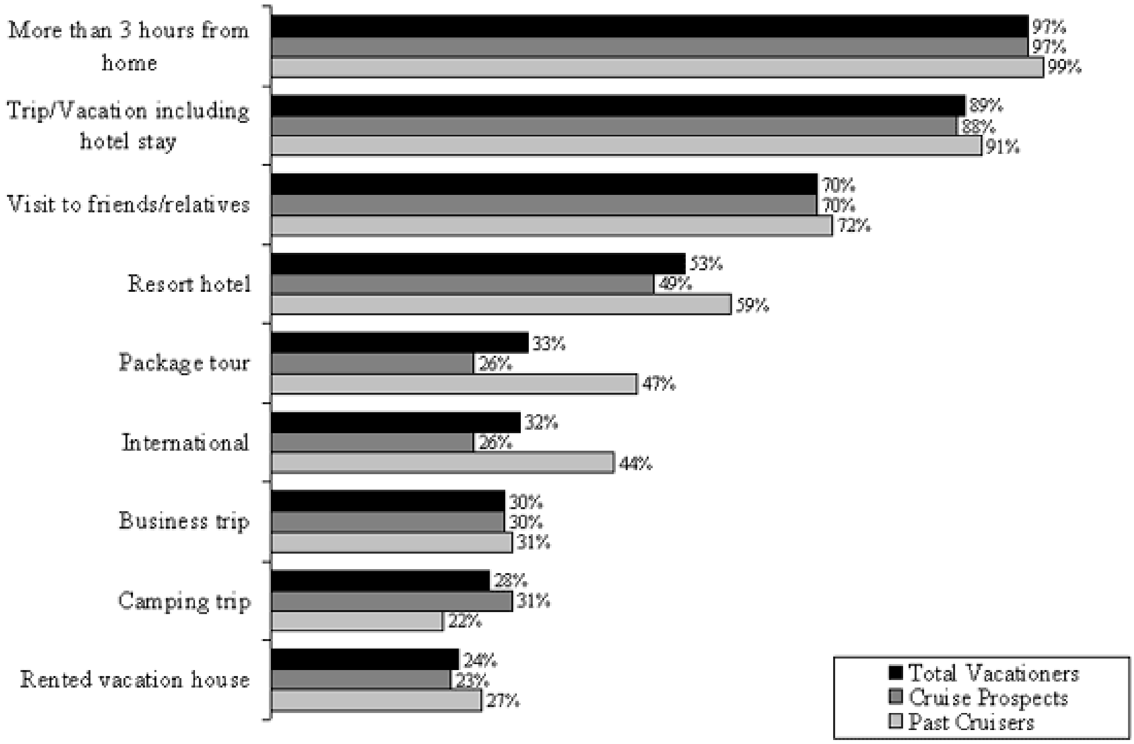
Types of Vacations in Past Three Years (Total Vacationers)

On average, vacationers have taken five vacations in the past three years. While past cruisers have vacationed more often than cruise prospects, even among cruise prospects, the majority have taken more than three vacations over the past three years.

Number of Vacations	Total Vacationers	Cruise Prospects	Past Cruisers
None	7%	7%	7%
1-3	34%	38%	26%
4-6	35%	35%	36%
7 or more	24%	20%	31%

Mean	5	5	6

The large majority of vacationers, both cruises prospects and past cruisers, has taken vacations that are more than three hours from home and have included a hotel stay. Cruise prospects are less likely than past cruisers to have vacationed at a resort hotel, to have taken a package tour, or to have vacationed internationally.



Length of Typical Vacation (Total Vacationers)

Vacationers typically take seven-day vacations. Past cruisers' typical vacations are slightly longer than cruise prospects' vacations.

Days of Typical Vacation	Total Vacationers	Cruise Prospects	Past Cruisers
1-3	6%	7%	3%
4-6	40%	41%	36%
7-9	34%	32%	37%
10 or more	17%	16%	19%
Median	7	6	7

Length of Future Cruise (Total Vacationers)

Vacationers are interested in taking cruises of seven days, on average. Past cruisers are somewhat more interested in longer cruises than are cruise prospects.

Number of Days	Total Vacationers	Cruise Prospects	Past Cruisers
Less than 7 days	17%	20%	12%
7 days	36%	35%	36%
More than 7 days	33%	30%	39%
Median (in days)	7	7	7

Base: Have taken vacations of three days or more in past three years.

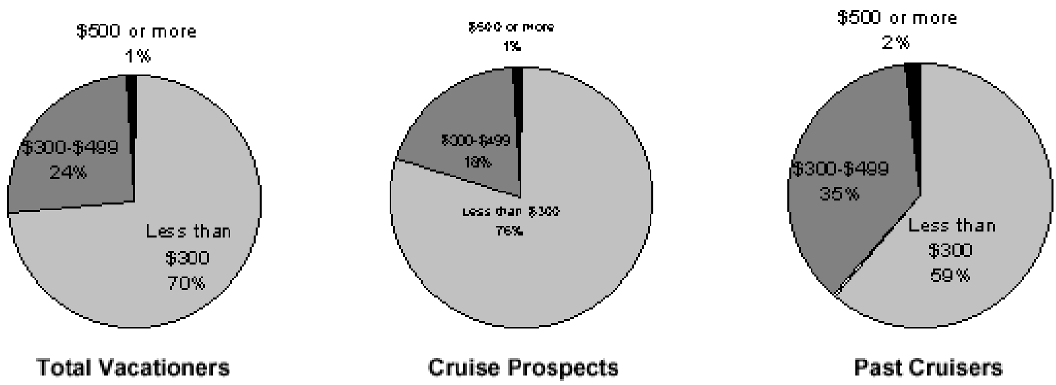
Total Spending on Typical Vacation (Total Vacationers)

On average, vacationers report spending approximately $1,400 in total on a typical vacation. Cruise prospects spend somewhat less than past cruisers.

Total Spent on Vacations	Total Vacationers	Cruise Prospects	Past Cruisers
Under $500	15%	18%	9%
$500 to less than $1,000	35%	36%	31%
$1,000 to less than $1,500	20%	19%	21%
$2,000 or more	16%	14%	21%
Mean	$1,414	$1,253	$1,741

Past cruisers are willing to spend more on a cruise than cruise prospects. But, even among past cruisers, only 2% say they are willing so spend $500 or more per day.

Most Willing to Spend Per Day for Cruise (Total Vacationers)



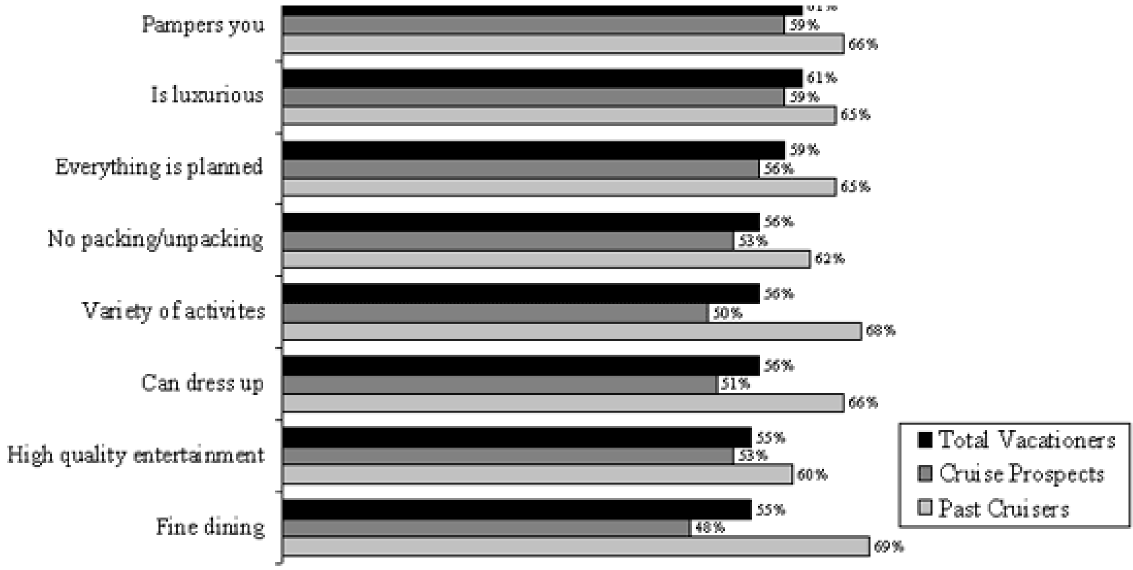
Sources of Information on Cruises (Total Vacationers)

Primary sources of information on cruises, for both cruise prospects and past cruisers, are friends, family, and magazines. For cruise prospects, TV and radio advertising are also an important information source.

Sources of Information	Total Vacationers %	Cruise Prospects %	Past Cruisers %
Friends and acquaintances	74	73	75
Family	63	61	69
Magazines	43	43	43
TV and radio advertising	43	54	20
Travel Agent	30	16	59
Internet	25	22	31
Other	3	2	5

Cruises Compared to Other Vacations (Total Vacationers)

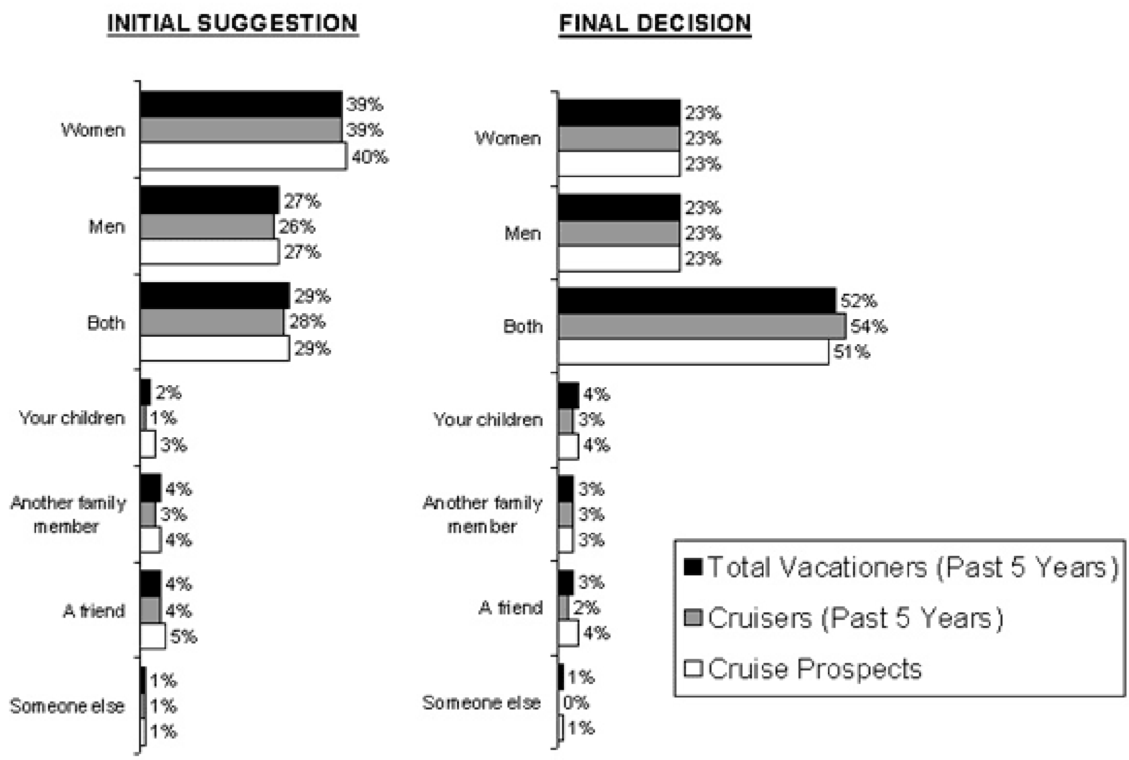
Both cruise prospects and past cruisers compare cruises very favorably to other vacations in being all inclusive, visiting several destinations, being pampered, and being luxurious. In comparisons to other vacations, past cruisers are generally more favorable than cruise prospects.



% cruises much/somewhat better than other vacations

Vacation Decision-Making

For both cruisers and other vacationers, the initial suggestion to take a vacation comes from women or jointly by husbands and wives. However, the final decision is typically a joint decision. Children and other family members weigh significantly in the decision.



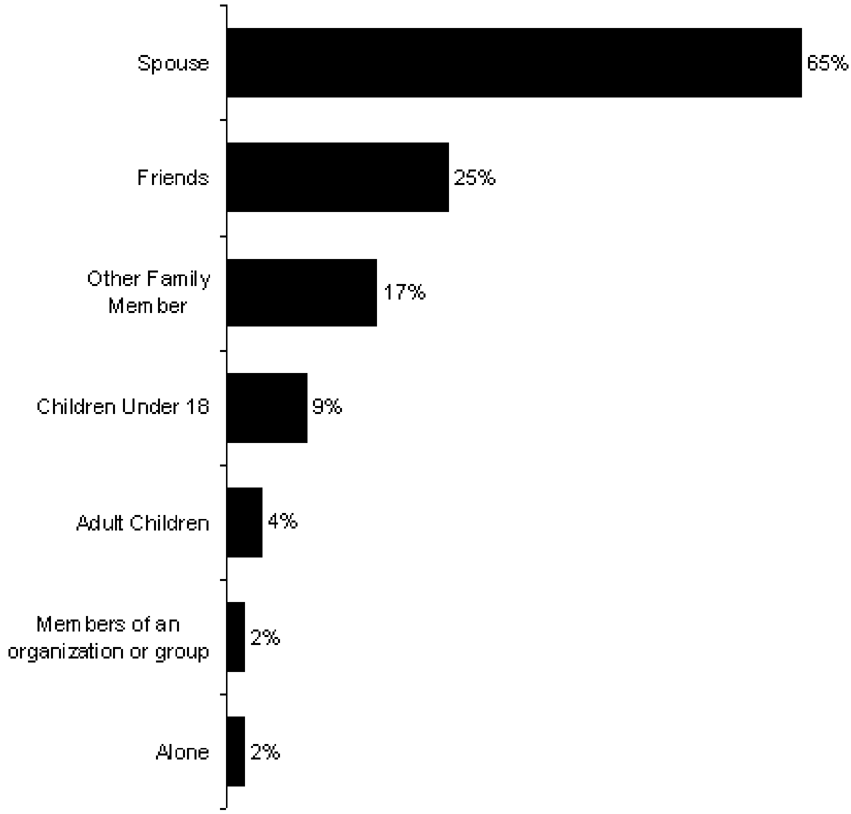
‡Multiple mentions

Past Five Year Cruisers

Travel Companions on Cruises

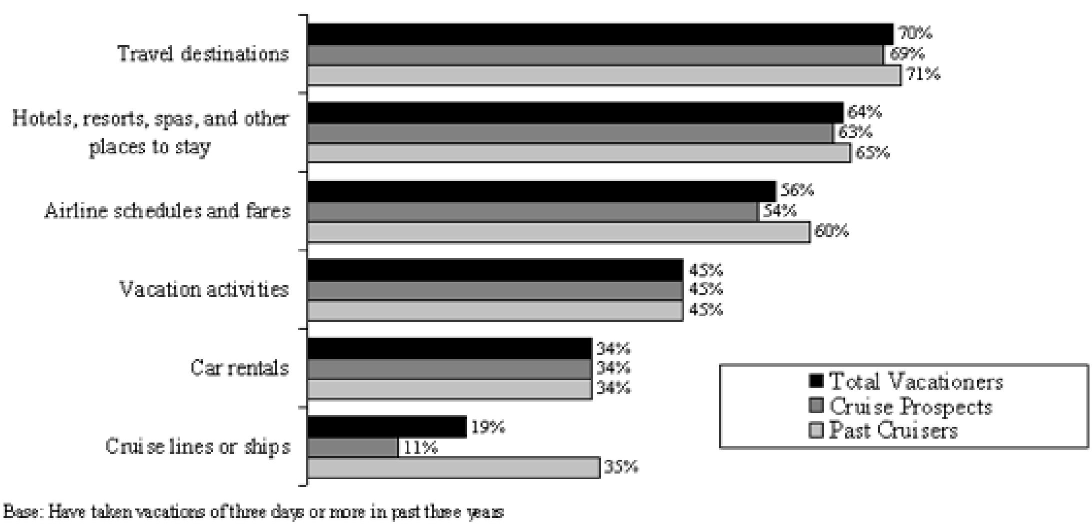
Cruisers' most common traveling companions continue to be other family members, in particular, spouses. The percentage taking their children along is the highest ever. One out of four cruisers travel with friends.

Travel Companions on Most Recent Cruise‡



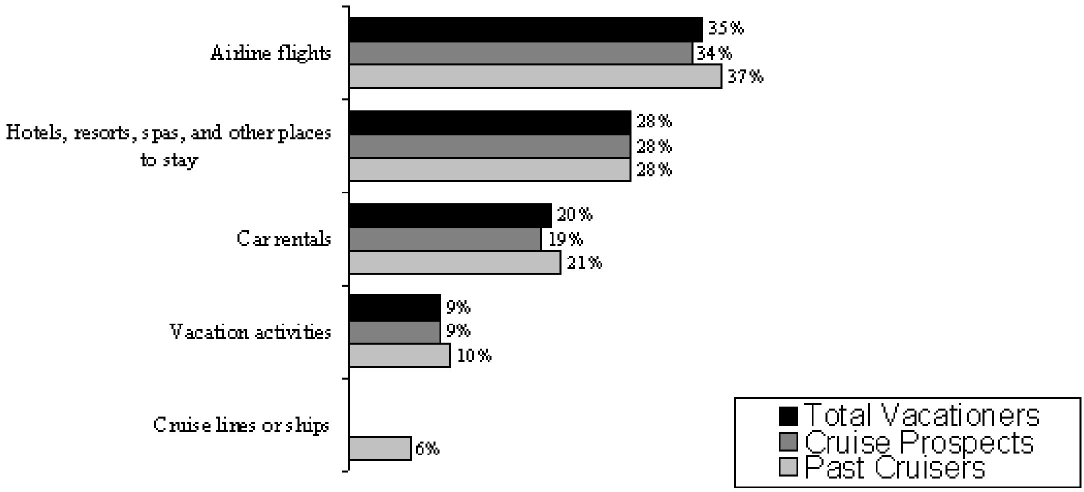
Used the Internet for Vacation Information (Total Vacationers)

More than half of all vacationers, both cruise prospects and past cruisers, have used the Internet to obtain information on travel destinations, hotels, and airlines.



Used the Internet for Vacation Booking (Total Vacationers)

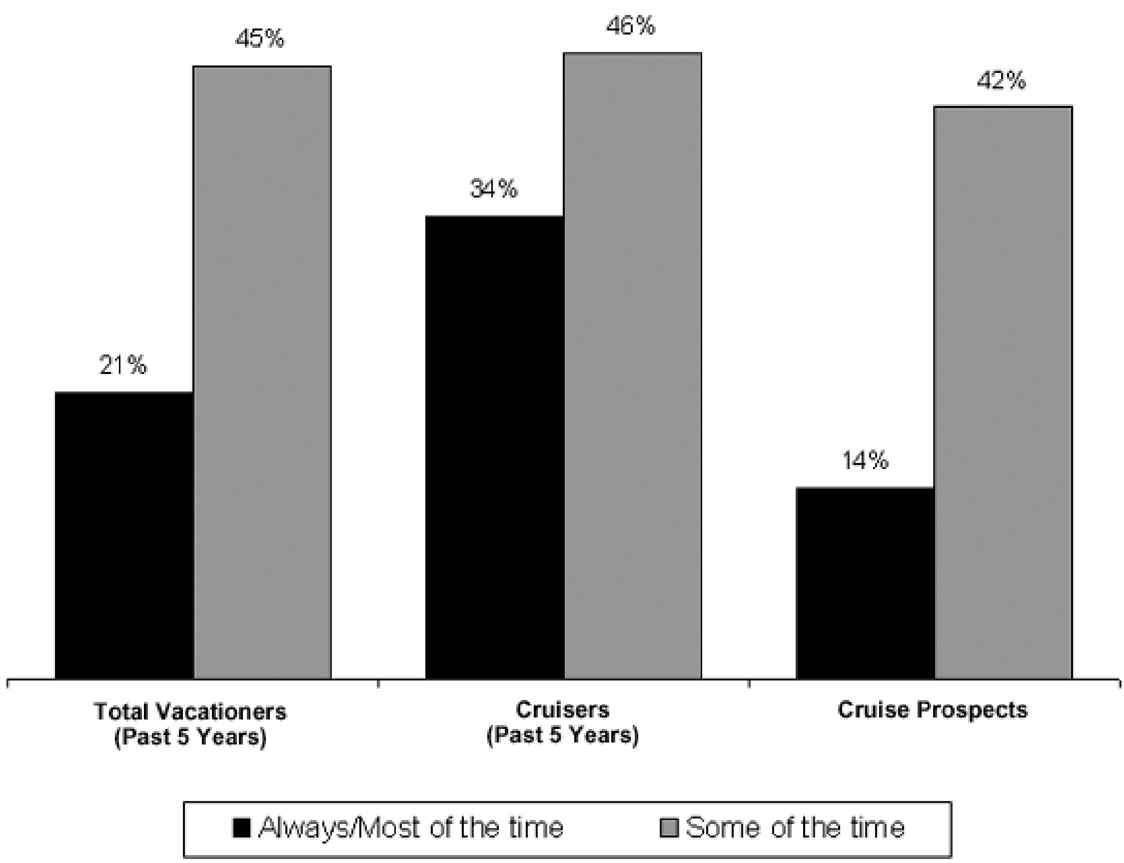
One out of three vacationers have used the Internet to book airline flights. Hotels, resorts, spas, and other places to stay have been booked on the Internet by 28% of all vacationers.



2. Use and Perceptions of Travel Agents

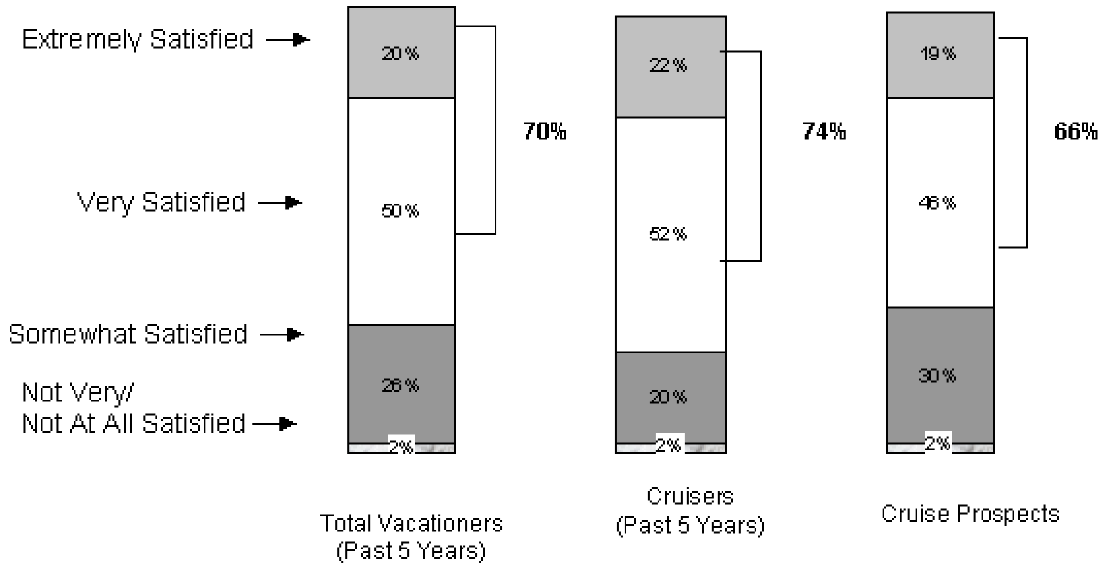
Use of Travel Agents

Only one out of five (21%) vacationers report using a travel agent most of the time when they book vacations. Cruisers are significantly more likely to use travel agents for their vacations than are cruise prospects.



Satisfaction with Travel Agents*

Seven out of ten vacationers are very satisfied with their travel agents. Cruisers are significantly more satisfied with their travel agents than cruise prospects.



Perceptions of Travel Agents

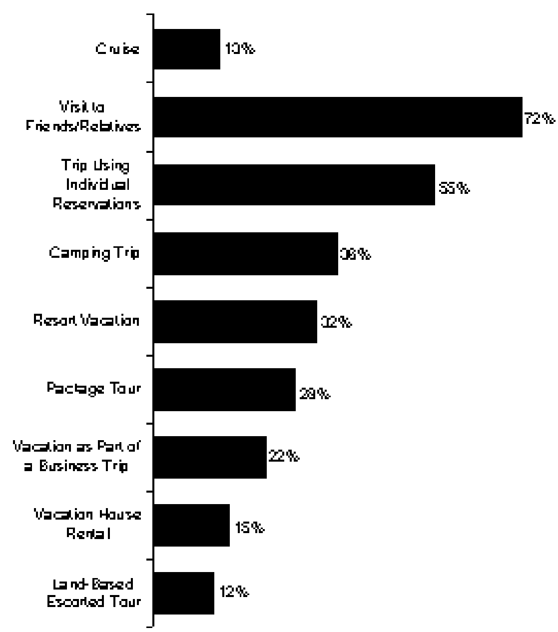
Vacationers generally believe in the knowledgeability and competency of travel agents, and that travel agents take the hassle out of planning vacations. It is important to vacationers that travel agents have access to email or the Internet.

3. Cruising vs. Other Vacations

I. Types of Vacation Taken

Types of Vacations Taken in Past Five Years

Cruise prospects take a significant cross-section of vacations. They are not a homogeneous group.



II. Cruise Satisfaction - Past Cruisers

Past Cruisers Satisfaction Ratings of Vacations

While on an overall basis, virtually any vacation creates a high level of satisfaction, cruises generate the highest level of "extremely" satisfied vacationers.

Satisfaction with Vacations Taken in Past 5 Years*
- % Extremely Satisfied -

	Extremely Satisfied %
Cruise	
Vacation House Rental	34
Visit to Friends/Relatives	30
Package Tour	29
Resort Vacation	25
Land-Based Escorted Tour	24
Trip Using Individual	24
Reservations	23
Vacation as Part of a	19
Business Trip	

Past Five Year Cruisers Perceptions of Cruises vs. Other Vacations

Overall, nine out of ten past five year cruisers see cruises as better than or the same as other vacations on almost all dimensions. Cruises are rated best compared to other vacations on being pampered, offering fine dining, and being hassle free.

Rated Cruises	Better %	Same or Better %
Being pampered	75	93
Fine dining	74	92
Being hassle free	71	93
Relaxing and getting away from it all	69	91
Chance to visit several destinations	68	88
Being easy to plan and arrange	65	92
Good value for the money	65	91
High quality entertainment	64	88
Variety of activities	64	86
Being luxurious	62	89
Good way to explore a vacation area you may want to return to	62	85
Being exciting and adventurous	60	85
Romantic getaway	59	86
Being reliable	58	89
Fun vacation	58	87
Being safe	53	90
Comfortable accommodations	51	78
A cultural learning experience	47	79
Participation in sports you enjoy	36	67
Having good activities for children	28	45

III. Cruise Perception - Prospects

Perceptions of Cruises vs. Other Vacations

Rated Cruises	Better %	Same or Better %
Being pampered	65	85
Fine dining	62	87
Being hassle free	44	83
Relaxing and getting away from it all	57	82
Chance to visit several destinations	61	83
Being easy to plan and arrange	45	82
Good value for the money	31	65
High quality entertainment	50	84
Variety of activities	35	69
Being luxurious	58	84
Good way to explore a vacation area you may want to return to	41	71
Being exciting and adventurous	42	74
Romantic getaway	56	82
Being reliable	33	78
Fun vacation	39	78
Being safe	24	71
Comfortable accommodations	29	70
A cultural learning experience	41	74
Participation in sports you enjoy	19	54
Having good activities for children	25	53

IV. Destination Sampling

Cruising is seen by the large majority as a good way to sample a geographical area/destination for future vacations (85% of frequent cruisers and 88% of first-time cruisers). In fact, for more than half of all cruisers, an important consideration in choosing their particular cruise was to screen the geographical areas/destinations they visited. And, after sampling the geographical areas/destinations on their recent cruise, half say they will return for another type of vacation.

A. Among Frequent Cruisers

	Geographical Area/ Destination of Most Recent Cruise		
	% Total	% Caribbean	% All Other
Agree With Statement: *			
Cruising is a good way to try out vacation spots you may want to return to for a resort vacation	85	86	84
Extremely/Very Important When Deciding To Take Most Recent Cruise:			
Cruising is a good way to try out a vacation area you might want to return to	55	56	54

Intend to return to same geographical area/destination for another type of vacation	49	54	45

B. Among First-Time Cruisers

	Geographical Area/ Destination of Most Recent Cruise		
	% Total	% Caribbean	% All Other
Agree With Statement: *			
Cruising is a good way to try out vacation spots you may want to return to for a resort vacation	88	91	86
Extremely/Very Important When Deciding To Take Most Recent Cruise:			
Cruising is a good way to try out a vacation area you might want to return to	62	67	58
Intend to return to same geographical area/destination for another type of vacation	49	55	44

* Rated 4,5 on a 5-point scale where 5=agree completely and 1=disagree completely
SOURCE: CLIA Cruising Dynamics Study

E. Source of Business-Passengers

1. North America-By States/Provinces (CLIA Member Lines)

State/Origin	2001 Total Passengers	% Of North America	2000 Total Passengers	Change Amount	Change Percent	Prior Year History 1999	Prior Year History 1998
Alabama	52,559	0.79%	54,294	-1,735	-3.20%	42,600	45,188
Alaska	5,737	0.09%	5,364	373	6.95%	5,494	4,969
Arizona	109,631	1.65%	104,858	4,773	4.55%	86,227	78,161
Arkansas	21,507	0.32%	24,489	-2,982	-12.18%	21,404	19,620
California	860,187	12.96%	813,076	47,111	5.78%	729,326	725,581
Colorado	72,618	1.09%	78,441	-5,823	-7.42%	61,812	60,515
Connecticut	94,461	1.42%	92,278	2,183	2.37%	78,180	70,011
Delaware	15,358	0.23%	15,239	119	0.78%	12,032	12,508
Dist. of Columbia	13,084	0.20%	11,161	1,923	17.23%	8,855	17,651
Florida	1,256,745	18.94%	1,223,927	32,818	2.68%	1,093,374	909,697
Georgia	176,974	2.67%	166,936	10,038	6.01%	134,040	122,443
Hawaii	13,579	0.20%	13,317	262	1.97%	11,536	11,764
Idaho	13,303	0.20%	13,609	-306	-2.25%	14,940	9,215
Illinois	197,294	2.97%	204,529	-7,235	-3.54%	176,193	169,447
Indiana	78,957	1.19%	83,883	-4,926	-5.87%	65,108	66,489

Iowa	30,418	0.46%	32,356	-1,938	-5.99%	27,922	27,987
Kansas	32,870	0.50%	32,507	363	1.12%	27,304	26,224
Kentucky	39,064	0.59%	40,079	-1,015	-2.53%	31,194	30,587
Louisiana	51,664	0.78%	74,984	-23,320	-31.10%	95,215	73,894
Maine	13,578	0.20%	13,765	-187	-1.36%	11,771	12,226
Maryland	105,385	1.59%	98,731	6,654	6.74%	81,976	74,881
Massachusetts	279,463	4.21%	200,219	79,244	39.58%	171,572	172,542
Michigan	170,928	2.58%	175,330	-4,402	-2.51%	141,664	137,546
Minnesota	85,599	1.29%	82,952	2,647	3.19%	92,805	81,892
Mississippi	17,225	0.26%	19,297	-2,072	-10.74%	18,773	15,708
Missouri	80,210	1.21%	85,303	-5,093	-5.97%	70,389	76,569
Montana	6,225	0.09%	6,542	-317	-4.85%	5,941	6,596
Nebraska	19,698	0.30%	22,502	-2,804	-12.46%	17,575	18,544
Nevada	42,617	0.64%	40,262	2,355	5.85%	31,035	28,796
New Hampshire	24,716	0.37%	23,321	1,395	5.98%	19,016	17,040
New Jersey	251,562	3.79%	252,716	-1,154	-0.46%	199,176	176,812
New Mexico	17,029	0.26%	16,009	1,020	6.37%	12,640	12,771
New York	416,073	6.27%	433,489	-17,416	-4.02%	472,680	404,023
North Carolina	137,623	2.07%	147,487	-9,864	-6.69%	121,989	106,459
North Dakota	4,283	0.06%	4,137	146	3.53%	3,628	4,122
Ohio	186,696	2.81%	198,161	-11,465	-5.79%	162,659	161,323
Oklahoma	39,387	0.59%	38,929	458	1.18%	33,707	33,031
Oregon	43,516	0.66%	46,963	-3,447	-7.34%	38,227	40,818
Pennsylvania	249,130	3.75%	262,587	-13,457	-5.12%	201,364	192,689
South Carolina	81,564	1.23%	76,443	5,121	6.70%	62,843	55,622
South Dakota	6,020	0.09%	5,931	89	1.50%	4,719	4,238
Tennessee	80,311	1.21%	78,185	2,126	2.72%	67,441	65,244
Texas	294,196	4.43%	276,688	17,508	6.33%	237,776	199,068
Utah	46,515	0.70%	45,602	913	2.00%	35,725	33,496
Vermont	6,349	0.10%	6,086	263	4.32%	5,090	4,895
Virginia	129,086	1.94%	129,612	-526	-0.41%	113,044	109,182
Washington	109,063	1.64%	107,016	2,047	1.91%	89,899	83,682
West Virginia	17,.942	0.27%	11,299	6,643	58.79%	10,210	9,278
Wisconsin	64,199	0.97%	65,566	-1,367	-2.08%	54,842	51,228
Wyoming	3,156	0.05%	3,521	-365	-10.37%	2,766	3,056
Total U.S.	**6,195,958**	**93.35%**	**6,090,647**	**105,311**	**1.73%**	**5,342,103**	**4,899,694**
Puerto Rico	**107,903**	**1.63%**	**84,464**	**23,439**	**27.75%**	**80,812**	**85,377**
Canada							
Alberta	32,593	0.49%	31,582	1,011	3.20%	23,469	24,959
British Columbia	100,164	1.51%	101,283	-1,119	-1.10%	85,656	89,059
Manitoba	7,062	0.11%	7,238	-176	-2.43%	5,316	5,398

New Brunswick	3,094	0.05%	3,030	64	2.11%	2,634	1,998
Newfoundland	1,988	0.03%	1,927	61	3.17%	1,210	1,308
Nova Scotia	3,805	0.06%	3,762	43	1.14%	4,188	2,541
Ontario	140,336	2.11%	159,385	-19,049	-11.95%	118,296	105,162
Prince Edward Island	375	0.01%	572	-197	-34.44%	439	856
Quebec	39,441	0.59%	56,427	-16,986	-30.10%	22,268	21,852
Saskatchewan	4,083	0.06%	4,107	-24	-0.58%	3,251	4,808
North West Territory	146	0.00%	940	-794	-84.47%	113	175
Yukon Territory	106	0.00%	170	-64	-37.65%	132	160
Total Canada	**333,193**	**5.02%**	**370,423**	**-37,230**	**-10.05%**	**266,972**	**258,276**
Total North America	**6,637,054**	**100.00%**	**6,545,534**	**91,520**	**1.40%**	**5,689,887**	**5,243,347**
Foreign	**862,371**		**668,553**	**21,269**	**28.99%**	**647,284**	**625,345**
Total World	**7,499,425**		**7,214,087**	**112,789**	**3.96%**	**6,337,171**	**5,868,692**

Source: 2001 Year End CLIA Passenger Carrying Report

2. North America-Rank Order By States/Provinces (CLIA Member Lines)

Florida, California, New York, Texas, Massachusetts, New Jersey, Pennsylvania, Illinois, Ohio, and Georgia represent 62.8% of North American passenger contribution.

Comparative Data by Cruise Length

				1 - 5 Day		6 - 8 Day		9 - 17 Day		18 Day Plus	
	State/Province	Total Passengers	% Of North America	Cruises Amount	%	Cruises Amount	%	Cruises Amount	%	Cruises Amount	%
1	Florida	1,256,745	18.94%	604,322	24.50%	525,500	15.41%	122,808	16.88%	4,115	12.74%
2	California	860,187	12.96%	330,991	13.42%	361,621	10.60%	160,075	22.00%	7,500	23.21%
3	New York	416,073	6.27%	120,990	4.90%	254,404	7.46%	39,247	5.39%	1,432	4.43%
4	Texas	294,196	4.43%	122,388	4.96%	142,372	4.17%	27,571	3.79%	1,865	5.77%
5	Massachusetts	279,463	4.21%	94,772	3.84%	165,709	4.86%	18,523	2.55%	459	1.42%
6	New Jersey	251,562	3.79%	74,770	3.03%	152,722	4.48%	23,394	3.22%	676	2.09%
7	Pennsylvania	249,130	3.75%	80,595	3.27%	146,266	4.29%	21,588	2.97%	681	2.11%
8	Illinois	197,294	2.97%	61,405	2.49%	113,167	3.32%	22,032	3.03%	690	2.14%
9	Ohio	186,696	2.81%	65,503	2.66%	104,539	3.07%	16,135	2.22%	519	1.61%
10	Georgia	176,974	2.67%	100,163	4.06%	65,744	1.93%	10,692	1.47%	375	1.16%
11	Michigan	170,928	2.58%	55,031	2.23%	100,142	2.94%	15,133	2.08%	622	1.93%
12	Ontario	140,336	2.11%	22,197	0.90%	89,563	2.63%	27,080	3.72%	1,496	4.63%
13	North Carolina	137,623	2.07%	74,714	3.03%	54,018	1.58%	8,592	1.18%	299	0.93%
14	Virginia	129,086	1.94%	52,930	2.15%	63,427	1.86%	12,295	1.69%	434	1.34%
15	Arizona	109,631	1.65%	34,690	1.41%	55,712	1.63%	18,107	2.49%	1,122	3.47%
16	Washington	109,063	1.64%	27,885	1.13%	62,515	1.83%	17,244	2.37%	1,419	4.39%
17	Puerto Rico	107,903	1.63%	31,105	1.26%	75,253	2.21%	1,529	0.21%	16	0.05%
18	Maryland	105,385	1.59%	34,743	1.41%	60,211	1.77%	10,036	1.38%	395	1.22%
19	British Columbia	100,164	1.51%	29,060	1.18%	51,221	1.50%	17,816	2.45%	2,067	6.40%
20	Connecticut	94,461	1.42%	25,073	1.02%	61,087	1.79%	7,906	1.09%	395	1.22%
21	Minnesota	85,599	1.29%	20,160	0.82%	57,965	1.70%	7,200	0.99%	274	0.85%
22	South Carolina	81,564	1.23%	51,641	2.09%	24,726	0.73%	5,016	0.69%	181	0.56%
23	Tennessee	80,311	1.21%	35,942	1.46%	38,614	1.13%	5,592	0.77%	163	0.50%
24	Missouri	80,210	1.21%	25,936	1.05%	45,771	1.34%	8,152	1.12%	351	1.09%
25	Indiana	78,957	1.19%	29,817	1.21%	43,168	1.27%	5,723	0.79%	249	0.77%

26	Colorado	72,618	1.09%	18,808	0.76%	42,486	1.25%	10,901	1.50%	423	1.31%
27	Wisconsin	64,199	0.97%	20,258	0.82%	38,079	1.12%	5,633	0.77%	229	0.71%
28	Alabama	52,559	0.79%	26,339	1.07%	22,910	0.67%	3,197	0.44%	113	0.35%
29	Louisiana	51,664	0.78%	11,907	0.48%	36,596	1.07%	3,063	0.42%	98	0.30%
30	Utah	46,515	0.70%	14,644	0.59%	26,985	0.79%	4,750	0.65%	136	0.42%
31	Oregon	43,516	0.66%	9,301	0.38%	26,099	0.77%	7,149	0.98%	967	2.99%
32	Nevada	42,617	0.64%	16,390	0.66%	19,540	0.57%	6,429	0.88%	258	0.80%
33	Quebec	39,441	0.59%	4,058	0.16%	27,479	0.81%	7,737	1.06%	167	0.52%
34	Oklahoma	39,387	0.59%	14,790	0.60%	21,327	0.63%	3,162	0.43%	108	0.33%
35	Kentucky	39,064	0.59%	15,375	0.62%	20,493	0.60%	3,110	0.43%	86	0.27%
36	Kansas	32,870	0.50%	11,581	0.47%	18,174	0.53%	2,988	0.41%	127	0.39%
37	Alberta	32,593	0.49%	3,985	0.16%	21,177	0.62%	7,016	0.96%	415	1.28%
38	Rhode Island	30,604	0.46%	8,479	0.34%	19,898	0.58%	2,159	0.30%	68	0.21%
39	Iowa	30,418	0.46%	12,569	0.51%	15,121	0.44%	2,631	0.36%	97	0.30%
40	New Hampshire	24,716	0.37%	5,979	0.24%	16,808	0.49%	1,882	0.26%	47	0.15%
41	Arkansas	21,507	0.32%	7,781	0.32%	11,617	0.34%	2,024	0.28%	85	0.26%
42	Nebraska	19,698	0.30%	7,692	0.31%	9,920	0.29%	2,024	0.28%	62	0.19%
43	West Virginia	17,942	0.27%	7,781	0.32%	9,212	0.27%	925	0.13%	24	0.07%
44	Mississippi	17,225	0.26%	6,143	0.25%	10,001	0.29%	1,061	0.15%	20	0.06%
45	New Mexico	17,029	0.26%	5,153	0.21%	9,107	0.27%	2,655	0.36%	114	0.35%
46	Delaware	15,358	0.23%	4,567	0.19%	9,272	0.27%	1,475	0.20%	44	0.14%
47	Hawaii	13,579	0.20%	2,653	0.11%	6,886	0.20%	3,768	0.52%	272	0.84%
48	Maine	13,578	0.20%	3,192	0.13%	8,970	0.26%	1,328	0.18%	88	0.27%
49	Idaho	13,303	0.20%	3,895	0.16%	7,711	0.23%	1,637	0.22%	60	0.19%
50	District of Columbia	13,084	0.20%	5,497	0.22%	6,491	0.19%	1,052	0.14%	44	0.14%
51	Manitoba	7,062	0.11%	779	0.03%	4,316	0.13%	1,926	0.26%	41	0.13%
52	Vermont	6,349	0.10%	1,923	0.08%	3,839	0.11%	566	0.08%	21	0.06%
53	Montana	6,225	0.09%	1,490	0.06%	3,868	0.11%	812	0.11%	55	0.17%
54	South Dakota	6,020	0.09%	2,164	0.09%	3,415	0.10%	432	0.06%	9	0.03%
55	Alaska	5,737	0.09%	1,012	0.04%	3,762	0.11%	876	0.12%	87	0.27%
56	North Dakota	4,283	0.06%	1,326	0.05%	2,420	0.07%	530	0.07%	7	0.02%
57	Saskatchewan	4,083	0.06%	533	0.02%	2,564	0.08%	940	0.13%	46	0.14%
58	Nova Scotia	3,805	0.06%	382	0.02%	2,407	0.07%	989	0.14%	27	0.08%
59	Wyoming	3,156	0.05%	854	0.03%	1,781	0.05%	485	0.07%	36	0.11%
60	New Brunswick	3,094	0.05%	431	0.02%	2,226	0.07%	419	0.06%	18	0.06%
61	Newfoundland	1,988	0.03%	157	0.01%	1,509	0.04%	309	0.04%	13	0.04%
62	Prince Edward Island	375	0.01%	101	0.00%	249	0.01%	25	0.00%	0	0.00%
63	North West Territory	146	0.00%	33	0.00%	92	0.00%	21	0.00%	0	0.00%
64	Yukon Territory	106	0.00%	9	0.00%	52	0.00%	41	0.01%	4	0.01%
	Total North America	**6,637,054**	**100.00%**	**2,466,834**	**100.00%**	**3,410,296**	**100.00%**	**727,613**	**100.00%**	**32,311**	**100.00%**

Source: 2001 Year End CLIA Passenger Carrying Report

3. Regional Passenger Contribution 2001 VS. 1990 (USA)

The South Atlantic and Pacific regions continue to be the largest source of passengers.

Regional Shares – 2001 vs. 1990 (USA)

	1990	2001	Point change
New England (CT, ME, MA, NH, VT, RI)	5.78%	7.25%	1.47
Mid-Atlantic (NJ, NY, PA)	16.21%	14.80%	(1.41)
East North Central	14.03%	11.27%	(2.76)

(IL, IN, MI, OH, WI)			
West North Central (IA, KS, MN, MO, NE, SD)	4.50%	4.18%	(0.32)
South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)	24.16%	31.21%	7.05
East South Central (AL, KY, MS, TN)	2.86%	3.05%	0.19
West South Central (AR, LA, OK, TX)	5.42%	6.56%	1.14
Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	3.86%	5.02%	1.16
Pacific (AK, CA, HI, OR, WA)	23.18%	16.66%	(6.52)
TOTAL	100.0%	100.0%	0.00

SOURCE: 2001 Year End CLIA Passenger Carryings Reports.

4. Regional Contribution by Cruise Length (USA)

Shorter cruises skew towards the South Atlantic Region while longer cruises skew to the Pacific Coast Region.

2001
Regional Contribution (%) By Cruise Length (USA)

	2-5 Days	6-8 Days	9-17 Days	18+ Days	Total Days
New England (CT, ME, MA, NH, VT, RI)	5.87	8.82	4.89	3.85	7.25
Mid-Atlantic (NJ, NY, PA)	11.65	17.67	12.738	9.96	14.80
East North Central (IL, IN, MI, OH, WI)	9.77	12.74	9.77	8.25	11.27
West North Central (IA, KS, MN, MO, NE, ND, SD)	3.42	4.88	3.62	3.31	4.18
South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)	39.45	26.13	26.13	21.11	31.21
East South Central (AL, KY, MS, TN)	3.53	2.94	1.96	1.36	3.05
West South Central (AR, LA, OK, TX)	6.61	6.77	5.41	7.70	6.56
Mountain					

(AZ, CO, ID, MT, NV, NM, UT, WY)	4.04	5.34	6.92	7.87	5.02
Pacific (AK, CA, HI, OR, WA)	15.66	14.71	28.57	36.59	16.66
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

SOURCE: 2001 Year-End CLIA Passenger Carryings Report

F. Cruise Capacity

1. North American Passenger Capacity - 2002

Including 2001 capacity changes, CLIA member lines represent approximately 97.5% of the North American cruise market capacity (lowers) and 80.2% of ships.

SUMMARY

	# OF LOWERS (OPERATING)		# OF SHIPS (OPERATING)	
CLIA MEMBER LINES	169,579	97.5%	134	80.2%
NON-CLIA	4,267	2.5%	33	19.8%
TOTAL	173,846	100.0%	167	100.0%

INDIVIDUAL LINE DETAIL

CRUISE MEMBER LINES	NO. OF LOWERS	NO. OF SHIPS	PRIMARY NON-CLIA	NO. OF LOWERS	NO. OF SHIPS
American Cruise Line	49	1	American Canadian Cruise Line	444	5
Bora Bora Cruises*	148	2	American West Steamboat Co.	370	2
Carnival Cruise Lines	30,742	15	Classical Cruises	312	4
Celebrity Cruises	14,068	8	Clipper Cruise Line	490	4
Costa Cruise Lines	10,183	8	Club Med	386	1
Crystal Cruises	1,884	2	Europamerica River	1,697	14
Cunard Line, Ltd.	2,459	2	Star Clipper	568	3
Disney Cruise Line	3,508	2	**TOTAL**	4,267	33
First European	5,122	5			
Fred. Olsen Cruise Lines*	1,517	2			
Holland America Line	13,348	10			

Mediterranean Shipping Cruises	2,591	3
Norwegian Coastal Voyages	5,603	13
Norwegian Cruise Line	14,682	8
Orient Lines, Inc.	1,881	2
Princess Cruises	18,020	10
Radisson Seven Seas Cruises	2,224	6
Regal Cruises	873	1
Royal Caribbean International	33,042	15
Royal Olympic Cruises	4,145	7
Seabourn Cruise Line	1,382	4
Silversea Cruises	1,356	4
Windstar Cruises	752	4
TOTAL	169,579	134

* New Members Starting 2002.

SOURCE: CLIA 5-Year Capacity Analysis

2. 2002-2006 Capacity Changes

Based on public information, a total of 42 new ships are contracted or planned to be added to the North American fleet from 2002 through the end of 2006.

The following summarizes all the information as of the date of publication. Ships under "contract" are self-explanatory: "Planned" ships have been announced but we have no confirmation of a contract being signed.

2002	ADDITION OR DELETION	DELIVERY DATE	SHIP NAME	# LOWER	CONTRACT OR PLANNED	NEW OR USED
AMERICAN CRUISE LINE	A	7/02	AMERICAN GLORY	49	C	N
CARNIVAL CRUISE LINE	A	2002	CARNIVAL CONQUEST	2,955	C	N
CARNIVAL CRUISE LINE	A	2002	CARNIVAL LEGEND	2,119	C	N
CARNIVAL CRUISE LINE	A	2002	CARNIVAL PRIDE	2,119	C	N
CELEBRITY CRUISES	A	6/02	CONSTELLATION	1,950	C	N
COSTA CRUISE LINE	A	4/02	COSTA EUROPA	1,494	C	U
FIRST EUROPEAN						

CRUISES	A	3/02	EUROPEAN STARS	1,500	C	N
HOLLAND AMERICA LINE	A	12/02	ZUIDERDAM	1,848	C	N
HOLLAND AMERICA LINE	A	4/02	PRINSENDAM	794	C	U
HOLLAND AMERICA LINE	D	4/02	WESTERDAM	-1,494	C	U
NORWEGIAN CRUISE LINE	A	2002	NORWEGIAN DAWN	2,240	C	N
ORIENT LINES	A	2002	OCEAN VOYAGER	650	C	U
PRINCESS CRUISES	A	2/02	STAR PRINCESS	2,600	C	N
PRINCESS CRUISES	A	12/02	CORAL PRINCESS	1,950	C	N
PRINCESS CRUISES	D	4/02	CROWN PRINCESS	-1,590	C	U
PRINCESS CRUISES	D	10/02	OCEAN PRINCESS	-1,950	C	U
PRINCESS CRUISES	D	11/02	PACIFIC PRINCESS	-640	C	U
ROYAL CARIBBEAN INT'L	A	7/02	BRILLIANCE OF THE SEAS	2,100	C	N
ROYAL CARIBBEAN INT'L	D	3/02	VIKING SERENADE	-1,512	C	U
ROYAL OLYMPIC CRUISES	A	5/02	OLYMPIC EXPLORER	836	C	N
SEABOURN CRUISE LINE	D	2002	SEABOURN SUN	-758	C	U
			CLIA TOTAL	17,260		
			2002 GRAND TOTAL	17,260		

2003	ADDITION OR DELETION	DELIVERY DATE	SHIP NAME	# LOWER	CONTRACT OR PLANNED	NEW OR USED
AMERICAN CRUISE LINES	A	9/03	TBA	117	P	N
CARNIVAL CRUISE LINE	A	2003	CARNIVAL GLORY	2,955	C	N
COSTA CRUISE LINE	A	7/03	COSTA MEDITERRANEA	2,114	C	N
COSTA CRUISE LINE	A	12/03	COSTA FORTUNA	2,720	C	N
CRYSTAL CRUISES	A	6/03	CRYSTAL SERENITY	1,080	C	N
CUNARD LINE	A	2003	QUEEN MARY 2	2,620	C	N
FIRST EUROPEAN	A	2003	UNNAMED	1,950	P	N
HOLLAND AMERICA LINE	A	06/03	OOSTERDAM	1,848	C	N
MSC ITALIAN CRUISES	A	2003	TBA	1,600	C	N
NORWEGIAN CRUISE LINE	A	2003	UNNAMED	2,000	P	N

PRINCESS CRUISES	A	6/03	ISLAND PRINCESS	1,950	C	N
PRINCESS CRUISES	A	7/03	DIAMOND PRINCESS	2,600	C	N
RADISSON SEVEN SEAS	A	3/03	VOYAGER	712	C	N
ROYAL CARIBBEAN INT'L	A	12/03	SERENADE OF THE SEA	2,100	C	N
ROYAL CARIBBEAN INT'L.	A	03/03	NAVIGATOR OF THE SEA	3,114	C	N
			CLIA TOTAL	29,480		
			2003 GRAND TOTAL	29,480		

2004	ADDITION OR DELETION	DELIVERY DATE	SHIP NAME	# LOWER	CONTRACT OR PLANNED	NEW OR USED
CARNIVAL CRUISE LINE	A	2004	CARNIVAL VALOR	2,955	C	N
CARNIVAL CRUISE LINE	A	2004	CARNIVAL MIRACLE	2,119	C	N
COSTA CRUISE LINE	A	12/04	COSTA MAGICA	2,720	C	N
FIRST EUROPEAN CRUISES	A	2004	UNNAMED	1,950	P	N
HOLLAND AMERICA LINE	A	4/04	UNNAMED	1,848	C	N
MSC ITALIAN CRUISES	A	2004	TBA	1,600	P	N
NORWEGIAN CRUISE LINE	A	2004	UNNAMED	2,000	P	N
PRINCESS CRUISES	A	5/04	SAPPHIRE PRINCESS	2,600	C	N
ROYAL CARIBBEAN, INTL.	A	3/04	MARINER OF THE SEA	3,114	C	N
ROYAL CARIBBEAN, INTL.	A	7/04	JEWEL OF THE SEA	2,100	C	N
			CLIA TOTAL	23,006		
			2004 GRAND TOTAL	23,006		

2005	ADDITION OR DELETION	DELIVERY DATE	SHIP NAME	# LOWER	CONTRACT OR PLANNED	NEW OR USED
HOLLAND AMERICA LINE	A	10/05	UNNAMED	1,848	C	N
NORWEGIAN CRUISE LINE	A	2005	UNNAMED	2,000	P	N
			CLIA TOTAL	3,848		
			2005 GRAND TOTAL	3,848		

2006	ADDITION OR DELETION	DELIVERY DATE	SHIP NAME	# LOWER	CONTRACT OR PLANNED	NEW OR USED
HOLLAND AMERICA LINE	A	5/06	UNNAMED	1,848	P	N
NORWEGIAN CRUISE LINE	A	2006	UNNAMED	2,000	P	N
			CLIA TOTAL	3,848		
			2006 GRAND TOTAL	3,848		

3. Composite Capacity Changes 1981-2006

In order to keep capacity in line with North American demand, average capacity rose at a rate of 7.8% from 1981 to 2000. Based on current known information, contracted capacity will be increased at an average rate of 7% over the next six years.

Total North American Industry

	Lower Berths	% Change
1981	41,073	
1982	47,266	+15.80
1983	47,834	+1.20
1984	52,392	+9.53
1985	56,771	+8.36
1986	60,446	+6.47
1987	66,810	+10.53
1988	72,268	+8.17
1989	72,369	+0.17
1990	83,533	+15.39
1991	86,631	+3.71
1992	97,539	+12.10
1993	103,988	+6.62
1994	103,296	-.67
1995	105,171	+1.80
1996	110,292	+4.80
1997	118,399	+7.40
1998	138,373	+17.25

1999	148,750	+7.50
2000	166,201	+11.73
2001	172,281	+3.70
Average Annual Change (1981-2001)		+7.6

Total North American Industry

	Contracted		Contracted & Planned	
2002-2006	**Lower Berths**	**Percent Change**	**Lower Berths**	**Percent Change**
2002	189,441	10.0	189,441	10.0
2003	214,854	13.4	218,921	15.6
2004	232,310	8.1	241,927	10.5
2005	234,158	0.8	245,775	1.6
2006	234,158	0.0	249,623	1.6
Average Annual Change (2002-2006)		6.5		7.9

SOURCE: CLIA Five Year Capacity Reports

4. Geographical Destination/Application

The Caribbean continues to be the number one destination for capacity placement with a 46.6% share in 2002 (comprised of the Caribbean and the Bahamas). Other leading markets: Europe 21.1% (Europe 10.9% and Mediterranean 10.2%), Alaska 7.9%, Mexico West Coast 5.3%, Trans-Canal 3.3%, Hawaii 2.9% and South America 2.2% . On an overall basis, 2002 beds are up 6.7% versus 2001.

DESTINATION	1987 TOTAL BED-DAYS	1995 TOTAL BED-DAYS	1998 TOTAL BED-DAYS	1999 TOTAL BED-DAYS	2000 TOTAL BED-DAYS	2001 TOTAL BED-DAYS	2001 PCT	2002 TOTAL BED-DAYS	2002 PCT	2002 -VS- 2001 PCT CHANGE
CARIBBEAN	8,828,791	15,254,551	17,117,659	16,666,328	21,510,142	21,833,347	36.64%	26,741,052	42.06%	22.48%
MEDITERRANEAN	841,051	3,477,729	5,092,530	5,898,948	6,277,064	7,546,816	12.67%	6,497,444	10.22%	-13.90%
ALASKA	1,715,197	3,008,146	3,790,816	4,086,620	4,197,332	4,698,538	7.89%	5,052,907	7.95%	7.54%
BAHAMAS	1,922,386	2,761,224	2,891,352	3,060,866	3,200,346	4,698,724	7.89%	2,876,295	4.52%	-38.79%
TRANS CANAL	970,191	2,277,201	2,612,788	3,036,208	2,573,444	2,396,424	4.02%	2,092,723	3.29%	-12.67%
MEXICO WEST	1,131,462	1,754,312	2,421,126	2,529,106	2,680,934	1,166,756	1.96%	3,386,475	5.33%	190.25%
EUROPE	357,516	1,582,589	3,714,437	3,475,922	3,744,693	4,837,375	8.12%	6,922,608	10.89%	43.11%
BERMUDA	1,141,121	1,094,707	1,094,982	1,482,573	988,391	1,269,952	2.13%	1,226,806	1.93%	-3.40%
TRANSATLANTIC	339,388	658,928	725,040	961,213	1,015,625	1,129,669	1.90%	1,005,665	1.58%	-10.98%
HAWAII	602,728	601,542	745,216	885,268	857,390	1,557,438	2.61%	1,903,302	2.99%	22.21%
SOUTH PACIFIC	352,983	574,218	369,507	947,382	1,155,217	1,158,004	1.94%	835,454	1.31%	-27.86%
SOUTH EAST ASIA	272,592	430,123	157,705	150,107	244,620	429,550	0.72%	346,196	0.54%	-19.40%
AFRICA	0	347,432	291,850	184,373	502,773	401,011	0.67%	259,962	0.41%	-35.17%
CANADA/NEW ENGLAND	283,714	334,735	527,530	681,689	1,107,689	1,138,975	1.91%	1,150,950	1.81%	1.05%
FAR EAST (ORIENT)	465,608	327,009	218,988	188,038	201,582	215,022	0.36%	360,022	0.57%	67.43%
MISSISSIPPI	231,392	286,228	353,510	353,088	347,140	403,956	0.68%	0	0.00%	-100.00%
WORLD	0	272,425	545,242	565,824	414,342	613,046	1.03%	582,314	0.92%	-5.01%
SOUTH AMERICA	620,396	255,83	943,392	657,992	825,670	1,422,755	2.39%	1,394,808	2.19%	-1.96%
U.S. COASTAL WEST	64,444	108,092	136,198	65,108	217,518	1,944,752	3.26%	216,338	0.34%	-88.88%

INDIAN OCEAN	0	84,009	90,159	40,572	120,698	227,483	0.38%	93,708	0.15%	-58.81%
UNCLASSIFIED	0	69,560	119,158	86,890	108,676	239,774	0.40%	233,258	0.37%	-2.72%
TRANS PACIFIC	17,904	42,610	99,814	86,150	52,400	67,120	0.11%	143,020	0.22%	113.08%
U.S. COASTAL EAST	132,794	42,840	50,648	113,387	1,402,429	80,312	0.13%	147,422	0.23%	83.56%
ANTARCTICA	0	12,240	63,603	53,179	48,499	48,517	0.08%	73,176	0.12%	50.83%
PARTY CRUISES	85,336	3,602	67,462	59,846	68,203	56,010	0.09%	43,296	0.07%	-22.70%
	20,376,994	35,661,526	44,240,712	46,316,587	53,862,817	59,581,366	100.00%	63,585,211	100.00%	6.72%

NOTE: Current destination classifications were established in 1994. Prior to 1985, Bermuda was included in Bahamas/Caribbean, Mississippi and Coastal East were not reported. Prior to 1992, Indian Ocean and Africa were part of unclassified. In 1993 Mexico East was changed to Western Caribbean.

SOURCE: CLIA Brochure/Destination Analysis

5. Estimated Industry Utilization 1981-2001

In comparison to any other leisure vacation category, the cruise industry maintains a very high occupancy level, which has increased dramatically since the very early eighties.

	Worldwide Capacity Marketed N/A *	Estimated Load Factor
1981	41,073	70.28
1982	47,266	68.33
1983	47,834	76.63
1984	52,392	77.05
1985	56,771	80.67
1986	60,446	86.21
1987	66,810	87.70
1988	72,268	87.85
1989	72,369	87.02
1990	83,533	88.89
1991	86,631	87.02
1992	97,539	86.56
1993	103,988	84.84
1994	103,296	85.62
1995	105,161	86.50
1996	110,230	87.50
1997	118,013	90.80
1998	138,373	91.60
1999	148,750	88.40
2000	166,201	90.40
2001	172,281	90.20

*SOURCE: CLIA Five-Year Capacity Analysis

G. CLIA - As an Association

1. CLIA Cruise Industry Representation

CLIA is an association that represents 23 cruise lines that market the most majority of customer originating in from the United States and Canada.

MEMBER LINES

American Cruise Lines

Bora Bora Cruises*

Carnival Cruise Lines

Celebrity Cruises

Costa Cruises

Crystal Cruises

Cunard Line

Disney Cruise Line

First European Cruises

Fred. Olsen Cruise Lines*

Holland America Line

Mediterranean Shipping Cruises

Norwegian Coastal Voyages (Bergen)

Norwegian Cruise Lines

Orient Cruises

Princess Cruises

Radisson Seven Seas Cruise Line

Regal Cruises

Royal Caribbean International

Royal Olympic

Seabourn Cruise Line

Silversea Cruises

Windstar Cruises

* New Members Starting 2002

2. North American Association of Travel Agent Affiliates

In 2001 CLIA had approximately 18,700 Travel Agency affiliates. The recent reduction in affiliate membership is a reflection of the general consolidation and attrition in the travel agency business. The trend has particularly affected corporate travel and has been accelerated as a result of the airlines reducing / eliminating travel agency base commissions. This is resulting in more travel agencies shifting their focus to cruise and leisure sales and CLIA's membership now reflects an approximate 50/50 percentage of ARC/IATA agencies versus non-ARC/IATA agencies.

	Members	% Growth vs. Prior Year
1972	7,900	5.3
1980	10,900	4.8
1981	11,000	0.9
1982	11,000	0.0
1983	10,700	(2.7)
1984	12,500	16.8
1985	14,887	19.1
1986	15,507	4.2
1987	17,377	12.0
1988	18,620	7.2
1989	19,458	4.5
1990	20,128	3.4
1991	19,952	(0.9)
1992	20,712	3.8
1993	21,463	3.6
1994	22,300	3.9
1995	22,722	1.9
1996	21,519	(5.3)
1997	21,450	(.6)
1998	20,665	(3.6)
1999	20,905	1.2
2000	19,895	(4.8)
2001	18,707	(5.9)

SOURCE: CLIA data -- year-end actuals.

H. Other Key Sources of Information on the Cruise Industry

1. Books and Pamphlets

OAG Cruise & Ferry Guide published by Reed Travel Group, Church Street, Dunstable, Bedfordshire, LU5 4HB, United Kingdom. Four times a year at $237 annually. Phone: (441582) 600111, Fax: (0582) 695230. Extensive listings of ferry services worldwide. To order contact (800) 323-3537.

CLIA Cruise Manual published by Cruise Lines International Association, 500 Fifth Avenue, Suite 1407, New York, NY 10110; (212) 921-0066; 700 pages, $50 for CLIA affiliates and $75 for non-CLIA affiliates. The manual is published mainly for the travel agency community as a reference source on CLIA's Member Cruise Lines. This annually updated, clearly organized, comprehensive volume reflects suggestions made by travel agents. In-depth information on cruise ship and their companies includes new, improved data on: dining aboard CLIA vessels, suggestions for on-board tipping and gratuities, summary of credit card policies of individual Member Lines, and lots more. Obtained by sending check or money order directly to Cruise Lines International Association (add $4.00 for postage and handling) or call to order with Visa, MasterCard or American Express.

CLIA's Cruising: Guide to the Cruise Line Industry is CLIA"s cruise industry textbook designed for travel industry professionals and students of travel. This 10-chapter textbook approaches the topic of cruise vacations from the prospective of a working travel professional. Travel agents enrolled in the CLIA Cruise Counsellor Certification training program can earn 30 training credits by completing the textbook's corresponding exam. Cruising: A Guide to The Cruise Line Industry retails for $48.95 - CLIA affiliates pay only $44.06 To order, call 1-800-347-7707. CLIA affiliated travel agencies should mention the promotion code 9DPEM 306A.

Cruise Industry News Annual - 11997 edition published yearly by Cruise Industry News, 441 Lexington Avenue, Suite 1209, New York, NY 10017; (212) 986-1025; 400 pages, $450. This annual provides an objective overview and forecasts of the worldwide cruise industry, including supply and demand scenarios, and analysis of each market segment and sailing region. The book also provides expert discussions of relevant subjects and issues as well as analysis of the earnings reports of the leading cruise lines. In addition, the Cruise Industry News Annual profiles all cruise lines around the world and their ships, plus cruise ports, and shipyards. It also features directory listings of the entire cruise lines, ports, shipyards, and supply and service companies. Published since 1988, the Cruise Industry News Annual is mainly subscribed to by industry executives, financial analysts, port and tourism officials, and others on a decision-making level.

Cruise Vacations With Kids by Candyce H. Stapen. Prima Publishing, 400 Hahn Road, Westminster, MD 21157, (800) 726-0600. Includes tips on choosing the right family cruise, advantages of cruising, getting the most for your money and more. 400 pages. Available in bookstores.

Cruises-Selecting, Selling and Booking by Juls Zvoncheck. Published by National Publishers, P.O. Box 288, Rapid City, SD 57709. Both a training manual and guide to major cruise lines. Useful appendices.

Cruising: Q & A published by Cruise Lines International Association, 500 Fifth Avenue, Suite 1407 New York, NY 10110; (212) 921-0066; pocket size, 25 pages, free. Pamphlet answering most frequently asked questions about cruise vacations, with charts showing worldwide cruise destinations, ship line services for children, active adults, honeymooners, shipboard shopping, singles and shipboard cuisine. Obtained by sending a stamped, self-addressed envelope (55 cents postage) to CLIA.

The Complete Cruise Handbook By Anne Vipond. Published by Ocean Cruise Guides Ltd., 4844 Cedar Cres. Delta, B.C. V4M 1J8 Phone (604) 948-0594, Fax (604) 948-2779. E-Mail oceancrs@netcom.ca. A comprehensive introduction to cruising for first-timers. How to pick the cruise and ship that's right for you.

Caribbean by Cruise Ship By Anne Vipond. Published by Ocean Cruise Guides Ltd., 4844 Cedar Cres. Delta, B.C. V4M 1J8 Phone (604) 948-0594, Fax (604) 948-2779. E-Mail oceancrs@netcom.ca.The complete guide to the Caribbean cruise experience. Over 80 maps and 300 photos.

Caribbean Ports of Call--Southeastern Region: (Kay Showker) 1-800-243-0495. The Globe Pequot Press P.O. Box 480 Guilford, CT 06437. Profiles, tours, sports, shopping, history and more on the islands from Puerto Rico to the Panama Canal.

Caribbean Ports of Call--Northeastern Region: (Kay Showker) 1-800-243-0495. The Globe Pequot Press P.O. Box 480 Guilford, CT 06437. Profiles, tours, sports, shopping, history and more on the islands from the Bahamas to the Virgin Islands.

Caribbean Ports of Call--Western Caribbean: (Kay Showker) 1-800-243-0495. The Globe Pequot Press P.O. Box 480 Guilford, CT 06437. Profiles, tours, sports, shopping, history and more on the islands from the Bahamas to Columbia.

Cruise Business Review: Cruise media Oy, Ltd. 701 Brickell Key Blvd, Suite 1003 Miami, FL 33131. International magazine focusing on the cruise business.

Cruise Reports: (973) 605-2442. Cruise Reports 25 Washington Street, Morristown, NJ 07960. Cr@gti.net, www.cruisereports.com. Monthly newsletter features reviews of ships with ratings based on independent surveys of passengers. New and comments about cruises and cruising.

Dictionary of the Cruise Industry: (Gloria Israel and Laurence Miller) Seatrade Cruise Academy, Seatrade House, 42 North Station Road, Colchester C01 1RD United Kingdom. Comprehensive dictionary of nautical and business terminology of the cruise industry.

Seatrade Cruise Review: Seatrade Organization, Seatrade House, 42 North Station Rd., Colchester C01 1RB United Kingdom. Quarterly magazine reporting on the business of cruising worldwide.

The Total Traveler by Ship: Cahners Travel Group, 500 Plaza Drive, Secaucus, NJ 07094. Directory of ships, cruise lines and ports of call.

Alaska By Cruise Ship By Anne Vipond. Published by Ocean Cruise Guides Ltd., 4844 Cedar Cres. Delta, B.C. V4M 1J8 Phone (604) 948-0594, Fax (604) 948-2779. E-Mail oceancrs@netcom.ca. The complete guide to the Alaska cruise experience. Includes over 70 maps and over 300 photos.

Mediterranean By Cruise Ship By Anne Vipond. Published by Ocean Cruise Guides Ltd., 4844 Cedar Cres. Delta, B.C. V4M 1J8 Phone (604) 948-0594, Fax (604) 948-2779. E-Mail oceancrs@netcom.ca. The complete guide to all Mediterranean cruises. Over 100 maps and over 400 photos.

The Essential Little Cruise Book;Author, Jim West. This compact collection of cruise wisdom has everything you need to know for a perfect vacation at sea. Jim West has logged many nautical miles as a cruise director and doles out the answers to cruise questions with wit and style. How can you get the best cabin in your price range? The best table in the dining room? The best service from the crew? It's like having your own personal cruise consultant. The Essential Little Cruise Book will help you make the most of your time at sea. Available at local bookstores or by calling, toll free, Cruise Concepts at (888) 867-8600. 117 West St. Paul Street, Springville, IL 61362.

2. Periodicals/Consumer

Agent's Cruise Monthly, , published by World Ocean & Cruise Liner Society, P.O. Box 92, Stamford, CT 06904; (203) 329-2787. Annual subscription $30.

Cruise Industry News, the Newsletter, published twice a month by Cruise Industry News, 441 Lexington Avenue, Suite 1209, New York, NY 10017; (212) 986-1025. Six pages; $495 a year. Published since 1985, this newsletter provides the inside business news of the industry and is subscribed to by industry executives, financial analysts, port and tourism officials, government agencies, and major travel agency groups.

Cruise Industry News Quarterly Magazine, published four times a year by Cruise Industry News, 441 Lexington Avenue, Suite 1209, New York, NY 10017; (212) 986-1025; $30 per year. The magazine's editorial focus covers all aspects of cruise operations; shipbuilding, new ships, cruise companies, ship reviews, on-board services, food and beverage, and ports and destinations. Published since 1991, it's worldwide readership includes cruise line executives, shipboard officers and crew, shipyards, ports, service and supply companies, and travel agents.

Cruise Travel, 990 Grover Street, Evanston, IL 60201. Subscription price $23.94, first time $11.97. Color magazine with feature articles about ships and cruising; six issues per year. (847) 491-6440.

International Cruise Market Monitor Prepared and published by G.P. Wild (International) Limited, 15 Gander Hill, Haywards Heath, West Sussex, RH16 1QU; +44 (0) 1444 413931. An authoritative quarterly publication covering the economic, marketing and operational aspects of the cruise industry worldwide. Sectorial capacity growth, corporate activities, supply and demand are examined critically with a view to providing an independent, analytical and objective appraisal of the industry together with a guide to its future development. Price $415.00 per four issues 250 pound sterling.

Lloyd's Annual Cruise Review Prepared by Management and Marketing Consultants G.P. Wild (International) Limited and published by Lloyd's of London Press. An authoritative study, published annually, covering the economic, marketing and operational aspects of the cruise industry world-wide. Sectorial capacity growth, corporate activities, supply and demand are examined critically with a view to providing an independent, analytical and objective appraisal of the industry together with a guide to its financial data and fleet details for future development. Subscriptions Dept., Lloyd's of London Press, Sheepen Place, Colchester, Essex, England CO3 3LP. Price $431.00 pounds; 011 44 1206 772277.

Maritime Services Directory published by Simmons-Boardman Publications Corporation, 1809 Capitol Avenue, Omaha, NE 68102, (800) 895-4389, Fax (402) 346-3670; $119.95 + $9.50 shipping and handling. Extensive listings of maritime vendors, services, associations, and port authorities.

Ocean and Cruise News, published by World Ocean & Cruise Liner Society, P.O. Box 92, Stamford, CT 06904; (203) 329-2787. Single issue price $2.50 or $30 per year. Newsletter published 12 times per year. Profiles of "ship of the month" and other features.

Official Steamship Guide International, Executive Tower One, 9111 Cross Park Drive, Suite D247, Knoxville, TN 37923; (800) 783-4903 or (856) 531-0392. Quarterly Publication, 4 issues at $90.00. Catalog of cruise ship departures listed by major cruising areas and date. Includes prices and itineraries.

Porthole Cruise Magazine, published by Bill Panoff,. PPI Group, 4517 NW 31 Avenue, Fort Lauderdale, FL 33309. Phone (954) 377-7777. 1 year subscription (6 issues) at $19.95. 2-year subscription (12 issues) at $29.95. Devoted to the cruise industry and is the number one source of cruise information for the travel savvy cruise consumer. This publication provides in depth cruise ship feature reports, product evaluations and general cruise industry news.

3. Other Sources

Porthole Insider, published by Bill Panoff. PPI Group, 4517 NW 31 Avenue, Fort Lauderdale, FL 33309. Phone (954) 377-7777. A publication exploring industry issues, includes state of the industry reports on marketing, financial information, and integrates information on all aspects of the cruise industry from an operations standpoint. Directed towards cruise line executives and other industry decision-makers.

Buyer's Guide to Cruise Bargains Discount & Deals. published by Ticket To Adventure, P.O. Box 41005, St. Petersburg, FL 33743-1005, (800) 929-7447 or cruisechooser@yahoo.com. U.S. $29.95 includes S & H.

How To Get A Job With A Cruise Line, 5th Edition published by Ticket To Adventure, P.O. Box 41005, St. Petersburg, FL 33743-1005, (800) 929-7447 or cruisechooser@yahoo.com. Everything you need to know about getting a job on board a cruise ship. Job descriptions, career training, and insider tips to help the job searcher with important information. U.S. $29.95 includes S & H.

Vacations on Video, 7662 East Gray Road, Suite 101, Scottsdale, AZ 85260, (480) 483-1551. Source for purchase of travel videos with list that includes 300 videos from 35 major cruise lines as well as other travel suppliers. Contact Vacations on Video for further pricing information.

Lloyd's Cruise International, One Singer Street, London EC2A 4LQ, England, +44 (0) 171 250 1500. Covers important aspects of the cruise industry including marketing, passenger services and related equipment, port developments, business developments, regulatory issues and market trends.