

# Port of Galveston Surpasses Revenue Projections in Spite of Hurricane Ike

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Galveston, TX (February 2, 2009) – Despite substantial damage inflicted by Hurricane Ike on the Port of Galveston, a revenue report released by the seaport indicates revenues are rebounding quicker than anticipated. According to the report, the Port of Galveston exceeded its projected revenues for the month of December 2008 by \$300,000 with total revenues of \$2 million. Quick action and decisions made by the Board of Trustees of the Galveston Wharves following the storm ensured speedy recovery from Ike's effects. As a result, annual revenues for 2008 were \$20.8 million which were only \$500,000 short of the record revenues recorded by the Port in 2007. These revenues were achieved despite the fact that ADM Grain Co., one of the Port's largest revenue generating tenants, has been out of service since the September 13th storm as repairs to its facility continues.

"We were fortunate to have had a successful month in terms of cruise traffic, wharfage, and parking operations. I don't think anyone expected to come out ahead this quickly following the aftermath of Hurricane Ike but we did." said Port Director, Steve Cernak. "While significant infrastructure challenges remain, the quick return to profitability will help as the port moves forward in dealing with our challenges".

The Port handled its first vessel eight days after the storm. Vessels and cargoes of all types were accommodated. The first vessel to arrive following Hurricane Ike was the MV Triton Highway. This K-Line ship kept to its original schedule with the assistance of longtime Galveston shipping agency Biehl & Co., demonstrating confidence in the Port's ability to quickly rebound. The Triton Highway delivered approximately 790 metric tons of rolling stock and non-containerized cargo to the Port's Pier 39/40 Terminal.

Following Hurricane Ike, Cruise Terminal 1 underwent a thorough top-to bottom overhaul, and seven weeks later to the day, as Carnival Ecstasy returned to its homeport with Carnival Conquest returning a day later. In addition, Royal Caribbean's Voyager of the Seas resumed normal operations in December. All three vessels have been operating on their normal schedules.

The Port of Galveston is ranked sixth in the nation in terms of cruise passenger embarkations. The Port handles over 600,000 cruise passengers annually. The Port's Pelican Island facilities comprise a combination of undeveloped property, an active ship and rig repair facility, and liquid bulk operations. The Port is served by both major western railroad operators and contributes significant economic impact to the State of Texas by providing more than 11,400 jobs and generating \$1.0 billion of economic activity of which \$587.8 million is annual income.

Located at the entrance to Galveston Bay, the Port leases and maintains facilities situated on the north side of Galveston Island and on adjacent Pelican Island. The Galveston Island operations are a diversified mix of traditional and non-traditional cargo operations including roll on-roll-off cargo, dry bulk, export grain, refrigerated fruit, general cargo and project cargo.