

News Release

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For Immediate Release

CARNIVAL'S FIRST YEAR OF OPERATION BRINGS MAJOR INFLUX OF NEW VISITORS TO GALVESTON ISLAND

Economic Impact Projected at \$42 Million

Galveston, Texas...October 9, 2001...Carnival Cruise Lines' first full year of operation at The Texas Cruise Ship Terminal on Galveston Island has enticed almost 130,000 new visitors to Galveston Island. Carnival's year began September 30, 2000 with the first sailing of the 1,486-passenger *Celebration* to exotic ports in Mexico.

By the end of calendar year 2000, 33,194 passengers sailed from Galveston. Every voyage excluding the first, which was threatened by a hurricane in the Gulf of Mexico, has sailed at 100% plus capacity. The average passenger load for the 20 cruises in 2000 was 1660.

Through September 30th of this year, 96,354 new Galveston visitors sailed on the *Celebration*, again reaching the 100% plus capacity on each sailing. The average on the 58 sailings was 1,717 passengers.

"We are excited that the major cruise lines in the world have looked at the Port of Galveston and at Galveston Island and liked what they saw," stated Katherine D. Moore, Port Director. "We have worked hard to attract hundreds of thousands of new visitors to Galveston Island. When

Phase II of the cruise terminal is complete, we will have invested \$11.7 million in Galveston's cruise facility.”

The estimated annual economic impact of a homeported vessel like *Celebration* sailing from Galveston seventy times per year is approximately \$42 million per year. Cruise industry reports indicate that local vessel spending is expected to exceed \$21 million annually from the purchase of fuel, deck and engine supplies, food stores, linens, water and miscellaneous items.

A Price Waterhouse Report estimates that passenger spending is estimated to be \$150 per passenger per sailing. Therefore, based on the projection of 145,000 passengers for 2001, another \$21 million in local spending is estimated.

“Calculations reveal that by the end of this year, 145,000 new visitors will visit Galveston Island,” added Moore. “We feel confident that by the end of 2004, cruising from Galveston Island will have enticed 300,000 new vacationers to our island.”

The Texas cruise market is comprised of a seven-state area with a population in excess of 30 million people. Within Texas lie two of the largest metropolitan statistical areas in the U.S. – Houston and Dallas. Marketing studies undertaken by Carnival Cruise Lines and current bookings on the *Celebration* confirm the strength of the marketplace for cruise passengers. Original estimates included 50 percent “drive-to” passengers aboard *Celebration*. Current bookings indicate “drive-to” passengers in the 80 + percent range, additional confirmation of the strength of the cruise passenger market in the seven-state area.

Designated a port in 1825 while Texas still belonged to Mexico, the Port of Galveston is a wholly owned utility of the City of Galveston. The port is located on the upper Texas coast at the mouth of Galveston Bay, just 30 minutes steaming time from the open sea and provides facilities to handle containers, dry and liquid bulk, break bulk, Ro-Ro, refrigerated and project cargoes and cruise passengers.

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