THE CRUISE INDUSTRY: UPCOMING CHALLENGES AND OPPORTUNITIES

ITT 2017 CONFERENCE

SORRENTO, 13 JUNE 2017
THE GLOBAL CRUISE INDUSTRY IN FIGURES*

448 OCEAN CRUISE SHIPS
25.3 million PASSENGERS
956,597 JOBS (DIR. + INDIR.)

$117 billion TOTAL ECONOMIC OUTPUT WORLDWIDE

* Data compiled and provided by CLIA
EVOLUTION IN THE NUMBER OF CRUISE PASSENGERS WORLDWIDE*

International ocean cruise passengers (millions)

Data compiled and provided by CLIA

* Data compiled and provided by CLIA
Global cruise industry has **doubled** in just 10 years (2007-2017).


Penetration rates remain very low compared to land-based tourism.

Should penetration rate reach N-American levels, the number of W-European passengers would double*.

Growth potential of cruises is **massive**.

*Penetration rates

<table>
<thead>
<tr>
<th>Region</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>N-America</td>
<td>3.4%</td>
</tr>
<tr>
<td>W-Europe</td>
<td>1.7%</td>
</tr>
<tr>
<td>UK</td>
<td>2.6%</td>
</tr>
<tr>
<td>France</td>
<td>1.0%</td>
</tr>
</tbody>
</table>
CRUISE PASSENGERS WORLDWIDE: WHERE THEY COME FROM*

US 11.28 million
Spain 486,000
Canada 724,000
UK 1.88 million
France 574,000
Italy 751,000
China 986,000
Germany 2.01 million
Brazil 618,000
Australia 1.1 million
Rest of the World 2.03 million

* Data compiled and provided by CLIA
At least 74 ocean-going cruise ships to join the global fleet 2017-2026

* Data compiled and provided by Seatrade Cruise News
THE CRUISE INDUSTRY’S FOOTPRINT IN EUROPE*

6.7 million
EUROPEAN PASSENGERS

ORDER IN EUROPE’S YARDS
71

JOBS (DIR. + INDIR.)
360,000

€40.95 billion
CRUISE INDUSTRY’S TOTAL ECONOMIC OUTPUT IN EUROPE
THE CRUISE INDUSTRY’S FOOTPRINT IN THE UK*

1.9 million passengers
73,919 jobs
€3.26 billion direct expenditures

* Data compiled and provided by CLIA
A young and fast-growing business, which has become the 4th largest cruise operator worldwide in just over a decade.

- World’s biggest privately owned cruise line
- 4th largest cruise company by capacity
- 1st cruise brand in Europe, South Africa and South America
- 800% growth in the first 10 years
- 194 itineraries offered worldwide
- 192 nationalities welcomed on board
- 67 countries in which MSC Cruises holidays are sold
## MSC CRUISES TODAY: OUR FLEET

### 3 HIGHLY FLEXIBLE CLASSES OF SHIPS

<table>
<thead>
<tr>
<th>Class</th>
<th>Year(s)</th>
</tr>
</thead>
</table>

**Renaissance Programme**

(2014-2015)

Extensive overhaul of the entire Lirica Class
YET ANOTHER PROTOTYPE: MSC MERAVIGLIA
MSC MERAVIDAILA: A DESTINATION IN ITSELF
MSC MERAVIGLIA: INTRODUCING A BRAND NEW PROTOTYPE

MSC presents
MSC CRUISES’ GROWTH PLAN

Up to 11 new ships to be built over the next 10 years, amounting to a €9 billion investment

2017-2020: already 6 ships, 2x capacity to 3.2 million guests/year

MSC Meraviglia
MSC Seaview
MSC Bellissima
Meraviglia-Plus Class
Meraviglia-Plus Class 2
Seaside Class 3

2021
2022
2023
2024
2025
2026

World Class 1
World Class 2
World Class 3
World Class 4

Orders
Already in service
Under construction
MSC Magnifica sailing from Southampton in 2018

6 unique itineraries
22 sailings
7/9/10/11/14 night itineraries
Northern Europe cities, Across to the Med, Norwegian Fjords and around UK & Ireland explorer
INTERNATIONAL GLAMOUR WITH DISTINCT BRITISH TWISTS

British Cruise Director
British Hotel Director
Kettles in all cabins with ‘as voted for’ teabags
British Condiments such as HP sauce, Horseradish, Marmite, British Mustard etc.
British and Irish draft beers
Dedicated food areas to include pasties and pastries
English comedian
TOWARDS A GREEN FUTURE: MSC CRUISES’ WORLD CLASS

- LNG-POWERED ENGINES
- 200,000 GRT
- Y SHAPE STRUCTURE to increase proportion of balcony cabins
- STRAIGHT BOW to improve stability and guest comfort
OUTLOOK: CHALLENGES AND OPPORTUNITIES

- Regulatory red tape
- Visa restrictions
- Strict border controls
- Expanding and upgrading port infrastructure
- Overcoming local opposition to cruising