

Carnival Corporation: Industry Leader in China and Asia

The leading cruise operator in Asia, Carnival Corporation's industry leadership also extends to China, where its presence includes Costa Cruises, the brand that first brought cruising to China in 2006, and Princess Cruises, one of the world's most popular premier cruise lines. Carnival Corporation has grown its operations in Asia in recent years, and as the region's emerging and underpenetrated cruise market continues to develop and evolve, the company expects significant potential for sustained growth over the next decade and beyond.

As of 2016, there were 135 million outbound travelers in China, more than any other country in the world, but only about 1.5 percent of Chinese consumers took a cruise, providing a significant opportunity to educate, promote and raise awareness for cruising as a great vacation experience at an exceptional value. As consumers in China become more aware of cruising as an extraordinary holiday, the growth potential will expand. Overall tourism growth in China will create additional opportunity, as outbound China travelers are expected to reach 200 million by 2020 – with China projected to eventually become the largest cruise market in the world.

In addition to its industry-leading presence in China, Carnival Corporation formed a joint venture in China in 2015 that intends to launch the first world-class, multi-ship domestic cruise brand in the Chinese market. Carnival Corporation partnered with China State Shipbuilding Corporation (CSSC) on the new venture to accelerate the development and growth of the overall cruise industry in China. The joint venture was formalized with the British Prime Minister David Cameron and Chinese President Xi Jinping in attendance in October 2015, signifying the importance of the joint venture and the prominent role the travel and tourism industry will play in China's economic growth plans.

Under the structure of the joint venture, Carnival Corporation and CSSC, the largest shipbuilder in China, plan to purchase and operate cruise ships as part of what is expected to be the first multi-ship fleet sailing for the domestic Chinese brand. In another industry-first development, Carnival Corporation's cruise joint venture in China announced that it will order the world's first new cruise ships to be built in China for the Chinese market. The agreement calls for two cruise ships to be built by a China-based shipbuilding joint venture involving leading global shipbuilder Fincantieri, with an option for four additional ships. The world's first China-built cruise ships are expected to be delivered in 2023.

In July 2017, Princess Cruises launched an all-new ship – Majestic Princess – in Shanghai as the first cruise ship specifically designed and purpose-built for the Chinese market.

Costa Asia, which operates Costa Cruises, the leading cruise brand in China, announced it will launch two new cruise ships in China in 2019 and 2020. The 135,500-ton ships are expected to carry 4,200 guests and will be specifically designed and built for the Chinese market.

This expansion further demonstrates Carnival Corporation's long-term commitment to China and the execution of the company's strategy to provide a variety of vacation options and cruise experiences to meet demand in all segments of the global market.

Carnival Corporation operates a significant number of offices across China and Asia to serve growing demand for cruising. The entire region will remain a continued strong growth area for years to come,

including key markets in Asia expected to drive growth such as China, Japan, Korea, Hong Kong, Taiwan and Singapore.

Source: Carnival Corporation Corporate Communications | April 2018