

Princess & Holland America Shoreside Support Companies



Scope of Operations – Who We Are

- ▣ Our collective companies specialize in providing cruise-quality experiences for visitors away from the ships through motorcoach, rail, and hotel operations.
- ▣ We provide the seamless transition in experience from ship to shore.
- ▣ Our service includes our parent companies as well as third party cruise lines.
- ▣ We help guests who take a cruise see more of Alaska than they can see from the confines of a ship.
 - Approximately 70% of the total number of guests who take Princess and Holland America cruises spend more than two nights either pre or post-cruise in South Central or Interior Alaska either at one of our properties or independently.
- ▣ In many cases we provide a bridge between the Ships and local Tour Operators.
- ▣ All of our companies operate under the umbrella of Carnival Corp. – including ongoing changes from within.
- ▣ Alaska is the only cruise destination in the world with this level of shoreside support – namely because one can only see a fraction of the beauty of Alaska from a ship.

Our Footprint in Alaska



On-going Changes from Within

- ▣ Discover Alaska Tours in Southeast Alaska was the first step in a joint merger of Alaska operations of Holland America and Princess Cruises & Tours.
- ▣ Princess and Holland (Gray Line) divisions were merged to provide overall better service for our guests in a more efficient manner – a byproduct of which is a lighter footprint in the communities in which we operate.
- ▣ The DAT merger came to fruition in February 2008 and has been an overall success.
- ▣ Currently the Gray Line and Princess land operations in Interior & South Central Alaska are undergoing a similar joint venture that will be expanded to include all Princess & Holland operations in Alaska.
 - Princess & Westmark hotel operations will continue to operate separately due to their unique operations.

Scope of Operations

- Key areas of operation include ground transportation support for shore excursions in Southeast Alaska as well as transportation support for cruise tours in South Central and Interior Alaska – including a rail division.
- A separate hotel division provides lodging experience for our guests throughout the State including the Denali, Kenai, and Copper River regions.
- Overall the merged company and the hotel divisions employ approximately 4500 seasonal employees and 450 year-round staff based in Alaska.



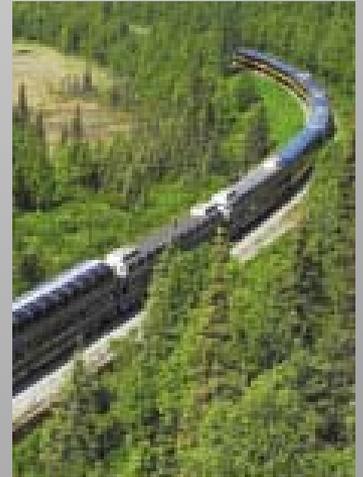
Motorcoach Operations

- ▣ Positions include: CDL Driver-guides, Dock Reps, Sales Reps, Operations Supervisors, Dispatchers, Fleet Detail Crew, Maintenance staff, Office Support staff, and Management.
- ▣ Key responsibility is to provide transportation support in all Alaska locations in addition to shore excursion support in Southeast Alaska.
- ▣ Division sizes range from approximately a dozen vehicles and 25 employees in Denali to 90+ vehicles and 120 employees in Juneau.



Rail Operations

- ▣ Positions include: culinary, tour directors, bar & wait staff, stewards, coordination staff, sales staff, supervisors, maintenance, and management.
- ▣ Key responsibility is to connect the ship experience to the beauty of Denali in a unique way.
“Direct to the Wilderness”.
- ▣ Rail Divisions based in Anchorage with satellites in Fairbanks, Whittier, and Denali posts.



Hotel Operations

- ▣ Positions include: Management, facilities maintenance, front desk, accounting, culinary, support staff (wait, housekeeping, bell services), and sales staff (gift shops).
- ▣ Key responsibility is simple: Provide the same quality experience in each facility that a guest can expect aboard a Princess or Holland America ship.
- ▣ Princess and Westmark operate a dozen hotels in Alaska between Juneau and Fairbanks.



Employment Scope

- ▣ Qualified local hire is always the preference to fill job openings.
- ▣ Outside recruitment comes into play to fill voids created by lack of qualified local hire.
- ▣ Seasonal hiring begins as early as the end of the prior season and continues until positions are filled.
- ▣ Management staff often spend more time recruiting and hiring than managing an operating season.
- ▣ Full staffing is key to a successful season.

Employment Challenges

- ▣ It is becoming more difficult to find enough locals to fill positions.
 - Many aren't interested in seasonal work or entry level positions.
 - Many can't commit to employment dates.
 - 8 years ago, Juneau was roughly 90% local hire – in 2009 it will be roughly 45% local hire.
- ▣ Getting more and more difficult to fill skilled positions – namely maintenance.
- ▣ Increase in business and scope of operations has added to difficulties in filling staff quotas for a full season.

The Challenge of Maintenance

- ▣ Finding qualified maintenance staff has become increasingly difficult. Where we used to recruit generically for all positions we now specialize our recruitment to emphasize key areas such as maintenance.
- ▣ In-State efforts include AVTEC, Tanana Valley Campus, UAS, and other programs.
- ▣ Out of state efforts focus on trade schools selling the Alaska experience in addition to a good job.
- ▣ These efforts are improving, as we are seeing not only better candidates, but more effort from in-State Institutions to provide opportunities for recruiting – apprenticeships on the horizon.

Addressing Challenges

- ▣ Various Management Recruiting Committees have been formed to address traditional shortcomings and create solutions.
- ▣ To attract more In-State Driver-guides, Princess has teamed up with UAF to create a class for credit that allows students to earn 3 credits by getting their CDL and working set dates in a season.
- ▣ UAS is creating an apprenticeship program that will help draw in future maintenance staff as well as improve the quality of current staff that may not be journeyman mechanics.
- ▣ Hotels are partnering with culinary institutes to fill key positions.

What still could be done

- ▣ More of the same – better relations between local institutions and industry to fill as many key positions locally in the future.
- ▣ More emphasis in education institutions in general customer service – we find that basic customer service skills are lacking in new hires.
- ▣ Continuing our relationship with the UA, AVTEC, and other entities to grow educational programs that relate to Alaska's tourism market.