

Holiday Cruise Lines

New Terminal
Construction:
The Time Value of
Money

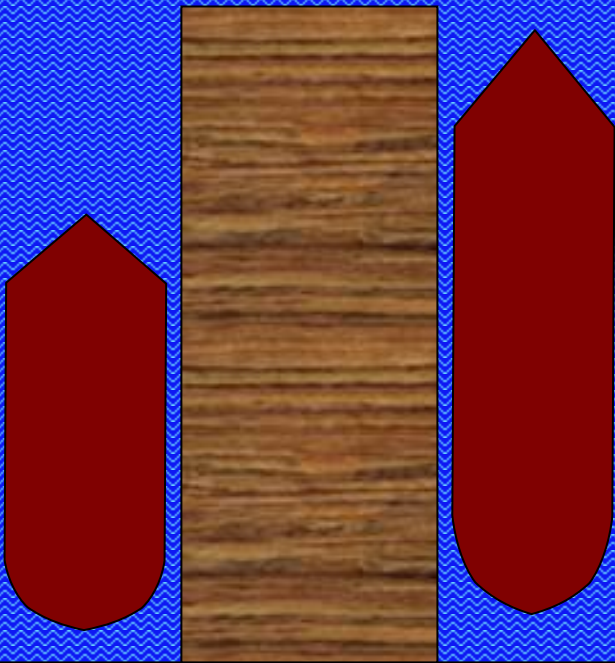
Basic Details About Old North Cruise Terminal

- 900 ft facility along the Northern Fringe of Pierpoint City
- In recent years, cruise demand has increased significantly
- Some of the newer mega-ships are too large to use existing terminal

Old North Cruise Terminal

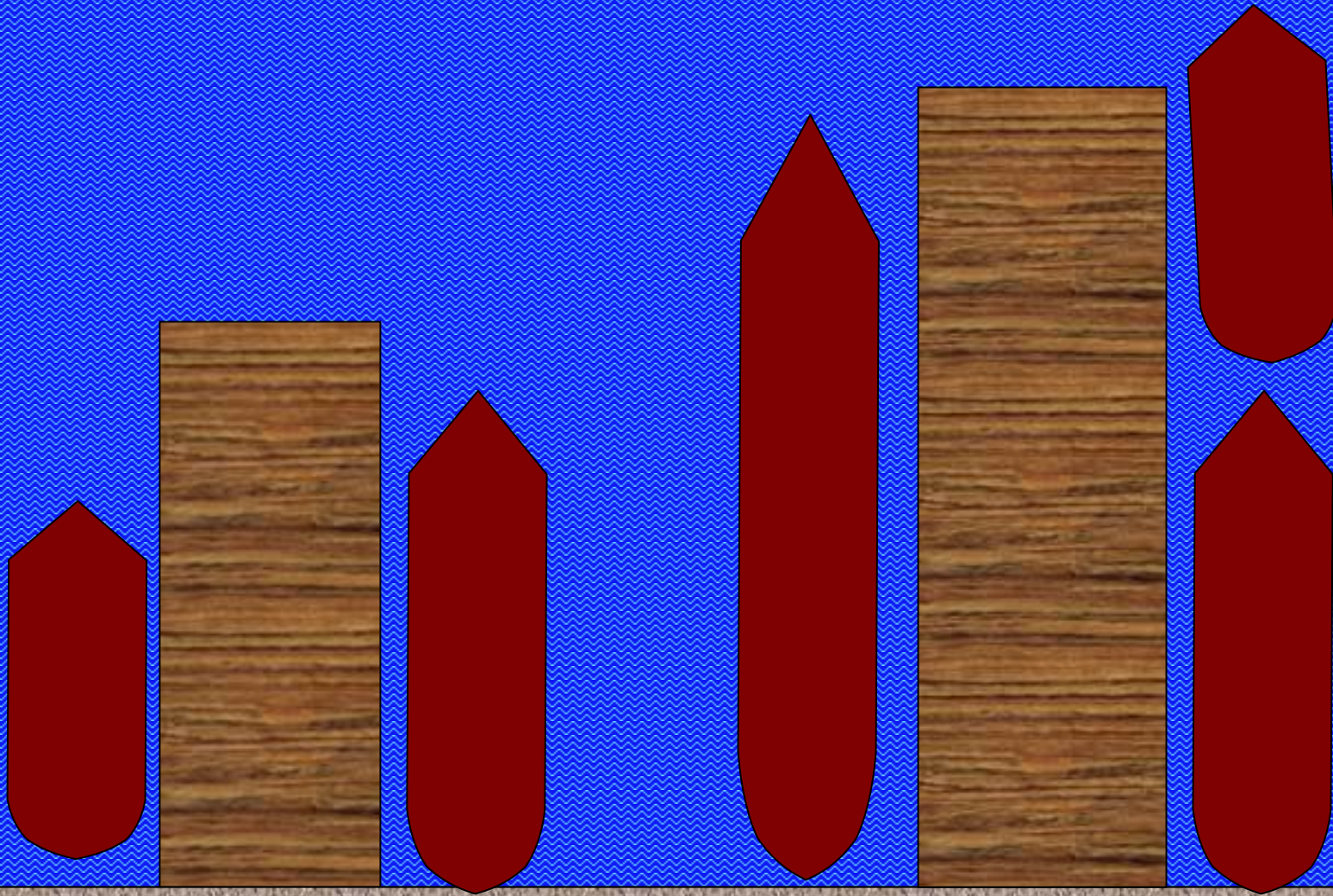
Characteristics

- Max. Ship Length: < 900 ft.
- Max. ship arrivals/departures per day: 2 of each
- Porters required per passenger movement: 0.05 (1 porter for every 20 passengers)
 - Porter wage: \$30/hour per porter
 - Porters work 2 hours for departing ships and 3 returning ships
- Lines crew required per ship length: 1 per 150 ft.
 - Lines Crew Wage: \$40/hour per porter
 - Lines Crew Labor Requirement: 8 hour shift
- Annual Exclusive Use Fee: \$400,000
- Maintenance Fee (monthly): \$3,000



An Outdated Facility!

NEW North Cruise Terminal



The Expansion: 1200 ft Facility

Additional capacity = Simultaneous docking
for....

- 2 Mega-Ships OR

- 2 Medium Ships & 2 Small Ships OR

- 4 Small Ships

- Total Cost: \$100 million (assume all investment occurs in year 0)

- Increased Profits: \$15 million first year and increasing 2% each year for lifetime of terminal (highly simplified)