

**TABLE 1: NET PRESENT VALUE AND RETURN ON INVESTMENT EXAMPLE CALCULATION: PROJECT GENESIS**

PRELIMINARY DRAFT	Year																					
Ref to start up = 1	-1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Ref to zero at start of constr	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
<b>Navigator</b>																						
Sailings per week			1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue passengers per sailing			6,228	6,228																		
Revenue passengers			323,856	323,856																		
CRF rate			5	5																		
CRF amount			\$ 1,619,280	\$ 1,619,280																		
Regular revenue rate			\$ 10.00	\$ 10.00																		
Regular revenue amount			\$ 3,238,560	\$ 3,238,560																		
<b>Genesis</b>																						
Sailings per week			0	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Revenue passengers per sailing			11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232	11,232
Revenue passengers			-	584,064	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128	1,168,128
CRF rate			\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CRF amount			\$ -	\$ 2,920,320	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regular revenue rate			\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Regular revenue amount			\$ -	\$ 5,840,640	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280
Other revenue passengers subject to CRF			1,576,144	992,080	731,872	731,872	731,872	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CRF rate			\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CRF amount			\$ 7,880,720	\$ 4,960,400	\$ 3,659,360	\$ 3,659,360	\$ 3,659,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating cost factor as percent of regular rate			50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Total CRF amount			\$ 9,500,000	\$ 9,500,000	\$ 9,500,000	\$ 9,500,000	\$ 9,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regular revenue amount for CT-18			\$ 3,238,560	\$ 9,079,200	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280
Total revenue			\$ 12,738,560	\$ 18,579,200	\$ 21,181,280	\$ 21,181,280	\$ 21,181,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280	\$ 11,681,280
Operating cost			\$ 1,619,280	\$ 4,539,600	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640	\$ 5,840,640

	Year																					
Ref to start up = 1	-1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Ref to zero at start of constr	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
<b>Investment Cost</b>			(18,692,500)	(18,692,500)																		
<b>Revenues</b>																						
Total CRF amount			9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regular revenue amount for CT-18			3,238,560	9,079,200	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280
Total revenue			12,738,560	18,579,200	21,181,280	21,181,280	21,181,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280	11,681,280
<b>Operating cost</b>			1,619,280	4,539,600	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640
<b>Net Operating Revenues</b>			11,119,280	14,039,600	15,340,640	15,340,640	15,340,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640
<b>Total</b>			(18,692,500)	(18,692,500)	11,119,280	14,039,600	15,340,640	15,340,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640	5,840,640

Discount factor	8.50%	1	0.9217	0.8495	0.7829	0.7216	0.6650	0.6129	0.5649	0.5207	0.4799	0.4423	0.4076	0.3757	0.3463	0.3191	0.2941	0.2711	0.2499	0.2303	0.2122	0.1956	0.1803	
PVs	Disc rate	8.50%	(18,692,500)	(17,228,111)	9,445,331	10,991,717	11,069,411	10,202,222	9,402,970	3,299,531	3,041,043	2,802,804	2,583,230	2,380,857	2,194,338	2,022,432	1,863,992	1,717,965	1,583,378	1,459,335	1,345,009	1,239,640	1,142,525	1,053,018
<b>NPV</b>			\$ 44,920,138																					
<b>ROI</b>			26.59%																					
PVs of Investment and CRF Only			(18,692,500)	(17,228,111)	8,069,825	7,437,627	6,854,956	6,317,932	5,822,978															
NPV of Inv and CRF			(1,417,293)																					

**Notes:**

- The \$5 capital recovery factor (CRF) charge would be on all line passengers, not only the new ships, about 1.9 million for 5 years. (subject to negotiation). This is incremental revenue associated with Genesis, even though it is to be on all RCI passengers, not only Genesis. The CRF charge is approximately sufficient to recover the investment in 5 years with 8.50% interest.
- The \$10 charge would be permanent with 50% operating cost factor, but only the part on Navigator and Genesis is incremental cost associated with CT-18.
- The project revenues include 1 Navigator in the first year, 1 Navigator + 1 Genesis in the second year and 2 Genesis in the third year and thereafter, as per discussion with Port Everglades.
- In terms of incremental business, the existing business would necessarily be displaced by the new tonnage, which would support considering the entire revenue passenger traffic from the new ships as incremental.
- Industry wide load factor has often ranged around 90% for the cruise industry but no figures were published for PEV or RCI.
- In addition, load factor for cruise ships can exceed 100% due to the way it is calculated, usually 2 passengers per cabin (twin berth) is considered 100%. Information provided by Port Everglades indicated load factors for RCI have been around 100% in PEV.
- Operating cost factor of 50% applied to the regular \$10 charge but not to the additional capital recovery charge of \$5.
- The analysis assumes no business displaced by the Genesis project, all other revenues will continue to accrue the same as if the project were not built.

**Ship characteristics**

<b>Genesis</b>	
Ship passenger capacity	5,616
Revenue passengers per ship	11,232
Number of sailings/year/ship	52
Number of ships	2
Annual revenue passengers	1,168,128
CRF per passenger	\$5.00
Revenue per passenger	\$10.00
Operating expenses	\$5.00
Construction cost of project	\$37.4 M

<b>Navigator</b>	
Ship passenger capacity	3,114
Revenue passengers per ship	6,228
Number of sailings/year/ship	52
Number of ships	1
Annual revenue passengers	323,856
CRF per passenger	\$ 5.00
Revenue per passenger	\$ 10.00
Operating expenses	\$ 5.00