Cruising to New Horizons and Offering Travelers More

February 9, 2015
ADAM M. GOLDSTEIN
Chairman, Cruise Lines International Association
President + COO, Royal Caribbean Cruises Ltd.
STATE OF THE CRUISE INDUSTRY
Cruise Lines International Association Turns 40
CLIA GLOBAL OCEAN CRUISE PASSENGERS

2009-2014\textsuperscript{p} (Millions)

- 2009: 17.8M
- 2010: 19.1M
- 2011: 20.5M
- 2012: 20.9M
- 2013: 21.3M
- 2014\textsuperscript{p}: 22.1M
Ocean cruise RANKED FIRST in best overall vacation

89% of cruisers were HIGHLY SATISFIED with their cruise vacation

84% would RECOMMEND CRUISING to a friend
Cruise Line Members

50,000
Travel Agents

275
Executive Partners
POLICIES AND PRACTICES

to foster a safe, secure and healthy cruise ship environment

Revised Waste Management Policy
Reduced Air Emissions
Advanced Wastewater Treatment Systems
ACCOUNTABILITY
Moving forward responsibly with real accountability to passengers and crew members.

THE FACTS

1. Is cruising really safe? The cruise industry enjoys a safety record that makes us proud: with an extremely low number of safety-related incidents when compared to other modes of travel. In recent years, innovative safety-related technology, processes and training have become even more sophisticated, making cruise ships safer than ever.

2. Are cruise ships compact? A. Yes, in fact, every single passenger on a ship must take part in a mandatory, comprehensive safety drill called "mustering" before sailing. The muster drill ensures that passengers and crew will know where to go in case of an emergency. Details of muster locations and procedures are posted in all passenger cabins. The drill must take place before the ship leaves its first port and is also mandatory under CLIA regulations.

THE LATEST

Passenger health and safety are important. Very important.

LEAVING THE WORLD BETTER THAN YOU FOUND IT.

"The cruise industry is a significant contributor to our nation’s economy and the economic benefits of cruising go beyond port communities - all 50 states benefit from the cruise industry's direct and indirect spending."

THE THERAPY

We hold ourselves to the highest of expectations.

The U.S. Coast Guard enforces safety, security and environmental regulations for all cruise ships operating out of U.S. ports.

WELLBEING

No vacation comes close to cruising as a safe and reliable way to travel. The cruise industry is fully involved in continuous development of best practices when it comes to the safety, security and health of everyone on board a ship - guests and crewmembers alike.
CRUISE VACATIONS AMONG SAFEST MODES OF LEISURE TRANSPORTATION

Cruise Ship Capacity **Grew** by 18% from 2009 to 2013

Number of Operational Incidents **Declined** by 13%
### 2013 CRUISE INDUSTRY ECONOMIC IMPACT

<table>
<thead>
<tr>
<th></th>
<th>Total Output</th>
<th>Total Full-time Jobs</th>
<th>Total Wages</th>
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</thead>
<tbody>
<tr>
<td>Global</td>
<td>$117 billion</td>
<td>891,000</td>
<td>$38 billion</td>
</tr>
<tr>
<td>US</td>
<td>$44 billion</td>
<td>363,000</td>
<td>$18 billion</td>
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</table>
TOTAL U.S. INDUSTRY IMPACT
of Cruise Industry Compared to Other Economic Indicators
Growth Rate 2009 vs. 2013

26% Cruise Tourism

14% GDP
MARIA MILLER
Senior Vice President, Marketing
Norwegian Cruise Line
2015 CRUISE INDUSTRY OUTLOOK
People Continue to Set Sail.

Size Doesn’t Matter.

Specialty Cruising Continues to Thrive.

Caribbean is Queen.

Oh, the New Places We Will Go.

Travel Agents Are Key Influencers.

Passengers Are at the Helm.
PEOPLE CONTINUE TO SET SAIL

CLIA Global Ocean Cruise Passengers (millions)

- 2009: 17.8M
- 2010: 19.1M
- 2011: 20.5M
- 2012: 20.9M
- 2013: 21.3M
- 2014p: 22.1M
- 2015p: 23.0M
TODAY'S AVERAGE CRUISER

49 years old
Married
Employed Full-time
College Educated
Income $114,000
BEST OVERALL VACATION

% of cruisers

- Ocean cruise: 42%
- Land-based vacation: 14%
- All-inclusive resort: 9%
- Resort non-package: 6%
- Visit friends/relatives: 6%
- River cruise: 4%
- Resort package: 4%
- House rental: 4%
- Land-based escorted tour: 2%
- Camping trip: 2%
- Vacation with bus. Trip: 1%
<table>
<thead>
<tr>
<th>Benefit</th>
<th>% of cruisers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chance to Visit Several Locations</td>
<td>70%</td>
</tr>
<tr>
<td>Relax/ Get Away From It All</td>
<td>60%</td>
</tr>
<tr>
<td>Being pampered</td>
<td>60%</td>
</tr>
<tr>
<td>Explore Vacation Area/Return Later</td>
<td>59%</td>
</tr>
<tr>
<td>High quality entertainment</td>
<td>59%</td>
</tr>
<tr>
<td>Easy to Plan and Arrange</td>
<td>58%</td>
</tr>
<tr>
<td>Hassle-free</td>
<td>57%</td>
</tr>
<tr>
<td>Variety of activities</td>
<td>56%</td>
</tr>
<tr>
<td>Unique &amp; Different</td>
<td>55%</td>
</tr>
<tr>
<td>Fine dining</td>
<td>55%</td>
</tr>
</tbody>
</table>
68% of the target consumer segment is interested in taking a cruise in the next 3 years.

62% of cruisers were repeat customers; 3.8 trips on average.

69% of cruise travelers feel a cruise is a better value than a land-based vacation.
SIZE DOESN’T MATTER
## CLIA MEMBER SHIP NEW BUILD SCHEDULE

### 2015 – 2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Ocean</th>
<th>River</th>
<th>Total</th>
<th>Ocean Ship Investment (Billion USD)</th>
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<tr>
<td>2015</td>
<td>6</td>
<td>16</td>
<td>22</td>
<td>$4.05</td>
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<tr>
<td>2016</td>
<td>9</td>
<td>4</td>
<td>13</td>
<td>$6.48</td>
</tr>
<tr>
<td>2017</td>
<td>6</td>
<td>2</td>
<td>8</td>
<td>$5.13</td>
</tr>
<tr>
<td>2018</td>
<td>8</td>
<td>0</td>
<td>8</td>
<td>$6.41</td>
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<tr>
<td>2019</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>$2.72</td>
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<tr>
<td>2020</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>$0.87</td>
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<tr>
<td>Total</td>
<td>33</td>
<td>22</td>
<td>55</td>
<td>$25.65</td>
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</table>
SPECIALTY CRUISING CONTINUES TO THRIVE

River

Ocean
ANNUALIZED PASSENGER GROWTH RATE BY SEGMENT

CLIA North America Brands
5-year CAGR 2009-2014p

30%
20%
10%
0%

Total CLIA NA Brands: 7%
CLIA NA Specialty Brands: 21%
CLIA NA River Brands: 25%
CARIBBEAN IS QUEEN

% of Available Bed Days

Caribbean ▼ 36%
Mediterranean △ 20%
Europe w/o Med ▼ 11%
Aus/NZ/Pacific △ 6%
Asia △ 6%
Alaska 5%
South America ▼ 3%
All Other ▼ 15%

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OH, THE NEW PLACES WE WILL GO
TRAVEL AGENTS ARE KEY INFLUENCERS

70% of Cruisers Use a Travel Agent to Plan and Book Cruise Vacations
61% Increase in 2015 Travel Bookings, To Date

80% Plan to Promote Cruises
PASSENGERS ARE AT THE HELM

Experiences to Remember
Stay Connected
Travel in Packs
Celebration Travel
Love a Theme
Foodcations
People Continue to Set Sail.

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Passengers Are at the Helm.
PANEL

Maria Miller
SVP, Marketing

Jim Berra
CMO

Ken Muskat
EVP, Sales
PR + Guest Services

Edie Rodriguez
President + COO
PASSENGERS ARE AT THE HELM

Experiences to Remember
Stay Connected
Travel in Packs
Celebration Travel
Love a Theme
Foodcations
## Cruise Industry Marketplace Attendees

<table>
<thead>
<tr>
<th>American Cruise Lines</th>
<th>Azamara</th>
<th>Carnival</th>
<th>Costa Cruises</th>
<th>CroisiEurope</th>
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<tbody>
<tr>
<td>Crystal Cruises</td>
<td>Cunard</td>
<td>Hong Kong Tourism Board</td>
<td>InterCruises</td>
<td>MSC Cruises</td>
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<tr>
<td>Holland America Line</td>
<td>Paul Gauguin Cruises</td>
<td>Pearl Seas Cruises</td>
<td>Port Everglades</td>
<td>Princess Cruises</td>
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<tr>
<td>Oceania Cruises</td>
<td>Royal Caribbean International</td>
<td>Seabourn</td>
<td>Tauck River Cruising</td>
<td>Uniworld Resort Cruises</td>
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<tr>
<td>Regent</td>
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THANK YOU