



ROYAL CARIBBEAN CRUISES LTD.

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Commercial Director – Asia Pacific

Royal Caribbean Cruises Ltd.

September 2014





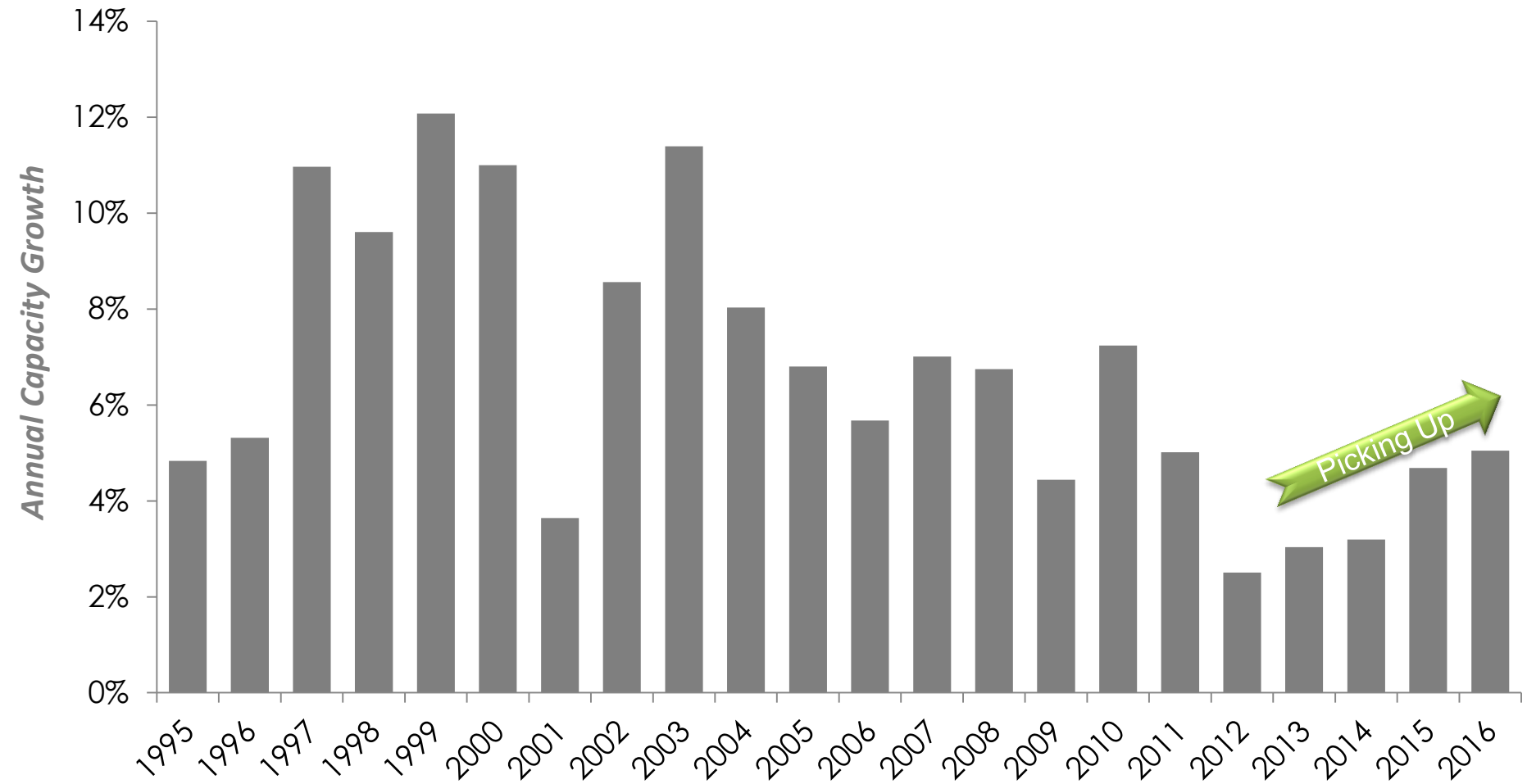
Big Ship Cruising



ROYAL CARIBBEAN CRUISES LTD.



Global Cruise Industry Growth



Order Book

Global Cruise Industry Investment



\$7.2 Billion

Investment
in 2013/ 2014



29 new ships

with a capacity of 34,000+
pax in CLIA Global
Fleet 2013/2014



Another 20

ships will join the CLIA Global
Fleet (52,000+ beds) 2015-18

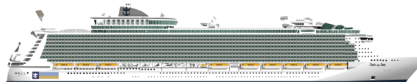


Royal Caribbean Order Book

Quantum



Oasis 3



2014

2015

2016

2017

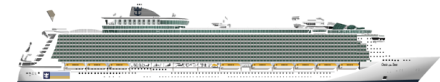
2018



Anthem



Quantum 3



Oasis 4

TUI – Mein Schiff 3 (2014) and Mein Schiff 4 (2015)



Quantum of the Seas



- *Quantum of the Seas*, Arrives Fall 2014 in Cape Liberty
 - 168k tons, 348 meters LOA, over 4,180 guests
 - Sister ship, *Anthem of the Seas*, arrives Spring 2015
- Will arrive in Asia and China June, 2015
 - First newbuild to be deployed to China in inaugural season



Oasis 3 & 4



- Gross tonnage – 227,700 Height - 72 Metres AWL
- Double Occupancy – 5,400 Draught – 9.3 Metres
- Length - 361.6 Metres



Global Order Book

2014

- **Costa**
 - Diadema
 - 132K GRT
 - 3,700

2015

- **P&O**
 - Britannia
 - 141K GRT
 - 3,611
- **Aida**
 - AIDAprima
 - 125K GRT
 - 3,250
- **NCL**
 - Escape
 - 4,100
 - 163K GRT

2016

- **Holland**
 - 2,600
- **Aida**
 - 3,250
- **Carnival**
 - Vista
 - 135K GRT
 - 4,000

2017

- **MSC**
 - 167k GRT
 - 4,500
- **NCL**
 - Bliss
 - 4,200
- **MSC**
 - 154k GRT
 - 4,140
- **Princess**
 - 143k GRT
 - 3,560

2018

- **NCL**
 - 165k GRT
 - 4,200
- **MSC**
 - 154k GRT
 - 4,140

2019

- **MSC**
 - 168k GRT
 - 4,500
- **NCL**
 - 165k GRT
 - 4,200



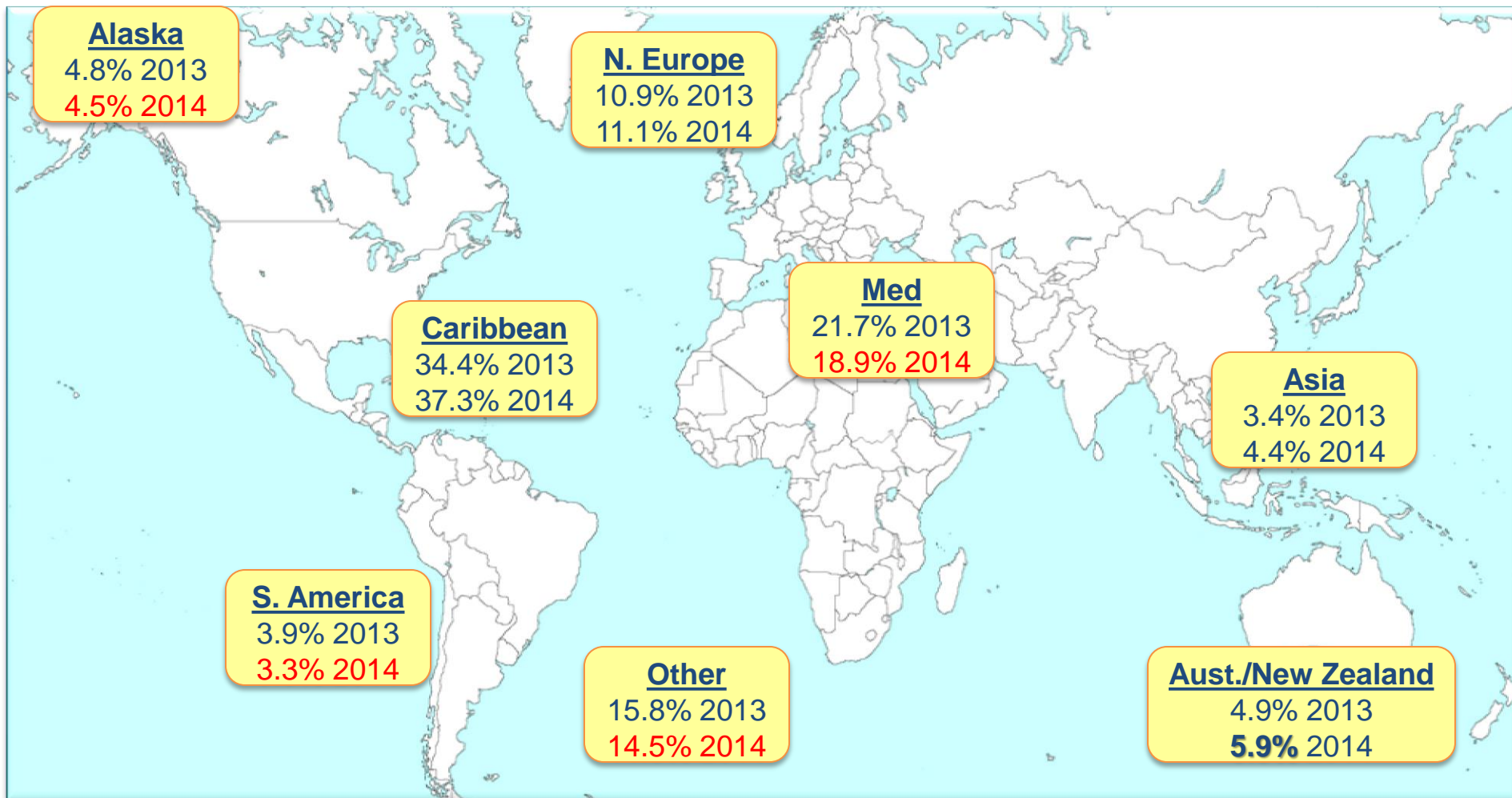
Global Shift

- Newer and bigger hardware going to new regions
- Implications for Australasia
 - Deployment decisions involve global options
 - More than ever, established products and home ports are competing locally as well as globally
 - Sydney & Brisbane is competing with Hong Kong, Shanghai, Singapore, and Tianjin
 - Cairns is competing with Busan and Xiamen
- Australia must be prepared for next generation of ships



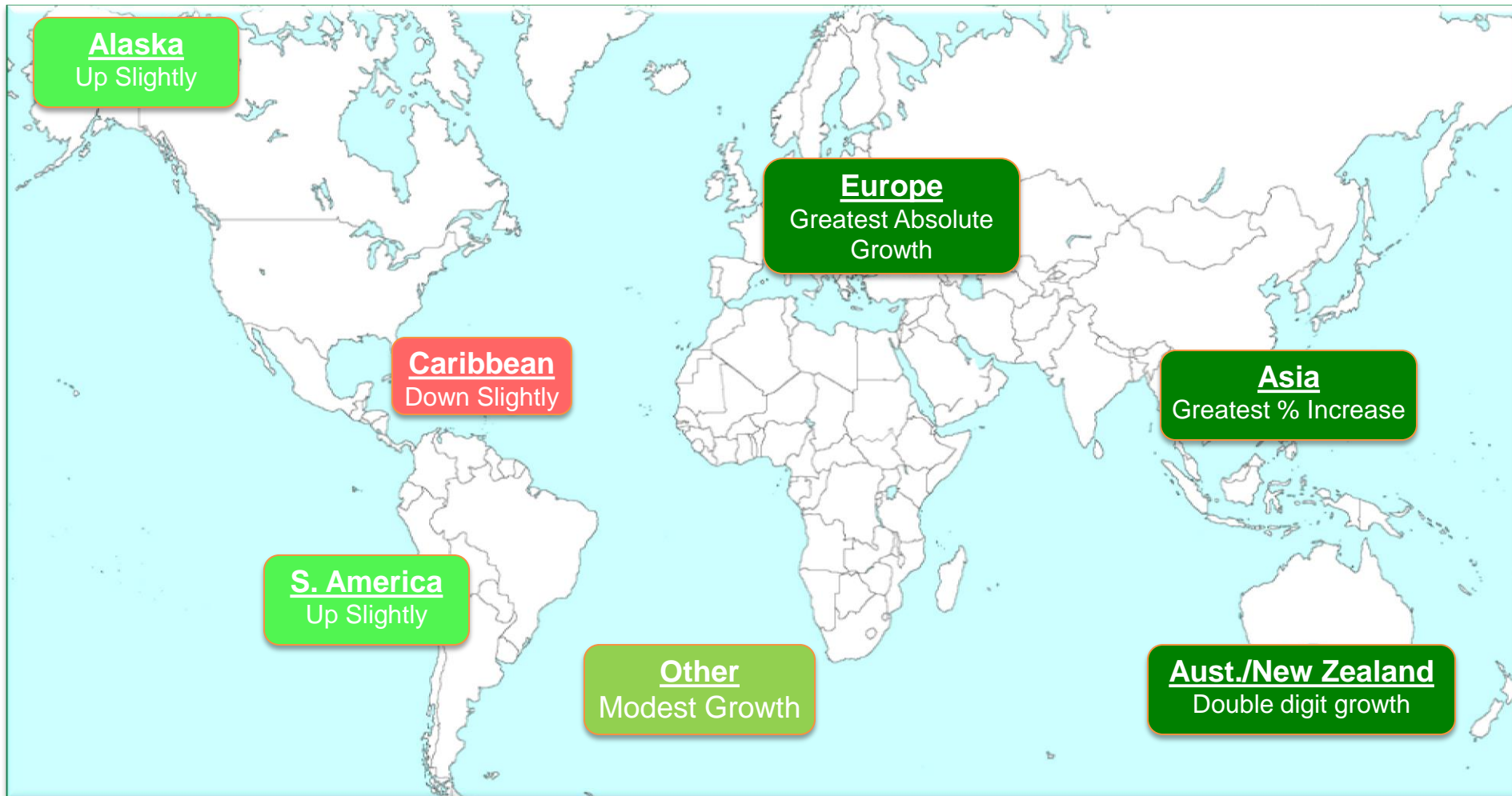
Global Capacity Share ➤ Industry Is Shifting

Australia / New Zealand bigger than Alaska or Asia



2015 Capacity Outlook ➤ Industry Is Shifting

Europe rebounds; Asia Pacific Growth Accelerates



Source: Preliminary estimates based upon announced deployment and public company releases

Global Sourcing Shift

- Global shift is a natural progression of the industry
 - Maturity of existing markets
 - Development of new markets
 - Ship deployment patterns to support markets
- Growth from North America Continues
 - 15% (5 year change)
- Expansion in Europe remains strong
- **Expansion in Asia Pacific leading the charge**
 - 130% over 5 years for Australia/New Zealand

Ships are getting larger / Destination Impact

- Port Infrastructure
 - Pier Lengths, Depths, Bollards, etc
 - Tender landings, Local Tenders (if applicable)
- Tour Infrastructure
 - Deployment team in close coordination with shore excursion team
- Shuttles
- Overall guest experience

An itinerary can only work if all destinations are capable of handling the ship

Big Ship Minimum Requirements

- 1.The channel width should be no less than 3 times the width of the ship at the waterline (WL). **(Minimum 150 meters channel width for the QN class).**
- 2.The depth of the channel should be no less the maximum ship's draft plus three(3) meters. **(12 meters channel depth at Chart Datum (CD) for the QN class).**
- 3.The diameter of the turning basin should be no less than 1.3 times the LOA of the ship. **(455 meters diameter for the QN class).**
- 4.The depth of the turning basin should be no less than the maximum ship's draft plus two(2) meters. **(11 meters turning basin depth at CD for the QN class).**
- 5.The depth across the pier should be no less than the maximum ship's draft plus one(1) meter at Chart Datum (CD).. **(10 meters pier depth at Chart Datum(CD) for the QN class).**
- 6.The **bollard strength** for the VY/FR/QN/OA class should be no less than **150 tons.**
- 7. **Fenders** for VY/FR/QN/OA should be high capacity foam filled 7ft x 14ft with a rated **energy absorption of 633 ft-kips and rated reaction force 337 Kips.**



Itinerary Drivers

- **Profitability**
- Guest demand: Our guests tell us where they want us to take them!
 - Differs greatly by target market, deployment region, and seasonality
- Demand also drives the different types of itineraries
 - Home port selection
 - For example, 7 night cruise or 14 night cruise?
- T(time), S(speed), D(distance) between ports.
- Is the destination ETDBW? (=Easy to Do Business With)



Other Considerations in Planning Process

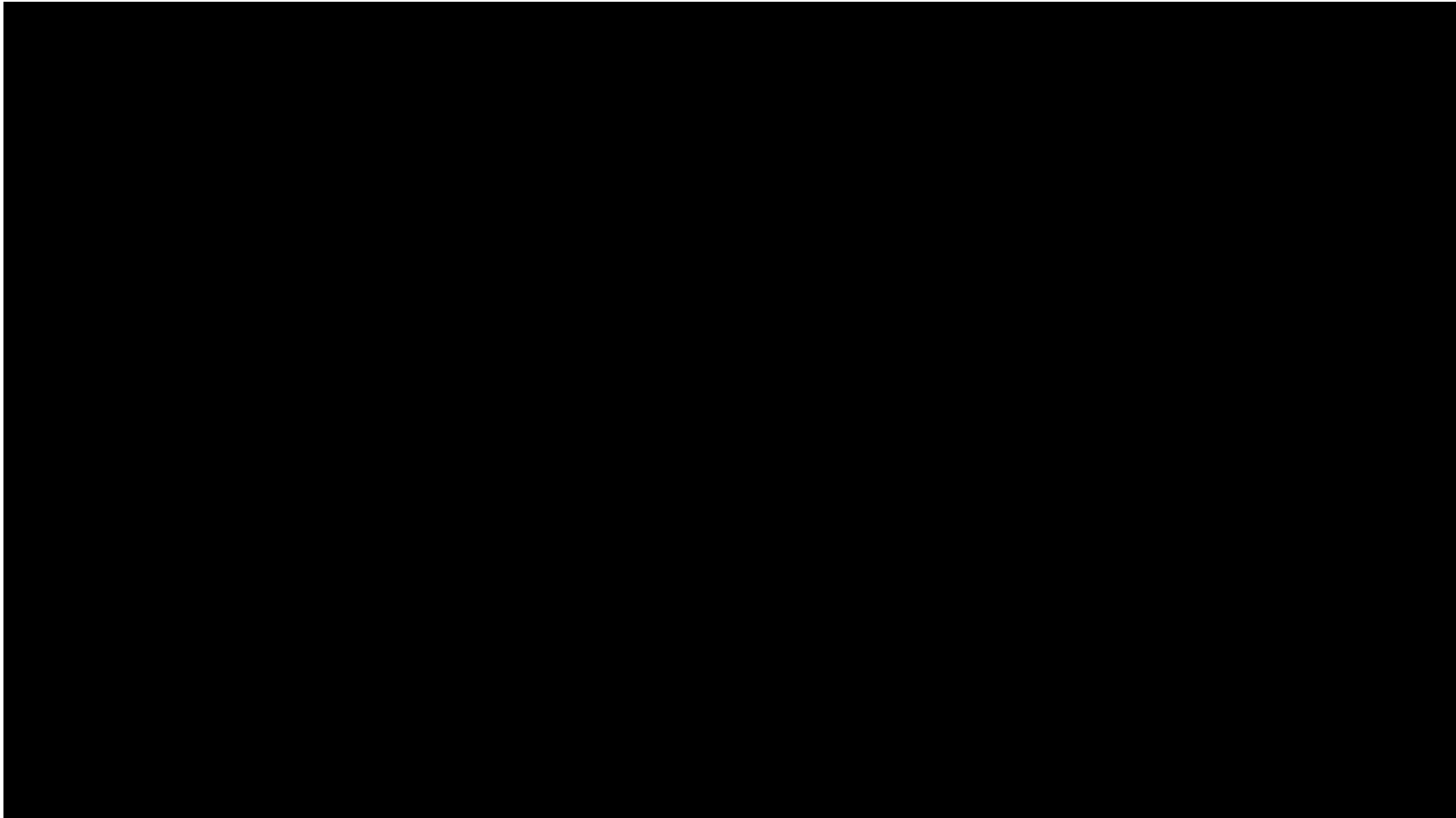
- Must also take into account:
 - Infrastructure & port development
 - Plan for the future, ability to accommodate multiple large ships
 - Berthing availability, policies & restrictions
 - Port Incentives and commitments
 - Fuel cost & availability
 - Global emission regulations (ECA)
 - Dock versus Tendering
 - Air lift availability & cost
 - Weather & safety
 - And more...



What Else Can Destinations Do?

- Know your customers
 - Brand positioning - Target audience / sourcing - Itinerary type
- Develop relationships with key stakeholders
 - Deployment, Shore Excursion, Government Relations, Commercial Development, Operations (Supply Chain, Fuel, Ship-Board Teams)
- Innovate tours & product – give a reason to come back
- Strive to improve guest experience and marketability
- Invest for the future – Increasing ship Sizes
- Focus on how the destination as well as the lines can maximize profitability and volume







THANK YOU!!

