

# A MESSAGE FROM JASON LIBERTY

## RCL EVP & CFO

So at Royal Caribbean what's always very clear is when we set our mind's on achieving something, we can pretty much accomplish anything. 2017 was an exceptional year. Not only were we able to achieve our *Double-Double* objectives of doubling our earnings and reaching double digit ROIC, we were also able to achieve investment grade. So overall, it was an excellent performance for 2017.

*Double-Double* did a lot of things for us. It really instilled a culture and a focus on financial performance. Deliver returns to our shareholders, not only in terms of ROIC, but also increasing the dividend and also buying back shares. It also instilled a culture within the organization that focused day to day making wise investment decisions and delivering a high shareholder returns. So all 68,000 employees will become shareholders through the Thank You, Thank You program. And that is the reward, not only for helping us deliver a *Double-Double*, but allow them to also partake in shareholder value improvement as time goes on.

This is a very exciting time for cruise. There are a lot of incredible demand trends that are really helping improve the tailwinds for cruising. When you look at consumer trends, there's this tradeoff with buying less stuff and buying more experiences, very much in line with the product we deliver each and everyday. When you look at just demographically, more and more Baby Boomers are retiring every single day. That's drawing in more travel, and also drawing in more multigenerational travel. And also what you see is an over indexing happening with the Gen X segment. As well as the Millennials, who are really attracted to cruise as a vacation product allowing them to see hundreds of destinations within a very short period of time. And we think that is very much kind of in the square target of what the consumer is looking for today and going forward.

I think there are several reasons why investors should focus on Royal Caribbean as an investment opportunity. One, we have incredible brands and those brands are leaders in their different segments. We're also very diversified company with about half of our revenue coming from outside the United States. With that large global footprint, that allows our ships to go to over 500 different destinations around the world. If you just look at the performance, we are a double digit returning entity that's investment grade. I think if you were to look you would see a very strong past of execution. We treat our investor's money like it's our own so we're very focused on continuing to improve shareholder returns.

