

Royal Caribbean Reports Record Fourth Quarter 2007 Earnings

2008-01-30

Royal Caribbean Cruises Ltd. (NYSE: RCL, Oslo) today announced record net income for the fourth quarter 2007 of \$70.8 million, or \$0.33 per share, compared to net income of \$46.6 million, or \$0.22 per share, in 2006.

Revenues were better than expected, driven by stronger close-in bookings, while fuel costs were higher due to rising fuel prices. Revenues for the fourth quarter 2007 increased to \$1.5 billion from revenues of \$1.2 billion in the fourth quarter 2006.

Net income for the full year 2007 was \$603.4 million, or \$2.82 per share, compared to net income of \$633.9 million, or \$2.94 per share, for the full year 2006. Revenues for the full year 2007 increased to \$6.1 billion from revenues of \$5.2 billion for the full year 2006.

"It is very gratifying to see such a strong performance, especially in light of the broader consumer and economic environment," said Richard D. Fain, Chairman and Chief Executive Officer. "We are particularly pleased with the solid yield performance of our brands, which produced such healthy earnings despite significantly higher fuel costs." Higher fuel prices increased operating costs by \$45 million in 2007, which reduced earnings per share by \$0.21.

Fain continued, "Despite pressures on consumer spending, yields for the year were consistent with our original expectations, growing 0.3% on a comparable basis (i.e. excluding Pullmantur). This is a testament to the strength and momentum of our products."

Key metrics for the fourth quarter 2007, as compared to the fourth quarter 2006, were as follows:

Net Yields on a comparable basis increased 3.2%, higher than guidance of an increase in a range around 2%. Including Pullmantur, Net Yields increased 11.0%.

Excluding fuel, Net Cruise Costs per APCD on a comparable basis increased 3.4%, higher than guidance of an increase in a range around 2%. Including Pullmantur, Net Cruise Costs per APCD increased 12.1%.

Fuel prices increased 41% versus the fourth quarter of 2006, while fuel costs per APCD increased 19%, benefiting from energy saving initiatives and hedging. The average at-the-pump price for the quarter was \$555 per metric ton versus \$395 per metric ton in 2006.

Net Cruise Costs per APCD on a comparable basis increased 5.9%, higher than guidance of an increase in a range around 2%. Including Pullmantur, Net Cruise Costs per APCD increased 13.4%.

Outlook - 2008

The company provided the following estimates for the first quarter and full year 2008, as compared to the first quarter and full year 2007, respectively.

	First Quarter 2008 -----	Full Year 2008 -----
Capacity	8.8%	5.1%
Net Yields	approx. 7%	approx. 4%
Net Cruise Costs per APCD	approx. 1%	approx. 2%
Net Cruise Costs per APCD, excluding Fuel	(1%) - (2%)	1% - 2%

The company expects to have a 5.1% increase in capacity in 2008, driven primarily by a full year of Liberty of the Seas, the April delivery of Independence of the Seas, Pullmantur's purchase of Pacific Star, and the November delivery of Celebrity Solstice.

"The early indications from the 'wave period' are encouraging," said Fain. "We continue to see healthy booking volumes and improved pricing over the same time last year. Based on this improving revenue performance and our focus on controlling costs, we expect 2008 to be a year of double-digit improvement in EPS."

The company does not forecast fuel prices and its cost guidance for fuel is based on current "at-the-pump" prices including any hedge impacts. Fuel prices remain volatile, however, the company has taken a number of actions to reduce energy consumption and fuel expense. The company is 52% and 45% hedged for the first quarter and full year, respectively. If fuel prices for 2008 remain at today's level, fuel costs for the first quarter 2008 would be approximately \$145 million, or \$492 per metric ton. The corresponding figures for the full year 2008 would be approximately \$595 million, or \$484 per metric ton. A 10% change in the market price of fuel would result in changes of \$8 million and \$35 million in fuel costs for the first quarter and full year, respectively.

	First Quarter 2008 -----	Full Year 2008 -----
Depreciation and Amortization	\$123 to \$128 Million	\$525 to \$545 Million
Interest Expense	\$82 to \$87 Million	\$340 to \$360 Million
Earnings Per Share	\$0.30 to \$0.35	\$3.20 to \$3.40

Based on these estimates, and assuming that fuel prices remain at today's level, the company expects its first quarter 2008 earnings per share to be \$0.30 to \$0.35, and expects full year 2008 earnings per share to be \$3.20 to \$3.40.

As of December 31, 2007, liquidity was \$1.4 billion, comprising \$0.2 billion in cash and cash equivalents and \$1.2 billion in available credit on the company's unsecured revolving credit facility.

Based on current ship orders, projected capital expenditures for 2008, 2009, 2010, and 2011, are estimated to be \$1.9 billion, \$2.0 billion, \$2.2 billion, and \$1.0 billion, respectively. Projected capacity increases for the same four years are estimated at 5.1%, 9.3%, 11.4%, and 6.4%, respectively.

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