

Royal Caribbean Cruises Ltd.

Richard D. Fain
Chairman & Chief Executive Officer

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Dear Friend:

Since you obviously care about the environment, as we do, I want you to have accurate and complete information about our environmental program. First, let me assure you of the following:

- 1. We treat all sewage with marine sanitation devices certified by the U.S. Coast Guard, and discharge far from shore.**
- 2. We do not dump trash overboard.**
- 3. We do not dispose of toxic chemicals at sea.**
- 4. We are closely monitored and inspected by independent, outside environmental auditors.**

Our company properly, legally, and responsibly disposes of all of its shipboard waste, whether it's sewage (called blackwater), water from showers and sinks (graywater), solid waste, or hazardous waste. We exceed all applicable U.S. laws, which we adhere to not only in the United States, but wherever we operate worldwide.

Blackwater

We dispose of blackwater only after it has been treated by a marine sanitation device approved by the Coast Guard. Then—and only then—is it discharged, and then only when we are 12 or more miles from shore and moving at least 6 knots. Studies by the State of Alaska have found that waste dilution at this speed has a negligible effect on the environment. Only in rare circumstances, such as in safety situations when the ship's stability is compromised, or when required maintenance is needed, will we deviate from this policy.

Graywater

We also discharge graywater at sea, but, again, only in accordance with our 12 mile/6 knot policy (subject to the same very limited exceptions).

Solid Waste

We recycle most of the solid waste we generate on ships. We crush bottles, flatten cans, and sort and separate special materials such as batteries. We hold this waste in special freezers to prevent bacteria growth until we reach port, where it is transferred to appropriate recycling facilities. We burn what we can't recycle—mostly paper and plastics. No solid waste—of any kind—is ever allowed to be thrown overboard.

Hazardous Waste

We dispose of hazardous waste such as photo chemicals when we're in port, where it's turned over to licensed hazardous-waste disposal companies. We report all hazardous waste landed in the United States to the State of Florida, and, in turn, to the EPA, which posts this information on its web site—<http://www.epa.gov/epaoswer/hazwaste/data/index.htm>. We dispose of hazardous waste overseas only in countries with necessary facilities and only with operators who handle the waste properly.

Independent Auditing

Our shipboard operations are rigorously and repeatedly scrutinized by teams of independent auditors and regulators, who make sure we comply with all applicable laws and regulations, and meet our own even more stringent policies. We share these auditors' reports with the Coast Guard, as well as with numerous state and federal agencies, so our performance is a matter of record. We started our first audits on our own initiative in 1995.

New Technology

We are always striving to improve our environmental operations by using the latest proven technology. In recent years, we have pioneered a cleaner bilge-water-purification system, which improves bilge-water purity five-to-seven times our previous best practices. We also introduced shipboard gas turbine engines, which reduce smokestack emissions of sulfur oxide (SOX) by more than 80 percent and nitrous oxide (NOX) by more than 90 percent. We are proud of these advances and are determined to maintain our policy of **Continuous Improvement.**

Advanced Wastewater Purification

We continue to work with system manufacturers, environmental organizations, and others in the industry to develop an advanced wastewater purification (AWP) technology to purify blackwater and graywater to near drinking-water level—an accomplishment few facilities at sea or, in many cases, even on land normally achieve. Despite the absence of any law (including special Alaskan provisions), requiring AWP technology, real progress is being made in this important area. We already have prototype units on four ships and – while the early experimental models have experienced problems – we are working to develop systems that can be accepted for general use. Advancing this goal dramatically, the cruise industry, represented by the International Council of Cruise Lines (ICCL), recently signed a major partnership agreement with environmental leader Conservation International to develop AWP technology and to adopt AWP systems industry-wide.

You can learn more about our company's environmental program by writing to our Safety and Environment Department at Royal Caribbean Cruises Ltd., 1050 Caribbean Way, Miami, FL 33132 for a free environmental report. You also may want to visit the State of Alaska's Department of Environmental Conservation web site at <http://www.state.ak.us/local/akpages/ENV.CONSERV/press/cruise/documents/wetfinal.htm> to learn more about cruise ship discharges.

In closing, I would simply add one, perhaps obvious, but one very practical reason for why we work so hard to protect the environment. This company—and the cruise industry as a whole—has an extremely strong self-interest in preserving the world's oceans. We derive our livelihoods from them. If we don't protect them, we most assuredly will lose our jobs, our way of life and our very quality of life. We are not about to take that chance.

Sincerely,



Richard D. Fain
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