

Arne Wilhelmsen — Successful, Respected

ROYAL CARIBBEAN INTERNATIONAL

He may strike you as rather serious at first, with a steady gaze and resolute expression beneath a graying but still boyish haircut. With a lifetime in the shipping industry, including Royal Caribbean, where he has attended every single board meeting for nearly 30 years, shipowner Arne Wilhelmsen may well inspire anyone with respect. But a smile and a laugh are never far off.

Born 68 years ago, into a family with generations of pilots and sea captains, he might seem fated for a maritime profession. Boyhood summers were spent at the seaside, sailing and fishing.

In 1939 his father, Anders Wilhelmsen, founded the family's shipowning business, Awilco. When the company was rebuilt after the loss of its only vessel during the war, Wilhelmsen studied the family business. "Nevertheless, my future career was quite open after school and military service and seafaring practice," he confessed. In 1951, having worked as a shipbroker in New York, Wilhelmsen passed the needle-eye test as one of six to be admitted to the Harvard Business School with no previous university degree. Two intensive years led to his MBA degree in 1953.

However, after another year in New York he returned home at his father's request to join the family business and be in charge of chartering, with increasing managerial responsibility. A partner in 1955, he was joined by his brother Gjert as technical director three years later.

Without the 132,000-ton oil tanker *Wilstar*, built in 1967 during the Suez crisis, Wilhelmsen might never have entered the cruise business. Wilhelmsen explained, "As it was, the *Wilstar* got the full effect of the tanker boom at that time, with some of the best rates obtained by an oil tanker.

"The *Wilstar* enabled us to enter upon various new ventures instead of the traditional tanker and bulk market. Fearing a collapse in the buoyant tanker market before long, we entered car transportation, fish processing at sea, property development and offshore supply/diving services, and data software technology," Wilhelmsen said.

While quite successful in many of these areas, other ventures pale when com-

pared with the Royal Caribbean story. How it all began has become part of modern cruising folklore: Ed Stephan's vision of purpose-built Caribbean cruise ships, which combine Nordic maritime expertise and seamanship with American/Continental marketing and catering knowledge, created a quality product for the middle-class American vacationer.

"We were contacted by the Fearnley shipbroker, Harald Jakhelln, who also happens to be related to my wife, Lise. Although we had no prior experience with passenger ships, Stephan's arguments soon won us over. It didn't take Gjert and me

new partner, financially capable and willing to invest in more mega-ships, and we couldn't have had a better choice than the Pritzkers. They had the financial resources, they knew the holiday market and they were eager to get into the cruise business."

Later events confirmed his views. Revenues from the *Monarch* and the *Majesty of the Seas* had soon covered the entire purchase price from Skaugen and Gotaas-Larsen, and the six *Vision* ships have further strengthened Royal Caribbean's position.

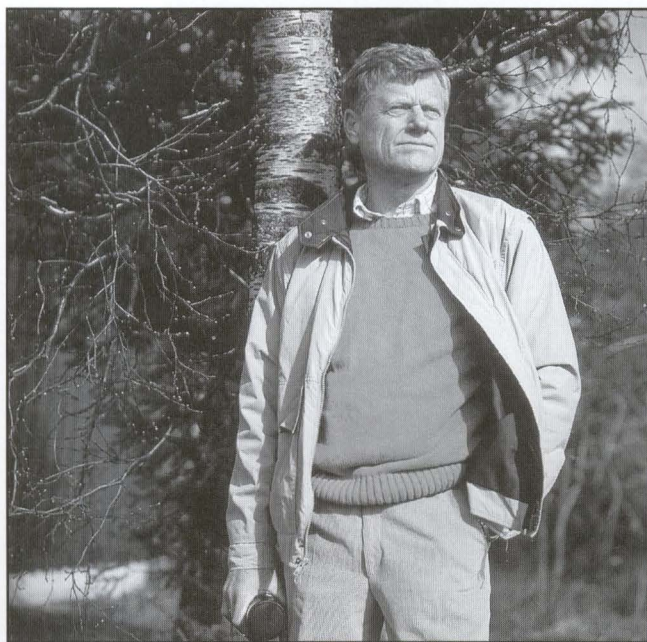
Wilhelmsen makes no secret that in his opinion the two final *Vision*-class ships ought to have been built as *Eagle* ships instead. While not everyone in the Royal Caribbean administration has the same spirit of enterprise as this founding board member, his credo is clear: "You must take advantage of economy of size to stay competitive in this league."

The Wilhelmsens are comfortable with their current 40 percent share of ownership. The agreement permits a further 20 percent reduction without losing control, but there is no intention to use this option in the foreseeable future, according to Wilhelmsen, who is happy that RCI shares will soon be introduced to Norwegian investors on the Oslo Stock Exchange, probably before the end of this year.

Life and work go hand-in-hand in the case of Arne

Wilhelmsen. Meetings and other appointments fill his diary. Despite his commitment to his job, Wilhelmsen also enjoys his personal time. A devoted family man, he is fond of the outdoors, enjoying both skiing and golf.

Wilhelmsen's comfortable, yet tastefully restrained office at Aker Bygge, bears little resemblance to his father's cramped premises. But awareness of the past is represented by the painting behind him of the company's first oil tanker, while a model of the *Sun Viking* adorns the opposite wall. Having seen one of the most successful careers in modern Norwegian shipping, he has a view on the future with an eye on the past. — *Bård Kolltveit, managing director of the Seafaring Museum, Oslo, Norway*



Arne Wilhelmsen enjoying the Norwegian outdoors

long to decide," Wilhelmsen explained.

Later developments certainly proved that the decision was right. Wilhelmsen continued, "Royal Caribbean was an instant and lasting success — the ships were full from the first sailing; we hardly needed to advertise."

Although Wilhelmsen may be a cool financial analyst, to whom a ship is an asset or a liability, depending on earnings, he readily admits a strong personal affection for the ships and for the people working on board.

The 40 days in 1988, when Royal Caribbean's future was at stake, brought forth some of Wilhelmsen's strongest qualities: an analytical mind, a determined will and a vision into the future. "Rather than caving in on Carnival's generous offer," Wilhelmsen stated, "I decided to find a