

P&O Princess Cruises International Limited
Year ended November 30, 2010

Registered number: 03902746



P&O Princess Cruises International Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended November 30, 2010

Principal activities

The Company's principal activity during the year was the charter of the cruise ship Ocean Village to its parent undertaking, Carnival plc. During the year the ship was sold to Carnival plc.

In addition, the Company acts as a holding company for various subsidiary companies of the Carnival plc group.

Results and dividends

The result for the year was a profit of £5.3m (2009: £5.6m). The directors do not recommend the payment of a dividend (2009: nil).

Review of business

The Company acts as a holding company and expects to continue to do so. Movements on share capital and reserves are set out in the notes to the financial statements.

The key financial highlights are as follows:

	2010	2009
	£'m	£'m
Operating profit	5.3	5.6
Profit before tax	5.3	5.6

Financial risk management objectives and policies

At the year end the Company's principal financial instruments comprise intercompany balances. The main purpose of these instruments is to raise funds for, and to finance, the Company's operations. Due to the nature of the financial instruments used by the Company there is no exposure to price risk.

Directors

The directors who held office during the year and up to the date of these financial statements were as follows:

M Arison	P L Foschi
D Bernstein	H S Frank
A B Buckelew	D E Jones (appointed August 5, 2011)
D K Dingle (appointed August 5, 2011)	

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

P&O Princess Cruises International Limited

Directors' report (continued)

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Creditor payment policy

The Company had no trade creditors at November 30, 2010.

Directors' statement as to disclosure of information to auditors

The directors are satisfied that the auditors are aware of all information relevant to the audit of the Company's financial statements for the year ended November 30, 2010 and that they have taken all steps that they ought to have taken as directors in order to make them aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



D Bernstein
Director
August 17, 2011

Oakwood Corporate Services Ltd
Webber House
26-28 Market Street
Altrincham
Cheshire
WA14 1PF

P&O Princess Cruises International Limited

Independent auditors' report to the members of P&O Princess Cruises International Limited

We have audited the financial statements of P&O Princess Cruises International Limited for the year ended November 30, 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2010 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

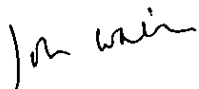
P&O Princess Cruises International Limited

**Independent auditors' report to the members of P&O Princess Cruises International Limited
(continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit


John Waters (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

22 August 2011

P&O Princess Cruises International Limited

Profit and loss account

For the year ended November 30, 2010

	Note	2010 £'m	2009 £'m
Turnover	2	9.7	10.2
Cost of sales		(4.4)	(4.6)
Profit on ordinary activities before taxation	3	<u>5.3</u>	<u>5.6</u>
Taxation	4	-	-
Profit for the financial year transferred to reserves	8	<u>5.3</u>	<u>5.6</u>
Total recognised gains for the year		<u>5.3</u>	<u>5.6</u>

The results all derive from discontinued operations

The company has no recognised gains or losses other than the profits declared for the years above and therefore no statement of total recognised gains and losses has been presented

See accompanying notes to the financial statements

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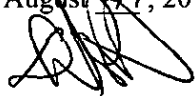
Balance sheet

As at November 30, 2010

	Note	2010 £'m	2009 £'m
Fixed assets			
Tangible assets - Ship	5	-	62 8
Investments	6	0 1	0 1
		<u>0 1</u>	<u>62 9</u>
Current assets			
Amounts owed by parent undertaking and fellow subsidiaries		868 7	800 6
Total assets		<u>868 8</u>	<u>863 5</u>
Capital and reserves			
Called up share capital	7	229 1	229 1
Share premium account	8	601 2	601 2
Profit and loss account	8	38 5	33 2
Equity shareholder's funds	9	<u>868 8</u>	<u>863 5</u>

See accompanying notes to the financial statements

The financial statements on pages 5 to 10 were approved by the Board of directors on August 17, 2011 and signed on its behalf by



D Bernstein

P&O Princess Cruises International Limited

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company

Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006 and under the historical cost accounting rules

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published financial statements.

Tangible assets - ship

The ship is stated at cost less accumulated depreciation. Subsequent ship improvement costs are capitalised as additions to the ship.

Depreciation is calculated to write off the cost to estimated residual value on a straight line basis over the expected useful life of the asset concerned as follows:

Cruise ship	30 years
Ship improvements	3 – 16 years

Investments

Investments are stated at cost, less any provision for impairment.

Impairment of fixed assets

The Company reviews all fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable based on estimated future cash flows. Provision for impairment in value of fixed assets is made in the profit and loss account.

Lease

Operating lease income is accounted for on a straight line basis with any rental increases recognised during the period to which they relate.

Related party transactions

As a wholly owned subsidiary of Carnival plc the Company has taken advantage of the exemption in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies have been expressed in pounds sterling at rates ruling at the balance sheet date. Exchange differences arising from the retranslation of the opening net assets of foreign currency branches and any related loans are taken to reserves. Other exchange differences are taken to the profit and loss account.

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Notes to the financial statements

2. Segmental analysis

Turnover for the year is attributable to the Company's single activity of chartering the cruise ship Ocean Village to Carnival plc, its parent company

3. Profit on ordinary activities before taxation is stated after charging

	2010 £'m	2009 £'m
Depreciation of owned assets	4.4	4.6

The directors do not receive any remuneration for their services to the Company which are of negligible value, their emoluments for work within the group are paid by other group companies and are dealt with in the accounts of those companies (2009 - £nil)

Auditors' remuneration is dealt with on a group basis and no amount has been specifically recharged to this company (2009 - £nil)

During the year the Company sold Ocean Village to Carnival plc for £58.4m which was equivalent to its net book value. The proceeds were settled via intercompany account.

The Company had no employees during the period (2009 - nil)

4. Taxation

	2010 £'m	2009 £'m
The taxation charge is made up as follows		
Current taxation		
UK Corporation tax	-	-

The current taxation charge is reconciled to the UK standard rate as follows

	2010 £'m	2009 £'m
Profit on ordinary activities before tax	5.3	5.6
Notional tax charge at UK standard rate (2010 28.0% and 2009 28.0%)	(1.6)	(1.6)
Effect of tonnage tax - permanent differences	1.6	1.6

Following the Company's entry into the UK tonnage tax regime, the Company's UK corporation tax on shipping profits is calculated by reference to the net tonnage of qualifying vessels. All of the Company's UK revenues and expenses are therefore regarded as permanent differences.

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Notes to the financial statements (continued)

5. Ship

	Owned £'m
Cost	
At November 30, 2009	151.4
Disposals	(151.4)
At November 30, 2010	<u>-</u>
Depreciation	
At December 1, 2009	(88.6)
Charge for year	(4.4)
Disposals	93.0
At November 30, 2010	<u>-</u>
Net book value	
At November 30, 2010	<u>-</u>
At November 30, 2009	<u>62.8</u>

6. Investments

Shares in subsidiary companies	Cost £'m
At November 30, 2010 and 2009	<u>0.1</u>

The directors consider that to give full particulars of all subsidiary undertakings would lead to excessive length. A full list of subsidiary undertakings, at November 30, 2010 will be annexed to the Company's next annual return. The Company's principal subsidiary undertaking at November 30, 2010 is as follows:

	Country of Incorporation/ Registration	Percentage of equity share capital owned at November 30, 2010	Business Description
P&O Travel Ltd	UK	100%	Activity discontinued

7. Called up share capital

The authorised share capital is 229,055,000 £1 ordinary shares.

The allotted, called up and fully paid ordinary share capital is as follows:

	No. of Shares	£'m
At November 30, 2010 and 2009	<u>229,051,002</u>	<u>229.1</u>

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Notes to the financial statements (continued)

8. Reserves

	Share premium account £'m	Profit and loss account £'m	Total £'m
At December 1, 2009	601.2	33.2	634.4
Retained profit for the year	-	5.3	5.3
At November 30, 2010	<u>601.2</u>	<u>38.5</u>	<u>639.7</u>

9. Reconciliation of movements in equity shareholder's funds

	2010 £'m	2009 £'m
Total recognised gains for the year	5.3	5.6
Equity shareholder's funds at beginning of the year	863.5	857.9
Equity shareholder's funds at end of the year	<u>868.8</u>	<u>863.5</u>

10. Ultimate holding company

As at November 30, 2010 the Company's immediate parent company was Carnival plc. Carnival plc is the largest and smallest group which consolidates the Company's accounts. The address from which copies of the parent company's accounts can be obtained is as follows:

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF4 3UZ