

P&O Princess Cruises International Limited
Year ended November 30, 2011

Registered number: 03902746



P&O Princess Cruises International Limited

Directors' report

The directors present their annual report and the audited financial statements of the Company for the year ended November 30, 2011

Principal activities

The Company's principal activity during the year was to act as a holding company for various subsidiary companies of the Carnival plc group

Results and dividends

The result for the year was a profit / (loss) of £(58,747) (2010 £5,300,000) The Company paid an interim dividend of £868,691,253 (2010 £nil) during the year

Review of business

The Company acts as a holding company and expects to continue to do so During the year the Company undertook a capital restructuring, whereby it reduced its issued and fully paid up share capital from 229,051,002 to 100,000 £1 ordinary shares The Company also cancelled its share premium account, further information relating to the changes in the capital of the Company is provided in notes 7 and 8 to the financial statements In light of the activities of P&O Travel Ltd being discontinued the directors considered the carrying value of P&O Travel Ltd and accordingly increased the impairment provision by £58,747 to write down the value of the investment to £nil

The key financial highlights are as follows

	2011	2010
	£	£
Operating profit	-	5,300,000
Profit / (loss) before tax	(58,747)	5,300,000

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, foreign exchange, credit or cash-flow 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)	

P&O Princess Cruises International Limited

Directors' report (continued)

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 prepared 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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

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, 2011 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.

On behalf of the Board



D K Dingle
Director
August 28, 2012

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, 2011 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 and express an opinion on 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 November 30, 2011 and of its loss 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.

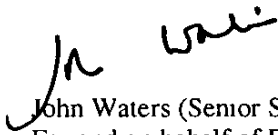
P&O Princess Cruises International Limited

**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

August 6, 2012

P&O Princess Cruises International Limited

Profit and loss account

For the year ended November 30, 2011

	Note	2011 £	2010 £
Turnover	2	-	9,700,000
Cost of sales		-	(4,400,000)
Profit on ordinary activities before taxation	3	-	5,300,000
Impairment provision	5	(58,747)	-
Tax on (loss) / profit on ordinary activities	4	-	-
(Loss) / profit for the financial year		(58,747)	5,300,000
Dividend	8	(868,691,253)	-
Retained (loss) / profit for the financial year		(868,750,000)	5,300,000

The results all derive from discontinued operations

See accompanying notes to the financial statements

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of recognised gains and losses has been presented

P&O Princess Cruises International Limited

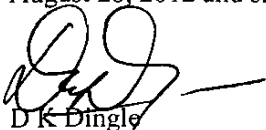
Balance sheet

As at November 30, 2011

	Note	2011 £	2010 £
Fixed assets			
Investments	5	-	58,747
		<u>-</u>	<u>58,747</u>
Current assets			
Amounts owed by parent undertaking	6	100,000	868,791,253
Total assets		<u>100,000</u>	<u>868,850,000</u>
Capital and reserves			
Called up share capital	7	100,000	229,051,002
Share premium account	8	-	601,200,000
Profit and loss account	9	-	38,598,998
Total shareholder's funds		<u>100,000</u>	<u>868,850,000</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 28, 2012 and signed on its behalf by



D K Dingle

Director

P&O Princess Cruises International Limited

Registered number: 03902746

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 are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below

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 ultimate 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

Revenue

Revenue is recognised on a pro rata basis in accordance with delivery of the services being performed

Depreciation

Depreciation is calculated to write off the cost of ships, including improvement costs, to the estimated residual value on a straight line basis over the expected useful life of the asset as follows

Cruise ship	30 years
Ship improvements	3-16 years

Investments

Investments are stated at cost, less any provision for impairment

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 Carnival plc group

Monetary assets and liabilities

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

2 Segmental analysis

Turnover for the prior year is attributable to the Company's activity of chartering the cruise ship Ocean Village to Carnival plc

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Notes to the financial statements (continued)

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

	Year ended November 30, 2011 £	Year ended November 30, 2010 £
Depreciation of owned assets	-	4,400,000

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 (2010 £nil)

Auditors' remuneration is dealt with on a group basis and no amount has been specifically recharged to this Company (2010 nil)

The Company had no employees during the period (2010 - none).

4. Tax on profit on ordinary activities

	Year ended November 30, 2011 £	Year ended November 30, 2010 £
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

	Year ended November 30, 2011 £	Year ended November 30, 2010 £
Profit / (loss) on ordinary activities before tax	(58,747)	5,300,000
Notional tax charge at UK standard rate (2011 26.7% and 2010 28.0%)	15,685	(1,600,000)
Permanent differences – impact of tonnage tax	-	1,600,000
Permanent differences - other	(15,685)	-
	-	-

Following the Company's entry into the UK tonnage tax regime, the Company's UK corporation tax on shipping profits was calculated by reference to the net tonnage of qualifying vessels. However following the sale of the Company's sole remaining ship, Ocean Village, on November 13, 2010 the Company ceased to be taxed under the tonnage tax regime.

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Notes to the financial statements (continued)

5. Fixed asset investments

Shares in subsidiary companies

	Cost	Impairment Provision	Net Book
	£	£	£
At December 1, 2010	100,000	(41,253)	58,747
Increase in impairment provision	-	(58,747)	(58,747)
At November 30, 2011	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>

A full list of subsidiary undertakings, at November 30, 2011 will be annexed to the Company's next annual return. The Company's principal subsidiary undertaking at November 30, 2011 is as follows

	Country of Incorporation/ Registration	Percentage of equity share capital owned at November 30, 2011	Business Description
P&O Travel Ltd	UK	100%	Activity discontinued

In light of the activities of P&O Travel Ltd being discontinued the directors considered the carrying value of P&O Travel Ltd and accordingly increased the impairment provision to write down the value of the investment to £nil

6. Amounts owed by parent undertaking

Amounts owed by parent undertaking are interest free, non-secured and are repayable on demand

7. Called up share capital

Movements in the allotted, called up and fully paid capital of the Company are as follows

	Number of shares	£
At December 1, 2010	229,051,002	229,051,002
Capital reduction	(228,951,002)	(228,951,002)
At November 30, 2011	<u>100,000</u>	<u>100,000</u>

As at November 30, 2011 the allotted, called up and fully paid capital of the Company comprised 100,000 ordinary shares of £1 each (2010 229,051,002)

On November 4, 2011 the Company passed a special resolution to cancel and extinguish 228,951,002 ordinary shares of £1 each

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Notes to the financial statements (continued)

8. Reserves

	Share premium account £	Profit and loss account £	Total £
At December 1, 2010	601,200,000	38,598,998	639,798,998
Capital reduction	-	228,951,002	228,951,002
Share premium cancellation	(601,200,000)	601,200,000	-
Retained loss for the financial year	-	(868,750,000)	(868,750,000)
At November 30, 2011	-	-	-

On November 4, 2011 the Company passed a special resolution that the share premium account of the Company be cancelled and extinguished in full and that the sum of £601,200,000 be attributed to distributable reserves

On November 22, 2011 a meeting of the directors was held, in this meeting it was agreed that a total interim dividend of £868,691,253 be paid on the ordinary shares of £1 each in the capital of the company to the Company's sole shareholder Carnival plc, such dividend to be funded by the settlement of the same amount of debt owing to the Company by Carnival plc

9. Reconciliation of movements in shareholder's funds

	Year ended November 30, 2011 £	Year ended November 30, 2010 £
Total recognised (losses) / gains for the year	(868,750,000)	5,300,000
Equity shareholder's funds at December 1	868,850,000	863,550,000
Equity shareholder's funds at November 30	100,000	868,850,000

10. Ultimate holding company

As at November 30, 2011 the Company's immediate parent, ultimate parent undertaking and controlling party 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