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Registered no.: 921548818

ROYAL CARIBBEAN CRUISE LINE A/S

**Annual report and financial statements
for the year ended 31 December 2011**

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Royal Caribbean Cruise Line A/S

Registered no: 921548818

**Annual report and financial statements for the year ended
31 December 2011**

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Royal Caribbean Cruise Line A/S

Registered no: 921548818

Directors and advisers

Directors

R D Fain (managing director)
G C Barbier (general manager)
B J Rice
O M Osnes

Registered office

Mustadsvei 1
Box 114 Lilleaker
N-0216 Oslo
Norway

Independent auditors

PricewaterhouseCoopers AS
Dronning Eufemiasgate 8
Postboks 748 Sentrum
N-0160 Oslo
Norway

Bankers

J P Morgan Chase Bank
1 Chaseside
Bournemouth
BH7 7DA
United Kingdom

Nordea Bank Norge ASA
Middelthuns gate 17
0368 Oslo
Norway

Royal Caribbean Cruise Line A/S

Registered no. 921548818

Directors' report for the year ended 31 December 2011

Reference is made to the Royal Caribbean Cruise Line A/S ("the Company") profit and loss account, balance sheet and statement of cash flows for the year ended and as at 31 December 2011. In the opinion of the board of directors the financial statements give a true and fair view of the state of affairs of the Company as at the year-end and the profit of the Company for the year.

Principal activities

The Company is a wholly-owned subsidiary of RCL (UK) LTD of which the ultimate parent company is Royal Caribbean Cruises Ltd ("RCL")

During 2010, the Company served as a sales and marketing agent for RCL in certain regions of Europe through its branch offices in the United Kingdom, Norway, Sweden, Germany and Italy ("the branches"). The Company also provided technical project support to RCL through the Company's shipbuilding branch in Norway.

As part of the restructuring of the global RCL businesses, and with effect from 1 January 2011, the business, assets and liabilities, other than NOK'000 78,343 of intercompany debt, of the Company were sold at estimated fair value to a newly created UK legal entity, RCL Cruises Ltd which is a wholly owned subsidiary of RCL. The estimated fair value was validated by the independent auditor Kjellstrup & Wiggen in accordance with Norwegian company law requirements. The gain on sale of the business has been calculated as outlined in Note 16.

The restructure resulted in the creation of new operating branches of the new UK legal entity in the United Kingdom, Norway, Sweden, Italy and Germany through which the sales and marketing activities in each territory will be accounted for going forward. The sales and marketing activities of the respective branches of the Company have been transferred to these new branches with effect from 1 January 2011.

All such transfers have been made on the basis of these sales and marketing activities continuing as a going concern. Consequently, the sale of the business, assets and liabilities by the Company to RCL Cruises Ltd has been made at fair market value, such values having been validated by Kjellstrup & Wiggen, an independent auditor registered in Norway.

Following completion of the restructuring activity, the Company has ceased to trade but remains fully financed to the extent that it can settle all outstanding obligations as they fall due.

Going concern

On the basis of the note above, the financial statements of the Company for the year ended 31 December 2011 have been prepared on a going concern basis.

Directors

The directors who held office during the year were

R D Fain
B J Rice
G C Barbier
O M Osnes

Royal Caribbean Cruise Line A/S

Registered no: 921548818

Directors' report for the year ended 31 December 2011 (continued)

Results for the year

The Company's profit after taxation was NOK'000 157,185 (2010 NOK'000 40,956), with the effective tax rate being 28.0 % (2010 30.9%). Net cash flow utilised by operations was NOK'000 1,590 (2010 generated by operations NOK'000 7,734)

The directors authorised a dividend payment out of distributable reserves amounting to NOK'000 19,976 to the Company's parent, RCL (UK) LTD, during the year under review

Furthermore it is anticipated that the directors will authorise payment of a dividend out of distributable reserves amounting to NOK'000 185,867 once the financial statements have been approved at the annual general meeting of the shareholders

Principal risks and uncertainties

Given that the Company is non-trading and has sufficient funds to settle all outstanding debts as they fall due, it has negligible exposure to credit and liquidity risk

External environment

As the Company is dormant with no employees, its impact on the environment is minimal

Allocation of net income

The Directors have proposed that the net income of the year amounting to NOK'000 157,185 be allocated to retained earnings

Distributable Reserves

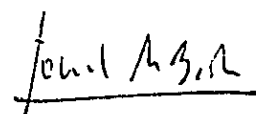
The Company's distributable reserves as at 31 December 2011 are NOK'000 185,867

Distributable reserves of the Company amounting to NOK'000 19,976 have been paid as dividend to the Company's parent, RCL (UK) LTD, during the year

Oslo, _____ 2012



Richard David Fain
Chairman



Gonzalo Chico Barbier
Managing Director



Brian James Rice
Director



Odd Martin Osnes
Director





To the Annual Shareholders' Meeting of Royal Caribbean Cruise Line AS

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Royal Caribbean Cruise Line AS, which comprise the balance sheet as at 31 December 2011, and the income statement, showing a profit of NOK 157 185 000 and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Royal Caribbean Cruise Line AS as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway

Report on Other Legal and Regulatory Requirements*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway

Oslo, 29 June 2012

PricewaterhouseCoopers AS
Sjur Hølseter
State Authorised Public Accountant (Norway)

Royal Caribbean Cruise Line A/S

Registered no: 921548818

		Year ended 31 December 2011	Year ended 31 December 2010
	Notes	NOK'000	NOK'000
Revenue	10	-	1,257,388
Sales and marketing expenses		-	961,282
Payroll expenses	11	-	146,593
Depreciation of fixed assets	4	-	3,034
Other operating expenses		237	95 699
Total operating expenses		237	1,206,608
Operating (loss)/profit		(237)	50,780
Gain on sale of business	16	207,431	-
Other interest received	6	11,074	10,001
Other financial expenses		-	(1,526)
Profit before taxation		218,268	59,255
Tax charge	8	(61,083)	(18,299)
Profit after taxation		157,185	40,956
Allocation of profit after taxation:			
Allocation to retained earnings	2	157,185	40,956
		157,185	40,956

The accompanying notes are an integral part of these financial statements

Royal Caribbean Cruise Line A/S

Registered no. 921548818

Balance sheet as at 31 December 2011

	Notes	As at 31 December 2011 NOK'000	As at 31 December 2010 NOK'000
Assets			
Non current assets			
Tangible fixed assets	4	-	3,318
Other non current assets		-	2,409
Total non current assets		<u>-</u>	<u>5,727</u>
Current assets			
Trade debtors		-	29,660
Intercompany receivables	5	293,978	436,996
Prepaid expenses and other current assets		-	19,049
Profit tax debtor	8	-	448
		<u>293,978</u>	<u>486,153</u>
Cash and bank deposits	13	<u>2,870</u>	<u>91,790</u>
Total current assets		<u>296,848</u>	<u>577,943</u>
Total assets		<u>296,848</u>	<u>583,670</u>
Equity and liabilities			
Equity			
Share capital	2,3	300	300
Share premium reserve	2	<u>2,758</u>	<u>2,758</u>
		<u>3,058</u>	<u>3,058</u>
Retained earnings	2	<u>26,627</u>	<u>75,285</u>
Total equity	2	<u>29,685</u>	<u>78,343</u>
Liabilities			
Non current liabilities			
Net pension liability	9	-	1,095
Total non current liabilities		<u>-</u>	<u>1,095</u>

Royal Caribbean Cruise Line A/S


Registered no: 921548818

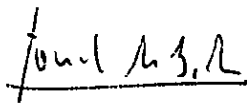
Balance sheet as at 31 December 2011 (continued)

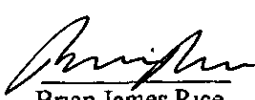
		As at 31 December 2011	As at 31 December 2010
	Notes	NOK'000	NOK'000
Current liabilities			
Trade creditors		-	25,251
Intercompany payables	5	22,141	342,167
Profit tax creditor	8	58,918	10,459
Payroll tax creditor		-	9,031
Dividend payable	2	185,867	-
Other current liabilities	14	237	117,324
Total current liabilities		267,163	504,232
Total equity and liabilities		296,848	583,670
 Guarantees and loan responsibilities	12	 -	 -

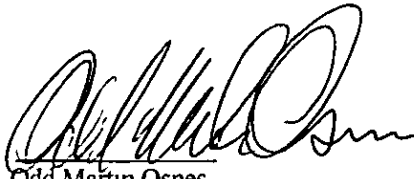
The accompanying notes are an integral part of these financial statements

Oslo, _____ 2012


Richard David Fain
Chairman


Gonzalo Chico Barbier
Managing Director


Brian James Rice
Director


Odd Martin Osnes
Director

Royal Caribbean Cruise Line A/S

Registered no: 921548818

Statement of cash flows for the year ended 31 December 2011

	Notes	Year ended 31 December 2011 NOK'000	Year ended 31 December 2010 NOK'000
Cash flow from operations			
Profit before taxation		218,268	59,255
Taxes paid net of refunds received	8	(2,165)	(6,389)
Depreciation of fixed assets	4	-	3,034
(Increase) / decrease in trade debtors		-	(8,119)
(Increase) in intercompany balances		(7,319)	(48,790)
Increase / (decrease) in trade creditors		237	3,573
Difference between expensed pensions and payments to pension scheme		-	435
Gain on sale of business		(207,431)	-
Net decrease in other assets and liabilities		-	4,735
Net cash flow (used in) / provided by operations		1,590	7,734
Cash flow from investments			
Purchase of fixed assets	4	-	(828)
Proceeds from sale of business (net of cash transferred of NOK'000 91,790)	16	115,640	-
Net cash flow used in investments		117,230	(828)
Cash flow from financing			
Movement in intercompany loans		(206,150)	-
Net cash flow used in financing		(206,150)	-
Net (decrease) / increase in cash and bank deposits		(88,920)	6,906
Net (decrease) / increase in cash and bank deposits		(88,920)	6,906
Exchange rate movement		-	(831)
Cash and cash equivalents at the beginning of the year		91,790	85,715
Cash and cash equivalents at the end of the year	13	2,870	91,790
Specification of cash and cash equivalents at the end of the year			
Cash and bank deposits	13	2,870	91,790

The accompanying notes are an integral part of these financial statements

Notes to the financial statements

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles

Revenue

The Company did not produce any revenue in the year under review

In 2010, the Company earned a commission on the gross ticket price of cruise vacations it sold on behalf of Royal Caribbean Cruises LTD (RCL). The Company earned this commission revenue at the time the underlying cruise vacation revenue was recognised in the financial records of RCL, which was upon completion for voyages with duration of ten days or less and on a pro rata basis for voyages in excess of ten days

In addition, the Company received management fees for other services it provided to RCL and RCL (UK) LTD which were charged on a cost-plus basis. These other services included marketing services and technical project support services provided to RCL and office facilities and management services provided to RCL (UK) LTD

Advertising costs

Advertising costs are expensed as incurred, except for costs that result in tangible assets, such as brochures, which are treated as prepaid expenses and charged to operating expenses as consumed. Advertising costs include media advertising as well as brochure, production and direct mail costs

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation of fixed assets is computed using the straight-line method over the estimated useful life of the asset. Fixed assets are written down to net realisable value if a permanent impairment occurs. Additions or improvements are added to the cost of the asset and depreciated over the remaining useful economic life, while costs of repairs and maintenance are charged to operating expenses as incurred.

Current assets and current liabilities

Current assets and current liabilities comprise items due within one year

Trade receivables are recognised initially at fair value. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect amounts due according to the original terms of the receivables

Taxation

The tax expense for the period comprises current and deferred tax

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income

Notes to the financial statements

1 Accounting policies (continued)

Taxation (continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements on an undiscounted basis. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Foreign currency translation

(a) Functional and presentation currency

For 2011, the functional currency of the Company is Norwegian Kroner and this is the currency in which the financial statements are presented.

For 2010, items included in the financial statements were measured using the currency of the primary economic environment in which the Company operated ('the functional currency'). The functional currency of each branch office was the local currency of the respective country as follows:

UK – GB Pound
Norway – Norwegian Kroner
Sweden – Swedish Kroner
Italy and Germany – Euro

The statutory financial statements were presented in Norwegian Kroner, which was the Company's presentation currency.

The results and financial position of the Company were translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented were translated at the closing rate at the date of that balance sheet
- income and expenses were translated at average exchange rates, and
- resulting exchange differences were recognised in the intercompany balance with RCL. This was based on an agreement with RCL that all such differences were borne by, or were to the benefit of, RCL.

(b) Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are charged to the Profit and Loss account.

Notes to the financial statements

1 Accounting policies (continued)

Foreign currency translation (continued)

(c) Balances

Foreign exchange differences following the revaluation of monetary assets and liabilities in the branches of the Company into their functional currency were charged to the Profit and Loss account

Pensions

The Company had an insured collective pension plan for its Norwegian employees. The plan was a defined benefit plan, which meant that the Company had the financial responsibility for future pension commitments. Straight line earnings profile and projected salaries were used as a basis to calculate the amount of the commitment.

When valuing pension funds and pension commitments, estimated values at year-end were used. The estimated values were adjusted every year in compliance with actuarial calculations made. For insured pensions, the social security fees were expensed based on the pension premium payments made.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits which immediately, and with minimal exchange risk, can be converted into known cash amounts with due dates less than three months from purchase date.

Leases

Leases in which a significant portion of the risks and rewards of ownership were retained by the lessor were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the profit and loss account on a straight line basis over the period of the lease.

Share-based payments

Employees of the Company participated in share option and restricted share unit plans operated by RCL. The value of benefits received under these plans was recognised over the period of vesting at fair value when received. The charge under the plan was accounted for by the Company's ultimate parent company, RCL, and was recharged to the Company.

2 Equity

	Share capital	Share premium reserve	Retained earnings	Total equity
	NOK'000	NOK'000	NOK'000	NOK'000
As at 1 January 2011	300	2,758	75,285	78,343
Profit after taxation for the year	-	-	157,185	157,185
Dividend paid	-	-	(19,976)	(19,976)
Dividend payable	-	-	(185,867)	(185,867)
As at 31 December 2011	<u>300</u>	<u>2,758</u>	<u>26,627</u>	<u>29,685</u>

Royal Caribbean Cruise Line A/S

Registered no: 921548818

Notes to the financial statements

3 Share capital

The share capital of NOK'000 300 consists of 600 shares of NOK 500 each fully paid up RCL (UK) LTD, a company incorporated in England and Wales, is the beneficial owner of all the shares. Shares are equally divided into three classes and each share class has the right to appoint one director and one deputy director. In all other respects, the shares have equal rights. The board consists of three to seven directors as decided by the shareholder, RCL (UK) LTD.

4 Tangible fixed assets

	Leasehold improvements NOK'000	Furniture and fixtures NOK'000	Office equipment NOK'000	Total NOK'000
Cost as at 1 January 2011	200	9,847	12,531	22,578
Additions	-	-	-	-
Disposals	(200)	(9,847)	(12,531)	(22,578)
Cost as at 31 December 2011	-	-	-	-
Depreciation as at 1 January 2011	42	8,455	10,763	19,260
Depreciation charge for the year	-	-	-	-
Disposals	(42)	(8,455)	(10,763)	(19,260)
Depreciation as at 31 December 2011	-	-	-	-
Net book value as at 31 December 2011	-	-	-	-
Net book value as at 31 December 2010	158	1,392	1,768	3,318

5 Related party transactions

The Company and RCL, together with RCL Investments Ltd, have entered into a cash pooling arrangement whereby interest, computed on market terms, is payable on the net balances outstanding between the respective companies.

The following transactions have taken place with related parties

a) Intercompany receivables

	2011 NOK'000	2010 NOK'000
At 1 January	436,996	224,728
Elimination following sale of business	(358,653)	-
Balance brought forward as at 1 January	78,343	224,728
Amounts	206,151	199,128
Interest received	9,484	13,140
	<u>293,978</u>	<u>436,996</u>

Notes to the financial statements

Royal Caribbean Cruise Line A/S

Registered no. 921548818

5 Related party transactions (continued)

b) Intercompany payables

	2011 NOK'000	2010 NOK'000
At 1 January	342,167	28,372
Elimination following sale of business	(342,167)	-
Balance brought forward as at 1 January	-	28,372
Net increase during the year	2,165	183,468
Interest charged	-	4,085
Dividends payable	19,976	151,011
	<u>22,141</u>	<u>342,167</u>

c) Other related party transactions

As part of the restructuring of the global RCL businesses, and with effect from 1 January 2011, the business, assets and liabilities of the Company were sold at estimated fair value to a newly created UK legal entity, RCL Cruises Ltd which is a wholly owned subsidiary of RCL. The estimated fair value was validated by the independent auditor Kjellstrup & Wiggen in accordance with Norwegian company law requirements. The gain on sale of the business has been calculated as outlined in Note 16.

6 Interest receivable

	2011 NOK'000	2010 NOK'000
Bank interest	1,590	946
Interest received on intercompany balances	9,484	9,055
	<u>11,074</u>	<u>10,001</u>

The Company and RCL have entered into a cash pooling arrangement whereby interest, computed on market terms, is payable on the net balances outstanding between the respective companies. Deposits made to the cash pool arrangement remain unsecured.

7 Operating leases

As at 31 December 2011 future minimum lease payments under non-cancellable operating leases were ml (2010 NOK'000 5,451)

Operating lease expenses for the Company totalled NOK'000 ml (2010 NOK'000 7,666)

Royal Caribbean Cruise Line A/S

Registered no: 921548818

Notes to the financial statements

8 Taxation

	2011	2010
	NOK'000	NOK'000
Tax charge		
Current tax		
- Norway	53,592	3,402
- Overseas	7,491	14,897
	<u>61,083</u>	<u>18,299</u>
Deferred tax	-	-
	<u>61,083</u>	<u>18,299</u>
Profit tax creditor as at 1 January	-	(9,607)
Profit tax debtor as at 1 January	-	11,019
Net profit tax creditor as at 1 January	-	1,412
Tax charge eliminated on sale of Company	-	-
Tax charge for the year	(61,083)	(18,244)
Adjustment in respect of prior year	-	(55)
Tax paid	2,165	24,968
Double taxation received	-	(18,309)
Exchange rate movement	-	487
Net profit tax creditor as at 31 December	<u>(58,918)</u>	<u>(10,011)</u>
Profit tax creditor as at 31 December	(58,918)	(10,459)
Profit tax debtor as at 31 December	-	448
Net profit tax creditor as at 31 December	<u>(58,918)</u>	<u>(10,011)</u>
Taxable profit	NOK'000	NOK'000
Profit before tax	218,268	59,255
Permanent differences	-	4,125
Temporary differences	(2,335)	1,032
	<u>215,933</u>	<u>64,412</u>
Norwegian taxable profits	191,401	11,559
Overseas taxable profits	24,532	52,853
	<u>215,933</u>	<u>64,412</u>

Notes to the financial statements

8 Taxation (continued)

Deferred tax in relation to taxable profit

	As at 1 January 2011 NOK'000	Movement in the year NOK'000	As at 31 December 2011 NOK'000
Accelerated depreciation	(4,931)	1,226	(3,706)
Pension obligation	(1,095)	1,095	-
Accrued audit fees	(545)	545	-
Bad debt provision	(442)	442	-
	<u>(7,013)</u>	<u>3,308</u>	<u>(3,706)</u>
Tax benefit @ 28%	<u>(1,964)</u>	<u>926</u>	<u>1,038</u>

The tax benefit of temporary differences has not been recognised in previous years due to uncertainty as to their recovery. In 2011, all assets and liabilities were sold and therefore these unrecognised differences have been reversed. The remaining difference is related to tax value of fixed assets which is not reversible in the year of the sale. The remaining tax value will be reversed in future years.

Explanation of the deviation of tax expenses from 28% of profit before tax:

	NOK'000	NOK'000
		6
Expected profit tax charge @ 28%	61,115	16,591
Reversal of temporary differences	(654)	1,155
Effect of unrecognised tax benefit	-	289
Impact of differences in tax rates	622	209
Tax charge for the year	<u>61,083</u>	<u>18,244</u>
Adjustment in respect of prior year	-	55
Current tax charge	<u>61,083</u>	<u>18,299</u>

The Company submits separate taxation returns in Norway, United Kingdom, Sweden, Germany and Italy. The profits of the United Kingdom and Sweden branches are taxable in Norway, subject to a foreign tax credit. The profits of the Germany and Italy branches are not taxable in Norway.

9 Pension schemes

The Company operated a defined benefit pension scheme for current and former Norwegian employees. The benefits were mainly dependent on the number of earning years, salary level at pension age and the value of benefits from the Norwegian National Insurance Scheme. The commitments were administered through an insurance company.

Notes to the financial statements

9 Pension schemes (continued)

	2011 NOK'000	2010 NOK'000
Present value of pensions earned in the year	-	1,198
Interest expense on the pension commitment	-	422
Expected return on pension funds	-	(445)
Actuarial loss/(gain)	-	494
Net pension charge	-	1,669
	2011 NOK'000	2010 NOK'000
Pension commitments as at 31 December	-	(9,344)
Pension funds at net realisable value as at 31 December	-	8,249
Net pension liability	-	(1,095)
Financial assumptions.	2011	2010
Discount rate	-	4.60%
Expected return on plan assets	-	5.40%
Expected long term salary increase	-	4.00%
Expected long term G (Norwegian state benefit) increase	-	3.75%
Expected long term pension escalation	-	1.30%
Social security contribution	-	14.10%

The actuarial assumptions relating to demographic factors were based on assumptions generally applied to insurance.

The Company also offered defined contribution pension schemes to all employees in the branch offices in the United Kingdom, Germany and Sweden who had completed the minimum period of continuous service. Contributions to the scheme were based on fixed percentages of participants' salaries and matched contributions, not to exceed certain maximums. Such pension costs amounted to NOK'000 nil (2010: NOK'000 2,794).

The company was obligated to follow the Act on Mandatory Company Pensions in Norway. The Company's pension scheme as disclosed above followed the requirements as set out in the above mentioned Act.

As from 1 January 2011, all obligations under the scheme were transferred to RCL Cruises Ltd who will administer the scheme in the same manner as Royal Caribbean Cruise Line AS.

Notes to the financial statements

10 Revenue

Revenues by geographical area were based on the location of each office as follows

	2011 NOK'000	2010 NOK'000
United Kingdom	-	913,484
Germany	-	138,889
Norway	-	114,335
Sweden	-	31,390
Italy	-	59,290
	<u>-</u>	<u>1,257,388</u>

11 Payroll expenses, number of employees and remuneration

Payroll expenses	2011 NOK'000	2010 NOK'000
Wages and salaries	-	124,466
Social security fees	-	16,263
Share-based payments	-	1,401
Pension costs	-	4,463
	<u>-</u>	<u>146,593</u>

Number of employees

The average number of employees during the year was nil (2010 399)

None of the Directors was an employee of the Company during the year

The Directors, including the General Manager, do not receive remuneration or pension contributions from the company and there is no obligation on the Company to pay them in respect of their office or change in, or termination of, employment

Certain Directors and employees of the Company participate in employee stock option plans relating to shares of RCL, the ultimate parent company. However, in the case of the Directors, options are granted in relation to their services to the RCL Group irrespective of their services to RCCL A/S. As such the charge for these options is borne by the group and not RCCL A/S.

The Company has not granted any loans or provided any security or warranties to or on behalf of any Directors or the General Manager as at 31 December 2011.

Auditors' remuneration

In 2011 the Company incurred NOK'000 184 for audit services (2010 NOK'000 690) and NOK'000 53 for technical and tax services (2010 NOK'000 62).

Auditors' remuneration is quoted net of value-added tax.

Notes to the financial statements

12 Guarantees and loan responsibilities

The Company had no guarantees or loan responsibilities as at 31 December 2011

13 Cash and bank deposits

	2011 NOK'000	2010 NOK'000
Restricted bank deposits		
Bank deposits for payroll taxes	-	1,599
Unrestricted cash and bank deposits	2,870	90,191
	<u>2,870</u>	<u>91,790</u>

14 Other current liabilities

	2011 NOK'000	2010 NOK'000
Volume incentive commission accrual	-	44,720
Other accruals	237	46,211
Refunds payable	-	26,393
	<u>237</u>	<u>117,324</u>

15 Share-based payments

RCL operates two share-based compensation plans, which provide for awards to employees of subsidiary companies, including the Company, as well as to officers, directors and key employees of RCL, namely the 2000 Share Award Plan and the 2008 Equity Plan. The plans provide for the issuance of (i) incentive and non-qualified share options, (ii) share appreciation rights, (iii) restricted shares, (iv) restricted share units and (v) performance shares. Share options and restricted share units vest in equal instalments over four to five years respectively from the date of grant. Generally, share options and restricted share units are forfeited if the participant ceases to be a director or employee before the shares vest. Share options, which are equity settled, are granted at a price not less than the fair value of the share on the date of grant and expire not later than ten years after the date of grant.

Following the disposal of the trade and assets and liabilities of the Company to RCL Cruises Ltd, no employees of the Company participated in the plan during the year under review.

Royal Caribbean Cruise Line A/S

Registered no: 921548818

Notes to the financial statements

15 Share-based payments (continued)

Fair values

The fair value of each share option grant was estimated on the date of grant using the Black-Scholes option pricing model. The estimated fair value of share options, less estimated forfeitures, was amortised over the vesting period using the grade-vesting method. The assumptions used in the Black-Scholes option pricing model were as follows:

	2011	2010
Weighted average exercise price	-	\$17.47
Dividend yield	-	0.0%
Expected share price volatility	-	45.0%
Risk-free interest rate	-	2.6%
Expected option life	-	6 years

The plans allowed for the exercise of options in whole or in part at any time to the extent that the option had become vested during the term, normally 12 months after the date of award and did not allow early exercise. Expected volatility was based on a combination of historical and implied volatilities. The risk-free interest rate was based on U.S. Treasury zero coupon issues with a remaining term equal to the expected life assumed at the date of grant.

The expected option life is calculated based on historical experience and represents the time period options actually remain outstanding. Forfeitures are estimated based on the historical pre-vesting forfeitures and those estimates are revised in subsequent periods if actual forfeitures differ from those estimates.

Although the share awards are granted by RCL, the costs relating thereto are borne by the employing company.

Share options activity and information about share options outstanding relating to employees of the Company are summarised in the following tables:

Share Options Activity

	2011 Number of options	2011 Weighted average exercise price \$	2010 Number of options	2010 Weighted average exercise price \$
Options outstanding at 1 January	63,618	29.45	106,397	29.68
Granted	-	-	18,199	25.28
Exercised	-	-	(10,251)	24.67
Transferred	(63,618)	29.45	(12,996)	36.87
Forfeited	-	-	(37,731)	26.82
Options outstanding at 31 December	-	-	63,618	29.45
Options exercisable at 31 December	-	-	28,599	36.45

Share options exercised during the year amounted to nil compared to 10,251 in the previous year.

Notes to the financial statements

15 Share-based payments (continued)

Share Options Outstanding

2010	Outstanding number of options	Outstanding weighted average remaining life	Outstanding weighted average exercise price \$	Exercisable number of options	Exercisable weighted average exercise price \$
\$ 7 27 - \$20 30	10,501	8 11	7 27	2,628	7 27
\$21 71 - \$28 90	27,623	8 76	26 66	5,254	28 90
\$29 93 - \$40 06	12,511	4 45	38 21	8,685	38 17
\$40 50 - \$51 23	12,983	4 61	44 90	12,032	44 88
	<u>63,618</u>	<u>6 96</u>	<u>29 45</u>	<u>28,599</u>	<u>36 45</u>

Restricted Share Units

Restricted share units are converted into ordinary shares upon vesting on a one-for-one basis. The cost of these awards is determined using the fair value of ordinary shares on the date of the grant and compensation expense is recognised over the vesting period. Restricted share unit activity is summarised in the following table.

2011	Number of awards	Weighted average grant date fair value \$
Non-vested share units at 1 January 2011	10,444	27.54
Granted	-	-
Vested	-	-
Transferred	(10,444)	27.54
Cancelled	-	-
Non-vested share units at 31 December 2011	<u>-</u>	<u>-</u>

Restricted Share Units

2010	Number of awards	Weighted average grant date fair value \$
Non-vested share units at 1 January 2010	11,356	33 97
Granted	8,249	25 28
Vested	(1,961)	36 51
Transferred	(1,717)	33 70
Cancelled	(5,483)	32 32
Non-vested share units at 31 December 2010	<u>10,444</u>	<u>27 54</u>

The net charge recognised in the profit and loss account in respect of 2011 was NOK'000 nil (2010: NOK'000 1,401).

Royal Caribbean Cruise Line A/S

Registered no: 921548818

16 Gain on sale of business

As part of the restructuring of the global RCL businesses, and with effect from 1 January 2011, the business, assets and liabilities, other than NOK,000 78,343 of intercompany debt, of the Company were sold at market value to a newly created UK legal entity, RCL Cruises Ltd which is a wholly owned subsidiary of RCL. The fair market values were validated by an independent valuer. The gain on sale of the business has been calculated as follows:

	2011 NOK'000
Assets	
Cash	91,790
Accounts receivable	29,660
Other current assets	377,702
Property, plant, and equipment	3,318
Other non-current assets	2,409
Total assets	504,879
Liabilities	
Trade creditors	25,251
Other current liabilities	478,533
Pension liability	1,095
Total liabilities	504,879
Net assets	-
Consideration received	207,431
Gain on sale	207,431

17 Ultimate parent company

The immediate parent undertaking is RCL (UK) LTD. The ultimate parent undertaking and controlling party is Royal Caribbean Cruises Ltd ("RCL"), a company incorporated in Liberia.

RCL is the only parent undertaking to consolidate these financial statements at 31 December 2011. The consolidated financial statements of RCL are available at www.rclinvestor.com or upon written request at RCL, 1050 Caribbean Way, Miami, Florida 33132, USA.

18 Post balance sheet events

The Directors intend to reduce the share capital of the Company in accordance with the procedures laid down in Section 12-2 of the Norwegian limited liability Company Act once the financial statements have been approved at the annual general meeting of the shareholders.

OS AA01

Statement of details of parent law and other
information for an overseas company

006934/20



☒ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law

☒ What this form is NOT for
You cannot use this form to register
an alteration of manner of company
with accounting requirements

COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

Royal Caribbean Cruise Line A/S

UK establishment
number

FC 004828

→ Filling in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state

Part 2 Statement of details of parent law and other
information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited

Legislation ②

NORWEGIAN ACCOUNTING ACT

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box

☐ No. Go to Section A3

☒ Yes Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3

③ Please insert the name of the
appropriate accounting organisation
or body

Name of organisation
or body ③

NORWEGIAN GAAP

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box

☐ No Go to Section A5

☒ Yes Go to Section A4

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

JY McLaughlin

Company name

ROYAL CARIBBEAN OLIVE LINE ALS

Address

Building Three

THE HEIGHTS

BROOKLANDS

Post town

KEY BRIDGE

County/Region

Surrey

Postcode

KT13 0NY

Country

DX

Telephone

01932-265157

**Checklist**

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following.

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form

**Important information**

Please note that all this information will appear on the public record

**Where to send**

You may return this form to any Companies House address

England and Wales

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

Scotland

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

Northern Ireland

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

**Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

OS AA01

Statement of details of parent law and other information for an overseas company

A4

Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box <input type="checkbox"/> No. Go to Part 3 'Signature' <input checked="" type="checkbox"/> Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'	1 Please insert the name of the appropriate accounting organisation or body
Name of organisation or body 1	NORWEGIAN GAAP	

A5

Unaudited accounts

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box <input type="checkbox"/> No <input type="checkbox"/> Yes	
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Part 3

Signature

	I am signing this form on behalf of the overseas company	
Signature	Signature X R G Marshall X	
	This form may be signed by Director, Secretary, Permanent representative	