

**Transition to International Financial Reporting Standards (“IFRS”)  
June 29, 2006**

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Contents

|            |  |    |
|------------|--|----|
| 1.0        | INTRODUCTION   | 1  |
| 2.0        | SUMMARY  | 2  |
| 2.1        | IFRS CONVERSION RECONCILIATIONS                          | 2  |
| 3.0        | BASIS OF PREPARATION AND KEY FINANCIAL IMPACTS           | 2  |
| 3.1        | Presentation of financial information                    | 2  |
| 3.2        | IFRS 1 - First time adoption                             | 3  |
| 4.0        | EXPLANATION OF IFRS ADJUSTMENTS                          | 3  |
| 4.1        | Share-based payment                                      | 3  |
| 4.2        | Employee benefits  | 4  |
| 4.3        | Government grants  | 4  |
| 4.4        | Goodwill   | 4  |
| 4.5        | Dividends  | 4  |
| 4.6        | Financial instruments                                    | 5  |
| 4.7        | Financial liabilities                                    | 5  |
| 4.8        | Foreign exchange   | 5  |
| 4.9        | Other adjustments  | 6  |
| 5.0        | CHANGE IN ACCOUNTING POLICY AND NEW ACCOUNTING SYSTEM    | 6  |
| 5.1        | Dry-docking costs  | 6  |
| 5.2        | Reclassification of prior year amounts                   | 6  |
| APPENDICES |  |    |
| 1          | Reformat UK GAAP Group profit and loss account           | 7  |
| 2          | Reformat UK GAAP Group balance sheet                     | 8  |
| 3          | December 1, 2004 Consolidated balance sheet restatement  | 9  |
| 4          | November 30, 2005 Consolidated income statement          | 10 |
| 5          | November 30, 2005 Consolidated balance sheet restatement | 11 |

The standalone Carnival plc UK GAAP and IFRS financial information, contained herein, is required to satisfy reporting requirements in the UK, and does not include the results of Carnival Corporation. However the Directors consider that within the DLC structure the most appropriate presentation of Carnival plc’s results and financial position is by reference to the U.S. GAAP financial statements of Carnival Corporation & plc.

# Carnival plc

## Transition to International Financial Reporting Standards

### 1.0 INTRODUCTION

Carnival plc (the “Company”), its subsidiaries and associates (collectively the “Group”) has historically prepared its consolidated financial statements under UK Generally Accepted Accounting Practice (“UK GAAP”). For the year ended November 30, 2006, the Group will be required to prepare its financial statements in accordance with International Financial Reporting Standards (“IFRS”), as adopted in the European Union. Accordingly, the Group’s interim results for the six months ended May 31, 2006 will be prepared and reported under IFRS.

On April 17, 2003, Carnival Corporation and Carnival plc (formerly known as P&O Princess Cruises plc) completed a dual listed company (“DLC”) transaction (the “DLC transaction”), which implemented the Carnival Corporation & plc DLC structure. The DLC transaction combined the businesses of Carnival Corporation and Carnival plc (collectively known as “Carnival Corporation & plc”) through a number of contracts and through provisions in Carnival Corporation’s articles of incorporation and by-laws and to Carnival plc’s memorandum of association and articles of association. The two companies have retained their separate legal identities, however, they operate as if they were a single economic enterprise. Each company’s shares continue to be publicly traded; on the New York Stock Exchange (“NYSE”) for Carnival Corporation and the London Stock Exchange for Carnival plc. In addition, Carnival plc American Depository Shares are traded on the NYSE. The contracts governing the DLC structure provide that Carnival Corporation and Carnival plc each continue to have separate boards of directors, but the boards and senior executive management of both companies are identical. As a consequence of Carnival plc continuing to retain its own separate legal identity the company is required to prepare standalone Carnival plc consolidated financial statements to satisfy reporting requirements in the UK. However, the Directors consider that within the DLC arrangement the most appropriate presentation of Carnival plc’s results and financial position is by reference to the U.S. GAAP financial statements of Carnival Corporation & plc.

This document explains how the Group’s reported UK GAAP financial results for the year ended November 30, 2005 and its financial position as at that date would have been reported under IFRS. It includes:

- The Group’s consolidated balance sheet as at November 30, 2004 under IFRS
- The Group’s consolidated income statement for the year ended November 30, 2005 under IFRS
- The Group’s consolidated balance sheet as at November 30, 2005 under IFRS

This document explains all material accounting policy changes from the accounting policies adopted in the UK GAAP financial statements for the year ended November 30, 2005. A full set of IFRS accounting policies will be published in the Group’s first IFRS financial statements for the year ending November 30, 2006.

In addition to the accounting policy changes required by adopting IFRS, the format of the income statement and balance sheet has been changed to bring these statements in line with IFRS requirements whilst also providing a presentation similar to that of Carnival Corporation & plc’s results and balances in the U.S. GAAP Annual Report. This change does not result in any adjustment to either net assets or retained profit but it does lead to significant alterations in the ordering of items in each of the statements.

The Group has also changed its accounting policy relating to the recognition of certain planned major maintenance activity costs incurred during dry-docks. Under the revised accounting policy these costs will be written off to profit and loss as incurred. Further details of the effect of this change are provided in section 5.1.

Detailed reconciliations to assist the reader in understanding the nature and amount of differences between UK GAAP and IFRS for the financial information above are included in the Appendices together with schedules setting out the effect of changes in the statements’ formats.

# Carnival plc

## Transition to International Financial Reporting Standards

### 2.0 SUMMARY

#### 2.1 IFRS CONVERSION RECONCILIATIONS

The impact of applying IFRS to Group net assets at December 1, 2004 and November 30, 2005 and to net income for the year ended November 30, 2005 are provided in the following tables. The interpretation and application of IFRS is still evolving and additional adjustments might be identified as generally accepted accounting principles are established.

#### Net Assets

|                                      | Section | December 1,    | November 30,   |
|--------------------------------------|---------|----------------|----------------|
|                                      |         | 2004           | 2005           |
|                                      |         | U.S.\$m        | U.S.\$m        |
| Net assets under UK GAAP             |         | 4,515.9        | 4,479.6        |
| IAS 19: Employee benefits            | 4.2     | (64.4)         | (64.7)         |
| IFRS 3: Goodwill amortisation        | 4.4     | (3.0)          | -              |
| IAS 10: Dividends                    | 4.5     | 31.8           | 53.1           |
| IAS 39: Financial instruments        | 4.6     | (4.5)          | 9.3            |
| Effect of IFRS                       |         | <u>(40.1)</u>  | <u>(2.3)</u>   |
| Change in dry-dock accounting policy | 5.1     | (42.2)         | (47.5)         |
| Net assets under IFRS                |         | <u>4,433.6</u> | <u>4,429.8</u> |

#### Net Income

|   | Section | November 30, |
|---|---------|--------------|
|   |         | 2005         |
|   |         | U.S.\$m      |
| Net income under UK GAAP                  |         | 536.3        |
| IFRS 2: Share-based payment               | 4.1     | (10.0)       |
| IAS 19: Employee benefits                 | 4.2     | 4.9          |
| IFRS 3: Goodwill amortisation             | 4.4     | 3.0          |
| IAS 39: Financial instruments             | 4.6     | 0.2          |
| IAS 21: Exchange on intercompany balances | 4.9     | (1.8)        |
| Effect of IFRS                            |         | <u>(3.7)</u> |
| Change in dry-dock accounting policy      | 5.1     | (8.5)        |
| Net income under IFRS                     |         | <u>524.1</u> |

### 3.0 BASIS OF PREPARATION AND KEY FINANCIAL IMPACTS

The financial information presented in this document has been prepared on the basis of all International Financial Reporting Standards, including International Accounting Standards ("IAS"), and interpretations issued by the International Accounting Standards Board ("IASB") and its committees, that are currently effective, and as endorsed by the European Union and interpreted by any regulatory bodies applicable to the Group. The Group did not early adopt any standard, amendment or interpretation except for the amendment to IAS 19 as described in note 4.2. The development of IFRS and their specific application continues to evolve consequently IFRS may change or develop before the preparation of the November 30, 2006 financial statements.

#### 3.1 Presentation of financial information

As noted in the introduction, with the implementation of IFRS some of the more proscriptive format requirements previously stipulated under the UK Companies Act 1985 ("CA85") are no longer mandatory for accounts prepared under IFRS. The Directors have therefore decided to change the presentation of the Group's consolidated profit and loss account and consolidated balance sheet to a presentation more similar to that required under U.S. GAAP, by using a classification, based principally on the nature of expenses, as permitted under IFRS.

## **Carnival plc**

### **Transition to International Financial Reporting Standards**

The income statement now provides a more detailed breakdown of revenues and costs and expenses. This format is the presentation used by substantially all of the cruise industry and is intended to provide users of the accounts with information on the business's key categories of revenues and costs and expenses. Operating profit now includes fixed asset disposal gains and losses, which under UK GAAP were classified as separately disclosable items. These reformatting changes have no impact on the amount of retained profit for the year. A detailed description of these changes is shown in Appendix 1.

There are two fundamental changes to the presentation of the consolidated balance sheet. First, the statement is balanced between total assets equated to total liabilities and shareholders' funds combined. Under the Group's chosen CA85 format the balance sheet was previously balanced at net assets, being the difference between total assets less total liabilities (equated to shareholders' funds). Second, the order of balance sheet headings has been adjusted to start with the most liquid assets moving through to longer lived assets such as tangible and intangible fixed assets. Under UK GAAP the presentation of assets in the balance sheet started with the longest lived assets moving to the most liquid assets, cash. Neither of these changes has any effect on the amount of shareholders' funds. A detailed description of these changes is shown in Appendix 2.

#### **3.2 IFRS 1 - First time adoption**

The rules for first time adoption of IFRS are set out in IFRS 1 "First-time Adoption of International Financial Reporting Standards." In general, a company is required to determine its IFRS accounting policies and apply these retrospectively to determine the opening IFRS balance sheet. The standard permits a number of exceptions to this general principle to assist companies in their transition to IFRS.

When preparing the Group's IFRS balance sheet at December 1, 2004, the date of transition, the following optional exemptions, provided by IFRS 1, from full retrospective application of IFRS accounting policies have been adopted:

- Cumulative translation differences arising on consolidation of subsidiaries – IAS 21 "The Effects of Changes in Foreign Exchange Rates" requires such differences to be held in a separate reserve, rather than included in profit and loss reserve as permitted under UK GAAP. This reserve has been deemed to be nil on December 1, 2004 and is included in other reserves.
- Business combinations IFRS 3 – the Group has elected not to restate business combinations prior to December 1, 2004.
- Employee benefits IAS 19 – all cumulative actuarial gains and losses relating to pensions and other post retirement benefits have been recognised in full in equity at the transition date.
- Share-based payment IFRS 2 – the Group has applied the transition exemption permitted under the standard, which allows for the exclusion from expensing certain share-based payments, for example those relating to employee share options granted either before November 7, 2002 or which vested before January 1, 2005.

The Group has decided to apply the provisions of IAS 32 "Financial Instruments: Disclosure and Presentation" and IAS 39 "Financial Instruments: Recognition and Measurement" from December 1, 2004.

#### **4.0 EXPLANATION OF IFRS ADJUSTMENTS**

A summary of the significant differences between UK GAAP and IFRS for the Group is set out below. For each difference, the implications on the income statement and balance sheet are explained briefly together with the resulting accounting policy under IFRS.

##### **4.1 Share-based payment**

Previously under UK GAAP the cost of employee share options was calculated by reference to their intrinsic value and charged as an expense to the income statement over any performance period. This meant that for share options granted at the prevailing market price, there was no income statement charge.

Under IFRS 2, the estimated fair value of all options is calculated at the grant date, and is charged to the income statement over the future service period specified in each option grant. The future service period for Carnival plc options, sometimes referred to as the vesting period, is typically three or five years. The Group has applied IFRS 2 to options granted after November 7, 2002, which were unvested at January 1, 2005.

The effect of changing to a policy of expensing the estimated fair value of Carnival plc share options is to reduce profit before income tax for the year ended November 30, 2005 by \$10.0m (2004 \$8.4m). There is no net effect in shareholders' funds, as employee share options are considered to be "equity settled share-based payment". Consequently other reserves within shareholders' funds are increased by the amount of any charge to net income.

# Carnival plc

## Transition to International Financial Reporting Standards

### 4.2 Employee benefits

Under UK GAAP the Group applied the provisions of SSAP 24 “Accounting for pension costs” and provided additional detailed disclosures as required by FRS 17 “Retirement benefits”. The Group is a contributing employer to various pension schemes, including two multiemployer merchant navy industry schemes in the UK, the Merchant Navy Ratings Pension Fund (“MNRPF”) and the Merchant Navy Officers Pension Fund (“MNOFP”).

Under IFRS, the Group’s opening balance sheet at December 1, 2004 reflects the assets and liabilities of the Group’s defined benefit schemes. This adjustment includes the Group’s estimated share of assets and liabilities as a participating employer in the MNRPF and MNOFP. As permitted in the amendment to IAS 19 (December 2004), the Group has elected to recognise all subsequent actuarial gains and losses through the statement of recognised income and expense from the date of transition.

The effect of this change is to reduce net assets at November 30, 2005 by \$64.7m (2004 \$64.4m) and increase net income for the year ended November 30, 2005 by \$4.9m.

### 4.3 Government grants

Under CA85 grants received in respect of the purchase of ships were required to be included within creditors as deferred income and credited to the profit and loss account over the expected useful life of the asset to which they related.

Under IFRS grants in respect of assets can either be included within deferred income or deducted from the carrying amount of the asset. The latter alternative is considered more appropriate for the Group as this is consistent with the treatment under U.S. GAAP.

The effect of this change is to reduce the net book value of fixed assets and long-term creditors at November 30, 2005 by \$178.0m (2004 \$212.1m).

### 4.4 Goodwill amortisation

Under UK GAAP goodwill (positive and negative) arising on the acquisition of a business is capitalised on the balance sheet and amortised over its estimated useful economic life. The Group had previously estimated that most of the capitalised goodwill had an indefinite life; there was however a small element of goodwill with an estimated useful life of 20 years.

There was no goodwill taken to reserves as permitted under UK GAAP prior to 1998.

Under IFRS any positive goodwill arising on acquisition must be capitalised. Capitalised goodwill is not amortised but instead is subject to a mandatory annual impairment test. On transition to IFRS, positive goodwill capitalised on the balance sheet is no longer amortised from the transition date. In respect of acquisitions prior to December 1, 2004, goodwill is included on the basis of its deemed cost, which represents the carrying amount (net of accumulated amortisation) as recorded previously under UK GAAP.

As a result of the requirement to perform mandatory impairment tests at the date of transition, the small element of goodwill with an estimated useful life of 20 years was written off as at December 1, 2004. Previously under UK GAAP this goodwill was written off during the year to November 30, 2005. The effect of this change is to reduce shareholders’ funds at December 1, 2004 by \$3.0m and increase net income during the year ended November 30, 2005 by \$3.0m.

### 4.5 Dividends

Under previous UK GAAP, dividends were recognised as a deduction to earnings in the period from which they were designated to have been declared.

Under IFRS, as a consequence of the agreements to equalise profits between Carnival Corporation and Carnival plc within the DLC structure, dividends declared by the board are accrued at the time of declaration. In the U.S. dividends become a liability of the company on declaration by the Board. Within the DLC arrangements Carnival plc is obliged to make equal dividend payments to its shareholders as for those of Carnival Corporation. Accordingly a declaration of an interim dividend by the Boards of Carnival Corporation and Carnival plc is regarded as crystallising a liability for Carnival plc.

Accordingly, the fourth interim dividend for 2003/04 of \$31.8m declared in January 2005 and the fourth interim dividend for 2004/05 of \$53.1m declared in January 2006 are not accrued in the balance sheet at November 30, 2004 and 2005, respectively.

# Carnival plc

## Transition to International Financial Reporting Standards

### 4.6 Financial instruments

The Group has chosen to apply IAS 32 and IAS 39 from December 1, 2004.

Under UK GAAP, apart from a limited number of forward currency contracts, derivative financial instruments were not accounted for in the Group balance sheet. In the case of forward currency contracts entered into in conjunction with specific foreign currency debt, the reported value of the underlying debt would take into account the related currency contracts.

Under IFRS all derivative financial instruments are accounted for at fair value. Subject to specific criteria, derivative financial instruments, financial assets and financial liabilities may be designated as forming hedge relationships as a result of which changes in fair value are offset in the income statement or recognised directly in the statement of recognised income and expense, depending on the nature of the hedge relationship. Hedging derivatives fall into three classifications: fair value hedges, cash flow hedges and hedges of a net investment. Fluctuations in value of fair value hedge derivatives are offset against the changes in the value of the underlying hedged item, for the Group the underlying hedged items are principally contracted ship capital commitments. Fluctuations in value of cash flow hedge derivatives are taken to reserves until the underlying hedged item is recognized in earnings. Finally changes in value of hedges of a net investment are recognised in reserves, offsetting the change in the translated value of the hedged net investment. In the event that a previously hedged investment is disposed of, the accumulated amount recognised in reserves arising from hedging is required to be removed from reserves and reflected in net income.

The effect of these changes is as follows:

|   | December 1,<br>2004<br>U.S.\$m | November 30,<br>2005<br>U.S.\$m |
|---|--------------------------------|---------------------------------|
| Loss in currency contracts valued in the UK GAAP accounts but reversed under IFRS | 21.0                           | 18.5                            |
| Cash flow hedges  | (25.5)                         | (16.9)                          |
| Hedges of net investments   | -                              | 7.5                             |
| Ineffective currency contracts  | -                              | 0.2                             |
| (Decrease)/increase in net equity   | <u>(4.5)</u>                   | <u>9.3</u>                      |

In addition to the hedges noted above, at November 30, 2005 the Group had a net liability of \$1.8m (2004 receivable \$50.5m) in respect of fair value hedges entered into in connection with foreign currency ship capital commitments. The hedges were principally foreign currency swaps for which there were offsetting 2005 gains and 2004 losses, implicit in the related ship orders.

### 4.7 Financial liabilities

Under UK GAAP, accrued finance costs that accrued in one accounting period and which were paid in the subsequent period were permitted to be included in accruals rather than the carrying value of debt.

Under IFRS, interest bearing bank loans are measured at amortised cost using the effective interest rate method. There is no exclusion for short-term interest accruals similar to that under UK GAAP.

The effect of this change is to reduce current accruals and increase the current portion of third party debt by \$41.8m (2004 \$39.2 m).

There is no impact on the net assets of the Group.

### 4.8 Foreign exchange

There are certain differences in the requirements of IAS 21 (The effects of changes in foreign exchange rates) compared to UK GAAP. In particular exchange gains and losses on certain intercompany payable hedging balances, which due to periodic fluctuations in the balance do not meet the definition of permanent in nature, are taken to net income rather than directly to reserves. This has resulted in a foreign exchange loss of \$1.8m being recognised in net income for the year ended November 30, 2005.

There is no impact on the net assets of the Group.

# **Carnival plc**

## **Transition to International Financial Reporting Standards**

### **4.9 Other adjustments**

As a result of the Group's cruise activities being taxed under the UK Tonnage Tax regime and the Italian Tonnage Tax regime, the above adjustments to net income are not temporary differences for tax purposes and, therefore, do not give rise to any deferred tax consequences.

The exchange loss in the year ended November 30, 2005 on foreign currency net investments of \$393.1m, after adjusting for the \$1.8m exchange loss related to fluctuating intercompany loan current accounts, has been transferred out of retained earnings to other reserves.

## **5.0 CHANGE IN ACCOUNTING POLICY AND NEW ACCOUNTING SYSTEM**

### **5.1 Dry-docking costs**

Carnival plc has amended its accounting policy relating to dry-docking costs, comprising planned major maintenance activities, so as to conform with that of Carnival Corporation. The Group's previous accounting policy was to defer the cost of these activities performed during dry-dock, and expense them over the estimated period of benefit, generally twelve months or in some instances the period to the next scheduled dry-dock, which can be up to thirty months. These costs incurred during the course of a dry-dock are now immediately written off to profit and loss. Capital replacements during a dry-dock will continue to be capitalised as fixed assets on a component basis and depreciated over their estimated useful lives, with the estimated net book value of assets being replaced written off.

The effect of immediately recognising dry-dock costs is to reduce current assets at November 2005 by \$47.5m (2004 \$42.2m) with a corresponding reduction in shareholders' funds. Profit for the year ended November 30, 2005 is reduced by \$8.5m.

### **5.2 Reclassification of prior year amounts**

During the first six months of 2006 the Group has adopted a new global chart of accounts in connection with the initial implementation of a new worldwide accounting system. As a result of moving to a common chart of accounts certain prior period amounts have been reclassified to conform to the current period presentation.

**Carnival plc**  
**Transition to International Financial Reporting Standards**

**Appendices**

**APPENDIX 1 – REFORMAT UK GAAP GROUP PROFIT AND LOSS ACCOUNT**

| UK GAAP 2005  |           | IFRS 2005   |                        |
|---|-----------|---|------------------------|
| Group profit and loss account   | U.S.\$m   | Consolidated income statement                                       | Revised format U.S.\$m |
| <b>Turnover</b>   | 4,352.2   | <b>Revenues</b>   |                        |
|   |           | Cruise  |                        |
|   |           | Passenger tickets   | 3,105.8                |
|   |           | Onboard and other   | 783.5                  |
|   |           | Other   | 462.9                  |
|   |           |   | 4,352.2                |
|   |           | <b>Costs and expenses</b>   |                        |
|   |           | Operating   |                        |
|   |           | Cruise  |                        |
|   |           | Commissions, transportation and other                               | 691.2                  |
|   |           | Onboard and other   | 287.2                  |
|   |           | Payroll and related   | 395.6                  |
|   |           | Food  | 202.7                  |
|   |           | Fuel  | 237.1                  |
|   |           | Other ship operating  | 584.0                  |
|   |           | Other   | 358.0                  |
|   |           | Total   | 2,755.8                |
|   |           | Selling and administrative  | 572.8                  |
|   |           | Depreciation and amortization                                       | 338.3                  |
|   |           |   | 3,666.9                |
|   |           | <b>Operating income</b>   | 685.3                  |
|   |           | Interest income   | 11.8                   |
|   |           | Interest expense, net of capitalized interest                       | (132.5)                |
|   |           | Other income and expenses   | (4.4)                  |
|   |           |   | (125.1)                |
|   |           | <b>Profit before income taxes</b>                                   | 560.2                  |
|   |           | Income tax expense  | (23.9)                 |
|   |           | <b>Profit for the year</b>  | 536.3                  |
|   |           | <b>Carnival plc standalone earnings per share (in U.S. dollars)</b> |                        |
|   |           | Basic   | 2.53                   |
|   |           | Diluted   | 2.52                   |
| Cost of sales   | (3,023.8) |   |                        |
| Administrative expenses   | (616.2)   |   |                        |
| Operating costs   | (3,640.0) |   |                        |
| <b>Group operating profit</b>   | 712.2     |   |                        |
| Loss on disposal of ships   | (32.0)    |   |                        |
| <b>Profit on ordinary activities before interest</b>  | 680.2     |   |                        |
| Net interest payable and similar items  | (120.0)   |   |                        |
| <b>Profit on ordinary activities before taxation</b>  | 560.2     |   |                        |
| Taxation  | (23.9)    |   |                        |
| <b>Profit on ordinary activities after taxation</b>   | 536.3     |   |                        |
| <b>Carnival plc standalone earnings per share (in U.S. dollars)</b>   |           |   |                        |
| Basic earnings per share  | 2.53      |   |                        |
| Diluted earnings per share  | 2.52      |   |                        |
| Within the DLC structure the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation & plc, which are included within the Carnival Corporation & plc 2005 Annual Report. For information, we set out below the U.S. GAAP consolidated earnings per share included within the Carnival Corporation & plc consolidated financial statements for the twelve months ended November 30, 2005 (in U.S. dollars): |           |   |                        |
| DLC Basic earnings per share  | 2.80      |   | 2.80                   |
| DLC Diluted earnings per share  | 2.70      |   | 2.70                   |

The above table sets out the November 30, 2005 profit and loss account applying the revised format the Group is adopting under IFRS and is before any adjustments arising from implementing the new accounting standards.



**Carnival plc**  
**Transition to International Financial Reporting Standards**

**Appendices**

**APPENDIX 2 – REFORMAT UK GAAP GROUP BALANCE SHEET**

| UK GAAP 2005   |                | IFRS 2005                                       |                |
|--|----------------|---|----------------|
| Group balance sheet  |                | Consolidated balance sheet                      | Revised format |
|  | U.S.\$m        |   | U.S.\$m        |
| <b>Fixed assets</b>  |                | <b>Assets</b>                                   |                |
| Intangible assets  | 703.8          | <b>Current assets</b>                           |                |
| Tangible assets  |                | Cash and cash equivalents                       | 778.0          |
| Ships  | 6,525.7        | Trade and other receivables, net                | 242.8          |
| Properties and other fixed assets                              | 556.1          | Inventories                                     | 102.5          |
|  | 7,081.8        | Prepaid expenses and other                      | 166.4          |
| Investments  | 4.7            | Total current assets                            | 1,289.7        |
|  | 7,790.3        | <b>Non-current assets</b>                       |                |
| <b>Current assets</b>  |                | Property and equipment, net                     | 7,079.4        |
| Stocks   | 102.5          | Intangible assets                               | 692.4          |
| Debtors  | 480.2          | Other assets                                    | 72.2           |
| Cash at bank and in hand                                       | 778.0          |   | <b>9,133.7</b> |
|  | 1,360.7        |   |                |
| <b>Creditors: amounts falling due within one year</b>          | (2,865.3)      | <b>Liabilities and equity</b>                   |                |
| <b>Net current liabilities</b>                                 | (1,504.6)      | <b>Current liabilities</b>                      |                |
| <b>Total assets less current liabilities</b>                   | 6,285.7        | Short-term borrowings                           | 1,230.9        |
| <b>Creditors: amounts falling due after more than one year</b> | (1,726.0)      | Amounts owed to Carnival Corporation            | 297.1          |
| <b>Provisions for liabilities and charges</b>                  | (77.7)         | Accounts payable                                | 230.4          |
|  | <b>4,482.0</b> | Accrued liabilities and other                   | 468.5          |
|  |                | Customer deposits                               | 621.7          |
|  |                | Total current liabilities                       | 2,848.6        |
|  |                | <b>Non-current liabilities</b>                  |                |
| <b>Capital and reserves</b>                                    |                | Long-term debt                                  | 1,532.2        |
| Called up share capital  | 352.9          | Other long-term liabilities and deferred income | 270.9          |
| Share premium account  | 75.6           |   | 4,651.7        |
| Other reserves   | 35.6           | <b>Equity</b>                                   |                |
| Merger reserve   | 1,459.2        | Ordinary shares of Carnival plc                 | 352.9          |
| Profit and loss account  | 2,556.3        | Additional paid-in capital                      | 75.6           |
|  | 4,479.6        | Retained earnings                               | 2,556.3        |
| <b>Equity shareholders' funds</b>                              | 4,479.6        | Other reserves                                  | 1,494.8        |
| Equity minority interests                                      | 2.4            | <b>Equity shareholders' funds</b>               | 4,479.6        |
|  | <b>4,482.0</b> | Minority interests                              | 2.4            |
|  |                |   | <b>9,133.7</b> |

The above table sets out the November 30, 2005 balance sheet applying the revised format the Group is adopting under IFRS and is before any adjustments arising from implementing the new accounting standards.

**Carnival plc**  
**Transition to International Financial Reporting Standards**

**Appendices**

**APPENDIX 3 – DECEMBER 1, 2004 CONSOLIDATED BALANCE SHEET RESTATEMENT**

|   | Revised<br>format<br>U.S.\$m | Effect of changes to accounting policies |                      |                                   |                                     |                                 |                     |                  | IFRS<br>adjustments<br>U.S.\$m | Change in<br>dry-dock<br>policy<br>U.S.\$m | IFRS<br>U.S.\$m |
|---|------------------------------|--|----------------------|-----------------------------------|-------------------------------------|---------------------------------|---------------------|------------------|--------------------------------|--|-----------------|
|   |                              | Pensions<br>U.S.\$m                      | Dividends<br>U.S.\$m | Share-based<br>payment<br>U.S.\$m | Financial<br>instruments<br>U.S.\$m | Government<br>grants<br>U.S.\$m | Goodwill<br>U.S.\$m | Other<br>U.S.\$m |                                |  |                 |
| <b>Assets</b>                                   |                              |  |                      |                                   |                                     |                                 |                     |                  |                                |  |                 |
| <b>Current assets</b>                           |                              |  |                      |                                   |                                     |                                 |                     |                  |                                |  |                 |
| Cash and cash equivalents                       | 174.5                        |  |                      |                                   |                                     |                                 |                     | -                |                                |  | 174.5           |
| Trade and other receivables, net                | 258.1                        |  |                      |                                   |                                     |                                 |                     | -                |                                |  | 258.1           |
| Inventories                                     | 106.3                        |  |                      |                                   |                                     |                                 |                     | -                |                                |  | 106.3           |
| Prepaid expenses and other                      | 145.3                        |  |                      |                                   | 53.7                                |                                 |                     | 53.7             | (42.2)                         |  | 156.8           |
| Total current assets                            | 684.2                        | -  | -                    | -                                 | 53.7                                | -                               | -                   | 53.7             | (42.2)                         |  | 695.7           |
| <b>Non-current assets</b>                       |                              |  |                      |                                   |                                     |                                 |                     |                  |                                |  |                 |
| Property and equipment, net                     | 7,848.1                      |  |                      |                                   |                                     | (212.1)                         |                     | (212.1)          |                                |  | 7,636.0         |
| Intangible assets                               | 749.4                        |  |                      |                                   |                                     |                                 | (3.0)               | (3.0)            |                                |  | 746.4           |
| Other assets                                    | 82.6                         |  |                      |                                   |                                     |                                 |                     | -                |                                |  | 82.6            |
| <b>Total assets</b>                             | 9,364.3                      | -  | -                    | -                                 | 53.7                                | (212.1)                         | (3.0)               | (161.4)          | (42.2)                         |  | 9,160.7         |
| <b>Liabilities and equity</b>                   |                              |  |                      |                                   |                                     |                                 |                     |                  |                                |  |                 |
| <b>Current liabilities</b>                      |                              |  |                      |                                   |                                     |                                 |                     |                  |                                |  |                 |
| Short-term borrowings                           | 841.4                        |  |                      |                                   | (2.8)                               |                                 |                     | 39.2             | 36.4                           |  | 877.8           |
| Amounts owed to Carnival Corporation            | 521.6                        |  |                      |                                   |                                     |                                 |                     | -                |                                |  | 521.6           |
| Accounts payable                                | 366.0                        |  |                      |                                   |                                     |                                 |                     | -                |                                |  | 366.0           |
| Accrued liabilities and other                   | 299.1                        |  | (31.8)               |                                   | 70.9                                |                                 |                     | (39.2)           | (0.1)                          |  | 299.0           |
| Customer deposits                               | 524.7                        |  |                      |                                   |                                     |                                 |                     | -                |                                |  | 524.7           |
| Total current liabilities                       | 2,552.8                      | -  | (31.8)               | -                                 | 68.1                                | -                               | -                   | 36.3             | -                              |  | 2,589.1         |
| <b>Non-current liabilities</b>                  |                              |  |                      |                                   |                                     |                                 |                     |                  |                                |  |                 |
| Long-term debt                                  | 1,994.9                      |  |                      |                                   | (18.2)                              |                                 |                     | (18.2)           |                                |  | 1,976.7         |
| Other long-term liabilities and deferred income | 298.7                        | 64.4                                     |                      |                                   | 8.3                                 | (212.1)                         |                     | (139.4)          |                                |  | 159.3           |
|   | 4,846.4                      | 64.4                                     | (31.8)               | -                                 | 58.2                                | (212.1)                         | -                   | (121.3)          | -                              |  | 4,725.1         |
| <b>Equity</b>                                   |                              |  |                      |                                   |                                     |                                 |                     |                  |                                |  |                 |
| Ordinary shares of Carnival plc                 | 352.2                        |  |                      |                                   |                                     |                                 |                     | -                |                                |  | 352.2           |
| Additional paid-in capital                      | 64.7                         |  |                      |                                   |                                     |                                 |                     | -                |                                |  | 64.7            |
| Retained earnings                               | 2,604.2                      | (64.4)                                   | 31.8                 | (8.4)                             | 21.0                                |                                 | (3.0)               | (23.0)           | (42.2)                         |  | 2,539.0         |
| Other reserves                                  | 1,494.8                      |  |                      | 8.4                               | (25.5)                              |                                 |                     | (17.1)           |                                |  | 1,477.7         |
| <b>Equity shareholders' funds</b>               | 4,515.9                      | (64.4)                                   | 31.8                 | -                                 | (4.5)                               | -                               | (3.0)               | (40.1)           | (42.2)                         |  | 4,433.6         |
| Minority interests                              | 2.0                          |  |                      |                                   |                                     |                                 |                     | -                |                                |  | 2.0             |
|   | 9,364.3                      | -  | -                    | -                                 | 53.7                                | (212.1)                         | (3.0)               | (161.4)          | (42.2)                         |  | 9,160.7         |

**Carnival plc**  
**Transition to International Financial Reporting Standards**

**Appendices**

**APPENDIX 4 – NOVEMBER 30, 2005 CONSOLIDATED INCOME STATEMENT RESTATEMENT**

|  | Effect of changes to accounting policies |                     |                                   |                                     |                                   |                     |                  |                                |  |                 |
|--|--|---------------------|-----------------------------------|-------------------------------------|-----------------------------------|---------------------|------------------|--------------------------------|--|-----------------|
|  | Revised<br>format<br>U.S.\$m             | Intercompany        |                                   |                                     |                                   |                     |                  | IFRS<br>adjustments<br>U.S.\$m | Change in<br>dry-dock<br>policy<br>U.S.\$m | IFRS<br>U.S.\$m |
|  |  | Pensions<br>U.S.\$m | Share-based<br>payment<br>U.S.\$m | Financial<br>instruments<br>U.S.\$m | exchange<br>adjustment<br>U.S.\$m | Goodwill<br>U.S.\$m | Other<br>U.S.\$m |                                |  |                 |
| <b>Revenues</b>  |  |                     |                                   |                                     |                                   |                     |                  |                                |  |                 |
| Cruise   |  |                     |                                   |                                     |                                   |                     |                  |                                |  |                 |
| Passenger tickets  | 3,105.8                                  |                     |                                   |                                     |                                   |                     | -                |                                |  | 3,105.8         |
| Onboard and other  | 783.5                                    |                     |                                   |                                     |                                   |                     | -                |                                |  | 783.5           |
| Other  | 462.9                                    |                     |                                   |                                     |                                   |                     |                  |                                |  | 462.9           |
|  | 4,352.2                                  | -                   | -                                 | -                                   | -                                 | -                   | -                | -                              | -  | 4,352.2         |
| <b>Costs and expenses</b>  |  |                     |                                   |                                     |                                   |                     |                  |                                |  |                 |
| Operating  |  |                     |                                   |                                     |                                   |                     |                  |                                |  |                 |
| Cruise   |  |                     |                                   |                                     |                                   |                     |                  |                                |  |                 |
| Commissions, transportation and other  | 691.2                                    |                     |                                   |                                     |                                   |                     | -                |                                |  | 691.2           |
| Onboard and other  | 287.2                                    |                     |                                   |                                     |                                   |                     | -                |                                |  | 287.2           |
| Payroll and related  | 395.6                                    | (4.9)               |                                   |                                     |                                   |                     | (4.9)            |                                |  | 390.7           |
| Food   | 202.7                                    |                     |                                   |                                     |                                   |                     | -                |                                |  | 202.7           |
| Fuel   | 237.1                                    |                     |                                   |                                     |                                   |                     | -                |                                |  | 237.1           |
| Other ship operating   | 584.0                                    |                     |                                   |                                     |                                   |                     | -                | 8.5                            |  | 592.5           |
| Other  | 358.0                                    |                     |                                   |                                     |                                   |                     | -                |                                |  | 358.0           |
| Total  | 2,755.8                                  | (4.9)               | -                                 | -                                   | -                                 | -                   | (4.9)            | 8.5                            |  | 2,759.4         |
| Selling and administrative   | 572.8                                    |                     | 10.0                              |                                     |                                   |                     | 10.0             |                                |  | 582.8           |
| Depreciation and amortization  | 338.3                                    |                     |                                   |                                     |                                   | (3.0)               | (3.0)            |                                |  | 335.3           |
|  | 3,666.9                                  | (4.9)               | 10.0                              | -                                   | -                                 | (3.0)               | 2.1              | 8.5                            |  | 3,677.5         |
| <b>Operating income</b>  | 685.3                                    | 4.9                 | (10.0)                            | -                                   | -                                 | 3.0                 | (2.1)            | (8.5)                          |  | 674.7           |
| Interest income  | 11.8                                     |                     |                                   |                                     |                                   |                     | -                |                                |  | 11.8            |
| Interest expense, net of capitalized interest  | (132.5)                                  |                     |                                   | 0.2                                 |                                   |                     | 0.2              |                                |  | (132.3)         |
| Other income and expenses  | (4.4)                                    |                     |                                   |                                     | (1.8)                             |                     | (1.8)            |                                |  | (6.2)           |
|  | (125.1)                                  | -                   | -                                 | 0.2                                 | (1.8)                             | -                   | (1.6)            | -                              |  | (126.7)         |
| <b>Profit before income taxes</b>  | 560.2                                    | 4.9                 | (10.0)                            | 0.2                                 | (1.8)                             | 3.0                 | (3.7)            | (8.5)                          |  | 548.0           |
| Income tax expense   | (23.9)                                   |                     |                                   |                                     |                                   |                     | -                |                                |  | (23.9)          |
| <b>Profit for the year</b>   | 536.3                                    | 4.9                 | (10.0)                            | 0.2                                 | (1.8)                             | 3.0                 | (3.7)            | (8.5)                          |  | 524.1           |
| Carnival plc standalone earnings per share (in U.S. dollars)   |  |                     |                                   |                                     |                                   |                     |                  |                                |  |                 |
| Basic  | 2.53                                     |                     |                                   |                                     |                                   |                     |                  |                                |  | 2.47            |
| Diluted  | 2.52                                     |                     |                                   |                                     |                                   |                     |                  |                                |  | 2.46            |
| <p>Within the DLC structure the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation &amp; plc, which are included within the Carnival Corporation &amp; plc 2005 Annual Report. For information, we set out below the U.S. GAAP consolidated earnings per share included within the Carnival Corporation &amp; plc consolidated financial statements for the twelve months ended November 30, 2005 (in U.S. dollars):</p> |  |                     |                                   |                                     |                                   |                     |                  |                                |  |                 |
| DLC Basic earnings per share   | 2.80                                     |                     |                                   |                                     |                                   |                     |                  |                                |  | 2.80            |
| DLC Diluted earnings per share   | 2.70                                     |                     |                                   |                                     |                                   |                     |                  |                                |  | 2.70            |

**Carnival plc**  
**Transition to International Financial Reporting Standards**

**Appendices**

**APPENDIX 5 – NOVEMBER 30, 2005 CONSOLIDATED BALANCE SHEET RESTATEMENT**

|   | Revised<br>format<br>U.S.\$m | Effect of changes to accounting policies |                      |                                   |                                     |                                 |                  | IFRS<br>adjustments<br>U.S.\$m | Change in<br>dry-dock<br>policy<br>U.S.\$m | IFRS<br>U.S.\$m |
|---|------------------------------|--|----------------------|-----------------------------------|-------------------------------------|---------------------------------|------------------|--------------------------------|--|-----------------|
|   |                              | Pensions<br>U.S.\$m                      | Dividends<br>U.S.\$m | Share-based<br>payment<br>U.S.\$m | Financial<br>instruments<br>U.S.\$m | Government<br>grants<br>U.S.\$m | Other<br>U.S.\$m |                                |  |                 |
| <b>Assets</b>                                   |                              |  |                      |                                   |                                     |                                 |                  |                                |  |                 |
| <b>Current Assets</b>                           |                              |  |                      |                                   |                                     |                                 |                  |                                |  |                 |
| Cash and cash equivalents                       | 778.0                        |  |                      |                                   |                                     |                                 | -                |                                | 778.0                                      |                 |
| Trade and other receivables, net                | 242.8                        |  |                      |                                   |                                     |                                 | -                |                                | 242.8                                      |                 |
| Inventories                                     | 102.5                        |  |                      |                                   |                                     |                                 | -                |                                | 102.5                                      |                 |
| Prepaid expenses and other                      | 166.4                        |  |                      |                                   | 0.5                                 |                                 | 0.5              | (47.5)                         | 119.4                                      |                 |
| Total current assets                            | 1,289.7                      | -  | -                    | -                                 | 0.5                                 | -                               | 0.5              | (47.5)                         | 1,242.7                                    |                 |
| <b>Non-current assets</b>                       |                              |  |                      |                                   |                                     |                                 |                  |                                |  |                 |
| Property and equipment, net                     | 7,079.4                      |  |                      |                                   |                                     | (178.0)                         | (178.0)          |                                | 6,901.4                                    |                 |
| Intangible assets                               | 692.4                        |  |                      |                                   |                                     |                                 | -                |                                | 692.4                                      |                 |
| Other assets                                    | 72.2                         |  |                      |                                   | 10.4                                |                                 | 10.4             |                                | 82.6                                       |                 |
| <b>Total assets</b>                             | 9,133.7                      | -  | -                    | -                                 | 10.9                                | (178.0)                         | -                | (167.1)                        | 8,919.1                                    |                 |
| <b>Liabilities and equity</b>                   |                              |  |                      |                                   |                                     |                                 |                  |                                |  |                 |
| <b>Current liabilities</b>                      |                              |  |                      |                                   |                                     |                                 |                  |                                |  |                 |
| Short-term borrowings                           | 1,230.9                      |  |                      |                                   | (2.8)                               |                                 | 41.8             | 39.0                           | 1,269.9                                    |                 |
| Amounts owed to Carnival Corporation            | 297.1                        |  |                      |                                   |                                     |                                 | -                |                                | 297.1                                      |                 |
| Accounts payable                                | 230.4                        |  |                      |                                   |                                     |                                 | -                |                                | 230.4                                      |                 |
| Accrued liabilities and other                   | 468.5                        |  | (53.1)               |                                   | 0.9                                 |                                 | (41.8)           | (94.0)                         | 374.5                                      |                 |
| Customer deposits                               | 621.7                        |  |                      |                                   |                                     |                                 | -                |                                | 621.7                                      |                 |
| Total current liabilities                       | 2,848.6                      | -  | (53.1)               | -                                 | (1.9)                               | -                               | -                | (55.0)                         | 2,793.6                                    |                 |
| <b>Non-current liabilities</b>                  |                              |  |                      |                                   |                                     |                                 |                  |                                |  |                 |
| Long-term debt                                  | 1,532.2                      |  |                      |                                   | (15.7)                              |                                 | (15.7)           |                                | 1,516.5                                    |                 |
| Other long-term liabilities and deferred income | 270.9                        | 64.7                                     |                      |                                   | 19.2                                | (178.0)                         | (94.1)           |                                | 176.8                                      |                 |
|   | 4,651.7                      | 64.7                                     | (53.1)               | -                                 | 1.6                                 | (178.0)                         | -                | (164.8)                        | 4,486.9                                    |                 |
| <b>Equity</b>                                   |                              |  |                      |                                   |                                     |                                 |                  |                                |  |                 |
| Ordinary shares of Carnival plc                 | 352.9                        |  |                      |                                   |                                     |                                 | -                |                                | 352.9                                      |                 |
| Additional paid-in capital                      | 75.6                         |  |                      |                                   |                                     |                                 | -                |                                | 75.6                                       |                 |
| Retained earnings                               | 2,556.3                      | (59.5)                                   | 53.1                 | (18.4)                            | 21.2                                |                                 | 391.3            | (50.7)                         | 2,893.3                                    |                 |
| Other reserves                                  | 1,494.8                      | (5.2)                                    |                      | 18.4                              | (11.9)                              |                                 | (391.3)          | 3.2                            | 1,108.0                                    |                 |
| <b>Equity shareholders' funds</b>               | 4,479.6                      | (64.7)                                   | 53.1                 | -                                 | 9.3                                 | -                               | -                | (2.3)                          | 4,429.8                                    |                 |
| Minority interests                              | 2.4                          |  |                      |                                   |                                     |                                 |                  |                                | 2.4  |                 |
|   | 9,133.7                      | -  | -                    | -                                 | 10.9                                | (178.0)                         | -                | (167.1)                        | 8,919.1                                    |                 |