CARNIVAL
PLC

Carnival plc
UK GAAP Financial Statements
Year ended November 30, 2005

Registered number: 4039524

The Annual Report of Carnival plc comprises the Carnival plc UK GAAP financial statements contained herein, together with the Carnival Corporation & plc 2005 Annual Report and the Proxy Statement.

The standalone Carnival plc UK GAAP financial statements, contained herein, are required to satisfy reporting requirements of the Companies Act 1985, and do 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, which are included within the Carnival Corporation & plc 2005 Annual Report that accompanies this document.

Carnival plc

Group profit and loss account

	Note	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
Turnover	2	4,352.2	3,901.3
Cost of sales		(3,023.8)	(2,632.3)
Administrative expenses		(616.2)	(609.0)
Operating costs		(3,640.0)	(3,241.3)
Group operating profit	2	712.2	660.0
Loss on disposal of ships	2	(32.0)	—
Profit on ordinary activities before interest		680.2	660.0
Net interest payable and similar items	4	(120.0)	(110.3)
Profit on ordinary activities before taxation		560.2	549.7
Taxation	5	(23.9)	(27.6)
Profit on ordinary activities after taxation		536.3	522.1
Dividends	6	(191.1)	(116.5)
Retained profit for the financial year	17	345.2	405.6
Carnival plc standalone earnings per share (in U.S. dollars)			
Basic earnings per share	7	2.53	2.47
Diluted earnings per share	7	2.52	2.46

See accompanying notes to the financial statements.

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 (see note 1). 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 and 2004 (in U.S. dollars):

DLC Basic earnings per share	2005: 2.80	2004: 2.31
DLC Diluted earnings per share	2005: 2.70	2004: 2.24

Carnival plc

Group balance sheet

	Note	As at Nov. 30, 2005 U.S.$m	As at Nov. 30, 2004 U.S.$m
Fixed assets			
Intangible assets	8	703.8	749.4
Tangible assets			
Ships	9	6,525.7	7,303.2
Properties and other fixed assets	10	556.1	544.9
		7,081.8	7,848.1
Investments	11	4.7	7.9
		7,790.3	8,605.4
Current assets			
Stocks	12	102.5	106.3
Debtors	13	480.2	452.2
Cash at bank and in hand		778.0	174.5
		1,360.7	733.0
Creditors: amounts falling due within one year	14	(2,865.3)	(2,531.1)
Net current liabilities		(1,504.6)	(1,798.1)
Total assets less current liabilities		6,285.7	6,807.3
Creditors: amounts falling due after more than one year	14	(1,726.0)	(2,217.3)
Provisions for liabilities and charges	15	(77.7)	(72.1)
		4,482.0	4,517.9
Capital and reserves			
Called up share capital	16	352.9	352.2
Share premium account	17	75.6	64.7
Other reserves	17	35.6	35.6
Merger reserve	17	1,459.2	1,459.2
Profit and loss account	17	2,556.3	2,604.2
Equity shareholders' funds		4,479.6	4,515.9
Equity minority interests		2.4	2.0
		4,482.0	4,517.9

See accompanying notes to the financial statements.

Approved by the board of directors on February 21, 2006 and signed on its behalf by:
Micky Arison
Howard S. Frank

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 (see note 1).

Carnival plc

Group cash flow statement

	Note	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
Net cash inflow from operating activities	18	1,177.9	1,076.8
Returns on investments and servicing of finance			
Interest received		11.2	7.9
Interest paid		(133.2)	(130.5)
Net cash outflow for returns on investments and servicing of finance		(122.0)	(122.6)
Taxation		(14.9)	(10.3)
Capital expenditure			
Purchase of ships		(626.3)	(1,663.5)
Purchase of other fixed assets		(112.1)	(111.6)
Disposal of ships		—	150.1
Disposal of other fixed assets		14.8	12.9
Net cash outflow for capital expenditure		(723.6)	(1,612.1)
Acquisitions and disposals			
Acquisition of subsidiaries and associates	18	1.6	(4.1)
Disposal of subsidiaries and associates		—	1.8
Cash disposed on corporate restructuring		—	(29.3)
Net cash inflow/(outflow) for acquisitions and disposals		1.6	(31.6)
Equity dividends paid		(148.5)	(105.4)
Net cash inflow/(outflow) before financing		170.5	(805.2)
Financing			
Issue of ordinary share capital		11.6	38.7
Movement on loans with Carnival Corporation		98.7	1,145.9
Loan drawdowns		1,721.9	2,224.7
Loan repayments		(1,391.6)	(2,672.3)
Repayment of finance lease		—	(8.5)
Net cash inflow from financing		440.6	728.5
Increase/(decrease) in net cash in the year	18	611.1	(76.7)

See accompanying notes to the financial statements.

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 (see note 1).

Carnival plc

Company balance sheet

	Note	As at Nov. 30, 2005 U.S.$m	As at Nov. 30, 2004 U.S.$m
Fixed assets			
Intangible asset—goodwill	8	215.1	—
Tangible assets—ships	9	2,660.4	1,750.4
Properties and other fixed assets	10	14.8	15.7
Investments—subsidiaries	25	5,035.0	4,587.0
		7,925.3	6,353.1
Current assets			
Stock	12	41.3	25.1
Debtors	13	572.6	1,061.3
Cash at bank and in hand		219.8	89.3
		833.7	1,175.7
Creditors: amounts falling due within one year	14	(4,020.2)	(3,152.4)
Net current liabilities		(3,186.5)	(1,976.7)
Total assets less current liabilities		4,738.8	4,376.4
Creditors: amounts falling due after more than one year	14	(1,488.9)	(1,001.1)
Provisions for liabilities and charges	15	(25.4)	(28.5)
		3,224.5	3,346.8
Capital and reserves			
Called up share capital	16	352.9	352.2
Share premium account	17	75.6	64.7
Other reserves	17	35.6	35.6
Profit and loss account	17	2,760.4	2,894.3
Equity shareholders' funds		3,224.5	3,346.8

See accompanying notes to the financial statements.

Approved by the board of directors on February 21, 2006 and signed on its behalf by:
Micky Arison
Howard S. Frank

Carnival plc

Group statement of total recognised gains and losses

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
Profit for the year	536.3	522.1
Exchange movements on foreign currency net investments	(393.1)	384.8
Total recognised gains and losses relating to the year	143.2	906.9

Reconciliation of movements in shareholders' funds

	Group Twelve months to Nov. 30, 2005 U.S.$m	Group Twelve months to Nov. 30, 2004 U.S.$m	Company Twelve months to Nov. 30, 2005 U.S.$m	Company Twelve months to Nov. 30, 2004 U.S.$m
Total recognised gains and losses for the year	143.2	906.9	57.2	2,741.9
Dividends	(191.1)	(116.5)	(191.1)	(116.5)
New shares issued	11.6	38.7	11.6	38.7
Net movement in own shares held	—	—	—	(3.6)
Net investment in the Merged Businesses by Carnival Corporation (note 17)	—	1,472.6	—	—
	(36.3)	2,301.7	(122.3)	2,660.5
Shareholders' funds at beginning of the year	4,515.9	2,214.2	3,346.8	686.3
Shareholders' funds at end of the year	4,479.6	4,515.9	3,224.5	3,346.8

See accompanying notes to the financial statements.

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 (see note 1).

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Carnival plc (the "Company"), its subsidiaries and associates (collectively the "Group").

Basis of preparation of financial statements

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United Kingdom ("UK GAAP") under the historical cost convention, and in accordance with applicable UK accounting standards and the Companies Act 1985.

The Group financial statements comprise the consolidation of the accounts of the Company and all its subsidiaries and incorporate the Group's interest in its associates under the equity method of accounting.

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 amendments to 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. Under the contracts governing the DLC the Carnival Corporation & plc consolidated earnings accrue equally to each unit of Carnival Corporation stock and each Carnival plc share. Further details relating to the DLC are included in note 3 of the Carnival Corporation & plc consolidated financial statements.

In order to provide the Carnival Corporation and Carnival plc shareholders with the most meaningful picture of their economic interest in the DLC formed by Carnival Corporation and Carnival plc, consolidated financial statements and management commentary of Carnival Corporation & plc have been included in the Carnival Corporation & plc 2005 Annual Report. The consolidated Carnival Corporation & plc financial statements have been prepared under purchase accounting principles whereby the DLC transaction has been accounted for as an acquisition of Carnival plc by Carnival Corporation. These consolidated Carnival Corporation & plc financial statements have been prepared under U.S. GAAP on the basis that all significant financial and operating decisions affecting the DLC companies are taken on the basis of U.S. GAAP information and consequences.

The standalone Carnival plc UK GAAP financial statements, including by way of note the Carnival Corporation & plc U.S. GAAP statements on pages 5 to 28 of the Carnival Corporation & plc 2005 Annual Report, are required to satisfy reporting requirements of the Companies Act 1985. 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.

Goodwill arising on acquisitions

Goodwill arising on business acquisitions, being the difference between the fair value of consideration compared to the fair value of net assets acquired, represents the residual purchase price after allocation to all identifiable net assets. Goodwill is included within intangible fixed assets and is stated at cost less accumulated amortisation. Where goodwill is regarded as having limited useful life the cost is amortised on a straight line basis over its expected useful life, which can be up to 40 years. A life of more than 20 years is adopted when the directors consider the period for which the value of the underlying business acquired exceeds the value of the identifiable net assets is demonstrably longer than 20 years. Where goodwill is regarded as having an indefinite useful economic life it is not amortised. This policy is appropriate due to the long-term nature of the business and the enduring nature of the brands, which are a key part of the strategy of the Group and are supported by continuing investment in the brands and new ships. Goodwill with an expected useful life of more than

20 years is reviewed annually by the directors, by comparing the carrying value with the estimated fair value, to determine whether there has been any permanent impairment in value; any such reduction in value is taken to the profit and loss account.

Investments

Investments in subsidiary and associate undertakings are held at cost less provisions for impairment in the Company balance sheet.

Tangible fixed assets

Ships are stated at cost less accumulated depreciation. Subsequent ship improvement costs are capitalised as additions to the ship, while costs of planned major maintenance activities are accounted for as dry-docking costs.

Properties and other fixed assets, including computer hardware and software, are stated at cost less accumulated depreciation.

Interest incurred in respect of payments on account of assets under construction is capitalised to the cost of the assets concerned.

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

Cruise ships	30 years
Freehold buildings	20–40 years
Other fixed assets	2–20 years

Owned land and ships under construction are not depreciated.

Impairment of fixed assets

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

Dry-docking costs

Dry-docking costs, comprising planned major maintenance activities, are deferred and expensed over the estimated period of benefit, generally 12 months or in some instances the period to the next scheduled dry-dock, which can be up to 30 months. Replacements made during a dry-dock are 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.

Grants

Grants received towards the cost of tangible fixed assets are included in creditors as deferred income and credited to the profit and loss account over the life of the asset.

Stocks

Stocks consist of provisions, supplies, fuel and gift shop and art merchandise held for resale and are stated at the lower of cost or net realisable value.

Revenue and expense recognition

Turnover comprises sales to third parties (excluding VAT and similar sales and port taxes). Guest cruise deposits represent unearned revenues and are initially recorded as customer deposit liabilities when received. Customer deposits are subsequently recognised as cruise revenues, together with revenues from onboard and other activities and all associated direct costs of a voyage, upon completion of voyages with durations of ten nights or less and on a pro rata basis for voyages in excess of ten nights. Future travel discount vouchers issued to guests are typically recorded as a reduction of revenues when such vouchers are utilised. Revenues and expenses from tour and travel services are recognised at the time the services are performed or expenses are incurred.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Rentals under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Marketing and promotion costs

Marketing and promotion are expensed as incurred, except for brochures and media production costs, which are recorded as prepaid expenses and charged to the profit and loss account as brochures are consumed or upon the first airing of the advertisement.

Pension costs

Contributions in respect of defined contribution pension plans are charged to the profit and loss account when they are payable. Contributions in respect of defined benefit pension plans are calculated as a percentage, agreed on actuarial advice, of the pensionable salaries of employees. The cost of providing defined benefit pensions is charged to the profit and loss account on a systematic basis over the periods benefiting from the services of employees, and is calculated with the advice of an independent qualified actuary, using the projected unit method. This is in accordance with Statement of Standard Accounting Practice 24 "Accounting for pension costs." Additional disclosure as required by the transitional rules of FRS17 is also provided.

Deferred taxation

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19. A net deferred tax asset is regarded as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Derivatives and other financial instruments

Carnival plc uses foreign currency swaps and interest rate swaps to manage its exposure to certain foreign currency exchange rate and interest rate risks and to hedge major capital expenditure or lease commitments by businesses in currencies other than their functional currency. Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is itself recognised.

Foreign currencies

The reporting currency of the Group is the U.S. dollar. The Group's businesses generate earnings in a number of different currencies, principally Euros, pounds Sterling and U.S. dollars. Each business selects the currency in which the majority of its trade and assets are denominated as its functional currency. Transactions in currencies other than a business' functional currency are recorded at the rate of exchange ruling at the date of the transaction. Profits and losses of subsidiaries, branches, and joint ventures which have functional currencies other than U.S. dollars are translated into U.S. dollars at average rates of exchange. Assets and liabilities denominated in foreign currencies are translated at the year end exchange rates.

Exchange differences arising from the retranslation of the opening net assets of subsidiaries, branches and joint ventures which have currencies of operation other than U.S. dollars and any related loans are taken to reserves, together with the differences arising when the profit and loss accounts are translated at average rates and compared with rates ruling at the year end. Other exchange differences are taken to the profit and loss account.

2. Segmental analysis

Carnival plc has a single business of operating cruise ships and North American related landside assets under various brand names as follows: Holland America Tours and Princess Tours in North America, Costa, P&O Cruises, Swan Hellenic, Ocean Village and AIDA Cruises in Europe and P&O Cruises (Australia) in Australia and New Zealand. In addition, the Group operates the Cunard brand, approximately 60% of the results of which are generated in North America with the remainder arising primarily in Europe.

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
Turnover (by origin)		
Continuing operations		
North America	869.9	872.4
Europe and Australia	3,482.3	3,028.9
	4,352.2	3,901.3

The turnover for each geographic segment is materially generated from sales to customers in that region. The Group offers cruises across a substantial number of different itineraries, accordingly, analysing turnover by destination is not considered practical or meaningful.

Gross profit and gross profit margin can be affected by changes in the air/sea mix. The gross profit for the year ended November 30, 2005 was $1,328.4m (2004 $1,269.0m).

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
Total operating profit		
Continuing operations		
North America	63.9	96.1
Europe and Australia	648.3	563.9
	712.2	660.0

The non-operating loss of $32.0m in 2005 arose on the disposal of two ships in Europe and Australia. Of this loss, $12.6m arose following the redeployment of vessels between the UK and North America when Carnival plc sold the Adonia to Princess Cruises. The sale resulted in a UK GAAP loss of $12.6m for Carnival plc. In the Carnival Corporation & plc consolidated financial statements no loss arose because the transfer was between companies within the DLC. In addition on December 14, 2005, Carnival plc entered into an agreement to sell the Pacific Sky. The net sale proceeds will be approximately $19.4m less than the UK GAAP carrying value, and thus a provision in anticipation of the disposal has been made in the 2005 results. The U.S. GAAP Pacific Sky carrying value is less than the net sale proceeds and, accordingly, no provision in anticipation of disposal has been recorded in the 2005 Carnival Corporation & plc consolidated financial statements.

	As at Nov. 30, 2005 U.S.$m	As at Nov. 30, 2004 U.S.$m
Net operating assets excluding goodwill and ships under construction		
Continuing operations		
North America	817.2	1,023.3
Europe and Australia	5,206.4	5,933.6
	6,023.6	6,956.9

Notes to the financial statements—*(continued)*

	As at Nov. 30, 2005 U.S.$m	As at Nov. 30, 2004 U.S.$m
The net operating assets are reconciled to net assets as follows:		
Net operating assets	6,023.6	6,956.9
Goodwill	692.9	749.4
Ships under construction	230.8	126.3
Amounts owed to the Carnival Corporation group	(297.1)	(521.6)
Net borrowings	(1,992.4)	(2,661.8)
Corporation tax and deferred tax	(69.6)	(67.7)
Dividends payable	(106.2)	(63.6)
Net assets	4,482.0	4,517.9

Net operating assets including goodwill and ships under construction in North America were $963.6m (2004 $1,153.3m), and in Europe and Australia $5,983.7m (2004 $6,679.3m).

3. Operating profit is stated after (charging)/crediting

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
Depreciation of owned assets	(348.2)	(300.3)
Depreciation of assets held under finance leases	(0.6)	(3.3)
Amortisation of capital grants	11.7	12.4
Amounts written off goodwill	(3.0)	(1.0)
Operating lease costs:		
—ships	(45.5)	(14.6)
—property	(13.3)	(15.8)
—other	(4.4)	(4.7)
Auditors' remuneration:		
Audit	(1.7)	(1.7)
Tax advice	(0.2)	(0.3)
Other non-audit fees	—	(0.1)
Total fees paid to the auditors and their associates	(1.9)	(2.1)

The audit fee of the Company was $0.5m (2004 $0.6m). For the year ended November 30, 2005 $1.7m was invoiced by the auditors to Carnival plc (2004 $1.7m), based on an allocation of total DLC audit fees among all DLC entities; this does not necessarily represent the audit fee that would have been charged to Carnival plc as a standalone group. Further details of the audit fees are given in the Proxy Statement in the section entitled "Independent Registered Certified Public Accounting Firm".

4. Net interest payable and similar items

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
Interest payable on:		
Bank loans and overdrafts	(138.7)	(122.5)
Loans from the Carnival Corporation group	(0.1)	(3.4)
	(138.8)	(125.9)
Interest capitalised	7.6	7.7
	(131.2)	(118.2)
Interest receivable on other deposits	11.2	7.9
	(120.0)	(110.3)

Notes to the financial statements—*(continued)*

Interest capitalised relates to tangible fixed assets under construction. The capitalisation rate is based on the weighted average of interest rates applicable to the Group's borrowings (excluding loans for specific purposes) during each period. The aggregate interest capitalised by the Group through November 30, 2005 was $99.7m (2004 $92.1m), substantially all of which relates to ships.

5. Taxation

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
The taxation charge is made up as follows:		
Current taxation:		
UK Corporation tax	(0.3)	(0.3)
Overseas taxation	(21.6)	(12.3)
	(21.9)	(12.6)
Overseas deferred taxation:		
Utilisation of recoverable tax losses	(2.1)	(17.4)
Origination/reversal of timing differences	0.1	2.4
	(23.9)	(27.6)

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
The current taxation charge is reconciled to the UK standard rate as follows:		
Profit on ordinary activities before tax	560.2	549.7
Notional tax charge at UK standard rate (2005: 30.0%; 2004: 30.0%)	(168.1)	(164.9)
Effect of overseas taxes at different rates	58.9	64.4
Effect of UK tonnage tax and other permanent differences	87.3	87.9
	(21.9)	(12.6)

There was no charge or credit in respect of profits and losses on sale of ships and other fixed assets. The effective tax rate for the Group is expected to remain low due to the entry into the UK tonnage tax regime in 2001 and tax arrangements applicable to ships registered in Italy, including the entry of these ships into the Italian tonnage tax regime in 2005. The U.S. tour operations are taxed at the applicable U.S. federal and state corporate tax rates, approximately 40%.

6. Dividends

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
Dividends paid, declared, proposed and accrued are as follows:		
Equity share capital		
First interim paid $0.20 per share (2004 $0.125)	42.6	26.4
Second interim paid $0.20 per share (2004 $0.125)	42.3	26.5
Third interim paid $0.25 per share (2004 $0.15)	53.1	31.8
Fourth interim proposed at $0.25 per share (2004 $0.15)	53.1	31.8
	191.1	116.5

Notes to the financial statements—*(continued)*

7. Earnings per ordinary share

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
Carnival plc basic and diluted earnings	536.3	522.1
Weighted average number of shares (millions)		
Basic	212.2	211.4
Dilutive shares	0.8	1.2
Diluted number of shares	213.0	212.6
Carnival plc standalone basic earnings per share (in U.S. dollars)	2.53	2.47
Carnival plc standalone diluted earnings per share (in U.S. dollars)	2.52	2.46

As described in note 1 Carnival Corporation and Carnival plc implemented a DLC structure on April 17, 2003. Under the contracts governing the DLC the Carnival Corporation & plc consolidated earnings accrue equally to each unit of Carnival Corporation stock and each Carnival plc share. For this reason the U.S. GAAP earnings per share are provided for information on page 1.

The weighted average number of shares has been reduced for shares in the Company held by the Company's employee benefit trust for the satisfaction of incentive scheme awards that have not vested unconditionally.

The dilutive shares relate to ordinary shares to be issued on the exercise of employee share options.

8. Intangible assets

	Group			
	Goodwill U.S.$m	Other intangibles U.S.$m	Total U.S.$m	Company Goodwill U.S.$m
Cost				
Cost at December 1, 2004	794.2	—	794.2	—
Exchange movements	(61.4)	—	(61.4)	—
Additions	6.4	—	6.4	215.1
Transfer from other fixed assets (note 10)	—	10.9	10.9	—
Cost at November 30, 2005	739.2	10.9	750.1	215.1
Amortisation				
Amortisation at December 1, 2004	(44.8)	—	(44.8)	—
Exchange movements	1.5	—	1.5	—
Amortisation charge for the year	(0.2)	—	(0.2)	—
Impairment provision	(2.8)	—	(2.8)	—
Amortisation at November 30, 2005	(46.3)	—	(46.3)	—
Net book value				
At November 30, 2005	692.9	10.9	703.8	215.1
At November 30, 2004	749.4	—	749.4	—

Due to the enduring nature of the Group's brands and continued investment in the brands and new ships, goodwill of $685.4m at November 30, 2005, including $133.5m in respect of AIDA, $215.1m in respect of Cunard and $336.8m in respect of Costa, is regarded as having an indefinite life and is not amortised. In the opinion of the directors this departure from the requirements of the Companies Act 1985, for goodwill to be amortised, is adopted so that the financial statements give a true and fair view. It is not possible to quantify the effect of this departure because no finite life for goodwill can be identified.

Other intangibles in the Group represent port concession rights and are being amortised over the life of the concession.

Goodwill in the company comprises goodwill on the purchase of the Cunard business from Cunard Line Ltd; further details of this transaction are provided in note 9.

Notes to the financial statements—*(continued)*

9. Ships

	Group			Company
	Owned U.S.$m	Leased U.S.$m	Total U.S.$m	Owned U.S.$m
Cost				
Cost at December 1, 2004	8,731.6	130.7	8,862.3	2,316.8
Exchange movements	(794.0)	—	(794.0)	(206.1)
Additions	633.9	—	633.9	463.3
Transfer from Cunard Line Ltd	—	—	—	973.8
Transfer from other group companies	—	—	—	406.9
Disposals	(431.0)	(130.7)	(561.7)	(428.4)
Cost at November 30, 2005	8,140.5	—	8,140.5	3,526.3
Depreciation				
Depreciation at December 1, 2004	(1,550.7)	(8.4)	(1,559.1)	(566.4)
Exchange movements	145.3	—	145.3	50.3
Charge for year	(284.5)	(0.6)	(285.1)	(108.2)
Impairment provision	(19.4)	—	(19.4)	(19.4)
Transfer from Cunard Line Ltd	—	—	—	(80.7)
Transfer from other group companies	—	—	—	(234.4)
Disposals	94.5	9.0	103.5	92.9
Depreciation at November 30, 2005	(1,614.8)	—	(1,614.8)	(865.9)
Net book value				
At November 30, 2005	6,525.7	—	6,525.7	2,660.4
At November 30, 2004	7,180.9	122.3	7,303.2	1,750.4

Ships under construction included in the above for Group totalled $230.8m (2004 $126.3m) and in the Company totalled $57.3m (2004 $75.9m).

On January 1, 2005, the Company purchased all of the cruise operations formerly owned by Cunard Line Ltd, its wholly owned subsidiary. The purchase price was based on the book values of the assets held by Cunard Line Ltd. In addition a number of other ships were sold to or purchased from other companies in the DLC. Details of all such ship transfers are included in note 21, related party transactions. Accumulated depreciation at the date ships are purchased from other group companies is disclosed separately in the above Company note.

Notes to the financial statements—*(continued)*

10. Properties and other fixed assets

	Group			Company
	Group Owned land and buildings U.S.$m	Office equipment, plant and motor vehicles U.S.$m	Total U.S.$m	Office equipment, plant and motor vehicles U.S.$m
Cost				
Cost at December 1, 2004	416.7	406.4	823.1	29.9
Exchange movements	(5.6)	(12.6)	(18.2)	(2.7)
Additions	48.7	63.4	112.1	4.6
Transfer to intangible assets (note 8)	(10.9)	—	(10.9)	—
Transfer from Cunard Line Ltd	—	—	—	7.9
Disposals	(26.0)	(19.0)	(45.0)	—
Cost at November 30, 2005	422.9	438.2	861.1	39.7
Depreciation				
Depreciation at December 1, 2004	(69.7)	(208.5)	(278.2)	(14.2)
Exchange movements	0.9	5.8	6.7	1.5
Charge for the year	(15.9)	(47.8)	(63.7)	(9.2)
Transfer from Cunard Line Ltd	—	—	—	(3.0)
Disposals	13.3	16.9	30.2	—
Depreciation at November 30, 2005	(71.4)	(233.6)	(305.0)	(24.9)
Net book value				
At November 30, 2005	351.5	204.6	556.1	14.8
At November 30, 2004	347.0	197.9	544.9	15.7

The book value of owned land is $26.9m (2004 $25.5m), which is not depreciated.

11. Investments—Group

	Associates (unlisted) U.S.$m	Other investments (unlisted) U.S.$m	Total U.S.$m
Cost or valuation at December 1, 2004	11.7	—	11.7
Exchange movements	(0.4)	—	(0.4)
Additions	0.3	0.7	1.0
Transfer out on acquisition as subsidiary	(7.6)	—	(7.6)
Cost or valuation at November 30, 2005	4.0	0.7	4.7
Provision at December 1, 2004	(3.8)	—	(3.8)
Transfer out on acquisition as subsidiary	3.8	—	3.8
Provision at November 30, 2005	—	—	—
Net book value			
At November 30, 2005	4.0	0.7	4.7
At November 30, 2004	7.9	—	7.9

At November 30, 2005 the Group's principal associate is Terminal Napoli S.p.A., a provider of port services, registered in Italy in which the Group has a 20% interest.

Notes to the financial statements—*(continued)*

12. Stocks

	Group As at Nov. 30, 2005 U.S.$m	Group As at Nov. 30, 2004 U.S.$m	Company As at Nov. 30, 2005 U.S.$m	Company As at Nov. 30, 2004 U.S.$m
Raw materials and consumables	69.1	69.7	34.1	20.1
Goods for resale	33.4	36.6	7.2	5.0
	102.5	106.3	41.3	25.1

13. Debtors

	Group As at Nov. 30, 2005 U.S.$m	Group As at Nov. 30, 2004 U.S.$m	Company As at Nov. 30, 2005 U.S.$m	Company As at Nov. 30, 2004 U.S.$m
Amounts recoverable within and over one year				
Trade debtors	234.2	258.1	100.9	61.3
Amounts owed by subsidiary undertakings	—	—	322.3	932.9
Other debtors	54.7	37.2	8.3	25.8
Prepayments and accrued income	191.3	156.9	141.1	41.3
	480.2	452.2	572.6	1,061.3

Group other debtors include recoverable tax of $23.9m (2004 $20.9m), the recovery of which may extend over more than one year.

14. Creditors

	Group As at Nov. 30, 2005 U.S.$m	Group As at Nov. 30, 2004 U.S.$m	Company As at Nov. 30, 2005 U.S.$m	Company As at Nov. 30, 2004 U.S.$m
Amounts falling due within one year				
Euro bond 2006	(355.4)	—	—	—
Euro bond 2005	—	(101.3)	—	—
Overdrafts	(7.8)	—	—	—
Bank loans	(875.1)	(629.1)	(237.3)	(56.3)
Finance lease creditors	—	(111.0)	—	—
Trade creditors	(358.7)	(317.2)	(57.6)	(13.8)
Amounts owed to Carnival Corporation group companies	(297.1)	(521.6)	(564.9)	(514.8)
Amounts owed to subsidiaries	—	—	(2,437.5)	(2,097.7)
Corporation tax	(60.0)	(56.9)	(1.4)	—
Other creditors	(32.4)	(48.8)	(27.7)	(1.6)
Accruals	(150.9)	(156.9)	(147.6)	(111.8)
Deferred income	(621.7)	(524.7)	(440.0)	(292.8)
Dividends payable	(106.2)	(63.6)	(106.2)	(63.6)
	(2,865.3)	(2,531.1)	(4,020.2)	(3,152.4)

	Group As at Nov. 30, 2005 U.S.$m	Group As at Nov. 30, 2004 U.S.$m	Company As at Nov. 30, 2005 U.S.$m	Company As at Nov. 30, 2004 U.S.$m
Amounts falling due after more than one year				
Bank loans, loan notes and bonds:				
Between one and five years				
Euro bond 2006	—	(398.4)	—	—
Bank loans	(963.1)	(1,144.8)	(923.1)	(552.2)
Other creditors	(15.8)	(10.3)	—	—
Deferred income	(178.1)	(212.1)	—	—
Over five years				
Sterling bonds 2012	(339.9)	(378.2)	(339.9)	(378.2)
Bank loans	(229.1)	(73.5)	(225.9)	(70.7)
	(1,726.0)	(2,217.3)	(1,488.9)	(1,001.1)

Bank loans and overdrafts include amounts of $216.5m (2004 $294.5m) secured on ships and other assets. Further details of interest rates on bank borrowings are given in note 24. The deeds of guarantee issued in conjunction with the formation of the DLC, and subsequent guarantees issued, effectively result in Carnival plc guaranteeing all of Carnival Corporation's indebtedness and certain other monetary obligations. Carnival Corporation has provided reciprocal guarantees over the Company's and certain of its subsidiaries' indebtedness. Further details of arrangements under the DLC structure are given in note 3 of the Carnival Corporation & plc 2005 Annual Report.

The maturity of bank loans, bonds, finance lease creditors and overdrafts is as follows:

	Group As at Nov. 30, 2005 U.S.$m	Group As at Nov. 30, 2004 U.S.$m	Company As at Nov. 30, 2005 U.S.$m	Company As at Nov. 30, 2004 U.S.$m
Within one year	(1,238.3)	(841.4)	(237.3)	(56.3)
Between one and two years	(76.4)	(1,013.6)	(50.4)	(47.3)
Between two and five years	(886.7)	(529.5)	(872.7)	(504.9)
Between five and ten years	(512.3)	(450.2)	(511.2)	(448.9)
Over ten years	(56.7)	(1.6)	(54.6)	—
	(2,770.4)	(2,836.3)	(1,726.2)	(1,057.4)

15. Provisions for liabilities and charges

	Deferred taxation U.S.$m	Other U.S.$m	Total U.S.$m
Group			
At December 1, 2004	(31.7)	(40.4)	(72.1)
Exchange differences	0.1	3.5	3.6
Utilised in the year	—	3.3	3.3
Charged to profit and loss	(1.9)	(10.6)	(12.5)
At November 30, 2005	(33.5)	(44.2)	(77.7)

During 2001 Carnival plc elected to enter the UK tonnage tax regime, which eliminated future potential tax liabilities on its shipping related profits in the UK.

	Group As at Nov. 30, 2005	Group As at Nov. 30, 2004
Deferred taxation comprises:		
Accelerated capital allowances	(38.7)	(38.0)
Short-term timing differences	5.2	6.3
	(33.5)	(31.7)

No deferred tax is recognised on unremitted earnings of overseas subsidiaries and associates. As the earnings are continually reinvested by the Group, no tax is expected to be payable on them in the foreseeable future.

Other provisions in the Group include $11.9m (2004 $15.1m) in respect of the estimated net residual commitments on vacant leasehold properties, which are expected to be settled over the next six years, and $24.5m (2004 $21.8m) in estimated pension and other post retirement obligations. Post retirement obligations include a provision for Italian staff leaving indemnity of $13.5m (2004 $13.1m); further details of the staff leaving indemnity are given in note 20.

The significant provisions in the Company include $11.9m (2004 $15.1m) in respect of commitments on vacant leasehold properties and $10.9m (2004 $8.7m) in respect of estimated pension and other post retirement obligations.

16. Called up share capital

The authorised ordinary share capital comprises 225,903,614 ordinary shares of $1.66 each (2004 225,903,614 ordinary shares of $1.66 each).

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

	No. of Shares	U.S.$m
At December 1, 2004	212,193,824	352.2
Shares issued	401,462	0.7
At November 30, 2005	212,595,286	352.9

During 2005 the Company issued 401,462 ordinary shares of $1.66 each following the exercise of share options for total consideration of $11.7m.

In connection with the formation of the DLC the Company authorised 100,000 and allotted 50,000 £1.00 redeemable preference shares and one special voting share of £1.00. The 50,000 redeemable preference shares allotted are entitled to a cumulative fixed dividend of 8% per annum. The preference shares rank behind other classes of shares in relation to the payment of capital on certain types of distribution of the Company.

Details of options over ordinary shares granted to employees are given in note 19.

17. Reserves

	Share premium account U.S.$m	Other reserves U.S.$m	Merger reserve U.S.$m	Profit and loss account U.S.$m	Total U.S.$m
Group					
At December 1, 2004	64.7	35.6	1,459.2	2,604.2	4,163.7
Exchange movements	—	—	—	(393.1)	(393.1)
Issue of shares	10.9	—	—	—	10.9
Retained profit for the financial year	—	—	—	345.2	345.2
At November 30, 2005	75.6	35.6	1,459.2	2,556.3	4,126.7

	Share premium account U.S.$m	Other reserves U.S.$m	Profit and loss account U.S.$m	Total U.S.$m
Company				
At December 1, 2004	64.7	35.6	2,894.3	2,994.6
Exchange movements	—	—	(182.6)	(182.6)
Issue of shares	10.9	—	—	10.9
Retained profit for the financial year	—	—	48.7	48.7
At November 30, 2005	75.6	35.6	2,760.4	2,871.6

In accordance with s230 of the Companies Act 1985 the Company has not presented its own profit and loss account. The profit attributable to shareholders of the Company for the period was $239.8m (2004 $2,532.2m). The profit and loss account comprises $1,081.1m (2004 $1,215.0m) of distributable reserves and $1,679.3m (2004 $1,679.3m) of undistributable reserves.

At November 30, 2005 Group and Company "Other reserves" represent the difference between the market and nominal value of shares issued as initial consideration of $35.6m in respect of the purchase of 49% of AIDA Cruises Limited in November 2000. The shares issued in respect of the initial consideration were accounted for in accordance with the merger relief provisions of the Companies Act 1985.

During the year ended November 30, 2004 Carnival Corporation & plc completed a corporate restructuring involving the transfer within the DLC group of subsidiary companies below Carnival Corporation and Carnival plc. These transactions were undertaken primarily to facilitate business integration and the flow of funds between affiliated companies. Due to the nature of the DLC structure, this series of transactions was accounted for as a group reconstruction in accordance with Financial Reporting Standard 6, using merger accounting principles to reflect the combination of Carnival plc with the merged businesses. The directors consider that within the DLC structure the use of merger accounting for the restructuring was required to give a true and fair presentation of the transfer of businesses from Carnival Corporation. This represents a departure from the provision of the Companies Act 1985 which sets out the conditions for merger accounting based on the assumption that a merger is effected through the issue of equity shares. The main consequence of adopting merger rather than acquisition accounting was that the balance sheet of the Group included the assets and liabilities of the merged businesses at their book values prior to the merger, rather than at their fair values at the date of the merger. Further, as a result of this accounting treatment, the disposal of businesses to Carnival Corporation gave rise to no gain or loss. The difference between the book value and the fair value of these businesses (which equates to the value of the consideration received) of approximately $1.47bn, was shown as a movement in 2004 equity shareholders' funds. In the particular circumstances of the merger, the effect of applying acquisition accounting cannot reasonably be quantified.

As at November 30, 2005 the Carnival plc Employee Benefit Trust held 175,538 shares in Carnival plc (2004 175,538 shares), with an aggregate nominal value of $0.3m (2004 $0.3m). At November 30, 2005 the market value of these shares was $9.8m (2004 $9.8m). If they had been sold at this value there would have been no tax liability (2004 nil) on the capital gain arising from the sale. The costs of funding and administering the scheme are charged to the profit and loss account of the Company in the period to which they relate.

18. Notes to the Group cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
Group operating profit	712.2	660.0
Depreciation and amortisation including capital grant amortisation	337.1	291.2
Loss on disposal of fixed assets	4.4	1.0
Goodwill amortisation and other amounts written off investments	3.0	4.8
Increase in stocks	(2.5)	(44.6)
(Increase)/decrease in debtors	(54.1)	31.2
Increase in creditors and provisions	177.8	133.2
Net cash inflow from operating activities	1,177.9	1,076.8

(b) Reconciliation of net cash flow to movement in net debt

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
Increase/(decrease) in net cash in the year	611.1	(76.7)
Cash inflow from loans with Carnival Corporation	(98.7)	(1,145.9)
Cash outflow/(inflow) from changes in short-term borrowings	330.6	(242.1)
Cash (inflow)/outflow from third party debt and lease financing	(660.9)	698.2
Change in net debt resulting from cash flows	182.1	(766.5)
Princess Cruises debt disposed on corporate restructuring	—	748.8
Carnival Corporation loan note on sale of Princess Cruises	—	3,967.7
Other non-cash transactions with Carnival Corporation (note 21)	434.2	358.6
Net movement on disposal of U.S. dollar debt	—	(103.1)
Amortisation of bond issue costs	(2.3)	(1.4)
Exchange movements in net debt	279.9	(278.4)
Movement in net debt in the year	893.9	3,925.7
Net debt at the beginning of the year	(3,183.4)	(7,109.1)
Net debt at the end of the year	(2,289.5)	(3,183.4)

(c) Analysis of net debt

	At Dec. 1, 2004 U.S.$m	Cash flow U.S.$m	Other non-cash movements U.S.$m	Exchange movements U.S.$m	At Nov. 30, 2005 U.S.$m
Cash available on demand	174.5	618.9	—	(15.4)	778.0
Less: bank overdrafts	—	(7.8)	—	—	(7.8)
	174.5	611.1	—	(15.4)	770.2
Loan with Carnival Corporation	(521.6)	(98.7)	323.2	—	(297.1)
Short-term debt	(841.4)	330.6	(739.3)	11.8	(1,238.3)
Medium and long-term debt	(1,883.9)	(660.9)	737.0	283.5	(1,524.3)
Finance leases	(111.0)	—	111.0	—	—
Net debt	(3,183.4)	182.1	431.9	279.9	(2,289.5)

Non-cash movements in loans with Carnival Corporation include the net effect of the Adonia, Pacific Princess and Tahitian Princess transfers, total $441.1m, the settlement of the Pacific Princess and Tahitian Princess finance leases, $111.0m, and settlement $6.9m of tax liabilities.

(d) Acquisition of subsidiaries and associates comprises the purchase of the remaining 50% of Victoria Travel Ltd. The purchase consideration comprised cash of $5.0m and the net assets acquired were $2.6m, including cash balances of $6.6m.

19. Employees

	Twelve months to Nov. 30, 2005	Twelve months to Nov. 30, 2004
The average number of employees was as follows:		
Shore staff	7,225	7,253
Sea staff	18,009	17,988
	25,234	25,241

	Twelve months to Nov. 30, 2005 U.S.$m	Twelve months to Nov. 30, 2004 U.S.$m
The aggregate payroll costs were:		
Wages and salaries	522.1	512.2
Social security costs	31.5	24.0
Pension costs	17.9	16.3
	571.5	552.5

Details of directors' remuneration, including share options, long-term incentive plans and pension entitlements, are set out in the Directors' Remuneration Report in Annex B to the Proxy Statement. During the year none of the directors made any gains on the exercise of options over Carnival plc shares (2004 nil).

Employee Option Schemes

Options under the Carnival plc Executive Share Option Plan ("the Option Plan"), are exercisable in a period normally beginning not earlier than three years and ending no later than ten years from the date of the grant. Options granted immediately after the demerger from P&O in October 2000 to replace options over P&O deferred stock previously held by Carnival plc employees are exercisable over the same period as the options replaced. The exercise price is set at the closing market price on the day the option was granted.

	Weighted average exercise price per share or ADS $	Number of options over shares or ADSs
Options outstanding at December 1, 2004	38.42	3,283,367
Options granted during the year	53.86	471,352
Options exercised during the year	29.93	(401,462)
Options lapsed or cancelled	39.93	(116,872)
Options outstanding at November 30, 2005	41.67	3,236,385
Options exercisable at November 30, 2005	21.75	422,659

The average remaining life of outstanding options at November 30, 2005 was 7.9 years (2004 8.5 years).

20. Pensions

Carnival plc is a contributing employer to various pension schemes, including some multiemployer merchant navy industry schemes. The defined benefit schemes are formally valued triennially by independent qualified actuaries.

In the UK, P&O Cruises operates its own funded defined benefit pension scheme, the assets of which are managed on behalf of the trustee by independent fund managers. This scheme is closed to new membership which may result in higher service costs as the members of the scheme approach retirement. As at March 31, 2004, the date of the most recent formal actuarial valuation, the scheme had assets with a market value of $103.2m, representing 90 per cent of the benefits accrued to members allowing for future increases in earnings. Approximately 67 per cent of the scheme's assets are invested in bonds and 33 per cent in equities. The principal valuation assumptions were as follows:

	%
Rate of salary increases	4.2
Rate of pension increases	2.7
Discount rate (for accounting purposes a discount rate of 5.5% is used)	5.25
Expected return on assets	5.25

The Merchant Navy Ratings Pension Fund ("MNRPF") is a funded defined benefit multiemployer scheme in which British sea staff employed by companies within the Carnival plc group have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual. Companies within the Carnival plc group, along with other employers, are making payments into the scheme under a non-binding Memorandum of Understanding to reduce the deficit. Payments by Carnival plc's group companies to the scheme in 2005 totalled $2.5m, which represented 7 per cent of the total payments made by all employers. As at March 31, 2005, the date of the most recent formal actuarial valuation, the scheme had assets with a market value of $1,105m, representing 86 per cent of the benefits accrued to members. Approximately 66 per cent of the scheme's assets were invested in bonds, 27 per cent in equities and 7 per cent in property. The valuation assumptions were as follows:

	%
Rate of salary increases	4.2
Rate of pension increases (where increases apply)	2.7
Discount rate—pre-retirement	6.5
Discount rate—post-retirement	5.0

The Merchant Navy Officers Pension Fund ("MNOPF") is a funded defined benefit multiemployer scheme in which British officers employed by companies within the Carnival plc group have participated and continue to participate. This scheme is closed to new membership. Despite a March 2005 court ruling regarding the allocation of the deficit to participating employers, there are still a number of uncertainties remaining as to Carnival plc's portion of the fund's ultimate deficit. Accordingly, whilst the Group is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis Carnival plc accounts for the scheme on a contributions paid basis. The scheme is divided into two sections—the New Section and the Old Section. As at March 31, 2003, the date of the most recent formal actuarial valuation, the New Section had assets with a market value of $1,983m, representing approximately 86 per cent of the benefits accrued to members. The valuation assumptions were as follows:

	%
Rate of salary increases	4.0
Rate of pension increases (where increases apply)	2.5
Discount rate	7.8
Expected return on assets	7.8

At the date of the valuation, approximately 59 per cent of the New Section's assets were invested in equities, 28 per cent in bonds and 13 per cent in property and cash. The Old Section has been closed to benefit accrual since 1978. As at March 31, 2003, the date of the most recent formal actuarial valuation, the Old Section had assets with a market value of $2,235m representing approximately 115 per cent of the benefits accrued to members. The assets of the Old Section are substantially invested in bonds. Contributions from Carnival plc group companies to the MNOPF during the period to November 30, 2005 were $2.7m (2004 $1.3m).

The Group also contributed to a number of small overseas schemes, including defined contribution (401k) plans for its U.S. employees.

Notes to the financial statements—*(continued)*

The pension charges arising from the schemes described above were:

	2005 U.S.$m	2004 U.S.$m
The P&O Cruises Pension Scheme	4.9	5.9
Merchant Navy pension funds	5.8	3.8
U.S. plans and other overseas plans	7.2	6.6
	17.9	16.3

Differences between the amounts charged and the amounts paid by Carnival plc are included in prepayments or creditors as appropriate. At November 30, 2005, total prepayments amounted to $7.7m (2004 $6.7m), and total creditors amounted to $1.7m (2004 $3.6m), giving a net pension asset in the balance sheet of $6.0m (2004 net asset $3.1m).

Additional information presented under FRS17 “Retirement Benefits”:

While the Group continues to account for pension costs in accordance with Statement of Standard Accounting Practice 24 ‘Accounting for Pension Costs’, under FRS17 ‘Retirement Benefits’ the following additional information has been presented in respect of the P&O Cruises Pension Scheme, Carnival plc’s share of the MNRPF and the unfunded U.S. plans. In accordance with FRS 17, the MNOPF is not included in this analysis as Carnival plc’s share of its underlying assets and liabilities cannot be identified with certainty. However, some additional information on the overall funding position of the MNOPF is provided below.

The pension liabilities for accounting purposes of the P&O Cruises scheme, Carnival plc’s share of the MNRPF and the unfunded U.S. plans were estimated at November 30, 2005 and November 30, 2004 by Carnival plc’s qualified independent actuary. The assumptions used are best estimates chosen from a range of possible actuarial assumptions, bearing in mind the guidance given under FRS17, which may not necessarily be borne out in practice. Using weighted averages, these assumptions for the UK and U.S. schemes together were as follows:

	2005 %	2004 %	2003 %
Rate of increase in salaries	4.2	4.2	4.0
Rate of increase in pensions (where increases apply)	2.7	2.7	2.5
Discount rate	4.8	5.2	5.3
Inflation rate	2.7	2.7	2.5
Expected return on assets (only relevant for UK schemes):			
—equities	7.7	7.7	7.5
—bonds	4.8	5.2	5.3
—gilts (government bonds)	4.2	4.6	4.8

The aggregated assets and liabilities in the UK and U.S. plans as at November 30, 2005, 2004 and 2003 were estimated to be as follows:

	2005 Value U.S.$m	2005 Expected rate of return %	2004 Value U.S.$m	2004 Expected rate of return %	2003 Value U.S.$m	2003 Expected rate of return %
Equities	65.9	7.7	64.9	7.7	52.5	7.5
Bonds	102.6	4.8	103.4	5.2	87.3	5.3
Gilts	36.7	4.2	32.3	4.6	18.0	4.8
Total market value of assets	205.2	5.6	200.6	5.9	157.8	6.0
Present value of the schemes’ liabilities	(245.5)		(238.5)		(195.6)	
Net pension liability	(40.3)		(37.9)		(37.8)	

The net pension liability of $40.3m (2004 $37.9m) compares with the net pension asset accounted for under SSAP 24 of $6.0m (2004 net asset $3.1m).

Notes to the financial statements—*(continued)*

On full compliance with FRS17, the amounts that would have been charged to the consolidated profit and loss account and consolidated statement of total recognised gains and losses for these UK and U.S. plans for the period ended November 30, 2005 would have been as follows:

	2005 U.S.$m	2004 U.S.$m
Analysis of amounts charged to operating profits:		
Current service cost	(6.1)	(5.6)
Analysis of amount credited to other finance income:		
Interest on pension scheme liabilities	(11.9)	(10.4)
Expected return on assets in the pension schemes	11.6	10.2
Net charge to other finance income	(0.3)	(0.2)

The total profit and loss charge, excluding defined contribution scheme expenses, of $6.4m (2004 $5.8m) compares with $10.7m (2004 $9.7m) under SSAP 24.

	2005 U.S.$m	2004 U.S.$m
Analysis of amounts recognised in Statement of Recognised Gains and Losses (STRGL):		
Actual return less expected return on assets	6.7	8.4
Experience gain/(loss) on liabilities	1.9	(10.3)
Loss on change of assumptions (financial and demographic)	(18.5)	(13.6)
Total loss recognised in STRGL before adjustment for tax	(9.9)	(15.5)

	2005	2004	2003	2002
History of experience gains and losses				
Actual return less expected return on assets	$6.7m	$8.4m	$3.0m	($11.4m)
As a % of scheme assets at end of year	3.3%	4.2%	1.9%	8.3%
Experience gain/(loss) on scheme liabilities	$1.9m	($10.3m)	($4.3m)	$9.4m
As a % of scheme liabilities at end of year	0.8%	4.3%	2.2%	5.3%
Total actuarial (loss)/gain recognised in STRGL	($9.9m)	($15.5m)	5.4m	($13.8m)
As a % of scheme liabilities at end of year	4.0%	6.5%	2.8%	7.8%

	2005 U.S.$m	2004 U.S.$m
Movement in net pension liability in the scheme during the year		
Net pension liability at December 1, 2004	(37.9)	(37.8)
Contributions paid	10.3	7.2
Current service cost	(6.1)	(5.6)
Other finance charge	(0.3)	(0.2)
Actuarial loss	(9.9)	(15.5)
Transfer of liabilities on corporate restructuring	—	16.7
Exchange	3.6	(2.7)
Net pension liability at November 30, 2005	(40.3)	(37.9)

The allocation of the MNOPF New Section fund deficit to participating employers' was the subject of a Court ruling in March 2005. Based on the decision reached by the Court, the Group is currently estimated to be liable for approximately 2.5% of any fund deficit, after apportionment to Princess Cruise Lines Ltd for participation by its employees in the fund. At March 31, 2003, the date of the most recent formal actuarial valuation of the New Section, prepared by the MNOPF's actuary, the Group's estimated 2.5% share of the fund deficit was approximately $7.6 million, assuming a 7.8% discount rate. During August 2005 the Group received invoices from the MNOPF trustee requiring payment over the next ten years of $11.0m, representing the trustee's revised estimate, at that time, of the Group's share of the deficit. At November 30, 2005, Carnival plc's independent actuary informally updated the March 31, 2003 valuation for UK accounting purposes, and estimated that the Group's share of New Section deficit could increase to $29m, assuming a 4.8% discount rate. The amount of the fund deficit could vary considerably if different assumptions and/or estimates were used in its calculation. It is possible that the fund's trustee could invoice the Group for additional amounts in the future for various reasons, including if they believe the fund requires further funding.

On adoption of IFRS, which will be in the year ending November 30, 2006, the difference between the fair value of the assets held in the Group's pension schemes and the value of the schemes' liabilities measured on an actuarial basis, using the projected unit method, will be recognised in the balance sheet as a pension scheme asset or liability, as appropriate, which would have a consequential effect on reserves. The carrying value of any resulting pension scheme asset would be restricted to the extent that the Group is able to recover the surplus either through reduced future contributions or refunds. Due to the Group's tax structure the effect of deferred tax on the resulting pension scheme asset or liability is expected to be minimal. Based upon the actuarial estimates described above the effect on the Group's net assets at November 30, 2005 from applying FRS17 would have been a net reduction of $46.3m (2004 $41.0m).

Under Italian employment legislation Costa is required to maintain a staff leaving indemnity. Under the indemnity employees are entitled to receive a payment, calculated by reference to their length of service and final salary, if they cease employment with Costa. These payments are not conditional on employees reaching normal retirement age. At November 30, 2005 $13.5m (2004 $13.1m) had been provided by Costa; the amount provided represents the full potential liability accrued to employees up to the end of each financial year.

21. Related party transactions

Within the DLC structure there are a number of instances where Carnival Corporation group companies provide services to the Carnival plc group and also where Carnival plc group companies provide services to the Carnival Corporation group. Costs paid by the Carnival plc group to the Carnival Corporation group during 2005 in respect of cruises sold together with a land tour package by Holland America Tours and Princess Tours were $115.1m, representing the most significant trading relationship between the two groups.

During the year three ships were transferred from the Carnival plc group to Princess Cruises, namely: Adonia, Pacific Princess and Tahitian Princess. The Pacific Princess and Tahitian Princess were transferred at net book value and Adonia was transferred at a loss of $12.6m. The Adonia was renamed Sea Princess and chartered to Carnival plc.

At November 30, 2005 the Carnival plc group owed $297.1m (2004 $521.6m) to the Carnival Corporation group. In addition, Carnival Investments Limited, a subsidiary of Carnival Corporation, owns 19.6% of the Company's shares and, therefore, receives dividends from the Company.

Details of related party transactions between the directors and both Carnival plc and Carnival Corporation are set out within the "Transactions of Management and Directors" section of the Proxy Statement, that accompanies this document.

22. Commitments

Capital

	As at Nov. 30, 2005 U.S.$m	As at Nov. 30, 2004 U.S.$m
Contracted		
Ships	3,342.5	2,964.2
Other	28.4	11.5
	3,370.9	2,975.7

Ship capital commitments at November 30, 2005 include contract stage payments, design and engineering fees, construction oversight costs, various owner supplied items and capitalised interest.

Other commitments at each year end, in respect of the next year, under non-cancellable operating leases are as follows:

	Property 2005 U.S.$m	Other 2005 U.S.$m	Total 2005 U.S.$m	Property 2004 U.S.$m	Other 2004 U.S.$m	Total 2004 U.S.$m
Expense in 2006 or 2005 on leases expiring:						
Within one year	2.5	0.2	2.7	1.4	12.9	14.3
Between one and five years	9.5	71.8	81.3	13.1	6.2	19.3
After five years	9.5	—	9.5	4.4	—	4.4
	21.5	72.0	93.5	18.9	19.1	38.0

In addition to the operating lease commitments, at November 30, 2005 the Group had commitments to pay $9.7m, in respect of next year, for usage, extending over more than five years, of certain port facilities.

23. Contingent liabilities

As part of the DLC structure, Carnival plc has given a number of guarantees over Carnival Corporation obligations, details of which are given in note 3 of the Carnival Corporation & plc 2005 Annual Report.

Costa instituted arbitration proceedings in Italy in 2000 to confirm the validity of its decision not to deliver its ship, the Costa Classica, to the shipyard of Cammell Laird Holdings PLC ("Cammell Laird") under a €79 million contract for the conversion and lengthening of the ship in November 2000. Costa also gave notice of termination of the contract in January 2001. It is expected that the arbitration tribunal's decision will be made in 2007 at the earliest. In the event that an award is given in favour of Cammell Laird, the amount of damages, which Costa would have to pay, if any, is not currently determinable. The ultimate outcome of this matter cannot be determined at this time.

Carnival plc has provided counter indemnities relating to bonds provided by third parties in support of Carnival plc's obligations arising in the normal course of business. Generally these bonds are required by travel industry regulators in the various jurisdictions in which Carnival plc operates and any liabilities arising from them are considered remote.

In the normal course of business, various other claims and lawsuits have been filed or are pending against Carnival plc. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of the Group's liability, net of any insurance recoverables, is typically limited to self insurance retention levels. However, the ultimate outcome of those claims and lawsuits which are not covered by insurance cannot be determined at this time.

24. Financial instruments

Carnival plc uses financial instruments to finance its operations. The financial instruments used by Carnival plc include cash, overdrafts, bonds and loans. Derivative financial instruments are used to manage some of the currency and interest rate risks arising from its operations and its sources of finance. The derivatives used for this purpose are principally foreign currency swaps and interest rate swaps.

The main financial risks to which Carnival plc is exposed are summarised below. No transactions of a speculative nature are undertaken.

The accounting policies for derivatives and other financial instruments are described in note 1.

For the purpose of this note, other than currency disclosures, trade debtors and creditors have been excluded. The primary debtors and creditors included are bank loans, short-term borrowings and provisions for vacant property obligations, in accordance with FRS13.

The Group aims to minimise the impact of fluctuations in foreign currency exchange rates within its operating and financing activities, including netting certain exposures to take advantage of any natural offsets and, when considered appropriate, through the use of derivative financial instruments. The financial impacts of these hedging instruments are generally offset by corresponding changes in the underlying exposures being hedged. Our policy is to not use any financial instruments for trading or other speculative purposes.

Foreign currency risk

Carnival plc has international business operations. Its reporting currency is the U.S. dollar, but has continuing operations in a number of other currencies, the most important of which are Sterling and the euro. In general, Carnival plc's profits and shareholders' funds benefit if Sterling or the euro are strong against the U.S. dollar. The U.S. dollar/sterling and the U.S. dollar/euro exchange rates for the respective years were as follows:

	Average exchange rates for periods ended	Period end exchange rates
November 30, 2005		
U.S.$:£	1.836	1.730
U.S.$:euro	1.258	1.185
November 30, 2004		
U.S.$:£	1.818	1.911
U.S.$:euro	1.235	1.329

Subsequent to the corporate restructuring described in note 17 the Group continues to report its results in U.S. dollars as this is the main currency of the DLC. However, approximately 86% of Carnival plc's net operating assets are denominated in non U.S. dollar currencies at November 30, 2005, of which approximately 55% are denominated in euros, 28% in Sterling with the remainder in U.S. and Australian dollars, with the result that Carnival plc's U.S. dollar consolidated balance sheet, and in particular shareholders' funds, can be affected by currency movements. Carnival plc partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated. In addition non U.S. dollar results are translated into U.S. dollars at average exchange rates for the purposes of consolidation. The impact of currency movements on operating profit is also consequently partially mitigated by some interest costs being incurred in corresponding non U.S. dollar currencies. An analysis of financial liabilities by currency is shown below.

Carnival plc's businesses generally generate their turnover and incur costs in their main functional currency. Subsequent to the corporate restructuring the following exceptions to this include:

- Costa generates some revenue in U.S. dollars and South American currencies.
- Cunard generates some revenues and expenses in Sterling.
- The tours businesses generate some revenues and expenses in Canadian dollars.
- Substantially all the businesses incur some costs in U.S. dollars, including some fuel and crew costs.

Notes to the financial statements—*(continued)*

Carnival plc's currency exposures that give rise to the net currency gains and losses recognised in the profit and loss account are set out below. These exposures comprising the monetary assets and liabilities of Carnival plc that are not denominated in the functional currency of the operating unit concerned, excluding certain non U.S. dollar borrowings treated as hedges of net investments in non U.S. dollar functional currency operations, are as follows:

	Net foreign currency monetary assets/(liabilities)				
	U.S. Dollar U.S.$m	**Sterling U.S.$m**	**Euro U.S.$m**	**Other U.S.$m**	**Total U.S.$m**
Functional currency of Group operation:					
U.S. dollars	—	(11.2)	(2.8)	8.2	(5.8)
Sterling	(21.5)	—	2.7	(14.5)	(33.3)
Euro	(41.9)	0.9	—	19.7	(21.3)
Other	2.5	(0.1)	0.8	1.1	4.3
Total at November 30, 2005	(60.9)	(10.4)	0.7	14.5	(56.1)
Functional currency of Group operation:					
U.S. dollars	—	2.5	0.4	(0.7)	2.2
Sterling	(2.9)	—	1.2	(5.9)	(7.6)
Euro	(22.2)	(3.3)	—	(4.5)	(30.0)
Other	—	—	—	1.2	1.2
Total at November 30, 2004	(25.1)	(0.8)	1.6	(9.9)	(34.2)

Interest rate risk

To protect the financial results against movements in interest rates, Carnival plc maintains a proportion of its borrowings at a fixed rate of interest. The interest rate profile of the financial liabilities of Carnival plc, after taking account of hedging activities, is as follows:

	Total U.S.$m	**Financial liabilities on which no interest is charged U.S.$m**	**Variable rate financial liabilities U.S.$m**	**Fixed rate financial liabilities U.S.$m**	**Weighted average interest rate for fixed rate financial liabilities %**	**Average time over which interest rate is fixed months**
Currency:						
U.S. dollars	468.1	—	118.5	349.6	4.7%	7.2
Sterling	790.2	—	297.4	492.8	6.9%	79.2
Euro	1,717.9	178.1	659.5	880.3	3.8%	5.7
Total at November 30, 2005	2,976.2	178.1	1,075.4	1,722.7	4.9%	27.0
Currency:						
U.S. dollars	222.2	10.3	95.9	116.0	3.8%	7.7
Sterling	584.2	—	15.1	569.1	6.3%	91.3
Euro	2,267.4	212.1	828.7	1,226.6	4.7%	19.4
Total at November 30, 2004	3,073.8	222.4	939.7	1,911.7	5.1%	40.1

The variable rate financial liabilities include bank borrowings and overdrafts bearing interest at rates fixed in advance for periods ranging from one to six months by reference to the applicable reference rate, primarily LIBOR for U.S. dollar, Sterling and EURIBOR for euro borrowings.

The interest rate profile of the financial assets of Carnival plc is as follows:

	Total U.S.$m	Variable rate financial assets U.S.$m	Financial assets on which no interest is received U.S.$m
Currency:			
U.S. dollars	139.7	134.5	5.2
Sterling	106.8	99.3	7.5
Euro	511.6	500.1	11.5
Other	19.9	12.5	7.4
Total at November 30, 2005	778.0	746.4	31.6
Currency:			
U.S. dollars	63.1	49.5	13.6
Sterling	66.2	60.9	5.3
Euro	29.8	22.8	7.0
Other	15.4	10.8	4.6
Total at November 30, 2004	174.5	144.0	30.5

The majority of variable rate financial assets comprise bank accounts bearing interest at the applicable money market deposit rates.

Liquidity risk

At November 30, 2005 Carnival plc had $3.48bn of undrawn committed bank facilities, $1.83bn of which expire in 2010 and $1.65bn after more than 10 years.

Credit risk

Management does not consider that the Group has any significant concentration of credit risk. Potential concentrations comprise principally cash and cash equivalents and trade debtors. Carnival plc enters into derivative transactions and maintains cash deposits with several major banks. Management periodically reviews the credit rating of the institutions and believes that any credit risk is minimal. Concentration of credit risk with respect to trade debtors is limited due to the short-term maturities and large number of debtors comprising Carnival plc's customer base.

The immediate credit exposure of financial instruments is represented by those financial instruments that have a positive fair value at November 30, 2005.

Fair values of financial assets and liabilities

A comparison by category of book value and fair value of Carnival plc's financial assets and liabilities is as follows:

	As at Nov. 30, 2005		As at Nov. 30, 2004	
	Book value U.S.$m	Fair value U.S.$m	Book value U.S.$m	Fair value U.S.$m
Primary financial instruments held or issued to finance Carnival plc operations:				
Notes and bonds	(695.3)	(737.2)	(877.9)	(933.4)
Other loans	(2,067.3)	(2,049.3)	(1,958.4)	(1,952.1)
Cash	778.0	778.0	174.5	174.5
Bank overdrafts	(7.8)	(7.8)	—	—
Other long-term creditors	(193.9)	(193.9)	(222.4)	(222.4)
Provision for vacant property obligations	(11.9)	(11.9)	(15.1)	(15.1)
Derivative financial instruments held or issued to hedge currency exposure on expected future transactions:				
Forward foreign currency swaps	—	5.9	—	47.7
Interest rate swaps	(9.4)	(18.4)	(6.8)	(27.5)
	(2,207.6)	(2,234.6)	(2,906.1)	(2,928.3)

The notional principal amount of derivative financial instruments held as hedges against the currency exposure on capital expenditure for ships is $1,287.2m (2004 $361.8m) in respect of foreign currency swaps and $1,334.9m (2004 $946.2m) in respect of foreign currency and interest rate swaps providing hedges against currency and interest rate exposures on loans.

The fair value of notes and bonds is based on quoted market price for public debt and for private debt is estimated on a discounted cash flow basis applying appropriate market interest rates.

Other loans, which include short-term borrowings and bank term loans, are largely at variable interest rates and, therefore, the book value generally approximates to the fair value.

The fair value of cash and short-term loans approximate to the book value due to the short-term maturity of the instruments.

The fair values of derivative financial instruments were estimated based on prices quoted by financial institutions for these instruments based on appropriate market rates.

Hedging

When Carnival plc's businesses enter into significant capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are normally hedged using foreign currency swaps in order to fix the cost when converted to the functional currency.

Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is itself recognised. Unrecognised gains and losses on foreign currency swaps and interest rate swaps are as follows:

	Gains U.S.$m	(Losses) U.S.$m	Net gains/ (losses) U.S.$m
At December 1, 2004	52.4	(25.4)	27.0
(Gains)/losses arising before December 1, 2004 that were recognised during the year ended November 30, 2005	(51.9)	2.9	(49.0)
Gains/(losses) arising before December 1, 2004 that were not recognised during the year ended November 30, 2005	0.5	(22.5)	(22.0)
Gains/(losses) arising in the year that were not recognised during the year ended November 30, 2005	7.9	11.0	18.9
Gains/(losses) at November 30, 2005	8.4	(11.5)	(3.1)
Of which:			
Gains/(losses) expected to be recognised in less than one year	0.2	(0.8)	(0.6)
Gains/(losses) expected to be recognised after more than one year	8.2	(10.7)	(2.5)
Gains/(losses) at November 30, 2005	8.4	(11.5)	(3.1)
Of which:			
Gains on contracted capital expenditure on ships	0.7	(2.3)	(1.6)
Gains/(losses) on other hedges	7.7	(9.2)	(1.5)
Gains/(losses) at November 30, 2005	8.4	(11.5)	(3.1)

The underlying commitments, after taking these contracts into account, are reflected within note 22.

25. Investment in subsidiaries

	Shares U.S.$m	Loans U.S.$m	Total U.S.$m
At December 1, 2004	4,556.5	30.5	4,587.0
Exchange movements	(204.8)	—	(204.8)
Additions	699.6	—	699.6
Transfers	30.5	(30.5)	—
Disposals	(46.8)	—	(46.8)
At November 30, 2005	5,035.0	—	5,035.0

There were no material acquisitions during the year. Additions to investment in subsidiaries include $689.9m in respect of further investment in previously owned subsidiaries, details of other subsidiary additions are included in note 18.

Notes to the financial statements—*(continued)*

The principal operating subsidiaries at November 30, 2005 were:

	Country of Incorporation/ Registration	Percentage of equity share capital owned at November 30, 2005	Business Description
P&O Princess Cruises International Ltd	England	100%†	Shipowner
Alaska Hotel Properties LLC	U.S.A.	100%	Hotel operations
P&O Travel Ltd	England	100%	Travel agent
Royal Hyway Tours Inc	U.S.A.	100%	Land tours
Tour Alaska LLC	U.S.A.	100%	Rail tours
CC U.S. Ventures, Inc.	U.S.A.	100%	Holding company
Costa Crociere S.p.A	Italy	99.98%	Passenger cruising
Cozumel Cruise Terminal S.A. de C.V.	Mexico	100%	Port operations
Global Fine Arts, Inc.	U.S.A.	100%	Art sales and picture framing
Holland America Line Inc	U.S.A.	100%	Hotel operations and land and rail tours

† Held directly by the Company.

Report of the independent auditors to the members of Carnival plc

We have audited the financial statements which comprise the Group profit and loss account, the Group and Company balance sheets, the Group cash flow statement, the Group statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds and the related notes, including the Carnival Corporation & plc consolidated financial statements on pages 5 to 28 of the Carnival Corporation & plc 2005 Annual Report. We have also audited the disclosures required by Part 3 of Schedule 7A to the Companies Act 1985 contained in the Directors' Remuneration Report ("the auditable part") in Annex B to the Proxy Statement.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities. The directors are also responsible for preparing the Directors' Remuneration Report.

Our responsibility is to audit the financial statements and the auditable part of the Directors' Remuneration Report in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the auditable part of the Directors' Remuneration Report have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only pages 1 to 4 and 32 to 47 of the Carnival Corporation & plc 2005 Annual Report, and the Proxy Statement and related Annexes, other than the auditable part of the Director's Remuneration Report contained in Annex B to the Proxy Statement.

We review whether the corporate governance statement reflects the company's compliance with the nine provisions of the 2003 FRC Combined Code, specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the auditable part of the Directors' Remuneration Report. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the auditable part of the Directors' Remuneration Report are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the auditable part of the Directors' Remuneration Report.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company and the Group at November 30, 2005 and of the profit and cash flows of the Group for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- those parts of the Directors' Remuneration Report required by Part 3 of Schedule 7A to the Companies Act 1985 have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
21 February 2006

The maintenance and integrity of the publication of the Carnival plc financial statements on the Carnival websites is the responsibility of the Company; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CARNIVAL
PLC