Registered number: 4039524

Carnival plc
Financial Statements
Year ended November 30, 2009

The Annual Report of Carnival plc comprises the standalone Carnival plc consolidated and company IFRS financial statements contained herein, together with the Carnival Corporation & plc 2009 Annual Report and certain parts of the Proxy Statement.

The standalone Carnival plc consolidated IFRS financial statements, which are required to satisfy reporting requirements of the Companies Act 2006, incorporate the results of Carnival plc and its consolidated subsidiaries and, accordingly, do not include the results of Carnival Corporation and its consolidated subsidiaries. However, the directors consider that within the Carnival Corporation and Carnival plc Dual Listed Company ("DLC") structure the most appropriate presentation of Carnival plc's results and financial position is by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation & plc. These financial statements are included within the Carnival Corporation & plc 2009 Annual Report and form part of the Carnival plc financial statements.

Group income statements

	Note	Years ended November 30, 2009 U.S.$m	2008 U.S.$m
Revenues			
Cruise			
Passenger tickets		4,646.5	5,130.8
Onboard and other		952.7	993.4
Land tours		313.1	426.1
	2	5,912.3	6,550.3
Costs and expenses			
Operating			
Cruise			
Commissions, transportation and other		1,108.6	1,186.6
Onboard and other		187.5	201.1
Payroll and related		536.2	552.6
Fuel		445.4	677.9
Food		296.8	316.9
Other ship operating		871.5	873.6
Land tours		276.7	349.3
Total		3,722.7	4,158.0
Selling and administrative	3	612.5	630.3
Depreciation and amortisation	11	516.0	515.6
Impairment loss	3	28.7	-
		4,879.9	5,303.9
Operating income		1,032.4	1,246.4
Interest income		8.0	24.4
Interest expense, net of capitalised interest		(155.2)	(211.4)
Other income, net		-	30.3
	4	(147.2)	(156.7)
Income before income taxes		885.2	1,089.7
Income tax expense, net	5	(15.8)	(22.3)
Net income		869.4	1,067.4
Net income (loss) attributable to			
Shareholders of Carnival plc	7	875.3	1,076.6
Minority interests		(5.9)	(9.2)
		869.4	1,067.4
Carnival plc standalone earnings per share (in U.S. dollars)			
Basic	7	4.10	5.05
Diluted	7	4.10	5.05

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 2009 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 years ended November 30 (in U.S. dollars).

	2009	2008
DLC Basic earnings per share	2.27	2.96
DLC Diluted earnings per share	2.24	2.90

Balance sheets

		Group		Company	
		November 30,			
		2009	2008	2009	2008
	Note	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Assets					
Current assets					
Cash and cash equivalents	8	431.2	491.1	275.3	414.3
Trade and other receivables, net	9	344.7	276.2	142.2	118.7
Amounts owed by subsidiaries	23	-	-	56.5	104.4
Inventories	10	133.7	112.6	38.9	41.8
Prepaid expenses and other		198.0	116.0	45.4	52.0
Total current assets		1,107.6	995.9	558.3	731.2
Property and equipment, net	11	12,405.2	9,725.8	3,439.8	3,230.8
Goodwill and trademarks	12	990.6	837.3	180.6	168.9
Other assets	13	173.7	254.8	33.6	133.9
Investments in subsidiaries	14	-	-	5,680.9	5,090.8
		14,677.1	11,813.8	9,893.2	9,355.6
Liabilities and Shareholders' Equity					
Current liabilities					
Short-term borrowings	15	38.9	257.5	-	-
Current portion of long-term debt	15	287.7	403.6	186.4	127.4
Amounts owed to Carnival Corporation	23	1,459.0	496.4	317.1	527.4
Amounts owed to subsidiaries	23	-	-	2,374.2	2,056.3
Accounts payable		309.7	229.1	32.9	52.5
Accrued liabilities and other		368.3	391.1	159.8	228.3
Customer deposits		1,001.4	790.5	593.3	484.2
Total current liabilities		3,465.0	2,568.2	3,663.7	3,476.1
Long-term debt	15	3,186.0	3,101.2	2,488.6	2,580.4
Other long-term liabilities	16	244.2	165.8	97.5	61.9
Shareholders' equity					
Share capital	17	354.3	354.0	354.3	354.0
Share premium		99.3	96.2	99.3	96.2
Retained earnings		5,743.5	4,919.2	3,106.2	2,935.2
Other reserves	18	1,582.2	571.0	83.6	(148.2)
Total shareholders' equity		7,779.3	5,940.4	3,643.4	3,237.2
Minority interests	19	2.6	38.2	-	-
Total equity		7,781.9	5,978.6	3,643.4	3,237.2
		14,677.1	11,813.8	9,893.2	9,355.6

See accompanying notes to the financial statements.

Approved by the Board of Directors on February 18, 2010 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 2009 Annual Report (see note 1).

Statements of cash flows

	Note	Group 2009 U.S.$m	Group 2008 U.S.$m	Company 2009 U.S.$m	Company 2008 U.S.$m
		Years ended November 30,			
Operating activities					
Operating income		1,032.4	1,246.4	322.9	466.9
Adjustments for					
Depreciation and amortisation		516.0	515.6	155.9	190.5
Impairment loss		28.7	-	-	-
Gains on disposal of property and equipment, net		(21.6)	(57.1)	(33.9)	(29.7)
Share-based payments		9.9	9.7	5.7	4.6
Other		7.6	3.9	-	-
Operating cash flows before movements in working capital		1,573.0	1,718.5	450.6	632.3
Decrease (increase) in receivables, prepaid expenses and other		50.9	(44.8)	59.9	(15.5)
(Increase) decrease in inventories		(5.6)	(5.1)	8.1	(6.3)
Increase (decrease) in accounts payable, accrued liabilities and other liabilities		33.0	(42.2)	(60.8)	(10.2)
Increase (decrease) in customer deposits		110.4	(16.5)	67.2	(44.3)
Cash provided by operations before interest and taxes		1,761.7	1,609.9	525.0	556.0
Interest received		8.0	24.4	5.3	21.7
Interest paid		(158.6)	(224.8)	(116.8)	(168.3)
Income taxes paid, net		(15.6)	(4.2)	(4.1)	(1.1)
Net cash provided by operating activities		1,595.5	1,405.3	409.4	408.3
Investing activities					
Additions to property and equipment		(1,815.2)	(1,522.5)	(145.2)	(748.6)
Acquisition of minority interest	19	(33.0)	-	-	-
Acquisition of business	23	-	-	(33.1)	-
Proceeds from sale of property and equipment		48.6	119.7	48.6	100.0
Other, net	23	(79.0)	0.6	-	(2.2)
Net cash used in investing activities		(1,878.6)	(1,402.2)	(129.7)	(650.8)
Financing activities					
Movements on loans with Carnival Corporation and Group companies	23	863.4	112.5	(133.9)	414.3
Proceeds from revolver		730.9	881.2	52.6	388.7
Principal repayments of revolver		(939.2)	(1,354.4)	-	(375.5)
Proceeds from issuance of other long-term debt		520.8	423.1	247.5	-
Principal repayments of other long-term debt		(639.7)	(159.5)	(639.7)	(118.7)
(Repayments of) proceeds from short-term borrowings, net		(383.6)	156.6	-	(15.3)
Proceeds from settlement of foreign currency swaps		112.5	-	112.5	-
Dividends paid		(64.1)	(322.9)	(64.1)	(322.9)
Issue of shares	17	1.5	1.7	1.5	1.7
Net cash provided by (used in) financing activities		202.5	(261.7)	(423.6)	(27.7)
Effect of exchange rate changes on cash and cash equivalents		20.7	(73.8)	4.9	(72.6)
Net decrease in cash and cash equivalents		(59.9)	(332.4)	(139.0)	(342.8)
Cash and cash equivalents at beginning of year		491.1	823.5	414.3	757.1
Cash and cash equivalents at end of year	8	431.2	491.1	275.3	414.3

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 2009 Annual Report (see note 1).

Group statements of recognised income and expense

	Other reserves: Translation reserve U.S.$m	Hedging reserve U.S.$m	Merger reserve U.S.$m	Retained earnings U.S.$m	Minority interests U.S.$m	Total U.S.$m
Total recognised income (expense) for the year ended November 30, 2008						
Foreign exchange translation differences	(1,608.9)	-	-	-	(6.2)	(1,615.1)
Net gains on hedges of net investments in foreign operations	-	35.1	-	-	-	35.1
Effective portion of net changes in fair value of cash flow hedges	-	(3.0)	-	-	-	(3.0)
Net actuarial losses on defined benefit pension plans (note 22)	-	-	-	(12.7)	-	(12.7)
Net income (expense) recognised directly in total equity	(1,608.9)	32.1	-	(12.7)	(6.2)	(1,595.7)
Net income (loss)	-	-	-	1,076.6	(9.2)	1,067.4
Total recognised income (expense)	(1,608.9)	32.1	-	1,063.9	(15.4)	(528.3)
Total recognised income (expense) for the year ended November 30, 2009						
Foreign exchange translation differences	1,041.6	-	-	-	2.8	1,044.4
Net losses on hedges of net investments in foreign operations	-	(43.0)	-	-	-	(43.0)
Effective portion of net changes in fair value of cash flow hedges	-	12.6	-	-	-	12.6
Net actuarial losses on defined benefit pension plans (note 22)	-	-	-	(59.0)	-	(59.0)
Net income (expense) recognised directly in total equity	1,041.6	(30.4)	-	(59.0)	2.8	955.0
Net income (loss)	-	-	-	875.3	(5.9)	869.4
Total recognised income (expense)	1,041.6	(30.4)	-	816.3	(3.1)	1,824.4

Group statements of changes in total equity

	Share capital U.S.$m	Share premium U.S.$m	Other reserves: Translation reserve U.S.$m	Hedging reserve U.S.$m	Merger reserve U.S.$m	Retained earnings U.S.$m	Minority interests U.S.$m	Total shareholders' equity U.S.$m
Total equity at December 1, 2007	353.9	94.6	668.5	(23.9)	1,503.2	4,147.9	53.6	6,797.8
Total recognised income (expense)	-	-	(1,608.9)	32.1	-	1,063.9	(15.4)	(528.3)
Dividends (note 6)	-	-	-	-	-	(302.3)	-	(302.3)
Issue of shares	0.1	1.6	-	-	-	-	-	1.7
Share-based payments	-	-	-	-	-	9.7	-	9.7
Total equity at November 30, 2008	354.0	96.2	(940.4)	8.2	1,503.2	4,919.2	38.2	5,978.6
Total recognised income (expense)	-	-	1,041.6	(30.4)	-	816.3	(3.1)	1,824.4
Acquisition of minority interest	-	-	-	-	-	-	(32.5)	(32.5)
Issue of shares	0.3	3.1	-	-	-	(1.9)	-	1.5
Share-based payments	-	-	-	-	-	9.9	-	9.9
Total equity at November 30, 2009	354.3	99.3	101.2	(22.2)	1,503.2	5,743.5	2.6	7,781.9

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 2009 Annual Report (see note 1).

Company statements of recognised income and expense

	Other reserves: Translation reserve U.S.$m	Other reserves: Hedging reserve U.S.$m	Other reserves: Merger reserve U.S.$m	Retained earnings U.S.$m	Total U.S.$m
Total recognised income (expense) for the year ended November 30, 2008					
Foreign exchange translation differences	(578.3)	-	-	-	(578.3)
Net gains on hedges of net investments in foreign operations	-	35.1	-	-	35.1
Effective portion of net changes in fair value of cash flow hedges	-	(2.6)	-	-	(2.6)
Net actuarial losses on defined benefit pension plans (note 22)	-	-	-	(12.7)	(12.7)
Net income (expense) recognised directly in total equity	(578.3)	32.5	-	(12.7)	(558.5)
Net income	-	-	-	338.5	338.5
Total recognised income (expense)	(578.3)	32.5	-	325.8	(220.0)
Total recognised income (expense) for the year ended November 30, 2009					
Foreign exchange translation differences	262.2	-	-	-	262.2
Net losses on hedges of net investments in foreign operations	-	(43.0)	-	-	(43.0)
Effective portion of net changes in fair value of cash flow hedges	-	12.6	-	-	12.6
Net actuarial losses on defined benefit pension plans (note 22)	-	-	-	(59.0)	(59.0)
Net income (expense) recognised directly in total equity	262.2	(30.4)	-	(59.0)	172.8
Net income	-	-	-	226.2	226.2
Total recognised income (expense)	262.2	(30.4)	-	167.2	399.0

Company statements of changes in shareholders' equity

	Share capital U.S.$m	Share premium U.S.$m	Other reserves: Translation reserve U.S.$m	Other reserves: Hedging reserve U.S.$m	Other reserves: Merger reserve U.S.$m	Retained earnings U.S.$m	Total shareholders' equity U.S.$m
Shareholders' equity at December 1, 2007	353.9	94.6	378.4	(16.4)	35.6	2,907.1	3,753.2
Total recognised income (expense)	-	-	(578.3)	32.5	-	325.8	(220.0)
Dividends (note 6)	-	-	-	-	-	(302.3)	(302.3)
Issue of shares	0.1	1.6	-	-	-	-	1.7
Share-based payments	-	-	-	-	-	4.6	4.6
Shareholders' equity at November 30, 2008	354.0	96.2	(199.9)	16.1	35.6	2,935.2	3,237.2
Total recognised income (expense)	-	-	262.2	(30.4)	-	167.2	399.0
Issue of shares	0.3	3.1	-	-	-	(1.9)	1.5
Share-based payments	-	-	-	-	-	5.7	5.7
Shareholders' equity at November 30, 2009	354.3	99.3	62.3	(14.3)	35.6	3,106.2	3,643.4

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 2009 Annual Report (see note 1).

Notes to the Group and Company financial statements

1. Significant 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," "our," "us," and "we").

Basis of preparation of financial statements

The Carnival plc Group and Company financial statements are presented in U.S. dollars, the Group's and Company's presentation currency. They are prepared on the historical cost basis except for certain financial assets and certain financial liabilities (including derivative instruments), which are stated at fair value. In our accompanying Statements of cash flows for 2008 we have revised our presentation of proceeds from and principal repayments of our principal revolving credit facility to reflect the cash flows in connection with the underlying borrowings and repayments under this revolver. This revision had no impact on the net proceeds from and principal repayment of this revolver, or on our net cash used in financing activities. In addition, certain immaterial reclassifications have been made to other 2008 comparative amounts to conform them to the current period presentation.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

During 2009, the Company and the Group early adopted IAS 23 (Revised), "Borrowing costs," which had no impact on the results and financial position of the Group and Company.

Basis of consolidation

The Carnival plc Group IFRS consolidated financial statements include the results of the Company and all its controlled subsidiaries, as typically evidenced by a direct ownership interest of greater than 50%, and incorporate the Group's interest in its associates under the equity method of accounting, as typically evidenced by a direct ownership interest from 20% to 50%. All significant intra-Group balances and transactions are eliminated in consolidation.

Carnival Corporation and Carnival plc operate as a DLC, whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation's Articles of Incorporation and By-Laws and Carnival plc's Articles of Association. The two companies operate as if they are a single economic enterprise, but each has retained its separate legal identity. Each company's shares are 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 ordinary 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 are included in the Carnival Corporation & plc 2009 Annual Report. The Carnival Corporation & plc consolidated financial statements have been prepared under purchase accounting principles whereby the DLC transaction was accounted for as an acquisition of Carnival plc by Carnival Corporation.

The standalone Group and Company IFRS financial statements are required to satisfy reporting requirements of the Companies Act 2006. 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. generally accepted accounting principles ("U.S. GAAP") consolidated financial statements of Carnival Corporation & plc, 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. Accordingly, the Carnival Corporation & plc U.S. GAAP consolidated financial statements on pages 5 to 33 in the Carnival Corporation & plc 2009 Annual Report, which form part of these financial statements, are incorporated into the Carnival plc IFRS consolidated financial statements as additional disclosures. In addition, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and the Chairman's letter to shareholders on pages 36 to 51 and pages 2 and 3, respectively, in the Carnival Corporation & plc 2009 Annual Report are included as part of the 2009 Carnival plc Annual Report. Finally, our Directors' Report, Part II of our Directors' Remuneration Report and our Corporate Governance Report, included as Annexes A, B and C to the 2010 Proxy Statement, and Part I of our Directors' Remuneration Report contained within the Proxy Statement are all included as part of the 2009 Carnival plc Annual Report.

Information related to environmental, social and governance issues can be found in our Directors' Report and Corporate Governance Report, in our Chairman's letter to shareholders, and in our joint Annual Report on Form 10-K. Finally, information on our Key Performance Indicators can be found within the MD&A section of our Carnival Corporation & plc 2009 Annual Report.

Notes to the Group and Company financial statements

1. Significant accounting policies *(continued)*

Goodwill and trademarks
Goodwill represents the excess of the cost of acquisition of a business over the acquiror's share of the fair value of identifiable net assets acquired. Goodwill is allocated to the business unit on the basis of expected benefit resulting from the acquisition and is stated at cost less accumulated impairment losses. Goodwill is subject to annual impairment reviews and whenever indicators of impairment are detected. The recoverability of goodwill is determined by comparing the carrying amount of the net assets allocated to each cash-generating unit ("CGU") with its recoverable amount. The estimated recoverable amount is the higher of the business unit's fair value less cost to sell and its value in use, and if the recoverable amount is greater than the unit's net asset carrying value, then the goodwill amount is deemed recoverable.

Trademarks acquired as part of acquisitions of businesses are capitalised separately from goodwill if their value can be measured reliably, and are initially recorded at fair value. Trademarks that are considered to have an indefinite useful life are not amortised but are subject to annual impairment review and whenever indicators of impairment are detected. The trademarks would be considered impaired if their carrying value exceeds their estimated recoverable amount.

Property and equipment
Property and equipment, including ships, are stated at cost less accumulated depreciation. Ship improvement costs that we believe add value to our ships are capitalised as additions to the ships and depreciated over their or the ships' estimated remaining useful life, whichever is shorter, while costs of repairs and maintenance, including minor improvement costs, are charged to expense as incurred. Interest is capitalised as part of acquiring ships and other capital projects during the construction period. The specifically identified or estimated cost and accumulated depreciation of previously capitalised ship components are written-off upon retirement.

Depreciation is calculated to write-off the cost to the estimated residual value using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Ships	30
Ship improvements	3 - 28
Buildings and improvements	5 - 35
Other property and equipment	2 - 20

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be fully recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of our asset based on our estimate of the recoverable amount, which is the higher of the fair value less cost to sell and its value in use.

Dry-dock costs
Dry-dock costs primarily represent planned major maintenance activities that are incurred when a ship is taken out of service for scheduled maintenance. These costs are expensed as incurred.

Grants
Government grants received related to property and equipment are deducted from the carrying amount of such assets.

Inventories
Inventories consist primarily of food and beverage provisions, hotel and restaurant products and supplies, gift shop and art merchandise held for resale and fuel, which are all carried at the lower of cost or net realisable value. Cost is determined using the weighted-average or first-in, first-out methods.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently are stated net of allowances for bad debts.

Cash and cash equivalents
Cash and cash equivalents include investments with maturities of three months or less at acquisition, which are stated at cost. At November 30, 2009 and 2008, cash and cash equivalents are comprised of cash on hand, money market funds and time deposits.

Notes to the Group and Company financial statements

1. Significant accounting policies *(continued)*

Revenue and expense recognition
Revenue comprises sales to third parties (excluding VAT and similar sales taxes and substantially all port and other taxes as discussed below). Guest cruise deposits represent unearned revenues and are initially recorded as customer deposit liabilities when received (see the MD&A section within the Carnival Corporation & plc 2009 Annual Report). Customer deposits are subsequently recognised as cruise revenues, together with revenues from onboard and other activities (which include transportation and shore excursion revenues), and all associated direct costs of a voyage are recognised as cruise expenses, upon completion of voyages with durations of ten nights or less and on a pro rata basis for voyages in excess of ten nights. The use of the completed voyage revenue recognition method does not result in materially different results than the pro rata basis of revenue recognition. Future travel discount vouchers issued to guests are typically recorded as a reduction of cruise passenger ticket revenues when such vouchers are utilised. Cancellation fees are recognised in cruise passenger ticket revenue at the time of the cancellation.

Revenues and expenses from tour and travel services are recognised at the time the services are performed or expenses are incurred.

Substantially all port and other taxes assessed on a per guest basis by a government or quasi-governmental entity are excluded from expenses as they are presented on a net basis against the corresponding amounts collected from our guests, which are excluded from revenues.

Leases
Rent expenses under operating leases are charged to expense using the straight-line method over the term of the lease.

Selling and administrative expenses
Selling expenses include a broad range of advertising, such as marketing and promotional costs. Advertising is charged to expense as incurred, except for brochures and media production costs. The brochures and media production costs are recorded as prepaid expenses and charged to expense as the brochures are consumed or upon the first airing of the advertisement. At November 30, 2009, the amount of advertising costs in prepaid expenses was not significant. Administrative expenses represent the costs of shoreside ship support, reservations and other administrative functions, and include items such as salaries and related benefits, professional fees and occupancy costs, which are typically expensed as incurred.

Pensions
The Group operates both defined benefit and defined contribution plans. The net deficit or surplus for each defined benefit pension plan is calculated in accordance with IAS 19, based on the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. The discount rate is the yield at the balance sheet date on AA credit rated bonds or local equivalents that have maturity dates approximating the terms of the pension plans' obligations.

Actuarial gains and losses that arise in calculating the pension plans' obligation are recognised in the period in which they arise directly in the statements of recognised income and expense.

The operating and financing costs of defined benefit pension plans are recognised in the income statement; current service costs are spread systematically over the expected average remaining service lives of employees and financing costs are recognised in the periods within which they arise. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statements.

Defined contribution plan expenses are recognised in the period to which they relate.

Share-based payments
The fair value of share options granted to employees was estimated at the grant date using the Black-Scholes valuation model. The resulting cost is charged to expense over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect changes in expected and actual levels of options vesting.

The fair values of restricted share awards, restricted stock units ("RSUs") and matching share awards under the plans are measured by reference to the Carnival plc ordinary share price. The fair value is measured at grant date and, in accordance with IFRS 2, the resulting cost is charged to expense over the period during which the employees become unconditionally entitled to the shares. The amount recognised as an expense is adjusted to reflect changes in expected and actual levels of shares vesting.

Notes to the Group and Company financial statements

1. Significant accounting policies *(continued)*

Dividends
Dividend distributions are recognised in the period in which the dividends are declared, as under the DLC arrangements the declaration of a dividend by the Boards of Directors of Carnival Corporation and Carnival plc crystallises a liability for Carnival plc.

Foreign currencies
The underlying Group businesses generate earnings in a number of different currencies, principally euros, sterling and Australian and U.S. dollars. Each business determines its functional currency by reference to its relevant economic environment. Transactions in currencies other than a business's functional currency are recorded at the rate of exchange at the date of the transaction and any exchange gains and losses arising thereafter are included in nonoperating earnings. Monetary assets and liabilities denominated in non-functional currencies are remeasured at the period end exchange rates and any exchange gains or losses arising therefrom are included in nonoperating earnings, except for such assets and liabilities that have been designated to act as hedges of our ship commitments or net investments in our foreign operations, respectively. Net foreign currency transaction exchange gains or losses recorded in our earnings were insignificant in fiscal 2009 and 2008.

Revenues and expenses of subsidiaries and branches and their assets and liabilities, which have functional currencies other than the U.S. dollar, are translated into the U.S. dollar presentation currency at weighted-average and period end rates of exchange, respectively. Equity is translated at historical rates and the resulting exchange differences are taken to the statements of recognised income and expense. Therefore, the U.S. dollar value of these non-equity translated items in our Group and Company financial statements will fluctuate from period to period, depending on the changing value of the dollar versus these currencies.

Derivatives and other financial instruments
The Group uses foreign currency forwards and swaps and non-derivative financial instruments to manage its exposure to fluctuations in certain foreign currency exchange rates, and interest rate swaps to manage its interest rate exposure to achieve a desired proportion of floating and fixed rate debt. Our policy is not to use any financial instruments for trading or other speculative purposes. Derivative financial instruments are recorded at fair value, and the changes in fair value are immediately included in earnings if the derivatives do not qualify as effective hedges. 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. Changes in the value of fair value hedge derivatives are offset against the changes in the fair value of the underlying hedged items. The effective portion of changes in value of cash flow hedge derivatives are taken to the statement of recognised income and expense until the underlying hedged item is recognised in earnings or the forecasted transaction is no longer probable of occurring. Changes in value of hedges of a net investment are recognised in the statement of recognised income and expense, offsetting the portion of 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 previously recognised from hedging is required to be removed from the hedging reserve within shareholders' equity and reflected in net income.

Interest bearing loans and overdrafts are recorded at their initial fair value which normally reflects the proceeds received, net of direct issue costs, and subsequently stated at amortised cost, inclusive of accrued interest. Any difference between the proceeds after direct issue costs and the premium and redemption values are recognised in interest expense over the life of the borrowing, typically on a straight-line basis which approximates the effective interest rate method.

Taxation
Deferred tax is provided using the liability method. Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Current income tax is the tax payable on the taxable income for the year, applying current rates and any adjustment in respect of previous years.

1. Significant accounting policies *(continued)*

Judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported and disclosed amounts of assets, liabilities, revenues and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, and form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

A review of the critical accounting estimates made by management is included within the MD&A section of the Carnival Corporation & plc 2009 Annual Report.

Standards, amendments and interpretations to published standards that are not yet effective

At November 30, 2009, certain new standards, amendments and interpretations to published standards had been published that are mandatory for future accounting periods, but which have not been early adopted in these financial statements. Management has not yet determined the impact of these new standards, amendments and interpretations on the Group's and Company's reported results and financial position. These are set out below:

IAS 1 (Revised), "Presentation of financial statements" (effective for annual periods beginning on or after January 1, 2009)
Amendment to IAS 1 "Presentation of financial statements on puttable financial instruments and obligations arising on liquidation" (effective for annual periods beginning on or after January 1, 2009)
IAS 27 (Revised), "Consolidated and separate financial statements" (effective for annual periods beginning on or after July 1, 2009)
Amendment to IAS 32 "'Financial instruments: Presentation" (effective for annual periods beginning on or after January 1, 2009)
Amendment to IAS 39 "Eligible Hedged Items" (effective for annual periods beginning on or after July 1, 2009)
Amendment to IFRS 2 "Share-based payment" (effective for annual periods beginning on or after January 1, 2009)
IFRS 3 (Revised), "Business combinations" (effective for annual periods beginning on or after July 1, 2009)
Amendment to IFRS 7 "Financial Instruments: Disclosures" (effective for annual periods beginning on or after January 1, 2009).
IFRS 8 "Operating segments" (effective for annual periods beginning on or after January 1, 2009)
IFRIC 13, "Customer loyalty programmes relating to IAS 18, Revenue" (effective for annual periods beginning on or after January 1, 2010)
IFRIC 14, "IAS 19: The limit on a defined benefit asset, minimum funding requirements and their interaction" (effective for annual periods beginning on or after January 1, 2009)
IFRIC 16, "Hedges of a net investment in a foreign operation" (effective for annual periods beginning on or after July 1, 2009)

Notes to the Group and Company financial statements

2. Segment information

Segment information is presented in respect of the Group's business and geographical segments. Based on the risks and returns of the Group's products and services the directors consider that the primary reporting format is by business segment. The two business segments consist of our cruise vacation operations, which includes AIDA Cruises ("AIDA"), Costa Cruises ("Costa"), Cunard Line ("Cunard"), Ibero Cruises ("Ibero"), Ocean Village, P&O Cruises and P&O Cruises (Australia), and our land tour operations, which includes our hotel, transportation and tour operations in the state of Alaska and the Yukon Territory of Canada. The cruise segment includes all of these cruise brands, which have been aggregated as a single reportable segment based on the similarity of their economic and other characteristics, including products and services they provide.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditures are the total costs incurred during the period to acquire segment assets that are expected to be used for more than one year.

By business segment	Cruise		Land tours		Total	
	2009	2008	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Revenues	5,599.2	6,124.2	313.1	426.1	5,912.3	6,550.3
Operating income (loss)	1,055.3	1,232.2	(22.9)	14.2	1,032.4	1,246.4
Segment assets	13,699.6	10,752.7	479.7	521.2	14,179.3	11,273.9
Cash and cash equivalents					431.2	491.1
Tax assets					66.6	48.8
Total assets					14,677.1	11,813.8
Segment liabilities	1,746.0	1,408.2	78.8	83.4	1,824.8	1,491.6
Amounts owed to Carnival Corporation					1,459.0	496.4
Group debt					3,512.6	3,762.3
Tax liabilities					98.8	84.9
Total liabilities					6,895.2	5,835.2
Other segment items						
Capital expenditures	1,808.7	1,503.2	6.5	19.3	1,815.2	1,522.5
Depreciation and amortisation	476.7	475.6	39.3	40.0	516.0	515.6
Impairment loss (see note 3)	28.7	-	-	-	28.7	-

Notes to the Group and Company financial statements

2. Segment information *(continued)*

The geographical segment information presented below reflects the different regions from where the Group sources their guests. Typically our cruise and land tour operations make most of their sales to customers in a single geographic region.

By geographical segment	North America		Europe and other		Total	
	2009	2008	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Revenues	891.0	1,251.8	5,021.3	5,298.5	5,912.3	6,550.3

The principal cruise assets and cruise capital expenditures of the Group are its ships, which move between geographic regions; it is therefore not meaningful to allocate these assets and capital expenditures to particular regions. The land tour operations' assets and capital expenditures are all located in North America.

3. Operating income is stated after (charging) crediting

	Years ended November 30,	
	2009	2008
	U.S.$m	U.S.$m
Operating lease costs		
- ships	(150.4)	(129.1)
- property	(28.4)	(20.9)
- other	(4.7)	(5.3)
	(183.5)	(155.3)
Auditors' remuneration		
Fees payable to the Company's auditor for the audit of the Company and Group financial statements	(1.4)	(1.4)
Fees payable to the Company's auditors and their associates for the audit of the Company's subsidiaries pursuant to legislation	(1.0)	(1.4)
Total fees paid to the Company's auditors and their associates	(2.4)	(2.8)

Other ship operating costs of $276.7m in 2009 include a gain of $31.6m, net of transaction costs, from the sale of P&O Cruises' *Artemis* in October 2009 (see note 9). The amount and timing of the recognition of the gain on sale of *Artemis* under U.S. GAAP is different than under IFRS due to differences in *Artemis'* cost basis and revenue recognition principles. P&O Cruises will continue to operate *Artemis* under a charter agreement until April 2011. Other ship operating costs of $349.3m in 2008 include a gain of $31m, net of transaction costs, from the sale of *Queen Elizabeth 2* in November 2008.

The $28.7m impairment loss in 2009 arose as a result of the ten-year charter of *Costa Europa* to an unrelated entity (the "buyer") commencing in April 2010. As a result of the requirement to discount expected future cash flows in determining impairment under IFRS, the projected future recoverable amount, applying a value in use calculation with a 10% discount rate, at the time of signing the charter was less than *Costa Europa's* carrying value. There was no *Costa Europa* impairment under U.S. GAAP due to differences between IFRS and U.S. GAAP in measuring impairments of long-lived assets.

Selling and administrative expenses include advertising and promotion expenses of $238.7m (2008 $254.9m) and payroll and related expenses of $263.9m (2008 $274.3m).

In accordance with s408 of the Companies Act 2006, the Company has not presented its own income statement. The income attributable to shareholders of the Company for 2009 was $226.2m (2008 $338.5m). Retained earnings comprise $1,426.9m (2008 $1,236.8m) of distributable reserves and $1,679.3m (2008 $1,698.4m) of non-distributable reserves.

4. Finance and other nonoperating income, net

	Years ended November 30, 2009 U.S.$m	2008 U.S.$m
Interest income	8.0	24.4
Interest expense	(175.2)	(235.7)
Capitalised interest	20.0	24.3
Interest expense, net of capitalised interest	(155.2)	(211.4)
Other income, net	-	30.3
	(147.2)	(156.7)

Capitalised interest relates to property and equipment under construction, substantially all for new ships. The capitalisation rate is based on the weighted-average interest rates applicable to borrowings within the DLC during each period. During 2009, the average capitalisation rate was 4.3% (2008 4.9%).

Other income in 2008 includes a foreign exchange gain of $23.5m arising on euro bank deposits held by Carnival plc to satisfy Carnival Cruise Lines', a division of Carnival Corporation, contracted ship delivery payments during 2008.

5. Income and other taxes

	Years ended November 30, 2009 U.S.$m	2008 U.S.$m
The income tax (expense) benefit is as follows:		
Current taxation		
UK Corporation tax	(0.7)	(1.0)
Overseas taxation	(12.8)	(21.0)
Total current tax	(13.5)	(22.0)
UK deferred taxation	1.4	(0.2)
Overseas deferred taxation	(3.7)	(0.1)
	(2.3)	(0.3)
Total UK tax	0.7	(1.2)
Total overseas tax	(16.5)	(21.1)
Income tax expense, net	(15.8)	(22.3)

The total income tax (expense) benefit is reconciled to income taxes calculated at the UK standard tax rate as follows:

	Years ended November 30, 2009 U.S.$m	2008 U.S.$m
Income before income taxes	885.2	1,089.7
Notional tax expense at UK standard tax rate (2009 28.00% and 2008 28.67%)	(247.9)	(312.4)
Effect of Italian tonnage tax and other overseas taxes at different rates	164.1	184.9
Effect of UK tonnage tax and other UK differences	68.0	105.2
	(15.8)	(22.3)

5. Income and other taxes *(continued)*

Carnival plc is tax resident in the UK and is primarily engaged in the business of operating passenger vessels in international transportation. Generally, income from or incidental to the international operation of vessels is subject to preferential tax regimes in the countries where the vessel owning and operating companies are incorporated, and generally exempt from income tax in other countries where the vessels call due to the application of income tax treaties or domestic law. Income that we earn, which is not associated with the international operation of ships or earned in countries without preferential tax regimes, is subject to income tax in the countries where such income is earned.

All of our cruise brands are subject to income tax under the tonnage tax regimes of either Italy or the UK. Under both tonnage tax regimes, shipping profits, as defined under the applicable law, are subject to corporation tax by reference to the net tonnage of qualifying vessels. Income not considered to be shipping profits under tonnage tax rules is taxable under either the Italian tax regime applicable to Italian registered ships or the normal UK income tax rules. In addition, Ibero is subject to a preferential Portuguese income tax applicable to international shipping operations. We believe that substantially all of the ordinary income attributable to our brands constitutes shipping profits and, accordingly, Italian, Portuguese and UK income tax expenses for these operations have been minimal under the existing tax regimes. In addition, AIDA, the German brand of Carnival plc, is a subsidiary of Costa and the majority of its profits are exempt from German corporation taxes by virtue of the Italy/Germany income tax treaty. Ibero's Spanish operations are minimal and, therefore, its Spanish income taxes are minimal.

Income taxes are not expected to be incurred on future distributions of undistributed earnings of foreign subsidiaries and, accordingly, no deferred income taxes have been provided for the distribution of these earnings. All interest expense related to income tax liabilities are classified as income tax expenses.

Australian income tax
P&O Cruises Australia is a branch of Carnival plc, and the shipping profit income from this operation is subject to UK tonnage tax as discussed above. Substantially all of this operation's income is exempt from Australian corporation taxes by virtue of the UK/Australian income tax treaty. P&O Cruises Australia's non shipping profits are minimal.

U.S. federal and state income taxes
The hotel, transportation and tour businesses of Holland America Princess Alaska Tours are taxed at the applicable U.S. federal and state corporate income tax rates, which approximate 39%.

6. Dividends

	Year ended November 30, 2008 U.S.$m
First interim paid $0.40 per share	85.2
Second interim paid $0.40 per share	84.8
Third interim paid $0.40 per share	65.4
Fourth interim declared at $0.40 per share	66.9
	302.3

In October 2008 at the height of the financial crisis, the Carnival Corporation and Carnival plc Boards of Directors voted to suspend our quarterly dividend beginning March 2009, which would have been the first interim dividend for fiscal 2009, and maintained such dividend suspension throughout 2009. However, at the January 2010 Boards of Directors meeting it was decided to reinstate our March 2010 quarterly dividend at $0.10 per share.

Notes to the Group and Company financial statements

7. Earnings per ordinary share

	Years ended November 30,	
	2009	2008
	U.S.$m	U.S.$m
Carnival plc basic and diluted net income attributable to Carnival plc shareholders	875.3	1,076.6
Weighted-average ordinary shares outstanding (millions)	213.3	213.1
Dilutive effect of equity plans	-	0.2
Diluted weighted-average shares outstanding (millions)	213.3	213.3
Carnival plc standalone basic earnings per share (in U.S. dollars)	4.10	5.05
Carnival plc standalone diluted earnings per share (in U.S. dollars)	4.10	5.05

As described in note 1, Carnival Corporation and Carnival plc operate as a DLC. 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 ordinary share. For this reason the U.S. GAAP earnings per share for Carnival Corporation & plc are provided for information on page 1.

The weighted-average number of ordinary shares has been reduced for shares in the Company held by the Company's Employee Benefit Trust for the satisfaction of equity awards that have not vested unconditionally. These Employee Benefit Trust held shares do not receive any dividends.

The dilutive shares relate to ordinary shares to be issued on the exercise of employee share options and vesting of RSUs (see note 21).

8. Cash and cash equivalents

	Group		Company	
	November 30,			
	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Cash on ships	50.0	47.8	21.0	25.9
Other cash on hand, money market funds and time deposits	381.2	443.3	254.3	388.4
	431.2	491.1	275.3	414.3

9. Trade and other receivables, net

	Group		Company	
	November 30,			
	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Trade receivables, net	197.2	213.2	71.2	88.4
Income taxes receivables	6.0	5.4	-	-
Other receivables, including VAT	141.5	57.6	71.0	30.3
	344.7	276.2	142.2	118.7

At November 30, 2009, Group and Company other receivables included $50.8m due from the buyer of *Artemis*, which was collected in January 2010.

Notes to the Group and Company financial statements

9. Trade and other receivables, net *(continued)*

Trade receivables are net of allowances for bad debts. The allowance account movements are as follows:

	Group		Company	
	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Allowance for bad debts at December 1	14.5	16.8	4.0	4.9
Exchange movements	2.4	(3.0)	0.6	(1.4)
Expenses	5.9	5.0	3.1	1.4
Write-offs	(1.9)	(4.3)	(1.2)	(0.9)
Allowance for bad debts at November 30	20.9	14.5	6.5	4.0

At November 30, 2009, the carrying value of the Group trade receivables outstanding beyond their offered credit terms was $33.6m (2008 $34.3m).

10. Inventories

	Group		Company	
	November 30,			
	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Food and beverage provisions and hotel and restaurant products and supplies	80.4	67.4	25.9	25.8
Fuel	26.5	16.7	9.9	8.6
Merchandise held for resale	26.8	28.5	3.1	7.4
	133.7	112.6	38.9	41.8

The amount of inventories recognised as a cost or expense during 2009 was $979.6m (2008 $1,241.1m).

11. Property and equipment

	Group			Company		
	Ships and ship im-provements U.S.$m	Other property and equipment U.S.$m	Total U.S.$m	Ships and ship im-provements U.S.$m	Other property and equipment U.S.$m	Total U.S.$m
Cost at December 1, 2007	12,289.2	1,061.8	13,351.0	4,810.4	53.3	4,863.7
Exchange movements	(2,669.9)	(58.0)	(2,727.9)	(1,436.4)	(14.0)	(1,450.4)
Additions	1,464.8	110.4	1,575.2	740.7	15.1	755.8
Transfer from Carnival Cruise Lines	157.5	-	157.5	-	-	-
Disposals	(159.8)	(44.2)	(204.0)	(152.1)	(13.4)	(165.5)
Cost at November 30, 2008	11,081.8	1,070.0	12,151.8	3,962.6	41.0	4,003.6
Exchange movements	1,765.7	50.6	1,816.3	362.4	6.6	369.0
Additions	1,686.2	103.0	1,789.2	116.7	34.3	151.0
Transfer from Carnival Cruise Lines	37.7	-	37.7	-	-	-
Disposals	(215.4)	(57.4)	(272.8)	(201.5)	(14.0)	(215.5)
Cost at November 30, 2009	14,356.0	1,166.2	15,522.2	4,240.2	67.9	4,308.1
Accumulated depreciation at December 1, 2007	(2,184.2)	(390.1)	(2,574.3)	(952.2)	(38.8)	(991.0)
Exchange movements	484.1	30.7	514.8	291.7	8.5	300.2
Depreciation and amortisation	(435.9)	(79.7)	(515.6)	(183.8)	(6.7)	(190.5)
Disposals	103.5	45.6	149.1	95.4	13.1	108.5
Accumulated depreciation at November 30, 2008	(2,032.5)	(393.5)	(2,426.0)	(748.9)	(23.9)	(772.8)
Exchange movements	(308.7)	(24.6)	(333.3)	(97.0)	(3.5)	(100.5)
Depreciation and amortisation	(430.4)	(85.6)	(516.0)	(149.1)	(6.8)	(155.9)
Impairment (note 3)	(28.7)	-	(28.7)	-	-	-
Disposals	149.0	38.0	187.0	147.8	13.1	160.9
Accumulated depreciation at November 30, 2009	(2,651.3)	(465.7)	(3,117.0)	(847.2)	(21.1)	(868.3)
Net book value						
At November 30, 2009	11,704.7	700.5	12,405.2	3,393.0	46.8	3,439.8
At November 30, 2008	9,049.3	676.5	9,725.8	3,213.7	17.1	3,230.8

At year end, ships under construction included above totalled $515.5m (2008 $473.8m). At year end, the net book value of ship assets is after deducting government construction grants of $206.0m (2008 $185.3m). The book value of our land at year end is $30.8m (2008 $34.3m).

12. Goodwill and trademarks

	Group			Company
	Goodwill	Trademarks	Total	Goodwill
	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Net book value				
At December 1, 2007	992.1	37.4	1,029.5	228.0
Exchange movements	(186.8)	(5.4)	(192.2)	(59.1)
At November 30, 2008	805.3	32.0	837.3	168.9
Exchange movements	147.6	5.7	153.3	11.7
At November 30, 2009	952.9	37.7	990.6	180.6

Our trademark balances relate to Ibero and have an indefinite useful life. We performed an annual impairment review as of July 31, 2009 by comparing the estimated recoverable amount of Ibero's trademarks to their carrying values. Ibero's trademark recoverable amounts exceeded their carrying values and, therefore, were not impaired. We estimated the recoverable amounts based upon a discounted cash flow analysis, which estimated the amount of royalties that we are relieved from having to pay for the use of Ibero's trademarks, based on cruise revenues and royalty rates that a market participant would forecast. The royalty rate was determined based primarily upon comparable royalty agreements used in similar industries.

Goodwill relates to the following CGUs: AIDA, $172.4m (2008 $146.8m), Costa, $426.4m (2008 $342.4m), Cunard, $180.6m (2008 $168.9m) and Ibero, $173.5m (2008 $147.2m). We perform an annual impairment test as of July 31 each year to assess the recoverable amount of each CGUs goodwill. For the 2009 impairment tests, the estimated recoverable amounts were based on the higher of the business unit's fair value less costs to sell and its value in use. Fair values were determined using 10-year discounted future cash flow analysis, at the estimated weighted-average cost of capital for comparable publicly-traded companies, adjusted for the risk attributable to the CGU including the geographic region in which it operates. The annual impairment tests as of July 31, 2009 resulted in no impairments.

There have not been any events or circumstances subsequent to July 31, 2009, which we believe would require us to perform interim goodwill or trademark impairment reviews, except for Ibero's goodwill. An interim impairment test was performed for Ibero as of September 30, 2009 because of a one-year acceleration of Grand Holiday ship purchase from Carnival Cruise Lines for Ibero. Based on this interim review, none of Ibero's goodwill was considered impaired.

The key assumptions used in the cash flow analysis related to forecasting future operating results for all the CGUs are as follows:

- net revenue yields and net cruise costs including fuel prices;
- capacity changes including the expected deployment of vessels into, or out of, the CGUs;
- weighted-average cost of capital, which ranged from 10% to 11%; and
- terminal values.

The cash flows were estimated based on those a market participant would expect to derive from the businesses. For all the CGUs, we used past experience, among other things, in determining an estimate of future cash flows. However, our forecast net revenue yield increase for Ibero was higher than Ibero's past experience primarily as a result of the favourable impact of our acquiring full control of Ibero's marketing and selling organisation in July 2009, which has been taken into account in determining the recoverable amount.

The impairment tests demonstrated significant headroom over each of the CGUs recoverable amounts with the exception of Ibero. The IFRS headroom for Ibero is slightly less than 4% of the IFRS recoverable amount. It should be noted that the IFRS carrying value is higher than the U.S. GAAP carrying value, as a result of a higher IFRS ship cost basis arising from the sale of Carnival Cruise Lines' *Celebration* to Ibero in May 2008. Therefore, the U.S. GAAP headroom is substantially higher than the IFRS headroom.

A sensitivity analysis has been performed for Ibero to show the reasonably possible changes in key assumptions that would eliminate the available headroom. Based on such analysis, if there were relatively minor changes to the key assumptions, all other things being equal, the impact of such changes could lead to an impairment of Ibero's IFRS goodwill. Since the Spanish economy and Spanish consumers' demand for vacations are among the most challenging in Europe, the status of the Ibero operation will continue to be monitored.

Notes to the Group and Company financial statements

13. Other assets

	Group		Company	
	November 30,			
	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Prepaid expenses	41.4	29.4	26.0	16.6
Post-employment benefits (note 22)	-	7.1	-	7.1
Income taxes receivable	38.7	31.3	1.8	1.7
Deferred taxes	21.9	12.1	5.8	4.1
Derivative contracts receivable (note 26)	-	104.4	-	104.4
Other receivables and insurance recoverables	71.7	70.5	-	-
	173.7	254.8	33.6	133.9

Substantially all deferred tax assets relate to net operating losses expected to be recovered against future taxable income.

14. Investments in subsidiaries

	U.S.$m
At December 1, 2007	5,509.5
Exchange movements	(420.9)
Additions	2.2
At November 30, 2008	5,090.8
Exchange movements	381.8
Additions	208.3
At November 30, 2009	5,680.9

During 2009, the ownership of Grand Celebration Sociedade Unipessoal Lda was transferred from our wholly owned subsidiary, Società di Crociere Jupiter S.r.l., to the Company. The purchase price for this investment was $204.3m, further details of this transaction are included in note 23.

At November 30, 2009, the Company's principal operating subsidiaries were as follows:

	Country of incorporation/ registration	Percentage of equity share capital owned at November 30, 2009	Business description
Alaska Hotel Properties LLC	U.S.A.	100%	Hotel operations
Costa Crociere S.p.A	Italy	99.98%†	Passenger cruising
Carnival FC B.V.	Netherlands	100% ††	Finance
Cozumel Cruise Terminal S.A. de C.V.	Mexico	100%	Port operations
GIBS, Inc.	U.S.A.	100%	Parking garage owner and operator
Global Fine Arts, Inc.	U.S.A.	100%	Art sales and picture framing
Grand Celebration Sociedade Unipessoal Lda	Portugal	100%†	Shipowner
Grand Cruises Investments Unipessoal Lda	Portugal	100%	Shipowner
Holland America Line Inc.	U.S.A.	100%	Tour operator
P&O Princess Cruises International Ltd	England	100%†	Shipowner
Royal Hyway Tours Inc.	U.S.A.	100%	Land tours
Società di Crociere Jupiter S.r.l.	Italy	100%	Passenger cruising
Società di Crociere Mercurio S.r.l.	Italy	100%	Passenger cruising
Tour Alaska LLC	U.S.A.	100%	Rail tours
Westmark Hotels Inc.	U.S.A.	100%	Hotel owner and operator
Westours Motorcoaches LLC	U.S.A	100%	Land, rail and inland water tours

† - owned directly by the Company
†† -75% owned directly by the Company

Notes to the Group and Company financial statements

15. Debt

	Group		Company	
	November 30,			
	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Long-term debt				
Secured debt	1.1	1.2	-	-
Unsecured debt				
Export credit facilities				
U.S. dollar fixed rate	513.0	575.9	513.0	575.9
Euro fixed rate	278.2	-	-	-
Euro floating rate	244.1	230.8	244.1	230.8
Bank loans				
U.S. dollar fixed rate	148.5	-	148.5	-
Euro fixed rate	38.3	54.1	38.3	54.1
U.S. dollar floating rate	99.2	-	99.2	-
Euro floating rate	-	606.6	-	466.9
Revolver				
U.S. dollar floating rate	138.0	110.0	-	-
Euro floating rate	-	31.7	-	-
Private placement notes				
Euro fixed rate	277.9	235.7	-	-
Publicly-traded notes				
Euro fixed rate	1,117.2	946.3	1,117.2	946.3
Sterling fixed rate	328.3	306.4	328.3	306.4
Other	2.2	2.5	-	-
Long-term debt	3,186.0	3,101.2	2,488.6	2,580.4
Current portion of long-term debt				
Unsecured debt				
Export credit facilities				
U.S. dollar fixed rate	67.2	67.7	67.2	67.7
Euro fixed rate	25.0	-	-	-
Euro floating rate	29.7	26.6	29.7	26.6
Bank loans				
U.S. dollar fixed rate	0.4	-	0.4	-
Euro fixed rate	26.0	22.3	26.0	22.3
U.S. dollar floating rate	0.1	-	0.1	-
Euro floating rate	-	0.9	-	0.9
Revolver				
U.S. dollar floating rate	73.8	97.6	-	-
Euro floating rate	52.4	176.5	52.4	-
Private placement notes				
Euro fixed rate	2.2	1.8	-	-
Publicly-traded notes				
Euro fixed rate	0.5	0.5	0.5	0.5
Sterling fixed rate	10.1	9.4	10.1	9.4
Other	0.3	0.3	-	-
Current portion of long-term debt	287.7	403.6	186.4	127.4
Short-term borrowings				
U.S. dollar bank loans	-	10.7	-	-
Euro bank loans	38.9	246.8	-	-
Short-term borrowings	38.9	257.5	-	-
Total debt	3,512.6	3,762.3	2,675.0	2,707.8

15. Debt *(continued)*

The previous debt table does not include the impact of our foreign currency and interest rate swaps. Amounts falling due within one year include accrued interest. Total debt in the Group includes $676.1m (2008 $1,538.2m) of floating interest rate debt and in the Company includes $425.4m (2008 $725.2m) of floating interest rate debt. Floating rate interest is based on LIBOR or EURIBOR. Further detail relating to the Group's policies on managing currency and interest rate risks and additional information on debt and committed financings are provided in notes 5 and 10 and within the MD&A section of the Carnival Corporation & plc 2009 Annual Report and notes 1 and 26.

The maturity profile of total debt is as follows:

	Group		Company	
	November 30,			
	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Within one year	326.6	661.1	186.4	127.4
Between one and two years	135.5	577.2	115.2	576.9
Between two and five years	2,276.6	1,886.9	1,984.0	1,550.0
Between five and ten years	673.7	595.4	389.4	412.8
Over ten years	100.2	41.7	-	40.7
	3,512.6	3,762.3	2,675.0	2,707.8

Total debt is denominated in three currencies, including the effect of foreign currency swaps, as follows:

	Group		Company	
	November 30,			
	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Euro	2,130.3	2,581.4	1,508.3	1,750.9
U.S. dollar	1,043.9	472.7	828.3	248.7
Sterling	338.4	708.2	338.4	708.2
	3,512.6	3,762.3	2,675.0	2,707.8

16. Other long-term liabilities

	Group		Company	
	November 30,			
	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Deferred taxes	52.7	41.1	0.1	0.1
Income taxes	40.8	37.6	6.0	28.7
Post-employment benefits (note 22)	76.9	35.7	39.7	0.3
Derivative contracts (note 26)	20.6	-	20.6	-
Other	53.2	51.4	31.1	32.8
	244.2	165.8	97.5	61.9

Deferred tax liabilities are principally related to differences between the book and tax treatments of calculating depreciation expense in our land tour and other operations and the recognition of our Cozumel, Mexico port hurricane insurance settlement.

Other liabilities of the Group and Company primarily include liabilities for contractual disputes and property lease obligations. These lease obligations are expected to be settled over their term. The Group's other liabilities also include guest and crew claims.

Notes to the Group and Company financial statements

17. Share capital

The authorised ordinary Carnival plc share capital at November 30, 2009 and 2008 was comprised of 225,903,614 ordinary shares, of $1.66 par value.

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

	No. of Shares	U.S.$m
At December 1, 2007	213,179,641	353.9
Shares issued	62,300	0.1
At November 30, 2008	213,241,941	354.0
Shares issued	91,835	0.3
At November 30, 2009	213,333,776	354.3

During 2009, the Company issued 54,646 (2008 49,536) ordinary shares following the exercise of share options for total consideration of $1.5m (2008 $1.7m), issued 18,269 ordinary shares to a former executive in connection with his deferred bonus plan and issued 18,920 (2008 12,764) ordinary shares in connection with the Carnival plc Employee Stock Purchase Plan. In addition, 100,000 shares were issued in 2009 to the Carnival plc Employee Benefit Trust, which are not included above as they were recorded as treasury stock.

The Company has authorised 100,000 and allotted 50,000 £1.00 redeemable preference shares, of which only a nominal amount was issued. The 50,000 redeemable preference shares allotted are entitled to a cumulative fixed dividend of 8% per annum. The preference shares, which carry no voting rights, rank behind other classes of shares in relation to the payment of capital on certain types of distributions from the Company. The Company has also authorized and issued one special voting share of £1.00 to Carnival Corporation in connection with the DLC transaction to enable Carnival Corporation’s shareholders to vote as a group on Company shareholder matters.

Details of options over ordinary shares and RSUs granted to employees and other restricted share awards to senior managers are discussed in note 21.

18. Other reserves

The Group merger reserve relates to the difference between the book value and the fair value of certain businesses sold to Carnival Corporation during fiscal 2004 as part of a DLC corporate restructuring, which was accounted for as a group reconstruction.

At November 30, 2009, the Carnival plc Employee Benefit Trust held 98,106 ordinary shares of Carnival plc (2008 70,569 shares), with an aggregate par value of $0.2m (2008 $0.1m). At November 30, 2009, the market value of these shares was $3.3m (2008 $1.5m). If they had been sold at this market value there would have been no tax liability (2008 nil) on the capital gain arising from the sale. The costs of administering the Carnival plc Employee Benefit Trust are charged to expense as incurred.

Refer to the statements of changes in total equity for movements in capital and other reserves.

19. Acquisition

In July 2009, Costa Crociere S.p.A completed the purchase of the remaining 25% interest in Ibero that it did not own for $33m, which approximated this minority interest’s carrying value.

20. Key management

The aggregate compensation of the Group's key management was as follows:

	Years ended November 30,	
	2009	2008
	U.S.$m	U.S.$m
Fees	1.2	1.1
Salaries and benefits	4.1	4.9
Performance related bonuses	6.1	4.5
Total short-term employment benefits	11.4	10.5
Share-based payments	11.7	12.2
	23.1	22.7

The key management, which consists of the Boards of Directors, has responsibility and authority for controlling, directing and planning Carnival plc's activities. Their aggregate compensation includes amounts paid by both Carnival Corporation and Carnival plc.

Further details on directors' remuneration, including share options, restricted share awards, RSUs, long-term incentive plans and pension entitlements, are set out in Parts I and II of the Directors' Remuneration Report. During 2009, no directors made gains on the exercise of options over Carnival plc shares (2008 nil).

21. Employees

The average number of employees was as follows:

	Years ended November 30,	
	2009	2008
Shore staff	8,407	8,084
Sea staff	24,050	22,132
	32,457	30,216

The aggregate payroll and related expenses included in both cruise operating expenses and selling and administrative expenses were as follows:

	U.S$m	U.S.$m
Salaries, wages and benefits	662.6	665.6
Social security	44.5	40.0
Pensions	7.2	7.5
Share-based payments	9.5	10.2
	723.8	723.3

Share-based payments include $0.7m (2008 $0.7m) recharged by Carnival Corporation in respect of options and RSUs granted over Carnival Corporation common stock to certain U.S.-based Carnival plc Group employees.

21. Employees *(continued)*

Equity Plans

Share options over Carnival plc ordinary shares, granted under the Carnival plc 2005 Employee Share Plan and the Carnival plc Executive Share Option Plan, typically vest three years after the date of the grant, provided the employee remains employed within Carnival Corporation & plc or upon the grantee becoming retirement eligible, and have maximum terms of up to 7 years for options granted after October 2006. Options granted prior to October 2006 have maximum terms of up to 10 years. The number and weighted-average exercise price of options were as follows:

	2009		2008	
	Number of options	Weighted-average exercise price U.S.$	Number of options	Weighted-average exercise price U.S.$
Outstanding at December 1	2,984,404	47.80	3,232,950	47.59
Exercised	(54,646)	25.87	(49,536)	25.92
Forfeited or expired	(144,383)	48.88	(199,010)	49.76
Outstanding at November 30	2,785,375	48.18	2,984,404	47.80
Exercisable at November 30	2,635,850	47.94	2,321,859	44.93

The exercise price range and weighted-average remaining life of outstanding options at November 30, 2009 were as follows:

Exercise price range in US$	Number of options	Weighted-average remaining life (years)
$10.00 to $19.99	113,163	0.9
$20.00 to $29.99	377,780	3.0
$30.00 to $39.99	1,309	3.9
$40.00 to $49.99	930,377	4.2
Above $50.00	1,362,746	5.8
Total	2,785,375	

Since 2008, the Compensation Committees of the Boards of Directors have granted only restricted share awards and RSUs.

In addition to the share options, the Group awarded 388,247 (2008 224,416) RSUs to certain officers and employees. RSUs vest after three years and they are all to be equity settled. The Group also operates the Carnival plc Deferred Bonus and Co-Investment Matching Plan, under which certain senior managers were able to invest a percentage of their annual bonus into Carnival plc ordinary shares, with a view to receiving a matching award if certain predetermined performance targets are achieved. The compensation expense related to these RSUs and share awards is calculated by reference to the Carnival plc share price on the date of grant and expensed over the vesting period. The Group ceased allowing any of its employees to participate in the Carnival plc Deferred Bonus and Co-Investment Matching Plan, and the last awards included within this plan were issued in February 2008. The eligibility for plan matching of these last awards will be determined in February 2011, based upon whether certain Carnival Corporation & plc earnings per share levels are achieved.

Awards of RSUs do not receive dividends or have voting rights. Each RSU awarded is credited with dividend equivalents equal to the value of cash and stock dividends paid on Carnival plc ordinary shares, and for awards granted prior to December 1, 2008, interest is credited on the amount of cash dividend equivalents at a rate of 2% per annum. The cash and stock dividend equivalents will be distributed upon the settlement of the RSUs upon vesting.

22. Post-employment benefits

Employee benefit plans
Carnival plc is a contributing employer to two pension plans, including the multiemployer Merchant Navy Officers Pension Fund ("MNOPF" or "Fund"). These defined benefit plans are formally valued triennially by independent qualified actuaries.

In the UK, the Company operates its own defined benefit pension plan ("UK Plan"), the assets of which are managed on behalf of the trustee by independent fund managers. This plan is closed to new membership. The UK Plan is funded pursuant to UK regulations.

The MNOPF is a funded defined benefit multiemployer plan in which British officers employed by companies within the Group have participated and continue to participate. This plan is closed to new membership. The plan is divided into two sections – the New Section and the Old Section. The New Section was the subject of a court ruling in 2005 which established, at that time, the allocation of the fund to participating employers and, accordingly, this New Section of the plan is accounted for as a defined benefit plan.

The Old Section has been closed to benefit accrual since 1978. The Group's share, if any, of the Old Section is currently not known. In previous years the Old Section of the plan was estimated to be in a funding surplus position, however, at November 30, 2008 the Old Section was estimated to be in a deficit position. This deficit has reverted to a surplus at November 30, 2009. It is possible that in the future the plan Trustee might invoice the Group if they believe the Fund requires further contributions. As long as there continues to be significant uncertainty over the participating employers' share of any funding requirements, the Group will account for this Old Section on a contribution basis, until the underlying assets and liabilities of the Old Section, and the Group's share of this deficit, are able to be identified on a consistent and reasonable basis.

The recorded assets and liabilities on the Group's balance sheets for the UK Plan, Group's share of the MNOPF New Section and other post-employment benefits were as follows:

	November 30,	
	2009	2008
	U.S.$m	U.S.$m
Long-term assets		
Employee benefit plan surplus	-	7.1
Long-term liabilities		
Employee benefit plan deficits	(39.7)	(0.4)
Other post-employment benefits	(37.2)	(35.3)
	(76.9)	(35.7)

The employee benefit plan information provided below relates to the UK Plan and the Group's share of the MNOPF New Section.

The pension liabilities for accounting purposes were calculated at November 30, 2009 and 2008 by the Group's qualified actuary. The principal assumptions used were as follows:

	UK Plan (%)		MNOPF New Section (%)	
	2009	2008	2009	2008
Discount rates	5.4	6.5	5.4	6.5
Expected rates of salary increases	5.0	4.5	5.0	4.5
Pension increases				
– deferment	3.5	3.0	3.5	3.0
– payment	3.5	3.0	3.5	3.0
Inflation	3.5	3.0	3.5	3.0
Expected rates of return on plan assets	5.6	6.3	6.7	7.3

Notes to the Group and Company financial statements

22. Post-employment benefits *(continued)*

Assumptions regarding future mortality experience are set based on advice in accordance with published statistics and experience. The weighted-average life expectancy in years of a 65-year old pensioner on the balance sheet dates is as follows:

	November 30,	
	2009	2008
Male	19.4	19.3
Female	23.0	22.9

The weighted-average life expectancy in years of a 45-year old future pensioner retiring at age 65 is as follows:

	November 30,	
	2009	2008
Male	20.8	20.8
Female	24.6	24.6

Management considers the types of investment classes in which pension plan assets are invested and the expected compound return that the portfolio can reasonably be expected to earn over time, based on long-term real rates of return experienced in the respective markets.

The amounts recognised in the balance sheets for these plans are determined as follows:

	November 30,		
	2009	2008	2007
	U.S.$m	U.S.$m	U.S.$m
Present value of obligations	(306.5)	(183.3)	(274.4)
Fair value of plans' assets	266.8	190.0	296.2
Net (liabilities) assets recognised in the balance sheets	(39.7)	6.7	21.8

Actuarial gains and losses for these plans are as follows:

	2009	2008	2007
	U.S.$m	U.S.$m	U.S.$m
(Losses) gains on plans' liabilities	(85.5)	28.4	(16.0)
Gains (losses) on plans' assets, including restriction on assets	26.5	(41.1)	11.8
	(59.0)	(12.7)	(4.2)

The cumulative actuarial losses recognised in the statement of recognised income and expense at November 30, 2009 for these plans was $39.9m (2008 gain $19.1m).

The amounts recognised in the income statements for these plans are as follows:

	Years ended November 30,	
	2009	2008
	U.S.$m	U.S.$m
Current service cost	4.0	6.3
Interest cost	13.1	14.7
Expected return on plan assets	(14.0)	(17.4)
Past service cost	0.5	-
Total included within payroll and related expenses	3.6	3.6

The estimated contributions expected to be paid into these plans during fiscal 2010 are $6.0m, excluding MNOPF New Section special assessments.

Analysis of the movements in the balance sheet assets (liabilities) for these plans is as follows:

	2009	2008
	U.S.$m	U.S.$m
Net assets at December 1	6.7	21.8
Exchange movements	9.5	(6.5)
Expenses (see above)	(3.6)	(3.6)
Amounts recognised in the statements of recognised income and expense	(59.0)	(12.7)
Employer contributions	6.7	7.7
Net (liabilities) assets at November 30	(39.7)	6.7

22. Post-employment benefits *(continued)*

Changes in the present value of defined benefit obligations for these plans are as follows:

	2009	2008
	U.S.$m	U.S.$m
Present value of obligations at December 1	183.3	274.4
Exchange movements	4.3	(73.3)
Current service cost	4.0	6.3
Interest cost	13.1	14.7
Contributions from employees	1.1	1.1
Past service cost	0.5	-
Benefits paid	(8.5)	(11.5)
Experience losses (gains) on plan liabilities	85.5	(28.4)
Adjustment in Group share of MNOPF	23.2	-
Present value of obligations at November 30	306.5	183.3

Changes in the fair value of these plans' assets are as follows:

	2009	2008
	U.S.$m	U.S.$m
Fair value of plans' assets at December 1	190.0	296.2
Exchange movements	17.9	(79.8)
Expected return on plan assets	14.0	17.4
Employer contributions	6.7	7.7
Contributions from employees	1.1	1.1
Benefits paid	(8.5)	(11.5)
Experience gains (losses)	26.5	(44.6)
Restriction on assets	-	3.5
Adjustment in Group's share of MNOPF	19.1	-
Fair value of plans' assets at November 30	266.8	190.0

The actual gain on these plans' assets was $44.6m (2008 loss $27.2m).

These plans' assets are comprised as follows:

	November 30,			
	2009		2008	
	U.S.$m	%	U.S.$m	%
Equities	88.2	33.1	63.0	33.2
Property	5.9	2.2	5.9	3.1
Corporate bonds	104.1	39.0	72.5	38.1
Fixed interest gilts	68.6	25.7	48.6	25.6
	266.8		190.0	

The Company's net pension balance represents substantially all of the Group's funded employee benefit plans.

Other post-employment benefits

Other post-employment benefits include $13.5m (2008 $14.2m) in respect of a deferred bonus agreement to make annual payments to a former executive director for 15 years following his retirement in 2007, further details of this arrangement are included in Part II of the Directors' Remuneration Report. In addition, 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 salary up to December 31, 2006, if they cease employment with Costa. These payments are not conditional on employees reaching normal retirement age and following amendments to the legislation generate no further benefit accrual after December 31, 2006. At November 30, 2009, $18.5m (2008 $15.4m) had been accrued as a liability by Costa.

Notes to the Group and Company financial statements

23. Related party transactions

Group

Within the DLC structure there are a few instances where Carnival Corporation group companies provide services to the Group and also where the Group provide services to the Carnival Corporation group. Costs incurred by the Group to the Carnival Corporation group during 2009 in respect of cruises sold together with a land tour package by Holland America Princess Alaska Tours were $29.4m (2008 $41.4m) and costs incurred by the Carnival Corporation group to the Group in respect of Holland America Princess Alaska Tours' land tours sold by the Carnival Corporation group were $68.0m (2008 $77.0m). These transactions represented the most significant trading relationships between the two groups.

In November 2009, the Group purchased its vessel *Grand Holiday* from Carnival Cruise Lines for $37.7m. In May 2008, the Group purchased its vessel *Grand Celebration* from Carnival Cruise Lines for $157.5m. The consideration for both these purchases was settled in cash.

At November 30, 2009 the Group and Company had two ship charter agreements, which extend over a number of years, with Princess Cruises, a subsidiary of Carnival Corporation. The total annual charter payments to Princess Cruises in 2009 were $148.7m (2008 $126.7m). In addition, in November 2009 Carnival FC B.V. acquired an investment in the charter rights for two vessels operated by Holland America Line for $73.3m, which amount is included in "Prepaid expenses and other" in the November 30, 2009 balance sheet. These rights entitle Carnival FC B.V. to receive a return on its investment through the collection of charter payments in an aggregate amount of $74.3m over the approximate one-year term of the charter.

At November 30, 2009 the Group owed $1,459.0m to the Carnival Corporation group (2008 $496.4m); which was unsecured. Of the total Group liability to the Carnival Corporation group, $1,144.3m is euro-denominated, repayable on demand and bears interest at a floating rate, and the remaining balance of $314.7m is non-interest bearing and is also repayable on demand. In addition, Carnival Corporation owns 1,115,450, or 0.5% (2008 665,450, or 0.3%), and Carnival Investments Limited, a wholly owned subsidiary of Carnival Corporation, owns 45,130,740, or 21.2% (2008 50,930,744 or 24.0%), of the Company's ordinary shares, which are non-voting. In 2008 and 2009, Carnival Corporation and Carnival Investments Limited both waived their rights to dividends on these Carnival plc ordinary shares.

Within the operational and organisational structure of the Group, the key management personnel, as defined under IAS 24 "Related Party Disclosures," is considered to consist of the directors of the Company. Details of the directors' remuneration are provided in the Directors' Remuneration Report and any relevant transactions are given in the "Certain Relationships and Related Party Transactions" section, both of which are included within the Proxy Statement. The aggregate emoluments of the Group's key management is shown in note 20.

Company

The key management personnel of the Company comprise members of the Board of Directors. Except for some share-based payments and some fees for UK-based services, the directors did not receive any remuneration from the Company in 2009 (2008 nil, with the same exceptions), as their emoluments were borne by other companies within the DLC. Details of the Company's share-based payments to directors are disclosed in the Directors' Remuneration Report. The Company did not have any transactions with the directors during fiscal 2009 (2008 nil).

Transactions with subsidiaries

The Company enters into loans with its subsidiaries at both fixed and floating rates of interest, generally at rates agreed to between the parties from time to time and are generally repayable on demand. The net cash outflow arising from loans with other Group companies and Carnival Corporation was $133.9m (2008 inflow $414.3m). Net balances arising from transactions with subsidiaries are set out on the Company's balance sheets.

During November 2009, the Company purchased 100% of the share capital of Grand Celebration Sociedade Unipessoal Lda from its subsidiary Società di Crociere Jupiter S.r.l. The $204.3m purchase price was settled by a cash payment of $33.1m, with the remaining $175.2m still included in "Amounts owed to subsidiaries" in the November 30, 2009 balance sheet.

Notes to the Group and Company financial statements

24. Commitments

Group
At November 30, 2009, the Group had contracted capital commitments relating to ship construction contracts amounting to $4.8bn (2008 $5.7bn). Ship capital commitments at November 30, 2009 include contract payments to the shipyards, design and engineering fees, construction oversight costs, various owner supplied items and capitalised interest. At November 30, 2009, our future cruise ship commitments, aggregated based on the ship delivery date, are expected to be $2.3bn in 2010, $1.2bn in 2011 and $1.3bn in 2012.

Future minimum lease commitments, aggregated based on the lease expiration period, for noncancellable operating leases are as follows:

	November 30,	
	2009	2008
	U.S.$m	U.S.$m
Aggregate expense on leases expiring		
Within one year	139.6	2.6
Between one and five years	35.6	172.3
After five years	105.0	145.7
	280.2	320.6

In addition, at November 30, 2009 the Group had port facility commitments, aggregated based on the facility expiration period, of $410.2m (2008 $391.6m) expiring after five years.

Company
At November 30, 2009, the Company had contracted capital commitments relating to ship construction contracts amounting to $1.3bn (2008 $1.2bn). Ship capital commitments at November 30, 2009 include contract payments to the shipyards, design and engineering fees, construction oversight costs, various owner supplied items and capitalised interest. The $1.3bn will expire in 2010 upon the delivery of the ships.

25. 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 2009 Annual Report. The fair value of these guarantees within the DLC structure is not significant in either 2009 or 2008 and they are not expected to result in any material loss.

Some of the debt agreements that we enter into include indemnification provisions that obligate us to make payments to the counterparty if certain events occur. These contingencies generally relate to changes in taxes and changes in laws that increase lender capital costs and other similar costs. The indemnification clauses are often standard contractual terms and were entered into in the normal course of business. There are no stated or notional amounts included in the indemnification clauses and we are not able to estimate the maximum potential amount of future payments, if any, under these indemnification clauses. We have not been required to make any material payments under such indemnification clauses in the past and, under current circumstances, we do not believe a request for material future indemnification payments is probable.

In the normal course of business, various 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 the Group's self-insurance retention levels. However, Carnival plc management believes the ultimate outcome of these claims and lawsuits which are not covered by insurance cannot be determined at this time.

Notes to the Group and Company financial statements

26. Financial instruments

As a result of the DLC structure and the cross guarantees provided to and from Carnival Corporation, the additional disclosures included within notes 3, 5 and 10 and within the MD&A section of the Carnival Corporation & plc 2009 Annual Report should be considered in evaluating the possible effects of financial instruments on the Group's financial position and performance.

Financial assets were as follows:

	Group		Company	
	November 30,			
	2009	2008	2009	2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Cash and cash equivalents	431.2	491.1	275.3	414.3
Loans and receivables:				
Current trade receivables, net	197.2	213.2	71.2	88.4
Current other receivables	141.5	57.6	71.0	30.3
Amounts owed by subsidiaries	-	-	56.5	104.4
Long-term other receivables and insurance recoverables	71.7	70.5	-	-
Derivatives used for hedging:				
Current derivative contracts receivable	14.8	12.6	14.8	12.6
Long-term derivative contracts receivable	-	104.4	-	104.4
	856.4	949.4	488.8	754.4

Current derivative contracts receivable are included in "Prepaid expenses and other" in the balance sheets.

The summary of the maturity profiles of the Group's financial liabilities at November 30, 2009 and 2008 was as follows:

	Within 1 year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
	U.S.$m	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Book value of debt	326.6	135.5	2,276.6	773.9	3,512.6
Debt issue costs and issue discounts	2.7	2.7	5.6	2.9	13.9
Recorded debt cash obligations	329.3	138.2	2,282.2	776.8	3,526.5
Amounts owed to Carnival Corporation	1,459.0	-	-	-	1,459.0
Derivative contracts payable	6.0	4.9	10.1	5.6	26.6
Deferred bonus payable	0.9	1.0	3.4	8.2	13.5
Trade payables, accrued liabilities and other	678.0	-	-	-	678.0
Other liabilities	-	53.2	-	-	53.2
At November 30, 2009	2,473.2	197.3	2,295.7	790.6	5,756.8
Book value of debt	661.1	577.2	1,886.9	637.1	3,762.3
Debt issue costs and issue discounts	2.6	2.3	6.6	5.1	16.6
Recorded debt cash obligations	663.7	579.5	1,893.5	642.2	3,778.9
Amounts owed to Carnival Corporation	496.4	-	-	-	496.4
Derivative contracts payable	2.6	-	-	-	2.6
Deferred bonus payable	0.7	0.9	3.2	9.4	14.2
Trade payables, accrued liabilities and other	620.2	-	-	-	620.2
Other liabilities	-	51.4	-	-	51.4
At November 30, 2008	1,783.6	631.8	1,896.7	651.6	4,963.7

Substantially all financial liabilities are held at amortized cost.

Notes to the Group and Company financial statements

26. Financial instruments *(continued)*

The expected undiscounted cash flows of the Group's November 30, 2009 debt and related future interest obligations, by remaining contractual maturity, were as follows:

	Within 1 year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
	U.S.$m	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Floating rate debt	247.2	86.6	728.9	146.9	1,209.6
Fixed rate debt	226.0	220.4	1,870.0	762.1	3,078.5
	473.2	307.0	2,598.9	909.0	4,288.1

As noted below the Group's liquidity is considered on a consolidated Carnival Corporation & plc basis. Included in the "Future Commitments and Funding Sources" section within the MD&A of the Carnival Corporation & plc 2009 Annual Report is a schedule of the maturity profiles of the recorded and unrecorded contractual cash obligations of Carnival Corporation & plc at November 30, 2009.

The carrying and fair values of debt at November 30, 2009 and 2008 were as follows:

Group	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Floating rate	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Euro export credit facilities	273.8	254.4	257.4	168.8
U.S. dollar bank loans	99.2	100.8	-	-
Euro bank loans	-	-	607.5	433.1
U.S. dollar revolver	211.8	203.3	207.6	187.3
Euro revolver	52.4	52.0	208.2	204.6
Short-term U.S. dollar bank loans	-	-	10.7	11.6
Short-term euro bank loans	38.9	38.8	246.8	244.4
	676.1	649.3	1,538.2	1,249.8
Fixed rate				
Bearing interest at 3.0% to 3.9%	149.0	148.9	-	-
Bearing interest at 4.0% to 4.9%	2,001.1	1,992.7	1,590.5	1,176.5
Bearing interest at 6.0% to 6.9%	159.3	169.4	156.8	138.9
Bearing interest at 7.0% to 7.9%	524.3	543.9	473.8	406.4
Bearing interest above 8%	2.8	2.8	3.0	3.0
	2,836.5	2,857.7	2,224.1	1,724.8

Company				
Floating rate				
Euro export credit facilities	273.8	254.4	257.4	168.8
U.S. dollar bank loans	99.2	100.8	-	-
Euro bank loans	-	-	467.8	323.6
Euro revolver	52.4	52.0	-	-
	425.4	407.2	725.2	492.4
Fixed rate				
Bearing interest at 3.0% to 3.9%	149.0	148.9	-	-
Bearing interest at 4.0% to 4.9%	1,697.9	1,702.0	1,590.5	1,176.5
Bearing interest at 6.0% to 6.9%	64.3	66.5	76.3	70.0
Bearing interest at 7.0% to 7.9%	338.4	336.2	315.8	286.3
	2,249.6	2,253.6	1,982.6	1,532.8

The fair values of our publicly-traded notes were based on their quoted market prices. The fair values of other debt were estimated based on appropriate market interest rates being applied to this debt.

Notes to the Group and Company financial statements

26. Financial instruments *(continued)*

Capital management

Within the DLC structure the consolidated Carnival Corporations & plc group adopts a policy of maintaining strong credit ratings to enable it to obtain financing to fund continued growth at interest rates and on other terms that maximise shareholder value. The Group manages its capital on a consolidated Carnival Corporation & plc basis, applying U.S. GAAP. For additional information see the "Liquidity and Capital Resources" section within the MD&A of the Carnival Corporation & plc 2009 Annual Report. The net debt to capital ratio of the Group at November 30, 2009 and 2008 were as follows:

	2009	2008
	U.S.$m	U.S.$m
Total debt	3,512.6	3,762.3
Less cash and cash equivalents	(431.2)	(491.1)
Net debt	3,081.4	3,271.2
Shareholders' equity	7,779.3	5,940.4
Total capital	10,860.7	9,211.6
Net debt to capital ratio	28.4%	35.5%

The net debt to capital ratio for the consolidated Carnival Corporation & plc group, applying U.S. GAAP and prepared on the same basis as above, was 30.1% (2008 31.3%).

Liquidity risk

Within the DLC, liquidity and liquidity risk is assessed on a consolidated Carnival Corporation & plc basis. Within the DLC structure the cross guarantees between the two parent companies result in there being little substantive difference in the availability of debt financing for either Carnival Corporation or Carnival plc. Typically debt financing agreements allow for either Carnival Corporation or Carnival plc to draw under facilities, with the non-borrowing parent as guarantor. The ultimate decision over which of the two parent companies should draw on facilities is determined based on a number of factors, including the balance of intercompany indebtedness with Carnival Corporation. For additional information see the "Liquidity and Capital Resources" section within the MD&A of the Carnival Corporation & plc 2009 Annual Report.

26. Financial instruments *(continued)*

As noted in the "Future Commitments and Funding Sources" section within the MD&A of the Carnival Corporation & plc 2009 Annual Report, the consolidated Carnival Corporation & plc group had adjusted committed undrawn facilities of $2.4 billion available for borrowing under revolving credit facilities and $3.6 billion under committed facilities at November 30, 2009, in addition to $214 million of available cash and cash equivalents.

Interest rate risk
The interest rate profiles of financial assets and liabilities at November 30, 2009 were as follows:

Group	Within 1 year U.S.$m	Between 1 - 2 years U.S.$m	Between 2 - 5 years U.S.$m	Over 5 years U.S.$m	Total U.S.$m
Floating rate					
Cash and cash equivalents	431.2	-	-	-	431.2
Euro export credit facilities	(29.7)	(28.8)	(86.4)	(128.9)	(273.8)
U.S. dollar bank loans	(0.1)	0.4	(99.5)	-	(99.2)
U.S. dollar revolver	(73.8)	-	(138.0)	-	(211.8)
Euro revolver	(52.4)	-	-	-	(52.4)
Short-term euro bank loans	(38.9)	-	-	-	(38.9)
	236.3	(28.4)	(323.9)	(128.9)	(244.9)
Fixed rate					
Bearing interest at 3.0% to 3.9%	(0.4)	0.3	(148.9)	-	(149.0)
Bearing interest at 4.0% to 4.9%	(92.6)	(81.9)	(1,367.3)	(459.3)	(2,001.1)
Bearing interest at 6.0% to 6.9%	(26.7)	(25.5)	(107.1)	-	(159.3)
Bearing interest at 7.0% to 7.9%	(11.6)	0.3	(328.7)	(184.3)	(524.3)
Bearing interest above 8%	(0.4)	(0.3)	(0.7)	(1.4)	(2.8)
	(131.7)	(107.1)	(1,952.7)	(645.0)	(2,836.5)

Company					
Floating rate					
Cash and cash equivalents	275.3	-	-	-	275.3
Euro export credit facilities	(29.7)	(28.8)	(86.4)	(128.9)	(273.8)
U.S. dollar bank loans	(0.1)	0.4	(99.5)	-	(99.2)
Euro revolver	(52.4)	-	-	-	(52.4)
	193.1	(28.4)	(185.9)	(128.9)	(150.1)
Fixed rate					
Bearing interest at 3.0% to 3.9%	(0.4)	0.3	(148.9)	-	(149.0)
Bearing interest at 4.0% to 4.9%	(67.7)	(62.0)	(1,307.7)	(260.5)	(1,697.9)
Bearing interest at 6.0% to 6.9%	(26.0)	(25.5)	(12.8)	-	(64.3)
Bearing interest at 7.0% to 7.9%	(10.1)	0.4	(328.7)	-	(338.4)
	(104.2)	(86.8)	(1,798.1)	(260.5)	(2,249.6)

The Group is affected by changes in interest rates on floating rate debt. Based upon a hypothetical 10% change in the November 30, 2009 interest rates, our annual interest expense on floating rate debt, including the effect of our interest rate swaps, would change by an insignificant amount. Within the DLC, interest rate risks are considered on a combined Carnival Corporation & plc basis. For additional information see note 10 and within the MD&A section of the Carnival Corporation & plc 2009 Annual Report.

26. Financial instruments *(continued)*

The interest rate profiles of financial assets and liabilities at November 30, 2008 were as follows:

Group	Within 1 year U.S.$m	Between 1 - 2 years U.S.$m	Between 2 - 5 years U.S.$m	Over 5 years U.S.$m	Total U.S.$m
Floating rate					
Cash and cash equivalents	491.1	-	-	-	491.1
Euro export credit facilities	(26.6)	(24.8)	(74.4)	(131.6)	(257.4)
Euro bank loans	(0.9)	(466.9)	(139.7)	-	(607.5)
U.S. dollar revolver	(97.6)	-	(110.0)	-	(207.6)
Euro revolver	(176.5)	-	(31.7)	-	(208.2)
Short-term U.S. dollar bank loans	(10.7)	-	-	-	(10.7)
Short-term euro bank loans	(246.8)	-	-	-	(246.8)
	(68.0)	(491.7)	(355.8)	(131.6)	(1,047.1)
Fixed rate					
Bearing interest at 4.0% to 4.9%	(68.2)	(63.6)	(1,136.8)	(321.9)	(1,590.5)
Bearing interest at 6.0% to 6.9%	(22.8)	(21.6)	(87.0)	(25.4)	(156.8)
Bearing interest at 7.0% to 7.9%	(10.7)	-	(306.6)	(156.5)	(473.8)
Bearing interest above 8%	(0.3)	(0.3)	(0.7)	(1.7)	(3.0)
	(102.0)	(85.5)	(1,531.1)	(505.5)	(2,224.1)

Company	Within 1 year U.S.$m	Between 1 - 2 years U.S.$m	Between 2 - 5 years U.S.$m	Over 5 years U.S.$m	Total U.S.$m
Floating rate					
Cash and cash equivalents	414.3	-	-	-	414.3
Euro export credit facilities	(26.6)	(24.8)	(74.4)	(131.6)	(257.4)
Euro bank loans	(0.9)	(466.9)	-	-	(467.8)
	386.8	(491.7)	(74.4)	(131.6)	(310.9)
Fixed rate					
Bearing interest at 4.0% to 4.9%	(68.2)	(63.6)	(1,136.8)	(321.9)	(1,590.5)
Bearing interest at 6.0% to 6.9%	(22.3)	(21.6)	(32.4)	-	(76.3)
Bearing interest at 7.0% to 7.9%	(9.4)	-	(306.4)	-	(315.8)
	(99.9)	(85.2)	(1,475.6)	(321.9)	(1,982.6)

Foreign currency risk
At November 30, 2009, approximately 94% of Group net operating assets were denominated in non U.S. dollar currencies, of which approximately 70% were denominated in euros and 24% were in sterling, with substantially all of the remaining net operating assets in U.S. and Australian dollars. As a result of this currency composition, the Group's U.S. dollar consolidated balance sheet can be affected by currency movements. The Group partially mitigates the effect of such movements by having some borrowings in the same currencies as those in which the assets are denominated.

A significant portion of Group operating income is generated by businesses with functional currencies other than the U.S. dollar, principally the euro and sterling. The results of these businesses are translated into U.S. dollars at weighted-average exchange rates for the purposes of consolidation. The impact of currency movements on net income is mitigated partially by some interest expenses being incurred in non U.S. dollar currencies. Within the DLC, foreign currency risks are considered on a combined Carnival Corporation & plc basis. For additional information see note 10 and the MD&A section within the Carnival Corporation & plc 2009 Annual Report.

Notes to the Group and Company financial statements

26. Financial instruments *(continued)*

The exchange rates for each of our major currencies at November 30, 2009 and 2008 and during the years then ended were as follows:

	2009			2008		
	£:U.S.$	euro:U.S.$	Aus$:U.S.$	£:U.S.$	euro:U.S.$	Aus$:U.S.$
November 30 exchange rates	1.646	1.497	0.907	1.539	1.270	0.655
Simple average exchange rates for the year	1.554	1.384	0.772	1.887	1.474	0.857

At November 30, the fair value of derivatives included in the Group and Company balance sheets at November 30, 2009 and 2008 were as follows:

	2009			2008		
	Notional	Assets	Liabilities	Notional	Assets	Liabilities
	U.S.$m	U.S.$m	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Current portion						
Ship foreign currency forwards-cash flow hedges	410.0	14.8	-		-	-
Debt related interest rate swap		-	-	467.2	-	(2.6)
Foreign currency forwards-net investment hedges	42.9	-	(6.0)	283.9	12.6	-
		14.8	(6.0)		12.6	(2.6)
Long-term portion						
Foreign currency forwards-net investment hedges	246.7	-	(20.6)		-	-
Debt related interest rate swaps-cash flow hedges	329.3	-	-		-	-
Debt related foreign currency swaps-cash flow hedges		-	-	397.8	104.4	-
		-	(26.6)		104.4	-

We have ship foreign currency forwards that are designated as cash flow hedges for two-thirds of the final euro-denominated shipyard payments expected to be settled in 2010 for P&O Cruises *Azura.* Based upon a 10% hypothetical change in the sterling compared to the euro as of November 30, 2009, assuming no changes in comparative interest rates, the estimated fair value of these foreign currency forwards would change by $41.0m, which would be offset by a corresponding change of $41.0m in the sterling value of the related foreign currency ship construction contract and result in no net impact to us.

At November 30, 2009, we have $289.6m of foreign currency forwards that are designated as hedges of our net investments in foreign operations, which have a euro-denominated functional currency, thus partially offsetting this foreign currency exchange rate risk. Based upon a 10% hypothetical change in the U.S. dollar compared to the euro as of November 30, 2009, assuming no changes in comparative interest rates, we estimate that these foreign currency forwards' fair values would change by $29.0m, which would be offset by a corresponding change of $29.0m in the U.S. dollar value of our net investments.

At November 30, 2009, we have interest rate swaps which effectively changed $329.3m of fixed rate sterling publicly-traded debt, bearing interest at 7.1% and due in 2012, to GBP LIBOR-based floating rate debt.

At November 30, 2009, the amount of estimated cash flow hedges' unrealised gains and losses which are expected to be reclassified to earnings in the next twelve months is not significant.

26. Financial instruments *(continued)*

Credit risk

As part of its ongoing control procedures, the Group monitors concentrations of credit risk associated with financial and other institutions with which it conducts significant business. Our maximum exposure under foreign currency contracts and interest rate swap agreements that are in-the-money is the replacement cost, which includes the value of the contracts, in the event of nonperformance by the counterparties to the contracts, all of which are currently our lending banks. We seek to minimise our credit risk exposure, including counterparty nonperformance primarily associated with our cash equivalents, investments, committed financing facilities, derivative instruments, insurance contracts and new ship progress payments, by normally conducting business with large, well-established financial institutions and insurance companies that have long-term credit ratings of A or above, and by diversifying our counterparties. In addition, we have established guidelines regarding credit ratings and investment maturities that we follow to help maintain liquidity and minimise risk. We normally do require collateral and/or guarantees to support notes receivable on significant asset sales, long-term ship charters and new ship progress payments to shipyards. We do not currently anticipate nonperformance by any of our significant counterparties.

The Group also monitors the creditworthiness of those travel agencies and tour operators to which we extend credit in the normal course of our business. Concentrations of credit risk associated with these receivables are considered minimal, primarily due to their short maturities and the large number of unrelated accounts within our customer base. We have experienced only minimal credit losses on our trade receivables. We do not normally require collateral or other security to support normal credit sales.

Finally, if the shipyard with which we have a contract to build one of our ships is unable to perform, we would be required to perform under our foreign currency forwards related to this shipbuilding contract. Accordingly, if the shipyard is unable to perform we may have to discontinue the accounting for these currency forwards as hedges. However, we believe that the risk of shipyard nonperformance is remote.

Derivatives

The Group uses derivative financial instruments 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 forwards and swaps and interest rate swaps.

The Group's ship commitments are typically denominated in euros and thus the Group can become exposed to currency risks when ordering ships for its UK brand. These risks can be mitigated by entering into foreign currency forwards. The decisions regarding whether or not to hedge a given ship commitment for our UK brand are made on a case-by-case basis, taking into consideration the amount and duration of the exposure, market volatility, exchange rate correlation, economic trends and other offsetting risks.

At November 30, 2009, we also have $660 million remaining on a euro-denominated shipbuilding commitment for Cunard's *Queen Elizabeth*, which is scheduled for delivery in September 2010. At November 30, 2009, we had not entered into any foreign currency contracts for this ship. Therefore, the sterling cost of this ship will increase or decrease based upon changes in the exchange rate until the payments are made under the shipbuilding contract or we enter into a foreign currency hedge. Based upon a 10% hypothetical change in the sterling to euro foreign currency exchange rate as of November 30, 2009, assuming no changes in comparative interest rates and assuming the U.S. dollar exchange rate to the sterling remains constant, the unpaid cost of this ship would have a corresponding change of $66 million.

Additional detail relating to the Group's financial risk management objectives and policies is included in note 10 and within the MD&A section of the Carnival Corporation & plc 2009 Annual Report and note 1.

Report of the independent auditors to the members of Carnival plc

We have audited the financial statements of Carnival plc for the year ended November 30, 2009 which comprise the Group income statements, the Group and Parent Company balance sheets, the Group and Parent Company statements of cash flows, the Group and Parent Company statements of recognised income and expense, the Group and Parent Company statements of changes in total equity and the related notes including the Carnival Corporation & plc consolidated financial statements on pages 5 to 33 of the Carnival Corporation & plc 2009 Annual Report. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of directors and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at November 30, 2009 and of the Group's profit and Group's and Parent Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report in Annex B to the Proxy Statement to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report set out in Annex A to the Proxy Statement for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Report set out in Annex C to the Proxy Statement with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Report has not been prepared by the Parent Company.

Under the Listing Rules we are required to review:

- the directors' statement, set out in Annex C to the Proxy Statement in relation to going concern; and
- the parts of the Corporate Governance Report in Annex C to the Proxy Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

John Waters (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
February 18, 2010

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.