CARNIVAL PLC

IFRS Financial Statements
Year Ended November 30, 2011

The Annual Report of Carnival plc comprises the Carnival plc consolidated and company IFRS Financial Statements contained herein, together with the Carnival Corporation & plc 2011 Annual Report ("DLC Annual Report") and certain parts of the Proxy Statement (including its Annexes), dated February 21, 2012.

The 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 subsidiaries and, accordingly, do not include the IFRS results of Carnival Corporation and its subsidiaries. However, the Directors consider that, within the Carnival Corporation and Carnival plc dual listed company ("DLC") arrangement, 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 ("DLC Financial Statements"). Accordingly, the DLC Financial Statements form part of the Carnival plc IFRS Financial Statements as additional disclosures.

In order to obtain a better understanding of the Carnival Corporation & plc business, financial condition and results of operations, the Carnival plc stakeholders should read the items referenced below, in addition to the Carnival plc IFRS Financial Statements contained herein.

The locations where the Carnival plc Annual Report Documents and Other Information can be found are as follows:

OTHER INFORMATION

The Notice of Annual Meetings and Proxy Statement, dated February 21, 2012 ("Proxy Statement"), Carnival Corporation & plc joint Annual Report on Form 10-K ("Form 10-K") and DLC Annual Report are not set forth within the Carnival plc IFRS Financial Statements, but are available for viewing at www.carnivalcorp.com or www.carnivalplc.com. The Carnival plc IFRS Financial Statements have been submitted to the National Storage Mechanism and are available for inspection at www.hemscott.com/nsm.do and will be included in the Annual Meeting materials available to the Carnival plc shareholders.

CARNIVAL PLC
GROUP STATEMENTS OF INCOME
(in millions, except per share data)

	Years Ended November 30,	
	2011	**2010**
Revenues		
Cruise		
Passenger tickets	$ 5,770	$ 5,087
Onboard and other	1,228	1,078
Tour and other	162	308
	7,160	6,473
Costs and Expenses		
Operating		
Cruise		
Commissions, transportation and other	1,321	1,217
Onboard and other	228	197
Payroll and related	678	601
Fuel	907	653
Food	367	318
Other ship operating	1,138	955
Tour and other	110	255
Total	4,749	4,196
Selling and administrative	700	618
Depreciation and amortisation	634	572
Impairment loss	58	-
	6,141	5,386
Operating Income	1,019	1,087
Nonoperating (Expense) Income		
Interest income	5	6
Interest expense, net of capitalised interest	(177)	(167)
Other expense, net	(5)	(6)
	(177)	(167)
Income Before Income Taxes	842	920
Income Tax (Expense) Benefit, Net	(19)	18
Net Income	$ 823	$ 938
Earnings Per Share		
Basic	$ 3.83	$ 4.39
Diluted	$ 3.82	$ 4.38

The accompanying notes are an integral part of these financial statements. These financial statements only present the Carnival plc consolidated IFRS Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation. In accordance with Section 408 of the Companies Act 2006, the Company has not presented its own Statements of Income or Statements of Comprehensive Income.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements (see Note 1). For information, set out below is the U.S. GAAP and Non-GAAP consolidated earnings per share included within the DLC Financial Statements and MD&A sections of the DLC Annual Report, respectively, for the years ended November 30:

	2011	**2010**
DLC U.S. GAAP basic earnings per share	$ 2.43	$ 2.51
DLC U.S. GAAP diluted earnings per share	$ 2.42	$ 2.47
DLC Non-GAAP diluted earnings per share	$ 2.42	$ 2.47

CARNIVAL PLC
GROUP STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Years Ended November 30,	
	2011	**2010**
Net Income	$ 823	$ 938
Items Included in Other Comprehensive Loss		
Changes in foreign currency translation adjustment	(28)	(917)
Net gains on hedges of net investments in foreign operations	28	173
Net losses on cash flow derivative hedges	-	(15)
Actuarial (losses) gains on post-employment benefit obligations	(6)	16
Net Other Comprehensive Loss	(6)	(743)
Total Comprehensive Income	$ 817	$ 195

The accompanying notes are an integral part of these financial statements. These financial statements only present the Carnival plc consolidated IFRS Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements (see Note 1).

CARNIVAL PLC
BALANCE SHEETS
(in millions)

	Group		Company	
	November 30,			
	2011	2010	2011	2010
ASSETS				
Current Assets				
Cash and cash equivalents	$ 328	$ 328	$ 182	$ 181
Trade and other receivables, net	172	177	79	86
Amounts owed by subsidiaries	-	-	-	56
Inventories, net	153	136	51	50
Prepaid expenses and other	77	82	19	21
Total current assets	730	723	331	394
Property and Equipment, Net	13,906	13,278	4,416	4,468
Intangibles	890	874	170	171
Other Assets	195	226	22	41
Investments in Subsidiaries	-	-	4,949	5,366
	$ 15,721	$ 15,101	$ 9,888	$ 10,440
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Short-term borrowings	$ 173	$ 400	$ 55	$ 355
Current portion of long-term debt	539	174	426	127
Amounts owed to the Carnival Corporation group	1,713	1,442	426	374
Amounts owed to subsidiaries	-	-	690	2,289
Accounts payable	308	312	87	77
Accrued liabilities and other	379	444	181	152
Customer deposits	1,283	1,125	756	690
Total current liabilities	4,395	3,897	2,621	4,064
Long-Term Debt	2,610	3,096	1,797	2,231
Other Long-Term Liabilities	149	188	16	38
Shareholders' Equity				
Share capital	357	355	357	355
Share premium	132	107	128	102
Retained earnings	7,257	6,637	5,076	3,699
Other reserves	821	821	(107)	(49)
Total shareholders' equity	8,567	7,920	5,454	4,107
	$ 15,721	$ 15,101	$ 9,888	$ 10,440

The accompanying notes are an integral part of these financial statements. These financial statements only present the Carnival plc consolidated IFRS Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Approved by the Board of Directors on February 21, 2012 and signed on its behalf by

Micky Arison
Chairman of the Board of Directors and Chief Executive Officer

Howard S. Frank
Vice President of the Board of Directors and Chief Operating Officer

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements (see Note 1).

CARNIVAL PLC
STATEMENTS OF CASH FLOWS
(in millions)

	Group		Company	
	Years Ended November 30,			
	2011	2010	2011	2010
OPERATING ACTIVITIES				
Income before income taxes	$ 842	$ 920	$ 1,587	$ 643
Adjustments to reconcile income before taxes to net cash provided by operating activities				
Depreciation and amortisation	634	572	222	173
Impairment loss	58	-	-	-
Impairment of investment in wholly owned subsidiary	-	-	428	-
Non-cash intercompany dividend	-	-	(1,376)	-
Provision for and losses on disposals of property and equipment, net	24	-	15	-
Share-based compensation	10	10	3	3
Other	15	5	12	4
	1,583	1,507	891	823
Changes in operating assets and liabilities				
Receivables	(67)	129	(6)	2
Inventories	(16)	(15)	(1)	(13)
Prepaid expenses and other	43	(35)	6	10
Accounts payable	(3)	30	9	44
Accrued and other liabilities	153	159	81	62
Customer deposits	147	164	36	109
Cash provided by operations before interest and taxes	1,840	1,939	1,016	1,037
Interest received	5	5	2	2
Interest paid	(192)	(187)	(102)	(107)
Income taxes refunded, net	16	1	-	2
Net cash provided by operating activities	1,669	1,758	916	934
INVESTING ACTIVITIES				
Additions to property and equipment	(1,377)	(2,463)	(67)	(1,313)
Other, net	20	148	28	73
Net cash used in investing activities	(1,357)	(2,315)	(39)	(1,240)
FINANCING ACTIVITIES				
Changes in loans with the Carnival Corporation group and Group companies	195	59	(293)	(129)
(Repayments of) proceeds from short-term borrowings, net	(218)	382	(301)	355
Principal repayments of revolvers	(13)	(354)	-	(50)
Proceeds from revolvers	8	91	-	-
Principal repayments of other long-term debt	(438)	(240)	(251)	(213)
Proceeds from issuance of other long-term debt	305	557	99	305
Dividends paid	(171)	(53)	(171)	(53)
Other, net	28	4	28	4
Net cash (used in) provided by financing activities	(304)	446	(889)	219
Effect of exchange rate changes on cash and cash equivalents	(8)	8	13	(7)
Net (decrease) increase in cash and cash equivalents	-	(103)	1	(94)
Cash and cash equivalents at beginning of year	328	431	181	275
Cash and cash equivalents at end of year	$ 328	$ 328	$ 182	$ 181

The accompanying notes are an integral part of these financial statements. These financial statements only present the Carnival plc consolidated IFRS Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements (see Note 1).

CARNIVAL PLC
GROUP STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(in millions)

	Share capital	Share premium	Retained earnings	Other reserves: Translation reserve	Other reserves: Cash flow hedges	Other reserves: Merger reserve	Other reserves: Total	Total shareholders' equity
Balances at November 30, 2009	$ 354	$ 104	$ 5,744	$ 59	$ 18	$ 1,503	$ 1,580	$ 7,782
Comprehensive income								
Net income	-	-	938	-	-	-	-	938
Changes in foreign currency translation adjustment	-	-	-	(917)	-	-	(917)	(917)
Net gains on hedges of net investments in foreign operations	-	-	-	173	-	-	173	173
Net losses on cash flow derivative hedges	-	-	-	-	(15)	-	(15)	(15)
Actuarial gains on post-employment benefit obligations	-	-	16	-	-	-	-	16
Total comprehensive income	-	-	954	(744)	(15)	-	(759)	195
Cash dividends declared	-	-	(71)	-	-	-	-	(71)
Other	1	3	10	-	-	-	-	14
Balances at November 30, 2010	355	107	6,637	(685)	3	1,503	821	7,920
Comprehensive income								
Net income	-	-	823	-	-	-	-	823
Changes in foreign currency translation adjustment	-	-	-	(28)	-	-	(28)	(28)
Net gains on hedges of net investments in foreign operations	-	-	-	28	-	-	28	28
Actuarial losses on post-employment benefit obligations	-	-	(6)	-	-	-	-	(6)
Total comprehensive income	-	-	817	-	-	-	-	817
Cash dividends declared	-	-	(207)	-	-	-	-	(207)
Other	2	25	10	-	-	-	-	37
Balances at November 30, 2011	$ 357	$ 132	$ 7,257	$ (685)	$ 3	$ 1,503	$ 821	$ 8,567

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Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements (see Note 1).

CARNIVAL PLC
COMPANY STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(in millions)

	Share capital	Share premium	Retained earnings	Other reserves: Translation reserve	Other reserves: Cash flow hedges	Other reserves: Merger reserve	Other reserves: Total	Total shareholders' equity
Balances at November 30, 2009	$ 354	$ 99	$ 3,106	$ 30	$ 18	$ 36	$ 84	$ 3,643
Comprehensive income								
Net income	-	-	644	-	-	-	-	644
Changes in foreign currency translation adjustment	-	-	-	(291)	-	-	(291)	(291)
Net gains on hedges of net investments in foreign operations	-	-	-	173	-	-	173	173
Net losses on cash flow derivative hedges	-	-	-	-	(15)	-	(15)	(15)
Actuarial gains on post-employment benefit obligations	-	-	16	-	-	-	-	16
Total comprehensive income	-	-	660	(118)	(15)	-	(133)	527
Cash dividends declared	-	-	(71)	-	-	-	-	(71)
Other	1	3	4	-	-	-	-	8
Balances at November 30, 2010	355	102	3,699	(88)	3	36	(49)	4,107
Comprehensive income								
Net income	-	-	1,586	-	-	-	-	1,586
Changes in foreign currency translation adjustment	-	-	-	(86)	-	-	(86)	(86)
Net gains on hedges of net investments in foreign operations	-	-	-	28	-	-	28	28
Actuarial losses on post-employment benefit obligations	-	-	(6)	-	-	-	-	(6)
Total comprehensive income	-	-	1,580	(58)	-	-	(58)	1,522
Cash dividends declared	-	-	(207)	-	-	-	-	(207)
Other	2	26	4	-	-	-	-	32
Balances at November 30, 2011	$ 357	$ 128	$ 5,076	$ (146)	$ 3	$ 36	$ (107)	$ 5,454

The accompanying notes are an integral part of these financial statements. These financial statements only present the Carnival plc consolidated IFRS Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements (see Note 1).

CARNIVAL PLC
NOTES TO GROUP AND COMPANY IFRS FINANCIAL STATEMENTS

NOTE 1 - Summary of 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"). Carnival plc was incorporated in England and Wales in 2000 and its headquarters is located at 5 Gainsford Street, London, SE1 2NE, UK (registration number 4039524).

As of February 21, 2012, the summary by cruise brand of our passenger capacity, the number of cruise ships we operate and the primary areas or countries from where our guests are sourced are as follows:

Cruise Brands	Passenger Capacity (a)	Number of Cruise Ships	Primary Markets
Costa Cruises ("Costa") (b)	29,286	14	Italy, France and Germany
P&O Cruises (UK)	14,610	7	United Kingdom ("UK")
AIDA Cruises ("AIDA")	14,248	8	Germany
Cunard	6,670	3	UK and North America
P&O Cruises (Australia) (c)	6,242	4	Australia
Princess Cruises ("Princess") (d)	4,020	2	Australia
Ibero Cruises ("Ibero")	4,176	3	Spain and South America
	79,252	41	

(a) In accordance with cruise business practice, passenger capacity is calculated based on the assumption of two passengers per cabin even though some cabins can accommodate three or more passengers.
(b) Does not include the 2,978-passenger capacity *Costa Concordia (*see Note 25).
(c) Includes the 1,460-passenger capacity Pacific Sun, which was sold in December 2011 to an unrelated entity and is being operated under a bareboat charter agreement until July 2012.
(d) Princess, one of Carnival Corporation's North America cruise brands, time charters two of its ships to us to operate year-round from Australia under the Princess brand name.

Basis of Preparation

The Carnival plc Group and Company financial statements are presented in U.S. dollars unless otherwise noted, as this is 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.

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. These financial statements have been prepared on a going concern basis.

The preparation of our Group and Company financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported and disclosed amounts in our financial statements. The estimates and underlying assumptions are based on historical experience and various other factors that we believe 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 may differ from these estimates used in preparing our financial statements.

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 2011 Annual Report ("DLC Annual Report") on pages 41 to 43.

Basis of Consolidation

The Carnival plc Group IFRS 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 a dual listed company ("DLC"), known as Carnival Corporation & plc, 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 the largest cruise company in the world 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 arrangement provide that Carnival Corporation and Carnival plc each continue to have separate boards of directors, but the boards of directors and senior executive management of both companies are identical. Further details relating to the DLC arrangement are included in Note 3 of the DLC 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 arrangement, consolidated financial statements and management commentary of Carnival Corporation & plc are included in the DLC Annual Report. The DLC 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 Group and Company IFRS Financial Statements are required to satisfy reporting requirements of the Companies Act 2006 and do not include Carnival Corporation and its subsidiaries. Accordingly, 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") DLC Financial Statements, on the basis that all significant financial and operating decisions affecting the DLC companies are made on the basis of U.S. GAAP information and consequences. Accordingly, the DLC Financial Statements on pages 5 to 35 in the DLC Annual Report, which form part of these financial statements, are incorporated into the Carnival plc IFRS Financial Statements as additional disclosures. In addition, the MD&A section and the Chairman's Letter to Shareholders on pages 37 to 56 and pages 2 and 3, respectively, in the DLC Annual Report are included as part of the 2011 Carnival plc Annual Report and contain a review of the business and sets out the principal activities, operations, performance, liquidity, financial condition and capital resources, debt covenants, key performance indicators and likely future developments of Carnival Corporation & plc. That discussion also identifies the principal risks and uncertainties that might affect Carnival Corporation & plc's future performance. Finally, our Directors' Report, Part II of our Directors' Remuneration Report and our Corporate Governance Report, included as Annexes A, B and C, respectively, to the Notice of Annual Meetings and Proxy Statement, dated February 21, 2012 ("Proxy Statement") and Part I of our Directors' Remuneration Report, contained within the Proxy Statement, are all included as part of the 2011 Carnival plc Annual Report.

Additional information related to our business operations and the global cruise business, including, but not limited to, a discussion of our cruise brands' primary competitors, recent development, employees, products, properties, risk factors, seasonality, services, key suppliers and the global cruise business and its regulations can be found in the Carnival Corporation & plc joint Annual Report on Form 10-K ("Form 10-K"). Finally, information related to environmental, social and governance issues can be found in our Directors' Report, Corporate Governance Report, Chairman's Letter to Shareholders and Form 10-K.

All of the documents mentioned above can be found at the Carnival Corporation & plc website at www.carnivalcorp.com or www.carnivalplc.com.

Intangibles

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business acquisition. Goodwill is allocated to our business units, also referred to as cruise brands, on the basis of expected benefit resulting from the acquisition and is stated at cost less accumulated goodwill impairment losses, if any. We review our goodwill for impairment at least annually and, when events or circumstances dictate, more frequently. The recoverability of goodwill is determined by comparing the carrying amount of the net assets allocated to each cash-generating unit ("CGU" or "cruise brand") with its recoverable amount. The estimated recoverable amount is the higher of the cruise brand fair value less cost to sell and its value in use, and if the recoverable amount is greater than the cruise brand net asset carrying value, then the goodwill amount is deemed recoverable.

Trademarks represent substantially all of our other intangibles. We allocated a portion of the Ibero purchase price to its identified trademarks since their value can be measured reliably. Trademarks are estimated to have an indefinite useful life and, therefore, are not amortisable, but are reviewed for impairment at least annually and, when events or circumstances dictate, more frequently. Our trademarks would be considered impaired if their carrying value exceeds their estimated recoverable amount. The costs of developing and maintaining our trademarks are expensed as incurred.

A significant amount of judgment is required in estimating the recoverable amount of our cruise brand goodwill and trademarks.

Property and Equipment

Property and equipment, including ships, are stated at cost less accumulated depreciation.

Depreciation and amortisation is calculated to write-off the costs to the estimated residual value using the straight-line method over our estimates of average useful lives as follows:

	Years
Ships	30
Ship improvements	3 - 28
Buildings and improvements	5 - 35
Computer hardware and software	3 - 7
Transportation equipment and other	2 - 20
Leasehold improvements, including port facilities	Shorter of lease term or related asset life

The cruise business is very capital intensive. Each year, a capital program is developed for the improvement of our ships, as well as asset replacements to enhance efficiency of operations, gain strategic benefits or provide newer improved product offerings to our guests. Ship improvement costs that we believe add value to our ships, such as those incurred for refurbishments, safety and operational efficiencies, are capitalised 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. We capitalise interest 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, which may result in a loss on disposal that is included in other ship operating expenses.

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 and included in other ship operating expenses.

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. Upon the occurrence of a triggering event, the assessment of possible impairment is based on our ability to recover the carrying value of our asset based on our estimate of its recoverable amount, which is the higher of the fair value less cost to sell and its value in use.

Inventories

Inventories consist primarily of food and beverage provisions, hotel and restaurant products and supplies, fuel and gift shop merchandise held for resale, 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.

Cash and Cash Equivalents

Cash and cash equivalents include investments with maturities of three months or less at acquisition, which are stated at cost.

Revenue and Expense Recognition

Revenue comprises sales to third parties and excludes VAT and other similar sales taxes. Guest cruise deposits represent unearned revenues and are initially recorded as customer deposit liabilities generally when received (see MD&A section on page 53 within the DLC Annual Report for additional discussion of customer deposits). Customer deposits are subsequently recognised as cruise revenues, together with revenues from onboard and other activities, and all associated direct costs and expenses of a voyage are recognised as cruise costs and 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 impact of recognising these shorter duration cruise revenues and costs and expenses on a completed voyage basis versus on a pro rata basis is not material. Future travel discount vouchers issued to guests are 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.

Our sale to guests of air and other transportation to and from our ships and the related cost of purchasing this service are recorded in cruise passenger ticket revenues and cruise transportation costs, respectively. The proceeds that we collect from the sale of third party shore excursions and on behalf of onboard concessionaires, net of the amounts remitted to them, are recorded as concession revenues in onboard and other cruise revenues. These amounts are recognised on a completed voyage or pro rata basis as discussed above.

Cruise passenger ticket revenues include fees and taxes levied by governmental authorities. A portion of these fees and taxes vary with guest headcounts. This portion of the fees and taxes is expensed in commissions, transportation and other costs when the corresponding revenues are recognised. The remaining portion of governmental fees and taxes are also included in passenger ticket revenues but are expensed in other ship operating expenses.

Revenues and expenses from our hotel and transportation operations are recognised at the time the services are performed or expenses are incurred. Revenues from the leasing of our owned ship to an unaffiliated party are recognised ratably over the term of the charter agreement using the straight-line method. See Note 2.

Insurance and Self-Insurance

We use a combination of third party insurance, Carnival Corporation & plc group risk sharing programs and self-insurance to address a number of risks including, among others, illness and injury to crew, guest injuries, pollution, damages to hull and machinery for each of our ships, war risks, workers' compensation, employee health, directors and officers liability, property damages and general liabilities for third party claims. Liabilities associated with crew illnesses and crew and guest injury claims are estimated based on historical claims experience and other assumptions. While we believe the estimated loss amounts accrued are adequate, the ultimate loss may differ from the amounts provided.

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. Administrative expenses represent the costs of shoreside ship support, reservations and other administrative functions, and include, among others, 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' obligations are recognised in the period in which they arise directly in the accompanying Group Statements of Comprehensive Income.

The operating and financing costs of defined benefit pension plans are recognised in the accompanying Group Statements of Income; 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 accompanying Group Statements of Income.

Defined contribution plan expenses are recognised in the period to which they relate. We contribute to these plans based on employee contributions, salary levels and length of service.

Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted-average number of ordinary shares outstanding during each period. Diluted earnings per share is computed by dividing adjusted net income by the weighted-average number of ordinary shares, common stock equivalents and other potentially dilutive securities outstanding during each period.

Dividends

Dividend distributions are recognised in the period in which the dividends are declared, since under the DLC arrangement the declaration of a dividend by the Boards of Directors of Carnival Corporation and Carnival plc establishes a liability for Carnival plc.

Foreign Currencies

Our underlying businesses generate earnings in a number of different currencies, principally the euro, sterling, and Australian and U.S. dollars. Each business determines its functional currency by reference to its relevant economic environment. We translate the assets and liabilities of our foreign operations that have functional currencies other than the U.S. dollar at exchange rates in effect at the balance sheet date. Revenues and expenses of these foreign operations are translated at weighted-average exchange rates for the reporting period. Their equity is translated at historical rates and the resulting cumulative foreign currency translation adjustments are included in the translation reserve. 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 U.S. dollar versus these currencies.

Gains and losses arising from the remeasurement of monetary assets and liabilities and foreign currency transactions denominated in a currency other than the functional currency of the entity involved are immediately included in nonoperating earnings, unless such monetary liabilities have been designated to act as hedges of net investments in our foreign operations or such assets have been designated to act as hedges of ship commitments. These net gains or losses included in nonoperating earnings were insignificant in fiscal 2011 and 2010. In addition, the unrealised gains or losses on our long-term intercompany receivables and payables denominated in a non-functional currency, which are not expected to be repaid in the foreseeable future and are therefore considered to form part of our net investments, are recorded as foreign currency translation adjustments, which are included in the translation reserve.

Derivatives and Other Financial Instruments

We utilise derivative and nonderivative financial instruments, such as foreign currency forwards, options and swaps, foreign currency debt obligations and foreign currency cash balances, to manage our exposure to fluctuations in certain foreign currency exchange rates, and interest rate swaps to manage our interest rate exposure in order to achieve a desired proportion of fixed and floating rate debt. Our policy is not to use any financial instruments for trading or other speculative purposes.

All derivative financial instruments are recorded at fair value. 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 accompanying Group Statements of Income or recognised directly in the accompanying Group Statements of Comprehensive Income, 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 fair value of fair value hedge derivatives are offset against the changes in the fair value of the underlying hedged items in the accompanying Group Statements of Income. The effective portion of the changes in fair value of cash flow hedge derivatives are recognised in the accompanying Group Statements of Comprehensive Income until the underlying hedged item is recognised in earnings or the forecasted transaction is no longer probable. Changes in the fair value of hedges of a net investment are recognised in the accompanying Group Statements of Comprehensive Income to offset a portion of the change in the translated value of the net investment being hedged. 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. We formally document hedging relationships for all derivative and nonderivative hedges and the underlying hedged items, as well as our risk management objectives and strategies for undertaking the hedge transactions. In addition, there are no credit risk related contingent features in our derivative agreements.

We classify the fair values of all our derivative contracts and the fair value of our hedged firm commitments as either current or long-term, which are included in prepaid expenses and other assets and accrued and other liabilities as the amounts are not significant, depending on whether the maturity date of the derivative contract is within or beyond one year from the balance sheet date. The cash flows from derivatives treated as hedges are classified in the accompanying Statements of Cash Flows in the same category as the item being hedged.

Interest-bearing debt and bank overdrafts are recorded at their initial fair value which normally reflects the proceeds received by us, net of debt issuance costs, and subsequently stated at amortised cost, including accrued interest. Any difference between the proceeds after debt issuance costs and the premium and redemption values are amortised to interest expense over the term of the debt, typically on a straight-line basis which approximates the effective interest method.

Income Taxes

Deferred income taxes are 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 income taxes are 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 taxes are the taxes payable on the taxable income for the year, applying current rates and any adjustments in respect of previous years.

Changes in Accounting Policy and Disclosures

New and Amended Standards That Have Been Adopted By Us

There are no IFRSs or IFRIC interpretations that have been issued and are effective for the financial year beginning on or after December 1, 2010 that had a material impact on our financial statements.

New Standards, Amendments and Interpretations Issued But Not Effective for the Financial Year Beginning December 1, 2011 and Not Early Adopted

- Amendments to IAS 1, "Presentation of Financial Statements" effective for annual periods beginning on or after July 1, 2012;
- Amendments to IAS 19, "Employee Benefits," effective for annual periods beginning on or after January 1, 2013;
- IFRS 10, "Consolidated Financial Statements," effective for periods beginning on or after January 1, 2013;

- IFRS 12, “Disclosure of Interests in other Entities,” effective for periods beginning on or after January 1, 2013;
- IFRS 13, “Fair Value Measurement,” effective for periods beginning on or after January 1, 2013; and
- IFRS 11, “Joint Arrangements,” effective for periods beginning on or after January 1, 2013.

Management does not believe the adoption of these new standards, amendments and interpretations will have a material impact on the Group or Company results and financial position.

NOTE 2 - Segment Information

IFRS 8 “Operating Segments” requires that an entity’s operating segments are reported on the same basis as the internally reported information that is provided to the chief operating decision maker (“CODM”). The CODM has been identified as the Chairman of the Board of Directors and Chief Executive Officer of the Group, who is also the CODM of Carnival Corporation & plc.

As previously discussed, within the DLC arrangement the most appropriate presentation of Carnival plc’s results and financial position is by reference to the DLC Financial Statements. Accordingly, decisions to allocate resources and assess performance for Carnival plc are taken by the CODM upon review of the U.S. GAAP segment results across all of Carnival Corporation & plc’s cruise brands and other segments. These Carnival Corporation & plc segments consist of (1) North America cruise brands, (2) Europe, Australia & Asia cruise brands (“EAA”), (3) Cruise Support and (4) Tour and Other.

The Carnival Corporation & plc North America cruise segment includes Carnival Cruise Lines, Holland America Line, Princess and Seabourn. The Carnival Corporation & plc EAA cruise segment includes AIDA, Costa, Cunard, Ibero, P&O Cruises (Australia) and P&O Cruises (UK). These individual cruise brand operating segments have been aggregated into two reportable segments based on the similarity of their economic and other characteristics, including types of customers, regulatory environment, maintenance requirements, supporting systems and processes and products and services they provide. The Carnival Corporation & plc Cruise Support segment represents certain of its port and related facilities and other corporate-wide services that are provided for the benefit of its cruise brands. The Carnival Corporation & plc Tour and Other segment represents the hotel, tour and transportation operations of Holland America Princess Alaska Tours and two of the group’s owned ships that it charters to an unaffiliated entity. The significant accounting policies of these segments are the same as those described in Note 2 of the DLC Financial Statements.

Selected information for the Carnival Corporation & plc Cruise and Tour and Other segments and the reconciliation to the corresponding Carnival plc amounts as of and for the years ended November 30 was as follows (in millions):

	Revenues	Operating expenses	Selling and administrative	Depreciation and amortisation	Impairment loss	Operating income (loss)	Capital expenditures	Total assets
2011								
North America Cruise Brands	$ 8,921	$ 5,848	$ 938	$ 869	$ -	$ 1,266	$ 1,232	$ 21,642
EAA Cruise Brands	6,504	4,244	655	579	-	1,026	1,380	15,626
Cruise Support	90	3	103	31	-	(47)	68	795
Tour and Other	392	318	21	43	-	10	16	574 (b)
Intersegment elimination (a)	(114)	(114)	-	-	-	-	-	-
Carnival Corporation & plc – U.S. GAAP	15,793	10,299	1,717	1,522	-	2,255	2,696	38,637
Carnival Corporation, U.S. GAAP vs. IFRS differences and eliminations (c)	(8,633)	(5,550)	(1,017)	(888)	58	(1,236)	(1,319)	(22,916)
Carnival plc – IFRS	$ 7,160	$ 4,749	$ 700	$ 634	$ 58	$ 1,019	$ 1,377	$ 15,721
2010								
North America Cruise Brands	$ 8,379	$ 5,294	$ 902	$ 843	$ -	$ 1,340	$ 1,082	$ 21,239
EAA Cruise Brands	5,730	3,572	584	505	-	1,069	2,260	14,849
Cruise Support	79	14	98	27	-	(60)	218	802
Tour and Other	403	334	30	41	-	(2)	19	600 (b)
Intersegment elimination (a)	(122)	(122)	-	-	-	-	-	-
Carnival Corporation & plc – U.S. GAAP	14,469	9,092	1,614	1,416	-	2,347	3,579	37,490
Carnival Corporation, U.S. GAAP vs. IFRS differences and eliminations (c)	(7,996)	(4,896)	(996)	(844)	-	(1,260)	(1,116)	(22,389)
Carnival plc – IFRS	$ 6,473	$ 4,196	$ 618	$ 572	$ -	$ 1,087	$ 2,463	$ 15,101

(a) A portion of Tour and Other segment revenues include revenues for the cruise portion of a tour, when a cruise is sold along with a land tour package by Holland America Princess Alaska Tours, and shore excursion and port hospitality services provided to cruise guests by this tour company. These intersegment revenues, which are included in full in the cruise brand segments, are eliminated directly against the Tour and Other segment revenues and operating expenses in the line "Intersegment elimination."

(b) Tour and Other segment assets primarily include hotels and lodges in the state of Alaska and the Canadian Yukon, motorcoaches used for sightseeing and charters, domed rail cars, which run on the Alaska Railroad, and Carnival Corporation & plc owned ships under long-term charter to an unaffiliated entity.

(c) Carnival Corporation consists primarily of cruise brands that do not form part of the Group; however, these brands are included in Carnival Corporation & plc and thus represent substantially all of the reconciling items. These Carnival Corporation cruise brands are Carnival Cruise Lines, Princess, Holland America Line and Seabourn. The U.S. GAAP vs. IFRS and purchase accounting differences principally relate to differences in the carrying value of ships and related depreciation expenses and are not material to our financial statements.

IFRS 8 also requires disclosure of certain geographical information that is in addition to the requirement to disclose information reviewed by the CODM. The Group's geographical information presented below reflects the principal regions from where our guests are sourced and not the cruise brands on which they sailed. See Note 1 for the primary areas or countries from which our cruise brands source their guests.

Our revenues by geographic area were as follows (in millions):

	Years Ended November 30, 2011	2010
North America	$ 985	$ 930
Europe	5,075	4,816
Australia & Asia	793	508
Other	307	219
	$ 7,160	$ 6,473

Substantially all of our cruise assets are ships and our cruise capital expenditures are incurred for ships and ships under construction. Our ships move between geographic regions and, therefore, it is not meaningful to allocate these ship assets and ship capital expenditures to particular regions. Our Tour operations' guests are primarily sourced from North America, which is where all our Tour operations' assets and capital spending are located.

NOTE 3 - Income, Expense and Auditor Remuneration

Operating lease expenses were as follows (in millions):

	Years Ended November 30, 2011	2010
Ships	$ 170	$ 141
Property	21	26
Other	5	5
	$ 196	$ 172

Auditors' remuneration was as follows (in millions):

	2011	2010
Fees payable to the Company's auditor for the audit of the Group and Company financial statements	$ 1	$ 1
Fees payable to the Company's auditor and their associates for the audit of the Company's subsidiaries pursuant to legislation	1	1
	$ 2	$ 2

During fiscal 2011, the Group sold the 754-passenger capacity *Costa Marina* and recognised a loss on its disposal of $13 million. In addition, in December 2011 the Company sold the 1,460-passenger capacity *Pacific Sun* and recognised a provision for loss on disposal in fiscal 2011 of $15 million. Both of these amounts were included in other ship operating expenses. There were no ship disposals in fiscal 2010.

During fiscal 2011, the Group incurred a $58 million ship impairment loss on Ibero's 1,492-passenger capacity *Grand Celebration*, which is included in the EAA segment. The impairment arose as a result of a review of the ship's carrying value. It was not necessary to record a *Grand Celebration* impairment loss in the DLC Financial Statements since the carrying value of this ship was already lower.

Selling and administrative expenses include advertising and promotion expenses of $261 million and $244 million and payroll and related expenses of $316 million and $284 million in fiscal 2011 and 2010, respectively.

In fiscal 2010, Cunard recognised a $17 million gain as a reduction of other ship operating expenses from their litigation settlement with Converteam related to *Queen Mary 2's* pod propulsion system.

NOTE 4 - Income Taxes

Income tax (expense) benefit was as follows (in millions):

	Years Ended November 30, 2011	2010
Current taxes		
UK Corporation	$ -	$ 1
Overseas	(8)	9
Total current taxes	$ (8)	$ 10
Deferred taxes		
UK	$ (1)	$ 1
Overseas	(10)	7
Total deferred taxes	$ (11)	$ 8
Total UK taxes	$ (1)	$ 2
Total overseas taxes	(18)	16
Income tax (expense) benefit, net	$ (19)	$ 18

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

	Years Ended November 30, 2011	2010
Income before income taxes	$ 842	$ 920
Notional tax expense at UK standard tax rate (2011-26.6% and 2010-28.0%)	(224)	(258)
Effect of Italian and UK tonnage tax and other overseas taxes at different rates	205	246
Effect of Italian income tax incentive	-	30
	$ (19)	$ 18

We do not expect to incur income taxes 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 is included in income tax expense. In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes and/or fees based on guest counts, ship tonnage, passenger capacity or some other measure, and these taxes and/or fees are included in other ship operating expense.

UK and Australian Income Tax

Cunard, P&O Cruises (UK) and P&O Cruises (Australia) are divisions of Carnival plc, which have elected to enter the UK tonnage tax regime. Companies to which the tonnage tax regime applies pay corporation taxes on profits calculated by reference to the net tonnage of qualifying ships. UK corporation tax is not chargeable under the normal UK tax rules on these brands' relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and from shipping related activities.

For a company to be eligible for the regime, it must be subject to UK corporation tax and, among other matters, operate qualifying ships that are strategically and commercially managed in the UK. Companies within UK tonnage tax are also subject to a seafarer training requirement.

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime remain subject to normal UK corporation tax. Dividends received from subsidiaries of Carnival plc doing business outside the UK are generally exempt from UK corporation tax.

Substantially all of P&O Cruises (Australia)'s income is exempt from Australian corporation taxes by virtue of the UK/Australian income tax treaty.

Italian, German, Portuguese, Spanish, Brazilian and Mexican Income Tax

Carnival plc's German and Spanish brands, AIDA and Ibero, are both divisions of Costa. Effective through fiscal 2014, Costa is entered into the Italian Tonnage Tax regime and Costa intends to reapply for an additional ten-year period beginning 2015. This regime taxes Costa's, AIDA's and Ibero's shipping profits, as defined, which are principally all of their earnings, calculated by reference to the net tonnage of their qualifying ships.

Most of Costa's and AIDA's earnings not considered to be shipping profits for Italian Tonnage Tax purposes will be taxed at an effective tax rate of approximately 6% under the Italian tax regime since all of their ships are Italian registered. The majority of AIDA's earnings are exempt from German corporation taxes by virtue of the Italy/Germany income tax treaty.

All of Ibero's ships are registered in Portugal. Provided certain local employment requirements are satisfied, most of Ibero's income that is not considered to be shipping profits for Italian Tonnage Tax purposes was exempt from Portuguese income tax through 2011 and, in 2012, will be subject to Portuguese income tax at an effective rate of 3%, which will gradually increase to 5% to 2020. Ibero's Spanish operations are minimal and, therefore, its Spanish income taxes are minimal.

In fiscal 2010, AIDA and Costa recognised a $30 million income tax benefit from an Italian investment incentive related to certain of their newbuild expenditures.

From November through March, Costa chartered certain of its ships for operation in Brazil to a Brazilian subsidiary. The subsidiary's earnings are subject to Brazilian resident income tax, and we believe payments this subsidiary makes to Costa are exempt from Brazilian income tax under Brazilian domestic law and the Italy/Brazil income tax treaty.

The operation of our port facility in Mexico is subject to the tax regime applicable to Mexican resident businesses.

U.S. Federal and State Income Taxes

The hotel and transportation business of Holland America Princess Alaska Tours, is subject to state and federal income taxation in the U.S., at a combined rate that approximates 40%.

NOTE 5 - Dividends

The Boards of Directors declared quarterly dividends for the first, second, third and fourth quarter at $0.25 and $0.10 per share in 2011 and 2010, respectively. Our quarterly dividend declaration amounted to $46 million, $53 million, $54 million and $54 million or an aggregate of $207 million in fiscal 2011 and quarterly declarations of $17 million, $17 million, $18 million and $19 million or an aggregate of $71 million in fiscal 2010.

NOTE 6 - Earnings per Share

Our basic and diluted earnings per share were computed as follows (in millions, except per share data):

	Years Ended November 30,	
	2011	2010
Net income for basic and diluted earnings per share	$ 823	$ 938
Weighted-average ordinary shares outstanding	214	213
Dilutive effect of equity plans	1	1
Diluted weighted-average shares outstanding	215	214
Basic earnings per share	$ 3.83	$ 4.39
Diluted earnings per share	$ 3.82	$ 4.38

As described in Note 1, Carnival Corporation and Carnival plc operate as a DLC. Under the contracts governing the DLC arrangement, the Carnival Corporation & plc consolidated earnings accrue equally to each share of Carnival Corporation common 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 2.

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 restricted stock units ("RSUs") and performance-based share ("PBS") awards. Details of employee share options, RSUs and PBSs are discussed in Note 19.

NOTE 7 - Cash and Cash Equivalents

Cash and cash equivalents were as follows (in millions):

	Group		Company	
	November 30,			
	2011	2010	2011	2010
Cash on ships	$ 60	$ 59	$ 17	$ 28
Cash used for current operations, principally interest bearing	149	121	72	38
Money market funds and time deposits	119	148	93	115
	$ 328	$ 328	$ 182	$ 181

NOTE 8 - Trade and Other Receivables, Net

Trade and other receivables, net, were as follows (in millions):

	Group		Company	
	November 30,			
	2011	2010	2011	2010
Trade, net	$ 135	$ 140	$ 64	$ 67
VAT	16	22	12	15
Income taxes and other	21	15	3	4
	$ 172	$ 177	$ 79	$ 86

The aging of trade receivables was as follows (in millions):

	Group		Company	
	November 30,			
	2011	2010	2011	2010
Current	$ 111	$ 128	$ 63	$ 67
1 to 30 days	8	7	-	-
31 to 90 days	5	6	1	1
91 to 180 days	9	2	1	-
Over 180 days	10	11	-	-
	$ 143	$ 154	$ 65	$ 68

The allowance account movements were as follows (in millions):

	Group 2011	Group 2010	Company 2011	Company 2010
Allowance for bad debts at December 1,	$ 14	$ 21	$ 1	$ 7
Exchange movements	-	(2)	-	-
Expenses	8	3	8	-
Write-offs	(14)	(8)	(8)	(6)
Allowance for bad debts at November 30,	$ 8	$ 14	$ 1	$ 1

NOTE 9 - Inventories, Net

Inventories, net were as follows (in millions):

	Group		Company	
	November 30,			
	2011	2010	2011	2010
Food and beverage provisions and hotel and restaurant products and supplies, net	$ 89	$ 79	$ 34	$ 32
Fuel	42	35	16	16
Merchandise held for resale, net	22	22	1	2
	$ 153	$ 136	$ 51	$ 50

The amount of inventories recognised as a cost or expense during fiscal 2011 and 2010 was $1.5 billion and $1.2 billion, respectively.

NOTE 10 - Property and Equipment

Property and equipment movements were as follows (in millions):

	Group			Company		
	Ships and ship improvements	Other property and equipment	Total	Ships and ship improvements	Other property and equipment	Total
Cost at November 30, 2009	$ 14,356	$ 1,166	$ 15,522	$ 4,240	$ 68	$ 4,308
Exchange movements	(1,324)	(38)	(1,362)	(155)	(2)	(157)
Additions	2,496	73	2,569	1,253	7	1,260
Transfer to Company (a)	-	-	-	219	-	219
Disposals	(49)	(26)	(75)	(4)	(6)	(10)
Cost at November 30, 2010	15,479	1,175	16,654	5,553	67	5,620
Exchange movements	(21)	(2)	(23)	(10)	(1)	(11)
Additions	1,341	97	1,438	187	9	196
Disposals	(108)	(125)	(233)	(27)	(4)	(31)
Cost at November 30, 2011	$ 16,691	$ 1,145	$ 17,836	$ 5,703	$ 71	$ 5,774
Accumulated depreciation at November 30, 2009	$ (2,651)	$ (466)	$ (3,117)	$ (847)	$ (21)	$ (868)
Exchange movements	226	19	245	16	-	16
Depreciation and amortisation	(485)	(87)	(572)	(163)	(10)	(173)
Transfer to Company (a)	-	-	-	(133)	-	(133)
Disposals	45	23	68	-	6	6
Accumulated depreciation at November 30, 2010	(2,865)	(511)	(3,376)	(1,127)	(25)	(1,152)
Exchange movements	13	1	14	1	-	1
Depreciation and amortisation	(561)	(73)	(634)	(210)	(10)	(220)
Impairment (b)	(58)	-	(58)	-	-	-
Disposals	51	73	124	10	3	13
Accumulated depreciation at November 30, 2011	$ (3,420)	$ (510)	$ (3,930)	$ (1,326)	$ (32)	$ (1,358)
Net book value						
At November 30, 2011	$ 13,271	$ 635	$ 13,906	$ 4,377	$ 39	$ 4,416
At November 30, 2010	$ 12,614	$ 664	$ 13,278	$ 4,426	$ 42	$ 4,468

(a) During fiscal 2010, the Ocean Village brand was phased out with the transfer of its last ship to P&O Cruises (Australia).
(b) See Note 3 for ship impairment loss.

Ships under construction include progress payments for the construction of new ships, as well as design and engineering fees, capitalised interest, construction oversight costs and various owner supplied items. Capitalised interest, primarily on our ships under construction, amounted to $10 million and $15 million in fiscal 2011 and 2010, respectively. The capitalisation rate is based on the weighted-average interest rates applicable to borrowings within the DLC during each period. During fiscal 2011 and 2010, the average capitalisation rate was 4.1% and 4.2%, respectively.

During fiscal 2011, the Group took delivery of two new ships, *AIDAsol,* and *Costa Favolosa,* and made stage payments for ships under construction. Additionally, P&O Cruises (UK) purchased *Royal Princess* from Princess, a related party, and named her *Adonia*. Details of the related party purchase are discussed in Note 21.

At November 30, 2011 and 2010, ships under construction included above totalled $287 million and $403 million, respectively. At November 30, 2011 and 2010, the net book value of ship assets is shown after deducting government construction grants of $163 million and $172 million, respectively. At November 30, 2011 and 2010, the book value of our land was $25 million and $24 million, respectively.

Details of the disposal loss and provision for disposal of ships are discussed in Note 3.

Details of the January 2012 *Costa Concordia* accident are discussed in Note 25.

NOTE 11 - Intangibles

Intangible movements were as follows (in millions):

	Group			Company
	Goodwill	**Trademarks**	**Total**	**Goodwill**
At November 30, 2009	$ 953	$ 37	$ 990	$ 181
Exchange movements	(113)	(3)	(116)	(10)
At November 30, 2010	840	34	874	171
Exchange movements	16	-	16	(1)
At November 30, 2011	$ 856	$ 34	$ 890	$ 170

At November 30, 2011 and 2010, each of our CGUs' or cruise brands' goodwill balance was as follows: AIDA, $154 million (2010 $153 million), Costa, $378 million (2010 $363 million), Cunard, $170 million (2010 $171 million) and Ibero, $154 million (2010 $153 million). As of July 31, 2011, we performed our annual goodwill impairment reviews to assess the recoverable amount of each cruise brand's goodwill. For the July 31, 2011 impairment reviews, the estimated recoverable amounts were based on the higher of the cruise brand's fair value less costs to sell and its value in use. Fair values were determined using 10-year discounted future cash flow analyses, at the weighted-average cost of capital for comparable publicly-traded companies, adjusted for the risk attributable to the cruise brand including the geographic region in which it operates. These annual impairment reviews resulted in no goodwill impairments.

The principal types of assumptions used in our July 2011 cash flow analyses related to forecasting future operating results including the following:

- net revenue yields and net cruise costs including fuel prices;
- capacity changes, including the expected deployment of vessels into, or out of, the cruise brands such as the new ships discussed in Note 22;
- weighted-average cost of capital, which ranged from 11% to 13%; and
- terminal values and long-term growth rates.

The cash flows were estimated based on those a market participant would expect to derive from the businesses. For all the cruise brands, we used past experience, among other things, in determining an estimate of future cash flows. However, our forecasted net revenue yield increase for Ibero was higher than Ibero's past experience primarily as a result of expected improvements in the vacation markets from which Ibero primarily sources its guests, and operational and other efficiencies derived from the continuing restructuring of Ibero.

We believe the impairment reviews demonstrated significant headroom over each of our cruise brand's recoverable amounts, except for Ibero. At July 31, 2011, Ibero's estimated recoverable amount only exceeded its carrying value by 1%, or $3 million, therefore, minor changes to these assumptions would lead to an Ibero goodwill impairment charge.

Given the continuing weakness of the Spanish economy and its impact on the vacation industry, it is possible that Ibero's goodwill, which was $154 million at November 30, 2011, could become impaired in the future if the Spanish vacation industry does not recover enough to enable Ibero to increase its cruise pricing. The recoverability of Ibero's goodwill is not without doubt because it is difficult to predict the timing of the resurgence of the Spanish economy and its vacation industry. The status of the Ibero operation will continue to be periodically monitored.

Our determination of our cruise brands' goodwill and trademark recoverable amounts includes numerous assumptions that are subject to various risks and uncertainties. We believe that we have made reasonable estimates and judgments in determining whether our goodwill and trademark have been impaired. However, if there is a material change in assumptions used in our determination of recoverable amounts or if there is a material change in conditions or circumstances influencing recoverable amounts, then we may need to recognise a material impairment charge.

There have not been any events or circumstances subsequent to July 31, 2011, which we believe require us to perform interim goodwill or trademark impairment reviews.

Our trademark balances relate to Ibero and have an indefinite useful life. We performed our annual impairment review as of July 31, 2011 by comparing the estimated recoverable amount of Ibero's trademark to its carrying value. Ibero's trademark recoverable amount exceeded its carrying value and, therefore, was not impaired. We estimated the recoverable amount based upon a discounted future cash flow analysis, which estimated the amount of royalties that we are relieved from having to pay for the use of Ibero's trademark, based upon forecasted cruise revenues and royalty rates that a market participant would use. The royalty rate was estimated primarily using comparable royalty agreements for similar industries.

NOTE 12 - Other Assets

Other assets were as follows (in millions):

	Group		Company	
	November 30,			
	2011	2010	2011	2010
Other receivables, including VAT, and insurance recoverables	$ 133	$ 101	$ 2	$ 2
Deferred taxes	29	47	2	7
Prepaid expenses and other	26	36	15	21
Income tax receivables	4	31	-	-
Derivative contract receivables	3	11	3	11
	$ 195	$ 226	$ 22	$ 41

Substantially all deferred tax assets relate to net operating losses expected to be recovered against future taxable income. At November 30, 2011 and 2010, the Group had gross deferred tax assets of $132 million, and the Company had gross deferred tax assets of $104 million and $98 million, respectively, which were not recognised.

NOTE 13 - Investments in Subsidiaries

Investments in subsidiaries movements were as follows (in millions):

At November 30, 2009	$ 5,681
Exchange movements	(315)
At November 30, 2010	5,366
Impairment of investment in wholly owned subsidiary (a)	(428)
Exchange movements	11
At November 30, 2011	$ 4,949

(a) During fiscal 2011, a Carnival plc wholly owned subsidiary declared a non-cash dividend for $1.4 billion, which substantially liquidated all of its assets and, accordingly, the investment of $428 million in this wholly owned subsidiary was impaired.

At November 30, 2011, the Company's principal operating subsidiary was Costa Crociere S.p.A., which is incorporated in Italy and is 99.97% directly owned by the Company. This subsidiary owns and operates the Costa and AIDA cruise brands, and also operates the Ibero ships.

The full information for all of the Carnival plc subsidiaries will be annexed to the Company's next annual return.

NOTE 14 - Debt

Long-term debt and short-term borrowings consisted of the following (in millions):

	Group		Company	
	November 30,			
	2011	2010	2011	2010
Long-Term Debt				
Secured Debt	$ 1	$ 1	$ -	$ -
Unsecured Debt				
Export Credit Facilities				
Fixed rate	387	450	387	450
Euro fixed rate	434	467	-	-
Euro floating rate	352	190	165	190
Bank Loans				
Fixed rate	149	149	149	149
Euro fixed rate	-	11	-	11
Floating rate	100	149	100	-
Euro floating rate	-	126	-	126
Private Placement Notes				
Euro fixed rate	190	246	-	-
Publicly-Traded Notes				
Euro fixed rate	996	989	996	989
Sterling fixed rate	-	316	-	316
Other	1	2	-	-
Long-Term Debt	2,610	3,096	1,797	2,231
Current Portion of Long-Term Debt				
Unsecured Debt				
Export Credit Facilities				
Fixed rate	66	67	66	67
Euro fixed rate	39	39	-	-
Euro floating rate	41	26	26	26
Bank Loans				
Fixed rate	1	1	1	-
Euro fixed rate	11	23	11	23
Revolver				
Floating rate	-	5	-	-
Private Placement Notes				
Euro fixed rate	59	2	-	-
Publicly-Traded Notes				
Euro fixed rate	1	1	1	1
Sterling fixed rate	321	10	321	10
Current Portion of Long-Term Debt	539	174	426	127
Unsecured Floating Rate Short-Term Borrowings				
Commercial paper	55	355	55	355
Euro bank loans	118	45	-	-
Unsecured Short-Term Borrowings	173	400	55	355
Total Debt	$ 3,322	$ 3,670	$ 2,278	$ 2,713

In 2011, concurrent with the early termination of our existing multi-currency revolving credit facility for $2.0 billion (comprised of $1.2 billion, €400 million and £200 million), Carnival plc, Carnival Corporation, and certain of Carnival plc's subsidiaries entered into a five-year multi-currency revolving credit facility for $2.5 billion (comprised of $1.6 billion, €450 million and £150 million) (the "Facility"). The Facility currently bears interest at LIBOR/EURIBOR plus a margin of 65 basis points ("bps"). The margin will vary based on changes to Carnival Corporation's and the Group's long-term unsecured credit ratings. The Group is required to pay a commitment fee of 35% of the margin per annum on any undrawn portion. If more than one-third or if more than two-thirds of the Facility is drawn, the borrowers will incur an additional 15 bps or 30 bps utilisation fee, respectively, on the total amount outstanding. At November 30, 2011, $2.4 billion was available to be drawn under the Facility and other of the Group's revolving credit facilities, net of outstanding commercial paper.

In addition, during fiscal 2011, the Group repaid $150 million and $136 million of unsecured floating rate U.S. dollar and euro-denominated bank loans prior to its 2013 and 2014 maturity dates, respectively. In fiscal 2011 the Group borrowed $100 million under an unsecured floating rate bank loan that matures in May 2014.

The debt table above does not include the impact of our foreign currency and interest rate swaps. Amounts falling due within one year include accrued interest. The floating rate 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 of the DLC Financial Statements and within the MD&A section of the DLC Annual Report and Notes 1 and 24.

Scheduled annual maturities of our debt were as follows (in millions):

	Group		Company	
	November 30,			
Fiscal	**2011**	**2010**	**2011**	**2010**
2011		$ 574		$ 482
2012	$ 712	505	$ 481	414
2013	1,133	1,264	1,084	1,079
2014	414	427	338	366
2015	138	124	89	88
2016	237	223	88	88
Thereafter	688	553	198	196
	$ 3,322	$ 3,670	$ 2,278	$ 2,713

Debt is denominated in three currencies, including the effect of foreign currency swaps, as follows (in millions):

	Group		Company	
	November 30,			
	2011	**2010**	**2011**	**2010**
Euro	$ 2,241	$ 2,165	$ 1,199	$ 1,366
U.S. dollar	760	1,179	758	1,021
Sterling	321	326	321	326
	$ 3,322	$ 3,670	$ 2,278	$ 2,713

NOTE 15 - Other Long-Term Liabilities

Other long-term liabilities were as follows (in millions):

	Group		Company	
	November 30,			
	2011	2010	2011	2010
Income taxes	$ 44	$ 52	$ 3	$ 6
Deferred income taxes	32	42	-	-
Post-employment benefits (Note 20)	36	42	2	-
Other	37	52	11	32
	$ 149	$ 188	$ 16	$ 38

Deferred income tax liabilities are principally related to differences between the (1) book and tax methods of calculating depreciation expense in our Holland America Princess Alaska Tours business and other North America operations and (2) the timing of recognising 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 provisions for illness and injury to crew and guest injuries.

NOTE 16 - Share Capital

The issued and fully paid Carnival plc ordinary share capital was as follows (dollars in millions):

	No. of Shares	Share Capital
At November 30, 2009	213,333,776	$ 354
Shares issued	206,953	1
At November 30, 2010	213,540,729	355
Shares issued	734,584	2
At November 30, 2011	214,275,313	$ 357

During fiscal 2011 and 2010, the Company issued 701,619 and 174,274 ordinary shares following the exercise of share options, for total consideration of $27 million and $4 million, and for the issuance of restricted share awards, RSUs and PBSs; issued 22,909 and 20,002 ordinary shares to a former executive in connection with his deferred bonus plan and issued 10,056 and 12,677 ordinary shares in connection with the Carnival plc Employee Stock Purchase Plan, respectively. In addition, 225,000 shares and 100,000 shares were issued in fiscal 2011 and 2010, respectively, to the Carnival plc Employee Benefit Trust, which are not included above as they were recorded as treasury stock.

The Company has 50,000 allotted but unissued redeemable preference shares of £1 each. These redeemable preference shares 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 also has two allotted and issued subscriber shares of £1 each, that carry no voting rights and no right to receive any dividend or any amount paid on return of capital. Finally, the Company has one special voting share of £1 issued 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 and PBS awards to senior managers are discussed in Note 19.

NOTE 17 - Reserves and Other Equity Activity

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, 2011 and 2010, the Carnival plc Employee Benefit Trust held 47,811 and 55,697 ordinary shares of Carnival plc, respectively, with an aggregate par value of $0.1 million at both year ends. At November 30, 2011 and 2010, the market value of these shares was $2 million. If they had been sold at this market value there would have been no tax liability in either fiscal 2011 or 2010 on the capital gain arising from the sale.

The income attributable to shareholders of the Company was $1.6 billion and $644 million in fiscal 2011 and 2010, respectively. Retained earnings is comprised of $3.4 billion and $2.0 billion of distributable reserves at November 30, 2011 and 2010, respectively, and $1.7 billion of nondistributable reserves at both November 30, 2011 and 2010, respectively.

Refer to the Statements of Changes in Shareholders' Equity for movements in capital and other reserves.

NOTE 18 - Key Management

The aggregate compensation of the Group's key management was as follows (in millions):

	Years Ended November 30,	
	2011	2010
Fees	$ 1	$ 1
Salaries and benefits	4	4
Performance related bonuses	6	7
Total short-term employment benefits	11	12
Share-based compensation	11	8
	$ 22	$ 20

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.

During fiscal 2011 and 2010, gains made by executive directors from the exercise of share options over Carnival plc ordinary shares were $2 million and nil, respectively. Further details on Directors' remuneration, including share options, restricted share awards, RSUs, performance-based share ("PBS") awards and pension entitlements, are set out in Parts I and II of the Carnival plc Directors' Remuneration Report.

NOTE 19 - Employees

The average number of our employees was as follows:

	Years Ended November 30,	
	2011	2010
Shore staff	7,015	8,016
Sea staff	27,734	27,421
	34,749	35,437

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

	Years Ended November 30,	
	2011	2010
Salaries, wages and benefits	$ 802	$ 714
Social security and payroll taxes	49	24
Pensions	8	24
Share-based compensation	10	10
	$ 869	$ 772

Share-based compensation included $0.5 million in fiscal 2011 and $0.6 million in fiscal 2010 that were recharged by Carnival Corporation in respect of options, RSUs and PBS awards granted over Carnival Corporation common stock to certain U.S.-based Carnival plc Group employees.

Equity Plans

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 seven years for options granted after October 2006. Options granted prior to October 2006 have maximum terms of up to ten years. The number and weighted-average exercise price of Carnival plc options were as follows:

	2011		2010	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
Outstanding at December 1	2,511,933	$ 41.46	2,785,375	$ 48.18
Exercised	(701,619)	$ 38.31	(174,274)	$ 21.64
Forfeited or expired	(156,597)	$ 40.25	(99,168)	$ 30.70
Outstanding at November 30	1,653,717	$ 42.54	2,511,933	$ 41.46
Exercisable at November 30	1,635,254	$ 42.54	2,376,054	$ 41.09

The exercise price range and weighted-average remaining life of outstanding options at November 30, 2011 was as follows:

	Number of options	Weighted-average remaining life (years)
$10.00 to $19.99	3,110	0.3
$20.00 to $29.99	192,968	1.1
$30.00 to $39.99	271,792	1.5
$40.00 to $49.99	1,185,847	2.3
Total	1,653,717	2.0

In fiscal 2011, the Committee approved PBS awards to be granted to certain key Carnival Corporation & plc executives. These PBS awards are based on our earnings per share growth over a three-year period, with award opportunity to earn from zero to 200% of the number of target shares underlying the award achieved at the end of the third year. The PBS awards will accrue forfeitable dividend equivalents based on dividends declared.

Since 2008, the Compensation Committees of the Boards of Directors have granted only restricted share awards and RSUs. In addition, in fiscal 2011 the Compensation Committees of the Boards of Directors also granted PBS awards.

The Group awarded 240,670 RSUs and PBSs at a weighted-average price of £29.78 in fiscal 2011 and in fiscal 2010 the Group awarded 254,870 RSUs at a weighted-average price of £22.83 to certain officers and employees. RSUs vest after three years. 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 the plan matching of these last awards was not met.

Awards of RSUs and PBSs do not receive dividends or have voting rights. Each RSU and PBS awarded is credited with dividend equivalents equal to the value of cash and stock dividends, if any, 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, if any, distributed upon the settlement of the RSUs and PBSs upon vesting.

The obligations underlying our stock options, restricted stock units and PBS awards are settled through the issuance of Carnival plc ordinary shares.

NOTE 20 - Post-Employment Benefits

Employee Benefit Plans

Carnival plc is a contributing employer to two pension plans, the P&O Cruises (UK) pension plan ("UK Plan") and the multiemployer Merchant Navy Officers Pension Fund ("MNOPF"). These defined benefit plans are formally valued triennially by independent qualified actuaries.

The Company's UK Plan's assets are managed on behalf of the trustee by independent fund managers. The UK 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. The MNOPF is divided into two sections, the "New Section" and the "Old Section," each of which covers a different group of participants, with the Old Section closed to further benefit accrual and the New Section only closed to new membership. 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 and covers predecessor employers' officers employed prior to 1978. The Group's share, if any, of the Old Section is currently not known. At November 30, 2011 and 2010, we believe the Old Section has a surplus. If the Old Section has a funding deficit in the future and the fund's trustee believes the fund requires further contributions, then it could result in them also invoicing us for our share of such amounts. 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, the Group's share of the MNOPF New Section and other post-employment benefit liabilities were as follows (in millions):

	November 30, 2011	November 30, 2010
Long-term assets		
Employee benefit plan surplus	$ -	$ 1
Long-term liabilities		
Employee benefit plan deficits	$ 1	$ -
Other post-employment benefits	36	42
	$ 37	$ 42

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, 2011 and 2010 by the Group's qualified actuary. The principal assumptions used were as follows:

	UK Plan (%)		MNOPF New Section (%)	
	2011	2010	2011	2010
Discount rates	5.0	5.5	5.0	5.5
Expected rates of salary increases	4.6	5.0	4.6	5.0
Pension increases				
Deferment	2.1	2.8	2.1	2.8
Payment	3.0	3.4	3.0	3.4
Inflation	3.1	3.5	3.1	3.5
Expected rates of return on plan assets	5.5	5.8	6.0	6.7

Assumptions regarding future mortality experience are set based on the Self Administered Pension Schemes tables for the "base" mortality tables. The weighted-average life expectancy in years of a 65-year old pensioner on the balance sheet dates was as follows:

	November 30, 2011	November 30, 2010
Male	22.7	21.9
Female	25.0	24.3

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

	November 30, 2011	November 30, 2010
Male	25.2	24.0
Female	27.5	26.3

With regard to the UK plan, 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 were determined as follows (in millions):

	November 30,				
	2011	2010	2009	2008	2007
Present value of obligations	$ (332)	$ (306)	$ (307)	$ (183)	$ (274)
Fair value of plans' assets	331	307	267	190	296
Net (liabilities) assets recognised in the balance sheets	$ (1)	$ 1	$ (40)	$ 7	$ 22

Actuarial gains and losses for these plans were as follows (in millions):

	Years Ended November 30,				
	2011	2010	2009	2008	2007
(Losses) gains on plans' liabilities	$ (13)	$ 19	$ (86)	$ 28	$ (16)
Gains (losses) on plans' assets, including restriction on assets	7	(3)	27	(41)	12
	$ (6)	$ 16	$ (59)	$ (13)	$ (4)

The cumulative actuarial losses recognised in the accompanying Statements of Shareholder's Equity at November 30, 2011 and 2010 for these plans were $30 million and $24 million, respectively.

The amounts recognised in the accompanying Group Statements of Income for these plans were as follows (in millions):

	Years Ended November 30,	
	2011	2010
Current service cost	$ 8	$ 7
Interest cost	17	15
Expected return on plan assets	(22)	(15)
Total included in payroll and related expenses	$ 3	$ 7

The estimated contributions expected to be paid into these plans during fiscal 2012 are $6 million, excluding MNOPF New Section special assessments, if any.

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

	2011	2010
Net assets (liabilities) at December 1	$ 1	$ (40)
Exchange movements	-	2
Expenses (see above)	(3)	(7)
Amounts recognised in the accompanying Group Statements of Comprehensive Income	(6)	16
Employer contributions	7	30
Net (liabilities) assets at November 30	$ (1)	$ 1

Changes in the present value of defined benefit obligations for these plans were as follows (in millions):

	2011	2010
Present value of obligations at December 1	$ 306	$ 307
Exchange movements	(2)	(16)
Current service cost	8	7
Interest cost	17	15
Contributions from employees	1	1
Benefits paid	(11)	(10)
Actuarial losses (gains) on plan liabilities	13	(19)
Adjustment in Group share of MNOPF	-	21
Present value of obligations at November 30	$ 332	$ 306

Changes in the fair value of these plans' assets were as follows (in millions):

	2011	2010
Fair value of plans' assets at December 1	$ 307	$ 267
Exchange movements	(2)	(14)
Expected return on plan assets	22	15
Employer contributions	7	30
Contributions from employees	1	1
Benefits paid	(11)	(10)
Actuarial gains on plan assets (a)	4	7
Restriction on assets	3	(10)
Adjustment in Group's share of MNOPF	-	21
Fair value of plans' assets at November 30	$ 331	$ 307

(a) In fiscal 2010, the UK government announced that in the future it will use the Consumer Price Index rather than the Retail Prices Index to determine statutory minimum pension increases for private sector occupational pension plans. The Group's UK Plan rules specify that pensions in deferment will increase in line with the annual statutory order published by the UK government. The Group has therefore amended its assumption for increases to pensions in deferment to reflect this change. The resulting reduction in the present value of plan liabilities of $9 million is included as a change in assumptions within other comprehensive income in the accompanying Group Statements of Comprehensive Income.

The actual gains (losses) on these plans' assets in fiscal 2011 and 2010 were $26 million and $22 million, respectively.

These plans' assets were comprised as follows (in millions, except percentages):

	November 30,			
	2011		2010	
		%		%
Equities	$ 148	43.8	$ 107	33.8
Property	6	1.8	8	2.5
Corporate bonds	42	12.4	73	23.0
Fixed interest gilts	79	23.4	69	21.8
Liability matching investments	63	18.6	60	18.9
	338		317	
Restriction on assets	(7)		(10)	
	$ 331		$ 307	

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

P&O Cruises (UK) participates in an industry-wide British Merchant Navy Ratings Pension Fund ("MNRPF"), which is a defined benefit multiemployer pension plan available to certain of their shipboard British personnel. This plan is closed to new membership and has a significant funding deficit. In 1999, we withdrew from the plan, but continued making voluntary payments through 2006. However, pursuant to a 2011 court order, it was determined that P&O Cruises (UK), along with other unrelated employers, were required to continue to be named participating employers of the plan. Based on the most recent actuarial valuation, which was performed as of March 31, 2008, the MNRPF had an accumulated funding deficit of $270 million. No decision has yet been reached as to how the deficit will be recovered, but we expect that the participating employers will be charged for their allocated share. Until such a decision is reached by the plan trustee it is not possible to estimate the Group's share on a reliable and consistent basis. Accordingly, the MNRPF is being accounted for as a defined contribution plan. We will record our obligation as an adjustment to the pension benefit obligation when our percentage of participation is determined.

Other Post-Employment Benefits

At November 30, 2011 and 2010, other post-employment benefit liabilities included $12 million and $13 million, respectively, for a deferred bonus agreement to make annual payments to a former executive director through 2019. Further details of this arrangement are included in Part II of our 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, 2011 and 2010, Costa had accrued a liability of $13 million.

Defined Contribution Plans

The Group has several defined contribution plans available to most of its employees. During both fiscal 2011 and 2010 the Group expensed $5 million for these plans.

NOTE 21 - Related Party Transactions

Group

Within the DLC arrangement, there are instances where we provide services to Carnival Corporation group companies, and also where Carnival Corporation group companies provide services to us. During fiscal 2011 and 2010, the Carnival Corporation group purchased land tours from us totalling $107 million and $58 million, respectively, and packaged them with cruises, which were then sold by Holland America Line and Princess. Also, during 2010, we purchased $47 million in cruises from the Carnival Corporation group and packaged these cruises with land tours, which were then sold by Holland America Princess Alaska Tours, which is part of the Group. In addition during fiscal 2011 and 2010, we sold $10 million and $22 million, respectively, of pre- and post-cruise vacations, shore excursions and transportation services to the Carnival Corporation group. Finally, we participate in Carnival Corporation & plc's group risk-sharing programs related to hull and machinery for ships and crew and guest claim risks.

At November 30, 2011 and 2010, we owed $1.7 billion and $1.4 billion, respectively, to the Carnival Corporation group, which was unsecured. Of our total liability to the Carnival Corporation group at November 30, 2011 $1.2 billion is euro-denominated, repayable on demand and bears interest, and the remaining balance of $475 million is non-interest bearing and is also repayable on demand.

Within our operational and organisational structure, 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 our 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 our key management are shown in Note 18.

Company

At November 30, 2011 and 2010, Carnival Corporation owned 1,115,450, or 0.5% of the Company's ordinary shares, which are non-voting. During fiscal 2011, Carnival Investments Limited, a wholly-owned subsidiary of Carnival Corporation, repurchased 1,337,990 ordinary shares of Carnival plc for $41 million at an average price of $30.73, under our share repurchase program. At November 30, 2011 and 2010, Carnival Investments Limited, owned 31,713,734, or 14.8%, and 30,375,744, or 14.2%, respectively, of the Company's ordinary shares, which are also non-voting.

In fiscal 2010, Carnival Corporation and Carnival Investments Limited both waived their rights to dividends on these Carnival plc ordinary shares. In fiscal 2011, these two companies waived their rights through April 2011 and received an aggregate of $15 million in dividends from the Company during the second half of fiscal 2011.

In May 2011, P&O Cruises (UK) purchased the 710-passenger capacity *Royal Princess* for $107 million from Princess and renamed it *Adonia*. Princess is a subsidiary of Carnival Corporation.

During fiscal 2011 and 2010, the Company had multi-year ship charter agreements with Princess. The total annual charter payments to Princess in fiscal 2011 and 2010 were $165 million and $131 million, respectively.

The key management personnel of the Company comprise members of the Boards of Directors. Except for some share-based compensation and some fees for UK-based services, the Directors did not receive any remuneration from the Company in fiscal 2011 and 2010, as their emoluments were borne by other companies within the DLC. Details of the Company's share-based compensation to Directors are disclosed in the Carnival plc Directors' Remuneration Report, which is included in the Proxy Statement. The Company did not have any transactions with the Directors during fiscal 2011 and 2010, other than those discussed in our Directors' Remunerations Report.

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. In fiscal 2011 and 2010, the net cash outflows on loans with other Group companies and the Carnival Corporation group were $293 million and $129 million, respectively. Net balances arising from transactions with subsidiaries are set out on the Company's balance sheets.

NOTE 22 - Commitments

Group

At November 30, 2011, we had 7 ships under contract for construction with an aggregate passenger capacity of 21,177. The estimated total cost of these ships is $4.3 billion, which includes the contract prices with the shipyards, design and engineering fees, capitalised interest, construction oversight costs and various owner supplied items. We have paid $0.3 billion through November 30, 2011 and our remaining cruise ship commitments, aggregated based on the ship delivery date, are expected to be $1.0 billion in 2012, $0.4 billion in 2013, $0.7 billion in 2014, $1.3 billion in 2015 and $0.6 billion in 2016.

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

	November 30,	
Fiscal	**2011**	**2010**
2011		$ 170
2012	$ 201	2
2013	2	5
2014	5	11
2015	4	5
2016	7	-
Thereafter	132	117
Total	$ 351	$ 310

At November 30, 2011 and 2010, the Group had port facility commitments, aggregated based on the facility expiration period, of $391 million and $375 million, respectively, expiring after five years.

Company

At November 30, 2011 and 2010, the Company had $756 million and nil, respectively, of contracted capital commitments relating to ship construction contracts. Ship capital commitments included contract payments to the shipyards, design and engineering fees, construction oversight costs, various owner supplied items and capitalised interest.

NOTE 23 - Contingent Liabilities

As part of the DLC arrangement, Carnival plc has given a number of guarantees over Carnival Corporation obligations, details of which are given in Note 3 of the DLC Financial Statements. The fair value of these guarantees within the DLC arrangement is not significant at November 30, 2011 or 2010, 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 us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability, net of any insurance recoverables, is typically limited to our self-insurance retention levels. Management believes the ultimate outcome of these claims and lawsuits will not have a material adverse impact on our financial statements. See Note 25 for a discussion of contingent liabilities related to the January, 2012 *Costa Concordia* accident.

NOTE 24 - Financial Instruments

As a result of the DLC arrangement and the cross guarantees provided to and from Carnival Corporation, the additional disclosures included within Notes 3, 5 and 10 of the DLC Financial Statements and within the MD&A section of the DLC 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 (in millions):

	Group		Company	
	November 30,			
	2011	2010	2011	2010
Cash and cash equivalents	$ 328	$ 328	$ 182	$ 181
Loans and receivables				
Current trade receivables, net	135	140	64	67
Current other receivables	17	13	3	4
Amounts owed by subsidiaries	-	-	-	56
Long-term other receivables and insurance recoverables	38	37	2	2
Derivative contract receivables	5	17	5	17
	$ 523	$ 535	$ 256	$ 327

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

The summary of the maturity profiles of the financial liabilities at November 30, 2011 and 2010 was as follows (in millions):

Group

2011	2012	2013	2014	2015	2016	There-after	Total
Floating rate debt	$ 223	$ 48	$ 148	$ 47	$ 48	$ 230	$ 744
Fixed rate debt	608	1,196	325	139	234	573	3,075
Undiscounted cash flow obligations of debt, including future interest	831	1,244	473	186	282	803	3,819
Amounts owed to Carnival Corporation	1,713	-	-	-	-	-	1,713
Trade payables, accrued liabilities and other	687	-	-	-	-	-	687
Other liabilities	14	14	10	10	10	13	71
At November 30, 2011	$ 3,245	$ 1,258	$ 483	$ 196	$ 292	$ 816	$ 6,290

2010	2011	2012	2013	2014	2015	There-after	Total
Floating rate debt	$ 441	$ 37	$ 185	$ 127	$ 30	$ 133	$ 953
Fixed rate debt	251	606	1,337	172	139	810	3,315
Undiscounted cash flow obligations of debt, including future interest	692	643	1,522	299	169	943	4,268
Amounts owed to Carnival Corporation	1,442	-	-	-	-	-	1,442
Trade payables, accrued liabilities and other	756	-	-	-	-	-	756
Other liabilities	10	15	10	10	10	38	93
At November 30, 2010	$ 2,900	$ 658	$ 1,532	$ 309	$ 179	$ 981	$ 6,559

Company

2011	2012	2013	2014	2015	2016	There-After	Total
Floating rate debt	$ 86	$ 30	$ 130	$ 29	$ 29	$ 68	$ 372
Fixed rate debt	476	1,128	231	76	72	146	2,129
Undiscounted cash flow obligations of debt, including future interest	562	1,158	361	105	101	214	2,501
Amounts owed to Carnival Corporation	426	-	-	-	-	-	426
Amounts owed to subsidiaries	690	-	-	-	-	-	690
Trade payables, accrued liabilities and other	268	-	-	-	-	-	268
Other liabilities	2	2	1	1	1	4	11
At November 30, 2011	$ 1,948	$ 1,160	$ 362	$ 106	$ 102	$ 218	$ 3,896

2010	2011	2012	2013	2014	2015	There-after	Total
Floating rate debt	$ 388	$ 33	$ 34	$ 127	$ 30	$ 133	$ 745
Fixed rate debt	176	475	1,269	78	76	228	2,302
Undiscounted cash flow obligations of debt, including future interest	564	508	1,303	205	106	361	3,047
Amounts owed to Carnival Corporation	374	-	-	-	-	-	374
Amounts owed to subsidiaries	2,289	-	-	-	-	-	2,289
Trade payables, accrued liabilities and other	229	-	-	-	-	-	229
Other liabilities	1	3	-	-	-	24	28
At November 30, 2010	$ 3,457	$ 511	$ 1,303	$ 205	$ 106	$ 385	$ 5,967

Substantially all financial liabilities are held at amortised cost.

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 section of the DLC Annual Report is a schedule of the maturity profiles of the recorded and unrecorded contractual cash obligations of Carnival Corporation & plc at November 30, 2011.

The carrying and fair values of debt at November 30, 2011 and 2010 were as follows (in millions):

Group	2011		2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Floating rate				
Euro export credit facilities	$ 393	$ 380	$ 216	$ 208
Bank loans	100	100	149	151
Euro bank loans	-	-	126	130
Revolver	-	-	5	5
Commercial paper	55	55	355	355
Short-term euro bank loans	118	118	45	45
	$ 666	$ 653	$ 896	$ 894
Fixed rate				
Bearing interest at 3.0% to 3.9%	$ 150	$ 155	$ 150	$ 155
Bearing interest at 4.0% to 4.9%	1,933	2,024	2,014	2,117
Bearing interest at 6.0% to 6.9%	84	89	118	126
Bearing interest at 7.0% to 7.9%	487	511	490	523
Bearing interest above 8.0%	2	2	2	2
	$ 2,656	$ 2,781	$ 2,774	$ 2,923

Company	2011 Carrying Value	2011 Fair Value	2010 Carrying Value	2010 Fair Value
Floating rate				
Euro export credit facilities	$ 191	$ 188	$ 216	$ 208
Bank loans	100	100	-	-
Euro bank loans	-	-	126	130
Commercial paper	55	55	355	355
	$ 346	$ 343	$ 697	$ 693
Fixed rate				
Bearing interest at 3.0% to 3.9%	$ 150	$ 155	$ 150	$ 155
Bearing interest at 4.0% to 4.9%	1,461	1,533	1,507	1,607
Bearing interest at 6.0% to 6.9%	-	-	34	35
Bearing interest at 7.0% to 7.9%	321	316	325	331
	$ 1,932	$ 2,004	$ 2,016	$ 2,128

The fair values of our publicly-traded notes were based on their quoted market prices in active markets. The fair values of our other debt were estimated based on appropriate market interest rates being applied to this debt. The fair values of our financial liabilities not included in the table above approximate their book values.

Fair Value Measurements

IFRSs establish a fair value hierarchy that prioritises the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). This hierarchy requires entities to maximise the use of observable inputs and minimise the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.
- Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.

- Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable market participants at the measurement date. Therefore, even when market assumptions are not readily available, our own assumptions are set to reflect those that we believe market participants would use in pricing the asset or liability at the measurement date.

The fair value measurement of a financial asset or financial liability must reflect the nonperformance risk of the counterparty and us. Therefore, the impact of our counterparty's creditworthiness was considered when in an asset position, and our creditworthiness was considered when in a liability position in the fair value measurement of our financial instruments. Creditworthiness did not have a material impact on the fair values of our financial instruments at November 30, 2011 and 2010. Both the counterparties and we are expected to continue to perform under the contractual terms of the instruments. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, certain estimates of fair values presented herein are not necessarily indicative of the amounts that could be realised in a current or future market exchange.

The estimated fair value and basis of valuation of our financial instrument assets and liabilities, if any, that are measured at fair value were as follows (in millions):

Group	**November 30, 2011**		**November 30, 2010**	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Cash equivalents (a)	$ 92	$ -	$ 26	$ -
Derivatives				
Net investment hedges (b)	$ -	$ 2	$ -	$ 12
Interest rate swaps (c)	$ -	$ 2	$ -	$ 5
Company				
Cash equivalents (a)	$ 70	$ -	$ 5	$ -
Derivatives				
Net investment hedges (b)	$ -	$ 2	$ -	$ 12
Interest rate swaps (c)	$ -	$ 2	$ -	$ 5

(a) Cash equivalents are comprised of money market funds.
(b) At November 30, 2011 and 2010, we have foreign currency forwards totalling $183 million and $352 million, respectively, that are designated as hedges of our net investments in foreign operations, which have a euro-denominated functional currency and were principally entered into to convert U.S. dollar-denominated debt into euro debt. These foreign currency forwards mature through July 2017.
(c) We have sterling interest rate swaps designated as fair value hedges whereby we receive fixed interest rate payments in exchange for making floating interest rate payments. At November 30, 2011 and 2010, these interest rate swap agreements effectively changed $310 million and $312 million, respectively, of fixed rate debt to GBP LIBOR-based floating rate debt. These interest rate swaps mature in June 2012.

We measure our derivatives using valuations that are calibrated to the initial trade prices. Subsequent valuations are based on observable inputs and other variables included in the valuation model such as interest rate and yield price curves, forward currency exchange rates, credit spreads, maturity dates, volatilities and netting arrangements. We use the income approach to value derivatives for foreign currency options and forwards and interest rate swaps using observable market data for all significant inputs and standard valuation techniques to convert future amounts to a single present value amount, assuming that participants are motivated, but not compelled to transact. We also corroborate our fair value estimates using valuations provided by our counterparties.

Capital Management

Within the DLC arrangement the consolidated Carnival Corporations & plc group has a policy of maintaining a strong balance sheet, which allows them to return free cash flow to shareholders. The Group manages its capital on a consolidated Carnival Corporation & plc basis, applying U.S. GAAP. For additional information see the "Liquidity, Financial Condition and Capital Resources" section within the MD&A section of the DLC Annual Report.

The net debt to capital ratio of the Group at November 30, 2011 and 2010 were as follows (in millions):

	2011	2010
Total debt	$ 3,322	$ 3,670
Less cash and cash equivalents	(328)	(328)
Net debt	2,994	3,342
Shareholders' equity	8,567	7,920
Total capital	$ 11,561	$ 11,262
Net debt to capital ratio	25.9%	29.7%

At November 30, 2011 and 2010, 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 27.2% and 28.0%, respectively. Substantially all of our Group and Company debt agreements contain one or more financial covenants that require us, among other things, to maintain minimum debt service coverage and minimum shareholders' equity and to limit our debt to capital and debt to equity ratios and the amounts of our secured assets and secured and other indebtedness. Generally, if an event of default under any debt agreement occurs, including those held by Carnival Corporation, then pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated. At November 30, 2011, we believe we were in compliance with all of our debt covenants.

Liquidity Risk

Within the DLC arrangement, liquidity and liquidity risk is assessed on a consolidated Carnival Corporation & plc basis and there are cross guarantees between the two parent companies that result in there being little substantive difference in the availability of debt financing for either Carnival Corporation or Carnival plc. Typically, the Carnival Corporation & plc debt financing agreements allow for either Carnival Corporation or Carnival plc to draw under the facilities, with the non-borrowing parent as guarantor. For additional information see the "Liquidity, Financial Condition and Capital Resources" section within the MD&A section of the DLC Annual Report.

As noted in the "Future Commitments and Funding Sources" section within the MD&A section of the DLC Annual Report, the consolidated Carnival Corporation & plc group had adjusted committed undrawn facilities of $2.4 billion, net of commercial paper borrowings, available for borrowing under its revolving credit facilities and $4.3 billion under committed ship financings at November 30, 2011, in addition to $450 million of cash and cash equivalents, excluding cash on hand of $293 million used for current operations.

Interest Rate Risk

The interest rate profiles of financial assets and (liabilities) at November 30, 2011 were as follows (in millions):

Group

	2012	2013	2014	2015	2016	There-after	Total
Floating rate							
Cash and cash equivalents	$ 328	$ -	$ -	$ -	$ -	$ -	$ 328
Euro export credit facilities	(41)	(39)	(39)	(39)	(39)	(196)	(393)
Bank loans	-	-	(100)	-	-	-	(100)
Commercial paper	(55)	-	-	-	-	-	(55)
Short-term euro bank loans	(118)	-	-	-	-	-	(118)
	$ 114	$ (39)	$ (139)	$ (39)	$ (39)	$ (196)	$ (338)
Fixed rate							
Bearing interest at 3.0% to 3.9%	$ -	$ -	$ (150)	$ -	$ -	$ -	$ (150)
Bearing interest at 4.0% to 4.9%	(117)	(1,094)	(98)	(98)	(99)	(427)	(1,933)
Bearing interest at 6.0% to 6.9%	(58)	-	(26)	-	-	-	(84)
Bearing interest at 7.0% to 7.9%	(323)	-	-	-	(99)	(65)	(487)
Bearing interest above 8.0%	-	-	(1)	-	-	(1)	(2)
	$ (498)	$ (1,094)	$ (275)	$ (98)	$ (198)	$ (493)	$ (2,656)

Company

	2012	2013	2014	2015	2016	There-after	Total
Floating rate							
Cash and cash equivalents	$ 182	$ -	$ -	$ -	$ -	$ -	$ 182
Euro export credit facilities	(27)	(25)	(25)	(25)	(25)	(64)	(191)
Bank loans	-	-	(100)	-	-	-	(100)
Commercial paper	(55)	-	-	-	-	-	(55)
	$ 100	$ (25)	$ (125)	$ (25)	$ (25)	$ (64)	$ (164)
Fixed rate							
Bearing interest at 3.0% to 3.9%	$ -	$ -	$ -	$ (150)	$ -	$ -	$ (150)
Bearing interest at 4.0% to 4.9%	(78)	(1,059)	(63)	(63)	(63)	(135)	(1,461)
Bearing interest at 7.0% to 7.9%	(321)	-	-	-	-	-	(321)
	$ (399)	$ (1,059)	$ (63)	$ (213)	$ (63)	$ (135)	$ (1,932)

The interest rate profiles of the book value of financial assets and (liabilities) at November 30, 2010 were as follows (in millions):

Group

	2011	2012	2013	2014	2015	There-after	Total
Floating rate							
Cash and cash equivalents	$ 328	$ -	$ -	$ -	$ -	$ -	$ 328
Euro export credit facilities	(26)	(25)	(25)	(25)	(25)	(90)	(216)
Bank loans	-	-	(149)	-	-	-	(149)
Euro bank loans	-	-	-	(126)	-	-	(126)
Revolver	(5)	-	-	-	-	-	(5)
Commercial paper	(355)	-	-	-	-	-	(355)
Short-term euro bank loans	(45)	-	-	-	-	-	(45)
	$ (103)	$ (25)	$ (174)	$ (151)	$ (25)	$ (90)	$ (568)
Fixed rate							
Bearing interest at 3.0% to 3.9%	$ -	$ -	$ -	$ (150)	$ -	$ -	$ (150)
Bearing interest at 4.0% to 4.9%	(106)	(97)	(1,091)	(98)	(98)	(524)	(2,014)
Bearing interest at 6.0% to 6.9%	(24)	(68)	-	(26)	-	-	(118)
Bearing interest at 7.0% to 7.9%	(11)	(316)	-	-	-	(163)	(490)
Bearing interest above 8.0%	-	-	-	(1)	-	(1)	(2)
	$ (141)	$ (481)	$ (1,091)	$ (275)	$ (98)	$ (688)	$ (2,774)

Company

	2011	2012	2013	2014	2015	There-after	Total
Floating rate							
Cash and cash equivalents	$ 181	$ -	$ -	$ -	$ -	$ -	$ 181
Euro export credit facilities	(26)	(25)	(25)	(25)	(25)	(90)	(216)
Euro bank loans	-	-	-	(126)	-	-	(126)
Commercial paper	(355)	-	-	-	-	-	(355)
	$ (200)	$ (25)	$ (25)	$ (151)	$ (25)	$ (90)	$ (516)
Fixed rate							
Bearing interest at 3.0% to 3.9%	$ -	$ -	$ -	$ (150)	$ -	$ -	$ (150)
Bearing interest at 4.0% to 4.9%	(67)	(62)	(1,054)	(63)	(63)	(198)	(1,507)
Bearing interest at 6.0% to 6.9%	(23)	(11)	-	-	-	-	(34)
Bearing interest at 7.0% to 7.9%	(9)	(316)	-	-	-	-	(325)
	$ (99)	$ (389)	$ (1,054)	$ (213)	$ (63)	$ (198)	$ (2,016)

The Group and Company have floating rate debt. Based upon a 10% hypothetical change in the November 30, 2011 market 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 arrangement, interest rate risks are considered on a combined Carnival Corporation & plc basis. For additional information see Note 10 of the DLC Financial Statements and within the MD&A section of the DLC Annual Report.

Foreign Currency Risks

At November 30, 2011, approximately 97% of Group net operating assets were denominated in non-U.S. dollar currencies, of which 69% were denominated in euros, 26% were in sterling and 2% were in Australian dollars, with the remaining 3% of net operating assets denominated in U.S. 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, sterling and Australian dollar. 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 arrangement, foreign currency risks are considered on a combined Carnival Corporation & plc basis. For additional information see Note 10 of the DLC Financial Statements and the MD&A section within the DLC Annual Report.

The exchange rates for each of our major currencies as of and for the year ended November 30, 2011 and 2010 were as follows:

	2011			2010		
	£:U.S.$	**euro:U.S.$**	**Aus$:U.S.$**	**£:U.S.$**	**euro:U.S.$**	**Aus$:U.S.$**
November 30 exchange rates	1.55	1.33	0.99	1.56	1.32	0.96
Average yearly exchange rates	1.60	1.40	1.03	1.55	1.33	0.91

At November 30, the fair value of derivatives included in the Group and Company balance sheets at November 30, 2011 and 2010 were as follows (in millions):

	2011			2010		
	Notional	**Assets**	**Liabilities**	**Notional**	**Assets**	**Liabilities**
Foreign currency forwards- net investment hedges	$ 183	$ 2	$ -	$ 352	$ 12	$ -
Debt related interest rate swaps- fair value hedge	$ 310	2	-	$ 312	5	-
		$ 4	$ -		$ 17	$ -

At November 30, 2011, the Group and Company have $183 million 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, 2011, assuming no changes in comparative interest rates, we estimate that these foreign currency forwards' fair values would change by $18 million, which would be offset by a corresponding change of $18 million in the U.S. dollar value of our net investments. In addition, based upon a 10% hypothetical change in the U.S. dollar compared to the euro, sterling and Australian dollar, which are the functional currencies that we translate into our U.S. dollar reporting currency, assuming no changes in comparative interest rates, we estimate that our fiscal 2011 net income would have changed by approximately $180 million. Similarly, we estimate based upon a 10% hypothetical change in the U.S. dollar compared to these currencies our fiscal 2011 cumulative translation adjustment would have changed by approximately $610 million.

At November 30, 2011, the Group and Company have interest rate swaps which effectively changed $310 million of fixed rate sterling publicly-traded debt, bearing interest at 7.1% and due in 2012, to GBP LIBOR-based floating rate debt.

In fiscal 2010, we recognised a gain of $18 million on foreign currency forwards that were not designated as hedges, which we entered into for treasury management purposes. The gain on these foreign currency forwards included in nonoperating other income was offset by a loss of $18 million incurred on the remeasurement of a non-functional currency monetary liability, which was also included in nonoperating other income in the accompanying Group Statements of Income.

There are no amounts excluded from the assessment of hedge effectiveness, and there are no credit risk related contingent features in our derivative agreements. The amount of estimated cash flow hedges' unrealised gains and losses that are expected to be reclassified to earnings in the next twelve months is not significant. Ineffectiveness arising on cash flow hedges was not material during fiscal 2011 and 2010 and, accordingly, all cash flow hedges were considered effective.

Credit Risk

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. Our maximum exposure under foreign currency contracts and interest rate swap agreements that are in-the-money, which were not significant at November 30, 2011 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 credit risk exposure, including counterparty nonperformance primarily associated with our cash equivalents, investments, committed financing facilities, derivative instruments, insurance contracts and new ship progress payment guarantees, by normally conducting business with large, well-established financial institutions and insurance companies, and by diversifying our counterparties. In addition, we have guidelines regarding credit ratings and investment maturities that we follow to help safeguard 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 currently believe the risk of nonperformance by any of our significant counterparties is remote.

We also monitor the creditworthiness of travel agencies and tour operators in Europe and credit card providers to which we extend credit in the normal course of our business. Our credit exposure includes contingent obligations related to cash payments received directly by travel agents and tour operators for cash collected by them on cruise sales in most of the European Union for which we are obligated to provide credit in a like amount to these guests even if we do not receive payment from the travel agents or tour operators. Concentrations of credit risk associated with these receivables and contingent obligations are not considered to be material, primarily due to the large number of unrelated accounts within our customer base, the amount of these contingent obligations and their short maturities. We have experienced only minimal credit losses on our trade receivables and related contingent obligations. We do not normally require collateral or other security to support normal credit sales.

Derivatives

The Group and Company use derivative financial instruments to manage some of the currency and interest rate risks arising from their operations and their sources of finance. The derivatives used for this purpose are principally foreign currency forwards and swaps and interest rate swaps.

Our decisions regarding whether or not to hedge a euro ship commitment for our UK brands 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, our overall expected net cash flows by currency and other offsetting risks. The Group's and Company's shipbuilding contracts are typically denominated in euros and thus the Group and Company can become exposed to currency risks when ordering ships for its UK brands. These risks can be mitigated by entering into foreign currency derivative contracts and nonderivative financial instruments.

At November 30, 2011, our one outstanding P&O Cruises (UK) euro-denominated newbuild contract with remaining commitments totalling $756 million is exposed to currency exchange risk. The sterling cost of this ship will increase or decrease based on changes in the GBP 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 compared to the euro as of November 30, 2011, assuming no changes in comparative interest rates, the unpaid cost of this ship would have a corresponding change of approximately $76 million.

Additional detail relating to the Group's and Company's financial risk management objectives and policies is included in Notes 1 and 10 of the DLC Financial Statements and within the MD&A section of the DLC Annual Report.

NOTE 25 - Subsequent Event

On January 13, 2012, the 2,978-passenger capacity *Costa Concordia* grounded off the coast of Isola del Giglio, Italy and sustained significant damage. The ship remains grounded and partially submerged. The net carrying value of this euro-denominated ship, including ship improvements, at December 31, 2011 was $490 million (at the December 31, 2011 exchange rate or €379 million). We have euro-denominated insurance coverage of $510 million (at the December 31, 2011 exchange rate or €395 million) for damage to the ship with a potential deductible of approximately $30 million as well as insurance for third party personal injury liability subject to an additional deductible of approximately $10 million for this incident. We self-insure for loss of use of the ship.

A damage assessment review of the ship is being undertaken to determine whether the ship can be repaired and what the total cost would be. If the ship is repairable, it is expected to be out-of-service for the remainder of fiscal 2012 if not longer.

As a result of this accident, litigation claims, enforcement actions and regulatory actions and investigations, including, but not limited to, those arising from personal injury, loss of life, loss of or damage to personal property, business interruption losses or environmental damage to any affected coastal waters and the surrounding areas, have been and may be asserted or brought against various parties including us. The existing assertions are in their initial stages and there are significant jurisdictional uncertainties, however, we have insurance coverages for third-party claims. We are currently evaluating the possible merits of these matters and their ultimate outcome cannot be determined at this time.

Independent Auditors' Report To The Members of Carnival plc

We have audited the financial statements of Carnival plc for the year ended November 30, 2011 which comprise the Group statements of income, the Group statements of comprehensive income, the Group and Parent Company balance sheets, the Group and Parent Company statements of cash flows, the Group and Parent Company statements of changes in shareholders' equity and the related notes including the Carnival Corporation & plc consolidated financial statements on pages 5 to 35 of the Carnival Corporation & plc 2011 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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, 2011 and of the Group's net income 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, dated February 21, 2012, to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report set out in Annex A to the Proxy Statement, dated February 21, 2012, for the financial year for which the financial statements are prepared 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.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page C-9 in Annex C to the Proxy Statement, dated February 21, 2012, in relation to going concern; and
- the parts of the Corporate Governance Report in Annex C to the Proxy Statement, dated February 21, 2012, 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 21, 2012

The maintenance and integrity of the Carnival plc website is the responsibility of the directors; 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 jurisdiction.

CARNIVAL PLC

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