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P&O PRINCESS CRUISES PLC  
Form 425  
December 20, 2001

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the Securities Act of 1933  
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Filing by: Carnival Corporation  
Subject Company: P&O Princess Cruises plc.  
SEC File No. of Princess: 001-15136

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FOR IMMEDIATE RELEASE  
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CARNIVAL CORPORATION REPORTS  
FOURTH QUARTER AND FULL YEAR EARNINGS

MIAMI (12/20/01) - Carnival Corporation (NYSE:CCL) reported net income of \$116.3 million (\$0.20 Diluted EPS) on revenues of \$959.1 million for its fourth quarter ended November 30, 2001, compared to net income of \$193.8 million (\$0.33 Diluted EPS) on revenues of \$850.3 million for the same quarter in 2000.

Net income for the year ended November 30, 2001, was \$926.2 million (\$1.58 Diluted EPS) on revenues of \$4.54 billion, compared to net income of \$965.5 million (\$1.60 Diluted EPS) on revenues of \$3.78 billion for the same period in 2000.

Fourth quarter 2001 net income was reduced by \$33 million, comprised of an impairment charge of \$39 million, primarily related to a write-down in the carrying value of two ships, net of a Costa tax benefit of \$6 million. Fourth quarter 2000 included a Costa tax benefit of \$27 million.

The company's fourth quarter comparable cruise results were also adversely affected by the September 11 terrorist attacks, which impacted all leisure travel. The significant reduction in demand for travel following the tragic events of September 11 resulted in the company reporting lower occupancies and prices during the 2001 fourth quarter. Comparable net revenue yields (net revenue per available berth day) for the quarter were down by approximately 7 percent compared to the fourth quarter of 2000.

Commenting on fourth quarter 2001 results, Carnival Corporation Chairman and CEO Micky Arison said that "in light of the significant impact of the September 11 events on the vacation market, the achievement of quarterly net income of more than \$116 million with occupancies of 98 percent is a testament to the strength of our vacation products."

Looking to 2002, Arison indicated that booking levels have started to recover from the significant slowdown in bookings experienced in the two months following September 11. During the last five weeks, net booking levels have been 45 percent above prior year levels, although cumulative advance bookings for 2002 still remain well behind last year's levels at this time. Arison also noted that 2002 pricing has improved but is still below last year's levels.

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At the present time the company's advance booking occupancy levels for the first quarter of fiscal 2002, are approximately 92 percent, which is approximately seven percentage points behind the levels existing at the same time last year. Based on current pricing and booking trends, management presently expects that net revenue yields for the first quarter of 2002 will be down between 10 to 15 percent compared to last year.

Bookings for the second and third quarters of fiscal 2002 are also behind last year's levels at this time with occupancy down by approximately 11 percentage points each quarter. Pricing on these bookings is also down from the prior year. Arison indicated that, given the current booking trends, he is optimistic that net revenue yield comparisons for the remainder of 2002 will improve compared to the first quarter.

The company also recently changed the delivery schedule for Holland America's Vista-class newbuilds, assigning one slot to Cunard Line and signing an option on a fifth newbuild. The new delivery schedule for Holland America is as follows: Zuiderdam, November 2002; Oosterdam, June 2003; Vista #3, April 2004; Vista #4, October 2005; and option ship, May 2006. The new 85,000-ton Cunard ship is scheduled for delivery in January 2005, and will target the U.K. vacation market.

Based on these new delivery dates, the company's shipbuilding commitments for the fiscal years 2002 through 2005 are now estimated to be approximately \$1.75 billion, \$1.5 billion, \$2.0 billion and \$700 million, respectively. In addition, the year over year percentage increase in the company's average passenger capacity resulting from the delivery of ships currently under contract for fiscal 2002 through 2006 is expected to approximate 4.5 percent, 16.5 percent, 17.3 percent, 10.6 percent and 2.5 percent, respectively. Carnival does not expect to reschedule any further deliveries.

Arison pointed out that the company continues to be confident that the fundamental long-term drivers of its growth remain intact. "To enable us to overcome challenges in these times of increased uncertainty, as well as to take advantage of opportunities as they present themselves, it is important for us to maintain our solid operating margins and strong balance sheet." Carnival currently has more than \$2.4 billion of cash, short-term investments and undrawn credit lines, and also relatively low debt levels. As a result of its financial strength and operating results, the company believes that it maintains the highest credit ratings in the leisure industry.

On December 16, 2001, the company announced its pre-conditional offer to acquire P&O Princess Cruises plc for approximately \$4.6 billion in cash and Carnival common stock. [Note 2] [Note 3]

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Carnival has scheduled a conference call with analysts at 10 a.m. EST (3 p.m. UK time) today to discuss its fourth quarter and full year earnings. This call can be listened to live at the company's Web site at [WWW.CARNIVALCORP.COM](http://WWW.CARNIVALCORP.COM).

Carnival Corporation is comprised of Carnival Cruise Lines, the world's largest cruise line based on passengers carried, Holland America Line, Costa Cruises, Cunard Line, Seabourn Cruise Line and Windstar Cruises. Carnival Corporation's various brands operate 43 ships in the Caribbean, Alaska, Europe, Mexican Riviera, South America and other worldwide destinations.

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Additional information can be obtained via Carnival Corporation's Web site at [WWW.CARNIVALCORP.COM](http://WWW.CARNIVALCORP.COM).

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NOTE 1: Statements in this press release relating to matters that are not historical facts are forward-looking statements. All forward-looking statements, including those which may impact the forecasting of Carnival Corporation's net revenue yields, booking levels, price, occupancy or business prospects, involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performances or achievements of Carnival Corporation to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include general economic and business conditions; increases in cruise industry and vacation industry capacity; other vacation industry competition; the ability of the company to implement its shipbuilding program and to continue to expand its business outside the North American market; consumer demand for cruises and other vacation options; the effects on consumer demand of armed conflicts, political instability, terrorism, the availability of air service and adverse media publicity; incidents involving cruise ships; continued availability of attractive port destinations; impact of pending or threatened litigation; changes in tax and other laws and regulations affecting Carnival and other factors which are described in further detail in Carnival's filings with the Securities and Exchange Commission.

For investor inquiries, please contact Beth Roberts, Tel: (011) 44 771 0945 361. For press inquiries, please contact Tim Gallagher, Tel: 1-305-599-2600, ext. 16000, Carnival Corporation, Carnival Place, 3655 N.W. 87 Avenue, Miami, Florida 33178-2428.

NOTE 2: Carnival Corporation plans to file a registration statement on Form S-4 and a statement on Schedule TO with the SEC in connection with its pre-conditional offer to acquire P&O Princess Cruises plc. Carnival Corporation plans to mail the prospectus contained in the Form S-4 to stockholders of P&O Princess Cruises plc when the Form S-4 is filed with the SEC. The Form S-4, the prospectus and the Schedule TO will contain important information about Carnival Corporation, P&O Princess Cruises plc, the offer and related matters. Investors and stockholders should read the Form S-4, the prospectus, the Schedule TO and the other documents filed with the SEC in connection with the offer carefully before they make any decision with respect to the offer. The Form S-4, the prospectus, the Schedule TO and all other documents filed with the SEC in connection with the offer will be available when filed free of charge at the SEC's web site, at [WWW.SEC.GOV](http://WWW.SEC.GOV). In addition, the prospectus and all other documents filed with the SEC in connection with the offer will be made available to investors free of charge by writing to: Carnival Corporation, Investor Relations, Carnival Place, 3655 N.W. 87 Avenue, Miami, Florida 33178-2428.

In addition to the Form S-4, prospectus, the Schedule TO and the other documents filed with the SEC in connection with the offer, Carnival is obligated to file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements and other information filed with the SEC at the SEC's public reference room at 450 Fifth Street N.W., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on the public reference room. Filings with the SEC also are available to the public from commercial document-retrieval services and at the web site maintained by the SEC at [WWW.SEC.GOV](http://WWW.SEC.GOV).

NOTE 3: Any person who, alone or acting together with any other person(s) pursuant to an agreement or understanding (whether formal or informal) to acquire or control securities of P&O Princess or Carnival, owns or controls, or becomes the owner or controller, directly or indirectly, of one per cent or more

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of any class of securities of P&O Princess or Carnival is generally required under the provision of Rule 8 of the City Code to notify the London Stock Exchange and the Panel of every dealing in such securities during the period from December 16, 2001, until the first closing date of the Offer or, if later, the date on which the Offer becomes, or is declared, unconditional as to acceptances or lapses. Disclosure should be made on an appropriate form before 12 noon (London time) on the business day following the date of the dealing transaction. These disclosures should be sent to the Company Announcements Office of the London Stock Exchange (fax number: + 44 20 7588 6057) and to the Panel (fax number: + 44 20 7256 9386).

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### CARNIVAL CORPORATION CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED NOVEMBER 30,		TWELVE M NOVE
	2001	2000	2001
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	(in thousands, except earnings per share)		(in thousands, exc
REVENUES	\$ 959,102	\$ 850,326	\$ 4,535,751
COSTS AND EXPENSES:			
Operating expenses	547,898	481,057	2,468,730
Selling and administrative	161,412	126,368	618,664
Depreciation and amortization	91,266	76,527	372,224
Impairment charge	38,989		140,378
	839,565	683,952	3,599,996
OPERATING INCOME BEFORE INCOME (LOSS) FROM AFFILIATED OPERATIONS	119,537	166,374	935,755
INCOME (LOSS) FROM AFFILIATED OPERATIONS, NET		42,189	(44,024)
OPERATING INCOME	119,537 (1)	208,563	891,731 (1)
NONOPERATING (EXPENSE) INCOME:			
Interest income	11,505	2,455	34,255
Interest expense, net	(28,482)	(16,174)	(120,692)
Other income (expense), net	3,190	(3,781)	108,649 (2)
Income tax benefit (expense)	10,562	2,732	12,257
	(3,225)	(14,768)	34,469
NET INCOME	\$ 116,312	\$ 193,795	\$ 926,200
EARNINGS PER SHARE:			
Basic	\$ 0.20	\$ 0.33	\$ 1.58

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Diluted	=====	=====	=====
	\$ 0.20	\$ 0.33	\$ 1.58
	=====	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	586,165	584,474	585,064
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	587,080	586,350	586,862

(1) EXCLUDING THE \$39 MILLION AND \$140 MILLION IMPAIRMENT CHARGE, OPERATING INCOME WOULD BE \$159 MILLION AND \$1.03 BILLION FOR THE THREE AND TWELVE MONTHS ENDED NOVEMBER 30, 2001, RESPECTIVELY.

(2) INCLUDES A GAIN OF APPROXIMATELY \$100 MILLION FROM THE SALE OF THE COMPANY'S MINORITY INTEREST IN AIRTOURS PLC.

NOTE: COMMENCING IN FISCAL 2001, THE COMPANY'S STATEMENTS OF OPERATIONS INCLUDED THE CONSOLIDATION OF COSTA'S RESULTS OF OPERATIONS. IN FISCAL 2000, THE COMPANY'S 50 PERCENT INTEREST IN COSTA WAS INCLUDED IN AFFILIATED OPERATIONS.

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CARNIVAL CORPORATION  
SELECTED STATISTICAL AND SEGMENT INFORMATION

	THREE MONTHS ENDED NOVEMBER 30,		TWELVE M NOVE
	2001	2000	2001
	----	----	----
	(in thousands)		(in
STATISTICAL INFORMATION:			
Passengers carried	790	674	3,385
Available lower berth days	5,185	4,080	20,685
Occupancy percentage	97.9%	103.4%	104.7%
SEGMENT INFORMATION:			
Revenues:			
Cruise	\$ 945,745	\$ 831,857	\$ 4,357,942
Tour	17,125	22,643	229,483
Intersegment	(3,768)	(4,174)	(51,674)
	-----	-----	-----
	\$ 959,102	\$ 850,326	\$ 4,535,751
	=====	=====	=====
Operating expenses:			
Cruise	\$ 536,011	\$ 465,495	\$ 2,333,502
Tour	15,655	19,736	186,902
Intersegment	(3,768)	(4,174)	(51,674)
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	\$ 547,898	\$ 481,057	\$ 2,468,730
	=====	=====	=====
Operating income (loss):			
Cruise, excluding			
impairment charge	\$ 172,530	\$ 182,628	\$ 1,092,720
Tour, excluding			
impairment charge	(11,112)	(6,967)	(4,426)
Impairment charge	(38,989)		(140,378)
Affiliated Operations		42,189	(44,024)
Corporate	(2,892)	(9,287)	(12,161)
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	\$ 119,537	\$ 208,563	\$ 891,731
	=====	=====	=====

NOTE: COMMENCING IN FISCAL 2001, THE COMPANY'S STATEMENTS OF OPERATIONS AND SELECTED STATISTICAL INFORMATION INCLUDED THE CONSOLIDATION OF COSTA'S RESULTS OF OPERATIONS. IN FISCAL 2000, COSTA'S RESULTS OF OPERATIONS WERE INCLUDED IN AFFILIATED OPERATIONS AND WERE NOT INCLUDED IN THE 2000 STATISTICAL INFORMATION.

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