

CARNIVAL CORP  
Form 10-Q  
March 30, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended February 29, 2012

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 1-9610

Carnival Corporation

(Exact name of registrant as

specified in its charter)

Republic of Panama

(State or other jurisdiction of

incorporation or organization)

59-1562976  
(I.R.S. Employer Identification No.)

3655 N.W. 87th Avenue

Miami, Florida 33178-2428  
(Address of principal

Commission file number: 1-15136

Carnival plc

(Exact name of registrant as

specified in its charter)

England and Wales

(State or other jurisdiction of

incorporation or organization)

98-0357772  
(I.R.S. Employer Identification No.)

Carnival House, 5 Gainsford Street, London  
SE1 2NE, United Kingdom  
(Address of principal

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executive offices)  
(Zip Code)

(305) 599-2600  
(Registrant's telephone number,

including area code)

None  
(Former name, former address

and former fiscal year, if

changed since last report)

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrants have submitted electronically and posted on its corporate Web sites, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, or smaller reporting companies. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

executive offices)  
(Zip Code)

011 44 20 7940 5381  
(Registrant's telephone number,

including area code)

None  
(Former name, former address

and former fiscal year, if

changed since last report)

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Large accelerated filers

Accelerated filers

Non-accelerated filers

Smaller reporting companies

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act). Yes  No

At March 23, 2012, Carnival Corporation had outstanding 596,261,864 shares of Common Stock, \$0.01 par value.

At March 23, 2012, Carnival plc had outstanding 215,143,358 Ordinary Shares \$1.66 par value, one Special Voting Share, GBP 1.00 par value and 596,261,864 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

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**CARNIVAL CORPORATION & PLC**

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**Table of Contents****PART I - FINANCIAL INFORMATION****Item 1. Financial Statements.****CARNIVAL CORPORATION & PLC****CONSOLIDATED STATEMENTS OF OPERATIONS****(UNAUDITED)**

(in millions, except per share data)

	<b>Three Months Ended February 29/28,</b>	
	<b>2012</b>	<b>2011</b>
<b>Revenues</b>		
Cruise		
Passenger tickets	\$ 2,764	\$ 2,652
Onboard and other	809	757
Tour and other	9	10
	3,582	3,419
<b>Operating Costs and Expenses</b>		
Cruise		
Commissions, transportation and other	661	664
Onboard and other	126	120
Fuel	592	450
Payroll and related	442	411
Food	240	231
Other ship operating	619	510
Tour and other	14	9
	2,694	2,395
Selling and administrative	421	422
Depreciation and amortization	376	367
Ibero goodwill and trademark impairment charges	173	-
	3,664	3,184
<b>Operating (Loss) Income</b>	<b>(82)</b>	<b>235</b>
<b>Nonoperating (Expense) Income</b>		
Interest income	3	2
Interest expense, net of capitalized interest	(88)	(86)
Gains on fuel derivatives, net	21	-
Other income, net	5	6
	(59)	(78)
<b>(Loss) Income Before Income Taxes</b>	<b>(141)</b>	<b>157</b>

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<b>Income Tax Benefit (Expense), Net</b>	2	(5)
<b>Net (Loss) Income</b>	\$ (139)	\$ 152
<b>(Loss) Earnings Per Share</b>		
Basic	\$ (0.18)	\$ 0.19
Diluted	\$ (0.18)	\$ 0.19
<b>Dividends Declared Per Share</b>	\$ 0.25	\$ 0.25

The accompanying notes are an integral part of these consolidated financial statements.

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**CARNIVAL CORPORATION & PLC**  
**CONSOLIDATED BALANCE SHEETS**

(UNAUDITED)

(in millions, except par values)

	February 29, 2012	November 30, 2011
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 471	\$ 450
Trade and other receivables, net	286	263
Insurance recoverables	851	30
Inventories	381	374
Prepaid expenses and other	184	195
Total current assets	2,173	1,312
<b>Property and Equipment, Net</b>	31,475	32,054
<b>Goodwill</b>	3,188	3,322
<b>Other Intangibles</b>	1,319	1,330
<b>Other Assets</b>	808	619
	\$ 38,963	\$ 38,637
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
<b>Current Liabilities</b>		
Short-term borrowings	\$ 538	\$ 281
Current portion of long-term debt	1,025	1,019
Accounts payable	517	576
Claims reserve	398	97
Accrued liabilities and other	1,020	1,026
Customer deposits	3,046	3,106
Total current liabilities	6,544	6,105
<b>Long-Term Debt</b>	7,964	8,053
<b>Other Long-Term Liabilities and Deferred Income</b>	802	647
<b>Contingencies</b>		
<b>Shareholders Equity</b>		
Common stock of Carnival Corporation, \$0.01 par value; 1,960 shares authorized; 649 shares at 2012 and 647 shares at 2011 issued	6	6
Ordinary shares of Carnival plc, \$1.66 par value; 215 shares at 2012 and 2011 issued	357	357
Additional paid-in capital	8,196	8,180
Retained earnings	18,015	18,349
Accumulated other comprehensive loss	(67)	(209)
Treasury stock, 52 shares at 2012 and 2011 of Carnival Corporation and 33 shares at 2012 and 2011 of Carnival plc, at cost	(2,854)	(2,851)
Total shareholders equity	23,653	23,832

The accompanying notes are an integral part of these consolidated financial statements.



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**CARNIVAL CORPORATION & PLC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(UNAUDITED)

(in millions)

	<b>Three Months Ended February 29/28,</b>	
	<b>2012</b>	<b>2011</b>
<b>OPERATING ACTIVITIES</b>		
Net (loss) income	\$ (139)	\$ 152
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Depreciation and amortization	376	367
Ibero goodwill and trademark impairment charges	173	-
Gains on fuel derivatives, net	(21)	-
Share-based compensation	14	17
Other, net	41	2
Changes in operating assets and liabilities		
Receivables	(22)	(71)
Inventories	(4)	(19)
Prepaid expenses and other	6	(4)
Accounts payable	(62)	1
Accrued and other liabilities	10	(89)
Customer deposits	(50)	56
Net cash provided by operating activities	322	412
<b>INVESTING ACTIVITIES</b>		
Additions to property and equipment	(267)	(172)
Other, net	19	14
Net cash used in investing activities	(248)	(158)
<b>FINANCING ACTIVITIES</b>		
Proceeds from (repayments of) short-term borrowings, net	257	(63)
Principal repayments of long-term debt	(112)	(135)
Dividends paid	(194)	(79)
Other, net	(1)	47
Net cash used in financing activities	(50)	(230)
Effect of exchange rate changes on cash and cash equivalents	(3)	12
Net increase in cash and cash equivalents	21	36
Cash and cash equivalents at beginning of period	450	429
Cash and cash equivalents at end of period	\$ 471	\$ 465

The accompanying notes are an integral part of these consolidated financial statements.



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**CARNIVAL CORPORATION & PLC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(UNAUDITED)**

**NOTE 1 Basis of Presentation**

Carnival Corporation is incorporated in Panama, and Carnival plc is incorporated in England and Wales. Carnival Corporation and Carnival plc operate a dual listed company ( DLC ), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation's Articles of Incorporation and By-Laws and Carnival plc's Articles of Association. The two companies operate as if they are a single economic enterprise, but each has retained its separate legal identity.

The accompanying consolidated financial statements include the accounts of Carnival Corporation and Carnival plc and their respective subsidiaries. Together with their consolidated subsidiaries, they are referred to collectively in these consolidated financial statements and elsewhere in this joint Quarterly Report on Form 10-Q as Carnival Corporation & plc, our, us, and we.

The accompanying Consolidated Balance Sheet at February 29, 2012 and the Consolidated Statements of Operations and Consolidated Statements of Cash Flows for the three months ended February 29/28, 2012 and 2011 are unaudited and, in the opinion of our management, contain all adjustments, consisting of