

Edgar Filing: P&O PRINCESS CRUISES PLC - Form 425

P&O PRINCESS CRUISES PLC  
Form 425  
March 25, 2003

Filing under Rule 425 under  
the Securities Act of 1933  
and deemed filed under Rules 14d-2 and 14a-12  
of the Securities Exchange Act of 1934  
Filing by: Carnival Corporation  
Subject Company: P&O Princess Cruises plc.  
SEC File No. of Princess: 001-15136

=====

[GRAPHIC OMITTED]  
CARNIVAL CORPORATION  
P&O PRINCESS CRUISES PLC

Investor Presentation  
March/April 2003

=====

[GRAPHIC OMITTED]  
[LOGO - CARNIVAL CORPORATION]

[GRAPHIC OMITTED]  
[PHOTOGRAPH - CRUISE SHIP]

=====

THE NEW CARNIVAL GROUP ...  
A POWERFUL GLOBAL LEISURE COMPANY

=====

[GRAPHIC OMITTED]  
[PHOTOGRAPH - CRUISE SHIP]

[GRAPHIC OMITTED]  
[LOGO - P&O PRINCESS CRUISES PLC]

THE NEW CARNIVAL GROUP

=====

- o Combination of Carnival/P&O Princess creates dynamic global leisure company

## Edgar Filing: P&O PRINCESS CRUISES PLC - Form 425

- o Most recognised cruise brands in North America, UK & Continental Europe
- o State of the art fleet
- o Significant synergies between two organisations
- o Unique DLC structure:
  - > Strong operating cash flow and balance sheet to fund ongoing growth initiatives
  - > Only company to be included in FTSE 100 and S&P 500

1

### THE NEW CARNIVAL GROUP

=====

#### A GLOBAL, DIVERSIFIED LEISURE COMPANY

	CCL ---	POC ---	PRO FORMA NEW CARNIVAL CORPORATION -----
Revenue (\$m) (1)	\$4,368	\$2,527	\$6,895
Net Income (\$m) (1)	\$1,016	\$ 213	\$1,229
Passengers carried (m) (1)	3.5	1.2	4.7
Fleet Size (ships) (2)	45	20	65
Ships on Order	13	5	18
Berths (000s) (2)	67.3	32.7	100.0
Berths on Order (000s)	30.6	11.7	42.3

Source: Company accounts and filings

(1) Fiscal year 2002

(2) POC fleet size and berths excludes river boats

2

[GRAPHIC OMITTED]  
[LOGO - CARNIVAL CORPORATION]

=====

STRATEGY

## Edgar Filing: P&O PRINCESS CRUISES PLC - Form 425

=====

THE NEW CARNIVAL GROUP

=====

### FOUR PRIMARY CRUISE REGIONS

-----

- o North America, U.K., Germany and Southern Europe account for 85% of global cruise passengers

[GRAPHIC OMITTED]

### CRUISE PASSENGERS IN MILLIONS

-----

NORTH AMERICA	6.9
U.K.	0.8
SOUTHERN EUROPE	0.7
GERMANY	0.4

Source: GP Wild data for 2001

3

=====

THE NEW CARNIVAL GROUP

=====

### WIDE PORTFOLIO OF HIGHLY COMPLEMENTARY BRANDS

-----

- o POC's brands complement CCL's - by both geography & product offering

[GRAPHIC OMITTED]

NORTH AMERICA	UNITED KINGDOM	GERMANY
-----	-----	-----
Carnival Cruise Lines	P&O Cruises	AIDA Cruises
Princess	Cunard	Arosa
Holland America	Ocean Village	
Windstar Cruises	Swan Hellenic	S. EUROPE
		-----

Edgar Filing: P&O PRINCESS CRUISES PLC - Form 425

Seabourn

Costa

AUSTRALIA  
-----  
  
P&O Cruises

4

THE NEW CARNIVAL GROUP  
=====

HIGH BRAND AWARENESS  
-----

- o New Carnival brands enjoy the highest levels of unaided brand awareness among North American and UK cruise operators ...

[GRAPHIC OMITTED]

[GRAPHIC OMITTED]

NORTH AMERICA (1) -----		UNITED KINGDOM (2) -----	
Carnival	52%	P&O Cruises	63%
Princess	38%	Cunard	29%
RCI	23%	Fred Olsen	22%
NCL	21%	Thomson	19%
HAL	15%	Airtours	17%

- (1) Source: TRD Frameworks  
(2) Source: P&O Princess Cruises commissioned third party research

5

THE NEW CARNIVAL GROUP  
=====

HIGH BRAND AWARENESS (CONT'D)  
-----

- o ... as well as among German and Italian cruise operators

[GRAPHIC OMITTED]

[GRAPHIC OMITTED]

GERMANY (1) -----	ITALY (2) -----
----------------------	--------------------

## Edgar Filing: P&O PRINCESS CRUISES PLC - Form 425

Aida	31.3%	Costa	21.9%
Berlin	8.5%	Festival	0.4%
Europa	6.1%	Carnival	0.3%
Deutschland	5.7%	MSC	0.2%

(1) Source: P&O Princess Cruises commissioned third party research

(2) Source: Company data. Represents survey of tour operators

6

### THE NEW CARNIVAL GROUP

=====

#### COMBINED TARGETED CAPACITY ADDITIONS

-----

- o New Carnival net capacity additions will be spread over strong brands targeted at different segments (1)

[GRAPHIC OMITTED]

#### IN THOUSANDS

-----

CARNIVAL	11,046
COSTA	7,554
HOLLAND AMERICA	7,392
PRINCESS	6,810
CUNARD	4,588
OCEAN VILLAGE	1,610
AROSA	1,590
AIDA	1,270
P&O CRUISES	560
SWAN HELLENIC	316

Source: Company Estimates & POC company website

(1) Combined CCL & POC net capacity additions based on anticipated capacity increases from 2002 and includes announced transfers and withdrawals

(2) AROSA excludes river boats

7

## Edgar Filing: P&O PRINCESS CRUISES PLC - Form 425

THE NEW CARNIVAL GROUP

=====

### STATE-OF-THE-ART COMBINED FLEET

-----

- o Combination of modern fleets
  - > Addition of POC fleet with average age of 6.0 years reduces average age of combined fleet from 8.3 to 7.5 years
- o Introduction of new state-of-the-art ships
  - > Increased ratio of balcony cabins on new ships maximises yields
  - > Combined, the CCL/POC fleet has approximately 26% balcony cabins (1)
- o Greater number of berths per ship maximises operating efficiencies
  - > Average of 1,505 berths per ship by the end of November 2002 expected to increase to 1,683 by 2005 (2)

(1) Company estimates

(2) Excludes POC River Boats

8

THE NEW CARNIVAL GROUP

=====

### SIGNIFICANT SYNERGIES

-----

- o Last two months of integration planning have reinforced confidence as to deliverability of synergies
  - > Improvements to come from both arms of DLC
- o Estimated synergies of at least \$100 million on an annual basis commencing in first full financial year (2004) following transaction
- o Savings realised principally through the application of best practices, particularly
  - > Procurement
  - > Contractual savings
  - > Rationalisation of certain operations
  - > Technology
  - > Elimination of redundant costs
  - > On board operations

9

[GRAPHIC OMITTED]  
[LOGO - CARNIVAL CORPORATION]

INDUSTRY OUTLOOK -  
POSITIVE LONG TERM FUNDAMENTALS

CRUISING CONTINUES ITS STRONG GROWTH IN N. AMERICA

GROWTH IN NORTH AMERICAN LEISURE VS. CRUISE TRAVEL  
(1997 - 2001)

[GRAPHIC OMITTED]

LEISURE TRAVEL GROWTH	1.8%
CRUISE TRAVEL GROWTH	8.3%

Source: GP Wild & TIA

10

.... AND IS SUPPORTED BY FAVORABLE DEMOGRAPHICS

2002 NORTH AMERICAN CRUISE  
PASSENGER DEMOGRAPHICS (1)

GROWTH OF NORTH AMERICAN  
POPULATION BETWEEN AGE 45 AND 69  
(MILLIONS) (2)

[GRAPHIC OMITTED]

[GRAPHIC OMITTED]

72% of Cruise Market are age 40+

2000

72mm

Age 25-40 28%

2010

94mm

Age 40-59 42%

31% Growth

Age 60+ 30%

# Edgar Filing: P&O PRINCESS CRUISES PLC - Form 425

- (1) Source: GP Wild  
 (2) Source: The World Bank

11

## CRUISING GROWTH IN EUROPE

=====

### CRUISING IS GROWING FASTER AS A VACATION ALTERNATIVE IN EUROPE THAN IN NORTH AMERICA

[GRAPHIC OMITTED]

	1997 PASSENGERS	2001 PASSENGERS	CAGR
	-----	-----	----
	(000s)	(000s)	(%)
UK	518	769	10.3%
GERMANY	284	392	8.5%
FRANCE, ITALY & SPAIN	405	710	15.0%

- (1) Source: GP Wild

12

## MORE ATTRACTIVE LIFESTYLE TRENDS IN EUROPE

=====

### AVERAGE DAYS SPENT ON VACATION

-----

[GRAPHIC OMITTED]

	DAYS
	----
U.S.	13
U.K.	28
GERMANY	35
SOUTHERN EUROPE	40

Source: WTO



ORGANIC GROWTH WILL BE PRIMARY DRIVER OF EARNINGS

=====

PROJECTED NEW CARNIVAL AND INDUSTRY CAPACITY GROWTH  
(AVAILABLE BERTH DAYS) (1)

[GRAPHIC OMITTED]

	2003	2004	2005	2006
	----	----	----	----
North America	10.3%	12.7%	7.0%	3.6%
UK/Europe	7.9%	5.8%	2.7%	0.1%
North America Industry Average	9.8%	10.5%	3.6%	--

Source: Company estimates

(1) Represents anticipated available berth days year-over-year growth for  
CCL & POC combined

[GRAPHIC OMITTED]  
[LOGO - CARNIVAL CORPORATION]

=====

CRUISING - A RESILIENT INDUSTRY

=====

2003 BOOKINGS

=====

- o Outlook for CCL and POC are similar
- o Bookings have been impacted by
  - > Concerns about a war with Iraq

## Edgar Filing: P&O PRINCESS CRUISES PLC - Form 425

- > Security alerts issued by various national governments
- > Uncertain economic environment
- o Booking trend very close-in
- o CCL first quarter net revenue yields flat
- o Second quarter net revenue yields are expected to be most affected by current environment

(1) 2003 bookings data as of March 13, 2003

15

### CCL HAS PROVED RESILIENT IN DIFFICULT ENVIRONMENTS

=====

- o In 1991 during the Gulf War, CCL net yields were down 3.3% and Carnival grew its earnings 8%
- o 2002 Improvement in CCL Net Yields:

[GRAPHIC OMITTED]

#### NET YIELD CHANGE (%)

-----

Q1	(7.5)
Q2	(5.3)
Q3	(0.8)
Q4	2.6

- o Even in a very tough 2002, earnings per share grew 9.5%
- o We believe CCL is likely to outperform other travel/leisure companies in most environments

16

### HOMEPORTING REDUCES NEED FOR FLY-CRUISE

=====

[GRAPHIC OMITTED]

[MAP OF CARNIVAL CRUISE LINES/HOLLAND AMERICA EMBARKATIONS]

#### TRADITIONAL PORTS

-----

Ft. Lauderdale  
Los Angeles

#### NEW PORTS

-----

Baltimore  
Boston

## Edgar Filing: P&O PRINCESS CRUISES PLC - Form 425

Miami  
San Juan

Charleston  
Ensenada  
Galveston  
Honolulu  
Montreal  
New Orleans  
New York  
Norfolk  
Philadelphia  
Pt. Canaveral  
San Diego  
Seattle  
Seward  
Tampa  
Vancouver

Mobility of cruise ships allows flexible deployment

17

[GRAPHIC OMITTED]  
[LOGO - CARNIVAL CORPORATION]

=====

### UNIQUE DLC STRUCTURE

=====

### KEY TERMS OF DLC PROPOSAL

=====

STRUCTURE	<ul style="list-style-type: none"><li>o Dual listed company structure and Partial Share Exchange offer</li></ul>
	<ul style="list-style-type: none"><li>o Carnival 74% (1)</li></ul>
DLC	<ul style="list-style-type: none"><li>o P&amp;O Princess 26% (1)</li><li>o Based on a share exchange ratio of 1 POC Ordinary Share = 0.3004 CCL shares</li></ul>
PARTIAL SHARE OFFER	<ul style="list-style-type: none"><li>o DLC Structure includes a Partial Share offer by which POC shareholders can exchange POC Shares for CCL shares (maximum of 20% of POC's issued share capital)</li><li>o Carnival shareholder meeting - 14 April</li></ul>

## Edgar Filing: P&O PRINCESS CRUISES PLC - Form 425

TIMETABLE

- o POC Shareholder meeting - 16 April
- o Closing estimated - 17 April
- o Contingent upon CCL & POC Shareholder votes
- o Reorganised POC shares and ADSs trade on 22 April, CCL stock on 21 April

(1) Pre Partial Share Offer

18

### DLC STRUCTURE CHART

P&O PRINCESS  
SHAREHOLDERS  
-----

P&O Princess  
Shares

CARNIVAL  
SHAREHOLDERS  
-----

Carnival  
Shares (2)