

CARNIVAL CORP
Form 10-Q
July 01, 2011

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 May 31, 2011

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

Commission file number: 1-15136

Carnival Corporation
(Exact name of registrant as

specified in its charter)

Republic of Panama

Carnival plc
(Exact name of registrant as

specified in its charter)

England and Wales

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(State or other jurisdiction of
incorporation or organization)

(State or other jurisdiction of
incorporation or organization)

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

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

3655 N.W. 87th Avenue
Miami, Florida 33178-2428
(Address of principal

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

executive offices)
(Zip Code)

executive offices)
(Zip Code)

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

011 44 20 7940 5381
(Registrant's telephone number,
including area code)

None
(Former name, former address

None
(Former name, former address

and former fiscal year, if
changed since last report)

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.

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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 June 24, 2011, Carnival Corporation had outstanding 608,339,397 shares of Common Stock, \$0.01 par value.

At June 24, 2011, Carnival plc had outstanding 214,693,046 Ordinary Shares \$1.66 par value, one Special Voting Share, GBP 1.00 par value and 608,339,397 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

CARNIVAL CORPORATION & PLC

CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED)

(in millions, except per share data)

	Three Months Ended May 31,		Six Months Ended May 31,	
	2011	2010	2011	2010
Revenues				
Cruise				
Passenger tickets	\$ 2,778	\$ 2,499	\$ 5,430	\$ 4,940
Onboard and other	817	737	1,574	1,466
Tour and other	25	31	35	39
	3,620	3,267	7,039	6,445
Costs and Expenses				
Operating				
Cruise				
Commissions, transportation and other	562	512	1,226	1,092
Onboard and other	121	106	241	219
Payroll and related	435	383	846	774
Fuel	579	416	1,029	813
Food	241	212	472	424
Other ship operating	556	504	1,066	978
Tour and other	27	32	36	47
Total	2,521	2,165	4,916	4,347
Selling and administrative	440	404	862	800
Depreciation and amortization	380	349	747	694
	3,341	2,918	6,525	5,841
Operating Income	279	349	514	604
Nonoperating (Expense) Income				
Interest income	3	3	5	7
Interest expense, net of capitalized interest	(91)	(99)	(177)	(195)
Other income (expense), net	13	(2)	19	(5)
	(75)	(98)	(153)	(193)
Income Before Income Taxes	204	251	361	411
Income Tax Benefit (Expense), Net	2	1	(3)	16
Net Income	\$ 206	\$ 252	\$ 358	\$ 427

Earnings Per Share

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Basic	\$ 0.26	\$ 0.32	\$ 0.45	\$ 0.54
Diluted	\$ 0.26	\$ 0.32	\$ 0.45	\$ 0.54
Dividends Declared Per Share	\$ 0.25	\$ 0.10	\$ 0.50	\$ 0.20

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in millions, except par values)

	May 31, 2011	November 30, 2010
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 557	\$ 429
Trade and other receivables, net	360	248
Inventories	365	320
Prepaid expenses and other	217	247
Total current assets	1,499	1,244
Property and Equipment, Net	32,822	30,967
Goodwill	3,424	3,320
Other Intangibles	1,396	1,320
Other Assets	622	639
	\$ 39,763	\$ 37,490
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities		
Short-term borrowings	\$ 274	\$ 740
Current portion of long-term debt	890	613
Accounts payable	552	503
Accrued liabilities and other	1,137	1,094
Customer deposits	3,668	2,805
Total current liabilities	6,521	5,755
Long-Term Debt	8,678	8,011
Other Long-Term Liabilities and Deferred Income	712	693
Contingencies (Note 3)		
Shareholders Equity		
Common stock of Carnival Corporation, \$0.01 par value; 1,960 shares authorized; 647 shares at 2011 and 646 shares at 2010 issued	6	6
Ordinary shares of Carnival plc, \$1.66 par value; 215 shares at 2011 and 214 shares at 2010 issued	357	355
Additional paid-in capital	8,155	8,094
Retained earnings	17,186	17,224
Accumulated other comprehensive income (loss)	542	(254)
Treasury stock, 39 shares at 2011 and 2010 of Carnival Corporation and 31 shares at 2011 and 2010 of Carnival plc, at cost	(2,394)	(2,394)
Total shareholders equity	23,852	23,031
	\$ 39,763	\$ 37,490

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(in millions)

	Six Months Ended May 31,	
	2011	2010
OPERATING ACTIVITIES		
Net income	\$ 358	\$ 427
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	747	694
Share-based compensation	29	23
Other	10	(24)
Changes in operating assets and liabilities		
Receivables	(121)	(122)
Inventories	(35)	2
Prepaid expenses and other	32	3
Accounts payable	26	31
Accrued and other liabilities	(52)	(5)
Customer deposits	807	765
Net cash provided by operating activities	1,801	1,794
INVESTING ACTIVITIES		
Additions to property and equipment	(1,622)	(2,168)
Other, net	(3)	74
Net cash used in investing activities	(1,625)	(2,094)
FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings, net	(471)	702
Principal repayments of revolvers	(13)	(32)