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P&O PRINCESS CRUISES PLC

Form 425

January 28, 2002

Filing under Rule 425 under  
the Securities Act of 1933  
and deemed filed under Rule 14d-2  
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

THE FOLLOWING LETTER WAS SENT TO THE UK SUNDAY TIMES ON JANUARY 25, 2002 AND  
PUBLISHED BY SUCH NEWSPAPER ON JANUARY 27, 2002.

Dear Sir

I would like to correct the false picture painted in your article last week  
regarding Carnival.

First, your research points to three occasions over the last five years when,  
following equity raising efforts by Royal Caribbean, Carnival has announced the  
building of new ships. During this period Carnival made 17 announcements  
regarding newbuilds. Your interpretation of the facts is therefore highly  
selective and Royal Caribbean should look much closer to home if it is trying to  
find reasons for the failure of its capital-raising effort.

Second, the examples of failed acquisitions you highlighted were bona fide  
attempts to expand our portfolio. In the case of Kloster, we acquired bonds on  
which Kloster was in default, with a view to working with other bondholders to  
take control and resuscitate Kloster. Ultimately Kristian Siem, Kloster's  
chairman, was able to negotiate a refinancing of the bonds and we were repaid.  
Our relationship with Mr. Siem was cordial throughout the entire process. In the  
case of Celebrity Cruises, you correctly point out that Celebrity, a private  
company, chose to accept a lower offer from Royal Caribbean. We have never made  
a higher bid in a competitive situation and walked away from a deal. In fact the  
only cruise line I can recall doing so is Royal Caribbean who did precisely this  
when we were negotiating to buy Costa Cruises.

Carnival is an active acquirer of brands and has successfully bought and  
integrated the likes of Holland America, Seabourn, Cunard and Costa. The  
accusations quoted in your article were being made to muddy the waters for  
shareholders in P&O Princess. The record should be set straight.

Yours faithfully

Micky Arison  
Chairman & Chief Executive  
Carnival Corporation

Terms used in this announcement have the same meaning as in the Announcement  
dated 16 December 2001.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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Certain statements in this announcement constitute "forward-looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995. Carnival has tried, wherever possible, to identify such statements by using words such as "anticipate," "assume," "believe," "expect," "intend," "plan" and words and terms of similar substance in connection with any discussion of future operating or financial performance. These forward-looking statements, including those which may impact the forecasting of Carnival's net revenue yields, booking levels, price, occupancy or business prospects, involve known and unknown risks, uncertainties and other factors, which may cause Carnival's actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions which may impact levels of disposable income of consumers and the net revenue yields for Carnival's cruise products; consumer demand for cruises and other vacation options; other vacation industry competition; effects on consumer demand of armed conflicts, political instability, terrorism, the availability of air service and adverse media publicity; increases in cruise industry and vacation industry capacity; continued availability of attractive port destinations; changes in tax laws and regulations; Carnival's ability to implement its shipbuilding program and to continue to expand its business outside the North American market; Carnival's ability to attract and retain shipboard crew; changes in foreign currency rates, security expenses, food, fuel, insurance and commodity prices and interest rates; delivery of new ships on schedule and at the contracted prices; weather patterns; unscheduled ship repairs and dry-docking; incidents involving cruise ships; impact of pending or threatened litigation; and changes in laws and regulations applicable to Carnival.

Carnival cautions the reader that these risks may not be exhaustive. Carnival operates in a continually changing business environment, and new risks emerge from time to time. Carnival cannot predict such risks nor can it assess the impact, if any, of such risks on its business or the extent to which any risk, or combination of risks may cause actual results to differ from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. Carnival undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CARNIVAL PLANS TO FILE A REGISTRATION STATEMENT ON FORM S-4 AND A STATEMENT ON SCHEDULE TO WITH THE US SECURITIES AND EXCHANGE COMMISSION IN CONNECTION WITH COMMENCEMENT OF THE OFFER. THE FORM S-4 WILL CONTAIN A PROSPECTUS AND OTHER DOCUMENTS RELATING TO THE OFFER. CARNIVAL PLANS TO MAIL THE PROSPECTUS CONTAINED IN THE FORM S-4 TO SHAREHOLDERS OF P&O PRINCESS 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, P&O PRINCESS, 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. 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 TIM GALLAGHER AT CARNIVAL CORPORATION, CARNIVAL PLACE, 3655 N.W. 87 AVENUE, MIAMI, FLORIDA, 33178-2428, US.

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 CURRENT REPORTS, PROXY STATEMENTS AND OTHER INFORMATION WITH THE SEC. PERSONS 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-SEC-0330 FOR FURTHER INFORMATION ON THE PUBLIC REFERENCE ROOM. FILINGS WITH THE SEC ALSO ARE

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AVAILABLE TO THE PUBLIC FROM COMMERCIAL DOCUMENT-RETRIEVAL SERVICES AND AT THE  
WEB SITE MAINTAINED BY THE SEC AT WWW.SEC.GOV.