



November 7, 2007

Dear Princess Passenger,

You may be aware that fuel prices have been escalating rapidly and, because of this, we wish to inform you that Carnival Corporation & plc's six North American brands, including Princess Cruises, have implemented a fuel supplement of USD \$5 per passenger per day.

The fuel supplement applies to the first and second guests in a stateroom, not to exceed USD \$70 per person per voyage, and is effective on all bookings departing on or after February 1, 2008. The supplement applies to both new bookings and those currently under deposit or fully paid.

The fuel supplement is necessitated by significant rises in fuel prices which have dramatically increased Carnival Corporations' operating costs. In fact, over the past three years, the price the company pays for fuel has increased by 140 percent, with a 50 percent increase occurring in just the last seven months.

Until now, the company has been absorbing this significant increase in fuel costs. Unfortunately, we cannot continue to cover these substantial expenses, and now find it necessary to implement a supplement to partially offset a portion of soaring fuel costs.

The fuel supplement will be added to your cruise booking, and will be required to be remitted as part of the final payment for your cruise. If you have already paid in full, we will require that an additional payment is made to cover the fuel supplement amount. If you wish to cancel your cruise because of this fuel supplement, no cancellation fees will apply until the final payment date.

Implementing this fuel supplement was a difficult decision but one that we feel is necessary in today's economic environment. We thank you for your understanding, and look forward to welcoming you on board.

Best regards,

Alan B. Buckelew
President and Chief Executive Officer