

July 2, 2012

**RELEASE OF CARNIVAL CORPORATION & PLC QUARTERLY REPORT ON FORM 10-Q AND
CARNIVAL PLC GROUP HALF-YEARLY FINANCIAL REPORT**

Carnival Corporation & plc announced its second quarter and six month results of operations in its earnings release issued on June 22, 2012. Carnival Corporation & plc is hereby announcing that today it has filed its joint Quarterly Report on Form 10-Q ("Form 10-Q") with the U.S. Securities and Exchange Commission ("SEC") containing the Carnival Corporation & plc 2012 second quarter and six month interim financial statements, which reported results are unchanged from those previously announced on June 22, 2012.

The information included in the attached Schedules A, B and C is extracted from the Form 10-Q and has been prepared in accordance with SEC rules and regulations. Schedules A and B contain the unaudited consolidated financial statements for Carnival Corporation & plc as of and for the three and six months ended May 31, 2012, together with management's discussion and analysis of financial condition and results of operations. These Carnival Corporation & plc consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Within the Carnival Corporation and Carnival plc dual listed company arrangement the Directors consider the most appropriate presentation of Carnival plc's results and financial position is by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation & plc. Schedule C contains information on Carnival Corporation and Carnival plc's sales and purchases of their equity securities and use of proceeds from such sales.

In addition, the Directors are today presenting in the attached Schedule D the unaudited interim financial statements for the Carnival plc Group as of and for the six months ended May 31, 2012. The Carnival plc Group financial statements exclude the consolidated results of Carnival Corporation and are prepared under International Financial Reporting Standards as adopted by the European Union. All these schedules are presented together as Carnival plc's Group half-yearly financial report, in accordance with the requirements of the UK Disclosure and Transparency Rules.

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The Form 10-Q, including the portions extracted for this announcement, is available for viewing on the SEC website at www.sec.gov under Carnival Corporation or Carnival plc or the Carnival Corporation & plc website at www.carnivalcorp.com or www.carnivalplc.com. A copy of the Form 10-Q has been submitted to the National Storage Mechanism and will shortly be available for inspection at www.hemscott.com/nsm.do. Additional information can be obtained via Carnival Corporation & plc's website listed above or by writing to Carnival plc at Carnival House, 5 Gainsford Street, London SE1 2NE, United Kingdom.

Carnival Corporation & plc is the largest cruise company in the world, with a portfolio of cruise brands in North America, Europe, Australia and Asia, comprised of Carnival Cruise Lines, Holland America Line, Princess Cruises, Seabourn, AIDA Cruises, Costa Cruises, Cunard, Ibero Cruises, P&O Cruises (Australia) and P&O Cruises (UK).

Together, these brands operate 101 ships totaling 204,000 lower berths with seven new ships scheduled to be delivered between March, 2013 and March, 2016. Carnival Corporation & plc also operates Holland America Princess Alaska Tours, the leading tour company in Alaska and the Canadian Yukon. Traded on both the New York and London Stock Exchanges, Carnival Corporation & plc is the only group in the world to be included in both the S&P 500 and the FTSE 100 indices.

SCHEDULE A

Management's Discussion and Analysis of Financial Condition and Results of Operations.

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements, estimates or projections contained in this joint Quarterly Report on Form 10-Q are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, outlooks, plans, goals and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We have tried, whenever possible, to identify these statements by using words like "will," "may," "could," "should," "would," "believe," "depends," "expect," "anticipate," "forecast," "future," "intend," "plan," "estimate," "target," "indicate" and similar expressions of future intent or the negative of such terms.

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in this joint Quarterly Report on Form 10-Q. Forward-looking statements include those statements that may impact, among other things, the forecasting of our non-GAAP earnings per share ("EPS"); net revenue yields; booking levels; pricing; occupancy; operating, financing and tax costs, including fuel expenses; costs per available lower berth day ("ALBDs"); estimates of ship depreciable lives and residual values; liquidity; goodwill and trademark fair values and outlook. These factors include, but are not limited to, the following:

- general economic and business conditions;
- increases in fuel prices;
- accidents, the spread of contagious diseases and threats thereof, adverse weather conditions or natural disasters and other incidents affecting the health, safety, security and satisfaction of guests and crew;
- the international political climate, armed conflicts, terrorist and pirate attacks, vessel seizures, and threats thereof, and other world events affecting the safety and security of travel;
- negative publicity concerning the cruise business in general or us in particular, including any adverse environmental impacts of cruising;
- litigation, enforcement actions, fines or penalties, including those relating to the ship incident;
- economic, market and political factors that are beyond our control, which could increase our operating, financing and other costs;
- changes in and compliance with laws and regulations relating to the protection of persons with disabilities, employment, environment, health, safety, security, tax and other regulations under which we operate;
- our ability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments on terms that are favorable or consistent with our expectations;
- increases to our repairs and maintenance expenses and refurbishment costs as our fleet ages;
- lack of continuing availability of attractive, convenient and safe port destinations;
- continuing financial viability of our travel agent distribution system, air service providers and other key vendors in our supply chain and reductions in the availability of, and increases in the pricing for, the services and products provided by these vendors;
- disruptions and other damages to our information technology and other networks and operations, and breaches in data security;
- competition from and overcapacity in the cruise ship or land-based vacation industry;
- loss of key personnel or our ability to recruit or retain qualified personnel;
- union disputes and other employee relation issues;
- disruptions in the global financial markets or other events may negatively affect the ability of our counterparties and others to perform their obligations to us;
- the continued strength of our cruise brands and our ability to implement our brand strategies;
- our international operations are subject to additional risks not generally applicable to our U.S. operations;
- geographic regions in which we try to expand our business may be slow to develop and ultimately not develop how we expect;
- our decisions to self-insure against various risks or our inability to obtain insurance for certain risks at reasonable rates;
- fluctuations in foreign currency exchange rates;

- whether our future operating cash flow will be sufficient to fund future obligations and whether we will be able to obtain financing, if necessary, in sufficient amounts and on terms that are favorable or consistent with our expectations;
- risks associated with the DLC arrangement and
- uncertainties of a foreign legal system as we are not incorporated in the U.S.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this joint Quarterly Report on Form 10-Q, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

Outlook for the 2012 Third Quarter and Full Year

On June 22, 2012, we said that we expected our non-GAAP fully diluted EPS for the 2012 third quarter and full year would be in the ranges of \$1.42 to \$1.46 and \$1.80 to \$1.90, respectively (see “Key Performance Non-GAAP Financial Indicators”). Our 2012 third quarter and full year guidance was based on fuel prices of \$620 per metric ton and \$677 per metric ton for the 2012 third quarter and full year, respectively. In addition, this 2012 third quarter and full year guidance was based on currency rates of \$1.27 and \$1.29 to the euro, \$1.57 and \$1.58 to the sterling and \$1.02 and \$1.03 to the Australian dollar, respectively. The fuel and currency assumptions used in our guidance change daily and, accordingly, our forecasts change daily based on the changes in these assumptions.

Our expectations for 2012 are affected by the direct and indirect financial consequences of the ship incident. However, we believe it will not have a significant long-term impact on our business.

The above forward-looking statements involve risks, uncertainties and assumptions with respect to us. There are many factors that could cause our actual results to differ materially from those expressed above including, but not limited to, general economic and business conditions, increases in fuel prices, ship incidents, spread of contagious diseases, adverse weather conditions, geo-political events, negative publicity and other factors that could adversely impact our revenues, costs and expenses. You should read the above forward-looking statement together with the discussion of these and other risks under “Cautionary Note Concerning Factors That May Affect Future Results.”

Critical Accounting Estimates

For a discussion of our critical accounting estimates, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which is included in Carnival Corporation & plc’s 2011 joint Annual Report on Form 10-K.

Seasonality and Expected Capacity Growth

Our revenues from the sale of passenger tickets are seasonal. Historically, demand for cruises has been greatest during our third fiscal quarter, which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher ticket prices and occupancy levels and, accordingly, the largest share of our operating income is earned during this period. The seasonality of our results also increases due to ships being taken out-of-service for maintenance, which we schedule during non-peak demand periods. In addition, substantially all of Holland America Princess Alaska Tours’ revenue and net income is generated from May through September in conjunction with the Alaska cruise season. The seasonality of our results will continue to increase as we expand our EAA brands, which tend to be more seasonal than our North America brands although our North America brands have also been trending towards an increasing level of seasonality.

The year-over-year percentage increase in our capacity for the third and fourth quarters of fiscal 2012 is currently expected to be 2.9% and 3.0%, respectively. The year-over-year percentage increase in our annual capacity for fiscal 2012, 2013, 2014 and 2015 is currently expected to be 3.0%, 3.1%, 2.0% and 4.7%, respectively. These percentage increases result primarily from contracted new ships entering service and include the impact of the expected withdrawal of P&O Cruises (Australia’s) *Pacific Sun* in July 2012, but exclude any unannounced future ship orders, acquisitions, retirements, charters or sales.

Statistical Information

	<u>Three Months Ended May 31,</u>		<u>Six Months Ended May 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Passengers carried (in thousands)	2,334	2,330	4,596	4,515
Occupancy percentage (a)	102.6%	104.5%	103.9%	104.8%
Fuel consumption (metric tons in thousands)	852	861	1,689	1,689
Fuel cost per metric ton consumed	\$ 756	\$ 673	\$ 732	\$ 609
Currencies				
U.S. dollar to €1	\$ 1.31	\$ 1.43	\$ 1.31	\$ 1.38
U.S. dollar to £1	\$ 1.59	\$ 1.63	\$ 1.58	\$ 1.60
U.S. dollar to Australian dollar	\$ 1.03	\$ 1.05	\$ 1.04	\$ 1.02

- (a) In accordance with cruise business practice, occupancy is calculated using a denominator of two passengers per cabin even though some cabins can accommodate three or more passengers. Percentages in excess of 100% indicate that on average more than two passengers occupied some cabins.

Three Months Ended May 31, 2012 (“2012”) Compared to the Three Months Ended May 31, 2011 (“2011”)

Revenues

Consolidated

Approximately 76% of 2012 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues decreased by \$103 million, or 3.7%, to \$2.7 billion in 2012 from \$2.8 billion in 2011. This decrease was substantially due to a stronger U.S. dollar against the euro, sterling and Australian dollar (referred to as “the currency impact”), which accounted for \$67 million, a 1.9 percentage point decrease in occupancy, which accounted for \$51 million, and a decrease in cruise ticket pricing, which accounted for \$36 million, partially offset by our 2.2% capacity increase in ALBDs, which accounted for \$61 million (see “Key Performance Non-GAAP Financial Indicators”).

The remaining 24% of 2012 total revenues is substantially all comprised of onboard and other cruise revenues, which increased by \$27 million, or 3.3%, to \$844 million in 2012 from \$817 million in 2011. The majority of the increase was due to higher onboard spending by our guests, which accounted for \$23 million, and our 2.2% capacity increase in ALBDs, which accounted for \$18 million, partially offset by the currency impact and a 1.9 percentage point decrease in occupancy, which each accounted for \$15 million. Onboard and other revenues included concession revenues of \$253 million in 2012 and \$254 million in 2011.

North America Brands

Approximately 73% of 2012 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues increased by \$52 million, or 3.4%, to \$1.6 billion in 2012 from \$1.5 billion in 2011. This increase was caused by our 2.3% capacity increase in ALBDs, which accounted for \$35 million, and an increase in cruise ticket pricing, which accounted for \$27 million. Cruise passenger ticket pricing improved in the Caribbean and Alaska, partially offset by lower pricing in European and other itineraries. During 2012, slightly more than half of the North America brands capacity was positioned in the Caribbean.

The remaining 27% of 2012 total revenues is comprised of onboard and other cruise revenues, which increased by \$49 million, or 9.3%, to \$576 million in 2012 from \$527 million in 2011. This increase was primarily due to higher onboard spending by our guests, which accounted for \$17 million, and our 2.3% capacity increase in ALBDs, which accounted for \$12 million. Onboard and other revenues included concession revenues of \$169 million in 2012 and \$160 million in 2011.

EAA Brands

Approximately 81% of 2012 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues decreased by \$154 million, or 12.4%, to \$1.1 billion in 2012 from \$1.2 billion in 2011. This decrease was caused by a 5.5 percentage point decrease in occupancy, which accounted for \$68 million, the currency impact,

which accounted for \$67 million, and a decrease in cruise ticket pricing, which accounted for \$53 million, partially offset by our 2.0% capacity increase in ALBDs, which accounted for \$25 million. Our cruise ticket pricing and occupancy was affected by the direct and indirect financial consequences of the ship incident and the challenging economic environment in Europe.

The remaining 19% of 2012 total revenues is comprised of onboard and other cruise revenues, which decreased by \$19 million, or 7.2%, to \$248 million in 2012 from \$267 million in 2011. This decrease was caused by the currency impact and a 5.5 percentage point decrease in occupancy, which each accounted for \$15 million, partially offset by our 2.0% capacity increase in ALBDs and higher onboard spending. Onboard and other revenues included concession revenues of \$84 million in 2012 and \$94 million in 2011.

Costs and Expenses

Consolidated

Operating costs and expenses of \$2.5 billion in 2012 were flat compared to 2011. The increase in fuel prices, which accounted for \$71 million, and our 2.2% capacity increase in ALBDs, which accounted for \$55 million, were offset by the currency impact, which accounted for \$44 million, lower fuel consumption, which accounted for \$19 million, \$17 million of hull and machinery insurance proceeds for the total loss of *Costa Concordia* in excess of its net carrying value (“Costa’s excess insurance proceeds”) and a \$17 million gain from Cunard’s litigation settlement related to *Queen Mary 2*’s propulsion pods (“Cunard’s litigation settlement”).

Selling and administrative expenses decreased \$9 million, or 2.0%, to \$431 in 2012 from \$440 million in 2011.

Depreciation and amortization expense decreased \$4 million, or 1.0%, to \$376 in 2012 from \$380 million in 2011.

Our total costs and expenses as a percentage of revenues increased to 92.8% in 2012 from 92.3% in 2011.

North America Brands

Operating costs and expenses increased \$66 million, or 4.6%, to \$1.5 billion in 2012 from \$1.4 billion in 2011. This increase was caused by higher fuel prices, which accounted for \$48 million, and our 2.3% capacity increase in ALBDs, which accounted for \$33 million, partially offset by lower fuel consumption, which accounted for \$10 million.

Our total costs and expenses as a percentage of total revenues decreased to 91.1% in 2012 from 92.1% in 2011.

EAA Brands

Operating costs and expenses decreased \$98 million, or 9.3%, to \$1.0 billion in 2012 from \$1.1 billion in 2011. This decrease was primarily due to the currency impact, which accounted for \$44 million, a 5.5 percentage point decrease in occupancy, which accounted for \$18 million, Costa’s excess insurance proceeds and a gain from Cunard’s litigation settlement, which each accounted for \$17 million, and lower fuel consumption, which accounted for \$9 million, partially offset by higher fuel prices, which accounted for \$23 million, and our 2.0% capacity increase in ALBDs, which accounted for \$21 million.

Our total costs and expenses as a percentage of total revenues increased to 93.6% in 2012 from 90.6% in 2011.

Operating Income

Our consolidated operating income decreased \$26 million, or 9.3%, to \$253 million in 2012 from \$279 million in 2011. Our North America brands’ operating income increased \$29 million, or 17.7%, to \$193 million in 2012 from \$164 million in 2011, and our EAA brands’ operating income decreased \$57 million, or 40.1%, to \$85 million in 2012 from \$142 million in 2011. These changes were primarily due to the reasons discussed above.

Nonoperating Expense

We recognized unrealized losses of \$145 million in 2012 on our fuel derivatives. There were no realized gains or losses recognized in 2012 on our fuel derivatives.

Key Performance Non-GAAP Financial Indicators

ALBDs is a standard measure of passenger capacity for the period, which we use to perform rate and capacity variance analyses to determine the main non-capacity driven factors that cause our cruise revenues and expenses to vary. ALBDs assume that each cabin we offer for sale accommodates two passengers and is computed by multiplying passenger capacity by revenue-producing ship operating days in the period.

We use net cruise revenues per ALBD (“net revenue yields”), net cruise costs per ALBD and net cruise costs excluding fuel per ALBD as significant non-GAAP financial measures of our cruise segment financial performance. These measures enable us to separate the impact of predictable capacity changes from the more unpredictable rate changes that affect our business. We believe these non-GAAP measures provide useful information to investors and expanded insight to measure our revenue and cost performance as a supplement to our U.S. generally accepted accounting principles (“U.S. GAAP”) consolidated financial statements.

Net revenue yields are commonly used in the cruise business to measure a company’s cruise segment revenue performance and for revenue management purposes. We use “net cruise revenues” rather than “gross cruise revenues” to calculate net revenue yields. We believe that net cruise revenues is a more meaningful measure in determining revenue yield than gross cruise revenues because it reflects the cruise revenues earned net of our most significant variable costs, which are travel agent commissions, cost of air and other transportation, certain other costs that are directly associated with onboard and other revenues and credit card fees. Substantially all of our remaining cruise costs are largely fixed, except for the impact of changing prices, once our ship capacity levels have been determined.

Net passenger ticket revenues reflect gross cruise revenues, net of (1) onboard and other revenues, (2) commissions, transportation and other costs and (3) onboard and other cruise costs. Net onboard and other revenues reflect gross cruise revenues, net of (1) passenger ticket revenues, (2) commissions, transportation and other costs and (3) onboard and other cruise costs. Net passenger ticket revenue yields and net onboard and other revenue yields are computed by dividing net passenger ticket revenues and net onboard and other revenues by ALBDs.

Net cruise costs per ALBD and net cruise costs excluding fuel per ALBD are the most significant measures we use to monitor our ability to control our cruise segment costs rather than gross cruise costs per ALBD. We exclude the same variable costs that are included in the calculation of net cruise revenues to calculate net cruise costs with and without fuel to avoid duplicating these variable costs in our non-GAAP financial measures.

In addition, because our EAA cruise brands utilize the euro, sterling and Australian dollar to measure their results and financial condition, the translation of those operations to our U.S. dollar reporting currency results in decreases in reported U.S. dollar revenues and expenses if the U.S. dollar strengthens against these foreign currencies, and increases in reported U.S. dollar revenues and expenses if the U.S. dollar weakens against these foreign currencies. Accordingly, we also monitor and report these non-GAAP financial measures assuming the 2012 periods’ currency exchange rates have remained constant with the 2011 periods’ rates, or on a “constant dollar basis,” in order to remove the impact of changes in exchange rates on our non-U.S. dollar cruise operations. We believe that this is a useful measure since it facilitates a comparative view of the growth of our business in a fluctuating currency exchange rate environment.

We believe that the impairment charges recognized in the six months ended May 31, 2012 related to Ibero’s goodwill and trademarks are nonrecurring and, therefore, are not an indication of our future earnings performance. As such, we believe it is more meaningful for the impairment charges to be excluded from our net income (loss) and earnings (loss) per share and, accordingly, we present non-GAAP net income and non-GAAP EPS excluding these impairment charges.

Under U.S. GAAP, the realized and unrealized gains and losses on fuel derivatives not qualifying as fuel hedges are immediately recognized in earnings. We believe that unrealized gains and losses on fuel derivatives are not an indication of our future earnings performance since they relate to future periods and may not ultimately be realized in our future earnings. Therefore, we believe it is more meaningful for the unrealized gains and losses on fuel derivatives to be excluded from our net income (loss) and earnings (loss) per share and, accordingly, we present non-GAAP net income and non-GAAP EPS excluding these unrealized gains and losses.

We have not included in our earnings guidance the impact of unrealized gains and losses on fuel derivatives because these unrealized amounts involve a significant amount of uncertainty, and we do not believe they are an indication

of our future earnings performance. Accordingly, our earnings guidance is presented on a non-GAAP basis only. As a result, we did not present a reconciliation between forecasted non-GAAP diluted EPS guidance and forecasted U.S. GAAP diluted EPS guidance, since we do not believe that the reconciliation information would be meaningful.

Our consolidated financial statements are prepared in accordance with U.S. GAAP. The presentation of our non-GAAP financial information is not intended to be considered in isolation or as substitute for, or superior to, the financial information prepared in accordance with U.S. GAAP. There are no specific rules for determining our non-GAAP current and constant dollar financial measures and, accordingly, they are susceptible to varying calculations, and it is possible that they may not be exactly comparable to the like-kind information presented by other companies, which is a potential risk associated with using these measures to compare us to other companies.

Consolidated gross and net revenue yields were computed by dividing the gross and net cruise revenues, without rounding, by ALBDs as follows (dollars in millions, except yields):

	Three Months Ended May 31,		
	2012	2012 Constant Dollar	2011
Passenger ticket revenues	\$ 2,675	\$ 2,742	\$ 2,778
Onboard and other revenues	844	859	817
Gross cruise revenues	3,519	3,601	3,595
Less cruise costs			
Commissions, transportation and other	(519)	(535)	(562)
Onboard and other	(128)	(131)	(121)
	(647)	(666)	(683)
Net passenger ticket revenues	2,156	2,207	2,216
Net onboard and other revenues	716	728	696
Net cruise revenues	\$ 2,872	\$ 2,935	\$ 2,912
ALBDs	17,783,938	17,783,938	17,402,349
Gross revenue yields	\$ 197.89	\$ 202.47	\$ 206.60
% decrease vs. 2011	(4.2)%	(2.0)%	
Net revenue yields	\$ 161.50	\$ 165.02	\$ 167.39
% decrease vs. 2011	(3.5)%	(1.4)%	
Net passenger ticket revenue yields	\$ 121.29	\$ 124.11	\$ 127.37
% decrease vs. 2011	(4.8)%	(2.6)%	
Net onboard and other revenue yields	\$ 40.21	\$ 40.91	\$ 40.03
% increase vs. 2011	0.5%	2.2%	

Consolidated gross and net cruise costs and net cruise costs excluding fuel per ALBD were computed by dividing the gross and net cruise costs and net cruise costs excluding fuel, without rounding, by ALBDs as follows (dollars in millions, except costs per ALBD):

	Three Months Ended May 31,		
	2012	2012 Constant Dollar	2011
Cruise operating expenses	\$ 2,457	\$ 2,501	\$ 2,494
Cruise selling and administrative expenses	429	439	434
Gross cruise costs	2,886	2,940	2,928
Less cruise costs included in net cruise revenues			
Commissions, transportation and other	(519)	(535)	(562)
Onboard and other	(128)	(131)	(121)
Net cruise costs	2,239	2,274	2,245
Less fuel	(645)	(645)	(579)
Net cruise costs excluding fuel	\$ 1,594	\$ 1,629	\$ 1,666
ALBDs	17,783,938	17,783,938	17,402,349
Gross cruise costs per ALBD	\$ 162.28	\$ 165.31	\$ 168.28
% decrease vs. 2011	(3.6)%	(1.8)%	
Net cruise costs per ALBD	\$ 125.88	\$ 127.87	\$ 129.07
% decrease vs. 2011	(2.5)%	(0.9)%	
Net cruise costs excluding fuel per ALBD	\$ 89.63	\$ 91.61	\$ 95.75
% decrease vs. 2011	(6.4)%	(4.3)%	

Non-GAAP fully diluted earnings per share was computed as follows (in millions, except per share data):

	Three Months Ended May 31,	
	2012	2011
Net income - diluted		
U.S. GAAP net income	\$ 14	\$ 206
Unrealized losses on fuel derivatives	145	—
Non-GAAP net income	\$ 159	\$ 206
Weighted-average shares outstanding – diluted	779	793
Earnings per share – diluted		
U.S. GAAP earnings per share	\$ 0.02	\$ 0.26
Unrealized losses on fuel derivatives	0.18	—
Non-GAAP earnings per share	\$ 0.20	\$ 0.26

Net cruise revenues of \$2.9 billion in 2012 were flat compared to 2011. Our 2.2% capacity increase in ALBDs, which accounted for \$64 million, was offset by the currency impact, which accounted for \$63 million, and a 1.4% decrease in constant dollar net revenue yields, which accounted for \$42 million. The 1.4% decrease in net revenue yields on a constant dollar basis was comprised of a 2.6% decrease in net passenger ticket revenue yields, partially offset by a 2.2% increase in net onboard and other revenue yields. The 2.6% decrease in net passenger ticket revenue yields was driven by our EAA brands as they experienced a 7.9% net passenger ticket revenue yield decrease from the direct and indirect financial consequences of the ship incident and the challenging economic environment in Europe. Our North America brands net passenger ticket revenue yield increased 1.5%, which was

driven by improved Caribbean and Alaska revenue yields, partially offset by lower pricing in European and other itineraries. During 2012, slightly more than half of the North America brands capacity was positioned in the Caribbean. The 2.2% increase in net onboard and other revenue yields was substantially due to higher onboard spending by guests from our North America brands, partially offset by our EAA Brands. Gross cruise revenues decreased \$76 million, or 2.1%, to \$3.5 billion in 2012 from \$3.6 billion in 2011 for largely the same reasons as discussed above.

Net cruise costs excluding fuel decreased \$72 million, or 4.3%, to \$1.6 billion in 2012 from \$1.7 billion in 2011. This was caused by a 4.3% decrease in constant dollar net cruise costs excluding fuel per ALBD, which accounted for \$74 million, and the currency impact, which accounted for \$35 million, partially offset by a 2.2% capacity increase in ALBDs, which accounted for \$37 million. The majority of the 4.3% decrease in constant dollar net cruise costs excluding fuel per ALBD was due to Costa's excess insurance proceeds and a gain from Cunard's litigation settlement, which each accounted for \$17 million. On a constant dollar basis, net cruise costs per ALBD excluding fuel, Costa's excess insurance proceeds and Cunard's litigation settlement decreased 2.2% compared to 2011.

Fuel costs increased \$66 million, or 11.2%, to \$645 million in 2012 from \$579 million in 2011. This was caused by higher fuel prices, which accounted for \$71 million, and a 2.2% capacity increase in ALBDs, which accounted for \$14 million, partially offset by lower fuel consumption per ALBD, which accounted for \$19 million.

Gross cruise costs of \$2.9 billion in 2012 were flat compared to 2011.

Six Months Ended May 31, 2012 ("2012") Compared to the Six Months Ended May 31, 2011 ("2011")

Revenues

Consolidated

Approximately 76% of 2012 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues of \$5.4 billion in 2012 were flat compared to 2011. Our 2.9% capacity increase in ALBDs, which accounted for \$160 million was offset by a stronger U.S. dollar against the euro and sterling, net of a weaker U.S. dollar against the Australian dollar (referred to as "the net currency impact"), which accounted for \$88 million, and a 0.8 percentage point decrease in occupancy, which accounted for \$44 million (see "Key Performance Non-GAAP Financial Indicators").

The remaining 24% of 2012 total revenues is substantially all comprised of onboard and other cruise revenues, which increased by \$79 million, or 4.9%, to \$1.7 billion in 2012 from \$1.6 billion in 2011. This increase was driven by higher onboard spending by our guests, which accounted for \$40 million, and our 2.9% capacity increase in ALBDs, which accounted for \$46 million, partially offset by the net currency impact, which accounted for \$17 million, and a 0.8 percentage point decrease in occupancy, which accounted for \$13 million. Onboard and other revenues included concession revenues of \$491 million in 2012 and \$476 million in 2011.

North America Brands

Approximately 74% of 2012 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues increased by \$161 million, or 5.4%, to \$3.1 billion in 2012 from \$3.0 billion in 2011. This increase was caused by our 3.3% capacity increase in ALBDs, which accounted for \$97 million, an increase in cruise ticket pricing, which accounted for \$86 million, and a 0.7 percentage point increase in occupancy, which accounted for \$19 million, partially offset by a decrease in air transportation revenues from guests who purchased their tickets from us, which accounted for \$31 million. Cruise passenger ticket pricing improved in the Caribbean, partially offset by lower pricing in European and other itineraries. During 2012, more than half of the North America brands capacity was positioned in the Caribbean.

The remaining 26% of 2012 total revenues is comprised of onboard and other cruise revenues, which increased by \$93 million, or 9.1%, to \$1.1 billion in 2012 from \$1.0 billion in 2011. This increase was driven by higher onboard spending by our guests and our 3.3% capacity increase in ALBDs, which each accounted for \$33 million. Onboard and other revenues included concession revenues of \$325 million in 2012 and \$296 million in 2011.

EAA Brands

Approximately 82% of 2012 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues decreased by \$150 million, or 6.1%, to \$2.3 billion in 2012 from \$2.5 billion in 2011. This decrease was caused by the net currency impact, which accounted for \$88 million, a 3.3 percentage point decrease in occupancy, which accounted for \$79 million, and a decrease in cruise ticket pricing, which accounted for \$65 million, partially offset by our 2.4% capacity increase in ALBDs, which accounted for \$60 million. Our cruise ticket pricing and occupancy was affected by the direct and indirect financial consequences of the ship incident and the challenging economic environment in Europe.

The remaining 18% of 2012 total revenues is comprised of onboard and other cruise revenues, which decreased by \$17 million, or 3.3%, to \$496 million in 2012 from \$513 million in 2011. This decrease was caused by the net currency impact, which accounted for \$17 million, and a 3.3 percentage point decrease in occupancy, which accounted for \$16 million, partially offset by our 2.4% capacity increase in ALBDs, which accounted for \$12 million. Onboard and other revenues included concession revenues of \$166 million in 2012 and \$180 million in 2011.

Costs and Expenses

Consolidated

Operating costs and expenses increased \$256 million, or 5.2%, to \$5.2 billion in 2012 from \$4.9 billion in 2011. This increase was caused by higher fuel prices, which accounted for \$207 million, our 2.9% capacity increase in ALBDs, which accounted for \$144 million, the *Costa Allegra* impairment charge, which accounted for \$34 million, and the ship incident-related expenses that are not covered by insurance, which accounted for \$30 million, partially offset by the net currency impact, which accounted for \$60 million, lower fuel consumption, which accounted for \$30 million, and Costa's excess insurance proceeds and a gain from Cunard's litigation settlement, which each accounted for \$17 million.

Selling and administrative expenses decreased \$10 million, or 1.2%, to \$852 million in 2012 from \$862 million in 2011.

Depreciation and amortization expense increased \$5 million, or 0.7%, to \$752 million in 2012 from \$747 million in 2011.

Ibero goodwill and trademark impairment charges of \$173 million were recorded in 2012. See "Note 6 – Fair Value Measurements, Derivative Instruments and Hedging Activities" in the accompanying consolidated financial statements for additional discussion of these impairment charges.

Our total costs and expenses as a percentage of revenues increased to 97.6% in 2012 from 92.7% in 2011.

North America Brands

Operating costs and expenses increased \$246 million, or 8.9%, to \$3.0 billion in 2012 from \$2.8 billion in 2011. This increase was substantially due to higher fuel prices, which accounted for \$134 million, and our 3.3% capacity increase in ALBDs, which accounted for \$91 million.

Our total costs and expenses as a percentage of total revenues increased to 92.7% in 2012 from 92.1% in 2011.

EAA Brands

Operating costs and expenses of \$2.1 billion in 2012 were flat compared to 2011. The higher fuel prices, which accounted for \$73 million, our 2.4% capacity increase in ALBDs, which accounted for \$51 million, the *Costa Allegra* impairment charges and the ship incident-related expenses that are not covered by insurance were offset by the net currency impact, which accounted for \$60 million, a 3.3 percentage point decrease in occupancy, which accounted for \$24 million, lower fuel consumption, which accounted for \$21 million, and Costa's excess insurance proceeds and a gain from Cunard's litigation settlement, which each accounted for \$17 million.

Ibero goodwill and trademark impairment charges of \$173 million were recorded in 2012.

Our total costs and expenses as a percentage of total revenues increased to 102.4% in 2012 from 91.5% in 2011.

Operating Income (Loss)

For the reasons discussed above, including the 2012 nonrecurring Ibero goodwill and trademark impairment charges, our consolidated operating income in 2012 was \$171 million, compared to consolidated operating income of \$514 million in 2011. Our North America brands' operating income in 2012 was \$308 million, compared to operating income of \$315 million in 2011. Driven by the nonrecurring Ibero goodwill and trademark impairment charges, our EAA brands' operating loss in 2012 was \$67 million, compared to operating income of \$253 million in 2011.

Nonoperating Expense

We recognized net unrealized losses of \$124 million in 2012 on our fuel derivatives. There were no realized gains or losses recognized in 2012 on our fuel derivatives.

Consolidated gross and net revenue yields were computed by dividing the gross and net cruise revenues, without rounding, by ALBDs as follows (dollars in millions, except yields):

	<u>Six Months Ended May 31,</u>		
	<u>2012</u>	<u>2012 Constant Dollar</u>	<u>2011</u>
Passenger ticket revenues	\$ 5,439	\$ 5,527	\$ 5,430
Onboard and other revenues	1,653	1,670	1,574
Gross cruise revenues	<u>7,092</u>	<u>7,197</u>	<u>7,004</u>
Less cruise costs			
Commissions, transportation and other	(1,180)	(1,204)	(1,226)
Onboard and other	(254)	(257)	(241)
	<u>(1,434)</u>	<u>(1,461)</u>	<u>(1,467)</u>
Net passenger ticket revenues	4,259	4,323	4,204
Net onboard and other revenues	1,399	1,413	1,333
Net cruise revenues	<u>\$ 5,658</u>	<u>\$ 5,736</u>	<u>\$ 5,537</u>
ALBDs	<u>35,092,473</u>	<u>35,092,473</u>	<u>34,089,059</u>
Gross revenue yields	\$ 202.09	\$ 205.08	\$ 205.47
% decrease vs. 2011	(1.6)%	(0.2)%	
Net revenue yields	\$ 161.22	\$ 163.44	\$ 162.44
% (decrease) increase vs. 2011	(0.8)%	0.6%	
Net passenger ticket revenue yields	\$ 121.38	\$ 123.18	\$ 123.33
% decrease vs. 2011	(1.6)%	(0.1)%	
Net onboard and other revenue yields	\$ 39.84	\$ 40.26	\$ 39.12
% increase vs. 2011	1.8%	2.9%	

Consolidated gross and net cruise costs and net cruise costs excluding fuel per ALBD were computed by dividing the gross and net cruise costs and net cruise costs excluding fuel, without rounding, by ALBDs as follows (dollars in millions, except costs per ALBD):

	Six Months Ended May 31,		
	2012	2012 Constant Dollar	2011
Cruise operating expenses	\$ 5,137	\$ 5,197	\$ 4,880
Cruise selling and administrative expenses	848	861	850
Gross cruise costs	5,985	6,058	5,730
Less cruise costs included in net cruise revenues			
Commissions, transportation and other	(1,180)	(1,204)	(1,226)
Onboard and other	(254)	(257)	(241)
Net cruise costs	4,551	4,597	4,263
Less fuel	(1,237)	(1,237)	(1,029)
Net cruise costs excluding fuel	\$ 3,314	\$ 3,360	\$ 3,234
ALBDs	35,092,473	35,092,473	34,089,059
Gross cruise costs per ALBD	\$ 170.54	\$ 172.61	\$ 168.10
% increase vs. 2011	1.5%	2.7%	
Net cruise costs per ALBD	\$ 129.67	\$ 130.97	\$ 125.07
% increase vs. 2011	3.7%	4.7%	
Net cruise costs excluding fuel per ALBD	\$ 94.44	\$ 95.74	\$ 94.87
% (decrease) increase vs. 2011	(0.5)%	0.9%	

Non-GAAP fully diluted earnings per share was computed as follows (in millions, except per share data):

	Six Months Ended May 31,	
	2012	2011
Net Income (loss) - diluted		
U.S. GAAP net (loss) income	\$ (125)	\$ 358
Ibero goodwill and trademark impairment charges	173	—
Unrealized losses on fuel derivatives, net	124	—
Non-GAAP net income	\$ 172	\$ 358
Weighted-average shares outstanding – diluted	778 (a)	793

Earnings (loss) per share - diluted		
U.S. GAAP (loss) earnings per share	\$ (0.16)	\$ 0.45
Ibero goodwill and trademark impairment charges	0.22	—
Unrealized losses on fuel derivatives, net	0.16	—
Non-GAAP earnings per share	\$ 0.22	\$ 0.45

(a) For the six months ended May 31, 2012, non-GAAP diluted weighted-average shares outstanding were 779 million, which includes the dilutive effect of equity plans.

Net cruise revenues increased \$121 million, or 2.2%, to \$5.7 billion in 2012 from \$5.5 billion in 2011. This was caused by a 2.9% capacity increase in ALBDs, which accounted for \$163 million, and a slight increase in constant dollar net revenue yields, which accounted for \$36 million, partially offset by the net currency impact, which

accounted for \$78 million. The slight increase in net revenue yields on a constant dollar basis was comprised of flat net passenger ticket revenue yields and a 2.9% increase in net onboard and other revenue yields. Our North America brands net passenger ticket revenue yield increased 3.1%, which was driven by improved Caribbean revenue yields, partially offset by lower pricing in European and other itineraries. During 2012, more than half of the North America brands capacity was positioned in the Caribbean. Our North America brands net passenger ticket revenue yield increase was offset by a decrease of 4.4% from our EAA brands caused by the direct and indirect financial consequences of the ship incident and the challenging economic environment in Europe. The 2.9% increase in net onboard and other revenue yields was driven by our North America brands, partially offset by our EAA Brands. Gross cruise revenues increased \$88 million, or 1.3%, to \$7.1 billion in 2012 from \$7.0 billion in 2011 for largely the same reasons as discussed above.

Net cruise costs excluding fuel increased \$80 million, or 2.5%, to \$3.3 billion in 2012 from \$3.2 billion in 2011. This was caused by a 2.9% capacity increase in ALBDs, which accounted for \$95 million, and a slight increase in constant dollar net cruise costs excluding fuel per ALBD, which accounted for \$30 million, partially offset by the net currency impact, which accounted for \$45 million. The slight increase in constant dollar net cruise costs excluding fuel per ALBD was substantially due to the *Costa Allegra* impairment charge, which accounted for \$34 million, and the ship incident-related expenses that are not covered by insurance, which accounted for \$30 million, partially offset by Costa's excess insurance proceeds and a gain from Cunard's litigation settlement, which each accounted for \$17 million.

Fuel costs increased \$208 million, or 20.2%, to \$1.2 billion in 2012 from \$1.0 billion in 2011. This was caused by higher fuel prices, which accounted for \$207 million, and a 2.9% capacity increase in ALBDs, which accounted for \$31 million, partially offset by lower fuel consumption per ALBD, which accounted for \$30 million.

Gross cruise costs increased \$255 million, or 4.4% to \$6.0 billion in 2012 from \$5.7 billion in 2011 for principally the same reasons as discussed above.

Liquidity, Financial Condition and Capital Resources

Our primary financial goal is to profitably grow our cruise business, while maintaining a strong balance sheet, which allows us to return free cash flow to shareholders. Our ability to generate significant operating cash flows has allowed us to internally fund all of our capital investment program. Our current intention is to have an average of two to three new cruise ships enter service annually, some of which will replace the existing capacity from possible sales of older ships. Since we have slowed down the pace of our newbuilding program, we currently believe this will lead to an increase in free cash flows. Other objectives of our capital structure policy are to maintain an acceptable level of liquidity with our available cash and cash equivalents and committed financings for immediate and future liquidity needs, and a reasonable debt maturity profile that is spread out over a number of years.

Based on our historical results, projections and financial condition, we believe that our liquidity and cash flow from future operations will be sufficient to fund all of our expected capital projects including shipbuilding commitments, debt service requirements, working capital needs, other firm commitments and dividends over the next several years. Our projected cash flow from operations and access to the capital markets can be adversely impacted by numerous factors outside our control including, but not limited to, those noted under "Cautionary Note Concerning Factors That May Affect Future Results." If additional debt funding is required, our ability to generate significant cash from operations and our investment grade credit ratings provide us with the ability in most financial credit market environments to obtain such debt funding. If our long-term senior unsecured credit ratings were to be downgraded or assigned a negative outlook, our access to, and cost of, financing may be negatively impacted.

At May 31, 2012, we had a working capital deficit of \$5.1 billion. This deficit included \$3.6 billion of customer deposits, which represent the passenger revenues we collect in advance of sailing dates and, accordingly, are substantially more like deferred revenue balances rather than actual current cash liabilities. Our May 31, 2012 working capital deficit also included \$1.6 billion of current debt obligations, which included \$540 million outstanding under our commercial paper programs and \$1.1 billion outstanding under our export credit facilities, bank loans and other debt. We continue to generate substantial cash from operations and have a strong balance sheet. This strong balance sheet provides us with the ability to refinance our current debt obligations as they become due in most financial credit market environments. We also have our revolving credit facility available to provide long-term rollover financing should the need arise, or if we choose to do so. After excluding customer deposits and current debt obligations from our May 31, 2012 working capital deficit balance, our non-GAAP adjusted working

capital was \$149 million. Our business model, along with our unsecured revolving credit facilities, allows us to operate with a working capital deficit and still meet our operating, investing and financing needs. We believe we will continue to have working capital deficits for the foreseeable future.

At November 30, 2011, the U.S. dollar was \$1.55 to sterling, \$1.33 to the euro and \$0.99 to the Australian dollar. Had these November 30, 2011 currency exchange rates been used to translate our May 31, 2012 non-U.S. dollar functional currency operations' assets and liabilities instead of the May 31, 2012 U.S. dollar exchange rates of \$1.56 to sterling, \$1.25 to the euro and \$0.98 to the Australian dollar, our total assets and liabilities would have been higher by approximately \$635 million and \$200 million, respectively.

Sources and Uses of Cash

Our business provided \$1.5 billion of net cash from operations during the six months ended May 31, 2012, a decrease of \$343 million, or 19%, compared to \$1.8 billion for the same period in fiscal 2011. This decrease was caused by less cash being provided from customer deposits and from our operating results.

During the six months ended May 31, 2012, our expenditures for capital projects were \$2.0 billion, of which \$1.7 billion was spent on our ongoing new shipbuilding program, including \$1.5 billion for the final delivery payments for *AIDamar*, *Carnival Breeze* and *Costa Fascinosa*. In addition to our new shipbuilding program, we had capital expenditures of \$186 million for ship improvements and replacements and \$105 million for information technology, buildings and other assets. In addition, in May 2012 we received \$508 million of euro-denominated hull and machinery insurance proceeds for the total loss of the ship.

During the six months ended May 31, 2012, we borrowed a net \$262 million of short-term borrowings in connection with our availability of, and needs for, cash at various times throughout the period. In addition, during the six months ended May 31, 2012, we repaid \$327 million of long-term debt substantially all for scheduled payments on export credit facilities. Furthermore, during the six months ended May 31, 2012, we borrowed \$946 million of new other long-term debt substantially all under two export credit facilities. Finally, we paid cash dividends of \$388 million during the six months ended May 31, 2012.

Future Commitments and Funding Sources

Our contractual cash obligations as of May 31, 2012 have changed compared to November 30, 2011, primarily as a result of our debt borrowings and repayments and ship delivery and progress payments as noted above under "Sources and Uses of Cash."

At May 31, 2012, we had liquidity of \$5.9 billion. Our liquidity consisted of \$662 million of cash and cash equivalents, excluding \$238 million of cash used for current operations, \$2.1 billion available for borrowing under our revolving credit facilities, net of commercial paper borrowings, and \$3.2 billion under committed ship financings. Of this \$3.2 billion of committed ship financings, \$0.8 billion, \$1.0 billion, \$0.9 billion and \$0.4 billion are scheduled to be funded in fiscal 2013, 2014, 2015 and 2016, respectively. Substantially all of our revolving credit facilities are scheduled to mature in 2016. These commitments are from numerous large, well-established banks, which we believe will honor their contractual agreements with us.

Substantially all of our debt agreements contain financial covenants as described in "Note 5 – Debt" in the annual consolidated financial statements, which is included within Exhibit 13 to our 2011 joint Annual Report on Form 10-K. At May 31, 2012, we believe we were in compliance with all of our debt covenants. In addition, based on our forecasted operating results, financial condition and cash flows, we expect to be in compliance with our debt covenants over the next several years. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements, including guarantee contracts, retained or contingent interests, certain derivative instruments and variable interest entities that either have, or are reasonably likely to have, a current or future material effect on our consolidated financial statements.

Quantitative and Qualitative Disclosures About Market Risk.

At May 31, 2012, 60%, 37% and 3% (56%, 41% and 3% at November 30, 2011) of our debt was U.S. dollar, euro and sterling-denominated, respectively, including the effect of foreign currency forwards.

During the six months ended May 31, 2012, we entered into additional zero cost collar fuel derivatives for 13.7 million barrels of Brent to cover a portion of our estimated fuel consumption for the second half of fiscal 2012 through fiscal 2015. See “Note 6 – Fair Value Measurements, Derivative Instruments and Hedging Activities” in the accompanying consolidated financial statements for further discussion of these fuel derivatives. At May 31, 2012, the estimated fair value of our outstanding fuel derivative contracts was a net liability of \$123 million. During the six months ended May 31, 2012, we recognized net unrealized losses of \$124 million. Our June 22, 2012 full year EPS guidance included forecasted realized losses of \$53 million, or \$0.07 per share, on our fuel derivatives by applying the then current Brent price to the derivatives that mature in the second half of fiscal 2012.

During June 2012, we entered into zero cost collars that are designated as cash flow hedges of a portion of our *Royal Princess* euro-denominated shipyard payments. These zero cost collars mature in May 2013 at a weighted-average ceiling of \$1.30 to the euro, or \$560 million, and a weighted-average floor of \$1.19 to the euro, or \$512 million.

For a further discussion of our hedging strategies and market risks, see “Note 6 – Fair Value Measurements, Derivative Instruments and Hedging Activities” in the accompanying consolidated financial statements and Management’s Discussion and Analysis of Financial Condition and Results of Operations within Exhibit 13 to our joint 2011 Annual Report on Form 10-K.

SCHEDULE B

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(in millions, except per share data)

	Three Months Ended May 31		Six Months Ended May 31	
	2012	2011	2012	2011
Revenues				
Cruise				
Passenger tickets	\$ 2,675	\$ 2,778	\$5,439	\$ 5,430
Onboard and other	844	817	1,653	1,574
Tour and other	19	25	28	35
	<u>3,538</u>	<u>3,620</u>	<u>7,120</u>	<u>7,039</u>
Operating Costs and Expenses				
Cruise				
Commissions, transportation and other	519	562	1,180	1,226
Onboard and other	128	121	254	241
Fuel	645	579	1,237	1,029
Payroll and related	435	435	877	846
Food	236	241	476	472
Other ship operating	494	556	1,113	1,066
Tour and other	21	27	35	36
	<u>2,478</u>	<u>2,521</u>	<u>5,172</u>	<u>4,916</u>
Selling and administrative	431	440	852	862
Depreciation and amortization	376	380	752	747
Ibero goodwill and trademark impairment charges	-	-	173	-
	<u>3,285</u>	<u>3,341</u>	<u>6,949</u>	<u>6,525</u>
Operating Income	<u>253</u>	<u>279</u>	<u>171</u>	<u>514</u>
Nonoperating (Expense) Income				
Interest income	3	3	6	5
Interest expense, net of capitalized interest	(87)	(91)	(175)	(177)
Losses on fuel derivatives, net	(145)	-	(124)	-
Other (expense) income, net	(10)	13	(5)	19
	<u>(239)</u>	<u>(75)</u>	<u>(298)</u>	<u>(153)</u>
Income (Loss) Before Income Taxes	14	204	(127)	361
Income Tax Benefit (Expense), Net	-	2	2	(3)
Net Income (Loss)	<u>\$ 14</u>	<u>\$ 206</u>	<u>\$ (125)</u>	<u>\$ 358</u>
Earnings (Loss) Per Share				
Basic	<u>\$ 0.02</u>	<u>\$ 0.26</u>	<u>\$ (0.16)</u>	<u>\$ 0.45</u>
Diluted	<u>\$ 0.02</u>	<u>\$ 0.26</u>	<u>\$ (0.16)</u>	<u>\$ 0.45</u>
Dividends Declared Per Share	<u>\$ 0.25</u>	<u>\$ 0.25</u>	<u>\$ 0.50</u>	<u>\$ 0.50</u>

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in millions, except par values)

	<u>May 31,</u> <u>2012</u>	<u>November 30,</u> <u>2011</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 900	\$ 450
Trade and other receivables, net	286	263
Insurance recoverables	403	30
Inventories	377	374
Prepaid expenses and other	203	195
Total current assets	<u>2,169</u>	<u>1,312</u>
Property and Equipment, Net	32,133	32,054
Goodwill	3,135	3,322
Other Intangibles	1,302	1,330
Other Assets	723	619
	<u>\$ 39,462</u>	<u>\$ 38,637</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	\$ 541	\$ 281
Current portion of long-term debt	1,067	1,019
Accounts payable	532	576
Claims reserve	479	97
Accrued liabilities and other	1,009	1,026
Customer deposits	3,634	3,106
Total current liabilities	<u>7,262</u>	<u>6,105</u>
Long-Term Debt	8,392	8,053
Other Long-Term Liabilities and Deferred Income	782	647
Contingencies		
Shareholders' Equity		
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	8,205	8,180
Retained earnings	17,835	18,349
Accumulated other comprehensive loss	(521)	(209)
Treasury stock, 52 shares at 2012 and 2011 of Carnival Corporation and 33 shares at 2012 and 2011 of Carnival plc, at cost	(2,856)	(2,851)
Total shareholders' equity	<u>23,026</u>	<u>23,832</u>
	<u>\$ 39,462</u>	<u>\$ 38,637</u>

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,	
	2012	2011
OPERATING ACTIVITIES		
Net (loss) income	\$ (125)	\$ 358
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Depreciation and amortization	752	747
Ibero goodwill and trademark impairment charges	173	-
Losses on fuel derivatives, net	124	-
Share-based compensation	22	29
Other, net	34	10
Changes in operating assets and liabilities		
Receivables	(29)	(121)
Inventories	(7)	(35)
Insurance recoverables, prepaid expenses and other	-	32
Accounts payable	(31)	26
Claims reserves, accrued and other liabilities	(38)	(52)
Customer deposits	583	807
Net cash provided by operating activities	<u>1,458</u>	<u>1,801</u>
INVESTING ACTIVITIES		
Additions to property and equipment	(1,997)	(1,622)
Insurance proceeds for the ship	508	-
Other, net	33	(3)
Net cash used in investing activities	<u>(1,456)</u>	<u>(1,625)</u>
FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings, net	262	(471)
Principal repayments of long-term debt	(327)	(320)
Proceeds from issuance of long-term debt	946	990
Dividends paid	(388)	(277)
Other, net	(10)	19
Net cash provided by (used in) financing activities	<u>483</u>	<u>(59)</u>
Effect of exchange rate changes on cash and cash equivalents	(35)	11
Net increase in cash and cash equivalents	450	128
Cash and cash equivalents at beginning of period	450	429
Cash and cash equivalents at end of period	<u>\$ 900</u>	<u>\$ 557</u>

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

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 May 31, 2012, the Consolidated Statements of Operations for the three and six months ended May 31, 2012 and 2011 and the Consolidated Statements of Cash Flows for the six months ended May 31, 2012 and 2011 are unaudited and, in the opinion of our management, contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation. Our interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes included in the Carnival Corporation & plc 2011 joint Annual Report on Form 10-K. Our operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire year. Certain balance sheet and cash flow reclassifications of prior period information have been made to conform to the current period presentation.

Cruise passenger ticket revenues include fees and taxes levied by governmental authorities and collected by us from our guests. The portion of these fees and taxes included in passenger ticket revenues and commissions, transportation and other costs were \$110 million and \$95 million and \$237 million and \$203 million for the three and six months ended May 31, 2012 and 2011, respectively.

NOTE 2 – *Costa Concordia and Costa Allegra*

During the first quarter of fiscal 2012, we wrote-off the euro-denominated net carrying value of *Costa Concordia* (“the ship”) in the amount of \$515 million (or €381 million) and recorded a short-term insurance recoverable for the same amount since the ship was deemed to be a constructive total loss. In May 2012, we received \$508 million (or €395 million) of euro-denominated hull and machinery insurance proceeds for the total loss of the ship and recognized \$17 million (or €14 million) of proceeds in excess of the net carrying value of the ship as a reduction to other ship operating expenses. In addition, during the six months ended May 31, 2012, we recognized \$30 million for incident-related expenses that are not covered by insurance, substantially all of which were recognized in the first quarter of fiscal 2012, including a \$10 million insurance deductible related to third party personal injury liabilities. These incident-related expenses are principally included in other ship operating expenses.

As a result of the ship incident, litigation claims, enforcement actions, regulatory actions and investigations, including, but not limited to, those arising from personal injury, loss of life, loss of or damage to personal property, business interruption losses or environmental damage to any affected coastal waters and the surrounding areas, have been and may be asserted or brought against various parties, including us. The existing assertions are in their initial stages and there are significant jurisdictional uncertainties. We are currently evaluating the possible merits of these matters and their ultimate outcome cannot be determined at this time. However, we have insurance coverage for third-party claims such as those mentioned above.

Since the ship incident, we have separately presented short-term insurance recoverables and short-term claims reserve in our Consolidated Balance Sheets. At May 31, 2012, substantially all of our aggregated short-term and long-term insurance recoverables relate to crew, guest and other third party claims for the ship incident. At May 31, 2012, primarily all of our aggregated short-term and long-term claims reserves also relate to the ship incident. At May 31, 2012 and November 30, 2011, our long-term insurance recoverables and long-term claims reserve are included in other assets and other long-term liabilities and deferred income, respectively, and are not significant. We expect to continue to incur incident-related costs in the future. Although at this time these costs are not yet

determinable, we do not expect them to have a significant impact on our results of operations because we believe these additional costs will be recoverable under our insurance coverage.

In February 2012, *Costa Allegra* suffered fire damage and, accordingly, we decided to withdraw this ship from operations resulting in \$34 million of impairment charges recognized during the first quarter of fiscal 2012. These impairment charges are included in other ship operating expenses. At May 31, 2012, the remaining carrying value of this ship is not significant.

NOTE 3 – Debt

At May 31, 2012, substantially all of our unsecured short-term borrowings of \$541 million consisted of commercial paper with an aggregate weighted-average interest rate of 0.6%.

In May 2012, we borrowed \$383 million under an unsecured euro-denominated export credit facility, the proceeds of which were used to pay for a portion of *AIDamar*'s purchase price. This facility bears interest at EURIBOR plus a margin of 20 basis points ("bps") and is due in semi-annual installments through May 2024.

In May 2012, we borrowed \$560 million under an unsecured export credit facility, the proceeds of which were used to pay for a portion of *Carnival Breeze*'s purchase price. This facility bears interest at LIBOR plus a margin of 160 bps and is due in semi-annual installments through May 2024.

NOTE 4 – Contingencies

Litigation

In the normal course of our business, various claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability, net of any insurance recoverables, is typically limited to our self-insurance retention levels. Management believes the ultimate outcome of these claims and lawsuits will not have a material adverse impact on our consolidated financial statements. See Note 2 above for a discussion of loss contingencies related to the ship incident.

Contingent Obligations – Lease Out and Lease Back Type ("LILLO") Transactions

At May 31, 2012, Carnival Corporation had estimated contingent obligations totaling \$419 million, excluding termination payments as discussed below, to participants in LILLO transactions for two of its ships. At the inception of these leases, the aggregate of the net present value of these obligations was paid by Carnival Corporation to a group of major financial institutions, who agreed to act as payment undertakers and directly pay these obligations. As a result, these contingent obligations are considered extinguished and neither the funds nor the contingent obligations have been included in our accompanying Consolidated Balance Sheets.

In the event that Carnival Corporation were to default on its contingent obligations and assuming performance by all other participants, we estimate that we would, as of May 31, 2012, be responsible for a termination payment of \$43 million. In 2017, we have the right to exercise options that would terminate these LILLO transactions at no cost to us.

In certain cases, if the credit ratings of the financial institutions who are directly paying the contingent obligations fall below AA-, then Carnival Corporation will be required to replace these financial institutions with other financial institutions whose credit ratings are at least AA or meet other specified credit requirements. In such circumstances, we would incur additional costs, although we estimate that they would be immaterial to our consolidated financial statements. The two financial institution payment undertakers subject to this AA- credit rating threshold each have a credit rating of AA. If Carnival Corporation's credit rating, which is BBB+, falls below BBB, it will be required to provide a standby letter of credit for \$42 million, or, alternatively, provide mortgages for this aggregate amount on these two ships.

Contingent Obligations – Indemnifications

Some of the debt agreements that we enter into include indemnification provisions that obligate us to make payments to the counterparty if certain events occur. These contingencies generally relate to changes in taxes and changes in laws that increase lender capital costs and other similar costs. The indemnification clauses are often standard contractual terms and were entered into in the normal course of business. There are no stated or notional amounts included in the indemnification clauses, and we are not able to estimate the maximum potential amount of

future payments, if any, under these indemnification clauses. We have not been required to make any material payments under such indemnification clauses in the past and, under current circumstances, we do not believe a request for material future indemnification payments is probable.

NOTE 5 – Comprehensive (Loss) Income

Comprehensive (loss) income was as follows (in millions):

	Three Months Ended		Six Months Ended	
	May 31,		May 31,	
	2012	2011	2012	2011
Net income (loss)	\$ 14	\$ 206	\$ (125)	\$ 358
Items included in other comprehensive (loss) income				
Change in foreign currency translation adjustment	(451)	352	(303)	707
Other	(4)	49	(9)	89
Other comprehensive (loss) income	(455)	401	(312)	796
Total comprehensive (loss) income	<u>\$ (441)</u>	<u>\$ 607</u>	<u>\$ (437)</u>	<u>\$ 1,154</u>

NOTE 6 – Fair Value Measurements, Derivative Instruments and Hedging Activities

Fair Value Measurements

U.S. accounting standards establish a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.
- Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.
- Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable market participants at the measurement date. Therefore, even when market assumptions are not readily available, our own assumptions are set to reflect those that we believe market participants would use in pricing the asset or liability at the measurement date.

The fair value measurement of a financial asset or financial liability must reflect the nonperformance risk of the counterparty and us. Therefore, the impact of our counterparty's creditworthiness was considered when in an asset position, and our creditworthiness was considered when in a liability position in the fair value measurement of our financial instruments. Creditworthiness did not have a material impact on the fair values of our financial instruments at May 31, 2012 and November 30, 2011. Both the counterparties and we are expected to continue to perform under the contractual terms of the instruments. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, certain estimates of fair values presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

Financial Instruments that are not Measured at Fair Value on a Recurring Basis

The estimated carrying and fair values and basis of valuation of our financial instrument assets and (liabilities) that are not measured at fair value on a recurring basis were as follows (in millions):

	May 31, 2012			November 30, 2011		
	Carrying Value	Fair Value		Carrying Value	Fair Value	
		Level 1	Level 2		Level 1	Level 2
Cash and cash equivalents (a)	\$ 257	\$ 257	\$ -	\$ 358	\$ 358	\$ -
Long-term other assets (b)	\$ 40	\$ 2	\$ 35	\$ 42	\$ 2	\$ 39
Fixed rate debt (c)	\$ (5,719)	\$ -	\$ (6,251)	\$ (6,251)	\$ -	\$ (6,715)
Floating rate debt (c)	\$ (4,281)	\$ -	\$ (4,182)	\$ (3,102)	\$ -	\$ (3,057)

- (a) Cash and cash equivalents are comprised of cash on hand and time deposits and, due to their short maturities, the carrying values approximate their fair values.
- (b) At May 31, 2012 and November 30, 2011, substantially all of our long-term other assets were comprised of notes and other receivables. The fair values of notes and other receivables were based on estimated future cash flows discounted at appropriate market interest rates.
- (c) The net difference between the fair value of our fixed rate debt and its carrying value was due to the market interest rates in existence at May 31, 2012 and November 30, 2011 being lower than the fixed interest rates on these debt obligations, including the impact of changes in our credit ratings, if any. The net difference between the fair value of our floating rate debt and its carrying value was due to the market interest rates in existence at May 31, 2012 and November 30, 2011 being higher than the floating interest rates on these debt obligations, including the impact of changes in our credit ratings, if any. The fair values of our publicly-traded notes were based on their unadjusted quoted market prices in active markets. The fair values of our other debt were estimated based on appropriate market interest rates being applied to this debt.

Financial Instruments that are Measured at Fair Value on a Recurring Basis

The estimated fair value and basis of valuation of our financial instrument assets and (liabilities) that are measured at fair value on a recurring basis were as follows (in millions):

	May 31, 2012		November 30, 2011	
	Level 1	Level 2	Level 1	Level 2
Cash equivalents (a)	\$ 643	\$ -	\$ 92	\$ -
Restricted cash (b)	\$ 30	\$ -	\$ 11	\$ -
Marketable securities held in rabbi trusts (c)	\$ 100	\$ 16	\$ 98	\$ 18
Derivatives				
Fuel, net (d)	\$ -	\$ (123)	\$ -	\$ 1
Net investment hedges (e)	\$ -	\$ 46	\$ -	\$ 2
Interest rate swaps (f)	\$ -	\$ 9	\$ -	\$ (9)

- (a) Cash equivalents are comprised of money market funds.
- (b) Restricted cash is comprised of money market funds.
- (c) Level 1 and 2 marketable securities are held in rabbi trusts and are primarily comprised of frequently-priced mutual funds invested in common stocks and other investments, respectively. Their use is restricted to funding certain deferred compensation and non-qualified U.S. pension plans.
- (d) At May 31, 2012, we had fuel derivatives consisting of zero cost collars on Brent crude oil (“Brent”) to cover a portion of our estimated fuel consumption for the second half of fiscal 2012 through fiscal 2015. See “Fuel Price Risks” below for additional information regarding these fuel derivatives. At November 30, 2011, we had fuel derivatives consisting of zero cost collars on Brent to cover 10% of our estimated fuel consumption for the second half of fiscal 2012 through fiscal 2015.

- (e) At May 31, 2012 and November 30, 2011, we had foreign currency forwards totaling \$668 million and \$183 million, respectively, that are designated as hedges of our net investments in foreign operations, which have a euro-denominated functional currency. At May 31, 2012, \$512 million of our foreign currency forwards mature through June 2012 and \$156 million mature through July 2017.
- (f) We had both U.S. dollar and sterling interest rate swaps designated as fair value hedges whereby we receive fixed interest rate payments in exchange for making floating interest rate payments. At May 31, 2012 and November 30, 2011, these interest rate swap agreements effectively changed \$313 million and \$510 million, respectively, of fixed rate debt to U.S. dollar LIBOR or GBP LIBOR-based floating rate debt. The U.S. dollar and sterling interest rate swaps matured in February 2012 and June 2012, respectively. In addition, we have euro interest rate swaps designated as cash flow hedges whereby we receive floating interest rate payments in exchange for making fixed interest rate payments. At May 31, 2012 and November 30, 2011, these interest rate swap agreements effectively changed \$273 million and \$320 million, respectively, of EURIBOR-based floating rate euro debt to fixed rate debt. These interest rate swaps mature through February 2022.

We measure our derivatives using valuations that are calibrated to the initial trade prices. Subsequent valuations are based on observable inputs and other variables included in the valuation models such as interest rate, yield and commodity price curves, forward currency exchange rates, credit spreads, maturity dates, volatilities and netting arrangements. We use the income approach to value derivatives for foreign currency options and forwards, interest rate swaps and fuel derivatives using observable market data for all significant inputs and standard valuation techniques to convert future amounts to a single present value amount, assuming that participants are motivated, but not compelled to transact. We also corroborate our fair value estimates using valuations provided by our counterparties.

Nonfinancial Instruments that are Measured at Fair Value on a Nonrecurring Basis

The reconciliation of the changes in the carrying amounts of our goodwill, which goodwill has been allocated to our North America and Europe, Australia and Asia (“EAA”) cruise brands, was as follows (in millions):

	North America Cruise Brands	EAA Cruise Brands	Total
Balance at November 30, 2011	\$ 1,898	\$ 1,424	\$ 3,322
Ibero goodwill impairment charge	-	(153)	(153)
Foreign currency translation adjustment	-	(34)	(34)
Balance at May 31, 2012	<u>\$ 1,898</u>	<u>\$ 1,237</u>	<u>\$ 3,135</u>

As of July 31, 2011, we performed our annual goodwill impairment reviews by comparing the estimated fair value of the cruise brand to the carrying value of the net assets allocated to that cruise brand. At July 31, 2011, all of our cruise brands carried goodwill, except for Seabourn. No goodwill was considered to be impaired at that time because the estimated fair value of each cruise brand significantly exceeded its respective carrying value, except for Ibero Cruises (“Ibero”), as discussed below. Accordingly, we did not proceed to step two of the impairment analysis.

In determining the estimated cruise brand fair values, we considered both their (a) discounted future cash flow analysis and (b) market multiples of comparable publicly-traded companies. The principal assumptions used in our cash flow analysis related to forecasting future operating results, include net revenue yields, net cruise costs including fuel prices, capacity changes, including the expected deployment of vessels into, or out of, the cruise brand, weighted-average cost of capital for comparable publicly-traded companies, adjusted for the risk attributable to the cruise brand including the geographic region in which it operates, that ranged from 10% to 13%, and terminal values, which are all considered level 3 inputs.

At July 31, 2011, Ibero’s estimated fair value only exceeded its carrying value by 2%, or \$12 million of headroom, therefore, minor changes to these assumptions would have led to an Ibero impairment. At February 29, 2012, given the current state of the Spanish economy and considering the low level of Ibero’s headroom, we performed an interim impairment review of Ibero’s goodwill. The interim discounted future cash flow analysis that was used to estimate Ibero’s fair value was primarily impacted by slower than anticipated Ibero capacity growth. As a result,

Ibero's estimated fair value no longer exceeded its carrying value. Accordingly, we proceeded to step two of the impairment analysis and recognized a goodwill impairment charge of \$153 million during the first quarter of fiscal 2012, which represented Ibero's entire goodwill balance. At May 31, 2012, accumulated goodwill impairment charges were \$153 million.

The reconciliation of the changes in the carrying amounts of our intangible assets not subject to amortization, which represent trademarks that have been allocated to our North America and EAA cruise brands, was as follows (in millions):

	<u>North America</u> <u>Cruise Brands</u>	<u>EAA</u> <u>Cruise Brands</u>	<u>Total</u>
Balance at November 30, 2011	\$ 927	\$ 386	\$ 1,313
Ibero trademarks impairment charge	-	(20)	(20)
Foreign currency translation adjustment	-	(7)	(7)
Balance at May 31, 2012	<u>\$ 927</u>	<u>\$ 359</u>	<u>\$ 1,286</u>

As of July 31, 2011, we also performed our annual trademark impairment reviews by comparing the estimated fair values of our trademarks to their carrying values. The cruise brands that have trademarks recorded are AIDA Cruises ("AIDA"), Ibero, P&O Cruises (Australia), P&O Cruises (UK) and Princess Cruises ("Princess"). We believed the estimated fair value for each of our recorded trademarks significantly exceeded its respective carrying value at that time and, therefore, none of our trademarks were impaired. We estimated fair values based upon a discounted future cash flow analysis, which estimated the amount of royalties that we are relieved from having to pay for use of the associated trademarks, based upon forecasted cruise revenues and royalty rates that a market participant would use. The royalty rates are estimated primarily using comparable royalty agreements for similar industries.

At February 29, 2012, we also performed an interim impairment review of Ibero's trademarks, which resulted in a \$20 million impairment charge, based on the reduction of revenues primarily as a result of slower than anticipated Ibero capacity growth and a lower estimated royalty rate. At May 31, 2012, Ibero's remaining trademark carrying values are not significant.

The determination of our cruise brand and trademark fair values includes numerous assumptions that are subject to various risks and uncertainties. We believe that we have made reasonable estimates and judgments in determining whether our goodwill and trademarks have been impaired. However, if there is a material change in assumptions used in our determination of fair values or if there is a material change in the conditions or circumstances influencing fair values, then we may need to recognize a material impairment charge.

Other than for Ibero, there have not been any events or circumstances subsequent to July 31, 2011, which we believe would require us to perform additional interim goodwill or trademark impairment reviews. Specifically, we believe the ship incident will not have a significant long-term impact on our business and, accordingly, we do not believe a Costa Cruises ("Costa") interim impairment review is required.

At May 31, 2012 and November 30, 2011, our intangible assets subject to amortization are not significant to our consolidated financial statements.

Derivative Instruments and Hedging Activities

We utilize derivative and nonderivative financial instruments, such as foreign currency forwards, options and swaps, foreign currency debt obligations and foreign currency cash balances, to manage our exposure to fluctuations in certain foreign currency exchange rates, and interest rate swaps to manage our interest rate exposure in order to achieve a desired proportion of fixed and floating rate debt. In November 2011, we implemented a fuel derivatives program to mitigate a portion of the risk to our future cash flows attributable to potentially significant fuel price increases, which we define as our "economic risk." Our policy is to not use any financial instruments for trading or other speculative purposes.

All derivatives are recorded at fair value. The changes in fair value are immediately included in earnings if the derivatives do not qualify as effective hedges, or if we do not seek to qualify for hedge accounting treatment, such as for our fuel derivatives. If a derivative is designated as a fair value hedge, then changes in the fair value of the derivative are offset against the changes in the fair value of the underlying hedged item. If a derivative is designated as a cash flow hedge, then the effective portion of the changes in the fair value of the derivative is recognized as a component of accumulated other comprehensive income (“AOCI”) until the underlying hedged item is recognized in earnings or the forecasted transaction is no longer probable. If a derivative or a nonderivative financial instrument is designated as a hedge of our net investment in a foreign operation, then changes in the fair value of the financial instrument are recognized as a component of AOCI to offset a portion of the change in the translated value of the net investment being hedged, until the investment is sold or liquidated. We formally document hedging relationships for all derivative and nonderivative hedges and the underlying hedged items, as well as our risk management objectives and strategies for undertaking the hedge transactions.

We classify the fair values of all our derivative contracts and the fair values of our hedged firm commitments, if any, as either current or long-term, depending on whether the maturity date of the derivative contract is within or beyond one year from the balance sheet date. Our derivative fair value amounts are included in prepaid expenses and other assets and accrued and other liabilities as the amounts are not significant. The cash flows from derivatives treated as hedges are classified in our accompanying Consolidated Statements of Cash Flows in the same category as the item being hedged. Our cash flows related to fuel derivatives, if any, will be classified within investing activities.

The effective portions of our net foreign currency derivative (losses) and gains on cash flow hedges recognized in other comprehensive (loss) income in the three and six months ended May 31, 2012 and 2011 totaled \$(4) million (\$45 million in 2011) and \$(11) million (\$82 million in 2011), respectively.

The effective portions of our net foreign currency derivative gains and (losses) on net investment hedges recognized in other comprehensive (loss) income in the three and six months ended May 31, 2012 and 2011 totaled \$54 million (\$5) million in 2011) and \$55 million (\$24) million in 2011), respectively.

We recognized net unrealized losses of \$145 million and \$124 million in the three and six months ended May 31, 2012 on our fuel derivatives. There were no realized gains or losses recognized in the three and six months ended May 31, 2012 on our fuel derivatives.

There are no credit risk related contingent features in our derivative agreements, except for bilateral credit provisions within our fuel derivative counterparty agreements. These provisions require interest-bearing, non-restricted cash to be posted or received as collateral to the extent the fuel derivative fair value payable to or receivable from an individual counterparty, respectively, exceeds \$100 million. At May 31, 2012, no collateral was required to be posted to or received from our fuel derivative counterparties.

The amount of estimated cash flow hedges’ unrealized gains and losses that are expected to be reclassified to earnings in the next twelve months is not significant. We have not provided additional disclosures of the impact that derivative instruments and hedging activities have on our consolidated financial statements as of May 31, 2012 and November 30, 2011 and for the three and six months ended May 31, 2012 and 2011 where such impacts were not significant.

Foreign Currency Exchange Rate Risks

Overall Strategy

We manage our exposure to fluctuations in foreign currency exchange rates through our normal operating and financing activities, including netting certain exposures to take advantage of any natural offsets and, when considered appropriate, through the use of derivative and nonderivative financial instruments. Our primary focus is to manage the economic foreign currency exchange risks faced by our operations, which are the ultimate foreign currency exchange risks that would be realized by us if we exchanged one currency for another, and not accounting risks. Accordingly, we do not currently hedge foreign currency exchange accounting risks with derivative financial instruments. The financial impacts of the hedging instruments we do employ generally offset the changes in the underlying exposures being hedged.

Operational and Investment Currency Risks

Our European and Australian cruise brands subject us to foreign currency translation risk related to the euro, sterling and Australian dollar because these brands generate significant revenues and incur significant expenses in euro, sterling or the Australian dollar. Accordingly, exchange rate fluctuations of the euro, sterling and Australian dollar against the U.S. dollar will affect our reported financial results since the reporting currency for our consolidated financial statements is the U.S. dollar. Any strengthening of the U.S. dollar against these foreign currencies has the financial statement effect of decreasing the U.S. dollar values reported for cruise revenues and expenses. Weakening of the U.S. dollar has the opposite effect.

Most of our brands have non-functional currency risk related to their international sales operations, which has become an increasingly larger part of most of their businesses over time, and primarily includes the euro, sterling and Australian, Canadian and U.S. dollars. In addition, all of our brands have non-functional currency expenses for a portion of their operating expenses. Accordingly, these brands' revenues and expenses in non-functional currencies create some degree of natural offset for recognized transactional currency gains and losses due to currency exchange movements.

We consider our investments in foreign operations to be denominated in relatively stable currencies and of a long-term nature. We partially mitigate our net investment currency exposures by denominating a portion of our debt and other obligations, including the effect of foreign currency forwards, in our foreign operations' functional currencies, generally the euro or sterling. As of May 31, 2012 and November 30, 2011, we have designated \$3.9 billion and \$3.6 billion of our euro and sterling debt and other obligations, respectively, which debt matures through 2024, as nonderivative hedges of our net investments in foreign operations. Accordingly, we have included \$272 million and \$204 million of cumulative foreign currency transaction non-derivative gains in the cumulative translation adjustment component of AOCI at May 31, 2012 and November 30, 2011, respectively, which offsets a portion of the losses recorded in AOCI upon translating our foreign operations' net assets into U.S. dollars. During the three and six months ended May 31, 2012 and 2011, we recognized foreign currency non-derivative transaction gains and losses of \$128 million (\$110 million in 2011) and \$68 million (\$220 million in 2011), respectively, in the cumulative translation adjustment component of AOCI.

Newbuild Currency Risks

Our decisions regarding whether or not to hedge a non-functional currency ship commitment for our cruise brands are made on a case-by-case basis, taking into consideration the amount and duration of the exposure, market volatility, currency exchange rate correlation, economic trends, our overall expected net cash flows by currency and other offsetting risks. Our shipbuilding contracts are typically denominated in euros. In the past, we have used foreign currency derivative contracts and nonderivative financial instruments to manage foreign currency exchange rate risk for some of these ship construction contracts.

At May 31, 2012, none of our newbuilds under contract that are exposed to currency exchange risk are hedged. In June 2012, we entered into zero cost collars that are designated as cash flow hedges for a portion of *Royal Princess*' euro-denominated shipyard payments. These zero cost collars mature in May 2013 at a weighted-average ceiling rate of \$1.30 to the euro, or \$560 million, and a weighted-average floor rate of \$1.19 to the euro, or \$512 million. As of June 25, 2012, substantially all of our remaining currency exchange risk relates to one Princess and one P&O Cruises (UK) euro-denominated newbuild contracts with remaining commitments totaling \$1.3 billion.

The cost of shipbuilding orders that we may place in the future for our cruise brands that is denominated in a currency that is different than their functional currency is expected to be affected by foreign currency exchange rate fluctuations. Given the movement in the U.S. dollar and sterling relative to the euro over the past several years, the U.S. dollar and sterling cost to order new cruise ships has been volatile. If the U.S. dollar or sterling declines against the euro, this may affect our desire to order future new cruise ships for U.S. dollar or sterling functional currency brands.

Interest Rate Risks

We manage our exposure to fluctuations in interest rates through our investment and debt portfolio management strategies. These strategies include purchasing high quality short-term investments with floating interest rates, and evaluating our debt portfolio to make periodic adjustments to the mix of fixed and floating rate debt through the use of interest rate swaps and the issuance of new debt or the early retirement of existing debt. At May 31, 2012, 57%

and 43% (65% and 35% at November 30, 2011) of our debt bore fixed and floating interest rates, respectively, including the effect of interest rate swaps.

Fuel Price Risks

Our exposure to market risk for changes in fuel prices substantially all relate to the consumption of fuel on our ships. We use our fuel derivatives program to mitigate a portion of our economic risk attributable to potentially significant fuel price increases. We designed our fuel derivatives program to maximize operational flexibility by utilizing derivative markets with significant trading liquidity. As part of our fuel derivatives program, we will continue to evaluate various derivative products and strategies.

During the three and six months ended May 31, 2012, we entered into additional zero cost collar fuel derivatives on Brent that established ceiling and floor prices. These derivatives are based on Brent prices whereas the actual fuel used on our ships is marine fuel. Changes in the Brent prices may not show a high degree of correlation with changes in our underlying marine fuel prices. We will not realize any economic gain or loss upon the maturity of our zero cost collars unless the price of Brent is above the ceiling price or below the floor price. We believe that these derivatives will act as economic hedges, however hedge accounting is not applied.

At May 31, 2012, our outstanding fuel derivatives consisted of zero cost collars on Brent to cover a portion of our estimated fuel consumption as follows:

Maturities (a)	Transaction Dates	Barrels (in thousands)	Weighted- Average Floor Prices	Weighted- Average Ceiling Prices	Percent of Estimated Fuel Consumption Covered
Fiscal 2012- Q3 & Q4					
	November 2011	1,044	\$ 75	\$ 135	
	February 2012	1,044	\$ 109	\$ 128	
	March 2012	<u>2,088</u>	\$ 112	\$ 132	
		<u>4,176</u>			38%
Fiscal 2013					
	November 2011	2,112	\$ 74	\$ 132	
	February 2012	2,112	\$ 98	\$ 127	
	March 2012	<u>4,224</u>	\$ 100	\$ 130	
		<u>8,448</u>			38%
Fiscal 2014					
	November 2011	2,112	\$ 71	\$ 128	
	February 2012	<u>2,112</u>	\$ 88	\$ 125	
		<u>4,224</u>			19%
Fiscal 2015					
	November 2011	2,160	\$ 71	\$ 125	
	February 2012	<u>2,160</u>	\$ 80	\$ 125	
		<u>4,320</u>			19%

(a) Fuel derivatives mature evenly over each month within the above fiscal periods.

Concentrations of Credit Risk

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. Our maximum exposure under foreign currency and fuel derivative contracts and interest rate swap agreements that are in-the-money, which were not significant at May 31, 2012, is the replacement cost, net of any collateral received, which includes the value of the contracts, in the event of nonperformance by the counterparties to the contracts, all of which are currently our lending banks. We seek to minimize credit risk exposure, including counterparty nonperformance primarily associated with our cash equivalents, investments, committed financing facilities, contingent obligations, derivative instruments, insurance contracts and new ship progress payment guarantees, by normally conducting business with large, well-established financial institutions and insurance companies, and by diversifying our counterparties. In addition, we have

guidelines regarding credit ratings and investment maturities that we follow to help safeguard liquidity and minimize risk. We normally do require collateral and/or guarantees to support notes receivable on significant asset sales, long-term ship charters and new ship progress payments to shipyards. We currently believe the risk of nonperformance by any of our significant counterparties is remote.

We also monitor the creditworthiness of travel agencies and tour operators in Europe and credit card providers to which we extend credit in the normal course of our business. Our credit exposure includes contingent obligations related to cash payments received directly by travel agents and tour operators for cash collected by them on cruise sales in most of the European Union for which we are obligated to provide credit in a like amount to these guests even if we do not receive payment from the travel agents or tour operators. Concentrations of credit risk associated with these receivables and contingent obligations are not considered to be material, primarily due to the large number of unrelated accounts within our customer base, the amount of these contingent obligations and their short maturities. We have experienced only minimal credit losses on our trade receivables and related contingent obligations. We do not normally require collateral or other security to support normal credit sales.

NOTE 7 – Segment Information

We have three reportable cruise segments that are comprised of our (1) North America cruise brands, (2) EAA cruise brands and (3) Cruise Support. In addition, we have a Tour and Other segment. Our segments are reported on the same basis as the internally reported information that is provided to our Chief Operating Decision Maker, the Chairman of the Boards of Directors and Chief Executive Officer of Carnival Corporation and Carnival plc.

Our North America cruise segment includes Carnival Cruise Lines, Holland America Line, Princess and Seabourn. Our EAA cruise segment includes AIDA, Costa, Cunard, Ibero, P&O Cruises (Australia) and P&O Cruises (UK). These individual cruise brand operating segments have been aggregated into two reportable segments based on the similarity of their economic and other characteristics, including types of customers, regulatory environment, maintenance requirements, supporting systems and processes and products and services they provide. Our Cruise Support segment represents certain of our port and related facilities and other corporate-wide services that are provided for the benefit of our cruise brands. Our Tour and Other segment represents the hotel and transportation operations, and also the tour operations in 2011, of Holland America Princess Alaska Tours and our two owned ships that we charter to an unaffiliated entity.

Selected information for our Cruise and Tour and Other segments was as follows (in millions):

	Three Months Ended May 31,					
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Ibero impairment charges	Operating income (loss)
2012						
North America Cruise						
Brands	\$ 2,163	\$ 1,512	\$ 238	\$ 220	\$ -	\$ 193
EAA Cruise Brands	1,338	954	159	140	-	85
Cruise Support	18	(9)	32	6	-	(11)
Tour and Other	26	28	2	10	-	(14)
Intersegment elimination	(7)	(7)	-	-	-	-
	<u>\$ 3,538</u>	<u>\$ 2,478</u>	<u>\$ 431</u>	<u>\$ 376</u>	<u>\$ -</u>	<u>\$ 253</u>

2011						
North America Cruise						
Brands	\$ 2,063	\$ 1,445	\$ 238	\$ 216	\$ -	\$ 164
EAA Cruise Brands	1,510	1,052	170	146	-	142
Cruise Support	22	(3)	26	8	-	(9)
Tour and Other	35	37	6	10	-	(18)
Intersegment elimination	(10)	(10)	-	-	-	-
	<u>\$ 3,620</u>	<u>\$ 2,521</u>	<u>\$ 440</u>	<u>\$ 380</u>	<u>\$ -</u>	<u>\$ 279</u>

	Six Months Ended May 31,					
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Ibero impairment charges	Operating income (loss)
2012						
North America Cruise						
Brands	\$ 4,245	\$ 3,021	\$ 475	\$ 441	\$ -	\$ 308
EAA Cruise Brands	2,804	2,107	314	277	173	(67)
Cruise Support	43	9	59	14	-	(39)
Tour and Other	35	42	4	20	-	(31)
Intersegment elimination	(7)	(7)	-	-	-	-
	<u>\$ 7,120</u>	<u>\$ 5,172</u>	<u>\$ 852</u>	<u>\$ 752</u>	<u>\$ 173</u>	<u>\$ 171</u>

2011						
North America Cruise						
Brands	\$ 3,991	\$ 2,775	\$ 472	\$ 429	\$ -	\$ 315
EAA Cruise Brands	2,971	2,111	326	281	-	253
Cruise Support	42	(6)	52	15	-	(19)
Tour and Other	45	46	12	22	-	(35)
Intersegment elimination	(10)	(10)	-	-	-	-
	<u>\$ 7,039</u>	<u>\$ 4,916</u>	<u>\$ 862</u>	<u>\$ 747</u>	<u>\$ -</u>	<u>\$ 514</u>

NOTE 8 – Earnings (Loss) Per Share

Our basic and diluted earnings (loss) per share were computed as follows (in millions, except per share data):

	Three Months Ended May 31,		Six Months Ended May 31,	
	2012	2011	2012	2011
Net income (loss) for basic and diluted earnings (loss) per share	\$ 14	\$ 206	\$ (125)	\$ 358
Weighted-average common and ordinary shares outstanding	779	791	778	791
Dilutive effect of equity plans	-	2	-	2
Diluted weighted-average shares outstanding	779	793	778	793
Basic and diluted earnings (loss) per share	\$ 0.02	\$ 0.26	\$ (0.16)	\$ 0.45
Anti-dilutive equity awards excluded from diluted earnings (loss) per share computations	9	9	13	8

NOTE 9 – Shareholders' Equity

During May 2012, we repurchased 50,000 shares of Carnival Corporation common stock for \$2 million under our general repurchase authorization program ("Repurchase Program"). At May 31, 2012, the remaining availability under the Repurchase Program was \$333 million.

SCHEDULE C**Unregistered Sales of Equity Securities and Use of Proceeds.****A. Repurchase Authorizations**

In September 2007, our Boards of Directors authorized the repurchase of up to an aggregate of \$1 billion of Carnival Corporation common stock and Carnival plc ordinary shares subject to certain restrictions (the "Repurchase Program"). The Repurchase Program does not have an expiration date and may be discontinued by our Boards of Directors at any time.

During the three months ended May 31, 2012, purchases of Carnival Corporation common stock pursuant to the Repurchase Program were as follows:

<u>Period</u>	<u>Total Number of Carnival Corporation Common Stock Purchased (a)</u>	<u>Average Price Paid per Share of Carnival Corporation Common Stock</u>	<u>Maximum Dollar Value of Shares That May Yet Be Purchased Under the Repurchase Program (b)</u> (in millions)
March 1, 2012 through March 31, 2012	-	-	\$ 334
April 1, 2012 through April 30, 2012	-	-	\$ 334
May 1, 2012 through May 31, 2012	50,000	\$ 30.97	\$ 333
Total	<u>50,000</u>	\$ 30.97	

- (a) No shares of Carnival Corporation common stock were purchased outside of publicly announced plans or programs.
- (b) During the three months ended May 31, 2012, there were no repurchases of Carnival plc ordinary shares under the Repurchase Program.

In addition to the Repurchase Program, the Boards of Directors have authorized the repurchase of up to 19.2 million Carnival plc ordinary shares and up to 31.5 million shares of Carnival Corporation common stock under the Stock Swap programs described below.

From June 1, 2012 to June 25, 2012, we repurchased 100,000 shares of Carnival Corporation common stock. At June 25, 2012, the remaining availability under the Repurchase Program was \$329 million and the remaining availability under the Stock Swap programs repurchase authorizations were 18.1 million Carnival plc ordinary shares and 31.5 million Carnival Corporation shares. Carnival plc ordinary share repurchases under both the Repurchase Program and the Stock Swap authorizations require annual shareholder approval. The existing shareholder approval is limited to a maximum of 21.5 million ordinary shares and is valid until the earlier of the conclusion of the Carnival plc 2013 annual general meeting, or October 10, 2013.

B. Stock Swap Programs

We use the Stock Swap programs in situations where we can obtain an economic benefit because either Carnival Corporation common stock or Carnival plc ordinary shares are trading at a price that is at a premium or discount to the price of Carnival plc ordinary shares or Carnival Corporation common stock, as the case may be. This economic benefit is used for general corporate purposes, which could include repurchasing additional stock under the Repurchase Program.

In the event Carnival Corporation common stock trades at a premium to Carnival plc ordinary shares, we may elect to issue and sell Carnival Corporation common stock through a sales agent and use the sale proceeds to repurchase Carnival plc ordinary shares in the UK market on at least an equivalent basis. Carnival Corporation may still issue and sell up to 18.1 million of its common stock in the U.S. market, which shares are to be sold from time to time at prevailing market prices in ordinary brokers' transactions. Any sales of Carnival Corporation shares have been or will be registered under the Securities Act.

In the event Carnival Corporation common stock trades at a discount to Carnival plc ordinary shares, we may elect to sell existing ordinary shares of Carnival plc, with such sales made by Carnival Corporation or Carnival Investments Limited, a subsidiary of Carnival Corporation, through a sales agent, from time to time in "at the market" transactions, and use the sale proceeds to repurchase Carnival Corporation common stock in the U.S. market on at least an equivalent basis. Carnival Corporation or Carnival Investments Limited may still sell up to 31.5 million Carnival plc ordinary shares in the UK market, which shares are to be sold from time to time at prevailing market prices in ordinary brokers' transactions. Any sales of Carnival plc shares have been or will be registered under the Securities Act.

During the six months ended May 31, 2012, no Carnival Corporation common stock or Carnival plc ordinary shares were sold or repurchased under the Stock Swap programs.

SCHEDULE D

CARNIVAL PLC
INTERIM CONDENSED GROUP STATEMENTS OF OPERATIONS
(UNAUDITED)
(in millions, except per share data)

	Six Months Ended May 31,	
	2012	2011
Revenues		
Cruise		
Passenger tickets	\$ 2,494	\$ 2,647
Onboard and other	565	573
Tour and other	32	39
	<u>3,091</u>	<u>3,259</u>
Operating Costs and Expenses		
Cruise		
Commissions, transportation and other	653	723
Onboard and other	113	110
Fuel	499	422
Payroll and related	344	339
Food	176	181
Other ship operating	554	536
Tour and other	43	42
Total	<u>2,382</u>	<u>2,353</u>
Selling and administrative	335	341
Depreciation and amortisation	301	319
Ibero goodwill and trademark impairment charges	173	-
	<u>3,191</u>	<u>3,013</u>
Operating (Loss) Income	<u>(100)</u>	<u>246</u>
Nonoperating (Expense) Income		
Interest income	4	4
Interest expense, net of capitalised interest	(81)	(86)
Other (expense) income, net	(12)	5
	<u>(89)</u>	<u>(77)</u>
(Loss) Income Before Income Taxes	<u>(189)</u>	<u>169</u>
Income Tax Benefit (Expense), Net	<u>4</u>	<u>(1)</u>
Net (Loss) Income	<u>\$ (185)</u>	<u>\$ 168</u>
(Loss) Earnings Per Share		
Basic	<u>\$ (0.86)</u>	<u>\$ 0.78</u>
Diluted	<u>\$ (0.86)</u>	<u>\$ 0.78</u>
Weighted-Average Shares Outstanding		
Basic	<u>215</u>	<u>214</u>
Diluted	<u>215</u>	<u>215</u>

The accompanying notes are an integral part of these interim financial statements. These interim financial statements only present the Carnival plc consolidated IFRS Interim Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation & plc ("dual listed company ("DLC") Financial Statements"), which are included within the attached Schedule B (see note 1). For information, set out below is the U.S. GAAP and Non-GAAP consolidated earnings per share included within the DLC Financial Statements and MD&A sections, within the attached Schedule A, of this Interim Financial Report, respectively, for the six months ended May 31, 2012 and 2011:

	2012	2011
DLC U.S. GAAP basic (loss) earnings per share	<u>\$ (0.16)</u>	<u>\$ 0.45</u>
DLC U.S. GAAP diluted (loss) earnings per share	<u>\$ (0.16)</u>	<u>\$ 0.45</u>
DLC Non-GAAP diluted earnings per share	<u>\$ 0.22</u>	<u>\$ 0.45</u>

CARNIVAL PLC
INTERIM CONDENSED GROUP STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(UNAUDITED)
(in millions)

	Six Months Ended May 31,	
	2012	2011
Net (Loss) Income	\$ (185)	\$ 168
Items Included in Other Comprehensive (Loss) Income		
Foreign currency translation adjustment	(363)	908
Net gains (losses) on hedges of net investments in foreign operations	35	(209)
Actuarial gains on post-employment benefit obligations	<u>2</u>	<u>-</u>
Net Other Comprehensive (Loss) Income	<u>(326)</u>	<u>699</u>
Total Comprehensive (Loss) Income	<u>\$ (511)</u>	<u>\$ 867</u>

The accompanying notes are an integral part of these interim financial statements. These interim financial statements only present the Carnival plc consolidated IFRS Interim Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements, which are included within the attached Schedule B (see note 1).

CARNIVAL PLC
INTERIM CONDENSED GROUP BALANCE SHEETS
(UNAUDITED)
(in millions)

	May 31, 2012	November 30, 2011
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 796	\$ 328
Trade and other receivables, net	180	172
Insurance recoverables	403	4
Inventories, net	149	153
Prepaid expenses and other	92	73
Total current assets	<u>1,620</u>	<u>730</u>
Property and Equipment, Net	13,657	13,906
Intangibles	684	890
Other Assets	272	195
	<u>\$ 16,233</u>	<u>\$ 15,721</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	\$ -	\$ 173
Current portion of long-term debt	582	539
Amount owed to the Carnival Corporation group	2,563	1,713
Accounts payable	289	308
Claims reserve	399	8
Accrued liabilities and other	314	371
Customer deposits	1,180	1,283
Total current liabilities	<u>5,327</u>	<u>4,395</u>
Long-Term Debt	2,747	2,610
Other Long-Term Liabilities	204	149
Shareholders' Equity		
Share capital	357	357
Share premium	134	132
Retained earning	6,971	7,257
Other reserves	493	821
Total shareholders' equity	<u>7,955</u>	<u>8,567</u>
	<u>\$ 16,233</u>	<u>\$ 15,721</u>

The accompanying notes are an integral part of these interim financial statements. These interim financial statements only present the Carnival plc consolidated IFRS Interim Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements which are included within the attached Schedule B (see note 1).

CARNIVAL PLC
INTERIM CONDENSED GROUP STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in millions)

	Six Months Ended May 31,	
	2012	2011
OPERATING ACTIVITIES		
(Loss) income before income taxes	\$ (189)	\$ 169
Adjustments to reconcile (loss) income before income taxes to net cash provided by operating activities		
Depreciation and amortisation	301	319
Ibero goodwill and trademark impairment charges	173	-
Share-based compensation	4	6
Other, net	9	1
Changes in operating assets and liabilities		
Receivables	(11)	(130)
Inventories	(1)	(4)
Insurance recoverables, prepaid expenses and other	(30)	52
Accounts payable	2	21
Claims reserves, accrued and other liabilities	57	45
Customer deposits	(48)	151
Cash provided by operations before interest and taxes	267	630
Interest received	3	3
Interest paid	(54)	(55)
Income taxes (paid) refunded, net	(9)	23
Net cash provided by operating activities	207	601
INVESTING ACTIVITIES		
Additions to property and equipment	(1,181)	(595)
Insurance proceeds for the ship	508	-
Other, net	46	(23)
Net cash used in investing activities	(627)	(618)
FINANCING ACTIVITIES		
Changes in loans with the Carnival Corporation group	907	548
Repayments of short-term borrowings, net	(170)	(294)
Principal repayments of long-term debt	(80)	(76)
Proceeds from issuance of long-term debt	383	-
Dividends paid	(107)	(64)
Other, net	(11)	22
Net cash provided by financing activities	922	136
Effect of exchange rate changes on cash and cash equivalents	(34)	10
Net increase in cash and cash equivalents	468	129
Cash and cash equivalents at beginning of period	328	328
Cash and cash equivalents at end of period	\$ 796	\$ 457

The accompanying notes are an integral part of these interim financial statements. These interim financial statements only present the Carnival plc consolidated IFRS Interim Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements, which are included within the attached Schedule B (see note 1).

CARNIVAL PLC
INTERIM CONDENSED GROUP STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)
(in millions)

	Share capital	Share premium	Retained earnings	Other reserves			Total	Total shareholders' equity
				Translation reserve	Cash flow hedges	Merger reserve		
2012								
Balances at								
November 30, 2011	\$ 357	\$ 132	\$ 7,257	\$ (685)	\$ 3	\$ 1,503	\$ 821	\$ 8,567
Comprehensive loss								
Net loss								
	-	-	(185)	-	-	-	-	(185)
Changes in foreign currency translation adjustment								
	-	-	-	(363)	-	-	(363)	(363)
Net gains on hedges of net investments in foreign operations								
	-	-	-	35	-	-	35	35
Actuarial gains on post- employment benefit obligations								
	-	-	2	-	-	-	-	2
Total comprehensive loss								
	-	-	(183)	(328)	-	-	(328)	(511)
Cash dividends declared								
	-	-	(107)	-	-	-	-	(107)
Other								
	-	2	4	-	-	-	-	6
Balances at May 31,								
2012	\$ 357	\$ 134	\$ 6,971	\$ (1,013)	\$ 3	\$ 1,503	\$ 493	\$ 7,955
2011								
Balances at								
November 30, 2010	\$ 355	\$ 107	\$ 6,637	\$ (685)	\$ 3	\$ 1,503	\$ 821	\$ 7,920
Comprehensive income								
Net income								
	-	-	168	-	-	-	-	168
Changes in foreign currency translation adjustment								
	-	-	-	908	-	-	908	908
Net losses on hedges of net investments in foreign operations								
	-	-	-	(209)	-	-	(209)	(209)
Total comprehensive income								
	-	-	168	699	-	-	699	867
Cash dividends declared								
	-	-	(100)	-	-	-	-	(100)
Other								
	2	28	7	-	-	-	-	37
Balances at May 31,								
2011	\$ 357	\$ 135	\$ 6,712	\$ 14	\$ 3	\$ 1,503	\$ 1,520	\$ 8,724

The accompanying notes are an integral part of these interim financial statements. These interim financial statements only present the Carnival plc consolidated IFRS Interim Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements which are included within the attached Schedule B (see note 1).

CARNIVAL PLC
NOTES TO INTERIM FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 - Basis of Preparation

The interim condensed consolidated financial statements have been prepared on the basis of the accounting policies and methods of computation adopted and disclosed in Carnival plc and its subsidiaries and associates (referred to collectively in these interim financial statements and elsewhere in this release as the “Group,” “our,” “us” and “we”) consolidated statutory financial statements for the year ended November 30, 2011. These interim condensed consolidated financial statements were approved by the Board of Directors on June 29, 2012. These interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority (“FSA”) and with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the European Union (“IAS 34”). The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended November 30, 2011, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). Certain amounts in prior periods have been reclassified to conform to current period presentation.

Carnival plc was incorporated in England and Wales in 2000 and its headquarters is located at 5 Gainsford Street, London SE1 2NE, UK (registration number 4039524). Our interim financial statements are presented in U.S. dollars unless otherwise noted, as this is our presentation currency.

Carnival Corporation and Carnival plc operate as a dual listed company (“DLC”), known as Carnival Corporation & plc, 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 the largest cruise company in the world as if they are a single economic enterprise, but each has retained its separate legal identity. Each company’s shares are publicly traded; on the New York Stock Exchange (“NYSE”) for Carnival Corporation and the London Stock Exchange for Carnival plc. In addition, Carnival plc American Depository Shares are traded on the NYSE. The contracts governing the DLC arrangement provide that Carnival Corporation and Carnival plc each continue to have separate boards of directors, but the boards of directors and senior executive management of both companies are identical. Further details relating to the DLC arrangement are included in Note 3 of the U.S. GAAP annual 2011 consolidated financial statements of Carnival Corporation & plc.

Our IFRS interim financial statements are required to satisfy reporting requirements of the UKLA and do not include Carnival Corporation and its subsidiaries. Accordingly, the Directors consider that, within the DLC arrangement, the most appropriate presentation of Carnival plc’s results and financial position is by reference to the U.S. generally accepted accounting principles (“U.S. GAAP”) DLC Financial Statements, on the basis that all significant financial and operating decisions affecting the DLC companies are made on the basis of U.S. GAAP information and consequences. Accordingly, Schedule B to this announcement, which consists of the DLC Financial Statements for the three and six months ended May 31, 2012, form part of these financial statements and are incorporated into the Carnival plc IFRS interim financial statements as additional disclosures. In addition, the related management commentary, which has been included in Schedule A to this announcement, contains a review of the business and sets out the principal activities, operations, performance, liquidity, financial condition and capital resources, debt covenants, key performance indicators, impact of seasonality on its business and likely future developments of Carnival Corporation & plc.

The interim condensed financial statements have been prepared on a going concern basis. The Directors of the Group have a reasonable expectation that, on the basis of current financial projections and borrowing facilities available, the Group is well positioned to meet its commitments and obligations for the next 12 months from the date of this report and will remain in operational existence for the foreseeable future.

The preparation of our interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported and disclosed amounts in these interim financial statements. The estimates and underlying assumptions are based on historical experience and various other factors that we believe to be reasonable under the circumstances, and form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates used in preparing our interim financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 2 - Status of Financial Statements

Our interim condensed consolidated IFRS financial statements for the six months ended May 31, 2012 have not been audited or reviewed by the auditors.

Our interim condensed consolidated IFRS financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended November 30, 2011 were approved by the Board of Directors on February 21, 2012 and delivered to the Registrar of Companies. The report of the auditors on those accounts was (i) unqualified, (ii) did not contain an emphasis of matter paragraph, and (iii) did not contain any statement under section 498 of the Companies Act 2006.

NOTE 3 - *Costa Concordia* and *Costa Allegra*

During the first quarter of fiscal 2012, we wrote-off the euro-denominated net carrying value of *Costa Concordia* (“the ship”) in the amount of \$515 million (or €381 million) and recorded a short-term insurance recoverable for the same amount since the ship was deemed to be a constructive total loss. In May 2012, we received \$508 million (or €395 million) of euro-denominated hull and machinery insurance proceeds for the total loss of the ship and recognised \$17 million (or €14 million) of proceeds in excess of the net carrying value of the ship as a reduction to other ship operating expenses. In addition, during the six months ended May 31, 2012, we recognized \$17 million for incident-related expenses that are not covered by insurance. These incident-related expenses are principally included in other ship operating expenses.

As a result of the ship incident, litigation claims, enforcement actions, regulatory actions and investigations, including, but not limited to, those arising from personal injury, loss of life, loss of or damage to personal property, business interruption losses or environmental damage to any affected coastal waters and the surrounding areas, have been and may be asserted or brought against various parties including us. The existing assertions are in their initial stages and there are significant jurisdictional uncertainties. We are currently evaluating the possible merits of these matters and their ultimate outcome cannot be determined at this time. However, we have insurance coverage for third-party claims such as those mentioned above.

Since the ship incident, we have separately presented short-term insurance recoverables and short-term claims reserve in our Group Balance Sheets. At May 31, 2012, substantially all of our aggregated short-term and long-term insurance recoverables relate to crew, guest and other third party claims for the ship incident. At May 31, 2012, substantially all of our aggregated short-term and long-term claims reserves also relate to the ship incident. At May 31, 2012 and November 30, 2011, our long-term insurance recoverables and long-term claims reserve are included in other assets and other long-term liabilities, respectively, and are not significant. We expect to continue to incur incident-related costs in the future. Although at this time these costs are not yet determinable, we do not expect them to have a significant impact on our results of operations because we believe these additional costs will be recoverable under our insurance coverage.

In February 2012, *Costa Allegra* suffered fire damage and, accordingly, we decided to withdraw this ship from operations resulting in \$34 million of impairment charges recognized during the first quarter of fiscal 2012. These impairment charges are included in other ship operating expenses. At May 31, 2012, the remaining carrying value of this ship is not significant.

NOTE 4 - Segment Information

IFRS 8 “Operating Segments” requires that an entity’s operating segments are reported on the same basis as the internally reported information that is provided to the chief operating decision maker, the Chairman of the Boards of Directors and Chief Executive Officer of Carnival Corporation and Carnival plc.

As previously discussed, within the DLC arrangement the most appropriate presentation of Carnival plc’s results and financial position is by reference to the DLC Financial Statements. Accordingly, decisions to allocate resources and assess performance for Carnival plc are taken by the CODM upon review of the U.S. GAAP segment results across all of Carnival Corporation & plc’s cruise brands and other segments. Carnival Corporation & plc has three

reportable cruise segments that are comprised of its (1) North America cruise brands, (2) Europe, Australia & Asia (“EAA”) cruise brands and (3) Cruise Support. In addition, it has a Tour and Other segment.

The Carnival Corporation & plc North America cruise segment includes Carnival Cruise Lines, Holland America Line, Princess Cruises (“Princess”) and Seabourn. The Carnival Corporation & plc EAA cruise segment includes AIDA Cruises, Costa Cruises (“Costa”), Cunard, Ibero Cruises (“Ibero”), P&O Cruises (Australia) and P&O Cruises (UK). These individual cruise brand operating segments have been aggregated into two reportable segments based on the similarity of their economic and other characteristics, including types of customers, regulatory environment, maintenance requirements, supporting systems and processes and products and services they provide. The Carnival Corporation & plc Cruise Support segment represents certain of its port and related facilities and other corporate-wide services that are provided for the benefit of its cruise brands. The Carnival Corporation & plc Tour and Other segment represents the hotel and transportation operations, and also the tour operations in 2011, of Holland America Princess Alaska Tours and two owned ships that it charters to an unaffiliated entity. The significant accounting policies of these segments are the same as those described in Note 2 of the Carnival Corporation & plc annual financial statements.

Selected information for the Carnival Corporation & plc Cruise and Tour and Other segments and the reconciliation to the corresponding Carnival plc amounts was as follows (in millions):

	Six Months Ended May 31,					
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortisation	Ibero impairment charges	Operating (loss) income
2012						
North America Cruise						
Brands	\$ 4,245	\$ 3,021	\$ 475	\$ 441	\$ -	\$ 308
EAA Cruise Brands	2,804	2,107(a)	314	277	173	(67)
Cruise Support	43	9	59	14	-	(39)
Tour and Other	35	42	4	20	-	(31)
Intersegment elimination	(7)	(7)	-	-	-	-
Carnival Corporation & plc – U.S. GAAP	7,120	5,172	852	752	173	171
Carnival Corporation, U.S. GAAP vs. IFRS differences and eliminations (b)	(4,029)	(2,790)	(517)	(451)	-	(271)
Carnival plc – IFRS	<u>\$ 3,091</u>	<u>\$ 2,382</u>	<u>\$ 335</u>	<u>\$ 301</u>	<u>\$ 173</u>	<u>\$ (100)</u>
2011						
North America Cruise						
Brands	\$ 3,991	\$ 2,775	\$ 472	\$ 429	\$ -	\$ 315
EAA Cruise Brands	2,971	2,111	326	281	-	253
Cruise Support	42	(6)	52	15	-	(19)
Tour and Other	45	46	12	22	-	(35)
Intersegment elimination	(10)	(10)	-	-	-	-
Carnival Corporation & plc – U.S. GAAP	7,039	4,916	862	747	-	514
Carnival Corporation, U.S. GAAP vs. IFRS differences and eliminations (b)	(3,780)	(2,563)	(521)	(428)	-	(268)
Carnival plc – IFRS	<u>\$ 3,259</u>	<u>\$ 2,353</u>	<u>\$ 341</u>	<u>\$ 319</u>	<u>\$ -</u>	<u>\$ 246</u>

(a) During the six months ended May 31, 2012, we recognized a \$17 million gain from Cunard’s litigation settlement related to *Queen Mary 2*’s propulsion pods as a reduction to other ship operating expenses.

(b) Carnival Corporation consists primarily of cruise brands that do not form part of the Group; however, these brands are included in Carnival Corporation & plc and thus represent substantially all of the reconciling items. These Carnival Corporation cruise brands are Carnival Cruise Lines, Princess, Holland America Line and Seabourn. The U.S. GAAP vs. IFRS and purchase accounting differences principally relate to differences in the carrying value of ships and related depreciation expenses and are not material to our financial statements.

NOTE 5 - Debt

In May 2012, we borrowed \$383 million under an unsecured euro-denominated export credit facility, the proceeds of which were used to pay for a portion of *AIDamar*'s purchase price. This facility bears interest at EURIBOR plus a margin of 20 basis points ("bps") and is due in semi-annual installments through May 2024.

At May 31, 2012, our debt decreased \$148 million as a result of the change in currency exchange rates of the U.S. dollar to the euro and sterling at May 31, 2012 compared to November 30, 2011.

NOTE 6 - Dividends

In 2012 and 2011, the Boards of Directors decided to declare quarterly dividends for each of the first and second quarters at \$0.25 per share. During the six months ended May 31, 2012, and 2011 aggregate cash dividends declared amounted to \$107 million and \$100 million, respectively.

NOTE 7 - Property and Equipment

During the six months ended May 31, 2012, we took delivery of two new ships, the 2,984-passenger capacity *Costa Fascinosa* and the 2,194-passenger capacity *AIDamar*, and made stage payments for other ships under construction.

At May 31, 2012, our property and equipment decreased \$531 million as a result of the change in currency exchange rates of the U.S. dollar to the euro, sterling and Australian dollar at May 31, 2012 compared to November 30, 2011.

NOTE 8 - Intangibles

As of our annual goodwill impairment test date of July 31, 2011, Ibero's estimated recoverable amount only exceeded its carrying value by 1%, or \$3 million of headroom, therefore, minor changes to the assumptions used in our annual test would have led to an Ibero goodwill impairment charge. At February 29, 2012, given the current state of the Spanish economy and considering the low level of Ibero's headroom, we performed an interim impairment review of Ibero's goodwill. The interim discounted future cash flow analysis that was used to estimate Ibero's recoverable amount was primarily impacted by slower than anticipated Ibero capacity growth. As a result, Ibero's estimated recoverable amount no longer exceeded its carrying value. Accordingly, we have recognized a goodwill impairment charge of \$153 million in the six months ended May 31, 2012.

Our trademark balances relate to Ibero and have an indefinite useful life. We performed our annual impairment review as of July 31, 2011 by comparing the estimated recoverable amount of Ibero's trademark to its carrying value. Ibero's trademark recoverable amount exceeded its carrying value and, therefore, was not impaired. We estimated the recoverable amount based upon a discounted future cash flow analysis, which estimated the amount of royalties that it is relieved from having to pay for the use of Ibero's trademark, based upon forecasted cruise revenues and royalty rates that a market participant would use. The royalty rate was estimated primarily using comparable royalty agreements for similar industries.

At February 29, 2012, we also performed an interim impairment review of Ibero's trademarks, which resulted in a \$20 million impairment charge in the period, based on the reduction of revenues primarily as a result of the slower than anticipated Ibero capacity growth and a lower estimated royalty rate. At May 31, 2012, Ibero's remaining trademark carrying values are not significant.

Other than for Ibero, there have not been any events or circumstances subsequent to July 31, 2011, which we believe would require us to perform additional interim goodwill impairment reviews. Specifically, we believe the ship incident will not have a significant long-term impact on our business and, accordingly, we do not believe a Costa interim impairment review is required.

NOTE 9 - Merchant Navy Ratings Pension Fund ("MNRPF")

P&O Cruises (UK) is party to an industry-wide British MNRPF, which is a defined benefit multiemployer pension plan available to certain of their British shipboard personnel. This plan is closed to new membership and has a significant funding deficit. In 1999, we withdrew from the plan, but continued making voluntary payments through 2006. However, pursuant to a 2011 court order, it was determined that P&O Cruises (UK), along with other unrelated employers, were required to continue to be named participating employers of the plan. Based on the most recent actuarial valuation, which was performed as of March 31, 2011, the MNRPF had an accumulated funding deficit of \$330 million. No decision has yet been reached as to how the deficit will be recovered, but we expect that

the participating employers will be charged for their allocated share. Until such a decision is reached by the plan trustee it is not possible to estimate our share on a reliable and consistent basis. Accordingly, the MNRPF is being accounted for as a defined contribution plan. We will record our obligation as an adjustment to the pension benefit obligation when our percentage of participation is determined.

NOTE 10 - Related Parties

There have been no changes in the six months ended May 31, 2012 to the related party transactions described in the Group IFRS financial statements for the year ended November 30, 2011 that could have a material effect on the financial position or results of operations of the Group.

As a consequence of the normal trading activities between the two sides of the DLC, the net balance payable by the Group to the Carnival Corporation group increased from \$1.7 billion at November 30, 2011 to \$2.6 billion at May 31, 2012. Of the total Group liability to the Carnival Corporation group at May 31, 2012, \$598 million is euro-denominated, repayable on demand and bears interest, and the remaining balance of \$2.0 billion is non-interest bearing and is also repayable on demand.

At May 31, 2012, Carnival Corporation owned a total of 1,115,450 shares, or 0.5% of Carnival plc's ordinary shares, which are non-voting. At May 31, 2012, Carnival Investments Limited, a wholly-owned subsidiary of Carnival Corporation, owned 31,713,734 shares, or 14.7% of Carnival plc's ordinary shares, which are also non-voting. In the six months ended May 31, 2012, Carnival Corporation and Carnival Investment Limited received an aggregate of \$16 million in dividends from Carnival plc.

During the six months ended May 31, 2012 and 2011, Carnival plc incurred lease expense of \$109 million and \$76 million, respectively, under multi-year ship charter agreements with Princess, which is included in other ship operating expense.

Key Management Personnel

During the six months ended May 31, 2012, there were no material transactions or balances between the Group and its key management personnel or members of their close family, other than in respect of remuneration, which is not material to the Group.

NOTE 11 - Ship Commitments

Ship capital commitments include shipyard contract payments, design and engineering fees, construction oversight costs, various owner supplied items and capitalised interest. At May 31, 2012, our future cruise ship commitments, aggregated based on each ship's delivery date, are expected to be \$362 million in 2013, \$647 million in 2014, \$1.2 billion in 2015 and \$569 million in 2016.

NOTE 12 - Principal Risks and Uncertainties

The principal risks and uncertainties affecting our business activities are summarised in Schedule A under "Cautionary Note Concerning Factors That May Affect Future Results" and for the remaining six months of fiscal 2012 remain the same as those at November 30, 2011. Item 1A, "Risk Factors", of the Carnival Corporation & plc joint Annual Report on Form 10-K for the year ended November 30, 2011 includes a detailed explanation of the principal risks and uncertainties that could affect us.

NOTE 13 - Seasonality

Our revenues from the sale of passenger tickets are seasonal. Historically, demand for cruises has been greatest during our third fiscal quarter, which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher ticket prices and occupancy levels and, accordingly, the largest share of our operating income is earned during this period. The seasonality of our results also increases due to ships being taken out-of-service for maintenance, which we schedule during non-peak demand periods. In addition, substantially all of Holland America Princess Alaska Tours' revenue and net income is generated from May through September in conjunction with the Alaska cruise season.

NOTE 14 - Responsibility Statement

The Directors confirm that to the best of their knowledge the interim condensed consolidated financial statements included as Schedule D to this release has been prepared in accordance with IAS 34 as adopted by the European Union, and that the half-yearly financial report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The Directors of Carnival plc are listed in the Carnival Corporation & plc Annual Report for the year ended November 30, 2011. A list of current directors is maintained and is available for inspection on the Group's website at www.carnivalplc.com.

By order of the Board

Micky Arison
Chairman
July 2, 2012

Howard S. Frank
Vice Chairman
July 2, 2012