

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-9610

Commission file number: 1-15136

Carnival Corporation
(Exact name of registrant as specified in its charter)

Carnival plc
(Exact name of registrant as specified in its charter)

Republic of Panama
(State or other jurisdiction of incorporation or organization)

England and Wales
(State or other jurisdiction of incorporation or organization)

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

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

3655 N.W. 87th Avenue
Miami, Florida 33178-2428
(Address of principal executive offices)
(Zip Code)

Carnival House, 5 Gainsford Street,
London SE1 2NE, United Kingdom
(Address of principal executive offices)
(Zip Code)

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

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

None
(Former name, former address and former fiscal year, if changed since last report.)

None
(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrants are accelerated filers (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act). Yes No

At September 30, 2005 Carnival Corporation had outstanding 637,116,766 shares of Common Stock, \$.01 par value.

At September 30, 2005, Carnival plc had outstanding 212,356,919 Ordinary Shares \$1.66 par value, one Special Voting Share, GBP 1.00 par value and 637,116,766 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(in millions, except per share data)

Nine Months

Three Months

	Ended August 31,		Ended August 31,	
	2005	2004	2005	2004
Revenues				
Cruise				
Passenger tickets	\$6,432	\$5,663	\$2,692	\$2,444
Onboard and other	1,783	1,555	666	584
Other	305	267	247	222
	-----	-----	-----	-----
	8,520	7,485	3,605	3,250
	-----	-----	-----	-----
Costs and Expenses				
Operating				
Cruise				
Commissions, transportation and other	1,297	1,227	483	467
Onboard and other	307	270	116	92
Payroll and related	861	739	303	253
Food	465	412	160	149
Other ship operating	1,542	1,285	570	473
Other	212	183	158	140
	-----	-----	-----	-----
Total	4,684	4,116	1,790	1,574
Selling and administrative	973	944	298	306
Depreciation and amortization	672	599	226	210
	-----	-----	-----	-----
	6,329	5,659	2,314	2,090
	-----	-----	-----	-----
Operating Income	2,191	1,826	1,291	1,160
	-----	-----	-----	-----
Nonoperating (Expense) Income				
Interest income	19	12	10	3
Interest expense, net of capitalized interest	(250)	(212)	(82)	(76)
Other expense, net	(13)	(9)	(23)	(2)
	-----	-----	-----	-----
	(244)	(209)	(95)	(75)
	-----	-----	-----	-----
Income Before Income Taxes	1,947	1,617	1,196	1,085
Income Tax Expense, Net	(43)	(56)	(45)	(60)
	-----	-----	-----	-----
Net Income	\$1,904	\$1,561	\$1,151	\$1,025
	=====	=====	=====	=====
Earnings Per Share				
Basic	\$ 2.36	\$ 1.95	\$ 1.43	\$ 1.28
	=====	=====	=====	=====
Diluted	\$ 2.27	\$ 1.88	\$ 1.36	\$ 1.22
	=====	=====	=====	=====
Dividends Per Share	\$ 0.55	\$0.375	\$ 0.20	\$0.125
	=====	=====	=====	=====

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in millions, except par values)

ASSETS	August 31, 2005 ----	November 30, 2004 ----
Current Assets		
Cash and cash equivalents	\$ 1,139	\$ 643
Short-term investments	234	17
Accounts receivable, net	434	409
Inventories	253	240
Prepaid expenses and other	352	419
	-----	-----
Total current assets	2,412	1,728
	-----	-----
Property and Equipment, Net	21,434	20,823
Goodwill	3,243	3,321
Trademarks	1,283	1,306
Other Assets	394	458
	-----	-----
	\$28,766	\$27,636
	=====	=====
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	\$ 230	\$ 381
Current portion of long-term debt	1,077	681
Convertible debt subject to current put option		600
Accounts payable	682	631
Accrued liabilities and other	740	868
Customer deposits	2,102	1,873
	-----	-----
Total current liabilities	4,831	5,034
	-----	-----
Long-Term Debt	6,274	6,291
Other Long-Term Liabilities and Deferred Income	571	551
Contingencies (Note 4)		
Shareholders' Equity		
Common stock of Carnival Corporation; \$.01 par value; 1,960 shares authorized; 638 shares at 2005 and 634 shares at 2004 issued	6	6
Ordinary shares of Carnival plc; \$1.66 par value; 226 shares authorized; 212 shares at 2005 and 2004 issued	353	353
Additional paid-in capital	7,454	7,311
Retained earnings	10,081	8,623
Unearned stock compensation	(16)	(16)
Accumulated other comprehensive income	270	541
Treasury stock; 42 shares of Carnival plc at cost	(1,058)	(1,058)
	-----	-----
Total shareholders' equity	17,090	15,760
	-----	-----
	\$28,766	\$27,636
	=====	=====

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in millions)

	Nine Months Ended August 31,	
	2005	2004
	----	----
OPERATING ACTIVITIES		
Net income	\$1,904	\$1,561
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	672	599
Investment write-down	22	
Accretion of original issue discount	16	16
Other	11	12
Changes in operating assets and liabilities		
Receivables	(117)	(33)
Inventories	(16)	(55)
Prepaid expenses and other	(37)	(27)
Accounts payable	68	90
Accrued and other liabilities	15	115
Customer deposits	254	344
	-----	-----
Net cash provided by operating activities	2,792	2,622
	-----	-----
INVESTING ACTIVITIES		
Additions to property and equipment	(1,632)	(2,865)
Sales of short-term investments	648	933
Purchases of short-term investments	(865)	(659)
Proceeds from retirement of property and equipment		77
Other, net	5	(15)
	-----	-----
Net cash used in investing activities	(1,844)	(2,529)
	-----	-----
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	1,151	843
Principal repayments of long-term debt	(1,068)	(887)
Payments of short-term borrowings, net	(133)	(46)
Dividends paid	(402)	(300)
Proceeds from exercise of stock options	52	111
Purchase of treasury stock	(30)	
Other	(7)	(5)
	-----	-----
Net cash used in financing activities	(437)	(284)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(15)	(11)
	-----	-----
Net increase (decrease) in cash and cash equivalents	496	(202)
Cash and cash equivalents at beginning of period	643	610
	-----	-----
Cash and cash equivalents at end of period	\$1,139	\$ 408
	=====	=====

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. 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."

Carnival Corporation and Carnival plc (formerly known as P&O Princess Cruises plc or "P&O Princess") operates as a dual listed company ("DLC"), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through amendments to Carnival Corporation's articles of incorporation and by-laws and to Carnival plc's memorandum of association and articles of association. The two companies have retained their separate legal identities, however, they operate as if they were a single economic enterprise.

The accompanying consolidated balance sheet at August 31, 2005, the consolidated statements of operations for the nine and three months ended August 31, 2005 and 2004 and the consolidated statements of cash flows for the nine months ended August 31, 2005 and 2004 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 2004 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.

Reclassifications have been made to prior period amounts to conform to the current period presentation, including reflecting the gross purchases and sales of variable rate securities as investing activities in our 2004 Consolidated Statement of Cash Flows rather than as a component of cash and cash equivalents. Accordingly, we decreased our August 31, 2004 cash and cash equivalents by \$186 million to \$408 from \$594 million and increased short-term investments by a like amount.

NOTE 2 - Stock-Based Compensation

Pursuant to Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," as amended, we elected to use the intrinsic value method of accounting for our employee and director stock-based compensation awards instead of the fair value method. Accordingly, we have not recognized compensation expense for our noncompensatory employee and director stock option awards. Our pro forma net income and pro forma earnings per share, had we elected to adopt the fair value approach of SFAS No. 123, which charges earnings for the estimated fair value of stock options, would have been as follows (in millions, except per share amounts):

	Nine Months Ended August 31,		Three Months Ended August 31,	
	2005	2004	2005	2004
Net income, as reported	\$1,904	\$1,561	\$1,151	\$1,025
Stock-based compensation expense included in net income, as reported	8	9	3	4
Total stock-based compensation expense determined under the fair value-based method for all awards	(57)	(43)	(20)	(12)
Pro forma net income for basic earnings per share	1,855	1,527	1,134	1,017
Interest on dilutive convertible notes	37	36	12	12
Pro forma net income for diluted earnings per share	\$1,892	\$1,563	\$1,146	\$1,029
Earnings per share				
Basic				
As reported	\$ 2.36	\$ 1.95	\$ 1.43	\$ 1.28
Pro forma	\$ 2.30	\$ 1.91	\$ 1.41	\$ 1.27
Diluted				
As reported	\$ 2.27	\$ 1.88	\$ 1.36	\$ 1.22
Pro forma	\$ 2.22	\$ 1.85	\$ 1.35	\$ 1.21

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (revised 2004), "Share-Based Payment Statement 123(R)," which will require us to recognize compensation costs in our financial statements in an amount equal to the fair value of share-based payments granted to employees and directors. This statement is effective for us in the first quarter of fiscal 2006. We have not yet determined which of the alternative transition methods we will use upon adoption of this new statement. However, based on preliminary estimates, if we were to elect to adopt this statement on December 1, 2005, our additional full year 2006 share-based compensation expense is estimated to be in the range of approximately \$65 million to \$70 million.

NOTE 3 - Debt

In February 2005, Carnival plc extended its 600 million euro (\$734 million U.S. dollars at the August 31, 2005 exchange rate) unsecured multi-currency revolving credit facility for 364 days, and reduced this facility's commitment fee on the undrawn portion from nine basis points ("BPS") to 7.5 BPS. Accordingly, this facility now expires in March 2006.

In March 2005, Carnival plc entered into a five-year unsecured multi-currency term loan facility, bearing interest at euribor/GBP libor plus 32.5 BPS. Under this facility, we borrowed 368 million euros (\$450 million U.S. dollars at the August 31, 2005 exchange rate) to repay a 368 million euro note, which bore interest at euribor plus 60 BPS, prior to its October 2008 maturity date. We also borrowed 165 million sterling under this facility (\$296 million U.S. dollars at the August 31, 2005 exchange rate), which we used to pay a portion of P&O Cruises' purchase price for the Arcadia. Finally, we entered into interest rate swap agreements to fix the interest rates on these euro and sterling borrowings at 3.50% and 5.40%, respectively.

At November 30, 2004, our 2% convertible notes were classified as a current liability, since the noteholders had the right to require us to repurchase them on April 15, 2005. However, substantially all of the noteholders did not exercise their rights. Accordingly, subsequent to April 15, 2005 we have classified our 2% convertible notes as long-term debt, since the next date that the noteholders can require us to repurchase them is on April 15, 2008.

During the nine months ended August 31, 2005, \$112 million of our Zero-Coupon Notes were converted at their accreted value into 3.4 million shares of Carnival Corporation common stock, of which 0.6 million were issued from treasury stock.

In July 2005, we borrowed \$328 million under an unsecured term loan facility, to pay a portion of the Carnival Liberty purchase price. This facility bears interest at 4.51% and is repayable in semi-annual installments through July 2017. In addition, we entered into a foreign currency contract, which effectively converted this U.S. dollar debt to euro debt.

Finally, in the third quarter of 2005 we obtained two unsecured term loan financing facilities, bearing interest at 4.51% and 4.75%, which provide us with the option to borrow up to an aggregate of \$732 million for a portion of two ships' purchase prices. These ships are expected to be delivered in 2006 and 2007. These facilities are repayable semi-annually over a 12 year period. However, we have the option to terminate these facilities up until 60 days prior to the ships' delivery dates.

NOTE 4 - Contingencies

Litigation

On March 7, 2005, a lawsuit was filed against Carnival Corporation in the U.S. District Court for the Southern District of Florida on behalf of some current and former crew members alleging that Carnival Cruise Lines failed to pay the plaintiffs' overtime and minimum wages. The suit seeks payment of (i) the overtime wages alleged to be owed, (ii) penalty wages under U.S. law and (iii) interest. On August 5, 2005, the Court dismissed the lawsuit. The plaintiffs filed an appeal to the Eleventh Circuit U.S. Court of Appeals on August 18, 2005, which is currently pending. The ultimate outcome of this matter cannot be determined at this time.

In 2002, two actions (collectively, the "Facsimile Complaints") were filed against Carnival Corporation on behalf of purported classes of persons who received unsolicited advertisements via facsimile, alleging that Carnival Corporation and other defendants distributed unsolicited advertisements via facsimile in contravention of the U.S. Telephone Consumer Protection Act. The plaintiffs seek to enjoin the sending of unsolicited facsimile advertisements and statutory damages. The advertisements referred to in the Facsimile Complaints that reference a Carnival Cruise Lines product were not sent by Carnival Corporation, but rather were distributed by a professional faxing company at the behest of third party travel agencies. We do not advertise directly to the traveling public through the use of facsimile transmission. The ultimate outcomes of the Facsimile Complaints cannot be determined at this time. However, we believe that we have meritorious defenses and we intend to vigorously defend against these actions.

Costa Cruises ("Costa") has instituted arbitration proceedings in Italy to confirm the validity of its decision not to deliver its ship, the Costa Classica, to the shipyard of Cammell Laird Holdings PLC ("Cammell Laird") under a 79 million euro denominated contract for the conversion and lengthening of the ship in November 2000. Costa also gave notice of termination of the contract in January 2001. It is expected that the arbitration tribunal's decision will be made in 2006 at the earliest. In the event that an award is given in favor of Cammell Laird, the amount of damages, which Costa would have to pay, if any, is not currently determinable. The ultimate outcome of this matter cannot be determined at this time.

In April 2003, Festival Crociere S.p.A. ("Festival") commenced an action against the European Commission (the "Commission") in the Court of First Instance of the European Communities in Luxembourg seeking to annul the Commission's antitrust approval of the DLC transaction (the "Festival Action"). We have been granted leave to intervene in the Festival Action and filed a Statement in Intervention with the court. Festival was declared bankrupt in May 2004, and Festival did not submit observations on our Statement in Intervention. A date for an oral hearing will be set in due course, unless Festival withdraws its action. A successful third party

challenge of an unconditional Commission clearance decision would be unprecedented, and based on a review of the law and the factual circumstances of the DLC transaction, as well as the Commission's approval decision in relation to the DLC transaction, we believe that the Festival Action will not have a material adverse effect on the companies or the DLC transaction. However, the ultimate outcome of this matter cannot be determined at this time.

In May 2005, a class action lawsuit was filed against Carnival Corporation in the United States District Court for the Southern District of Florida alleging breach of the implied covenant of good faith and fair dealing and a violation of The Florida Deceptive and Unfair Trade Practices Act for profits made by Carnival Cruise Lines on shore excursions provided by third party shore excursion operators. The suit seeks certification as a class action on behalf of all Carnival Cruise Line passengers from May 5, 2001 to the present who have taken shore excursions, and seeks payment of damages and injunctive relief. We are not yet able to estimate the potential impact of this claim, and the ultimate outcome of this matter cannot be determined at this time. However, we believe that we have meritorious defenses and we intend to vigorously defend against this action.

In the normal course of our business, various other 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. However, the ultimate outcome of these claims and lawsuits cannot be determined at this time.

Contingent Obligations

At August 31, 2005, Carnival Corporation had contingent obligations totaling approximately \$1.1 billion to participants in lease out and lease back type transactions for three of its ships. At the inception of the leases, the entire amount of the contingent obligations was paid by Carnival Corporation to major financial institutions to enable them to directly pay these obligations. Accordingly, these obligations were considered extinguished, and neither the funds nor the contingent obligations have been included on our balance sheets. Carnival Corporation would only be required to make any payments under these contingent obligations in the remote event of nonperformance by these financial institutions, all of which have long-term credit ratings of AA or higher. In addition, Carnival Corporation obtained a direct guarantee from another AA+ rated financial institution for \$302 million of the above noted contingent obligations, thereby further reducing the already remote exposure to this portion of the contingent obligations. If the major financial institutions' credit ratings fall below AA-, Carnival Corporation would be required to move a majority of the funds from these financial institutions to other highly-rated financial institutions. If Carnival Corporation's credit rating falls below BBB, it would be required to provide a standby letter of credit for \$86 million, or alternatively provide mortgages in the aggregate amount of \$86 million on two of its ships.

In the unlikely event that Carnival Corporation were to terminate the three lease agreements early or default on its obligations, it would, as of August 31, 2005, have to pay a total of \$171 million in stipulated damages. As of August 31, 2005, \$179 million of standby letters of credit have been issued by a major financial institution in order to provide further security for the payment of these contingent stipulated damages. Between 2017 and 2022, we have the right to exercise options that would terminate these transactions at no cost to us.

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, 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 Income

Comprehensive income was as follows (in millions):

	Nine Months Ended August 31,		Three Months Ended August 31,	
	2005	2004	2005	2004
Net income	\$1,904	\$1,561	\$1,151	\$1,025
Items included in accumulated other comprehensive income				
Foreign currency translation adjustment	(273)	135	(96)	(40)
Changes related to cash flow derivative hedges	2	(3)	8	4
Total comprehensive income	<u>\$1,633</u>	<u>\$1,693</u>	<u>\$1,063</u>	<u>\$ 989</u>

NOTE 6 - Segment Information

Our cruise segment includes all of our cruise brands, which have been aggregated as a single reportable segment based on the similarity of their economic and other characteristics, including products and services they provide. Our other segment primarily represents the transportation, hotel and tour operations of Holland America Tours and Princess Tours, and the business to business travel agency operations of P&O Travel Ltd.

Selected segment information for our cruise and other segments was as follows (in millions):

	Nine Months Ended August 31,				
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income
2005					
Cruise	\$8,215	\$4,472	\$932	\$650	\$2,161
Other	406	313	41	22	30
Intersegment elimination	(101)	(101)			
	<u>\$8,520</u>	<u>\$4,684</u>	<u>\$973</u>	<u>\$672</u>	<u>\$2,191</u>
2004					
Cruise	\$7,218	\$3,933	\$902	\$583	\$1,800
Other	355	271	42	16	26
Intersegment elimination	(88)	(88)			
	<u>\$7,485</u>	<u>\$4,116</u>	<u>\$944</u>	<u>\$599</u>	<u>\$1,826</u>

	Three Months Ended August 31,				
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income
2005					
Cruise	\$3,358	\$1,632	\$286	\$218	\$1,222
Other	333	244	12	8	69
Intersegment elimination	(86)	(86)			
	<u>\$3,605</u>	<u>\$1,790</u>	<u>\$298</u>	<u>\$226</u>	<u>\$1,291</u>

2004					
Cruise	\$3,028	\$1,434	\$292	\$204	\$1,098
Other	301	219	14	6	62
Intersegment elimination	(79)	(79)			
	-----	-----	-----	-----	-----
	\$3,250	\$1,574	\$306	\$210	\$1,160
	=====	=====	=====	=====	=====

Note 7 - Merchant Navy Officers Pension Fund ("MNOFF")

P&O Cruises, Princess Cruises and Cunard Line participate in an industry-wide British MNOFF, which is a defined benefit multiemployer pension plan that is available to certain of their British shipboard officers. As of August 31, 2005, the New Section of the MNOFF was estimated by the MNOFF actuary to have a funding deficit of approximately 234 million sterling, or \$420 million.

Substantially all of any MNOFF deficit liability which we may have relates to P&O Cruises and Princess Cruises obligations, which existed prior to the DLC transaction. The amount of our share of the fund's ultimate deficit could vary considerably if different pension assumptions and/or estimates were used. Therefore, we expense our portion of any deficit as amounts are invoiced by the fund's trustee.

In August 2005, we received an invoice from the fund for what the trustee calculated to be our share of the entire MNOFF liability. Accordingly, we recorded the full invoiced liability of \$23 million in payroll and related expense in our 2005 third quarter. It is possible that the fund's trustee may invoice us for additional amounts in the future for various reasons, including if they believe the fund requires further funding.

NOTE 8 - Earnings Per Share

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

	Nine Months ----- Ended August 31, -----		Three Months ----- Ended August 31, -----	
	2005	2004	2005	2004
	----	----	----	----
Net income	\$1,904	\$1,561	\$1,151	\$1,025
Interest on dilutive convertible notes	37	36	12	12
	-----	-----	-----	-----
Net income for diluted earnings per share	\$1,941	\$1,597	\$1,163	\$1,037
	=====	=====	=====	=====
Weighted-average common and ordinary shares outstanding	805	802	806	803
Dilutive effect of convertible notes	43	44	43	43
Dilutive effect of stock plans	6	4	5	5
	-----	-----	-----	-----
Diluted weighted-average shares outstanding	854	850	854	851
	=====	=====	=====	=====
Basic earnings per share	\$ 2.36	\$ 1.95	\$ 1.43	\$ 1.28
	=====	=====	=====	=====
Diluted earnings per share	\$ 2.27	\$ 1.88	\$ 1.36	\$ 1.22
	=====	=====	=====	=====

Options to purchase 2.2 million (3.8 million in 2004) and 2.2 million (1.3 million in 2004) shares for the nine and three months ended August 31, 2005 and 2004, respectively, were excluded from our diluted earnings per share computation since the effect of including them was anti-dilutive.

NOTE 9 - Italian Tonnage Tax

During the 2005 third quarter, Costa elected to enter into the Italian Tonnage Tax regime, effective for its 2005 fiscal year and for the following nine years. This regime will tax Costa's and AIDA's shipping profits, as defined, calculated by reference to the net tonnage of its qualifying vessels. However, income not considered to be shipping profits for Tonnage Tax purposes will be taxed under Costa's and AIDA's current tax regime for its Italian registered ships, which results in a tax of approximately 6.6% on these non-tonnage tax profits. As a result of the adoption of the Italian Tonnage Tax regime, Costa's and AIDA's Italian income tax expense for the 2005 nine month period was \$4 million compared to \$13 million in 2004 under the prior tax regime.

NOTE 10 - Investment

During the 2005 third quarter, we recorded a \$22 million write-down of a non-cruise investment, which has been recorded as a nonoperating other expense in the accompanying Consolidated Statement of Operations.

Item 2. 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 contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere 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, outlook, 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. You can find many, but not all, of these statements by looking for words like "will," "may," "believes," "expects," "anticipates," "forecast," "future," "intends," "plans," and "estimates" and for similar expressions.

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 which may impact the forecasting of our earnings per share, net revenue yields, booking levels, pricing, occupancy, operating, financing and/or tax costs, costs per available lower berth day ("ALBD"), estimates of ship depreciable lives and residual values, outlook or business prospects. These factors include, but are not limited to, the following:

- risks associated with the DLC structure, including the uncertainty of its tax status;
- general economic and business conditions, which may impact levels of disposable income of consumers and net revenue yields for our cruise brands;
- conditions in the cruise and land-based vacation industries, including competition from other cruise ship operators and providers of other vacation alternatives and increases in capacity offered by cruise ship and land-based vacation alternatives;
- risks associated with operating internationally;
- the international political and economic climate, armed conflicts, terrorist attacks and threats thereof, availability of air service, other world events and adverse publicity, and their impact on the demand for cruises;
- accidents and other incidents affecting the health, safety, security and vacation satisfaction of passengers, including machinery and equipment failures, which could cause the alteration of itineraries or cancellation of a cruise or series of cruises;
- changing public and consumer tastes and preferences, which may, among other things, adversely impact the demand for cruises;
- our ability to implement our shipbuilding programs and brand strategies and to continue to expand our business worldwide;
- our ability to attract and retain qualified shipboard crew and maintain good relations with employee unions;
- our ability to obtain financing on terms that are favorable or consistent with our expectations;
- the impact of changes in operating and financing costs, including changes in foreign currency and interest rates and fuel, food, payroll, insurance and security costs;
- changes in the tax, environmental, health, safety, security and other regulatory regimes under which we operate;
- continued availability of attractive port destinations;
- our ability to successfully implement cost improvement plans;
- continuing financial viability of our travel agent distribution system and air service providers; and
- unusual weather patterns or natural disasters, such as hurricanes and

earthquakes.

Pursuant to the Western Hemisphere Travel Initiative, U.S. citizens will be required to carry a passport for travel to or from certain countries/areas that were previously exempt. The regulations will require all U.S. citizens that enter the U.S.

by air or sea by December 31, 2006 to have a passport, and those citizens entering at land border crossings will have to have a passport by December 31, 2007.

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 listing 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.

Key Performance Indicators and Critical Accounting Estimates

We use net cruise revenues per ALBD ("net revenue yields") and net cruise costs per ALBD as significant non-GAAP financial measures of our cruise segment financial performance. We believe that net revenue yields are commonly used in the cruise industry to measure a company's cruise segment revenue performance. This measure is also used for revenue management purposes. In calculating net revenue yields, we use "net cruise revenues" rather than "gross cruise revenues." 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 by us net of our most significant variable costs, which are travel agent commissions, cost of air transportation and certain other variable direct costs associated with onboard revenues. Substantially all of our remaining cruise costs are largely fixed once our ship capacity levels have been determined.

Net cruise costs per ALBD is the most significant measure we use to monitor our ability to control our cruise segment costs rather than gross cruise costs per ALBD. In calculating net cruise costs, we exclude the same variable costs as described above, which are included in the calculation of net cruise revenues. This is done to avoid duplicating these variable costs in these two non-GAAP financial measures.

In addition, because a significant portion of our operations utilize the euro or sterling to measure their results and financial condition, the translation of those operations to our U.S. dollar reporting currency results in increases in reported U.S. dollar revenues and expenses if the U.S. dollar weakens against these foreign currencies, and decreases in reported U.S. dollar revenues and expenses if the U.S. dollar strengthens against these foreign currencies. Accordingly, we also monitor our two non-GAAP financial measures assuming the 2005 exchange rates have remained constant with the 2004 comparable period rates, or on a "constant dollar basis," in order to remove the impact of changes in exchange rates on our non-U.S. cruise operations. We believe that this is a useful measure indicating the actual growth of our operations in a fluctuating exchange rate environment. On a constant dollar basis, net cruise revenues and net cruise costs would be \$6.56 billion and \$3.76 billion for the nine month period ended August 31, 2005. In addition to our two non-GAAP financial measures discussed above, our non-U.S. cruise operations' depreciation and net interest expense were impacted by the changes in exchange rates for the nine months ended August 31, 2005 compared to August 31, 2004. The impact of changes in exchange rates on our non-U.S. cruise operations was not significant for the three months ended August 31, 2005 compared to August 31, 2004.

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 2004 joint Annual Report on Form 10-K.

Forward Outlook

On September 19, 2005, we indicated that we expected diluted earnings per share for the fourth quarter of 2005 would be in the range of \$0.39 to \$0.41.

We have not changed our September 19 fourth quarter and full year guidance, as we have not yet updated our internal operating forecast, however, the following events have occurred subsequent to September 19. The forward fuel curve for our fuel prices for the 2005 fourth quarter has increased from

approximately \$308 per ton as of September 19 to \$324 per ton. If actual fuel prices for the fourth quarter of 2005 ultimately turn out to average \$324 per ton, then our diluted earnings per share would be reduced by \$0.01 for the 2005 fourth quarter. In addition, the U.S. dollar has strengthened relative to both the euro and sterling and Hurricane Rita adversely impacted two of our Caribbean cruises. Assuming the exchange rates for the U.S. dollar remain at the current levels, the combined effect of the exchange rates and the hurricane would reduce our diluted earnings per share for the 2005 fourth quarter by approximately \$0.01.

The year-over-year percentage increase in our ALBD capacity, resulting substantially all from new ships entering service, is 9.1% in the fourth quarter of 2005 as compared to the same quarter in 2004.

Seasonality

Our revenue from the sale of passenger tickets is 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 net revenue yields and, accordingly, the largest share of our net income is earned during this period. Substantially all of Holland America Tours' and Princess Tours' revenues and net income are generated from May through September in conjunction with the Alaska cruise season.

Selected Information and Non-GAAP Financial Measures

Selected information was as follows:

	Nine Months Ended August 31,		Three Months Ended August 31,	
	2005	2004	2005	2004
Passengers carried (in thousands)	5,260	4,762	1,953	1,849
Occupancy percentage	106.6%	105.2%	110.9%	110.2%

Gross and net revenue yields were computed by dividing the gross or net revenues, without rounding, by ALBDs as follows:

	Nine Months Ended August 31,		Three Months Ended August 31,	
	2005	2004	2005	2004
(in millions, except ALBDs and yields)				
Cruise revenues				
Passenger tickets	\$ 6,432	\$ 5,663	\$ 2,692	\$ 2,444
Onboard and other	1,783	1,555	666	584
Gross cruise revenues	8,215	7,218	3,358	3,028
Less cruise costs				
Commissions, transportation and other	(1,297)	(1,227)	(483)	(467)
Onboard and other	(307)	(270)	(116)	(92)
Net cruise revenues	\$ 6,611	\$ 5,721	\$ 2,759	\$ 2,469
ALBDs	35,595,494	32,867,217	12,297,220	11,684,117
Gross revenue yields	\$ 230.78	\$ 219.61	\$ 273.07	\$ 259.18
Net revenue yields	\$ 185.71	\$ 174.05	\$ 224.35	\$ 211.29

Gross and net cruise costs per ALBD were computed by dividing the gross or net cruise costs, without rounding, by ALBDs as follows:

	Nine Months Ended August 31,		Three Months Ended August 31,	
	2005	2004	2005	2004
(in millions, except ALBDs and costs per ALBD)				
Cruise operating expenses	\$ 4,472	\$ 3,933	\$ 1,632	\$ 1,434
Cruise selling and administrative expenses	932	902	286	292
Gross cruise costs	5,404	4,835	1,918	1,726
Less cruise costs included in net cruise revenues				
Commissions, transportation and other	(1,297)	(1,227)	(483)	(467)
Onboard and other	(307)	(270)	(116)	(92)
Net cruise costs	\$ 3,800	\$ 3,338	\$ 1,319	\$ 1,167
ALBDs	35,595,494	32,867,217	12,297,220	11,684,117

Gross cruise costs per ALBD	\$ 151.83 =====	\$ 147.12 =====	\$ 155.92 =====	\$ 147.67 =====
Net cruise costs per ALBD	\$ 106.77 =====	\$ 101.56 =====	\$ 107.21 =====	\$ 99.79 =====

Nine Months Ended August 31, 2005 ("2005") Compared to the Nine Months Ended August 31, 2004 ("2004")

Revenues

Net cruise revenues increased \$890 million, or 15.6%, to \$6.61 billion in 2005 from \$5.72 billion in 2004. The 8.3% increase in ALBDs between 2004 and 2005 accounted for \$475 million of the increase, and the remaining \$415 million was from increased net revenue yields, which increased 6.7% in 2005 compared to 2004 (gross revenue yields increased by 5.1%). Net revenue yields increased in 2005 primarily from higher cruise ticket prices, a 1.3% increase in occupancy, higher onboard revenues and the weaker U.S. dollar relative to the euro and sterling. Net revenue yields, as measured on a constant dollar basis increased 5.9% in 2005. Gross cruise revenues increased \$997 million, or 13.8%, in 2005 to \$8.22 billion from \$7.22 billion in 2004 primarily for the same reasons net cruise revenues increased. Both ALBDs and revenue yields were reduced by the combined impact of the cancellation of P&O Cruises Aurora's 2005 world cruise and P&O Cruises Australia's Pacific Sky cruises, both caused by mechanical difficulties.

Onboard and other revenues included concession revenues of \$219 million in 2005 and \$193 million in 2004. Onboard and other revenues increased in 2005 compared to 2004 primarily because of the 8.3% increase in ALBDs and increased passenger spending on our ships.

Other non-cruise revenues increased \$51 million, or 14.4%, to \$406 million in 2005 from \$355 million in 2004 primarily due to the increase in the number of cruise/tours sold.

Costs and Expenses

Net cruise costs increased \$462 million, or 13.8%, to \$3.80 billion in 2005 from \$3.34 billion in 2004. The 8.3% increase in ALBDs between 2004 and 2005 accounted for \$277 million of the increase, and the remaining \$185 million was from increased net cruise costs per ALBD, which increased 5.1% in 2005 compared to 2004 (gross cruise costs per ALBD increased 3.2%). Net cruise costs per ALBD increased primarily due to a 27% increase in 2005 fuel prices, higher dry-dock amortization expense, a \$23 million MNOFP contribution and a weaker U.S. dollar relative to the euro and the sterling in 2005. This increase was partially offset by the non-recurrence in 2005 of promotional costs related to the introduction of Cunard's Queen Mary 2 in 2004, reduced costs in 2005 from the relocation of Cunard's shoreside operations and economies of scale in 2005 associated with the 8.3% ALBD increase. Net cruise costs per ALBD as measured on a constant dollar basis compared to 2004 increased 4.1% in 2005, and increased only 0.6%, excluding fuel costs and the MNOFP contribution. Gross cruise costs increased \$569 million, or 11.8%, in 2005 to \$5.40 billion from \$4.84 billion in 2004, which was a lower percentage increase than net cruise costs primarily because of the lower proportion of passengers who purchased air transportation from us in 2005.

Depreciation and amortization expense increased by \$73 million, or 12.2%, to \$672 million in 2005 from \$599 million in 2004 largely due to the 8.3% increase in ALBDs through the addition of new ships, ship improvement expenditures and the impact of a weaker U.S. dollar.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, increased \$25 million to \$246 million in 2005 from \$221 million in 2004. This increase was primarily due to a \$19 million increase in interest expense from higher average borrowing rates and a \$6 million increase in interest expense due to higher average borrowings.

Other expense in 2005 included a \$22 million expense for the write-down of a non-cruise investment, which was recorded in the third quarter, partially offset by \$7 million of income from the settlement of litigation associated with the DLC transaction.

Income Taxes

Income tax expense decreased \$13 million from 2004 to \$43 million in 2005 primarily because of Costa's reduced income taxes as a result of electing to enter the Italian Tonnage Tax regime in the 2005 third quarter (see Note 9).

Three Months Ended August 31, 2005 ("2005") Compared to the Three Months Ended August 31, 2004 ("2004")

Revenues

Net cruise revenues increased \$290 million, or 11.7%, to \$2.76 billion in 2005 from \$2.47 billion in 2004. The 5.2% increase in ALBDs between 2004 and 2005 accounted for \$129 million of the increase, and the remaining \$161 million was from increased net revenue yields, which increased 6.2% in 2005 compared to 2004 (gross revenue yields increased by 5.4%). Net revenue yields increased in 2005 primarily from higher cruise ticket prices, higher onboard revenues and, to a lesser extent, a 0.6% increase in occupancy. Gross cruise revenues increased \$330 million, or 10.9%, in 2005 to \$3.36 billion from \$3.03 billion in 2004 primarily for the same reasons net cruise revenues increased.

Onboard and other revenues included concession revenues of \$81 million in 2005 and \$72 million in 2004. Onboard and other revenues increased in 2005 compared to 2004 primarily because of the 5.2% increase in ALBDs and increased passenger spending on our ships.

Other non-cruise revenues increased \$32 million, or 10.6%, to \$333 million in 2005 from \$301 million in 2004 primarily due to the increase in the number of cruise/tours sold.

Costs and Expenses

Net cruise costs increased \$152 million, or 13.0%, to \$1.32 billion in 2005 from \$1.17 billion in 2004. The 5.2% increase in ALBDs between 2004 and 2005 accounted for \$61 million of the increase, and the remaining \$91 million was from increased net cruise costs per ALBD, which increased 7.4% in 2005 compared to 2004 (gross cruise costs per ALBD increased 5.6%). Net cruise costs per ALBD increased primarily due to a 36% increase in 2005 fuel prices, the \$23 million MNOFP contribution and, to a lesser extent, higher dry-dock amortization expense in 2005. This increase was partially offset by a reduction in promotional spending in 2005, reduced costs in 2005 from the relocation of Cunard's shoreside operations and economies of scale in 2005 associated with the 5.2% ALBD increase. Excluding fuel costs and the MNOFP contribution, net cruise costs per ALBD increased 1.4% compared to 2004. Gross cruise costs increased \$192 million, or 11.1%, in 2005 to \$1.92 billion from \$1.73 billion in 2004, which was a lower percentage increase than net cruise costs primarily because of the lower proportion of passengers who purchased air transportation from us in 2005.

Depreciation and amortization expense increased by \$16 million, or 7.6%, to \$226 million in 2005 from \$210 million in 2004 largely due to the 5.2% increase in ALBDs through the addition of new ships and ship improvement expenditures.

Income Taxes

Income tax expense decreased \$15 million from 2004 to \$45 million in 2005 primarily because of Costa's reduced income taxes as a result of electing to enter the Italian Tonnage Tax regime (see Note 9).

Liquidity and Capital Resources

Sources and Uses of Cash

Our business provided \$2.79 billion of net cash from operations during the nine months ended August 31, 2005, an increase of \$170 million over \$2.62 billion in 2004. We continue to generate substantial cash from operations and remain in a strong financial position.

During the nine months ended August 31, 2005, our net expenditures for capital projects were \$1.63 billion, of which \$1.29 billion was spent for our ongoing new shipbuilding program, including the final delivery payments for the Carnival Valor, Carnival Liberty and P&O Cruises' Arcadia. The remaining capital expenditures consisted primarily of \$225 million for ship improvements and refurbishments, and \$112 million for Alaska tour assets, cruise port facility developments and information technology assets. During the nine months ended August 31, 2004, our net expenditures for capital projects were \$2.87 billion primarily because we took delivery of six new ships.

During the nine months ended August 31, 2005 we borrowed \$1.15 billion, of which a portion was used to pay part of the Arcadia and Carnival Liberty purchase prices and to refinance debt as noted below. During the same nine month period, we made \$581 million of debt repayments, which included the final payment on our capitalized lease obligations of \$110 million, \$100 million repayment of our 7.05% fixed rate notes and \$253 million in repayment of Costa indebtedness. In addition, we refinanced \$487 million of euro debt to reduce our borrowing rate. We also paid cash dividends of \$402 million and purchased \$30 million of treasury stock during the nine months ended August 31, 2005.

Future Commitments and Funding Sources

Our contractual cash obligations remained generally unchanged at August 31, 2005 compared to November 30, 2004, except for changes to our debt as noted above, and changes to our ship construction commitments as follows:

- We made the final payments of approximately \$1.17 billion related to the Carnival Valor, Carnival Liberty and P&O Cruises' Arcadia, which were delivered in December 2004, July 2005 and March 2005, respectively.
- In January 2005, Costa Cruises entered into a new ship construction contract with Fincantieri for a 3,000 passenger ship, which has an estimated all-in cost of 475 million euros (\$581 million U.S. dollars at the August 31, 2005 exchange rate) and is expected to enter service in June 2007.
- In July 2005, we entered into a new ship construction contract with Meyer Werft for a 2,030 passenger ship for our AIDA Cruises brand, which has an estimated all-in cost of 315 million euros (\$385 million U.S. dollars at the August 31, 2005 exchange rate) and is expected to enter service in April 2008.

During 2004, the Boards of Directors authorized the repurchase of up to an aggregate of \$1 billion of Carnival Corporation common stock and/or Carnival plc ordinary shares commencing in 2005 subject to certain repurchase restrictions on Carnival plc shares. Through October 6, 2005, we repurchased 3.3 million shares for \$163 million.

Excluding any future ship orders, the year over year percentage increase in Carnival Corporation & plc's ALBD capacity for 2006, 2007, 2008 and 2009, resulting substantially all from new ships entering service, is currently expected to be 5.5%, 8.1%, 7.6% and 2.8%, respectively.

At August 31, 2005, we had liquidity of \$4.55 billion, which consisted of \$1.37 billion of cash, cash equivalents and short-term investments, \$2.45 billion available for borrowing under our revolving credit facilities and \$732 million under our unsecured term loan facilities. Our revolving credit facilities mature in March 2006 through June 2006. A key to our access to liquidity is the maintenance of our strong credit ratings.

Based primarily on our historical results, current financial condition and future forecasts, we believe that our existing liquidity and cash flow from future operations will be sufficient to fund most of our expected capital projects, debt service requirements, dividend payments, working capital and other firm commitments. However, our forecasted cash flow from future operations, as well as our credit ratings, may be adversely affected by various factors, including, but not limited to, those factors noted under "Cautionary Note Concerning Factors That May Affect Future Results." To the extent that we are required, or choose, to fund future cash requirements, including our future shipbuilding commitments, from sources other than as discussed above, we believe that we will be able to secure such financing from banks or through the offering of debt and/or equity securities in the public or private markets. No assurance can be given that our future operating cash flow will be sufficient to fund future obligations or that we will be able to obtain additional financing, if necessary.

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 financial statements.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms.

Our Chief Executive Officer, Chief Operating Officer and Chief Financial and Accounting Officer have evaluated our disclosure controls and procedures and have concluded, as of August 31, 2005, that they were effective as described above.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during our quarter ended August 31, 2005 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there is only reasonable assurance that our controls will succeed in achieving their goals under all potential future conditions.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

On March 7, 2005, a lawsuit was filed against Carnival Corporation on behalf of some current and former crewmembers alleging that Carnival Cruise Lines failed to pay the plaintiffs' overtime and minimum wages. On August 5, 2005, the Court dismissed the lawsuit. The plaintiffs filed an appeal to the Eleventh Circuit U.S. Court of Appeals on August 18, 2005, which is currently pending.

In May 2005, a class action lawsuit was filed against Carnival Corporation in the United States District Court for the Southern District of Florida alleging breach of the implied covenant of good faith and fair dealing and a violation of The Florida Deceptive and Unfair Trade Practices Act for profits made by Carnival Cruise Lines on

shore excursions provided by third party shore excursion operators. The suit seeks certification as a class action on behalf of all Carnival Cruise Line passengers from May 5, 2001 to the present who have taken shore excursions, and seeks payment of damages and injunctive relief.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During 2004, the Boards of Directors authorized the repurchase of up to an aggregate of \$1 billion of Carnival Corporation common stock and/or Carnival plc ordinary shares commencing in 2005 subject to certain repurchase restrictions on Carnival plc shares. At August 31, and October 6, 2005, the remaining availability pursuant to our share repurchase program was \$970 million and \$837 million, respectively. During the 2005 third quarter there were no repurchases of Carnival Corporation common stock and/or Carnival plc ordinary shares.

During the nine months ended August 31, 2005, \$112 million of our Zero-Coupon Notes were converted at their accreted value into 3.4 million shares of Carnival Corporation common stock, of which 0.6 million were issued from treasury stock.

Each share of common stock issued is paired with a trust share of beneficial interest in the P&O Princess Special Voting Trust, which holds a Special Voting Share issued by Carnival plc in connection with the DLC transaction completed in April 2003. The issuance was exempt from registration under the Securities Act pursuant to Section 3(a)(9) of the Securities Act.

Item 6. Exhibits.

- 3.1 Third Amended and Restated Articles of Incorporation of Carnival Corporation, incorporated by reference to Exhibit No. 3.1 to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.
- 3.2 Amended and Restated By-laws of Carnival Corporation, incorporated by reference to Exhibit No. 3.2 to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.
- 3.3 Articles of Association of Carnival plc, incorporated by reference to Exhibit No. 3.3 to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.
- 3.4 Memorandum of Association of Carnival plc, incorporated by reference to Exhibit No. 3.4 to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.
- 10.1 Carnival Corporation & plc Non-Executive Board of Director Cruise Benefit Policy.
- 10.2 Amended and Restated Carnival plc 2005 Employee Share Plan.
- 10.3 Carnival Cruise Lines Management Incentive Plan.
- 10.4 Agreement with Pier Luigi Foschi.
- 10.5 Form of Non-qualified Stock Option Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.
- 10.6 Form of Restricted Stock Award Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.
- 10.7 Form of Restricted Stock Unit Award Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.
- 10.8 Form of Share Option Certificate for the Amended and Restated Carnival plc 2005 Employee Share Plan.

- 12 Ratio of Earnings to Fixed Charges.
- 31.1 Certification of Chief Executive Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Operating Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.3 Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.4 Certification of Chief Executive Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.5 Certification of Chief Operating Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.6 Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of Chief Executive Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Chief Operating Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.3 Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.4 Certification of Chief Executive Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.5 Certification of Chief Operating Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.6 Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CARNIVAL CORPORATION

CARNIVAL PLC

By:/s/ Micky Arison

Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

By:/s/ Micky Arison

Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

By:/s/ Howard S. Frank

Howard S. Frank
Vice Chairman of the Board of
Directors and Chief Operating Officer

By:/s/ Howard S. Frank

Howard S. Frank
Vice Chairman of the Board of
Directors and Chief Operating Officer

By:/s/ Gerald R. Cahill

Gerald R. Cahill
Executive Vice President
and Chief Financial and
Accounting Officer

By:/s/ Gerald R. Cahill

Gerald R. Cahill
Executive Vice President
and Chief Financial and
Accounting Officer

Dated: October 7, 2005

Dated: October 7, 2005

CARNIVAL CORPORATION & plc
NON-EXECUTIVE BOARD OF DIRECTOR
CRUISE BENEFIT POLICY
As of March 14, 2005

Issue Date: July 17, 2005

Carnival Corporation & plc
Non-Executive Board of Director Approved by BOD July 17, 2005
Cruise Benefit Policy

1.0 PURPOSE

1.1. The purpose of this policy is to provide guidance to the Non-executive Board of Directors ("NED") concerning their Cruise Benefits from Carnival Corporation & plc Operating Companies as approved by the Boards of Directors.

2.0 SCOPE

2.1. This policy applies to all active and/or retired NED(s).

3.0 GENERAL POLICY STATEMENTS

3.1. This policy allows each NED up to two confirmed cruises per calendar year for a combined total of 14-days (or less) in the best outside cabin available for a fare of \$35 per day. The cruise is determined based on space available and certain blackout dates apply.

3.2. Guests traveling with the NED in the same stateroom will each be charged a fare of \$35 per day.

3.3. Other family members traveling with the NED can book confirmed space at the special rate of 15% off lowest available rate.

3.4. All other charges associated with the cruise are the responsibility of the NED (e.g., air, government fees & taxes, gratuities, ground transfers, tours, etc.).

3.5. A "Cruise Experience Report" is required for each NED who takes advantage of the cruise benefit (see point 4.4 below for details on the requirements of the "Cruise Experience Report").

4.0 ADMINISTRATIVE REQUIREMENTS

4.1. Cruise Travel Request Forms

The NED should contact the Carnival Corporate Legal Department to obtain and complete the "Cruise Travel Request Form" specific to the

brand the NED is requesting to sail. Any questions regarding the travel form should be directed to the Carnival Corporate Legal Department.

4.2. Review & Approval

The Corporate Legal Department will process the Cruise Travel Request Form and advise the NED regarding cabin availability for the dates requested.

4.3. Cruise Documentation Requirements

The NED and their guest will be required to adhere to each operating company's cruise documentation requirements. Failure to comply with the operating company's documentation requirements at check-in time could prevent the NED and/or their guest from sailing.

4.4. "Cruise Experience Report"

Prior to the departure of a cruise, the NED is required to obtain from the Carnival Corporate Legal Department the "Cruise Experience Report" requirements (e.g., objectives/scope of report) specific to the brand on which the cruise will be taken. The report should be completed and submitted to Carnival Corporate Legal department within 45 days after the cruise.

AMENDED AND RESTATED
CARNIVAL PLC 2005 EMPLOYEE SHARE PLAN

(As adopted by the board of directors of Carnival plc on 18 January 2005 and approved by shareholders of Carnival plc in general meeting on 13 April 2005; amended by the Compensation Committee of the board of directors on 5 July 2005)

1. PURPOSE

The purpose of the Plan is to provide a means through which each member of the plc Group may attract able persons to enter and remain in the employ of members of the plc Group and to provide a means whereby employees and executive directors of each member of the plc Group can acquire and maintain Share ownership, or be paid incentive compensation measured by reference to the value of Shares, thereby strengthening their commitment to the welfare of the members of the plc Group and promoting an identity of interest between shareholders and these persons. It is intended that the Plan will be an employees' share scheme within the meaning of section 743 of the Companies Act 1985.

The Plan provides for the granting of Options (Incentive Share Options, Nonqualified Share Options, Unapproved Options and Approved Options), Restricted Shares and Restricted Share Units to eligible employees. Inland Revenue Approved Options may be granted under an Appendix to the Plan approved by the Inland Revenue.

2. DEFINITIONS

The following definitions shall be applicable throughout the Plan;

ADRs means American Depositary Receipts evidencing American Depositary Shares deposited by the Company with a depositary pursuant to a depositary agreement;

Affiliate means:

(a) any entity that directly or indirectly is Controlled by, Controls or is under common Control with the Company or Carnival Corporation; and

(b) to the extent provided by the Committee, any entity in which the Company or Carnival Corporation has a significant equity interest.

Approved Option means an Option granted under an Inland Revenue approved share plan contained in the Appendix to this Plan;

Award means, individually or collectively, any Incentive Share Option, Nonqualified Share Option, Unapproved Option, Approved Option, Restricted Share Award or Restricted Share Unit Award;

Award Agreement means a Share Option Agreement, Restricted Share Agreement or Restricted Share Unit Agreement;

Board means the board of directors of the Company;

Capital Reorganisation means any variation in the share capital or reserves of the Company (including, without limitation, by way of capitalisation issue, rights issue, sub-division, consolidation, or reduction);

Carnival Corporation means Carnival Corporation, a corporation organised under the laws of the Republic of Panama;

Cause means a member of the plc Group having a right to terminate a Participant's employment summarily either in accordance with the terms of the Participant's contract of employment with that member or otherwise at common law including without limitation:

- (a) the determination by the Committee that the Participant has ceased to perform his duties to a member of the plc Group (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to his employer;
- (b) the Committee's determination that the Participant has engaged or is about to engage in wilful misconduct or conduct which causes or may reasonably be expected to cause substantial damage to a member of the plc Group;
- (c) the Participant having been convicted of, or pleaded guilty to, an offence involving as a material element fraud or dishonesty; or

- (d) the failure of the Participant to follow the lawful instructions of the Board or any of his superiors;

Change of Control means the occurrence of any of the following:

- (a) a person (either alone or together with any person acting in concert with him) obtaining Control of the Company as a result of a general offer or otherwise for the whole of the share capital of the Company (other than those shares which are already owned by him and/or any person acting in concert with him);
- (b) a person (either alone or together with any person acting in concert with him) acquiring 50% or more (on a fully diluted basis) of either:
 - (i) the then outstanding Shares taking into account as outstanding for this purpose such Shares as are issuable upon the exercise of options or warrants, the conversion of convertible shares or debt and the exercise of any similar right to acquire such Shares (the "Outstanding Shares"); or
 - (ii) the combined voting power of the then outstanding voting shares or securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities");

provided, however, that for purposes of this Plan, the following acquisitions shall not constitute a Change of Control:

- (A) any acquisition by the Company or any Affiliate,

- (B) any acquisition by any employee benefit plan sponsored or maintained by the Company or any Affiliate,
- (C) any acquisition by Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses or lineal descendants, any trust established for the benefit of any of the aforementioned Arison family members, or any person directly or indirectly controlling, controlled by or under common control with any of the aforementioned Arison family members or any trust established for the benefit of any of the aforementioned Arison family members or any charitable trust or non-profit entity established by any person or entity described in this sub-paragraph (C); or
- (D) any acquisition by any person which falls within the proviso to paragraph (e) below or sub-paragraphs (i), (ii) and (iii) of paragraph (h) below;

and for the purposes of this Plan an event falling within sub-paragraphs (a) or (b) of this definition shall be referred to as an Acquisition;

- (c) individuals who, on the date this Plan is approved by shareholders in general meeting, constitute the board of directors of the Company (the "Incumbent Directors") ceasing for any reason to constitute at least a majority of the board, provided that any person who becomes a director subsequently and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the board (either by a specific vote of the directors or by approval of the proxy statement or annual report and accounts of the Company in which such person is nominated for election by shareholders, without written objection to such nomination) shall be an Incumbent Director; and for the purposes of this Plan an event falling within this sub-paragraph (c) shall be referred to as a Board Change;
- (d) a person becoming bound or entitled to give notice under sections 428 to 430F of the Companies Act 1985 to acquire Shares (a "Compulsory Acquisition Procedure");
- (e) a Court directing that a meeting of the holders of Shares be convened pursuant to section 425 of the Companies Act 1985 for the purposes of considering a scheme of arrangement of the Company or its amalgamation with any other company or companies and the scheme of arrangement being approved by the shareholders' meeting or sanctioned by the Court (as the Committee may determine) (the "Relevant Condition") provided, however, that the Committee may determine that the scheme of arrangement shall not constitute a Change of Control if the purpose and effect of the scheme of arrangement is to create a new holding company for the Company, such company having substantially the same shareholders with the same proportionate shareholdings as the Company had immediately prior to the scheme of arrangement, and for the purposes of this Plan an event falling within this sub-paragraph (e) shall be referred to as a Scheme of Arrangement;
- (f) notice being duly given of a resolution for the voluntary winding-up of the Company (a "Voluntary Winding Up");
- (g) the sale, transfer or other disposition of all or substantially all of the business or assets of the Company (a "Sale"); or

(h) the completion of a reorganization, recapitalization, merger, consolidation, share exchange or similar form of corporate transaction involving the Company that requires the approval of the Company's shareholders, whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), unless immediately following such Business Combination:

(i) more than 50% of the total voting power of:

(A) the company or body corporate resulting from such Business Combination (the "Surviving Company"); or

(B) if applicable, the ultimate parent company or body corporate that directly or indirectly has beneficial ownership of sufficient voting securities eligible to elect a majority of the directors of the Surviving Company (the "Parent Company"), is represented by the Outstanding Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which the Outstanding Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of the Company's Voting Securities among the holders thereof immediately prior to the Business Combination,

(ii) no person, is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Company (or, if there is no Parent Company, the Surviving Company); and

(iii) at least a majority of the members of the board of directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the completion of the Business Combination were members of the board of directors of the Company at the time of the board's approval of the execution of the initial agreement providing for such Business Combination

and for the purposes of this Plan a transaction falling within this sub-paragraph (h) shall be referred to as a Corporate Transaction;

Code means the United States Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section;

Combined Group means the plc Group and Carnival Corporation and any subsidiary of Carnival Corporation as that term is defined in section 736 of the Companies Act 1985;

Committee means the Compensation Committee of the board of directors. Unless the Board determines otherwise, each member of the Committee shall, at the time he takes any action with respect to an Award under the Plan, be an Eligible Director. However, the mere fact that a Committee member shall fail to qualify as an Eligible Director shall not invalidate any Award which is otherwise validly granted under the Plan;

Company means Carnival plc, a company incorporated under the laws of England and Wales;

Control has the meaning given to it by section 840 of ICTA;

Date of Grant means the date on which the granting of an Award is authorized, or such other date as may be specified in such authorization or, if there is no such date, the date indicated on the applicable Award Agreement;

Dealing Day means any day on which the London Stock Exchange is open for the transaction of business;

Discretionary Share Plan means an Employee Share Plan in which participation is solely at the discretion of the Board including the P&O Princess Cruises Deferred Bonus & Co-Investment Matching Plan;

Effective Date means the date on which the Plan is approved by the Company's shareholders in general meeting;

Eligible Director means a person who is a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, or a person meeting any similar requirement under any successor rule or regulation;

Employee means any employee (including an executive director) of a member of the plc Group whose terms of service require him to devote substantially the whole of his working time to the affairs of a member of the Combined Group;

Employee Share Plan means any share option plan or other employees' share incentive plan established by the Company including the P&O Princess Cruises Deferred Bonus & Co-Investment Matching Plan;

Exchange Act means the U.S. Securities Exchange Act of 1934, as amended;

Fair Market Value means, on a given date:

- (a) for so long as the Shares are traded on the London Stock Exchange, the closing middle market quotation for a Share as derived from the Daily Official List of the London Stock Exchange for that day; or
- (b) subject to (a) above, its market value determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and in the case of any Award under which Shares are to be issued, the nominal value of a Share;

ICTA means the United Kingdom Income and Corporation Taxes Act 1988;

ITEPA means the United Kingdom Income Tax (Earnings and Pensions) Act 2003;

Incentive Share Option means an Option granted by the Committee to a US Participant under the Plan which is designated by the Committee as an incentive stock option as described in Section 422 of the Code and which otherwise meets the requirements set forth herein;

the London Stock Exchange means London Stock Exchange plc or any successor body thereto;

Nonqualified Share Option means an Option granted by the Committee to a US Participant under the Plan, which is not designated by the Committee as an Incentive Share Option;

Option means an Award granted under Section 7 being either an Incentive Share Option, a Nonqualified Share Option, an Unapproved Option or an Approved Option;

Option Holder means any individual who holds a subsisting Option (including, where the context permits, the legal personal representatives of a deceased Option Holder);

Option Period means such period commencing on the Date of Grant and not exceeding ten years, as the Committee may determine under Section 7.6 in respect of an Option or portions of an Option;

Option Price means the exercise price of an Option as described in Section 7.3;

Participant means an Employee who has been selected by the Committee to participate in the Plan and to receive an Award;

Performance Goals means the performance objectives which may be established by the Committee for the purpose of determining whether, and to what extent, Awards will vest or be subject to a Restricted Period.

Plan means this Carnival plc 2005 Employee Share Plan, as amended from time to time;

the plc Group means the Company and the Subsidiaries and member of the Group shall be construed accordingly;

Registered Holder means any person or persons nominated by the Committee to hold Restricted Shares on behalf of a Participant;

Relevant Period means in the case of:

- (a) an Acquisition, the period of three months from the date of completion of the acquisitions and if the acquisitions occur as a result of an offer which is made subject to conditions, the period of three months from the date when the offer becomes or is declared unconditional in all respects;
- (b) a Board Change, the period of three months from the date that the relevant majority no longer subsists;
- (c) a Compulsory Acquisition Procedure, the period of 30 days from the date on which a notice of compulsory acquisition is first issued;
- (d) a Scheme of Arrangement, the period between the date of the Court's direction and twelve noon on the day immediately preceding the date for which the shareholders' meeting is convened or such longer period up to the date on which the Court sanctions the Scheme of Arrangement as the Committee may determine;
- (e) a Voluntary Winding Up, the period of two months from the date the resolution;
- (f) a Sale, the period of three months from the date of completion of the relevant transaction; and
- (g) a Corporate Transaction, the period of three months from the date of completion of the relevant transaction;

Restricted Period means, with respect to any Restricted Shares or any Restricted Share Unit, the period of time determined by the Committee during which such Award is subject to the restrictions set forth in Section 9 (unless foreshortened pursuant to the rules of this Plan);

Restricted Shares means Shares issued or transferred to a Participant subject to forfeiture and the other restrictions set forth in Section 9;

Restricted Share Award means an Award of Restricted Shares granted under Section 9;

Restricted Share Unit means a hypothetical investment equivalent to one Share granted in connection with an Award made under Section 9;

Restricted Share Unit Award means an Award of Restricted Share Units granted under Section 9;

Retirement means the cessation of a Participant's employment with a member of the plc Group on or after the earlier of:

- (a) age 65 with at least five years of service with a member of the plc Group;
or
- (b) age 55 with at least 15 years of service with a member of the plc Group;

Retirement Age means age 55 for the purposes of paragraph 35A of Schedule 4 to ITEPA;

Securities Act means the Securities Act of 1933, as amended;

Shares means fully paid and irredeemable ordinary shares in the capital of the Company or shares representing those shares following any Capital Reorganisation;

Share Option Agreement means any agreement between the Company and a Participant who has been granted an Option pursuant to Section 7 which evidences the grant of an Option and in the case of an Option granted by way of a share option certificate, shall mean the share option certificate;

Subsidiary means any subsidiary of the Company, as defined in Section 736 of the Companies Act 1985, of which the Company has Control;

UKLA means the United Kingdom Listing Authority;

Unapproved Option means an Option granted to a Participant other than a US Participant under the Plan which is not designated by the Committee as an Approved Option; and

Vested Unit shall have the meaning assigned to it in Section 9.12.

3. EFFECTIVE DATE, DURATION AND SHAREHOLDER APPROVAL

3.1 The Plan is effective as of the Effective Date, and the Plan was approved by shareholders at a general meeting held on 13 April 2005 in a manner intended to comply with the shareholder approval requirements of Sections 422(b)(1) of the Code and the New York Stock Exchange.

3.2 The expiration date of the Plan, on and after which no Awards may be granted hereunder, shall be the tenth anniversary of the Effective Date; provided, however, that the administration of the Plan shall continue in effect until all matters relating to Awards previously granted have been settled.

4. ADMINISTRATION

4.1 The Committee shall administer the Plan.

4.2 Subject to the provisions of the Plan and applicable law, the Committee shall have the power, in addition to other express powers and authorizations conferred on the Committee by the Plan, to:

- (a) designate Participants;
- (b) determine the type or types of Awards to be granted to a Participant;
- (c) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards;
- (d) determine the terms and conditions of any Awards;
- (e) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or cancelled, forfeited or suspended and the method or methods by which Awards may be settled, exercised, cancelled, forfeited or suspended;
- (f) determine whether, to what extent, and under what circumstances the delivery of cash, Shares, other securities, other Awards, other property and other amounts payable with respect to an

Award shall be deferred either automatically or at the election of the holder thereof or of the Committee;

- (g) interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan;
- (h) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and
- (i) make any other determination and take any other action specified under the Plan or that the Committee deems necessary or desirable for the administration of the Plan.

4.3 Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or any documents evidencing Awards shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all parties, including, without limitation, each member of the Combined Group, any Participant, any holder or beneficiary of any Award, and any shareholder.

5. GRANT OF AWARDS; SHARES SUBJECT TO THE PLAN

5.1 The Committee may, from time to time, grant Awards of Options, Restricted Shares or Restricted Share Units to one or more Employees provided that no Award to subscribe for Shares shall be granted to the extent that the aggregate number of Shares that could be issued pursuant to that Award and any other Awards granted at the same time when added to the number of Shares that:

- (a) could be issued on the exercise of any other subsisting share options or awards granted during the preceding ten years under the Plan or any other Employee Share Plan; and
- (b) have been issued on the exercise of any share options or awards granted during the preceding ten years under the Plan or any other Employee Share Plan; and
- (c) have been issued during the preceding ten years under any Employee Share Plan or any profit sharing or other employee share incentive plan established by the Company;

would exceed 10% of the ordinary share capital of the Company for the time being in issue.

5.2 Shares delivered by or on behalf of the Company in settlement of Awards may be authorized and unissued Shares or Shares held in the treasury of the Company or purchased on the open market or by private purchase.

5.3 Any member of the plc Group may provide money to the trustees of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for those purposes, to the extent not prohibited by section 151 of the Companies Act 1985.

6. ELIGIBILITY

Participation shall be limited to Employees who have received written notification from the Committee, or from a person designated by the Committee, that they have been selected to participate in the Plan.

7. TERMS OF OPTIONS

7.1 The Committee is authorized to grant one or more Approved Options, Unapproved Options, Incentive Share Options or Nonqualified Share Options to any Employee. Each Option so granted shall be subject to the conditions set forth in this Section 7, or to such other conditions consistent with this Plan as may be reflected in the applicable Share Option Agreement.

Option Price

7.2 The Option Price per Share for each Option shall be set by the Committee at the Date of Grant but shall not be less than the Fair Market Value of a Share on the Date of Grant and, if the Shares are to be issued, the nominal value of a Share.

Manner of Exercise and Form of Payment

7.3 No Shares shall be delivered pursuant to any exercise of an Option until payment in full of the Option Price therefor is received by the Company or the Participant has made arrangements acceptable to the Company for the payment of the Option Price. Options which have become exercisable may be exercised by delivery of written notice of exercise to the Company accompanied by payment of, or an undertaking to pay, the aggregate Option Price. The Option Price shall be payable in cash.

Conditions of Grant

7.4 An Option may be granted subject to such conditions for payment of taxation, employees' National Insurance contributions and employer's National Insurance contributions liability as the Committee may determine (including without limitation the right to sell on an Option Holder's behalf sufficient Shares to satisfy any taxation or National Insurance contributions) and if any condition is imposed relating to the assumption, payment or reimbursement by the Option Holder of employer's National Insurance contributions liability, such conditions shall comply with any applicable legislation or regulations and the Company shall be entitled to waive in whole or in part the Option Holder's obligation in respect of such liability.

Vesting, Option Period and Expiration

7.5 Subject to Sections 8 and 13, Options shall vest and become exercisable in such manner and on such date or dates as the Committee may determine at the Date of Grant and set out in a vesting schedule (a "Vesting Schedule") in the applicable Share Option Agreement or share option certificate. The Committee may determine that an Option may vest in full on one date only or may vest partially as to different portions on different dates so that an Option may have one Option Period or a number of Option Periods applying to determine when each portion shall vest. Subject to Sections 8 and 13 Options shall lapse on the earlier of:

- (a) the expiry of the Option Period; and

- (b) the Option Holder being declared bankrupt or entering into any general composition with or for the benefit of his creditors including a voluntary arrangement under the Insolvency Act 1986;

provided, however, that notwithstanding any vesting dates set by the Committee, the Committee may, in its sole discretion, accelerate the exercisability of any Option, which acceleration shall not affect the terms and conditions of such Option provided for in this Plan other than with respect to exercisability. If an Option is exercisable in instalments, such instalments or portions thereof which vest and become exercisable shall remain exercisable until the Option lapses but subject to any earlier lapse provisions under Sections 8 and 13.

Performance Goals

7.6 The Committee shall determine prior to the Date of Grant whether any Performance Goals shall apply to the vesting of an Option and if so these shall be set out in the applicable Share Option Agreement or share option certificate.

Other Terms and Conditions

7.7 Each Option granted under the Plan shall be evidenced by a Share Option Agreement or a share option certificate. Immediately prior to the granting of any Options, the Committee may, in its absolute discretion, enter into a deed poll recording its intention to be bound by the share option certificates to be issued to the Option Holder in respect of such Option. Except as specifically provided otherwise in a Share Option Agreement or a share option certificate, each Option granted under the Plan shall be subject to the following terms and conditions:

- (a) each Option or portion thereof that is exercisable shall be exercisable for the full amount or for any part thereof;
- (b) each Share acquired through the exercise of an Option shall be treated as fully paid up at the time of issue or transfer. Each Option shall cease to be exercisable, as to any Share, when the Participant acquires the Share or when the Option lapses;
- (c) subject to Sections 11.9 and 11.10, Options shall not be transferable by the Participant except by will or the laws of inheritance and shall be exercisable during the Participant's lifetime only by him;
- (d) each Option shall vest and become exercisable by the Participant in accordance with the Vesting Schedule established by the Committee and set forth in the Share Option Agreement;
- (e) at the time of any exercise of an Option, a Participant must take whatever action is reasonably required by the Committee to ensure compliance with applicable securities laws; and
- (f) each Participant awarded an Incentive Share Option under the Plan shall notify the Company in writing immediately after the date he makes a disqualifying disposition of any Shares acquired pursuant to the exercise of such Incentive Share Option. A disqualifying disposition is any disposition (including any sale) of such Shares before the later of (i) two years after the Date of Grant of the Incentive Share Option or (ii) one year after the date the Participant acquired the Shares by exercising the Incentive Share Option.

Incentive Share Option Grants to 10% Shareholders

7.8 Notwithstanding anything to the contrary in this Section 7, if an Incentive Share Option is granted to a Participant who owns shares representing more than ten percent of the voting power of all classes of shares of the Company or of a Subsidiary or a parent of the Company, the Option Period shall not exceed five years from the Date of Grant of such Option and the Option Price shall be at least 110 percent of the Fair Market Value (on the Date of Grant) of the Shares subject to the Option.

Time of Grant

7.9 The Committee shall not grant Options at any time when it would be prohibited from doing so by the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing code).

\$100,000 Per Year Limitation for Incentive Share Options

7.10 To the extent the aggregate Fair Market Value (determined as of the Date of Grant) of Shares for which Incentive Share Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company) exceeds \$100,000, such excess Incentive Share Options shall be treated as Nonqualified Share Options.

8. EXERCISE AND LAPSE OF OPTIONS - CESSATION OF EMPLOYMENT

8.1 Save as otherwise provided in these rules, an Option shall lapse automatically on the Option Holder ceasing to be an employee of the plc Group (whether lawfully or unlawfully).

8.2 Where an Option Holder ceases to be an employee of the plc Group before the end of the Option Period by reason of his employment with a member of the plc Group being terminated by a member of the plc Group without Cause or by the Participant for any reason other than Retirement, the Option shall lapse on the earlier of:

- (a) the last day of the Option Period; and
- (b) the date that is three months after the date of such termination;

provided, however, that any Participant whose employment with a member of the plc Group is terminated and who is subsequently re-hired or re-engaged by a member of the plc Group prior to the lapse of the Option shall not be treated as if his employment had terminated.

In the event of a termination described in this Section 8.2, the Option shall remain exercisable by the Participant until its lapse only to the extent the Option was exercisable at the time of such termination.

8.3 Where an Option Holder ceases to be an employee of the plc Group before the end of the Option Period by reason of his death or his disability (as determined by the Committee) while still in the employment of a member of the plc Group, or he dies following a cessation of employment described in this Section 8.2, the Option shall lapse on the earlier of:

- (a) the last day of the Option Period; and
- (b) the date that is one year after the date of such death or cessation on account of disability of the Participant, as applicable.

In such event, the Option shall remain exercisable by the Participant or his or her personal representatives or beneficiaries determined in accordance with Section 11, as applicable, until its lapse only to the extent the Option was exercisable by the Participant at the time of such event.

8.4 Where the Participant ceases to be an employee of a member of the plc Group by reason of Retirement prior to the end of the Option Period, the Option shall:

- (a) lapse at the end of the Option Period; and
- (b) continue vesting in accordance with the Vesting Schedule set forth in the share option certificate or Share Option Agreement (as applicable), without regard to any requirement that the Participant remain employed with a member of the plc Group as a condition to vesting.

8.5 For the avoidance of doubt, an Option exercisable under Sections 8.2 to 8.4 may lapse at an earlier date by virtue of Section 13 and may not be exercised after the expiry of the Option Period.

8.6 For the purposes of Sections 8.1 to 8.5 a female Option Holder shall not be treated as ceasing to be an employee of a member of the plc Group if absent from work wholly or partly because of pregnancy or confinement until she ceases to be entitled to exercise any statutory or contractual right to return to work.

8.7 Where any exercise of an Option under Sections 8.2 to 8.5 would be prohibited by law or the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing rules) the period during which the Option Holder may exercise his Options shall be extended by an additional period equal to the length of the period of prohibition but not beyond the expiry of the Option Period.

9. RESTRICTED SHARE AWARDS AND RESTRICTED SHARE UNIT AWARDS

Awards of Restricted Shares and Restricted Share Unit Awards

9.1 The Committee shall have the authority:

- (a) to grant Restricted Share Awards and Restricted Share Unit Awards to Employees;
- (b) to issue or transfer Restricted Shares to Registered Holders on behalf of Participants; and
- (c) to establish terms, conditions and restrictions applicable to such Restricted Shares and Restricted Share Units, including the Restricted Period, which may differ with respect to each Participant, the time or times at which Restricted Shares or Restricted Share Units shall become vested and the number of Shares or units to be covered by each grant and whether the Award shall be subject to Performance Goals.

No Restricted Share Awards or Restricted Share Unit Awards shall be granted at any time when the Committee is prohibited from doing so by the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing rules).

9.2 The Committee may require a Participant granted a Restricted Share Award to execute and deliver to the Company a Restricted Share Agreement with respect to the Restricted Shares setting forth the restrictions applicable to such Restricted Shares. The Committee shall determine whether:

- (a) the Restricted Shares shall be held in escrow rather than delivered to the Participant pending the release of the applicable restrictions, in which case the Committee may require the Participant to additionally execute and deliver to the Company an escrow agreement satisfactory to the Company; or
- (b) the Restricted Shares shall be registered in the name of the nominated Registered Holder during the Restricted Period; or
- (c) other arrangements shall apply to the holding of Restricted Shares during the Restricted Period, the terms of such arrangements being consistent with the terms of this Plan.

9.3 If an escrow arrangement is used, the Committee shall cause a share certificate registered in the name of the Participant to be issued and, if it so determines, deposited together with the share powers with any escrow agent designated by the Committee. The Committee may cause the escrow agent to issue to a Participant a receipt evidencing any share certificate held by it registered in the name of the Participant.

9.4 If a nominated Registered Holder is used, the Committee shall cause a share certificate registered in the name of the Participant to be issued and, if it so determines, deposited together with the share powers with any Registered Holder nominated by the Committee. The Participant shall not be entitled to delivery of the share certificate until the Restricted Period has expired and the Registered Holder shall retain custody of such shares during the Restricted Period.

9.5 Subject to the restrictions set forth in Section 9.7 to 9.9, the Participant generally shall have the rights and privileges of a beneficial owner as to such Restricted Shares, including the right to direct the Registered Holder how to vote such Restricted Shares. At the discretion of the Committee, cash dividends and share dividends with respect to the Restricted Shares may be either currently paid to the Participant or withheld by the Company or the Registered Holder for the Participant's account, and interest may be credited on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Committee. The cash dividends or share dividends so withheld by the Committee and attributable to any particular Restricted Shares (and earnings thereon, if applicable) shall be distributed to the Participant upon the release of restrictions on such Restricted Shares and, if such Restricted Share is forfeited, the Participant shall have no right to such cash or share dividends.

9.6 The terms and conditions of a grant of a Restricted Share Unit Award will be reflected in a written Restricted Share Unit Award Agreement. The Committee may determine that a Restricted Share Unit Award be granted in the form of a nil cost option or a conditional or contingent right to acquire shares. Where a Restricted Share Unit Award is granted in the form of a nil cost option, any reference to the Restricted Period expiring in respect of Restricted Share Units shall be construed as meaning that a Participant may call for the Restricted Share Units within the period determined by the Committee. A Participant shall not have any beneficial interest in any Shares during the Restricted Period as a result of being granted a Restricted Stock Unit Award. The Company will not be required to set aside a fund for the payment of any such Award. At the discretion of the Committee, each Restricted Share Unit (representing one Share) awarded to a Participant may be credited with cash and share dividends paid in respect of one Share ("Dividend Equivalents"). At the discretion of the Committee, Dividend Equivalents may be either currently paid to the Participant or withheld by the Company for the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents withheld at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's account and attributable to any particular Restricted Share Unit

(and earnings thereon, if applicable) shall be distributed to the Participant upon settlement of such Restricted Share Unit and, if such Restricted Share Unit is forfeited, the Participant shall have no right to such Dividend Equivalents.

Restrictions

9.7 Restricted Shares comprised in a Restricted Share Award granted to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, and to such other terms and conditions as may be set forth in the applicable Restricted Share Award Agreement:

- (a) the Participant shall not be entitled to delivery of the share certificate;
- (b) the Restricted Shares shall be subject to the restrictions on transferability set forth in the Restricted Share Award Agreement; and
- (c) the Restricted Shares shall be subject to forfeiture to the extent provided in the Rules and the applicable Restricted Share Agreement and, to the extent such Restricted Shares are forfeited, the share certificates shall be returned to the Company, and all rights of the Participant to such Restricted Shares and as a shareholder shall terminate without further obligation on the part of the Company.

9.8 Restricted Share Units awarded to any Participant shall be subject to:

- (a) forfeiture until the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, to the extent provided in these Rules and the applicable Restricted Share Unit Agreement, and to the extent such Restricted Share Units are forfeited, all rights of the Participant to such Restricted Share Units shall terminate without further obligation on the part of the Company; and
- (b) such other terms and conditions as may be set forth in the applicable Restricted Share Unit Agreement.

9.9 The Committee shall have the authority to remove any or all of the restrictions on the Restricted Shares and Restricted Share Units whenever it may determine that such action is appropriate by reason of changes in applicable laws or other exceptional circumstances determined by the Committee (including, without limitation, the circumstances permitted in Section 10 in relation to a Participant's Retirement or death, or in relation to the termination of a Participant's employment lawfully or unlawfully, or disability) arising after the date of the Restricted Share Award or Restricted Share Unit Award.

Restricted Period

9.10 The Restricted Period applicable to Restricted Shares and Restricted Share Units comprised in an Award shall commence on the Date of Grant and shall expire from time to time as to that part of the Restricted Shares and Restricted Share Units indicated in a schedule (the "Vesting Schedule") established by the Committee and set out in the applicable Restricted Share Agreement or Restricted Share Unit Agreement.

- (a) The minimum Restricted Period applicable to Restricted Share Awards or Restricted Share Unit Awards which are subject to Performance Goals shall be one year from the Date of Grant.
- (b) The minimum Restricted Period applicable to Restricted Share Awards or Restricted Share Unit Awards which are not subject to Performance Goals, and which are to vest in full on a single date shall be three years from the Date of Grant.
- (c) The minimum Restricted Period applicable to Restricted Shares and Restricted Share Units comprised in the Award which are to vest in parts over a period of more than one year shall be five years from the Date of Grant, in which case the Restricted Period shall be treated as expiring in respect of equal parts of the Restricted Shares on Restricted Share Units on each anniversary of the Date of Grant until the end of the overall Restricted Period.

Delivery of Restricted Shares and Settlement of Restricted Share Units

9.11 Upon the expiration of the Restricted Period with respect to any Restricted Shares covered by a Restricted Share Award and the attainment of any other vesting criteria established by the Committee, the restrictions set forth in Section 9.7 to 9.9 and the Restricted Share Agreement shall be of no further force or effect with respect to the Restricted Shares which have not then been forfeited. The Company shall deliver or procure the delivery to the Participant, or his beneficiary, without charge, the share certificate evidencing the Restricted Shares which have not then been forfeited and with respect to which the Restricted Period has expired and any other vesting criteria established by the Committee has been attained (to the nearest full share) and any cash dividends or share dividends credited to the Participant's account with respect to such Restricted Shares and the interest thereon, if any.

9.12 Upon the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, with respect to any Restricted Share Units covered by a Restricted Share Unit Award, the Company shall determine whether the Award shall be settled in Shares or cash. If the Committee determines that the Award shall be settled in Shares, the Company shall procure the delivery to the Participant, or his beneficiary, without charge, one Share for each Restricted Share Unit which has not then been forfeited and with respect to which the Restricted Period has expired and any other such vesting criteria are attained ("Vested Unit"). If the Committee has elected to pay cash (or part cash and part Shares) for Vested Units, the amount of such payment shall be equal to the Fair Market Value of the Shares as of the date on which the Restricted Period lapsed with respect to such Vested Unit.

Conditions of Grant

9.13 Restricted Share Awards and Restricted Share Unit Awards may be granted subject to such conditions for payment of tax and employees' National Insurance contributions and employer's National Insurance contributions as the Committee may determine, including that, with respect to Awards of Restricted Shares which qualify as employment related restricted securities under Chapter 2 of Part VII of ITEPA, any member of the plc Group may require a Participant to enter into an election under section 430 or section 431 of ITEPA.

10. FORFEITURE

Restricted Shares

10.1 Save as otherwise provided in these rules and unless otherwise stated in the applicable Restricted Share Award Agreement, Restricted Shares shall be forfeited automatically on the Participant ceasing to be an employee of the plc Group (whether lawfully or unlawfully) before the end of the Restricted Period.

10.2 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of Retirement, the Restricted Shares shall not be forfeited and the restrictions attaching to the Restricted Shares shall continue and shall lapse in accordance with the terms of the Restricted Share Award provided, however, that the Committee may in its discretion determine that some or all of the Restricted Shares may be released early.

10.3 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of his death while still in the employment of a member of the plc Group, or he dies following a cessation of employment described in Section 10.2 the Restricted Shares shall not be forfeited and the Restricted Period shall expire forthwith and the restrictions shall lapse.

Restricted Share Units

10.4 Save as otherwise provided in these rules and unless otherwise stated in the applicable Restricted Share Unit Award Agreement, Restricted Share Units shall be forfeited automatically on the Participant ceasing to be an employee of the plc Group (whether lawfully or unlawfully) before the end of the Restricted Period.

10.5 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of Retirement, the Restricted Share Units shall not be forfeited and the restrictions attaching to the Restricted Share Units shall continue and shall lapse in accordance with the terms of the Restricted Share Unit Award provided, however, that the Committee may in its discretion determine that some or all of the Restricted Share Units may be released early.

10.6 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of his death while still in the employment of a member of the plc Group, or he dies following a cessation of employment described in Section 10.2 the Restricted Share Units shall not be forfeited and the Restricted Period shall expire forthwith and the restrictions shall lapse.

10.7 For the avoidance of doubt, an Award that is retained under this Section 10 may lapse at an earlier date by virtue of Section 13.

10.8 For the purposes of Sections 10.1 to 10.6 a female Participant shall not be treated as ceasing to be an employee of a member of the plc Group if absent from work wholly or partly because of pregnancy or confinement until she ceases to be entitled to exercise any statutory or contractual right to return to work.

10.9 Where any release or exercise of an Award under this Section 10 would be prohibited by law or the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing rules) the period during which the Restricted Shares or Restricted Share Units may be released

to a Participant shall be extended by an additional period equal to the length of the period of prohibition.

11. GENERAL

Additional Provisions of an Award

11.1 Awards granted to a Participant under the Plan also may be subject to such other provisions (whether or not applicable to Awards granted to any other Participant) as the Committee determines appropriate including, without limitation, provisions to assist the Participant in financing the acquisition of Shares upon the exercise of Options (provided that the Committee determines that providing such financing does not violate the Sarbanes-Oxley Act of 2002 and applicable UK law), provisions for the forfeiture of or restrictions on resale or other disposition of Shares acquired under any Award, provisions giving the Company the right to repurchase Shares acquired under any Award in the event the Participant elects to dispose of such Shares, provisions allowing the Participant to elect to defer the receipt of Shares upon the exercise of Awards for a specified period or until a specified event, and provisions to comply with US Federal and state securities laws and US Federal and state tax withholding requirements. Any such provisions shall be reflected in the applicable Award Agreement.

Privileges of Share Ownership

11.2 Except as otherwise specifically provided in the Plan, no person shall be entitled to the privileges of ownership in respect of Shares which are subject to Awards hereunder until such Shares have been issued or transferred to that person.

Government and Other Regulations

11.3 The obligation of the Company to issue Shares upon the exercise of Options or otherwise settle Awards in Shares shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required.

Tax Withholding

11.4 A Participant may be required to pay to a member of the Combined Group, and each member of the Combined Group shall have the right and is hereby authorized to withhold from any Shares or other property deliverable under any Award or from any compensation or other amounts owing to a Participant the amount (in cash, Shares or other property) of any required tax withholding and payroll taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

11.5 Without limiting the generality of Section 11.4 above, the Committee may, in its sole discretion, permit a Participant to satisfy, in whole or in part, the foregoing withholding liability (but no more than the minimum required withholding liability if using method (b) or (c) of this subsection) by:

- (a) payment in cash;
- (b) delivery of Shares owned by the Participant with a Fair Market Value equal to such withholding liability;

- (c) having the Company withhold from the number of Shares otherwise issuable pursuant to the exercise of the Award a number of Shares with a Fair Market Value equal to such withholding liability; or
- (d) authorising the Company to arrange the sale of sufficient Shares to generate proceeds sufficient to discharge any withholding liability.

Claim to Awards and Employment Rights

11.6 The rights and obligations of an Employee under the terms and conditions of his office or employment shall not be affected by his participation in the Plan or any right he may have to participate in the Plan. An individual who participates in the Plan waives all and any rights to compensation and damages in consequence of the termination of his office or employment with any company for any reason whatsoever (whether lawfully or unlawfully) insofar as those rights arise, or may arise, from his ceasing to have rights under or his entitlement to an Award under the Plan as a result of such termination or from the loss or diminution in value of such rights or entitlements. In the event of conflict between the terms of this Section 11.6 and the Employee's terms of employment, this Section will take precedence.

Governing Law

11.7 The Plan shall be governed by, and construed in accordance with, the laws of England. All disputes arising out of or in connection with the rules shall be subject to the exclusive jurisdiction of the courts of England and Wales.

Funding

11.8 No provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

Nontransferability

11.9 Each Award shall be exercisable only by a Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or personal representative. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of inheritance and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against each member of the plc Group.

11.10 Notwithstanding the foregoing, the Committee may, in its sole discretion, permit Awards other than Incentive Share Options to be transferred by a Participant, without consideration, subject to such rules as the Committee may adopt consistent with any applicable Award Agreement to preserve the purposes of the Plan, to:

- (a) any person who is a spouse or child or step child under the age of 18 of the Participant (an "Immediate Family Member");
- (b) a trust solely for the benefit of the Participant and his or her Immediate Family Members;
- (c) a partnership or limited liability company whose only partners or shareholders are the Participant and his Immediate Family Members;

(each transferee described in sub-sections (a), (b) and (c) above is hereinafter referred to as a "Permitted Transferee"); provided that the Participant gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Participant in writing that such a transfer would comply with the requirements of the Plan.

11.11 The terms of any Award transferred in accordance with Section 11.10 shall apply to the Permitted Transferee and any reference in the Plan, or in any applicable Award Agreement or share option certificate, to a Participant shall be deemed to refer to the Permitted Transferee, except that:

- (a) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of inheritance;
- (b) Permitted Transferees shall not be entitled to exercise a transferred Nonqualified Share Option unless there shall be in effect a registration statement on an appropriate form covering the Shares to be acquired pursuant to the exercise of such Nonqualified Share Option if the Committee determines, consistent with any applicable Share Option Agreement, that such a registration statement is necessary or appropriate,
- (c) the Committee or any member of the plc Group shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise; and
- (d) the consequences of a Participant no longer being employed by, or in the services of, a member of the plc Group under the terms of the Plan and the applicable Award Agreement or share option certificate shall continue to be applied with respect to the Participant, including, without limitation, that a Nonqualified Share Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Share Option Agreement.

Relationship to Other Benefits

11.12 No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of a member of the Combined Group except as otherwise specifically provided in such other plan.

Expenses

11.13 The expenses of administering the Plan shall be borne by the plc Group.

Gender and Number

11.14 Where the context admits, masculine pronouns and other words of masculine gender shall refer to both men and women, words in the singular shall include the plural and words in the plural shall include the singular.

Termination of Employment

11.15 For all purposes herein, a person who transfers from employment with a member of the plc Group to employment or service with a member of the Combined Group shall not be deemed to have terminated employment or service with a member of the plc Group.

Titles and Headings

11.16 The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

Severability

11.17 If any provision of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or Award, such provision shall be stricken as to such jurisdiction, person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

12. CHANGES IN CAPITAL STRUCTURE

12.1 In the event of any:

- (a) Capital Reorganisation;
- (b) Corporate Transaction; or
- (c) the implementation by the Company of a demerger, or the payment by the Company of a dividend in specie or a super dividend or other transaction or any change in applicable laws or any change in circumstances which in the opinion of the Committee (acting fairly and reasonably and taking into account any criteria it may consider to be relevant) would materially affect (whether by increasing or reducing) the current or future value of an Award

the number or type of shares subject to an Award and the Option Price per Share may be adjusted or the Awards may be subject to substitution in such manner as the Committee may determine is fair and reasonable, PROVIDED THAT:

- (i) in respect of an Award under which Shares are to be transferred, prior notification shall be given to the person holding the Shares to which the Award relates;
- (ii) no adjustment shall be made pursuant to this Section which would decrease the aggregate Option Price of any Option; and

- (iii) except as provided in this sub-paragraph (iii), no adjustment may have the effect of reducing the Option Price of any Option to less than the nominal value of a Share. Where an Option subsists over both issued and unissued Shares, any such adjustment may only be made if the reduction of the Option Price of Options over both issued and unissued Shares can be made to the same extent. Any adjustment to the Option Price of Options over unissued Shares shall only be made if and to the extent that the Committee shall be authorised to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercisable exceeds the adjusted Option Price. The Company may apply such sum in paying up such amount on such Shares and so that, on exercise of any Option in respect of which such reduction shall have been made, the Company shall capitalise such sum (if any) and apply the same in paying up such amount as aforesaid; and
- (iv) any adjustment in Incentive Share Options under this Section 12 shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code, and any adjustments under this Section 12 shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act.

12.2 Notwithstanding the above, in the event of any of the following:

- (a) the Company is merged or consolidated with another company or body corporate and, in connection therewith, consideration is received by shareholders of the Company in a form other than shares or other equity interests of the surviving entity;
- (b) a Sale;
- (c) the reorganization or liquidation of the Company; or
- (d) the Company enters into a written agreement to undergo an event described in sub-paragraphs (a), (b) or (c) above,

then the Committee may, in its discretion and upon at least 10 days advance notice to the affected persons, cancel any outstanding Awards and cause the holders thereof to be paid, in cash or shares, or any combination thereof, the value of such Awards based upon the price per share of the shares or other consideration received or to be received by shareholders of the Company in the event.

12.3 The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

13. EFFECT OF CHANGE OF CONTROL

13.1 In the event of a Change of Control which is not a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Option Period may not have commenced nor the Performance Goals been satisfied, an Option shall forthwith vest and become exercisable with respect to 100 per cent of the Shares subject to such Option. An Option Holder may exercise his Options during the Relevant Period. Failing any permitted exercise the Options shall without prejudice to the operation of Section 13.7, cease to be exercisable and shall automatically lapse upon the expiry of the Relevant Period, and if more than one Relevant Period is running concurrently,

the Option shall cease to be exercisable and lapse upon the expiry of whichever of those periods is the first to expire.

13.2 In the event of a Change of Control which is a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Option Period may not have commenced nor the Performance Goals been satisfied, an Option shall forthwith vest and become exercisable with respect to 100 per cent of the Shares subject to such Option conditionally upon satisfaction of the Relevant Condition. An Option Holder may exercise his Options during the Relevant Period. Failing any permitted exercise the Options shall cease to be exercisable between the last date upon which permitted exercises may occur and the first date when it can be determined whether or not the Relevant Condition is satisfied. If the Relevant Condition is not satisfied the Options shall continue subject to the terms of this Plan. If the Relevant Condition is satisfied the Options shall, without prejudice to the operation of Section 13.7, lapse automatically on the date upon which the scheme of arrangement is sanctioned by the Court.

13.3 In the event of a Change of Control which is not a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Restricted Period may not have expired nor any Performance Goals been satisfied, the Restricted Period shall forthwith expire with respect to 100 per cent of the Shares comprised in a Restricted Stock Award or a Restricted Stock Unit Award. The Restricted Period shall expire immediately upon the commencement of the Relevant Period and the Company shall satisfy its obligations under Section 9.11 and 9.12 of this Plan in respect of the Restricted Share Awards and Restricted Share Unit Awards within 30 days thereof at the end of which period, without prejudice to the operation of Section 13.7, the Awards shall lapse.

13.4 In the event of a Change of Control which is a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Restricted Period may not have expired nor any Performance Goals been satisfied, the Restricted Period shall expire with respect to 100 per cent of the Shares comprised in a Restricted Stock Award or a Restricted Stock Unit Award conditionally upon satisfaction of the Relevant Condition. If the Relevant Condition is not satisfied the Restricted Period shall not expire and the Restricted Share Awards and Restricted Share Unit Awards shall continue subject to the terms of this Plan. If the Relevant Condition is satisfied the Restricted Period shall expire on the date upon which the scheme of arrangement is sanctioned by the Court and the Company shall satisfy its obligations under Section 9.11 and 9.12 of this Plan in respect of the Restricted Share Awards and Restricted Share Unit Awards within 30 days thereof at the end of which period, without prejudice to the operation of Section 13.7, the Awards shall lapse.

Cancellation of Awards

13.5 In the event of a Change of Control, the Committee may in its discretion and upon at least 10 days' advance notice to the affected persons, cancel any outstanding Award and pay to the holders thereof, in cash or shares, or any combination thereof, the value of such Awards based upon the price per Share received or to be received by other shareholders of the Company in the event.

Demerger

13.6 If the Committee becomes aware that the Company is or is expected to be affected by any demerger, dividend in specie, super-dividend or other transaction which, in the opinion of the Committee, would materially affect (whether by increasing or reducing) the current or future value of any Awards, the Committee (acting fairly and reasonably and taking into account criteria it may

consider to be relevant) may, in its absolute discretion, allow Options to be exercised (whether or not the Option Period has commenced) and the Restricted Period to expire in respect of Restricted Shares and Restricted Share Units, in each case in respect of such number of Shares as the Committee may determine in its discretion. The Committee shall specify the period in which such Options shall be exercisable and whether such Options shall lapse at the end of the specified period. The Committee shall notify any Participant who is affected by the discretion exercised under this Section.

Roll-over of Awards

13.7 In the event of a Change of Control the Committee may, in its absolute discretion, with the consent of any acquiring company determine that:

- (a) Options shall not be exercisable and that the Restricted Period shall not expire in respect of Restricted Shares and Restricted Share Units but that Participants shall be required within the Relevant Period to release any outstanding Awards (whether vested or unvested) in consideration for the grant of equivalent Awards over shares or restricted shares or restricted share units in the capital of the acquiring company or any company which Controls such acquiring company, on such terms as the Committee may determine; or
- (b) Participants may at any time within the Relevant Period by agreement with the acquiring company, release any outstanding Awards (whether vested or unvested) in consideration for the grant of equivalent Awards over shares or restricted shares or restricted share units in the capital of the acquiring company or any company which Controls such acquiring company, on such terms as the Committee may determine.

14. NON EXCLUSIVITY OF THE PLAN

Neither the adoption of this Plan by the Committee nor the submission of this Plan to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Committee to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of share options otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

15. AMENDMENTS AND TERMINATION

15.1 The Committee may at any time discontinue the grant of further Awards.

15.2 The Committee may amend any of the provisions of the Plan in any way it thinks fit, provided that:

- (a) the Committee shall not make any amendment that would materially prejudice the interests of existing Participants except with the prior consent or sanction of Participants who, if they exercised their Options in full or the Restricted Period in respect of their Award expired, would thereby become entitled to not less than three-quarters of all the Shares which would fall to be allotted, transferred or released upon exercise in full of all outstanding Options and expiry of the Restricted Period; and
- (b) no amendment to the advantage of Employees or may be made to:
 - (i) the definition of Employee in Section 2;

- (ii) the limitations on the number of Shares subject to the Plan;
- (iii) the basis for determining an Executive's entitlement to Shares under the Plan;
- (iv) the terms of Shares to be provided under the Plan;
- (v) the adjustment provisions of Section 12 of the Plan; or
- (vi) the Option Price applicable to an Option (other than in the circumstances permitted in Rule 12),

without the prior approval of the Company in general meeting except in the case of minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Employees or any member of the Combined Group; and

- (c) without prejudice to any provision of the Plan which provides for the lapse of an Option, the Committee may not cancel an Option unless the Option Holder agrees in writing to such cancellation.

15.3 At any time during an Option Period where the Option Price applicable to an Option is higher than the Fair Market Value of a Share (an "Underwater Option"), the Committee shall not permit a Participant to exchange an Underwater Option in consideration of the grant of an Option with a lower Option Price, without the prior approval of the Company in general meeting other than in the circumstances permitted in Section 13.7.

15.4 Notwithstanding any other provision of the Plan, the Committee may establish appendices to the Plan for the purpose of granting Approved Options to Employees who are primarily liable to tax in the United Kingdom and Awards to Employees who are or may become primarily liable to tax outside the United Kingdom on their remuneration, subject to such modifications as may be necessary or desirable to take account of overseas tax, exchange control or securities laws provided that any shares made available under such appendices shall count towards the limit set out in Section 5.1.

15.5 Benefits under the Plan shall not be pensionable.

APPENDIX 1

United States Part of the Plan

For any Employee whose remuneration is (or, at the time of Option exercise, is expected wholly to be) subject to taxation in the United States of America and to whom the Committee wishes to grant Options under this Plan which will be treated as Incentive Share Options, the following provisions shall apply:

- (A) All the provisions of the Plan shall apply to the grant of Options subject to the modifications contained in the following paragraphs.
- (B) The number of Shares issued or transferred pursuant to the exercise of Incentive Share Options shall not, in aggregate, exceed 40 million Shares. The number of Shares available for issuance pursuant to the preceding sentence shall not exceed the limit in Section 5.1 and shall be subject to appropriate adjustment on the occurrence of any event described in Section 12.
- (C) The term "disability" in Section 8.3 shall have the meaning given by Section 22(e)(3) of the Code.

APPENDIX 2

Inland Revenue approved part of the Scheme

In relation to any Employee whose remuneration is subject to taxation in the UK and to whom the Committee wishes to grant Approved Options, the following provisions relating to Options shall apply:

- (D) Sections 1 to 15 of the Plan shall apply to the grant of Approved Options under this Appendix 2 subject to the modifications contained in the following paragraphs.
- (E) This Appendix 2 shall not apply to Awards of Restricted Shares and Restricted Share Units and, accordingly, Sections 9 to 10 shall not apply to this Appendix 2.
- (F) The definition of Employee in Section 2 shall be construed so that:
 - (i) no Option may be granted under this Appendix 2 to a director of any member of the plc Group unless such director is required to devote not less than 25 hours per week to the affairs of the plc Group; and
 - (ii) no Option may be granted under this Appendix 2 to an employee (including one who is a director) who is ineligible to participate in the Plan by virtue of paragraph 9 of Schedule 4 to ITEPA.
- (G) Part (b) of the definition of Fair Market Value shall not apply to the grant of Options under this Appendix 2. In its place, a new paragraph (b) shall be inserted as follows:

"(b) subject to (a) above, the value as agreed between the Inland Revenue and the Company in writing in advance of the Date of Grant;"
- (H) The definition of Shares shall be subject to the condition that they satisfy paragraphs 16 to 20 of Schedule 4 to ITEPA. For the avoidance of doubt, Options may not be granted over ADRs under this Appendix 2.
- (I) In addition to its powers under Section 4, the Committee may make such amendments to this Appendix 2 without the approval of shareholders in general meeting as are necessary or desirable to obtain or maintain Inland Revenue approval of this Appendix 2.
- (J) Any Option granted under this Appendix 2 may only be exercised by an Option Holder who is not ineligible to participate in the Plan by virtue of paragraph 9 of Schedule 4 to ITEPA.
- (K) Section 4.2(e) shall not apply to the grant of Options under this Appendix 2.
- (L) Section 4.2(f) shall not apply to the grant of Options under this Appendix 2.
- (M) Any correction pursuant to Section 4.2(g) to an Option granted under this Appendix 2 shall be subject to the exercise of the amendment power under Section 15, as modified by this Appendix 2.
- (N) Section 6 shall not apply to the grant of Options under this Appendix 2. In its place a new Section 6 shall be inserted as follows:

"6. ELIGIBILITY

6.1 No Employee shall be granted an Option unless:

- (a) he has received written notification from the Committee, or from a person designated by the Committee, that he has been selected to participate in the Plan; and
- (b) immediately following such grant the aggregate Fair Market Value of the Shares which he may acquire by exercise of the Option and any Shares which he may acquire by exercise of any other options granted under the Plan or any other approved CSOP scheme (within the meaning of section 521(4) of ITEPA) established by the plc Group will not exceed (pound)30,000 or such other amount as may be specified pursuant to paragraph 6 of Schedule 4 to ITEPA and for this purpose Fair Market Value shall be determined on the date on which the relevant Option is granted."

(O) Section 7.4 shall not apply to the grant of Options under this Appendix 2. In its place a new Section 7.4 shall be inserted as follows:

"Conditions of Exercise

7.4 The exercise of an Option may be subject to such conditions for payment of taxation, employees' National Insurance contributions and employer's National Insurance contributions liability as the Committee may determine (including without limitation the right to sell on an Option Holder's behalf sufficient Shares to satisfy any taxation or National Insurance contributions) and if any condition is imposed relating to the assumption, payment or reimbursement by the Option Holder of employer's National Insurance contributions liability, such conditions shall comply with any applicable legislation or regulations and the Company shall be entitled to waive in whole or in part the Option Holder's obligation in respect of such liability."

(P) Section 7.6 shall not apply to the grant of Options under this Appendix 2. In its place a new Section 7.6 shall be inserted as follows:

"Performance Goals

7.6 The Committee shall determine prior to the Date of Grant whether any Performance Goals shall apply to the vesting of an Option and if so these shall be set out in the applicable Share Option Agreement or share option certificate. Any Performance Goals applied by the Committee must be objective. If events subsequently occur which cause the Committee to consider that a different Performance Goal would be a fairer measure of the performance of the job-holder, an amendment may be made to the extent that the Committee reasonably consider would result in the Performance Goal being no more nor less difficult to satisfy than it would have been without such amendment."

(Q) Section 7.8(c) shall not apply to the grant of Options under this Appendix 2. In its place a new Section 7.8(c) shall be inserted as follows:

"Options shall not be transferable by the Participant other than to the Option Holder's personal representative on his death and shall be exercisable during the Participant's lifetime by him alone;"

(R) Section 11.1 shall not apply to Options granted under this Appendix 2. In its place, a new Section 11.1 shall be inserted as follows:

"Additional Provisions of an Award

11.1 Awards granted to a Participant under the Plan may also be subject to such other provisions (whether or not applicable to other Awards granted to any such Participant) as the Committee determines appropriate to be offered to a Participant to assist the Participant in financing the acquisition of Shares upon the exercise of Options (provided that such financing does not violate the Sarbanes-Oxley Act of 2002 and applicable UK law). Any such arrangements are subject to the prior approval of the Inland Revenue"

(S) Sections 11.4 and 11.5 shall not apply to the grant of Options under this Appendix 2. In their place new Sections 11.4 and 11.5 shall be inserted as follows:

"Tax Withholding

11.4 Subject to Section 11.5 below, a Participant may be required to pay to a member of the Combined Group, and each member of the Combined Group shall have the right and is hereby authorized to withhold from any Shares or other property deliverable under any Award or from any compensation or other amounts owing to a Participant, the amount (in cash) of any required tax withholding and payroll taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

11.5 Prior to the exercise of an Option, the Committee shall offer a Participant the opportunity to elect to satisfy, in whole or in part, any withholding liability by the methods set out in this subsection (but no more than the minimum required withholding liability if using method (b) or (c) of this subsection):

(a) payment in cash;

- (b) delivery of Shares owned by the Participant with a Fair Market Value equal to such withholding liability;
- (c) authorising the Company to arrange the sale of sufficient Shares to generate proceeds sufficient to discharge any withholding liability.

In the event that the Participant fails to satisfy the liability within 7 days, the Committee shall be authorised to arrange the sale of sufficient Shares to generate proceeds sufficient to discharge."

- (T) Sections 11.9, 11.10 and 11.11 shall not apply to Options granted under this Appendix 2.
- (U) Section 12.1 shall be amended so that the Committee shall not have power to adjust Options granted under this Appendix 2 in the circumstances envisaged by sub-sections (b) or (c) of Section 12.1, nor to adjust the type of Shares subject to an Option. Any adjustment pursuant to Section 12.1 to an Option granted under this Appendix 2 shall not take effect without the prior approval of the Inland Revenue.
- (V) Section 13.5 shall not apply to Options granted under this Appendix 2.
- (W) Section 13.7 shall not apply to Options granted under this Appendix 2. In its place, a new Section 13.7 and a new Section 13.8 shall be inserted as follows:

"Roll-over of Options

13.7 If any event occurs which falls within sub-section (a), (d) or (e) of the definition of Change of Control, each Participant who holds an Option granted under this Appendix 2 may at any time within the appropriate period (which expression shall be construed in accordance with paragraph 26(3) of Schedule 4 of ITEPA), by agreement with the acquiring company, release any Option which has not lapsed (the "Old Option") in consideration of the grant to him of an option (the "New Option") which (in accordance with Section 13.8 below) is equivalent to the Old Option but relates to shares in a different company (whether the acquiring company itself or another company falling within paragraph 27(2)(b) of Schedule 4 of ITEPA) (the "New Grantor").

13.8 The New Option shall not be regarded for the purposes of Section 13.7 as equivalent to the Old Option unless the conditions set out in paragraph 27(4) of Schedule 4 of ITEPA are satisfied and, in relation to the New Option, the provisions of the Plan shall be construed as if:

- (i) the New Option were an option granted under the Plan at the same time as the Old Option;
- (ii) references to any Performance Goals were references to such new Performance Goals (if any) relating to the business of the New Grantor or any member of the New Grantor's group as the Committee may consider are appropriate in the circumstances;
- (iii) references to the Company in Sections 2 to 15 and in the definition of plc Group were references to the New Grantor;

(iv) references to the Committee in Sections 7.7(e), 8.3, 11.1, 11.5, 11.17, 12, 13, and 15.2 were references to the board of directors of the New Grantor or any duly authorised committee thereof; and

(v) references to Shares were references to shares in the New Grantor."

(X) Section 15.3 shall not apply to Options granted under this Appendix 2.

(Y) At a time when this Appendix 2 is approved by the Inland Revenue, and if such approved status is to be maintained, no amendment to any key feature (as defined by paragraph 30(4) of Schedule 4 to ITEPA) of the rules of the Plan or this Appendix 2 may take effect as regards this Appendix 2 without the prior approval of the Inland Revenue (and if such approved status is not to be maintained, the Company shall notify the Inland Revenue of the relevant amendment).

(Z) All Shares allotted or transferred upon the exercise of an Option granted under this Appendix 2 shall rank pari passu in all respects with the Shares in issue at the date of exercise save as regards any rights attaching to such Shares by reference to a record date prior to the date of exercise.

CARNIVAL CRUISE LINES
MANAGEMENT INCENTIVE PLAN

OBJECTIVE

The Management Incentive Plan (the "Plan") is designed to focus the attention of Carnival Cruise Lines ("CCL") management on achieving outstanding performance results as reflected in profitability and other key measures. The Plan provides a framework within which the participants share in the incremental earnings of CCL achieved from applicable business operations on a fiscal year-to-year basis.

PLAN ADMINISTRATION

The administrator of the Plan is the Compensation Committee of the Board of Directors of Carnival Corporation (the "Committee"). The Committee shall have sole discretion in resolving any questions regarding the administration or terms of the Plan not addressed in this document as well as in resolving any ambiguities that may exist in this document. At its discretion, the Committee may delegate its administrative responsibilities for this Plan.

PLAN YEAR

The "Plan Year" shall be the 12-month period ending November 30 of each year.

PARTICIPATION

Participation in the Plan shall be determined on an annual basis by the Committee, based on recommendations from the President of CCL, the CEO of Carnival Corporation and/or the COO of Carnival Corporation. The President of CCL, Senior Vice Presidents and Vice Presidents of CCL shall be eligible to participate in the Plan. No employee will have the automatic right to be selected as a participant for any year nor will being selected as a participant for one year mean that participation is automatically extended to following years.

Only persons who are employed by CCL or one of its divisions on the first day of the Plan Year are eligible to participate in the Plan except that persons who commence employment or are promoted following the beginning of the Plan Year may, with the approval of the Committee, be allowed to participate in the Plan. Such potential late-entry participants will be awarded Points (as defined below) pro-rated to the time of their entry into the Plan, subject to the approval of the Committee.

In order to actually receive an Incentive Award (as defined below) under the Plan, a participant must be employed by CCL or one of its divisions on the last day of the Plan Year; provided, however, that if a participant is on a leave of absence that does not meet the requirements of The Family and Medical Leave Act of 1993 on the last day of the Plan Year, such Incentive Award shall not be payable until the participant returns to active duty. The only exceptions to this requirement are for participants whose employment is terminated prior to the last day of the Plan Year as the result of death, disability or Retirement ("Early Termination Employees") or for other circumstances approved by the Committee on a case-by-cases basis. If employment is terminated by reason of death, disability or Retirement, a participant or his/her estate will receive a pro-rata incentive award based on the portion of the Plan

Year the participant was employed. For purposes of this section, "Retirement" means a termination of employment by a participant on or after the earlier of (i) age 65 with at least five years of employment (either shipboard or shoreside) with Carnival Corporation, Carnival plc or any successor thereto and/or their affiliates or (ii) age 55 with at least 15 years of employment (either shipboard or shoreside) with Carnival Corporation, Carnival plc or any successor thereto and/or their affiliates.

BONUS POOL

The total amount payable under the Plan for each Plan Year (the "Bonus Pool") shall be calculated as follows: (Earnings minus the Capital Charge) multiplied by the Bonus Funding Percentage.

"Earnings" shall mean net income excluding net interest expense and any accrued expense related to the Plan generated within each Plan Year by CCL and its divisions calculated in accordance with U.S. generally accepted accounting principles consistently applied.

"Capital Charge" shall mean 10 percent (10%) of CCL's Average Invested Capital.

"Invested Capital" shall mean shareholder equity plus external and intercompany debt after subtracting goodwill and construction in progress. "Average Invested Capital" shall be calculated as follows: the sum of the Invested Capital balance as of November 30th of the immediately preceding Plan Year and the Invested Capital balance as of the end of each calendar month during the Plan Year, divided by 13.

"Bonus Funding Percentage" shall mean 1.75 percent (1.75%).

At the Committee's sole discretion, the potential Bonus Pool funding for a Plan Year may be increased by up to 20 percent based on performance in other areas as determined by the Committee (the "Funding Modifiers").

Any changes to the Bonus Funding Percentage and Capital Charge for a Plan Year as well as any Funding Modifier will be determined by the Committee within 90 days of the commencement of each such Plan Year.

METHOD OF CALCULATING INCENTIVE AWARDS

The Committee shall, in its discretion and after consideration of the recommendations of the President of CCL and the CEO and COO of Carnival Corporation, assign a specific number of points (the "Points") to each participant. The Points awarded to each participant will be communicated to the participant within ninety (90) days of the employee being initially selected to become a participant in the Plan and if and when there is a change in the number of Points assigned to the participant. Such decisions may be revised during a Plan Year by the Committee due to major changes in position responsibilities occurring during the Plan Year.

The Committee, in its sole discretion and after consideration of the recommendations of the President of CCL and the CEO and COO of Carnival Corporation, may adjust the Points assigned to each participant by multiplying such participant's Points by a percentage within the range set forth below corresponding to such participant's evaluated performance for such year (the "Weighted Points"):

- | | | |
|---|-----------------------|-----------|
| o | EXCELLENT PERFORMANCE | 90 - 100% |
| o | GOOD PERFORMANCE | 75 - 89% |

- o FAIR PERFORMANCE 60 - 74%
- o LESS THAN FAIR PERFORMANCE 0 - 59%

In addition, the Committee may adjust the Weighted Points assigned to a participant for any leaves of absence (other than a leave of absence meeting the requirements of The Family and Medical Leave Act of 1993 for which no adjustment will be made). Each participant shall receive an Incentive Award equal to the product of his or her Weighted Points multiplied by the "Point Value." The Point Value shall be equal to (i) the amount of the Bonus Pool, divided by (ii) the aggregate Points (before adjustments) awarded to participants for each Plan Year.

Any amounts remaining in the Bonus Pool following the calculation of the Incentive Awards pursuant to the preceding paragraph shall be available for discretionary distribution by the Committee to participants or may be retained by CCL.

PAYMENT OF INCENTIVE AWARDS

Except as otherwise provided in the section entitled "Participation," Incentive Awards shall be paid on a date determined by the Committee which is on or prior to December 31st following each Plan Year. At the discretion of the Committee, advance partial payment of Incentive Awards may be made based on anticipated performance results. At the discretion of the Committee, special arrangements may be made for earlier payment to Early Termination Employees. All Incentive Awards payable to "officers" of Carnival Corporation as defined by Rule 16a-1 of the Securities Exchange Act must be reviewed and approved by the Committee prior to payment.

At the discretion of the Committee, participants may elect to defer payment of all or a portion of their Incentive Awards in accordance with and under the terms of the Carnival Corporation "Fun Ship" Nonqualified Savings Plan or any successor plan pursuant to Section 409(a) of the Internal Revenue Code.

DURATION OF PLAN

The Plan will be effective until terminated by the Committee, with the Committee reserving the right to modify how the Bonus Pool is calculated.

AMENDMENT OF PLAN

The Committee may amend the Plan from time to time in such respects as the Committee may deem advisable.

GOVERNMENTAL AND OTHER REGULATIONS

The Plan shall be subject to all applicable federal and state laws, rules and regulations and such approvals by any governmental or regulatory agency or national securities exchange, as may be required.

Pier Luigi Foschi
c/o Costa Crociere S.p.A.
Via XII Ottobre, 2
16150 Genoa
Italy

February 10, 2005

Dear Mr. Foschi,

According to our mutual understanding, we hereby confirm the terms and conditions of your contract related to your appointment as Chairman of the Board (Presidente del Consiglio di Amministrazione) and Managing Director (Amministratore Delegato) of Costa Crociere S.p.A. (the "Company").

1. FUNCTIONS AND POWERS

- 1.1 You shall act as Chairman and Managing Director of the Company with the powers contemplated by the by-laws of the Company and granted by the Board of Directors of the Company from time to time, which shall be an integral and substantial part of this Agreement.
- 1.2 In your capacity as Managing Director, and in accordance with the powers granted by the Board of Directors of the Company, you shall be entrusted with the managerial control of the Company; you shall report to the Board of Directors of the Company on all major matters and/or matters which are outside the scope of your powers.

2. DUTIES

- 2.1 You shall undertake to accept and hold the above mentioned offices, with the connected powers granted to you, and to perform your functions, as set out above:
 - a) in compliance with the Company's by-laws;
 - b) for the achievement of the business targets which shall be set out by the Company's Board of Directors;
 - c) in compliance with the Italian Laws in force and with the Company's Code of Conduct.
- 2.2 While performing your functions you shall comply with the business plan and the business guidelines adopted by the Company's Board of Directors.

3. COMPENSATION

- 3.1 The Company will pay for your services and for the obligations undertaken by you herein a base yearly pre-tax compensation of EURO 757,000.00 (sevenhundredfiftyseventhousand), a portion of which represents compensation of your office as Chairman as established by the Shareholders' Meeting from time to time, gross of the applicable withholding tax and social security contributions to be paid in 12 installments of equal amount in arrears on the last business day of each month during the term of this Agreement, to the extent you are still in office as Chairman and Managing Director of the Company.
- 3.2 In addition, you will be entitled to payment of a performance-related bonus pursuant to the terms and conditions which are described in Enclosure 1 attached hereto.
- 3.3 You will be entitled to use a company car, also for private purposes. The fringe-benefit value of such car will be calculated pursuant to the criteria set forth by the law currently in force. All maintenance, fuel and insurance costs will be borne by the Company.
- 3.4 The Company will grant in your favor insurance policies covering the risk of death, illness and permanent disability in case of injuries at work as well as injuries in general.
- 3.5 The Company will provide you with an accommodation in Genoa or nearby, according to the terms and conditions to be agreed upon by the parties.

4. NON-COMPETITION

4.1 During the term of this Agreement and thereafter, you hereby undertake (a) not to operate - either directly or indirectly - as principal, agent, owner, director, employee, partner or advisor in favor of companies in competition with the Company, which carry out the ownership, management and commercial operations of cruise vessels, and not to acquire a shareholding in the aforesaid companies, except for participations not exceeding 2% in listed companies (b) not to endeavor to entice away from the Company or any of its subsidiaries, any person, firm, company or organization (i) who or which in the preceding 12 months shall have been a supplier of goods or services to the Company or any of its affiliates or subsidiaries, and (ii) with whom or which you had, during the course of performance of your office of director, direct dealings or personal contact, so as to harm the goodwill or, or so as to compete with, the Company or any of its subsidiaries; (c) not to induce any employee of the Company or any of its affiliates and/or subsidiaries to resign in order to enter into an employment or independent contractor relationships in favor of third parties engaged in the ownership, management and commercial operation of cruise vessels.

Such obligations shall be effective for a period of 3 years as of the expiration or the termination of this Agreement for whatsoever reason.

4.2 This obligation must be referred to the territory of Italy, France, Germany and Spain and the parties acknowledge that the above mentioned territorial extension is based upon (i) the multinational character of the Company, and (ii) on the fact that the business activity of the Company is carried out not only in Italy but also throughout Europe.

4.3 As specific consideration for this non competition obligation, you will be paid during the term of this Agreement an annual gross amount equal to Euro 115,000 (onehundredfifteenthousand), payable in 12 installments of equal amount in arrears on the last business day of each month during the term of this Agreement, to the extent you are still in office as Chairman and Managing Director of the Company.

4.4 In the event you do not comply with the obligation of this non competition clause, you undertake to pay to the Company, as a penalty, a sum of Euro 230,000 (two hundred thirty thousand) plus any additional damages suffered by the Company.

5 CONFIDENTIALITY

5.1 You hereby undertake, during the term of this Agreement and thereafter, not to use, disclose or disseminate, either directly or indirectly, to any other person, organization or entity or otherwise employ in any manner whatsoever any privileged information in any way acquired in the performance of your office of director. In particular, you shall not disclose any technical or financial information, design, process, procedure, formula or improvement that is valuable and not generally known to the Company's competitors. Such information shall include, without limitation, all information and documentation, whether or not subject to copyright, pertaining to product development, methods of operation, cost and pricing structures, marketing information, corporate strategy, product source and customer information, and other private, confidential business matters relating to the Company or any of its affiliates and/or subsidiaries

6. TERM - RENEWAL

- 6.1 Subject to paragraph 7.1 below, this Agreement shall have a term of 12 (twelve) months effective from December 1, 2004, provided that the provisions of articles 4, 5 and 7 shall survive the termination of this Agreement to the extent provided therein.
- 6.2 This Agreement shall be automatically renewed for a 12 (twelve) month period at the expiration of the term under paragraph 6.1 (the "Expiration"), and at the expiration of any subsequent renewal hereunder (the "Renewal Expiration"), unless either party has sent to the other party notice in writing of its intention not to renew this Agreement at least 60 calendar days in advance of the Expiration or the Renewal Expiration, as applicable.
- 6.3 At your request, in the event of renewal of this Agreement, the Company will review your compensation under Articles 3.1 and 3.2. Any mutually agreed changes to your compensation will be reflected in an amendment to this Agreement.
- 6.4 You acknowledge and agree that, following the Expiration or any Renewal Expiration of this Agreement, you shall not be entitled to receive any additional compensation or indemnity under this Agreement or otherwise.
7. TERMINATION
- 7.1 The Company shall be entitled to terminate this Agreement at any time without notice, without prejudice to the right to seek damages under applicable law, in case you:
- (a) are in breach of any of the obligations set forth in articles 1, 2, 4 and 5;
 - (b) are revoked as director of the Company for cause pursuant to the Italian Civil Code.
- 7.2 On the date of termination of this Agreement (and without prejudice to the rights or remedies of either party in respect of such termination or rights or remedies accrued as at such date of termination) you shall promptly:
- (a) resign (if you have not already done so) from Chairman and Managing Director of the Company, all offices held by you in the subsidiaries of the Company or in companies controlling, directly or indirectly, the Company without any compensation for loss of office;
 - (b) return to the Company all lists of customers or contacts, correspondence, documents, credit cards and other property belonging to the Company, or any of its affiliates and/or subsidiaries, which may be in your possession or under your control.
- 7.3 Should this Agreement be terminated by the Company at any time during its term, or any renewal thereof, for reasons other than those indicated under Article 7.1 above you shall be entitled to receive a gross termination payment (indennita di fine mandato): equal to 1 (one) time the yearly compensation under Article 3.1 and 4.3, plus the amount equal to the bonus payable to you by the Company under article 3.2 with reference to the fiscal year preceding any such termination.
- 7.4 Should this Agreement be terminated by you at any time during its term, or any renewal thereof, as a result of a direct or indirect change of control of the Company, you shall be entitled to receive a gross termination payment (indennita di fine mandato) equal to 1 (one) time the yearly compensation under Article 3.1 and 4.3 plus the amount equal to the bonus payable to you by the Company under article 3.2 with reference to the fiscal year preceding any such termination provided, however, that the right to such payment will not arise if you enter into an alternative contractual arrangement with the Company or the new controlling group of the Company.
- 7.5 Should you resign with cause under Italian law from the office of Director provided herein prior to the expiration of the term on this Agreement, or any renewal thereof, for reasons other than change of control of the Company, you shall be entitled to receive a penalty equal to 1 (one) time the yearly compensation under Article 3.1 and 4.3 plus the amount equal to the bonus payable to you by the Company under

article 3.2 with reference to the fiscal year preceding any such termination without being entitled to seek any further damages whatsoever.

8. MODIFICATIONS - ENTIRE AGREEMENT

8.1 This agreement may not be modified, altered or amended except by a new written agreement between the parties.

8.2 This Agreement sets forth the entire understanding of the parties and supersedes any prior oral or written agreement between you and the Company. In particular, the agreement between you and the Company dated 23 May 2002 is hereby terminated.

9. APPLICABLE LAW AND JURISDICTION

This agreement shall be governed by the laws of the Republic of Italy. To the extent permitted under applicable law, any possible dispute arising from this agreement shall be settled by the courts of Genoa.

* * *

We kindly ask you to send us a copy of the agreement duly signed by you for acceptance.

Sincerely yours,

/s/ Howard S. Frank

Howard S. Frank - Director

For acceptance

/s/ Pier Luigi Foschi

Pier Luigi Foschi

Genoa, February 10, 2005

ENCLOSURE 1

1. The bonus calculation uses your 2003-2004 bonus as the "base year" bonus, which is 669,000 (sixhundredsixtyninethousand) Euro. Such base bonus will be payable irrespective of the net income results.
2. Your bonus calculation is based on a year-over-year percentage increase in consolidated net income for the Company (calculated pursuant to U.S. GAAP) in fiscal year 2004-2005 ("Year 1"). The Company consolidated net income would be adjusted to exclude non-recurring gains/losses, such as the "Tremonti Law" tax gain, loss/gain on ship disposals, etc. The percentage increase in earnings year-over-year will be applied to your base year bonus; for example, if 2004-2005 net income is 10% higher than 2003-2004 net income, your bonus will be 10% higher than your base year. So, 669,000 Euro plus 66,900 Euro, for a total of 735,900 Euro. The bonus increase will be capped at 20% of the base year.
3. In the event of renewal of this Agreement, the bonus increase will be limited to a cumulative 20% per year on a compounded basis over the term of this Agreement resulting from the renewal. Taking the above example, if, in the first year of renewal ("Year 2") the Company consolidated net income increases by 35% from the prior year, you will be entitled to a bonus increase in Year 2 which will bring your bonus to a 20% per year increase for a two-year period on a compounded basis. This would calculate as follows:

Base year 669,000 (sixhundredsixtyninethousand) Euro x 20% in Year 1 x 20% in Year 2 = 963,360 (ninehundredsixtythreehundredsixty) Euro in Year 2, plus an additional 66,900 Euro to "true up" for Year 1, or a total of 1,030,260 (onemillionthirtythousandtwohundredsixty) Euro payable in Year 2.
4. Conversely, if the Company consolidated net income for 2004-2005 increased by 30% and for 2005-2006 increased by 15%, you would receive a bonus on a 20% compounded basis per year (i.e 802,800 Euro for 2004-2005 and 963,360 Euro for 2005-2006), since the increase in earnings exceeded 20% per annum on a compounded basis for the two years and the bonus increase is limited to a cumulative 20% per annum on a compounded basis.
5. If consolidated net income of the Company is lower than the prior year, the bonus would be reduced by the percentage in net decrease, but no lower than base bonus. Also, no retroactive adjustment will be made to the prior year's bonus as a result of the decrease in consolidated net income. For example, if consolidated net income was increased by 15% in Year 1, but was down 10% in Year 2, the Year 2 bonus would be calculated as follows: 669,000 (sixhundredsixtyninethousand) Euro x 115% in Year 1 would be 769,350 (sevenhundredsixtyninethousandthreehundredfifty) Euro; 769,350 (sevenhundredsixtyninethousandthreehundredfifty) Euro less 10% for Year 2 would be 692,415 (sixhundredninetytwothousandfourhundredfifteen) Euro for Year 2 bonus. Although earnings for the two year period increased only 5% cumulatively, no retroactive adjustment would be made to the Year 1 bonus.

CARNIVAL CORPORATION AMENDED AND RESTATED
2001 OUTSIDE DIRECTOR STOCK PLAN

NONQUALIFIED
STOCK OPTION AGREEMENT

THIS AGREEMENT (the "Agreement") made between Carnival Corporation, a corporation organized under the laws of the Republic of Panama (the "Company") and _____ (the "Director"). The Company hereby irrevocably grants to Director, on _____ (the "Grant Date"), the right and option (this "Option") to purchase _____ (_____) shares of Common Stock, pursuant to the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan (the "Plan"), on the following terms and conditions:

1. Each defined term used in this Option and not otherwise defined herein shall have the meaning assigned to it in the Plan.

2. This Option shall vest and become exercisable in five equal annual installments beginning one year from the Grant Date.

3. Upon the Director's termination of service as a member of the Board due to death or Disability, all unvested portions of this Option shall vest and become exercisable immediately. In the event of the Director's termination of service as a Director for any reason other than death or Disability, all unvested portions of this Option shall continue to vest and become exercisable in accordance with the provisions of Section 2 hereof. Once vested, all portions continue to be exercisable in accordance with Section 4 hereof.

4. The unexercised portion of this Option shall automatically and without notice terminate and become null and void at the time of the earliest of the following to occur:

- (a) The expiration of ten years from the Grant Date;
- (b) The expiration of one year from the date the Director's service as a Director shall terminate by reason of Disability; provided, however, that if the Director shall die during such one year period, the provisions of subparagraph (c) below shall apply;
- (c) The expiration of one year from the date of the Director's death, if such death occurs either during his or her service as a Director or during the one year period described in subparagraph (b) above;
- (d) The date of an Director's termination of service as a Director for any reason other than death or Disability if such termination occurs prior to such Director serving as a Director for at least one (1) year.

5. The purchase price for each of the Shares purchased pursuant to this Option shall be _____ Dollars (\$_____). This Option is not intended to be an "incentive stock

option" within the meaning of Section 422(b) of the Internal Revenue Code of 1986, as amended.

6. This Option shall be deemed exercised when the Director (a) delivers written notice to the Company at its principal business office, directed to the attention of its Secretary, of the decision to exercise, specifying the number of Shares with respect to which this Option is exercised and the price per Share designated in this Option and (b) concurrently tenders to the Company full payment for the Shares to be purchased pursuant to such exercise. Full payment for Shares purchased by the Director shall be made at the time of any exercise, in whole or in part, of this Option, and certificates for such Shares shall be delivered to the Director as soon thereafter as is reasonably possible. No Shares shall be transferred to the Director until full payment therefor has been made and the Director shall have none of the rights of a shareholder with respect to any Shares subject to this Option until a certificate for such shares shall have been issued and delivered to the Director. Such payment shall be made in cash or by check or money order payable to the Company, in each case payable in U.S. currency. In the Committee's discretion, such payment may be made by delivery of shares of Common Stock that have been held for at least six (6) months or were purchased on the open market, having a fair market value (determined as of the date this Option is so exercised in whole or in part), that, when added to the value of any cash, check, promissory note or money order

satisfying the foregoing requirements, will equal the aggregate purchase price.

7. This Option and the rights evidenced hereby are not transferable in any manner other than by will or by the laws of descent and distribution, and during the Director's lifetime, shall be exercisable only by the Director (or the Director's court appointed legal representative). In the Committee's discretion, an Option may be transferred pursuant to a "qualified domestic relations order" as defined in Section 414(p) of the Code.

8. The Company's obligation to deliver Shares upon the exercise of this Option shall be subject to all applicable federal, state and local withholding requirements, including the payment by the Director of any applicable federal, state and local withholding tax.

9. The Company's obligation to deliver Shares in respect of this Option shall be subject to all applicable laws, rules and regulations and such approvals by any governmental agency as may be required.

10. The Director by his or her acceptance hereof represents and warrants to the Company that his or her purchase of Shares upon the exercise of this Option shall be for investment and not with a view to, or for sale in connection with, the distribution of any part thereof; provided, however, that this representation and warranty shall be inoperative if, in the opinion of counsel to the Company, a proposed sale or distribution of such Shares is pursuant to an applicable effective registration statement under the Securities Act of 1933, as amended, and any applicable state "blue sky" or other securities laws or is exempt from registration thereunder. The Company will endorse an appropriate legend referring to the foregoing restriction upon the certificate or certificates representing any Shares issued or transferred to the Director upon the exercise of this Option.

11. This Agreement shall be subject to all the terms and provisions of the Plan, which are incorporated by reference herein and are made a part hereof, including, without limitation, the provisions of Paragraph 15 of the Plan generally relating to adjustments to the number of Shares subject to this Option and to the Option purchase price on certain changes in capitalization and the effects of certain reorganizations and other transactions. In the event there is any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan shall govern.

12. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida without regard to the principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Florida.

IN WITNESS THEREOF, the Company has caused these presents to be signed by its duly authorized officer as of the ___ day of _____, 20__.

CARNIVAL CORPORATION

By: _____

Title: _____

ACCEPTED AND AGREED TO THIS

_____ DAY OF _____, 20__.

_____, Director

CARNIVAL CORPORATION
 AMENDED AND RESTATED
 2001 OUTSIDE DIRECTOR STOCK PLAN

RESTRICTED STOCK
 AWARD AGREEMENT

THIS AGREEMENT (the "Agreement") made between Carnival Corporation, a corporation organized under the laws of the Republic of Panama (the "Company") and _____ (the "Director"). The Company hereby grants to Director, on _____ (the "Grant Date"), a Restricted Stock Award consisting of _____ (_____) Shares (hereinafter called the "Restricted Shares"), on the following terms and conditions and subject to the Director's execution of this Agreement and the terms and conditions of the Carnival Corporation Amended and Restated 2001 Outside Director Stock Plan (the "Plan"):

1. The Company has adopted the Plan, which is incorporated herein by reference and made a part of this Agreement. Each capitalized term used in this Agreement and not otherwise defined herein shall have the meaning assigned to it in the Plan.

2. Subject to Sections 3 and 4, below, the Restricted Period as to the Restricted Shares shall expire in five equal annual installments beginning one year from the Grant Date.

3. Upon the Director's termination of service as a member of the Board due to death or Disability, the Restricted Period shall expire as to 100% of the Restricted Shares. Upon the Director's ceasing to be a member of the Board for any reason other than death or Disability prior to the first anniversary of the Director's initial election to the Board, all of the Restricted Shares shall be forfeited[, the applicable stock certificates for such Restricted Shares shall be returned to the Company] and all rights of the Director to the Restricted Shares, and as a shareholder in respect of the Restricted Shares, shall terminate without further obligation on the part of the Company. Upon the Director's termination of service as a member of the Board for any reason other than death or Disability on or after the first anniversary of the Director's initial election to the Board, the Restricted Period shall continue to expire in accordance with Section 2 above. Upon the expiration of the Restricted Period with respect to any Restricted Shares, the restrictions set forth in this Agreement (particularly the restrictions described in Section 7 below) shall be of no further force or effect with respect to such Restricted Shares.

4. [The Restricted Shares will be delivered to the Director pending the expiration of the Restricted Period or the forfeiture of the Restricted Shares.] OR [The Restricted Shares shall be held in escrow pending the expiration of the Restricted Period or the forfeiture of the Restricted Shares. The Director shall execute and deliver to the Company (A) an escrow agreement satisfactory to the Committee and (B) the appropriate blank stock powers with respect to the Restricted Shares. If the Director shall fail to execute such an escrow agreement and blank stock powers, this award of Restricted Shares shall be null and void.]

5. The Director shall be the record owner of the Restricted Shares until or unless such Restricted Shares are forfeited pursuant to Section 3 of this Agreement or otherwise transferred in a manner not prohibited by this Agreement, and, as record owner, shall be entitled to all rights as a stockholder as to such Restricted Shares, including, without limitation, voting rights with respect to the Restricted Shares.

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6. [Pending the expiration of the Restricted Period, cash dividends and stock dividends paid with respect to the Restricted Shares shall be paid directly to the Director.] OR [Pending the expiration of the Restricted Period, cash dividends and stock dividends paid with respect to the Restricted Shares shall be withheld by the Company and not paid to the Director.] OR [Pending the expiration of the Restricted Period, cash dividends and stock dividends paid with respect to the Restricted Shares shall be withheld by the Company for the Director's account, [without interest] [and interest shall be credited on the amount of cash dividends withheld at a rate of ___% per annum, in accordance with such terms as are established by the Committee.] The cash dividends and stock dividends so withheld and attributable to any particular Restricted Share [, and earnings thereon,] shall be distributed to the Director upon the expiration of the Restricted Period in respect of such Restricted Share and, if such Restricted Share is forfeited, the Director shall have no right to such cash dividends, stock dividends [or earnings]].

7. Upon the grant of the Restricted Shares, the Committee shall cause one or more stock certificates registered in the name of the Director to be issued. Each certificate representing Restricted Shares shall bear a legend substantially in the form set forth below until the lapse of all restrictions with respect to the Restricted Shares, as well as any other information the Company deems appropriate:

Transfer of this certificate and the shares represented hereby is restricted pursuant to the terms of the Carnival Corporation Amended and Restated 2001 Outside Director Stock Plan and a Restricted Stock Award Agreement, between Carnival Corporation and the registered owner of this certificate. Copies of such Plan and Agreement are on file at the offices of Carnival Corporation.

Stop transfer orders shall be entered with the Company's transfer agent and registrar against the transfer of legended securities.

[The Committee shall cause the stock certificates representing the Restricted Shares to be deposited, together with the stock powers, with the escrow agent designated by the Committee. The Committee shall cause the escrow agent to issue to the Director a receipt evidencing such stock certificate.]

8. None of the Restricted Shares, nor any right evidenced thereby, may, at any time before the expiration of the Restricted Period with respect thereto, be transferable in any manner other than by will or by the applicable laws of inheritance, descent and distribution. In the Committee's discretion, the Restricted Shares may be transferred pursuant to a "qualified domestic relations order" as defined in Section 414(p) of the Code or any similar domestic relations order enforceable in the jurisdiction in which the Director resides.

9. Nothing in the Plan or this Agreement confers on the Director the right to continue to serve as a member of the Board.

10. The Company's obligation to deliver the Restricted Shares or other property to the Director pursuant to this Agreement shall be subject to all applicable federal, state, local and other applicable withholding requirements, including the payment by the Director of any applicable federal, state, local and other applicable withholding tax or social security contributions, and the Company, Carnival plc or any Affiliate of the Company or Carnival plc has the right, but not the obligation, to withhold or retain any Restricted Shares or other property deliverable to the Director in connection with the Award of Restricted Shares or from any compensation or other amounts owing to the Director the amount (in cash, Shares or other property) of any required tax withholding in respect of the Award of

Restricted Shares and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

11. The Company's obligations under this Agreement and the Plan with respect to the Restricted Shares shall be subject to all applicable laws, rules and regulations and such approvals by any governmental agency as may be required.

12. (a) If the Director is a resident of the UK, the Director and the Company agree that if either of them so elects, they will each enter into an irrevocable election either jointly or separately pursuant to section 431 of the UK Income Tax (Earnings and Pensions) Act 2003 (in such form as is approved by the Commissioners for Her Majesty's Revenue and Customs) not later than 14 days after the Grant Date of this award of Restricted Shares.

(b) Upon the expiration of the Restricted Period of any Restricted Shares, the Director agrees to enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with the Plan or this Agreement.

13. This Agreement, together with the Plan, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Agreement shall affect or be used to interpret, change or restrict, the express terms and provisions of this Agreement; provided that, this Agreement is subject to the Plan, as provided above, and, in the event there is any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan shall govern.

14. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida without regard to the principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Florida.

15. The terms and provisions of this Agreement may be modified or amended as provided in the Plan.

IN WITNESS THEREOF, the Company has caused these presents to be signed by its duly authorized officer as of the ___th day of _____, 20__.

CARNIVAL CORPORATION

By: _____

Title: []

ACCEPTED AND AGREED TO THIS

_____ DAY OF _____, 20__.

_____, Director

CARNIVAL CORPORATION
 AMENDED AND RESTATED
 2001 OUTSIDE DIRECTOR STOCK PLAN

RESTRICTED STOCK UNIT
 AWARD AGREEMENT

THIS AGREEMENT (the "Agreement") made between Carnival Corporation, a corporation organized under the laws of the Republic of Panama (the "Company") and _____ (the "Director"). The Company hereby grants to the Director, on _____ (the "Grant Date"), the Restricted Stock Unit Award (the "RSU Award"), consisting of _____ (_____) restricted stock units ("RSUs"), on the following terms and conditions, and subject to the Director's execution of this Agreement and the terms and conditions of the Carnival Corporation Amended and Restated 2001 Outside Director Stock Plan (the "Plan"):

1. The Company has adopted the Plan, which is incorporated herein by reference and made a part of this Agreement. Each capitalized term used in this Agreement and not otherwise defined herein shall have the meaning assigned to it in the Plan.

2. Subject to Sections 3 and 4 of this Agreement, below, the Restricted Period as to the RSUs shall expire in five equal annual installments beginning one year from the Grant Date.

3. Upon the Director's termination of service as a member of the Board due to death or Disability, the Restricted Period shall expire as to 100% of the RSUs. Upon the Director's ceasing to be a member of the Board for any reason other than death or Disability prior to the first anniversary of the Director's initial election to the Board, all of the RSUs shall be forfeited and all rights of the Director in respect of the RSUs shall terminate without further obligation on the part of the Company. Upon the Director's termination of service as a member of the Board for any reason other than death or Disability on or after the first anniversary of the Director's initial election to the Board, the Restricted Period shall continue to expire in accordance with Section 2 above.

4. No Shares shall be issued at the Grant Date of the RSU Award, and the Director shall have no rights as a holder of Shares in respect of the RSUs. The Company shall not be required to set aside any fund for the payment of the RSU Award.

5. [Pending the expiration of the Restricted Period, RSUs shall not be credited with any amounts in respect of cash dividends and stock dividends paid with respect to Shares.] OR

[Pending the expiration of the Restricted Period, each RSU shall be credited with cash dividends and stock dividends paid with respect to one Share, and such cash and stock dividend equivalents shall be paid to the Director simultaneously with the payment of the actual cash and stock dividends on Shares.] OR

[Pending the expiration of the Restricted Period, each RSU shall be credited with cash dividends and stock dividends paid with respect to one Share, and such cash and stock

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dividend equivalents shall be withheld by the Company for the Director's account, [without interest] [and interest shall be credited on the amount of cash dividends withheld at a rate of ___% per annum, in accordance with such terms as are established by the Committee.] The cash dividends and stock dividends so withheld and attributable to any particular RSU[, and earnings thereon,] shall be distributed to the Director upon the settlement or the RSU in accordance with Section 6 of this Agreement and, if such RSU is forfeited, the Director shall have no right to such cash dividends, stock dividends [or earnings]]. OR

[Pending the expiration of the Restricted Period, each RSU shall be credited with cash dividends and stock dividends paid with respect to one Share in the form of additional RSUs in an amount equal to: (a) the per Share cash amount of such dividend (or, in the case of a dividend payable in Shares or other property, the per Share equivalent cash value of such dividend as determined in good faith by the Committee) divided by (b) the Fair Market Value of a Share on the dividend payment date, which additional RSUs shall also be subject to the terms and conditions of this Agreement applicable to the RUSs in

respect of which such additional RSUs are granted.]

6. Upon the expiration of the Restricted Period with respect to the RSUs which have not been forfeited in accordance with the second sentence of Section 3 of this Agreement, the Company shall deliver to the Director, or his beneficiary or personal representatives, without charge one Share for each RSU with respect to which the Restricted Period has expired (each, a "Vested Unit"); provided, that, in the sole discretion of the Committee, the Committee may elect to pay cash or part cash and part Shares in lieu of delivering only Shares. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of the Shares as of the date on which the Restricted Period lapsed with respect to such Vested Unit.

7. None of the RSUs, nor any right evidenced thereby, may, at any time before the expiration of the Restricted Period with respect thereto, be transferable in any manner other than by will or by the applicable laws of inheritance, descent and distribution. In the Committee's discretion, RSUs may be transferred pursuant to a "qualified domestic relations order" as defined in Section 414(p) of the Code or any similar domestic relations order enforceable in the jurisdiction in which the Director resides.

8. Nothing in the Plan or this Agreement confers on the Director the right to continue to serve as a member of the Board.

9. The Company's obligation to deliver any Shares, cash or other property to the Director in connection with the RSU Award shall be subject to all applicable federal, state, local and other applicable withholding requirements, including the payment by the Director of any applicable federal, state, local and other applicable withholding tax or social security contributions, and the Company, Carnival plc or any Affiliate of the Company or Carnival plc has the right, but not the obligation to withhold from any Shares, cash or other property deliverable to the Director in connection with the RSU Award or from any compensation or other amounts owing to the Director the amount (in cash, Shares or other property) of any required tax withholding in respect of the RSU Award and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

10. The Company's obligations under this Agreement and the Plan with respect to the RSU Award shall be subject to all applicable laws, rules and regulations and such approvals by any governmental agency as may be required.

11. Upon the vesting of any RSUs that are settled by the Company in Shares, the Director agrees to enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with the Plan or this Agreement.

12. This Agreement, together with the Plan, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Agreement shall affect or be used to interpret, change or restrict, the express terms and provisions of this Agreement; provided that, this Agreement is subject to the Plan, as provided above, and, in the event there is any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan shall govern.

13. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida without regard to the principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Florida.

14. The terms and provisions of this Agreement may be modified or amended as provided in the Plan.

IN WITNESS THEREOF, the Company has caused these presents to be signed by its duly authorized officer as of the ___ day of _____, 20__.

By: _____

Title: _____

ACCEPTED AND AGREED TO THIS

_____ DAY OF _____, 20__.

_____, Director

Carnival plc 2005 Employee Share Plan
(the Plan)

SHARE OPTION CERTIFICATE

(UNAPPROVED OPTION)

THIS IS TO CERTIFY THAT

<>

(the Option Holder)

holds an Option over <> ordinary shares of \$1.66 each in
Carnival plc (the Company) at an exercise price of <
> per ordinary share. This Option was granted on <

CARNIVAL CORPORATION & PLC
 Ratio of Earnings to Fixed Charges
 (in millions, except ratios)

	Nine Months Ended August 31,	
	2005	2004
	-----	-----
Net income	\$1,904	\$1,561
Income tax expense, net	43	56
	-----	-----
Income before income taxes	1,947	1,617
	-----	-----
Fixed charges		
Interest expense, net	250	212
Interest portion of rent expense(a)	12	13
Capitalized interest	14	21
	-----	-----
Total fixed charges	276	246
	-----	-----
Fixed charges not affecting earnings		
Capitalized interest	(14)	(21)
	-----	-----
Earnings before fixed charges	\$2,209	\$1,842
	=====	=====
Ratio of earnings to fixed charges	8.0x	7.5x
	=====	=====

(a) Represents one-third of rent expense, which we believe to be representative of the interest portion of rent expense.

I, Micky Arison, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 7, 2005

By: /s/ Micky Arison

 Micky Arison
 Chairman of the Board of Directors
 and Chief Executive Officer

I, Howard S. Frank, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 7, 2005

By: /s/ Howard S. Frank

 Howard S. Frank
 Vice Chairman of the Board of
 Directors and Chief Operating Officer

I, Gerald R. Cahill, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 7, 2005

By: /s/ Gerald R. Cahill

 Gerald R. Cahill
 Executive Vice President and Chief
 Financial and Accounting Officer

I, Micky Arison, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 7, 2005

By: /s/ Micky Arison

 Micky Arison
 Chairman of the Board of Directors
 and Chief Executive Officer

I, Howard S. Frank, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 7, 2005

By: /s/ Howard S. Frank

 Howard S. Frank
 Vice Chairman of the Board of
 Directors and Chief Operating Officer

I, Gerald R. Cahill, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 7, 2005

By: /s/ Gerald R. Cahill

 Gerald R. Cahill
 Executive Vice President and Chief
 Financial and Accounting Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2005 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: October 7, 2005

By: /s/ Micky Arison

Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2005 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: October 7, 2005

By: /s/ Howard S. Frank

Howard S. Frank
Vice Chairman of the Board of Directors
and Chief Operating Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2005 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: October 7, 2005

By: /s/ Gerald R. Cahill

Gerald R. Cahill
Executive Vice President and Chief
Financial and Accounting Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2005 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: October 7, 2005

By: /s/ Micky Arison

Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2005 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: October 7, 2005

By: /s/ Howard S. Frank

Howard S. Frank
Vice Chairman of the Board of Directors
and Chief Operating Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2005 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: October 7, 2005

By: /s/ Gerald R. Cahill

Gerald R. Cahill
Executive Vice President and Chief
Financial and Accounting Officer