

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 February 29, 2008

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

Carnival Corporation

(Exact name of registrant as specified in its charter)

Republic of Panama

(State or other jurisdiction of incorporation or organization)

59-1562976

(I.R.S. Employer Identification No.)

3655 N.W. 87th Avenue  
Miami, Florida 33178-2428

(Address of principal executive offices)  
(Zip Code)

(305) 599-2600

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

Commission file number: 1-15136

Carnival plc

(Exact name of registrant as specified in its charter)

England and Wales

(State or other jurisdiction of incorporation or organization)

98-0357772

(I.R.S. Employer Identification No.)

Carnival House, 5 Gainsford Street,  
London SE1 2NE, United Kingdom

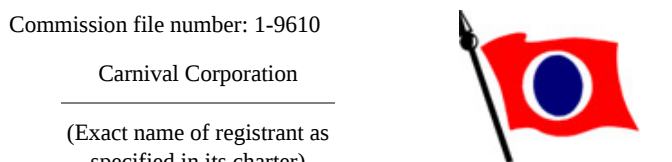
(Address of principal executive offices)  
(Zip Code)

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)



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 large accelerated filers, accelerated filers, non-accelerated filers or smaller reporting companies. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large Accelerated filers   
Accelerated filers  Non-Accelerated filers  Smaller reporting company

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

At March 24, 2008 Carnival Corporation had outstanding 623,957,350 shares of Common Stock, \$.01 par value.

At March 24, 2008 Carnival plc had outstanding 213,193,635 Ordinary Shares \$1.66 par value, one Special Voting Share, GBP 1.00 par value and 623,957,350 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)

	Three Months Ended February 29/28,	
	2008	2007
<b>Revenues</b>		
Cruise		
Passenger tickets	\$2,438	\$2,050
Onboard and other	702	626
Other	12	12
	<u>3,152</u>	<u>2,688</u>
<b>Costs and Expenses</b>		
Operating		
Cruise		
Commissions, transportation and other	558	471
Onboard and other	125	111
Fuel	392	220
Payroll and related	360	311
Food	207	175
Other ship operating	454	386
Other	18	17
Total	<u>2,114</u>	<u>1,691</u>
Selling and administrative	425	384
Depreciation and amortization	301	260
	<u>2,840</u>	<u>2,335</u>
<b>Operating Income</b>	<u>312</u>	<u>353</u>
<b>Nonoperating (Expense) Income</b>		
Interest income	10	10
Interest expense, net of capitalized interest	(98)	(84)
Other income, net	2	
	<u>(86)</u>	<u>(74)</u>
<b>Income Before Income Taxes</b>	<u>226</u>	<u>279</u>
<b>Income Tax Benefit, Net</b>	<u>10</u>	<u>4</u>
<b>Net Income</b>	<u>\$ 236</u>	<u>\$ 283</u>
<b>Earnings Per Share</b>		
Basic	<u>\$ 0.30</u>	<u>\$ 0.36</u>
Diluted	<u>\$ 0.30</u>	<u>\$ 0.35</u>
<b>Dividends Per Share</b>	<u>\$ 0.40</u>	<u>\$0.275</u>

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

**CARNIVAL CORPORATION & PLC**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

(in millions, except par values)

	February 29, 2008	November 30, 2007	February 28, 2007
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 966	\$ 943	\$ 581
Short-term investments	12	17	104
Trade and other receivables, net	434	436	287
Inventories	331	331	265
Prepaid expenses and other	280	249	272
Total current assets	2,023	1,976	1,509
<b>Property and Equipment, Net</b>	26,542	26,639	23,837
<b>Goodwill</b>	3,593	3,610	3,315
<b>Trademarks</b>	1,389	1,393	1,322
<b>Other Assets</b>	598	563	478
	\$ 34,145	\$ 34,181	\$ 30,461
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Short-term borrowings	\$ 188	\$ 115	\$ 271
Current portion of long-term debt	1,333	1,028	1,197
Convertible debt subject to current put options	1,398	1,396	
Accounts payable	477	561	408
Accrued liabilities and other	1,203	1,353	1,063
Customer deposits	2,794	2,807	2,417
Total current liabilities	7,393	7,260	5,356
<b>Long-Term Debt</b>	6,271	6,313	6,172
<b>Other Long-Term Liabilities and Deferred Income</b>	741	645	595
<b>Contingencies (Note 3)</b>			
<b>Shareholders' Equity</b>			
Common stock of Carnival Corporation; \$0.01 par value; 1,960 shares authorized; 643 shares at 2008 and November 2007 and 642 shares at February 2007 issued	6	6	6
Ordinary shares of Carnival plc; \$1.66 par value; 226 shares authorized; 213 shares at 2008 and 2007 issued	354	354	354
Additional paid-in capital	7,626	7,599	7,527
Retained earnings	12,832	12,921	11,665
Accumulated other comprehensive income	1,219	1,296	673
Treasury stock; 19 shares at 2008 and November 2007 and 18 shares at February 2007 of Carnival Corporation and 51 shares at 2008, 50 shares at November 2007 and 42 shares at February 2007 of Carnival plc, at cost	(2,297)	(2,213)	(1,887)
Total shareholders' equity	19,740	19,963	18,338
	\$ 34,145	\$ 34,181	\$ 30,461

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

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

**Three Months**  
**Ended February 29/28,**

	<b>2008</b>	<b>2007</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 236	\$ 283
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	301	260
Share-based compensation	19	19
Other	5	1
Changes in operating assets and liabilities		
Receivables	(1)	(7)
Inventories	1	(2)
Prepaid expenses and other	(47)	(19)
Accounts payable	(84)	(30)
Accrued and other liabilities	(63)	13
Customer deposits	6	79
Net cash provided by operating activities	373	597
<b>INVESTING ACTIVITIES</b>		
Additions to property and equipment	(258)	(637)
Purchases of short-term investments	(1)	(241)
Sales of short-term investments	6	158
Other, net	(8)	(70)
Net cash used in investing activities	(261)	(790)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	1,650	360
Principal repayments of long-term debt	(1,423)	(395)
Dividends paid	(316)	(217)
Purchases of treasury stock	(84)	
Proceeds from (repayments of) short-term borrowings, net	70	(167)
Proceeds from exercise of stock options	7	29
Other		(1)
Net cash used in financing activities	(96)	(391)
Effect of exchange rate changes on cash and cash equivalents	7	2
Net increase (decrease) in cash and cash equivalents	23	(582)
Cash and cash equivalents at beginning of period	943	1,163
Cash and cash equivalents at end of period	\$ 966	\$ 581

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

**CARNIVAL CORPORATION & PLC**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 – Basis of Presentation**

Carnival Corporation is incorporated in Panama, and Carnival plc is incorporated in England and Wales. Carnival Corporation and Carnival plc operate a dual listed company (“DLC”), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation’s articles of incorporation and by-laws and Carnival plc’s memorandum of association and articles of association. The two companies operate as if they are a single economic enterprise, but each has retained its separate legal identity.

The accompanying consolidated financial statements include the accounts of Carnival Corporation and Carnival plc and their respective subsidiaries. Together with their consolidated subsidiaries they are referred to collectively in these consolidated financial statements and elsewhere in this joint Quarterly Report on Form 10-Q as “Carnival Corporation & plc,” “our,” “us,” and “we.”

The accompanying consolidated balance sheets at February 29/28, 2008 and 2007 and the consolidated statements of operations and cash flows for the three months ended February 29/28, 2008 and 2007 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 2007 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.

**NOTE 2 – Debt**

At February 29, 2008, unsecured short-term borrowings consisted of euro and U.S. dollar-denominated bank loans of €84 million (\$127 million U.S. dollars at the February 29, 2008 exchange rate) and \$26 million, respectively, and \$35 million of commercial paper with an aggregate weighted-average interest rate of 3.9%.

**NOTE 3 - Contingencies**

**Litigation**

The Office of the Attorney General of Florida (“Attorney General”) is conducting a review of the implementation of fuel supplement programs by certain cruise operators, including some of our cruise lines. The Attorney General is also conducting an investigation to determine whether there is, or has been, a violation of Florida or federal antitrust laws in connection with the setting by us and other unaffiliated cruise lines of certain of their respective fuel supplements. We are providing our full cooperation to the Attorney General’s office. Due to the current uncertainty surrounding the ultimate realization of certain of our brand’s fuel supplement revenues from guests who booked their cruises prior to us announcing these fuel supplements on November 7, 2007, we have deferred the recognition of these fuel supplement revenues pending the ultimate resolution of this matter.

In February and March 2008, five class action lawsuits were filed in the U.S. against Carnival Corporation, other unaffiliated cruise lines and a trade association, on behalf of individuals affected by the implementation of a fuel supplement. The plaintiffs allege violations of federal antitrust laws and state deceptive and unfair trade practices in connection with the implementation of the fuel supplement. The plaintiffs have moved to consolidate all of the actions. The ultimate outcome of this matter cannot be determined at this time. However, we intend to vigorously defend this matter.

In January 2006, a lawsuit was filed against Carnival Corporation and its subsidiaries and affiliates, and other unaffiliated cruise lines in New York on behalf of

a purported class of owners of intellectual property rights to musical plays and other works performed in the U.S. The plaintiffs claim infringement of copyrights to Broadway, off Broadway and other plays. The suit seeks payment of (i) damages, (ii) disgorgement of alleged profits and (iii) an injunction against future infringement. In the event that an award is given in favor of the plaintiffs, the amount of damages, if any, which Carnival Corporation and its subsidiaries and affiliates would have to pay is not currently determinable. The ultimate outcome of this matter cannot be determined at this time. However, we intend to vigorously defend this matter.

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 which are not covered by insurance cannot be determined at this time.

### **Contingent Obligations**

At February 29, 2008, Carnival Corporation had contingent obligations totaling approximately \$1.2 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 are 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 payments for these contingent obligations in the remote event of nonperformance by these major financial institutions, all of which have long-term credit ratings of AA or higher. In addition, Carnival Corporation obtained a direct guarantee from AA or higher rated financial institutions for \$269 million of the above noted contingent obligations, thereby further reducing the already remote exposure to this portion of the contingent obligations. In certain cases, if the credit ratings of the major financial institutions who are directly paying the contingent obligations fall below AA-, which we believe is remote, then Carnival Corporation will be required to move those funds being held by those institutions to other financial institutions whose credit ratings are AA- or above. If such unlikely events were to occur, we would incur costs that we estimate would not be material to our financial statements. If Carnival Corporation's credit rating, which is A-, falls below BBB, it would be required to provide a standby letter of credit for \$68 million, or alternatively provide mortgages in the aggregate amount of \$68 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 February 29, 2008, have to pay a total of \$162 million in stipulated damages. As of February 29, 2008, \$165 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. In addition, we have a \$170 million back-up letter of credit issued under a loan facility in support of these standby letters of credit. Between 2017 and 2022, we have the right to exercise options that would terminate these three lease 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 4 – Comprehensive Income**

Comprehensive income was as follows (in millions):

	<b>Three Months Ended February 29/28,</b>	
	<b>2008</b>	<b>2007</b>
Net income	\$ 236	\$ 283
Items included in accumulated other comprehensive income		
Foreign currency translation adjustment	(77)	13
Changes related to cash flow derivative hedges	5	(1)
Unrealized loss on marketable security	(5)	
Total comprehensive income	<u>\$ 159</u>	<u>\$ 295</u>

**NOTE 5 - 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 the products and services they provide. Substantially all of our other segment represents the hotel, tour and transportation operations of Holland America Tours and Princess Tours.

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

	<b>Three Months Ended February 29/28,</b>				
	<b>Revenues</b>	<b>Operating expenses</b>	<b>Selling and admin- istrative</b>	<b>Depreciation and amortization</b>	<b>Operating income (loss)</b>
<b>2008</b>					
Cruise	\$3,140	\$2,096	\$ 417	\$ 292	\$ 335
Other	14	20	8	9	(23)
Intersegment elimination	(2)	(2)			
	<u>\$3,152</u>	<u>\$2,114</u>	<u>\$ 425</u>	<u>\$ 301</u>	<u>\$ 312</u>
<b>2007</b>					
Cruise	\$2,676	\$1,674	\$ 376	\$ 251	\$ 375
Other	14	19	8	9	(22)
Intersegment elimination	(2)	(2)			
	<u>\$2,688</u>	<u>\$1,691</u>	<u>\$ 384</u>	<u>\$ 260</u>	<u>\$ 353</u>

**NOTE 6 - Earnings Per Share**

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

	<b>Three Months Ended February 29/28,</b>	
	<b>2008</b>	<b>2007</b>
Net income	\$ 236	\$ 283
Interest on dilutive convertible notes	6	8
Net income for diluted earnings per share	<u>\$ 242</u>	<u>\$ 291</u>
Weighted-average common and ordinary shares outstanding	786	793
Dilutive effect of convertible notes	26	33
Dilutive effect of stock plans	2	3
Diluted weighted-average shares outstanding	<u>814</u>	<u>829</u>
Basic earnings per share	<u>\$ 0.30</u>	<u>\$ 0.36</u>

Diluted earnings per share

\$ 0.30

\$ 0.35



Options to purchase 12.2 million and 3.6 million shares for the three months ended February 29/28, 2008 and 2007, respectively, were excluded from our diluted earnings per share computations since the effect of including them was anti-dilutive. In addition, 6.3 million shares of Carnival Corporation that are contingently issuable under the features of its zero-coupon notes are also excluded from our 2008 first quarter diluted earnings per share computation since the effect of including them was anti-dilutive.

#### **NOTE 7 – Recent Accounting Pronouncements**

In June 2006, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes” (“FIN 48”). FIN 48 clarifies, among other things, the accounting for uncertain income tax positions by prescribing a minimum probability threshold that a tax position must meet before a financial statement income tax benefit is recognized. The minimum threshold is defined as a tax position that, based solely on its technical merits, is more likely than not to be sustained upon examination by the relevant taxing authority. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate resolution. FIN 48 must be applied to all existing tax positions upon adoption. The cumulative effect of applying FIN 48 at adoption is required to be reported separately as an adjustment to the opening balance of retained earnings in the year of adoption. Our adoption of FIN 48 on December 1, 2007 did not have a material impact on our opening retained earnings. In addition, based on all known facts and circumstances and current tax law, we believe that the total amount of our uncertain income tax position liabilities and related accrued interest are not material to our February 29, 2008 financial position.

In September 2006, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements.” SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements. In February 2008, the FASB released a FASB Staff Position, which delayed the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis. SFAS No. 157 was first effective for us on December 1, 2007. The adoption of SFAS No. 157 on our financial assets and liabilities, which are principally comprised of cash equivalents and derivatives, did not have a significant impact on their fair value measurements or require expanded disclosures since the fair value of our financial assets and liabilities outstanding during the 2008 first quarter was not material.

## 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. We have tried, whenever possible, to identify these statements by using words like “will,” “may,” “believe,” “expect,” “anticipate,” “forecast,” “future,” “intend,” “plan,” and “estimate” and 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, fuel 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:

- general economic and business conditions and perceptions of these conditions that may adversely impact the levels of our potential vacationers’ discretionary income and this group’s confidence in the U.S. and other economies and, consequently reduce our cruise brands’ net revenue yields;
- the international political climate, armed conflicts, terrorist attacks and threats thereof, availability and pricing of air service and other world events, and their impact on the demand for cruises;
- conditions in the cruise and land-based vacation industries, including competition from other cruise ship operators and providers of other vacation alternatives and over capacity offered by cruise ship and land-based vacation alternatives;
- accidents, adverse weather conditions or natural disasters, such as hurricanes and earthquakes and other incidents (including machinery and equipment failures or improper operation thereof) which could cause the alteration of itineraries or cancellation of a cruise or series of cruises, and the impact of the spread of contagious diseases, affecting the health, safety, security and/or vacation satisfaction of guests;
- adverse publicity concerning the cruise industry in general, or us in particular, could impact the demand for our cruises;
- lack of acceptance of new itineraries, products and services by our guests;
- changing consumer preferences, which may, among other things, adversely impact the demand for cruises;
- the impact of changes in and compliance with laws and regulations relating to environmental, health, safety, security, tax and other regulatory regimes under which we operate, including the implementation of U.S. regulations requiring U.S. citizens to obtain passports for sea travel to or from additional foreign destinations;
- the impact of increased global fuel demand, a weakening U.S. dollar, fuel supply disruptions and/or other events on our ships’ fuel and other expenses;
- the impact on our future fuel expenses of implementing proposed International Maritime Organization regulations which, if approved, would require the use of higher priced low sulphur fuels in certain cruising areas, which could adversely impact the cruise industry;
- the impact of changes in operating and financing costs, including changes in foreign currency exchange rates and interest rates and food, insurance, payroll and security costs;
- our ability to implement our shipbuilding programs, including purchasing ships for our North American cruise brands from European shipyards on terms that are favorable or consistent with our expectations;

- our ability to implement our brand strategies and to continue to operate and expand our business internationally;
- our future operating cash flow may not be sufficient to fund future obligations, and we may not be able to obtain financing, if necessary, on terms that are favorable or consistent with our expectations;
- our ability to attract and retain qualified shipboard crew and maintain good relations with employee unions;
- continuing financial viability of our travel agent distribution system and air service providers;
- the impact of our self-insuring against various risks or our inability to obtain insurance for certain risks at reasonable rates;
- disruptions and other impairments to our information technology networks;
- lack of continued availability of attractive port destinations;
- risks associated with the DLC structure, including the uncertainty of its tax status;
- the impact of pending or threatened litigation; and
- our ability to successfully implement cost reduction plans.

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. ALBDs is a standard measure of passenger capacity for the period. It assumes that each cabin we offer for sale accommodates two passengers. ALBDs are computed by multiplying passenger capacity by revenue-producing ship operating days in the period. 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 and other revenues. Substantially all of our remaining cruise costs are largely fixed once our ship capacity levels have been determined, except for the impact of changing prices.

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 that 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 and report our two non-GAAP financial measures assuming the current period currency exchange rates have remained constant with the prior year’s 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. dollar cruise operations. We believe that this is a useful measure as it facilitates a comparative view of the growth of our business in a fluctuating currency exchange rate environment.

On a constant dollar basis, net cruise revenues and net cruise costs would be \$2.4 billion and \$1.8 billion for the three months ended February 29, 2008, respectively. On a constant dollar basis, gross cruise revenues and gross cruise costs would be \$3.1 billion and \$2.4 billion for the three months ended February 29, 2008, respectively. In addition, our non-U.S. dollar cruise operations' depreciation and net interest expense were impacted by the changes in exchange rates for the three months ended February 29, 2008, compared to the prior year's comparable quarter.

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 2007 joint Annual Report on Form 10-K.

#### **Outlook for Remainder of Fiscal 2008**

As of March 20, 2008, we said that we expected our diluted earnings per share for the second quarter and full year of 2008 would be in the range of \$0.42 to \$0.44 and \$3.00 to \$3.20, respectively. Our guidance was based on the then current forward fuel price of \$528 per metric ton and \$525 per metric ton for the 2008 second quarter and full year, respectively. In addition, this guidance was also based on 2008 second quarter and full year currency exchange rates of \$1.57 and \$1.55 to the euro, respectively, and \$2.00 to sterling for both periods.

The year-over-year percentage increase in our ALBD capacity for the second, third and fourth quarters of fiscal 2008 and fiscal years ended 2009, 2010, 2011 and 2012, resulting primarily from new ships entering service is currently expected to be 8.3%, 8.8%, 8.7%, 5.6%, 7.9%, 5.3% and 3.9%, respectively. The above percentages exclude any other future ship orders, acquisitions, retirements or sales, however they do include the withdrawal from service of the *Pacific Star* on March 20, 2008 and the *Queen Elizabeth 2* ("QE2") in November 2008.

#### **Seasonality**

Our revenues from the sale of passenger tickets are seasonal. Historically, demand for cruises has been greatest during our third fiscal quarter, which includes the Northern Hemisphere summer months, and holidays. This higher demand during the third quarter and holidays results in higher net revenue yields and, accordingly, the largest share of our net income is earned during these periods. The seasonality of our results is increased due to ships being taken out of service for maintenance, which we typically schedule during non-peak demand periods. 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:

	<b>Three Months Ended February 29/28,</b>	
	<b>2008</b>	<b>2007</b>
Passengers carried (in thousands)	1,910	1,750
Occupancy percentage	104.3%	104.1%
Fuel cost per metric ton(a)	\$ 499	\$ 301

(a) Fuel cost per metric ton is calculated by dividing the cost of our fuel by the number of metric tons consumed.

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

	<b>Three Months Ended February 29/28,</b>	
	<b>2008</b>	<b>2007</b>
(in millions, except ALBDs and yields)		
<b>Cruise revenues</b>		
Passenger tickets	\$ 2,438	\$ 2,050
Onboard and other	702	626
Gross cruise revenues	3,140	2,676
<b>Less cruise costs</b>		
Commissions, transportation and other	(558)	(471)
Onboard and other	(125)	(111)
Net cruise revenues	\$ 2,457	\$ 2,094
ALBDs	14,161,289	12,818,818
Gross revenue yields	\$ 221.71	\$ 208.72
Net revenue yields	\$ 173.45	\$ 163.32

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

	<b>Three Months Ended February 29/28,</b>	
	<b>2008</b>	<b>2007</b>
(in millions, except ALBDs and costs per ALBD)		
Cruise operating expenses	\$ 2,096	\$ 1,674
Cruise selling and administrative expenses	417	376
Gross cruise costs	2,513	2,050
<b>Less cruise costs included in net cruise revenues</b>		
Commissions, transportation and other	(558)	(471)
Onboard and other	(125)	(111)
Net cruise costs	\$ 1,830	\$ 1,468
ALBDs	14,161,289	12,818,818
Gross cruise costs per ALBD	\$ 177.48	\$ 159.91

Net cruise costs per ALBD

\$ 129.22

\$ 114.50

## Three Months Ended February 29, 2008 (“2008”) Compared to the Three Months Ended February 28, 2007 (“2007”)

### Revenues

Gross cruise revenues increased \$464 million, or 17.3%, to \$3.1 billion in 2008 from \$2.7 billion in 2007 for largely the same reasons as discussed below for net cruise revenues. Net cruise revenues increased \$363 million, or 17.3%, to \$2.5 billion in 2008 from \$2.1 billion in 2007. The 10.5% increase in ALBDs between 2008 and 2007 accounted for \$219 million of the increase, and the remaining \$144 million was from increased net revenue yields, which increased 6.2% in 2008 compared to 2007 (gross revenue yields also increased by 6.2%). Net revenue yields increased in 2008 primarily due to higher ticket prices principally achieved in our North American and Continental European brands and the weaker U.S. dollar relative to the euro and sterling. Net revenue yields as measured on a constant dollar basis increased 3.4% in 2008 compared to 2007, which was comprised of a 4.8% increase in passenger ticket yields, partially offset by a 0.7% decrease in onboard and other yields.

Onboard and other revenues included concessionaire revenues of \$186 million in 2008 and \$166 million in 2007. Onboard and other revenues increased in 2008 compared to 2007, primarily because of the 10.5% increase in ALBDs.

### Costs and Expenses

Gross cruise costs increased \$463 million, or 22.6%, in 2008 to \$2.5 billion from \$2.1 billion in 2007 for largely the same reasons as discussed below for net cruise costs. Net cruise costs increased \$362 million, or 24.7%, to \$1.8 billion in 2008 from \$1.5 billion in 2007. The 10.5% increase in ALBDs between 2008 and 2007 accounted for \$154 million of the increase. The balance of \$208 million was from increased net cruise costs per ALBD, which increased 12.9% in 2008 compared to 2007 (gross cruise costs per ALBD increased 11.0%). This 12.9% increase was primarily due to a \$198 per metric ton increase in fuel cost to \$499 per metric ton in 2008, which resulted in an increase in fuel expense of \$156 million compared to 2007, a weaker U.S. dollar relative to the euro and sterling and a \$21 million increase in dry-dock costs, which was caused by a greater number of ships being dry-docked in 2008 compared to 2007. Net cruise costs per ALBD as measured on a constant dollar basis increased 9.8% in 2008 compared to 2007. On a constant dollar basis, net cruise costs per ALBD, excluding fuel and dry-dock costs were up 0.1%, compared to 2007.

Depreciation and amortization expense increased \$41 million, or 15.8%, to \$301 million in 2008 from \$260 million in 2007 largely due to the 10.5% increase in ALBDs through the addition of new ships, the weaker U.S. dollar compared to the euro and sterling and additional ship improvement expenditures.

### Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, increased \$16 million to \$101 million in 2008 from \$85 million in 2007. This increase was primarily due to a \$22 million increase in interest expense from a higher level of average borrowings, partially offset by a \$6 million decrease from lower average interest rates on average borrowings. Capitalized interest increased \$3 million during 2008 compared to 2007 primarily due to higher average levels of investment in ship construction projects.

### Income Taxes

Income tax benefit increased \$6 million to \$10 million in 2008 from \$4 million in 2007 primarily because of the reversal in 2008 of previously recorded deferred tax valuation allowances, which were no longer required. During both the first quarter of 2008 and 2007, we have recorded tax benefits generated by the seasonal losses of our Alaska tour operation.

## Liquidity and Capital Resources

### Sources and Uses of Cash

Our business provided \$373 million of net cash from operations during the three months ended February 29, 2008, a decrease of \$224 million, or 37.5%, compared to fiscal 2007. We continue to generate substantial cash from operations and remain in a strong financial position, thus providing us with substantial financial flexibility in meeting operating, investing and financing needs.

During the three months ended February 29, 2008, our net expenditures for capital projects were \$258 million, of which \$141 million was spent for our ongoing new shipbuilding program. In addition to our new shipbuilding program, we had capital expenditures of \$88 million for ship improvements and refurbishments and \$29 million for Alaska tour assets, cruise port facility developments, information technology and other assets.

During the three months ended February 29, 2008, we borrowed \$1.7 billion of long-term debt under our long-term revolving credit facilities ("Facility"), and we repaid \$1.4 billion of long-term debt, which primarily included \$1.2 billion also under this Facility and \$108 million upon maturity of our 4.4% fixed rate notes. We also received net short-term borrowings of \$70 million under our commercial paper program and short-term bank loans during the three months ended February 29, 2008. Finally, we paid cash dividends of \$316 million and purchased \$84 million of Carnival Corporation common stock and Carnival plc ordinary shares in open market transactions during the three months ended February 29, 2008.

### Future Commitments and Funding Sources

Our contractual cash obligations as of February 29, 2008 have changed compared to November 30, 2007, including new ship orders placed in December 2007, primarily as a result of debt changes and new ship progress payments as noted above.

At February 29, 2008, we had liquidity of \$4.9 billion, which consisted of \$966 million of cash and cash equivalents, \$607 million available for borrowing under our Facility, \$1.5 billion under our short-term revolving credit facilities, and \$1.8 billion under committed ship financing facilities. In March 2008, we entered into ship and other financing commitments, which increased our liquidity by \$785 million. Substantially all of our Facility matures in 2012. In addition, in June 2007 we entered into an agreement to sell Cunard Line's *QE2* for delivery to the buyer in November 2008 for \$100 million. 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, convertible debt redemptions, dividend payments, working capital and other firm commitments over the next several years. In addition, based on our future forecasted operating results and cash flows for fiscal 2008, we expect to be in compliance with our debt covenants during the remainder of fiscal 2008. 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. However, we cannot be certain 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 U.S. Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our Chief Executive Officer, Chief Operating Officer and Chief Financial Officer have evaluated our disclosure controls and procedures and have concluded, as of February 29, 2008, 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 the quarter ended February 29, 2008 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

### **Inherent Limitations of Disclosure Controls and Procedures and 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**

The Attorney General is conducting a review of the implementation of fuel supplement programs by certain cruise operators, including some of our cruise lines. The Attorney General is also conducting an investigation to determine whether there is, or has been, a violation of Florida or federal antitrust laws in connection with the setting by us and other unaffiliated cruise lines of certain of their respective fuel supplements. We are providing our full cooperation to the Attorney General's office.

In February and March 2008, five class action lawsuits were filed in the U.S. District Court for the Southern District of Florida by each of Ablelove, Levin, LeBrun, McManus and Wright against Carnival Corporation, other unaffiliated cruise lines and a trade association, on behalf of individuals affected by the implementation of a fuel supplement. The plaintiffs allege violations of federal antitrust laws and state deceptive and unfair trade practices in connection with the implementation of the fuel supplement. The plaintiffs have moved to consolidate all of the actions. We intend to vigorously defend these matters.

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

During the quarter ended February 29, 2008, purchases by Carnival Corporation of Carnival Corporation's equity securities that are registered by it pursuant to Section 12 of the Securities Exchange Act of 1934 were as follows:

Period	Total Number of Shares Purchased in First Quarter	Average Price Paid per Share	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs(a)
			(in millions)
December 1, 2007 through December 31, 2007	561,600	\$ 44.63	\$ 788
January 1, 2008 through January 31, 2008			\$ 788
February 1, 2008 through February 29, 2008			\$ 788
Total	561,600	\$ 44.63	

- (a) In June 2006, 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 subject to certain restrictions. On September 19, 2007, the Boards of Directors increased the remaining \$578 million authorization back to \$1 billion. The repurchase program does not have an expiration date and may be discontinued by our Boards of Directors at any time. All shares in the above table were repurchased pursuant to this program. The Carnival plc share repurchase authorization requires annual shareholder approval and is subject to a maximum of 10.7 million ordinary shares until the earlier of the conclusion of the next Carnival plc annual general meeting, which is scheduled for April 22, 2008, or October 15, 2008. Through March 27, 2008, 8.6 million Carnival plc shares have been repurchased. During the 2008 first quarter we purchased 1.3 million ordinary shares of Carnival plc, which are not registered under Section 12 of the Securities Exchange Act of 1934, at an average price of \$43.77. Carnival plc ordinary shares are listed on the London Stock Exchange.

During the three months ended February 29, 2008, \$11,000 and \$4,000 of our 2% Notes and zero-coupon notes were converted at their accreted value into 280 shares and 66 shares of Carnival Corporation common stock, respectively, all of which were issued from newly issued common stock and were exempt from registration under Section 3(a)(9) of the Securities Act of 1933.

Each share of Carnival Corporation 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.

Item 6. Exhibits.

**INDEX TO EXHIBITS**

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
<b>Articles of incorporation and by-laws</b>					
3.1	Third Amended and Restated Articles of Incorporation of Carnival Corporation.	8-K	3.1	4/17/03	
3.2	Second Amended and Restated By-laws of Carnival Corporation.	8-K	3.1	10/19/07	
3.3	Articles of Association of Carnival plc.	8-K	3.3	4/17/03	
3.4	Memorandum of Association of Carnival plc.	8-K	3.4	4/17/03	
<b>Material contracts</b>					
<a href="#">10.1*</a>	<a href="#">Carnival Corporation &amp; plc Management Incentive Plan.</a>				X
<a href="#">10.2*</a>	<a href="#">Amended and Restated Executive Long-term Compensation Agreement, dated January 15, 2008, between Carnival Corporation and Micky Arison.</a>				
<a href="#">10.3*</a>	<a href="#">Amended and Restated Executive Long-term Compensation Agreement, dated January 15, 2008, between Carnival Corporation and Howard S. Frank.</a>				X
<a href="#">10.4*</a>	<a href="#">Amendment No. 2 of the Employment Agreement, entered into on January 15, 2008 between Peter Ratcliffe and P&amp;O Princess Cruises International Ltd.</a>				X
<b>Statement re computation of ratios</b>					
<a href="#">12</a>	<a href="#">Ratio of Earnings to Fixed Charges.</a>				X
<b>Rule 13a-14(a)/15d-14(a) Certifications</b>					
<a href="#">31.1</a>	<a href="#">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.</a>				X
<a href="#">31.2</a>	<a href="#">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.</a>				X

<a href="#"><u>31.3</u></a>	<a href="#"><u>Certification of Senior Vice President and Chief Financial Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>	X
<a href="#"><u>31.4</u></a>	<a href="#"><u>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.</u></a>	X
<a href="#"><u>31.5</u></a>	<a href="#"><u>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.</u></a>	X
<a href="#"><u>31.6</u></a>	<a href="#"><u>Certification of Senior Vice President and Chief Financial Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>	X

**Section 1350 Certifications**

<a href="#"><u>32.1**</u></a>	<a href="#"><u>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.</u></a>	X
<a href="#"><u>32.2**</u></a>	<a href="#"><u>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.</u></a>	X
<a href="#"><u>32.3**</u></a>	<a href="#"><u>Certification of Senior Vice President and Chief Financial 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.</u></a>	X
<a href="#"><u>32.4**</u></a>	<a href="#"><u>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.</u></a>	X

<u>32.5**</u>	<u>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.</u>	X
<u>32.6**</u>	<u>Certification of Senior Vice President and Chief Financial 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.</u>	X

\* Indicates a management contract or compensation plan or arrangement.

\*\* These items are furnished and not filed.

**SIGNATURES**

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

**CARNIVAL CORPORATION**

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/ David Bernstein

David Bernstein  
Senior Vice President and  
Chief Financial Officer

Date: March 28, 2008

**CARNIVAL PLC**

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/ David Bernstein

David Bernstein  
Senior Vice President and  
Chief Financial Officer

Date: March 28, 2008

**CARNIVAL CORPORATION & PLC  
MANAGEMENT INCENTIVE PLAN**

1. OBJECTIVE

This Carnival Corporation & plc Management Incentive Plan (the “**Plan**”) is designed to focus the attention of the “**Executive Officers**” (as defined by Rule 16a-1 of the Securities Exchange Act) of Carnival Corporation & plc (the “**Corporation**”) and other Plan participants on achieving outstanding performance results as reflected in operating income of the Corporation and other relevant measures.

2. PLAN ADMINISTRATION

The administrator of the Plan are the Compensation Committees of the Boards of Directors of the Corporation (the “**Committees**”). The Committees 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.

3. PLAN YEAR

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

4. PARTICIPATION

All Executive Officers of the Corporation who are not part of an operating unit shall be eligible to participate in the Plan. In their discretion, the Committees may select other employees to participate in the Plan.

Persons who commence employment or are promoted to the status of an Executive Officer following the beginning of the Plan Year may, with the approval of the Committees, be allowed to participate in the Plan.

In order to receive a cash bonus under the Plan, a participant must be employed by the Corporation or one of its subsidiaries on the day the bonus is paid; 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 day the bonus is paid to the other participants, such bonus 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 day the bonus is paid as the result of death, disability or Retirement (“**Early Termination Employees**”) or for other circumstances approved by the Committees on a case-by-case basis. If employment is terminated by reason of death, disability or Retirement, a participant or his/her estate will receive a pro-rata bonus 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 with Carnival Corporation, Carnival plc or any successor thereto and/or their subsidiaries or (ii) age 55 with at least 15 years

5. BONUS

A. For purposes of this Plan, the terms below shall be defined as follows:

- i. “**Operating Income**” shall mean the net income of the Corporation before interest income and expense, and other nonoperating income and expense and income taxes as reported by the Corporation in its full year earnings report issued following each Plan Year.
- ii. The “**Operating Income Target**” for the Plan Year will be equal to the projected Operating Income for the Plan Year that corresponds to the midpoint of the diluted earnings per share guidance publicly announced during the first month of the Plan Year by the Corporation. The Committees may, in their discretion, increase or decrease the Operating Income Target for any reason they deem appropriate.

B. The Committees shall, in their discretion, determine the bonus payable to each participant as follows:

- i. Within 75 days following the commencement of each Plan Year:
  - a. The Committees will establish a Target Bonus Opportunity (in U.S. dollars), for each participant for the first year of his/her participation in the Plan. In the second and subsequent Plan Years of participation, the Target Bonus Opportunity for each participant shall be calculated by multiplying the Target Bonus Opportunity for the prior Plan Year by a percentage equal to 100 plus the percentage change in the Operating Income Target for the new Plan Year as compared to the Operating Income Target of the prior Plan Year. The Committees may, in their discretion, increase or decrease the Target Bonus Opportunity for any reason they deem appropriate.
  - b. The Committees will also approve a schedule (the “**Bonus Schedule**”) that calibrates the Operating Income Target for the Plan Year with the Target Bonus Opportunity for each participant. The performance range in the Bonus Schedule shall be from 72% to 123% of the Operating Income Target with results at 72% or less producing a preliminary bonus amount equal to 50% of the Target Bonus Opportunity and at 123% or more producing a preliminary bonus amount equal to 150% of the Target Bonus Opportunity. Results from 97% to 103% of the Operating Income Target will result in a preliminary bonus amount equal to 100% of the Target Bonus Opportunity. The preliminary bonus amount for results between 72% and 97% as well as results between 103% and 123% will be calculated using interpolation.
- ii. Following the end of each Plan Year:



- a. The Committees shall confirm the actual Operating Income for the Plan Year and the preliminary bonus amount for each participant.
- b. The Committees shall then consider other factors they deem, in their discretion, relevant to the performance of the Corporation, including, but not limited to, the impacts of changes in accounting principles, unusual gains and/or losses and other events outside the control of management. The Committees shall also consider other factors they deem, in their discretion, relevant to the performance of each participant, including, but not limited to, successful implementation of strategic initiatives and business transactions, significant business contracts, departmental accomplishments, executive recruitment, new ship orders, and management of health, environment, safety and security matters. Based on such factors, the Committees may, in their discretion, increase or decrease the bonus calculated in 5.B.ii. by any amount they deem appropriate to determine the final bonus amount. The final bonus amount shall not exceed 200% of the Target Bonus Opportunity of the participant.

In addition, the Committees may adjust a participant's bonus amount for any unpaid leaves of absence regardless of the nature of the leave.

#### 6. PAYMENT OF BONUS

Except as otherwise provided in the section entitled "Participation," Bonuses shall be paid within 75 days following the end of each Plan Year. At the discretion of the Committees, special arrangements may be made for earlier payment to Early Termination Employees.

Participants employed by Carnival Corporation may elect to defer payment of all or a portion of their Bonus 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.

#### 7. DURATION OF PLAN

The Plan will be effective until terminated by the Committees.

#### 8. AMENDMENT OF PLAN

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

**AMENDED AND RESTATED**  
**EXECUTIVE LONG-TERM COMPENSATION AGREEMENT**

THIS AMENDED AND RESTATED EXECUTIVE LONG-TERM COMPENSATION AGREEMENT (the "Agreement") is entered into and effective this 15th day of January 2008, by and between CARNIVAL CORPORATION ("Carnival") with its principal place of business located at 3655 N.W. 87th Avenue, Miami, Florida 33178, and MICKY ARISON (the "Individual").

**RECITALS**

WHEREAS, the Individual is currently employed as the Chairman and Chief Executive Officer of Carnival;

WHEREAS, Carnival wishes to provide long-term incentive and reward to the Individual for the continuation of his full-time employment with Carnival, in addition to the Individual's annual compensation consisting of a base salary and annual bonus; and

WHEREAS, the Individual desires to continue in the employ of Carnival until his retirement in consideration for Carnival's payment of compensation for his services during the period prior to retirement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Carnival shall continue to employ the Individual as Chairman and Chief Executive Officer and the Individual shall continue to serve Carnival in such executive capacity until such employment is terminated by either party.

2. Subject to the provisions of this Agreement and pursuant to the terms of the Carnival Corporation 2002 Stock Plan or any successor plan adopted by Carnival, Carnival shall pay the Individual as long-term compensation, beginning in February 2008 and continuing during the term of his employment with Carnival. Such payment shall occur in February of each year, or at such time when the Compensation Committee issues equity based awards to the Carnival's other employees (commencing effective February of 2008)(the "Grant Date") and shall consist of 84,000 restricted shares of Carnival Corporation common stock ("Restricted Stock Benefit"). Except as otherwise provided in Section 3 hereof, the Restricted Stock Benefit shall vest on the third anniversary of the Grant Date.

The full terms of such Restricted Stock Benefit shall be as more particularly set forth in one or more Restricted Stock Agreement(s) to be entered into annually substantially in the form attached hereto as Exhibit A.

3. Notwithstanding anything herein to the contrary, no payment of any Restricted Stock Benefit shall be made, and all unvested Restricted Stock Benefit issued hereunder and all rights under the Agreement shall be forfeited, if any of the following events shall occur:

- (A) The Individual's employment with Carnival is terminated for cause. For purposes of this Agreement, "for cause" shall be defined as any action or inaction by the Individual which constitutes fraud, embezzlement, misappropriation, dishonesty, breach of trust, a felony or moral turpitude, as determined by its Board of Directors;
- (B) The Individual voluntarily terminates his employment with Carnival prior to attaining sixty (60) years of age unless such voluntary termination is directly related to the Individual being diagnosed with a terminal medical condition;
- (C) The Individual shall engage in competition, as more particularly described in Section 6 hereof, either (i) during the term of his employment with Carnival; (ii) following the Individual's voluntary termination of his employment with Carnival; or (iii) following Carnival's termination of the Individual's employment with Carnival either for cause, as defined in (A) above, or other than for cause; or
- (D) The Individual violates the nondisclosure provisions set forth in Section 7 hereof.

In the event the Individual voluntarily terminates his employment either (a) following attaining the age of sixty (60) or (b) prior to attaining the age of sixty (60) as a direct result of the Individual being diagnosed with a terminal medical condition, then all unvested Restricted Stock Benefit previously granted hereunder will not be forfeited by the Individual and will continue to vest as scheduled, unless and until the Individual engages in competition in violation of Section 6 hereof or violates the nondisclosure provisions set forth in Section 7 hereof.

In the event Carnival terminates the Individual's employment with Carnival for a reason other than for cause, as defined in Section 3(A) above, then, unless and until the Individual engages in competition in violation of Section 6 hereof or violates the nondisclosure provisions set forth in Section 7 hereof, each annual grant of the Restricted Stock Benefit shall vest and shall continue to vest in accordance with the alternative vesting schedule set forth on Exhibit B ("Alternative Vesting Schedule I").

In the event the Individual voluntarily terminates his employment with Carnival within 14 days of his receipt of notice that Carnival's Board of Directors or appropriate committee of the Board, has determined that the Individual's annual grant of the Restricted Stock Benefit will be reduced by more than 25% in any one year, then (i) each annual grant of the Restricted Stock Benefit shall be subject to the alternative vesting schedule set forth on Exhibit C ("Alternative Vesting Schedule"); and (ii) all Restricted Stock Benefit issued hereunder, after application of Alternative Vesting Schedule II, and all rights under this Agreement shall be forfeited.

Notwithstanding the foregoing, this paragraph of Section 3 shall be null and void once the Individual attains the age of sixty (60).

4. Intentionally Deleted.

5. Each annual grant of Restricted Stock Benefit is contingent on the Individual's satisfactory performance of his duties as determined by Carnival's Board of Directors or appropriate committee of the Board.

6. The services of the Individual are unique, extraordinary and essential to the business of Carnival, particularly in view of the Individual's access to Carnival's confidential information and trade secrets. Accordingly, in consideration of the Restricted Stock Benefit payable hereunder, the Individual agrees that he will not, without the prior written approval of the Board of Directors, at anytime during the term of his employment with Carnival and (except as provided below) for five (5) years following the date on which the Individual's employment with Carnival terminates, directly or indirectly, within the United States or its territories, engage in any business activity directly or indirectly competitive with the business of Carnival, or its subsidiaries or divisions, or serve as an officer, director, owner, consultant, or employee of any organization then in competition with Carnival or any of its subsidiaries or divisions. In addition, the Individual agrees that during such five (5) year period following his employment with Carnival, he will not solicit, either directly or indirectly, any employee of Carnival, its subsidiaries or division, who was such at the time of the Individual's separation from employment hereunder. In the event that the provisions of this Section 6 should ever be adjudicated to exceed the time, geographic or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic or other limitations permitted by applicable law.

Notwithstanding the foregoing, the provisions of this Section 6 shall be null and void if, prior to attaining the age of sixty (60), the Individual voluntarily terminates his employment with Carnival within 14 days of his receipt of notice that Carnival's Board of Directors or appropriate committee of the Board, has determined that the Individual's annual grant of the Restricted Stock Benefit will be reduced by more than 25% in any one year.

7. The Individual expressly agrees and understands that Carnival owns and/or controls information and material which is not generally available to third parties and which Carnival considers confidential, including, without limitation, methods, products, processes, customer lists, trade secrets and other information applicable to its business and that it may from time to time acquire, improve or produce additional methods, products, processes, customers lists, trade secrets and other information (collectively, the "Confidential Information"). The Individual hereby acknowledges that each element of the Confidential Information constitutes a unique and valuable asset of Carnival, and that certain items of the Confidential Information have been acquired from third parties upon the express condition that such items would not be disclosed to Carnival and its officers and agents other than in the ordinary course of business. The Individual hereby acknowledges that disclosure of Carnival's Confidential Information to and/or use by anyone other than in Carnival's ordinary course of business would result in

irreparable and continuing damage to Carnival. Accordingly, the Individual agrees to hold the Confidential Information in the strictest secrecy, and covenants that, during the term of his employment with Carnival or at any time thereafter, he will not, without the prior written consent of the Board of Directors, directly or indirectly, allow any element of the Confidential Information to be disclosed, published or used, nor permit the Confidential Information to be discussed, published or used, either by himself or by any third parties, except in effecting Individual's duties for Carnival in the ordinary course of business. The Individual agrees to keep all such records in connection with the Individual's employment as Carnival may direct, and all such records shall be the sole and absolute property of Carnival. The Individual further agrees that, within five (5) days of Carnival's request, he shall surrender to Carnival any and all documents, memoranda, books, papers, letters, price lists, notebooks, reports, logbooks, code books, salesmen records, customer lists, activity reports, video or audio recordings, computer programs and any and all other data and information and any and all copies thereof relating to Carnival's business or any Confidential Information.

8. Except as otherwise provided in Section 6 hereof, the restrictive covenants contained in Sections 6 and 7 herein shall survive the termination or expiration of this Agreement and any termination of the Individual's employment.

9. Nothing herein shall be construed as conferring upon the Individual the right to continue in the employ of Carnival as an executive or in any other capacity.

10. The Restricted Stock Benefit payable under this Agreement shall not be deemed salary or other compensation to the Individual for the purpose of computing benefits to which such Individual may be entitled under any pension or profit sharing plan or other arrangement of Carnival for the benefit of its employees.

11. The Compensation Committee of Carnival's Board of Directors shall have the full power and authority to interpret, construe and administer this Agreement. No officer or director of Carnival shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Agreement unless such action or omission is attributable to his own willful misconduct or lack of good faith.

12. This Agreement shall not be, nor shall it be construed to constitute an employment agreement between the Individual and Carnival.

13. This Agreement shall be governed by, and shall be construed and interpreted in accordance with, the laws of the State of Florida and the parties agree to submit to the jurisdiction of the United States District Court for the Southern District of Florida for the resolution of any disputes arising under this Agreement.

14. In the event that any party to this Agreement institutes suit against the other party to this Agreement to enforce any of its rights hereunder, the "prevailing party" in such action shall be entitled to recover from the other party all reasonable costs incurred in pursuing such action, including reasonable attorneys' fees. For purposes of this Agreement, "prevailing party"

shall mean the party recovering judgment in the case and not being liable on any counterclaim brought in the case.

15. This Agreement constitutes the entire agreement between Carnival and the Individual with respect to the long-term compensation of the Individual as described herein and supersedes all prior negotiations, agreements, understandings and arrangements, both oral and written, between Carnival and the Individual with respect to such subject matter. In the event of a conflict between this Agreement and the Carnival Corporation 2002 Stock Plan or any successor plan adopted by Carnival, the terms of this Agreement shall control. This Agreement may not be modified in any way, except by a written instrument executed by each of Carnival and the Individual.

16. This Agreement shall be for the benefit of, and shall be binding upon, each of Carnival and the Individual and their respective heirs, personal representatives, legal representatives, successors and assigns.

17. The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part hereof, all of which are inserted conditionally on their being valid in law. In the event that any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall be declared invalid by a court of competent jurisdiction, then, in any such event, this Agreement shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted.

18. The waiver by either party of a breach or violation of any term or provision of this Agreement by the other party shall not operate nor be construed as a waiver of any subsequent breach or violation of any provision of this Agreement nor of any other right or remedy.

IN WITNESS WHEREOF, each of the parties has executed and delivered this Agreement as of the date first above written.

CARNIVAL CORPORATION

By: /s/ Howard S. Frank  
Howard S. Frank  
Title: Vice Chairman and Chief Operating Officer

/s/ Micky Arison  
Micky Arison

EXHIBIT A

CARNIVAL CORPORATION  
EXECUTIVE RESTRICTED STOCK AGREEMENT

THIS AGREEMENT (the “**Agreement**”), is made effective as of \_\_\_\_\_, 20\_\_ (hereinafter the “**Grant Date**”) between Carnival Corporation, a corporation organized under the laws of the Republic of Panama (the “**Company**”), and \_\_\_\_\_ (the “**Executive**”), pursuant to the amended and restated Carnival Corporation 2002 Stock Plan (the “**Plan**”) and that certain Executive Long-Term Compensation Agreement effective as of January 15, 2008 between the Company and Executive (the “**LTCA**”).

R E C I T A L S:

WHEREAS, the Company has adopted the amended and restated Carnival Corporation 2002 Stock Plan pursuant to which awards of restricted Shares may be granted; and

WHEREAS, the Company desires to grant Executive an award of restricted Shares pursuant to the terms of this Agreement, the LTCA and the Plan.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Grant of Restricted Stock.

Subject to the terms and conditions set forth in the Plan, the LTCA and in this Agreement, the Company hereby grants to Executive a Restricted Stock Award consisting of \_\_\_\_ Shares (the “**Restricted Stock**”). The Restricted Stock is subject to the restrictions described herein, including forfeiture under the circumstances described in Section 5 hereof (the “**Restrictions**”). The Restrictions shall lapse and the Restricted Stock shall become nonforfeitable in accordance with Section 3 and Section 5 hereof.

2. Incorporation by Reference, Etc.

The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the LTCA and the Plan. Any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The terms of the LTCA shall control in the event of a conflict with the provisions of this Agreement or the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon Executive and his legal representative in respect of any questions arising under the Plan or this Agreement.

3. Lapse of Restriction.

Except as otherwise provided in Section 5 hereof, and contingent upon Executive’s continued employment with the Company, the Restrictions with respect to the Restricted Stock shall lapse on

the third anniversary of the Grant Date. Notwithstanding the foregoing, the Committee shall have the authority to remove the Restrictions on the Restricted Stock whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the Grant Date, such action is appropriate.

Any shares of Restricted Stock for which the Restrictions have lapsed or been removed shall be referred to hereunder as “**released Restricted Stock.**”

4. Certificates.

Certificates evidencing the Restricted Stock shall be issued by the Company and shall be registered in Executive's name on the stock transfer books of the Company promptly after the date hereof. Subject to Section 6 hereof, the certificates evidencing the Restricted Stock shall remain in the physical custody of Executive or Executive's legal representative at all times prior to the date such Restricted Stock becomes released Restricted Stock.

5. Effect of Termination of Employment.

Notwithstanding anything herein to the contrary, all unreleased Restricted Stock issued hereunder shall be forfeited upon the occurrence of any event set forth in Section 3 of Executive's LTCA. In addition, in the event the Executive terminates by reason of death or Disability, the Restrictions on the Restricted Stock shall lapse on the date of Executive's death or Disability and the Restricted Stock shall become Released Restricted Stock.

6. Rights as a Shareholder.

Executive shall be the record owner of the Restricted Stock unless and until such shares are forfeited pursuant to Section 3 or 5 hereof, and as record owner shall be entitled to all rights of a common shareholder of the Company; provided that the Restricted Stock shall be subject to the limitations on transfer and encumbrance set forth in this Agreement. As soon as practicable following the lapse or removal of Restrictions on any Restricted Stock, Executive shall return the certificate representing such released Restricted Stock to the company and the Company shall deliver to Executive or Executive's legal representative a replacement certificate for such released Restricted Stock with the restrictive legend removed. In the event the Restricted Stock is forfeited pursuant to Section 5 hereof, Executive shall immediately return the certificate evidencing such forfeited unreleased Restricted Stock to the Company and Executive's name shall be removed from the stock transfer books of the Company.

7. Restrictive Legend.

All certificates representing Restricted Stock shall have affixed thereto a legend in substantially the following form, in addition to any other legends that may be required under federal or state securities laws:

TRANSFER OF THIS CERTIFICATE AND THE SHARES REPRESENTED HEREBY IS RESTRICTED PURSUANT TO THE TERMS OF THE CARNIVAL CORPORATION 2002 STOCK PLAN, AS AMENDED FROM TIME TO TIME,



AND A RESTRICTED STOCK AGREEMENT, DATED AS OF \_\_\_\_\_, BETWEEN CARNIVAL CORPORATION AND \_\_\_\_\_. COPIES OF SUCH PLAN AND AGREEMENT ARE ON FILE AT THE OFFICES OF CARNIVAL CORPORATION.

8. Transferability.

The Restricted Stock may not, at any time prior to becoming released Restricted Stock, be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Executive, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company; provided, that, the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. Notwithstanding the foregoing, unreleased Restricted Stock may be transferred by the Executive, without consideration, to a Permitted Transferee in accordance with Section 9(h) of the Plan.

9. Withholding; Section 83(b) Election.

Executive agrees to make appropriate arrangements with the Company for satisfaction of any applicable federal, state or local income tax withholding requirements or like requirements, including the payment to the Company upon the lapse or removal of Restrictions on any Restricted Stock (or such later or earlier date as may be applicable under Section 83 of the Code), or other settlement in respect of, the Restricted Stock of all such taxes and requirements and the Company shall be authorized to take such action as it deems necessary (including, without limitation, requiring the Executive to return the released Restricted Stock to the Company and/or withholding amounts from any compensation or other amount owing from the Company or its Affiliates to Executive) to satisfy all obligations for the payment of such taxes. Executive may make an election pursuant to Section 83(b) of the Code in respect of the Restricted Stock and, if he does so, he shall timely notify the Company of such election and send the Company a copy thereof. Executive shall be solely responsible for properly and timely completing and filing any such election.

10. Miscellaneous.

(a) Notices. Any and all notices, designations, consents, offers, acceptances and any other communications provided for herein shall be given in writing and shall be delivered either personally or by registered or certified mail, postage prepaid, which shall be addressed as follows:

If to Executive:                      To the address specified in the Company's records.

If to the Company to:              Carnival Corporation  
3655 N.W. 87th Avenue  
Miami, Florida 33178-2428  
Attn.: General Counsel

(b) No Right to Continued Employment. Nothing in the Plan or in this Agreement shall confer upon Executive any right to continue in the employ of the Company or shall interfere with or restrict in any way the right of the Company, which are hereby expressly reserved, to remove, terminate or discharge Executive at any time for any reason whatsoever, with or without, Cause.

(c) Bound by Plan. By signing this Agreement, Executive acknowledges that he has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(d) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and on Executive and the beneficiaries, executors, administrators, heirs and successors of Executive.

(e) Invalid Provision. The invalidity or unenforceability of any particular provision hereof shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

(f) Modifications. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto.

(g) Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and therein and supersede all prior communications, representations and negotiations in respect thereto.

(h) Governing Law. This Agreement and the rights of Executive hereunder shall be construed and determined in accordance with the laws of the State of Florida.

(i) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

CARNIVAL CORPORATION

By: \_\_\_\_\_

ACCEPTED AND AGREED THIS \_\_\_\_\_  
DAY OF \_\_\_\_\_.

\_\_\_\_\_

Executive

EXHIBIT B

ALTERNATIVE VESTING SCHEDULE I

1. Vest as to 33% of the Restricted Stock Benefit on the first anniversary of the grant date thereof;
2. Vest as to 66% of the Restricted Stock Benefit on the second anniversary of the grant date thereof; and
3. Vest as to 100% of the Restricted Stock Benefit on the third anniversary of the grant date thereof.

EXHIBIT C

ALTERNATIVE VESTING SCHEDULE II

1. Vested as to 0% of the Restricted Stock Benefit if termination occurs between the grant date and the first anniversary of the grant date thereof;
2. Vested as to 33% of the Restricted Stock Benefit if termination occurs between the first and second anniversaries of the grant date thereof;
3. Vested as to 66% of the Restricted Stock Benefit if termination occurs between the second and third anniversaries of the grant date thereof;
4. Vested as to 100% of the Restricted Stock Benefit if termination occurs after the third anniversary of the grant date thereof.

**AMENDED AND RESTATED**  
**EXECUTIVE LONG-TERM COMPENSATION AGREEMENT**

THIS AMENDED AND RESTATED EXECUTIVE LONG-TERM COMPENSATION AGREEMENT (the "Agreement") is entered into and effective this 15th day of January 2008, by and between CARNIVAL CORPORATION ("Carnival") with its principal place of business located at 3655 N.W. 87th Avenue, Miami, Florida 33178, and HOWARD S. FRANK (the "Individual").

**RECITALS**

WHEREAS, the Individual is currently employed as the Vice Chairman and Chief Operating Officer of Carnival;

WHEREAS, Carnival wishes to provide long-term incentive and reward to the Individual for the continuation of his full-time employment with Carnival, in addition to the Individual's annual compensation consisting of a base salary and annual bonus; and

WHEREAS, the Individual desires to continue in the employ of Carnival until his retirement in consideration for Carnival's payment of compensation for his services during the period prior to retirement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Carnival shall continue to employ the Individual as Vice Chairman and Chief Operating Officer and the Individual shall continue to serve Carnival in such executive capacity until such employment is terminated by either party.

2. Subject to the provisions of this Agreement and pursuant to the terms of the Carnival Corporation 2002 Stock Plan or any successor plan adopted by Carnival, Carnival shall pay the Individual as long-term compensation, beginning in February 2008 and continuing during the term of his employment with Carnival. Such payment shall occur in February of each year, or at such time when the Compensation Committee issues equity based awards to the Carnival's other employees, (commencing effective February of 2008)(the "Grant Date") 70,000 restricted shares of Carnival Corporation common stock ("Restricted Stock Benefit"). Except as otherwise provided in Section 3 hereof, the Restricted Stock Benefit shall vest on the third anniversary of the Grant Date.

The full terms of such Restricted Stock Benefit shall be as more particularly set forth in one or more Restricted Stock Agreement(s) to be entered into annually substantially in the form attached hereto as Exhibit A.

3. Notwithstanding anything herein to the contrary, no payment of any Restricted Stock Benefit shall be made, and all unvested Restricted Stock Benefit issued hereunder and all rights under the Agreement shall be forfeited, if any of the following events shall occur:

- (A) The Individual's employment with Carnival is terminated for cause. For purposes of this Agreement, "for cause" shall be defined as any action or inaction by the Individual which constitutes fraud, embezzlement, misappropriation, dishonesty, breach of trust, a felony or moral turpitude, as determined by its Board of Directors;
- (B) The Individual shall engage in competition, as more particularly described in Section 6 hereof, either (i) during the term of his employment with Carnival; (ii) following the Individual's voluntary termination of his employment with Carnival; or (iii) following Carnival's termination of the Individual's employment with Carnival either for cause, as defined in (A) above, or other than for cause; or
- (C) The Individual violates the nondisclosure provisions set forth in Section 7 hereof.

In the event the Individual voluntarily terminates his employment as a direct result of the Individual being diagnosed with a terminal medical condition, then all unvested Restricted Stock Benefit previously granted hereunder will not be forfeited by the Individual and will continue to vest as scheduled, unless and until the Individual engages in competition in violation of Section 6 hereof or violates the nondisclosure provisions set forth in Section 7 hereof.

In the event Carnival terminates the Individual's employment with Carnival for a reason other than for cause, as defined in Section 3(A) above, then, unless and until the Individual engages in competition in violation of Section 6 hereof or violates the nondisclosure provisions set forth in Section 7 hereof, each annual grant of the Restricted Stock Benefit shall vest and shall continue to vest in accordance with the alternative vesting schedule set forth on Exhibit B ("Alternative Vesting Schedule").

4. Intentionally Deleted.

5. Each annual grant of Restricted Stock Benefit is contingent on the Individual's satisfactory performance of his duties as determined by Carnival's Chairman, and ratified and approved by Carnival's Board of Directors or appropriate committee of the Board.

6. The services of the Individual are unique, extraordinary and essential to the business of Carnival, particularly in view of the Individual's access to Carnival's confidential information and trade secrets. Accordingly, in consideration of the Restricted Stock Benefit payable hereunder, the Individual agrees that he will not, without the prior written approval of the Board of Directors, at anytime during the term of his employment with Carnival and (except as provided below) for five (5) years following the date on which the Individual's employment with Carnival terminates, directly or indirectly, within the United States or its territories, engage in any business activity directly or indirectly competitive with the business of Carnival, or its subsidiaries or divisions, or serve as an

officer, director, owner, consultant, or employee of any organization then in competition with Carnival or any of its subsidiaries or divisions. In addition, the Individual agrees that during such five (5) year period following his employment with Carnival, he will not solicit, either directly or indirectly, any employee of Carnival, its subsidiaries or division, who was such at the time of the Individual's separation from employment hereunder. In the event that the provisions of this Section 6 should ever be adjudicated to exceed the time, geographic or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic or other limitations permitted by applicable law.

7. The Individual expressly agrees and understands that Carnival owns and/or controls information and material which is not generally available to third parties and which Carnival considers confidential, including, without limitation, methods, products, processes, customer lists, trade secrets and other information applicable to its business and that it may from time to time acquire, improve or produce additional methods, products, processes, customers lists, trade secrets and other information (collectively, the "Confidential Information"). The Individual hereby acknowledges that each element of the Confidential Information constitutes a unique and valuable asset of Carnival, and that certain items of the Confidential Information have been acquired from third parties upon the express condition that such items would not be disclosed to Carnival and its officers and agents other than in the ordinary course of business. The Individual hereby acknowledges that disclosure of Carnival's Confidential Information to and/or use by anyone other than in Carnival's ordinary course of business would result in irreparable and continuing damage to Carnival. Accordingly, the Individual agrees to hold the Confidential Information in the strictest secrecy, and covenants that, during the term of his employment with Carnival or at any time thereafter, he will not, without the prior written consent of the Board of Directors, directly or indirectly, allow any element of the Confidential Information to be disclosed, published or used, nor permit the Confidential Information to be discussed, published or used, either by himself or by any third parties, except in effecting Individual's duties for Carnival in the ordinary course of business. The Individual agrees to keep all such records in connection with the Individual's employment as Carnival may direct, and all such records shall be the sole and absolute property of Carnival. The Individual further agrees that, within five (5) days of Carnival's request, he shall surrender to Carnival any and all documents, memoranda, books, papers, letters, price lists, notebooks, reports, logbooks, code books, salesmen records, customer lists, activity reports, video or audio recordings, computer programs and any and all other data and information and any and all copies thereof relating to Carnival's business or any Confidential Information.

8. Except as otherwise provided in Section 6 hereof, the restrictive covenants contained in Sections 6 and 7 herein shall survive the termination or expiration of this Agreement and any termination of the Individual's employment.

9. Nothing herein shall be construed as conferring upon the Individual the right to continue in the employ of Carnival as an executive or in any other capacity.

10. The Restricted Stock Benefit payable under this Agreement shall not be deemed salary or other compensation to the Individual for the purpose of computing benefits to which

such Individual may be entitled under any pension or profit sharing plan or other arrangement of Carnival for the benefit of its employees.

11. The Compensation Committee of Carnival's Board of Directors shall have the full power and authority to interpret, construe and administer this Agreement. No officer or director of Carnival shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Agreement unless such action or omission is attributable to his own willful misconduct or lack of good faith.

12. This Agreement shall not be, nor shall it be construed to constitute an employment agreement between the Individual and Carnival.

13. This Agreement shall be governed by, and shall be construed and interpreted in accordance with, the laws of the State of Florida and the parties agree to submit to the jurisdiction of the United States District Court for the Southern District of Florida for the resolution of any disputes arising under this Agreement.

14. In the event that any party to this Agreement institutes suit against the other party to this Agreement to enforce any of its rights hereunder, the "prevailing party" in such action shall be entitled to recover from the other party all reasonable costs incurred in pursuing such action, including reasonable attorneys' fees. For purposes of this Agreement, "prevailing party" shall mean the party recovering judgment in the case and not being liable on any counterclaim brought in the case.

15. This Agreement constitutes the entire agreement between Carnival and the Individual with respect to the long-term compensation of the Individual as described herein and supersedes all prior negotiations, agreements, understandings and arrangements, both oral and written, between Carnival and the Individual with respect to such subject matter. In the event of a conflict between this Agreement and the Carnival Corporation 2002 Stock Plan or any successor plan adopted by Carnival, the terms of this Agreement shall control. This Agreement may not be modified in any way, except by a written instrument executed by each of Carnival and the Individual.

16. This Agreement shall be for the benefit of, and shall be binding upon, each of Carnival and the Individual and their respective heirs, personal representatives, legal representatives, successors and assigns.

17. The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part hereof, all of which are inserted conditionally on their being valid in law. In the event that any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall be declared invalid by a court of competent jurisdiction, then, in any such event, this Agreement shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted.



18. The waiver by either party of a breach or violation of any term or provision of this Agreement by the other party shall not operate nor be construed as a waiver of any subsequent breach or violation of any provision of this Agreement nor of any other right or remedy.

IN WITNESS WHEREOF, each of the parties has executed and delivered this Agreement as of the date first above written.

CARNIVAL CORPORATION

*/s/ Micky Arison*  
Micky Arison  
Chairman and Chief Executive Officer

EXECUTIVE

*/s/ Howard S. Frank* \_\_\_\_\_  
Howard S. Frank

EXHIBIT A

CARNIVAL CORPORATION  
EXECUTIVE RESTRICTED STOCK AGREEMENT

THIS AGREEMENT (the “**Agreement**”), is made effective as of \_\_\_\_\_, 20\_\_ (hereinafter the “**Grant Date**”) between Carnival Corporation, a corporation organized under the laws of the Republic of Panama (the “**Company**”), and \_\_\_\_\_ (the “**Executive**”), pursuant to the amended and restated Carnival Corporation 2002 Stock Plan (the “**Plan**”) and that certain Executive Long-Term Compensation Agreement effective as of January 15, 2008 between the Company and Executive (the “**LTCA**”).

R E C I T A L S:

WHEREAS, the Company has adopted the amended and restated Carnival Corporation 2002 Stock Plan pursuant to which awards of restricted Shares may be granted; and

WHEREAS, the Company desires to grant Executive an award of restricted Shares pursuant to the terms of this Agreement, the LTCA and the Plan.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Grant of Restricted Stock.

Subject to the terms and conditions set forth in the Plan, the LTCA and in this Agreement, the Company hereby grants to Executive a Restricted Stock Award consisting of \_\_\_\_ Shares (the “**Restricted Stock**”). The Restricted Stock is subject to the restrictions described herein, including forfeiture under the circumstances described in Section 5 hereof (the “**Restrictions**”). The Restrictions shall lapse and the Restricted Stock shall become nonforfeitable in accordance with Section 3 and Section 5 hereof.

2. Incorporation by Reference, Etc.

The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the LTCA and the Plan. Any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The terms of the LTCA shall control in the event of a conflict with the provisions of this Agreement or the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon Executive and his legal representative in respect of any questions arising under the Plan or this Agreement.

3. Lapse of Restriction.

Except as otherwise provided in Section 5 hereof, and contingent upon Executive’s continued employment with the Company, the Restrictions with respect to the Restricted Stock shall lapse on

the third anniversary of the Grant Date. Notwithstanding the foregoing, the Committee shall have the authority to remove the Restrictions on the Restricted Stock whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the Grant Date, such action is appropriate.

Any shares of Restricted Stock for which the Restrictions have lapsed or been removed shall be referred to hereunder as “**released Restricted Stock.**”

4. Certificates.

Certificates evidencing the Restricted Stock shall be issued by the Company and shall be registered in Executive's name on the stock transfer books of the Company promptly after the date hereof. Subject to Section 6 hereof, the certificates evidencing the Restricted Stock shall remain in the physical custody of Executive or Executive's legal representative at all times prior to the date such Restricted Stock becomes released Restricted Stock.

5. Effect of Termination of Employment.

Notwithstanding anything herein to the contrary, all unreleased Restricted Stock issued hereunder shall be forfeited upon the occurrence of any event set forth in Section 3 of Executive's LTCA. In addition, in the event the Executive terminates by reason of death or Disability, the Restrictions on the Restricted Stock shall lapse on the date of Executive's death or Disability and the Restricted Stock shall become Released Restricted Stock.

6. Rights as a Shareholder.

Executive shall be the record owner of the Restricted Stock unless and until such shares are forfeited pursuant to Section 3 or 5 hereof, and as record owner shall be entitled to all rights of a common shareholder of the Company; provided that the Restricted Stock shall be subject to the limitations on transfer and encumbrance set forth in this Agreement. As soon as practicable following the lapse or removal of Restrictions on any Restricted Stock, Executive shall return the certificate representing such released Restricted Stock to the company and the Company shall deliver to Executive or Executive's legal representative a replacement certificate for such released Restricted Stock with the restrictive legend removed. In the event the Restricted Stock is forfeited pursuant to Section 5 hereof, Executive shall immediately return the certificate evidencing such forfeited unreleased Restricted Stock to the Company and Executive's name shall be removed from the stock transfer books of the Company.

7. Restrictive Legend.

All certificates representing Restricted Stock shall have affixed thereto a legend in substantially the following form, in addition to any other legends that may be required under federal or state securities laws:

TRANSFER OF THIS CERTIFICATE AND THE SHARES REPRESENTED HEREBY IS RESTRICTED PURSUANT TO THE TERMS OF THE CARNIVAL CORPORATION 2002 STOCK PLAN, AS AMENDED FROM TIME TO TIME,

AND A RESTRICTED STOCK AGREEMENT, DATED AS OF \_\_\_\_\_, BETWEEN CARNIVAL CORPORATION AND \_\_\_\_\_. COPIES OF SUCH PLAN AND AGREEMENT ARE ON FILE AT THE OFFICES OF CARNIVAL CORPORATION.

8. Transferability.

The Restricted Stock may not, at any time prior to becoming released Restricted Stock, be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Executive, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company; provided, that, the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. Notwithstanding the foregoing, unreleased Restricted Stock may be transferred by the Executive, without consideration, to a Permitted Transferee in accordance with Section 9(h) of the Plan.

9. Withholding; Section 83(b) Election.

Executive agrees to make appropriate arrangements with the Company for satisfaction of any applicable federal, state or local income tax withholding requirements or like requirements, including the payment to the Company upon the lapse or removal of Restrictions on any Restricted Stock (or such later or earlier date as may be applicable under Section 83 of the Code), or other settlement in respect of, the Restricted Stock of all such taxes and requirements and the Company shall be authorized to take such action as it deems necessary (including, without limitation, requiring the Executive to return the released Restricted Stock to the Company and/or withholding amounts from any compensation or other amount owing from the Company or its Affiliates to Executive) to satisfy all obligations for the payment of such taxes. Executive may make an election pursuant to Section 83(b) of the Code in respect of the Restricted Stock and, if he does so, he shall timely notify the Company of such election and send the Company a copy thereof. Executive shall be solely responsible for properly and timely completing and filing any such election.

10. Miscellaneous.

(a) Notices. Any and all notices, designations, consents, offers, acceptances and any other communications provided for herein shall be given in writing and shall be delivered either personally or by registered or certified mail, postage prepaid, which shall be addressed as follows:

If to Executive:                      To the address specified in the Company's records.

If to the Company to:              Carnival Corporation  
3655 N.W. 87th Avenue  
Miami, Florida 33178-2428  
Attn.: General Counsel

(b) No Right to Continued Employment. Nothing in the Plan or in this Agreement shall confer upon Executive any right to continue in the employ of the Company or shall interfere with or restrict in any way the right of the Company, which are hereby expressly reserved, to remove, terminate or discharge Executive at any time for any reason whatsoever, with or without, Cause.

(c) Bound by Plan. By signing this Agreement, Executive acknowledges that he has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(d) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and on Executive and the beneficiaries, executors, administrators, heirs and successors of Executive.

(e) Invalid Provision. The invalidity or unenforceability of any particular provision hereof shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

(f) Modifications. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto.

(g) Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and therein and supersede all prior communications, representations and negotiations in respect thereto.

(h) Governing Law. This Agreement and the rights of Executive hereunder shall be construed and determined in accordance with the laws of the State of Florida.

(i) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

CARNIVAL CORPORATION

By: \_\_\_\_\_

ACCEPTED AND AGREED THIS \_\_\_\_\_  
DAY OF \_\_\_\_\_.

\_\_\_\_\_

Executive

EXHIBIT B

ALTERNATIVE VESTING SCHEDULE

1. Vest as to 33% of the Restricted Stock Benefit on the first anniversary of the grant date thereof;
2. Vest as to 66% of the Restricted Stock Benefit on the second anniversary of the grant date thereof; and
3. Vest as to 100% of the Restricted Stock Benefit on the third anniversary of the grant date thereof.

**AMENDMENT NO. 2  
OF EMPLOYMENT AGREEMENT**

THIS AMENDMENT NO. 2 OF EMPLOYMENT AGREEMENT ("Amendment No. 2") is entered into as of the 15th day of January 2008, between Peter Ratcliffe ("Executive") and P&O Princess Cruises International, Ltd., a corporation organized under the laws of the United Kingdom (the "Company").

R E C I T A L S

WHEREAS, Employee and the Company executed an Employment Agreement dated as of April 17, 2003, as amended by Amendment No. 1 of Employment Agreement dated as of July 19, 2004 (together, the "Agreement");

WHEREAS, the parties desire to memorialize a change to the change in the type of equity award granted to the Employee pursuant to Section 3.3 of the Agreement from stock options to restricted stock units; and

NOW, THEREFORE, in consideration of the foregoing recitals and with the terms, covenants and conditions of this Amendment No. 2, Executive and the Company agree as follows:

1. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.
  2. The Agreement shall be amended as follows:
    - a) Section 3.3 shall be amended in its entirety to read as follows:

"Subject to satisfactory performance, for each calendar year ending in the Employment Term, Executive shall receive 10,000 restricted stock units ("RSUs") pursuant to the terms of the amended and restated Carnival Corporation 2002 Stock Plan (the "Stock Plan"). Executive shall be granted such RSUs at the same time that other senior executives of the Dual Listed Companies are granted equity awards under the Stock Plan. The RSUs granted pursuant to this Section 3.3 shall be subject to the terms and conditions set forth in a Restricted Stock Unit Award Agreement substantially in the form attached hereto as Exhibit C."
    - b) Exhibit C to the Agreement shall be deleted in its entirety and replaced with the document attached hereto as Exhibit C.
  3. This Amendment No. 2, together with the Agreement, is the sole agreement between the parties relating to the subject matter hereof and supersedes all prior understandings, writings, proposals, representations or communications, oral or written, of either party.
-

4. This Amendment No. 2 shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted transferees and assigns.
5. This Amendment No. 2 shall be governed by, and construed in accordance with, the internal laws of the State of Florida, without regard to principles of conflicts of law.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 as of the date first above written.

P&O PRINCESS CRUISES INTERNATIONAL, LTD.

By: /s/ Howard S. Frank  
Howard S. Frank  
Director

EXECUTIVE

By: /s/ Peter Ratcliffe  
Peter Ratcliffe

---



**CARNIVAL CORPORATION  
RESTRICTED STOCK UNIT AGREEMENT**

Carnival Corporation (the “**Company**”), having heretofore adopted the Carnival Corporation 2002 Stock Plan (as amended through the date hereof) (the “**Plan**”), hereby irrevocably grants to Peter G. Ratcliffe (the “**Executive**”), effective \_\_\_\_\_, 2008 (the “**Grant Date**”), a Restricted Stock Unit Award (the “**RSU Award**”), consisting of 10,000 restricted stock units (“**RSUs**”), which is in the form of a conditional allocation of shares in the Company, on terms and conditions set forth herein. Each capitalized term used in this Agreement and not otherwise defined herein shall have the meaning assigned to it in the Plan.

1. 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. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern.

2. Each RSU comprised in your RSU Award is equivalent to a hypothetical investment in one share of the Company’s common stock, par value \$0.01 (a “**Share**”). Your RSU Award is in the form of a conditional allocation of Shares that will be of no effect until expiry of the Restricted Period and attainment of certain vesting criteria. Subject to Section 3 of this Agreement, the Restricted Period applying to the RSUs shall expire with respect to 100% of the RSUs granted hereunder on the third anniversary of the Grant Date; provided however, that where the release of the RSU Award would be prohibited by law or the Company’s dealing rules the Restricted Period will be extended until the expiry of the prohibition.

3. Notwithstanding the provisions of paragraph 2, if (i) there is a Change of Control or (ii) the Executive’s employment with the Company or any Subsidiary shall terminate by reason of his death or Disability, the Restricted Period shall expire as to 100% of the RSUs. If the Executive’s employment with the Company or any Subsidiary shall terminate by reason of Retirement the Restricted Period applying to the RSUs shall continue to expire according to the time frames set forth in paragraph 2. Upon the termination of the Executive’s employment with the Company or any Subsidiary for any reason other than death, Retirement or Disability, all of the RSUs as to which the Restricted Period has not expired shall be forfeited and all rights of the Executive in respect of such RSUs shall terminate without further obligation on the part of the Company.

The RSUs and the rights evidenced hereby are not transferable in any manner other than by will or by the laws of descent and distribution. Notwithstanding the above, the Company shall recognize the Executive’s duly executed Beneficiary Designation Form on file with the Company, in the event of the Executive’s death prior to the expiration of the Restricted Period.

---

4. No Shares shall be issued at the Grant Date in respect of the RSUs, and the Executive shall have no rights (whether legal or beneficial) 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 RSUs.

5. Pending the expiration of the Restricted Period, each RSU shall be credited with dividend equivalents equal to the value of cash and stock dividends paid with respect to one Share, and such cash and stock dividend equivalents shall be withheld by the Company for the Executive's account. The cash dividend equivalents and stock dividend equivalents so withheld and attributable to any particular RSU shall be distributed to the Executive upon the settlement of the RSU in accordance with Section 6 of this Agreement and, if such RSU is forfeited, the Executive shall have no right to such cash dividend equivalents or stock dividend equivalents.

6. Upon the expiration of the Restricted Period with respect to RSUs which have not been forfeited in accordance with the second sentence of Section 3 of this Agreement, the Company shall deliver to the Executive, or his or her beneficiary, without charge one Share for each RSU with respect to which the Restricted Period has expired and the dividend equivalents associated therewith. The dividend equivalents shall be settled in Shares the number of which shall be equal to the accumulated value of the dividend equivalents divided by the Fair Market Value of one Share as of the date on which the Restricted Period lapsed up to the extent such accumulated value equates whole Shares.

7. Nothing in the Plan or this Agreement shall confer upon the Executive any right to continue in the employ of the Company or any Affiliate or shall interfere with or restrict in any way the right of the Company or any Subsidiary, which are hereby expressly reserved, to remove, terminate or discharge the Executive at any time for any reason whatsoever, with or without, Cause.

8. Upon the settlement of the RSUs in Shares, the Executive shall be required as a condition of such settlement to pay to the Company by check the amount of any tax withholding that the Company determines is required; provided that, the Executive may elect to satisfy such tax withholding obligation by having the Company withhold from the settlement that number of Shares having a Fair Market Value equal to the amount of such withholding; provided, further, that the number of Shares that may be so withheld by the Company shall be limited to that number of Shares having an aggregate Fair Market Value on the date of such withholding equal to the aggregate amount of the Executive's federal, state, and local tax liabilities based upon the applicable minimum withholding rates. The Company's obligation to deliver any Shares, to the Executive in connection with the RSU Award shall be subject to the Executive's payment of all applicable federal, state and local withholding and employment taxes. The Company's obligation to deliver Shares in respect of the RSU Award shall be subject to all applicable laws, rules and regulations and such approvals by any governmental agency as may be required.

---

9. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Company, its Affiliates, the Executive and the Executive's legal representatives and beneficiaries in respect of any questions arising under the Plan or this Agreement.

10. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto.

11. 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.

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

**CARNIVAL CORPORATION**

\_\_\_\_\_  
By: Howard S. Frank  
Title: Vice Chairman and  
Chief Operating Officer

\_\_\_\_\_  
Peter G. Ratcliffe

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

	<b>Three Months Ended February 29/28,</b>	
	<b>2008</b>	<b>2007</b>
Net income	\$ 236	\$ 283
Income tax benefit, net	(10)	(4)
Income before income taxes	226	279
Fixed charges		
Interest expense, net	98	84
Interest portion of rent expense (a)	5	4
Capitalized interest	14	11
Total fixed charges	117	99
Fixed charges not affecting earnings Capitalized interest	(14)	(11)
Earnings before fixed charges	\$ 329	\$ 367
Ratio of earnings to fixed charges	2.8x	3.7x

(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: March 28, 2008

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: March 28, 2008

By:           /s/ Howard S. Frank          

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

I, David Bernstein, 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: March 28, 2008

By:           /s/ David Bernstein          

David Bernstein  
Senior Vice President and  
Chief Financial 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: March 28, 2008

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: March 28, 2008

By:           /s/ Howard S. Frank          

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

I, David Bernstein, 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: March 28, 2008

By: /s/ David Bernstein

David Bernstein  
Senior Vice President and  
Chief Financial Officer

**Exhibit 32.1**

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 29, 2008 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: March 28, 2008

By: /s/ Micky Arison

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

**Exhibit 32.2**

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 29, 2008 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: March 28, 2008

By: /s/ Howard S. Frank

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

**Exhibit 32.3**

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 29, 2008 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: March 28, 2008

By: /s/ David Bernstein

\_\_\_\_\_  
David Bernstein  
Senior Vice President and  
Chief Financial Officer

**Exhibit 32.4**

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 29, 2008 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: March 28, 2008

By: /s/ Micky Arison

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

**Exhibit 32.5**

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 29, 2008 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: March 28, 2008

By: /s/ Howard S. Frank

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

**Exhibit 32.6**

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 29, 2008 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: March 28, 2008

By: /s/ David Bernstein

\_\_\_\_\_  
David Bernstein  
Senior Vice President and  
Chief Financial Officer