[NOTIFY] 72731,737

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

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 1997

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	59-1562976
(State or other jurisdiction of incorporation or organization)	(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.)

Indicate by check mark whether the registrant (1) has 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 registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No__

Indicate the number of shares outstanding of each of the issuers classes of common stock, as of October 10, 1997.

Class A Common Stock, $.01 par value: 297,179,242 shares

CARNIVAL CORPORATION

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Part I. Financial Information

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PART I. FINANCIAL INFORMATION
ITEM 1: FINANCIAL STATEMENTS

CARNIVAL CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

ASSETS	August 31, 1997	November 30, 1996
CURRENT ASSETS		
Cash and cash equivalents	$ 215,438	$ 111,629
Short-term investments	10,313	12,486
Accounts receivable	49,753	38,109
Consumable inventories, at average cost	54,394	53,281
Prepaid expenses and other	75,134	75,428
Total current assets	405,032	290,933
PROPERTY AND EQUIPMENT, NET	4,131,672	4,099,038
OTHER ASSETS		
Investments in and advances to affiliates	427,718	430,330
Goodwill, less accumulated amortization of $60,511 in 1997 and $55,274 in 1996	214,352	219,589
Other assets	62,991	61,998
	$5,241,765	$5,101,888
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 62,089	$ 66,369
Accounts payable	112,021	84,748
Accrued liabilities	143,208	126,511
Customer deposits	394,598	352,698
Dividends payable	32,688	32,416
Total current liabilities	744,604	662,742
LONG-TERM DEBT	926,487	1,277,529
CONVERTIBLE NOTES		39,103
DEFERRED INCOME AND OTHER LONG-TERM LIABILITIES	75,434	91,630
COMMITMENTS AND CONTINGENCIES (Note 6)		
SHAREHOLDERS' EQUITY		
Class A Common Stock; $.01 par value; one vote per share; 399,500 shares authorized; 297,179 and 239,733 shares issued and outstanding	2,972	2,397
Class B Common Stock; $.01 par value;		

five votes per share; 100,500 shares authorized; 0 and 54,957 shares issued and outstanding		550
Paid-in-capital	865,132	819,610
Retained earnings	2,620,440	2,207,781
Other	6,696	546
Total shareholders' equity	3,495,240	3,030,884
	$5,241,765	$5,101,888

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

CARNIVAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Nine Months Ended August 31,		Three Months Ended August 31,	
	1997	1996	1997	1996
REVENUES	$1,923,117	$1,737,613	$805,421	$771,989
COSTS AND EXPENSES				
Operating expenses	1,022,742	962,435	388,120	396,195
Selling and administrative	221,702	209,221	65,483	68,978
Depreciation and amortization	125,886	107,597	43,228	39,661
	1,370,330	1,279,253	496,831	504,834
OPERATING INCOME BEFORE INCOME (LOSS) FROM AFFILIATED OPERATIONS	552,787	458,360	308,590	267,155
INCOME (LOSS) FROM AFFILIATED OPERATIONS	(1,323)	12,956	10,371	12,793
OPERATING INCOME	551,464	471,316	318,961	279,948
NONOPERATING INCOME (EXPENSE)				
Interest income	5,742	17,280	2,360	2,176
Interest expense, net of capitalized interest	(43,510)	(49,889)	(11,974)	(16,673)
Other income	5,561	23,778	3,456	18,709
Income tax expense	(8,557)	(11,006)	(14,910)	(16,029)
	(40,764)	(19,837)	(21,068)	(11,817)
NET INCOME	$ 510,700	$ 451,479	$297,893	$268,131
EARNINGS PER SHARE	$1.71	$1.56	$1.00	$.92

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

CARNIVAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine Months Ended August 31,	
	1997	1996
OPERATING ACTIVITIES		
Net income	$ 510,700	$ 451,479
Adjustments		
Depreciation and amortization	125,886	107,597

Dividends received less equity in income from affiliates	8,236	(9,719)
Loss on sale of Crystal Palace notes receivable		15,835
Other	(2,615)	3,950
Changes in operating assets and liabilities		
Increase in receivables	(12,350)	(8,511)
Increase in consumable inventories	(1,113)	(2,447)
Decrease in prepaid and other	86	3,829
Increase in accounts payable	27,273	46,068
Increase in accrued liabilities	10,997	29,002
Increase in customer deposits	41,900	19,159
Net cash provided from operations	709,000	656,242
INVESTING ACTIVITIES		
Decrease in short-term investments, net	2,173	31,335
Additions to property and equipment, net	(158,913)	(514,154)
Proceeds from litigation settlements applied to cost of ships		43,050
Additions to investments in and advances to affiliates, net	(780)	(185,554)
(Increase) decrease in other non-current assets	(993)	96,807
Net cash used for investing activities	(158,513)	(528,516)
FINANCING ACTIVITIES		
Principal payments of long-term debt	(383,484)	(683,953)
Dividends paid	(97,769)	(77,389)
Proceeds from long-term debt	28,131	663,003
Issuance of common stock	6,444	2,999
Net cash used for financing activities	(446,678)	(95,340)
Net increase in cash and cash equivalents	103,809	32,386
Cash and cash equivalents at beginning of period	111,629	53,365
Cash and cash equivalents at end of period	$ 215,438	$ 85,751
Supplemental disclosure of non-cash transactions		
Conversion of 4-1/2% Convertible Notes into Class A Common Stock	$ 39,085	$ 70,113
Issuance of Class A Common Stock in connection with investment in Airtours plc	$	$ 144,171
Conversion of Class B Common Stock into Class A Common Stock	$ 550	$

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

CARNIVAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements included herein have been prepared by Carnival Corporation without audit pursuant to the rules and regulations of the Securities and Exchange Commission.

The accompanying consolidated balance sheet at August 31, 1997, and the consolidated statements of operations for the nine and three months ended August 31, 1997 and August 31, 1996 and consolidated statements of cash flows for the nine months ended August 31, 1997 and 1996 are unaudited and, in the opinion of management, contain all adjustments, consisting of only normal recurring accruals, necessary for a fair presentation. The operations of Carnival Corporation and its subsidiaries (the "Company") are seasonal and results for interim periods are not necessarily indicative of the results for the entire year.

The accompanying financial statements include the consolidated balance sheets and statements of operations and cash flows of the Company and its subsidiaries. All material intercompany transactions and accounts have been eliminated in consolidation. Certain amounts in prior periods have been reclassified to conform with the current period's presentation.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Capital Expenditures

The following table provides a description of ships currently under contract for construction (in millions of dollars):

Vessel	Expected Service Date	Contract Denomination	Number of Lower Berths	Estimated Total Cost	Remaining Cost to Be Paid
Holland America Line:					
Rotterdam VI	11/97	Lire	1,320	$ 270	$ 186
HAL Newbuild	3/99	Lire	1,440	300	285
HAL Newbuild	10/99	Lire	1,440	300	285
Carnival Cruise Lines:					
Elation	3/98	U. S. Dollar	2,040	300	248
Paradise	12/98	U. S. Dollar	2,040	300	281
Carnival Triumph	7/99	Lire	2,640	400	352
Carnival Victory	8/00	U. S. Dollar	2,640	430	426
			13,560	$2,300	$2,063

Contracts denominated in foreign currencies have been fixed into U.S. Dollars through the utilization of forward currency contracts. In connection with the vessels under construction described above, the Company has paid $237 million through August 31, 1997 and anticipates paying approximately $570 million during the twelve month period ending August 31, 1998 and approximately $1.5 billion beyond August 31, 1998. In September 1997, the Company announced that it is in negotiations with shipyards for an additional newbuilding package for its Carnival Cruise Lines, Holland America Line and Costa brands which is expected to approach $2 billion.

In addition, in April 1997 the Company reached an agreement to acquire the Club Med I, a 312 berth vessel, from Club Mediterranee, S.A. and Services et Transports for approximately $45 million. The Company anticipates closing on the purchase of the vessel in early 1998, with the vessel beginning operation in the Company's luxury sail-cruise company, Windstar Cruises, in May 1998.

Litigation

Several actions (collectively the "Port Charges Complaints") have been filed against the Company or Holland America Westours on behalf of purported classes of persons who traveled on a Company or Holland America Westours ship and paid port charges to the Company or Holland America Westours. These actions allege that statements made by the Company or Holland America Westours in advertising and promotional materials concerning port charges were false and misleading. Four such actions were filed against the Company in the Circuit Court for Dade County, Florida, and others were filed against the Company in the Chancery Court in Dyer County, Tennessee, the Superior Court in Maricopa County, Arizona and in the following United States District Courts: the Middle District of Louisiana; the Southern District of Ohio, Western Division; the Western District of Kentucky, Louisville Division; the Eastern District of Michigan, Southern Division; the Northern District of Georgia, Atlanta Division; and the Northern District of Alabama, Western Division. One such action was filed against Holland America Westours in the Superior Court in King County, Washington. The Florida, Tennessee, Louisiana, Alabama and Washington actions have been brought on behalf of purported nationwide classes; the other actions on behalf of purported statewide classes. Nationwide classes were conditionally certified in the Tennessee, Louisiana and Alabama actions.

The Florida actions allege violations of the Florida Deceptive and Unfair Trade Practices Act, fraudulent inducement, conversion and unjust enrichment. The Tennessee, Louisiana, Kentucky, Michigan, Georgia, Ohio and Alabama actions allege violations of various state consumer protection statutes, fraud, fraudulent misrepresentations and/or omissions, negligent misrepresentations and/or omissions, negligence, breach of fiduciary duties, restitution, unjust enrichment, and breach of implied covenants of good faith and fair dealing. The Washington action alleges claims of negligent misrepresentation, unjust enrichment and violations of the Washington Consumer Protection Act. Plaintiffs in these cases seek compensatory damages (in some cases alleged to be up to $25,000 per putative class member) or, alternatively, refunds of portions of port charges paid, disgorgement of funds, an accounting, attorneys' fees and costs, prejudgment interest, punitive damages and injunctive and declaratory relief.

In May 1997, on the Company's motions, the Florida actions were dismissed without prejudice and in June 1997 amended complaints were filed. The Company has moved to dismiss the amended complaints. The Company has filed a motion to dismiss the Louisiana action on the grounds, among others, that the putative representative plaintiff did not purchase a Company cruise, and the plaintiff has indicated that it will stipulate to withdraw the action with prejudice. In the Washington action, Holland America Westours' motion to dismiss was denied, as was the plaintiffs' motion for class certification. The Company has filed motions to dismiss, on the grounds of inconvenient forum, or alternatively transfer to Florida, in the Louisiana, Kentucky, Michigan, Georgia, Ohio and Alabama actions, and motions to dismiss, on the grounds of inconvenient forum, in the Arizona and Tennessee actions. The Arizona Court granted the Company's motion and dismissed that action.

In June and August 1996, two complaints were filed against the Company and Holland America Westours, respectively, in California Superior Court in Los Angeles County (collectively the "Travel Agent Complaints") on behalf of purported classes of all travel agencies who during the past four years booked a cruise with the Company or Holland America Westours. The complaints in these actions claim that the Company's and Holland America Westours' advertising practices regarding port charges resulted in an improper commission bypass and allege claims of breach of contract, negligent misrepresentation, unjust enrichment, unlawful business practices and common law fraud. The complaints sought unspecified compensatory damages (or alternatively, the payment of usual and customary commissions on port charges paid by passengers in excess of certain charges levied by government authorities), an accounting, attorneys' fees and costs, punitive damages and injunctive relief. The court granted the motions of the Company and Holland America Westours to dismiss one of the California actions and stay the second such action on grounds of forum non conveniens. The plaintiff in the dismissed California action has filed a complaint similar to the one it had filed in California in the Circuit Court for Dade County, Florida. The Company has moved to dismiss this complaint.

An action alleging claims similar to those raised in the California actions, filed in the Judicial District Court in Hennepin County, Minnesota, was withdrawn with prejudice after the Company filed a motion to dismiss on the grounds, among others, that the putative representative plaintiff had not booked any cruises with the Company.

The remaining Port Charges and Travel Agent Complaints are in preliminary stages and it is not now possible to determine the ultimate outcome of the lawsuits. Management believes that the Company has substantial and meritorious defenses to the claims. Purported class actions similar to the Port Charges and Travel Agent Complaints have been filed against five other cruise lines.

In the normal course of business, various other claims and lawsuits have been filed or are pending against the Company. The majority of these claims and lawsuits are covered by insurance. Management believes the outcome of any such suits which are not covered by insurance would not have a material adverse effect on the Company's financial condition or results of operations.

NOTE 7 - RECENT EVENTS

In June 1997, the Company and Airtours plc ("Airtours"), a large publicly traded (London Stock Exchange) tour company in which the Company holds a 28% interest, successfully completed the joint offer to acquire an interest in the outstanding equity securities of Costa Crociere, S.p.A. ("Costa"), an Italian cruise company listed on the Milan Stock Exchange. With the completion of the offer, the Company and Airtours each own 50% of Il Ponte, S.p.A. ("Il Ponte"), a holding company which was purchased from the Costa family. Il Ponte in turn now owns 98% of the ordinary share capital, 93% of the savings shares and 47% of the savings share warrants of Costa. The total cost of acquiring Il Ponte and Costa shares was approximately $266 million, of which approximately $190 million was paid by Il Ponte and the balance was paid equally by the Company and Airtours. The $190 million which was paid by Il Ponte was funded by borrowings, of which the Company guaranteed $95 million. The Company is accounting for its investment in Il Ponte using the equity method of accounting on a two month lag basis.

In September 1997, the Company announced that it was dissolving its Asian cruise joint venture with Hyundai Merchant Marine (formed in September 1996) and would repurchase the cruise ship Tropicale from the joint venture. The Company expects to record a charge of $3.6 million in the fourth quarter of 1997 resulting from the dissolution of the joint venture. In September 1997, the Company repurchased the Tropicale from the joint venture for $93 million, approximately the same price for which the joint venture purchased the ship from the Company in 1996. The deferred gain of $55.2 million in the Company's August 31, 1997 balance sheet which resulted from the sale of the Tropicale to the joint venture will be reclassified as a reduction of the Company's cost basis of the Tropicale upon its repurchase from the joint venture in September 1997.

In October 1997, Carnival Hotels and Casinos ("CHC"), which is 24.9% owned by the Company, entered into a merger agreement with Patriot American Hospitality, Inc. ("Patriot") under which Patriot will acquire CHC's hotel management division in exchange for shares of Patriot's preferred stock. CHC's gaming division will be spun off into a separate subsidiary which will be retained by the existing CHC shareholders. This transaction is expected to result in a small gain which the Company will record when the transaction closes.

NOTE 8 - RECENT PRONOUNCEMENTS

In January 1997, the Financial Accounting Standards Board issued Statement of Financial Standard ("SFAS") No. 128, "Earnings Per Share" which requires dual presentation of basic and fully diluted earnings per share. The adoption of SFAS No. 128 is not expected to have a material effect on the Company's earnings per share computation.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements under this caption, "Management's Discussion and Analysis of Financial Condition and Results of Operations", constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). See "PART II. OTHER INFORMATION, ITEM 5(a) Forward-Looking Statements".

General

The Company earns its cruise revenues primarily from (i) the sale of passenger tickets, which include accommodations, meals, most shipboard activities and in many cases airfare, and (ii) the sale of goods and services on board its cruise ships, such as casino gaming, liquor sales, gift shop sales and other related services. The Company also derives revenues from the tour and related operations of HAL Antillen N.V. ("HAL"), which owns Holland America Westours and Holland America Cruise Line.

The following table presents selected segment and statistical information for the periods indicated:

	Nine Months Ended August 31, 1997	Nine Months Ended August 31, 1996	Three Months Ended August 31, 1997	Three Months Ended August 31, 1996
	(in thousands, except selected statistical information)			
REVENUES:				
Cruise	$1,753,416	$1,549,004	$668,813	$617,985
Tour	218,681	238,550	181,011	197,772
Intersegment revenues	(48,980)	(49,941)	(44,403)	(43,768)
	$1,923,117	$1,737,613	$805,421	$771,989
OPERATING EXPENSES:				
Cruise	$ 902,786	$ 827,894	$301,170	$295,199
Tour	168,936	184,482	131,353	144,764
Intersegment expenses	(48,980)	(49,941)	(44,403)	(43,768)
	$1,022,742	$ 962,435	$388,120	$396,195
OPERATING INCOME:				
Cruise	$ 539,566	$434,680	$274,282	$228,156
Tour	18,783	26,100	35,391	39,644
Income (loss) from affiliates and corporate expenses	(6,885)	10,536	9,288	12,148
	$ 551,464	$471,316	$318,961	$279,948
SELECTED STATISTICAL INFORMATION:				
Passengers Carried	1,504,000	1,351,000	554,000	507,000
Passenger Cruise Days	9,167,000	8,088,000	3,286,000	2,987,000
Occupancy Percentage	109.6%	109.7%	114.3%	114.5%

The following table presents operations data expressed as a percentage of total revenues for the periods indicated:

	Nine Months Ended August 31, 1997	Nine Months Ended August 31, 1996	Three Months Ended August 31, 1997	Three Months Ended August 31, 1996
REVENUES	100%	100%	100%	100%
COSTS AND EXPENSES:				
Operating expenses	53	56	48	51
Selling and administrative	12	12	8	9
Depreciation and amortization	6	6	5	5
OPERATING INCOME BEFORE INCOME FROM AFFILIATED OPERATIONS	29	26	39	35
Income from affiliated				

operations	-	1	1	1
OPERATING INCOME	29	27	40	36
NONOPERATING INCOME (EXPENSE)	(2)	(1)	(3)	(1)
NET INCOME	27%	26%	37%	35%

The Company's different businesses experience varying degrees of seasonality. The Company's revenue from the sale of passenger tickets for Carnival Cruise Lines' ("Carnival") ships is moderately seasonal. Historically, demand for Carnival cruises has been greatest during the period from late June through August and lower during the fall months. HAL cruise revenues are more seasonal than Carnival's cruise revenues. Demand for HAL cruises is strongest during the summer months when HAL ships operate in Alaska and Europe for which HAL obtains higher pricing. Demand for HAL cruises is lower during the winter months when HAL ships sail in more competitive markets. The Company's tour revenues are extremely seasonal with a large majority of tour revenues generated during the late spring and summer months in conjunction with the Alaska cruise season.

In April 1996, the Company made an investment in Airtours which it records using the equity basis of accounting. Starting with the Company's quarter ended August 31, 1996, the Company's portion of Airtours' operating results are being recorded by the Company on a two month lag basis. Airtours' earnings are seasonal due to the nature of the European leisure travel industry. Demand for Airtours vacations is highest during the summer months when Europeans typically take extended vacations. During the last two fiscal years, Airtours' third and fourth fiscal quarters, ending June 30 and September 30, respectively, have been profitable, with the fourth quarter being its most profitable quarter. During this same period, Airtours experienced seasonal losses in its first and second fiscal quarters ending on December 31 and March 31, respectively.

In June 1997, the Company made an investment in Costa (See Note 7), which it is recording using the equity basis of accounting. Starting with the Company's quarter ending November 30, 1997, the Company's portion of Costa's operating results will be recorded by the Company on a two month lag basis. Historically, demand for Costa's cruises has been greatest during the summer months when their ships operate in the Mediterranean and Northern Europe for which they obtain higher pricing. Demand for Costa cruises is lower during the winter months when their ships sail in more competitive markets.

Nine Months Ended August 31, 1997 Compared
To Nine Months Ended August 31, 1996

Revenues

The increase in total revenues of $185.5 million, or 10.7%, from the first nine months of 1996 to the first nine months of 1997 was due to a 13.2% increase in cruise revenues which was partially offset by a decrease in tour revenues. The increase in cruise revenues was primarily the result of a 13.4% increase in capacity for the period resulting from the addition of Carnival Cruise Lines' cruise ships Inspiration and Carnival Destiny in March and November 1996, respectively, and Holland America Line's cruise ship Veendam in May 1996. The capacity increase resulting from the introduction of new vessels was partially offset by the removal from service from the Carnival Cruise Lines fleet of the Festivale in April 1996. Occupancy, gross revenue per passenger cruise day and gross yield (total revenue per available lower berth day) were all about the same level as in 1996. However, gross revenue per passenger cruise day and gross yield were reduced in 1997 by a decrease in the number of passengers electing to use the Company's air program. When a passenger elects to purchase his/her own air transportation, rather than use the Company's air program, both the Company's cruise revenues and operating expenses decrease by approximately the same amount. Tour revenues decreased $19.9 million, or 8.3%, due to a decrease in the number of tours sold.

Average capacity is expected to increase approximately 7.2% during the fourth fiscal quarter of 1997 as compared with the same period in 1996. Average capacity is expected to increase approximately 11.9% during the fiscal year ending November 30, 1997 as compared with the fiscal year ended November 30, 1996. The increases in capacity are primarily a result of the introduction into service of the vessels described above and have been adjusted for the delay in delivery of the Rotterdam VI discussed below.

The Company had been expecting to take delivery of the Rotterdam VI from the shipyard on about October 1, 1997. The Rotterdam VI is to replace the Rotterdam V which was sold by the Company in early October. On September 18, 1997 the Company announced that the shipyard had informed the Company that the Rotterdam VI's delivery would be delayed and consequently the Company was canceling its first two cruises. Because of this delay, the Company has canceled a third cruise for the new Rotterdam. The Company believes that the cancellation of these cruises will reduce its earnings for the fourth quarter by approximately nine million dollars.

Costs and Expenses

Operating expenses increased $60.3 million, or 6.3%, from the first nine months of 1996 to the first nine months of 1997. Cruise operating costs increased by $74.9 million, or 9.0%, to $902.8 million in the first nine months of 1997 from $827.9 million in the first nine months of 1996, primarily due to additional costs associated with the increased capacity. Tour operating costs decreased $15.5 million, or 8.4%, primarily due to the reduction in tour volume.

Selling and administrative costs increased $12.5 million, or 6.0%, during the first nine months of 1997 as compared with the same nine months of 1996 primarily due to an increase in payroll and related costs as well as other miscellaneous expenses associated with the increase in capacity.

Depreciation and amortization increased by $18.3 million, or 17.0%, to $125.9 million in the first nine months of 1997 from $107.6 million in the first nine months of 1996 primarily due to the addition of the Inspiration, the Veendam and the Carnival Destiny.

Affiliated Operations

During the first nine months of 1997, the Company recorded $1.3 million of losses from affiliated operations. Approximately $1.4 million of losses were attributable to the Company's 28% interest in Airtours, acquired in April 1996. Airtours' earnings are seasonal, historically incurring losses during its first two fiscal quarters and profits during its last two fiscal quarters. See "General" above for a further discussion of Airtours' seasonality. For the first nine months of 1996, the Company recorded profits of $5.0 million attributable to its interest in Airtours. Had the Company owned its interest in Airtours during the entire nine months of 1996, the Company's earnings for the 1996 period, excluding the cost of capital, would have been reduced by approximately $10.6 million.

Nonoperating Income (Expense)

Interest income decreased $11.5 million in 1997 primarily due to a decrease in cash balances and notes receivable. Cash balances were unusually high during the early months of fiscal 1996, because of United Kingdom regulatory requirements which caused the Company to deposit funds in escrow approximately three months prior to acquiring an interest in Airtours. Notes receivable decreased due to the sale by the Company in the second quarter of 1996 of its holding of 13% senior secured notes due 2003 of Kloster Cruise Limited. Gross interest expense (excluding capitalized interest) decreased $12.8 million in 1997 as a result of reduced debt balances. Capitalized interest decreased $6.4 million due to lower levels of investments in ship construction projects during the first half of 1997 as compared with the same period in 1996. Other income decreased by $18.2 million in 1997 primarily because the first nine months of fiscal 1996 included a $32 million gain from the settlement of bankruptcy claims against Wartsila Marine Industries Incorporated less a loss of $15.8 million from the sale of certain notes receivable. Included in other income in the first nine months of 1997 is $3.2 million which represents the net effect of the recognition of the remaining deferred gain from the sale of Carnival Cruise Lines' Festivale, less a loss from the sale of Holland America Line's Rotterdam V.

Three Months Ended August 31, 1997 Compared
To Three Months Ended August 31, 1996

Revenues

The increase in total revenues of $33.4 million, or 4.3%, from the third quarter of 1996 to the third quarter of 1997 was due to an 8.2% increase in cruise revenues which was partially offset by a decrease in tour revenues. The increase in cruise revenues of $50.8 million was primarily the result of a 10.2% increase in capacity resulting from the addition of Carnival Cruise Lines' cruise ship Carnival Destiny in November 1996. Occupancy rates were down .2% and gross revenue per passenger cruise day was down 1.6% resulting in a decrease of 1.8% in gross yield. Gross revenue per passenger cruise day and gross yield both decreased because of a reduction in the number of passengers electing to use the Company's air program. See Revenues for the Nine Months Ended August 31, 1997 Compared To Nine Months Ended August 31, 1996 discussion above.

Tour revenues decreased $16.8 million, or 8.5%, due to a decrease in the number of tours sold.

Costs and Expenses

Operating expenses decreased $8.1 million, or 2.0%, from the third quarter of 1996 to the third quarter of 1997. Cruise operating costs increased by $6.0 million, or 2.0%, to $301.2 million in the third quarter of 1997 from $295.2 million in the third quarter of 1996, primarily due to additional costs associated with the increased capacity. Tour operating costs decreased $13.4 million, or 9.3%, primarily due to the reduction in tour revenues.

Selling and administrative costs decreased $3.5 million, or 5.1%, primarily due to a decrease in advertising expense during the third quarter of 1997 as compared with the same quarter of 1996 partially offset by increases in payroll and related costs as well as other miscellaneous expenses associated with the increase in capacity.

Depreciation and amortization increased by $3.6 million, or 9.0%, to $43.2 million in the third quarter of 1997 from $39.7 million in the third quarter of 1996 primarily due to the addition of the Carnival Destiny.

Affiliated Operations

During the third quarter of 1997, the Company recorded $10.4 million of income from affiliated operations as compared with $12.8 million in the third quarter of 1996. The Company's portion of Airtours earnings increased $1.9 million to $6.9 million in the third quarter ended August 31, 1997, however this increase was more than offset by decreases in the Company's portion of income from other equity investments.

Nonoperating Income (Expense)

Interest income and capitalized interest essentially remained at the same levels as experienced in the third quarter of 1996. Gross interest expense (excluding capitalized interest) decreased $4.7 million in the third quarter of fiscal 1997 due to lower debt balances. Other income (expense) decreased $15.3 million primarily for the same reasons discussed in the Nonoperating Income (Expense) explanation in the Nine Months Ended August 31, 1997 Compared To Nine Months Ended August 31, 1996 section above.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

The Company's business provided $709.0 million of net cash from operations during the nine months ended August 31, 1997, an increase of 8.0% compared to the corresponding period in 1996.

During the nine months ended August 31, 1997, the Company expended approximately $158.9 million on capital projects, of which $74.1 million was spent in connection with its ongoing shipbuilding program. The remainder was spent on the acquisition of a private island in the Caribbean, to be used as a destination for certain HAL itineraries, transportation equipment, vessel refurbishments, tour assets and other equipment.

The Company made scheduled principal payments totaling approximately $41.8 million under various individual vessel mortgage loans during the nine months ended August 31, 1997. During this same period, the Company made net repayments of $311.7 million under its commercial paper programs.

In June 1997, the Company and Airtours completed the acquisition of Costa, an Italian cruise company listed on the Milan Stock Exchange. The total cost of the Costa acquisition was approximately $266 million, with the Company and Airtours each responsible for funding fifty percent of the total cost. See Note 7 of Notes to Consolidated Financial Statements for a description of funding for the acquisition.

Future Commitments

The Company has contracts for the delivery of seven new vessels over the next three years. The Company will pay approximately $570 million during the twelve month period ending August 31, 1998 relating to the construction and delivery of those new cruise ships and approximately $1.5 billion beyond August 31, 1998. The Company also has an agreement to acquire a 312 berth cruise ship in the spring of 1998 for approximately $45 million. At August 31, 1997, the Company had $988.6 million of long-term debt of which $262.1 million is due during the twelve month period ending August 31, 1998.

Included in the $262.1 million of debt due during the next twelve months is $200.0 million of Unsecured 5.75% Notes Due March 15, 1998 which the Company plans to repay through borrowings under the commercial paper programs or through issuance of long-term debt. See Note 3 in the accompanying financial statements for more information regarding the Company's debt. The Company also enters into forward foreign currency contracts and interest rate swap agreements to hedge the impact of foreign currency and interest rate fluctuations.

Funding Sources

Cash from operations is expected to be the Company's principal source of capital to fund its debt service requirements and ship construction costs. In addition, the Company may also fund a portion of these cash requirements from borrowings under its U.S. Dollar Revolver or commercial paper programs and/or through the issuance of long-term debt in the public or private markets. As of August 31, 1997, the Company had $1,038 million available for borrowing under its U.S. Dollar Revolver and Multi-currency Revolving Credit Facility.

To the extent that the Company should require or choose to fund future capital commitments from sources other than operating cash or from borrowings under its revolving credit facilities and/or commercial paper programs, the Company believes that it will be able to secure such financing from banks or through the offering of short-term or long-term debt and/or equity securities in the public or private markets. In this regard, the Company has filed two Registration Statements on Form S-3 (the "Shelf Registration") relating to a shelf offering of up to $500 million aggregate principal amount of debt or equity securities. At August 31, 1997, a balance of $270 million aggregate principal amount of debt or equity securities remains available for issuance under the Shelf Registration.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

The discussions of legal proceedings set forth in "PART I. FINANCIAL INFORMATION, ITEM 1. FINANCIAL STATEMENTS, NOTE 6 - COMMITMENTS AND CONTINGENCIES" contained herein and "PART I. ITEM 3. LEGAL PROCEEDINGS" in the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1996 are incorporated by reference into this Item.

ITEM 5: Other Information

(a) Forward-Looking Statements

Certain statements in this Form 10-Q and in the future filings by the Company with the Securities and Exchange Commission, in the Company's press releases, and in oral statements made by or with the approval of an authorized executive officer constitute "forward-looking statements" within the meaning of the Reform Act. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions which may impact levels of disposable income of consumers and pricing and passenger yields for the Company's cruise products; consumer demand for cruises; pricing policies followed by competitors of the Company; increases in cruise industry capacity in the Caribbean and Alaska; changes in tax laws and regulations (see Part II - - Other Information, Item 5 - Other Information (b) - Taxation of the Company in the Company's filing of Form 10-Q for the period ended May 31, 1997); the ability of the Company to implement its shipbuilding program and to expand its business outside the North American market where it has less experience; delivery of new vessels on schedule and at the contracted price; weather patterns in the Caribbean; unscheduled ship repairs and drydocking; incidents involving cruise vessels at sea; and changes in laws and government regulations applicable to the Company (including the implementation of the "Safety of Life at Sea Convention" and changes in Federal Maritime Commission surety and guaranty arrangements).

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

11	Statement Regarding Computation of Per Share Earnings
12	Ratio of Earnings to Fixed Charges
27	Financial Data Schedule

(b) Reports on Form 8-K

Current report on Form 8-K (File No. 1-9610) filed with the Commission on June 26, 1997 related to a bid for the acquisition of Celebrity Cruise Line.

/TABLE

SIGNATURE

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

CARNIVAL CORPORATION

Dated: October 14, 1997 BY/s/ Micky Arison
Micky Arison
Chairman of the Board and Chief Executive Officer

Dated: October 14, 1997 BY/s/ Howard S. Frank
Howard S. Frank
Vice-Chairman, Chief Financial and Accounting Officer

INDEX TO EXHIBITS

Exhibits		Page No. in Sequential Numbering System
11	Statement Regarding Computation of Per Share Earnings	
12	Ratio of Earnings to Fixed Charges	
27	Financial Data Schedule	

CARNIVAL CORPORATION
STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS
(in thousands, except per share data)

	Nine Months Ended August 31, 1997	Nine Months Ended August 31, 1996	Three Months Ended August 31, 1997	Three Months Ended August 31, 1996
Net income	$510,700	$451,479	$297,893	$268,131
Adjustments to net income for the purpose of computing fully diluted earnings per share:				
Interest reduction from assumed conversion of 4.5% Convertible Subordinated Notes		4,100		1,328
Adjusted net income	$510,700	$455,579	$297,893	$269,459
Weighted average shares outstanding	298,062	288,524	298,346	291,171
Adjustments to weighted average shares outstanding for the purpose of computing fully diluted earnings per share:				
Additional shares issuable upon assumed conversion of 4.5% Convertible Subordinated Notes		6,542		6,388
Adjusted weighted average shares outstanding	298,062	295,066	298,346	297,559
Earnings per share:				
Primary	$1.71	$1.56	$1.00	$0.92
Fully Diluted*	$1.71	$1.54	$1.00	$0.91

*In accordance with Accounting Principles Board Opinion No. 15, the Company does not present fully diluted EPS in its financial statements because the Company's convertible securities were anti-dilutive or resulted in a less than 3% dilution for the periods presented.

EXHIBIT 12

CARNIVAL CORPORATION
RATIO OF EARNINGS TO FIXED CHARGES
(in thousands, except ratios)

	Nine Months Ended August 31, 1997	Nine Months Ended August 31, 1996
Net income	$510,700	$451,479
Income tax expense	8,557	11,006
Income before income tax expense	519,257	462,485
Adjustment to earnings:		
Dividends received less equity in income from affiliates	8,236	(9,719)
Earnings as adjusted	527,493	452,766
Fixed Charges:		
Interest expense, net	43,510	49,889
Interest portion of rental expense (1)	1,761	1,626
Capitalized interest	12,305	18,679
Total fixed charges	57,576	70,194
Fixed charges not affecting earnings:		
Capitalized interest	12,305	18,679
Earnings before fixed charges	$572,764	$504,281
Ratio of earnings to fixed charges	9.9 x	7.2 x

(1) Represents one-third of rental expense, which Company management believes to be representative of the interest portion of rental expense.

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NOV-30-1997
AUG-31-1997
215,438
10,313
49,753
0
54,394
405,032
4,952,547
820,875
5,241,765
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8,557
510,700
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510,700
1.71
1.71