

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

(Mark One)

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

For the fiscal year ended November 30, 2005 or

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

For the transition period from _____ to _____

Commission file number: 1-9610

Commission file number: 1-15136

Carnival Corporation

Carnival plc

(Exact name of registrant as
specified in its charter)

(Exact name of registrant as
specified in its charter)

Republic of Panama

England and Wales

(State or other jurisdiction of
incorporation or organization)

(State or other jurisdiction of
incorporation or organization)

59-1562976

98-0357772

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

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

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

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

(Address of principal
executive offices)
(Zip code)

(Address of principal
executive offices)
(Zip code)

(305) 599-2600

011 44 20 7940 5381

(Registrant's telephone number,
including area code)

(Registrant's telephone number,
including area code)

Securities registered pursuant
to Section 12(b) of the Act:

Securities registered pursuant
to Section 12(b) of the Act:

Title of each class

Title of each class

Common Stock
(\$0.01 par value)

Ordinary Shares each represented
by American Depositary Shares
(\$1.66 par value), Special
Voting Share, GBP 1.00 par value
and Trust Shares of beneficial interest
in the P&O Princess Special Voting Trust

Name of each exchange on which registered

Name of each exchange on which registered

New York Stock Exchange, Inc.

New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrants are well-known seasoned issuers,
as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrants are not required to file reports
pursuant to Section 13 or Section 15(d) of the Act. Yes No

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
registrant was 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 if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained, to the
best of registrants' knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K.

Indicate by check mark whether the registrants are large accelerated
filers, accelerated filers, or non-accelerated filers. See definition of
"accelerated filer and large accelerated filer" in Rule 12b-2 of the Act). Large
Accelerated Filers Accelerated Filers Non-Accelerated Filers

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

The aggregate market value of the voting and
non-voting common equity held by non-affiliates

The aggregate market value of the voting
and non-voting common equity held by non-

computed by reference to the price at which the common equity was last sold was \$21.2 billion as of the last business day of the registrant's most recently completed second fiscal quarter.

affiliates computed by reference to the price at which the common equity was last sold was \$9.4 billion as of the last business day of the registrant's most recently completed second fiscal quarter.

At February 6, 2006, Carnival Corporation had outstanding 638,496,327 shares of its Common Stock, \$.01 par value.

At February 6, 2006, Carnival plc had outstanding 212,488,679 Ordinary Shares \$1.66 par value, one Special Voting Share, GBP 1.00 par value and 638,496,327 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

DOCUMENTS INCORPORATED BY REFERENCE

The information described below and contained in the Registrants' 2005 annual report to shareholders to be furnished to the Commission pursuant to Rule 14a-3(b) of the Exchange Act is shown in Exhibit 13 and is incorporated by reference into this joint Annual Report on Form 10-K.

Part and Item of the Form 10-K

Part II

- Item 5(a) and (c). Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities - Market Information and Holders.
- Item 6. Selected Financial Data.
- Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.
- Item 7A. Quantitative and Qualitative Disclosures About Market Risk.
- Item 8. Financial Statements and Supplementary Data.

Portions of the Registrants' 2006 definitive proxy statement, to be filed with the Commission, are incorporated by reference into this joint Annual Report on Form 10-K under the items described below.

Part and Item of the Form 10-K

Part III

- Item 10. Directors and Executive Officers of the Registrants.
- Item 11. Executive Compensation.
- Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.
- Item 13. Certain Relationships and Related Transactions.
- Item 14. Principal Accounting Fees and Services.

PART I

Item 1. Business.

A. General

Carnival Corporation is incorporated in Panama, and Carnival plc is incorporated in England and Wales. Together with their consolidated subsidiaries they are referred to collectively in this joint Annual Report on Form 10-K as "Carnival Corporation & plc," "our," "us," and "we."

On April 17, 2003, Carnival Corporation and Carnival plc (formerly known as P&O Princess Cruises plc or "P&O Princess") completed a dual listed company ("DLC") transaction, which implemented Carnival Corporation & plc's DLC structure. The DLC transaction combined the businesses of Carnival Corporation and Carnival plc through a number of contracts and through amendments to Carnival Corporation's articles of incorporation and by-laws and to Carnival plc's memorandum of association and articles of association. Carnival Corporation and Carnival plc are both public companies, with separate stock exchange listings and their own shareholders. The two companies have a single executive management team and identical boards of directors, and operate as if they were a single economic enterprise. See Note 3, "DLC Transaction" to our Consolidated Financial Statements in Exhibit 13 to this joint Annual Report on Form 10-K.

We are the largest cruise company and one of the largest vacation companies in the world. We have a portfolio of 12 widely recognized cruise brands and are a leading provider of cruises to all major vacation destinations outside the Far East. See Part I, Item 1. Business B. - "Cruise Operations" for further information.

As of November 30, 2005, a summary of the number of cruise ships we operate, by brand, their passenger capacity and the primary areas in which they are marketed is as follows:

Cruise Brands	Number of Cruise Ships	Passenger Capacity(a)	Primary Market
Carnival Cruise Lines	21	47,820	North America
Princess Cruises ("Princess")	14	29,152	North America
Holland America Line	12	16,930	North America
Costa Cruises ("Costa")	10	17,262	Europe
P&O Cruises	5	8,844	United Kingdom
AIDA Cruises ("AIDA")	4	5,378	Germany
Cunard Line ("Cunard")	2	4,410	North America and United Kingdom
P&O Cruises Australia	3	3,680	Australia and New Zealand
Ocean Village	1	1,578	United Kingdom
Swan Hellenic	1	678	United Kingdom
Seabourn Cruise Line ("Seabourn")	3	624	North America
Windstar Cruises ("Windstar")	3	604	North America
	--	-----	
	79	136,960	
	==	=====	

(a) In accordance with cruise industry practice, passenger capacity is calculated based on two passengers per cabin even though some cabins can accommodate three or more passengers.

As of January 30, 2006, we had signed agreements with two shipyards providing for the construction of 16 additional cruise ships scheduled for delivery between January 31, 2006 and September 2009. In addition, in December 2005, we entered into an agreement for the sale of one P&O Cruises Australia ship, which is expected to leave our fleet in May 2006. These additions and sale are expected to result in a net increase in our passenger capacity of 41,816 lower berths, or 30.5%, compared to November 30, 2005. It is possible that some more of our older ships may be sold or retired during the next few years, thus reducing the size of our fleet over this period. Alternatively, it is also possible that we could order more ships, which could enter service in 2008 or 2009, thus increasing the size of our fleet over this period. See Note 7, "Commitments" to our Consolidated Financial Statements in Exhibit 13 to this joint Annual Report on Form 10-K for additional information regarding our ship commitments.

In addition to our cruise operations, we own the leading cruise/tour operators in the State of Alaska and the Canadian Yukon, Holland America Tours and Princess Tours, which primarily complement their respective cruise operations and own substantially all the assets noted below. These tour companies currently market and operate:

- 16 hotels or lodges in Alaska and the Canadian Yukon, with over 3,000 guest rooms;
- over 530 motorcoaches used for sightseeing and charters in the States of Washington and Alaska, in British Columbia, Canada and the Canadian Yukon;
- 30 domed rail cars, which are run on the Alaska Railroad between Anchorage and Fairbanks, Whittier and Denali, and Whittier and Talkeetna;
- two luxury dayboats offering tours to a glacier in Alaska and on the Yukon River; and
- sightseeing packages, or individual components of such packages, sold either separately or as part of our cruise/tour packages to our Alaskan cruise passengers and to other vacationers.

B. Cruise Operations

The multi-night cruise industry is a small part of the overall global vacation market. We estimate that the global cruise industry carried approximately 14 million passengers in 2005. The principal sources for cruise passengers are North America, Europe, Asia/South Pacific including Australia and New Zealand, and South America. We source our passengers principally from North America and Europe. A small percentage of our passengers are sourced from Asia/South Pacific and South America. See Note 12, "Segment Information" to our Consolidated Financial Statements in Exhibit 13 to this joint Annual Report on Form 10-K for additional information regarding our cruise and other segments and our U.S. and foreign assets and revenues.

I. Industry Background

The cruise industry is still growing and continues to remain only a relatively small percentage of the wider global vacation market in which cruise vacation operators compete for disposable income normally spent by consumers on vacations. Cruise passengers in North America have increased by a compound annual growth rate of approximately 9.1% between 1999 and 2004, increasingly drawing consumers from other vacation alternatives. In Europe cruise passengers have increased by a compound annual growth rate of approximately 8.4% between 1999 and 2004.

Outside North America, the principal sources of passengers for the cruise industry, excluding the Far East, are the UK, Germany, Italy, Spain, France, Australia, Switzerland and Brazil. In all of these areas, cruising represents a smaller proportion of the overall vacation market than it does in North America and, accordingly, we believe these markets also have considerable growth potential.

Cruising offers a broad range of products to suit vacationing customers of many ages, backgrounds and interests. Cruise brands can be broadly characterized as offering contemporary, premium and luxury cruise experiences. The contemporary experience typically includes cruises that last seven days or less, have a more casual ambiance and are less expensive than premium or luxury cruises. The premium experience typically includes cruises that last from seven to 14 days. Premium cruises emphasize quality, comfort, style and more destination-focused itineraries and the average pricing on these cruises is typically higher than contemporary cruises. The luxury experience is typically characterized by smaller vessel size, very high standards of accommodation and service, and generally with higher prices than premium cruises. Notwithstanding these classifications, there generally is significant overlap and competition among all cruise products.

We are a provider of cruise vacations in most of the largest vacation markets in the world, including North America, the UK, Germany, southern Europe and South America, with significant product offerings in each of the classifications noted above. Our mission is "to deliver exceptional vacation experiences through the world's best-known cruise brands that cater to a variety of different lifestyles and budgets, all at an outstanding value unrivalled on land or at sea." A brief description of the principal vacation areas where we source passengers and our brands that market primarily to these vacationers is as follows:

II. North America

The highest number of cruise passengers in the world are sourced from North America, where cruising has developed into a mainstream alternative to land-based resort and sightseeing vacations. Approximately 9.1 million North American-sourced cruise passengers took cruise vacations for two consecutive nights or more in 2004, and we estimate about 10 million passengers took a cruise vacation in 2005. This sector has grown significantly in recent years as new capacity has been introduced.

The principal itineraries visited by North American sourced cruise passengers in 2005 were the Caribbean, the Bahamas, Mexico and Alaska. In addition, North American cruise passengers visited Europe, the Mediterranean, New England and Canada, Bermuda, Hawaii, the Panama Canal and other exotic locations, including South and Central America, Africa, the South Pacific, the Orient and India.

At the end of 2005, North America was served by 125 ships, with an aggregate passenger capacity of approximately 189,000 lower berths. Based on the number of ships that are currently on order worldwide and scheduled for delivery between 2006 and 2009, we expect that the net capacity serving North American consumers will continue to increase. Our projections indicate that by the end of 2006, 2007, 2008 and 2009, North America will be served by 127, 129, 133 and 134 ships, respectively, having an aggregate passenger capacity of approximately 199,000, 208,000, 221,000 and 228,000 lower berths, respectively. These figures include some ships that were, or are expected to be, marketed in both North America and elsewhere during different times of the year. Our estimates of capacity do not include assumptions related to unannounced ship withdrawals due to factors such as the age of ships or changes in the location from where ships' passengers are predominantly sourced and, accordingly, could indicate a higher percentage growth in North American capacity than will actually occur. Alternatively, our growth estimates for 2008 and 2009 may increase because of future shipbuilding orders, which have not yet been announced. We expect that net capacity serving North American-sourced cruise passengers will increase over the next several years, although at a lower growth rate than what the cruise industry experienced in recent years.

Carnival Cruise Lines, Princess, Holland America Line, Seabourn and Windstar source their passengers primarily from North America. Cunard sources most of its passengers from North America and Europe.

Carnival Cruise Lines operates 21 contemporary ships, with one additional ship expected to begin service in each of fiscal 2007, 2008 and 2009. Carnival Cruise Lines is the largest cruise line in the world and offers quality cruise vacations at affordable prices and is well-known as the "Fun Ships," which we believe captures the essence of the brand. Carnival is committed to total guest satisfaction and is continually introducing ways to keep its cruise experience new and exciting, including expanded dining choices, such as "Signature Selections" by world-renowned French master chef Georges Blanc, comfort bed sleep systems, Vegas-style production shows with elaborate sets and costumes and captivating pyrotechnics, innovative childrens' programming, personalized spa services, and even the outdoor poolside light emitting diode ("LED") television screen on its newest ship, the Carnival Liberty. Carnival Cruise Lines carries the largest number of North American cruise passengers, and has been offering more new homeport locations to stimulate demand. Multiple home port locations enable guests to lower the price of their cruise vacation by substantially reducing or eliminating the cost of travel to and from the port.

All of Carnival Cruise Lines' ships were designed by and built for it, including seven that are among the world's largest. During all or a portion of the year, three of the Carnival Cruise Lines ships call on ports on the Mexican Riviera, and the rest of the fleet operates to destinations in the Bahamas or the Caribbean. In addition, the Carnival Liberty offers two transatlantic cruises and 12-day Grand Mediterranean cruises from April to November. Carnival Cruise Lines ships also offer cruises to Alaska, Canada/New England, the Hawaiian Islands and the Panama Canal, with most cruises ranging from three to seven days.

Princess, whose brand name was made famous by the "Love Boat" television show, recently celebrated its 40th anniversary, and is the world's third largest cruise line with a fleet of 14 modern ships. Princess is truly a global brand, offering over 90 unique itineraries to more than 270 destinations. It is a leading cruise line in exotic regions of the world (Europe, Alaska, Asia, Australia, the South Pacific and South America) with larger ships and more available capacity. Substantially all of Princess' ships reflect an innovative design philosophy called "Big Ship Choice, Small Ship Feel," emphasizing a broad variety of amenities combined with the more intimate ambience found on smaller vessels.

All Princess ships feature the Personal Choice Dining program, offering guests flexibility, convenience and quality in an array of traditional, anytime, specialty and casual dining options. A quality service initiative entitled C.R.U.I.S.E. (Courtesy, Respect, Unfailing In Service Excellence) has been in place for nearly ten years, resulting in extremely high standards of service throughout the fleet.

Princess is widely recognized among travel agents as an innovative, premium cruise line. The Caribbean Princess, the latest in the evolving Grand Class series of vessels, debuted in 2004 with its "Movies Under the Stars" outdoor theater, showing first-run Hollywood hits on a 300 square foot LED screen. Further Grand Class Ships which will be introduced include the Crown Princess in 2006, the Emerald Princess in 2007 and one additional ship in 2008. Each will provide more than 57% of its staterooms with balconies- another hallmark of Princess ships. Princess attracts consumers with a compelling, highly integrated brand marketing campaign, utilizing the slogan "Escape Completely" which appears in magazines, newspapers, direct mail, online, DVD and point-of-sale materials. The princess.com website now offers comprehensive marketing and product information and the Princess Captain's Circle loyalty program is considered one of the industry's best, with a very high retention rate among past passengers.

Holland America Line operates a premium fleet of 12 ships, with one additional ship expected to begin service in each of fiscal 2006 and 2008. Holland America Line will offer nearly 500 sailings from 25 home ports, 17 in North America. These home ports include departures from New York, Boston, Montreal, Norfolk, Ft. Lauderdale, Tampa, San Diego, Seattle and Vancouver. This fleet visits all seven continents in 2006, while increasing the number of cruises to popular destinations such as Alaska, the Caribbean, Europe and Canada/New England. Holland America's ships, which tend to be smaller and more intimate, were designed with airy viewing lounges, wraparound teak decks and private, roomy verandahs that offer guests the chance to experience wildlife and scenery. Cruise lengths vary from two to 116 days. Most Holland America Line sailings in the Caribbean visit a private island destination known as Half Moon Cay, which is owned by Holland America Line.

Holland America Line expects to complete its \$225 million investment to provide product and service enhancements to its fleet by the fall of 2006. The comprehensive enhancements, known as the "Signature of Excellence," focus on five areas vital to Holland America Line's guest experience as follows: (1) spacious, elegant ships and accommodations, (2) sophisticated dining, (3) gracious, unobtrusive service, (4) extensive enrichment programs and activities, and (5) compelling worldwide itineraries.

Windstar operates three motor-sail yachts known for their casually elegant atmosphere. In 2006, Windstar will offer sailings in the Caribbean, Europe, the Americas and the Greek Isles. Renowned for offering a luxury cruise experience that is "180 Degrees from Ordinary," a high-percentage of return guests attests to the appeal of Windstar's casual ambiance of resort-style attire, exquisite cuisine and an extensive wine selection, open restaurant-style seating, attentive service, exotic destinations and complimentary water sports.

The three Seabourn ships (the "Yachts of Seabourn") focus on personalized service and superb cuisine aboard their intimately sized all-suite ships. The Yachts of Seabourn offer an ultra-luxury experience. These ships offer destinations around the world, including Europe, Asia, the South Pacific and the Americas, with cruises generally in the seven to 14 day range. The Yachts of Seabourn itineraries include many smaller, off-the-beaten-track ports, that are inaccessible to larger ships.

III. Europe

We believe that Europe is the largest single leisure travel vacation market, but cruising in Europe has achieved a much lower penetration rate than in North America. Approximately 2.8 million European-sourced passengers took cruise vacations in 2004 compared to approximately 9.1 million North American-sourced passengers. Additionally, we estimate that about 3 million European-sourced passengers took a cruise in 2005. The number of European cruise passengers increased by a compound annual growth rate of approximately 8.4% between 1999 and 2004. We believe that cruising represents a relatively small percentage of the European vacation market. Therefore, we believe that the European market represents a significant growth opportunity for us, and we expect that a number of new or existing ships will continue to be introduced into Europe over the next several years.

At the end of 2005, Europe was served by 102 ships, having an aggregate passenger capacity of approximately 97,000 lower berths. Our projections indicate that by the end of

2006, 2007, 2008 and 2009, Europe will be served by 104, 107, 111 and 114 ships, respectively, having an aggregate passenger capacity of approximately 103,000, 111,000, 121,000 and 130,000 lower berths, respectively. These figures include some ships that were, or are expected to be, marketed in both Europe and elsewhere during different times of the year. Our estimates of European capacity are based on similar assumptions as discussed previously for our North American estimates.

A. United Kingdom

The UK is the single largest country from which cruise passengers are sourced in Europe. Approximately 1.0 million UK passengers took cruises in 2004. Cruising was relatively underdeveloped as a vacation option for the UK consumers until the mid-1990s, but since then cruising in the UK has grown significantly. The number of UK cruise passengers increased by a compound annual growth rate of approximately 6.6% between 1999 and 2004. The main destination for UK cruise passengers is the Mediterranean. Other popular destinations for UK cruise passengers include the Caribbean, the Atlantic Islands, including the Canary Islands and the Azores, and Scandinavia.

P&O Cruises, Ocean Village, and Swan Hellenic source substantially all of their passengers from the UK. In addition, our North American brands and Costa also source passengers from the UK. Finally, Cunard sources customers from North America, the UK, continental Europe and the rest of the world.

P&O Cruises is the largest cruise operator and best known cruise brand in the UK, with five premium ships, and one additional ship expected to begin service in fiscal 2008. These ships cruise to over 200 destinations in more than 90 countries, with most cruises ranging from seven to 14 days, but with some cruises lasting longer, including three world cruises in each of 2006 and 2007. These ships, which are relatively new compared to the ships that are more typically marketed in the UK, have enabled P&O Cruises to continue to offer a more modern style of cruising to UK cruise passengers and increase their appeal to younger passengers and families, while retaining older and more traditional British customers. The Artemis and Arcadia are child-free ships, which generally appeal to an older guest demographic, while the rest of the fleet is well-equipped for children's activities. The ships have a wide choice of dining and entertainment options and offer a welcoming atmosphere, with an emphasis on the attributes of "Britishness," "professionalism," and "style."

The Arcadia and Oceana offer a more contemporary and innovative experience; the Aurora and Oriana are particularly focused on P&O's British experience; and the Artemis offers a more traditional and intimate experience. Each of these different ambiances appeals to a different type of UK passenger. P&O Cruises offers cruises from Southampton, England to the Mediterranean, the Atlantic Islands, the Baltic, and the Norwegian Fjords during the summer, and primarily operates Caribbean cruises and around the world voyages during the winter.

Under the Cunard brand, which is one of the most widely recognized brands in the UK, we operate two premium/luxury ships. They are primarily marketed in the UK, North America, Germany and Australia. Cunard's flagship, the Queen Mary 2, was delivered in December 2003 and is the largest ocean liner in the world. She has taken over the northern transatlantic crossing route, which was previously operated by the Queen Elizabeth 2 ("QE2"), Cunard's former flagship. The QE2 primarily serves UK-based passengers from Southampton, England and still offers a world cruise, which has been offered since 1975. Cunard expects to take delivery of its next ship, the Queen Victoria, in December 2007. Cunard's ships offer voyages to worldwide destinations, with many of the voyages ranging generally between six and 31 days, but with some three day "taster" voyages and the 122-day world cruise.

The Ocean Village brand was launched in spring 2003, and consists of one contemporary ship serving the UK. This brand targets a young and active customer base and its cruise product emphasizes informality, health and well-being. The brand attracts a high proportion of passengers new to cruising. The Ocean Village ship offers one or two week cruises, together with cruise and stay holidays, and operates out of Palma, Majorca in the Mediterranean during the summer season and from Barbados in the Caribbean during the winter season.

In spring 2007, the 1,666 passenger capacity AIDAbLu, which is currently operated by AIDA, is expected to be transferred to Ocean Village. This Ocean Village ship is also expected to sail in the Mediterranean during the summer season and the Caribbean during the winter season.

Swan Hellenic's Minerva II operates a program of premium discovery cruises. The product is intended to appeal to passengers seeking to discover more about the destinations they are visiting through informative onboard talks delivered by guest speakers, and a choice of tailor-made shore excursions at each port of call. In the spring/summer season, the itineraries are focused in the Mediterranean, Northern Europe, Africa and around Great Britain. Winter cruise destinations include Central and South America, the United States of America, the Caribbean and the Far East.

B. Southern Europe

The main countries in southern Europe for sourcing cruise passengers are Italy, France and Spain. Together, these countries generated approximately 1.0 million cruise passengers in 2004. Cruising in Italy, France and Spain had a compound annual growth rate in the number of passengers carried of approximately 11.8% between 1999 and 2004. We believe that southern Europe is also relatively underdeveloped for the cruise industry. We intend to increase our penetration in southern Europe through Costa, one of the most recognized cruise brands marketed in Europe.

Costa operates 10 contemporary ships, with one additional ship expected to begin service in each of fiscal 2006, 2007 and 2009. Costa's ships operate in Europe during the spring to fall and then during the fall to spring, Costa repositions the majority of its ships to the Caribbean and South America, while also maintaining a year-round presence with the rest of its fleet in the Mediterranean and the Atlantic Islands. Costa is the number one cruise line in continental Europe based on passengers carried and capacity of its ships, principally serving customers in Italy, France, Germany and Spain. Headquartered in Italy, Costa offers guests an international and multi-lingual ambiance with an Italian touch. The Costa ships call on 110 European ports, with 60 different itineraries, and sail to various other ports in the Caribbean and South America, with most cruises ranging from seven to 11 days.

C. Germany

Germany is one of the largest sources for cruise passengers in continental Europe, with approximately 0.6 million cruise passengers in 2004. Germany had a compound annual growth rate in the number of cruise passengers carried of approximately 11.0% between 1999 and 2004. We believe that Germany is also a relatively underdeveloped region for the cruise industry. The main destinations visited by German cruise passengers are the Mediterranean and the Caribbean. Other popular destinations for German cruise passengers include Scandinavia and the Atlantic Islands.

AIDA, which sources substantially all of its passengers from German speaking countries, operates four contemporary ships, with one additional ship expected to begin service in each of fiscal 2007, 2008 and 2009. Each of these new ships has a 22% larger passenger capacity than the largest ship in AIDA's current fleet. Partially offsetting this capacity increase, the AIDAblu is expected to be transferred to the Ocean Village brand in 2007. AIDA's product is especially tailored for the German-speaking market and offers an exceptionally relaxed, yet active cruising experience with an emphasis on lifestyle, informality, friendliness and activity. Spa and fitness areas and high quality but informal dining options characterize the experience onboard the vessels.

AIDA's ships primarily offer seven day trips that allow guests to easily book back-to-back cruise vacations. AIDA allows for an easy selling and booking experience by offering only a few cabin categories and two seasons. During the summer, the AIDA ships sail in the Mediterranean and the North and Baltic Seas, calling on approximately 50 ports, while itineraries for the winter include the Caribbean, Central America, the Western Mediterranean and the Atlantic Islands.

IV. Australia and New Zealand

Cruising in Australia is developing. We estimate that approximately 168,000 Australians took cruise vacations in 2004. We expect to serve this region primarily through P&O Cruises Australia, which is the leading cruise line in Australia.

P&O Cruises Australia is a cruise brand that caters specifically to Australians and New Zealanders. Its contemporary ships, the Pacific Sun, the Pacific Sky and the Pacific Star, which was transferred from Costa in October 2005, offer seven to 14 day cruises from Sydney and Brisbane to Vanuatu, New Caledonia, Fiji, and New Zealand and for a portion of the year offers a premium cruise product from Sydney to French New Caledonia and other destinations in the South Pacific on the Pacific Princess.

In late 2007, the Regal Princess is expected to be transferred from Princess to P&O Cruises Australia. The Pacific Sky is expected to leave the P&O Cruises Australia fleet in May 2006 pursuant to an agreement for sale entered into in December 2005.

V. South America

Cruise vacations have been marketed in South America for many years, although cruising as a vacation alternative remains in an early stage of development in the region. Cruises from South America typically occur during the southern hemisphere summer months of November through March, and are primarily seven to nine days in duration. Our presence is primarily represented through the Costa brand, which will operate two vessels in 2006 in this region, Costa Victoria and Costa Romantica, collectively offering 3,272 lower berths.

VI. Ship Information

Summary information of our ships as of November 30, 2005 is as follows:

BRAND AND SHIP -----	REGISTRY -----	CALENDAR YEAR DELIVERED -----	PASSENGER CAPACITY -----
Carnival Cruise Lines			
Carnival Liberty	Panama	2005	2,968
Carnival Valor	Panama	2004	2,968
Carnival Miracle	Panama	2004	2,120
Carnival Glory	Panama	2003	2,968
Carnival Conquest	Panama	2002	2,968
Carnival Legend	Panama	2002	2,120
Carnival Pride	Panama	2001	2,120
Carnival Spirit	Panama	2001	2,120
Carnival Victory	Panama	2000	2,750
Carnival Triumph	Bahamas	1999	2,750
Paradise	Panama	1998	2,050
Elation	Panama	1998	2,050
Carnival Destiny	Bahamas	1996	2,634
Inspiration	Bahamas	1996	2,050
Imagination	Bahamas	1995	2,050
Fascination	Bahamas	1994	2,050
Sensation	Bahamas	1993	2,050
Ecstasy	Panama	1991	2,050
Fantasy	Panama	1990	2,050
Celebration	Panama	1987	1,484
Holiday	Bahamas	1985	1,450
Total Carnival Cruise Lines			47,820

Princess			
Sapphire Princess	Bermuda	2004	2,674
Caribbean Princess	Bermuda	2004	3,100
Diamond Princess	Bermuda	2004	2,674
Island Princess	Bermuda	2003	1,974
Coral Princess	Bermuda	2002	1,974
Star Princess	Bermuda	2002	2,598
Golden Princess	Bermuda	2001	2,598
Tahitian Princess	Gibraltar	2000	668
Pacific Princess (a)	Gibraltar	1999	668
Sea Princess (b)	Bermuda	1998	2,016
Grand Princess	Bermuda	1998	2,592
Dawn Princess	Bermuda	1997	1,998
Sun Princess	Bermuda	1995	2,022
Regal Princess (c)	Bermuda	1991	1,596
Total Princess			29,152

Holland America Line (d)			
Westerdam	Netherlands	2004	1,848
Oosterdam	Netherlands	2003	1,848
Zuiderdam	Netherlands	2002	1,848
Zaandam	Netherlands	2000	1,432
Amsterdam	Netherlands	2000	1,380
Volendam	Netherlands	1999	1,432
Rotterdam	Netherlands	1997	1,316
Veendam	Bahamas	1996	1,258
Ryndam	Netherlands	1994	1,258
Maasdam	Netherlands	1993	1,258
Statendam	Netherlands	1993	1,258
Prinsendam	Netherlands	1988	794
Total Holland America Line			16,930

BRAND AND SHIP -----	REGISTRY -----	CALENDAR YEAR DELIVERED -----	PASSENGER CAPACITY -----
Costa			
Costa Magica	Italy	2004	2,702
Costa Fortuna	Italy	2003	2,702
Costa Mediterranea	Italy	2003	2,114
Costa Atlantica	Italy	2000	2,114
Costa Victoria	Italy	1996	1,928
Costa Romantica	Italy	1993	1,344
Costa Allegra	Italy	1992	806
Costa Classica	Italy	1991	1,302
Costa Marina	Italy	1990	762
Costa Europa	Italy	1986	1,488
Total Costa			17,262 -----
P&O Cruises			
Arcadia	Bermuda	2005	1,948
Oceana	Bermuda	2000	2,016
Aurora	UK	2000	1,870
Oriana	UK	1995	1,822
Artemis(e)	Bermuda	1984	1,188
Total P&O Cruises			8,844 -----
AIDA			
AIDAaura	Italy	2003	1,266
AIDAvita	Italy	2002	1,266
AIDAcara	Italy	1996	1,180
AIDAblu(f)	Italy	1990	1,666
Total AIDA			5,378 -----
Cunard			
Queen Mary 2	UK	2003	2,620
QE2	UK	1969	1,790
Total Cunard			4,410 -----
P&O Cruises Australia			
Pacific Sun	Bahamas	1986	1,486
Pacific Sky(c)	UK	1984	1,200
Pacific Star(g)	UK	1982	994
Total P&O Cruises Australia			3,680 -----
Ocean Village			
Ocean Village	UK	1989	1,578
Swan Hellenic			
Minerva II(h)	Marshall Islands	2001	678
Seabourn			
Seabourn Legend	Bahamas	1992	208
Seabourn Spirit	Bahamas	1989	208
Seabourn Pride	Bahamas	1988	208
Total Seabourn			624 -----
Windstar			
Wind Surf	Bahamas	1990	308
Wind Spirit	Bahamas	1988	148
Wind Star	Bahamas	1986	148
Total Windstar			604 -----
Total			136,960 ----- =====

(a) The Pacific Princess is only included in Princess' capacity, although it is time chartered to P&O Cruises Australia and based out of Australia for one-half of the year.

(b) The Adonia was transferred from P&O Cruises to Princess in the spring of 2005 and was renamed the Sea Princess.

- (c) The Regal Princess is expected to be transferred to P&O Cruises Australia in late 2007. The Pacific Sky is expected to leave the P&O Cruises Australia fleet in May 2006 pursuant to an agreement for sale entered into in December 2005.
- (d) Since November 2004, the 1,214 passenger former Noordam is being operated by an unrelated entity under a long-term bareboat charter agreement and, accordingly, is excluded from Holland America Lines' capacity.
- (e) The Royal Princess was transferred from Princess to P&O Cruises in the spring of 2005 and was renamed the Artemis.
- (f) The AIDAblu is expected to be transferred to Ocean Village in the spring of 2007.
- (g) The Costa Tropicale was transferred from Costa to P&O Cruises Australia in October 2005 and was renamed the Pacific Star.
- (h) The Minerva II is operated by Swan Hellenic pursuant to a bareboat charter agreement through March 2007. In December 2005, we exercised our right of first refusal under the charter agreement, and agreed to purchase the Minerva II.

VII. Characteristics of the Cruise Vacation Industry

A. Strong Growth

Cruise vacations have experienced significant growth in recent years. The number of new cruise ships currently on order from shipyards indicates that the growth in cruise capacity is set to continue for a number of years. In order to fill up this new capacity, continued growth in demand across the industry will be required. Given the historical growth rate of cruising and the relative low penetration levels in major vacation regions, we believe that there are significant opportunities for growth.

In the few years prior to 2004, the cruise industry experienced significant pressure on cruise pricing, which we believe was ultimately the result of, among other things, various adverse international geopolitical and economic conditions and events, such as terrorism, the Iraqi war, and the risk of other armed conflicts, adverse publicity, increases in new cruise ship capacity, ship incidents, and competition from cruise ship and other vacation alternatives. Although the cruise industry has been able to increase cruise pricing during the last two years, factors such as these could adversely impact future growth if they or similar events or conditions were to occur or exist in the future.

B. Wide Appeal of Cruising

Cruising appeals to a broad demographic range. Industry surveys estimate that there are approximately 128 million potential passengers for cruising in North America (defined as members of households with a minimum income of \$40,000, that are headed by a person who is at least 25 years old). According to these surveys, about half of these individuals have expressed an interest in taking a cruise as a vacation alternative, and over 60% of worldwide cruise passengers are over the age of 40. The size of the North American population between ages 45 and 74 is expected to increase 19% between 2006 and 2016. We believe the cruise industry is well-positioned to take advantage of these favorable demographic trends, which are impacting its markets.

C. Relatively Low Penetration Levels

North America has the highest cruising penetration rates per capita. Nevertheless, based upon information obtained from the Cruise Lines International Association, or CLIA, a leading trade group, we estimate that only approximately 18% of the U.S. population has ever taken a cruise, and only 8% have done so in the past three years. In the UK, where there has been significant expansion in the number of cruise passengers carried over the last five years, cruising penetration levels per capita are only approximately three-fifths of those of North America. In the principal vacation regions in continental Europe, cruising penetration levels per capita are approximately one-fifth of those in North America. Elsewhere in the world cruising is at an early stage of development and has far lower penetration rates.

D. Satisfaction Rates

Cruise passengers tend to rate their overall satisfaction with a cruise-based vacation higher than comparable land-based hotel and resort vacations. We believe that a substantial number of cruise passengers think the value of their cruise vacation experience is as good as, or better than, the value of other comparable vacation alternatives.

VIII. Passengers, Capacity and Occupancy

Our cruise operations had worldwide cruise passengers, passenger capacity and occupancy as follows (a):

FISCAL YEAR ----	CRUISE PASSENGERS -----	PASSENGER CAPACITY -----	OCCUPANCY (b) -----
2001	3,385,000	58,346	104.7%
2002	3,549,000	67,282	105.2%
2003	5,038,000	113,296	103.4%
2004	6,306,000	129,108	104.5%
2005	6,848,000	136,960	105.6%

(a) Information presented is as of the end of our fiscal year for passenger capacity. Carnival plc's information is only included since April 17, 2003, the period subsequent to the completion of the DLC transaction.

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

Our passenger capacity has grown from 58,346 berths at November 30, 2001 to 136,960 berths at November 30, 2005, primarily because of the 34,428 berths added as a result of the DLC transaction with P&O Princess during 2003 and the deliveries of 19 new cruise ships during this four-year period. See Part I, Item 1. Business, B. - "Cruise Operations-Ship Information" for additional information.

The occupancy level on our ships during each quarter indicated below was as follows:

Quarters Ended -----	Occupancy -----
February 29, 2004	102.0%
May 31, 2004	102.8%
August 31, 2004	110.2%
November 30, 2004	102.5%
February 28, 2005	103.8%
May 31, 2005	104.8%
August 31, 2005	110.9%
November 30, 2005	102.7%

IX. Cruise Ship Construction and Cruise Port Facility Development and Operations

As of January 30, 2006, we had signed agreements with two shipyards providing for the construction of 16 additional cruise ships scheduled for delivery between January 31, 2006 and September 2009. See Note 7, "Commitments" to our Consolidated Financial Statements in Exhibit 13 to this joint Annual Report on Form 10-K.

Primarily in cooperation with private or public entities, we are engaged in the development of new or enhanced cruise port facilities. These facilities are expected to provide our passengers with an improved vacation experience. Our involvement typically includes providing cruise port facility development and management expertise. We sometimes assist by providing direct financial support for port development projects. However, most of the time, our financial commitment is provided by agreeing to long-term port usage commitments. During 2005, we were involved in the development of cruise port facilities in Barcelona, Spain, Brooklyn, New York, Miami, Florida, Naples, Italy, and the Turks & Caicos Islands. In addition, we are in the process of, or have recently completed negotiating for, the development of several other port facilities to service our North American and European guests, including, but not limited to, facilities in Belize City, Belize, Civitavecchia, Italy, Manhattan, New York, Roatan, Honduras and San Diego, California. In October 2005, our pier facility in Cozumel, Mexico was destroyed by Hurricane Wilma. This is one of our busiest transit ports in the world and served over 1.2 million passengers in 2005. We currently are in the process of negotiating with the port authorities as to the rebuilding of this pier. No assurance can be given that any of these cruise port facilities that are being developed will be completed.

Finally, we currently operate other port facilities in Long Beach, California, Juneau, Alaska and Savona, Italy pursuant to concession agreements with the governmental authorities and other third parties. Our Long Beach terminal is one of the home ports for Carnival Cruise Lines' U.S. West Coast sailings to Mexico, as well as a transit port for some of our other brands. Finally, the Savona terminal is the home port for a number of Costa's ships, which sail in the Mediterranean Sea.

X. Cruise Pricing and Payment Terms

Each of our cruise brands publishes brochures with prices for the upcoming seasons. Brochure prices vary by cruise line, by category of cabin, by ship, by season and by itinerary. Brochure prices are regularly discounted through our early booking discount programs and other promotions. The cruise ticket price typically includes accommodations, meals, some beverages, and most onboard entertainment, such as the use of, or admission to, a wide variety of activities and facilities, including a fully equipped casino, nightclubs, theatrical shows, movies, parties, a disco, a jogging track, a health club, swimming pools, sun decks, whirlpools and saunas. Our North American brands' payment terms require that a passenger pay a deposit to confirm their reservations with the balance due before the departure date, while some of our European brands provide certain of their travel agents and tour operators with credit terms, even though these parties typically require the passenger to pay for the entire cruise before sailing.

Historically, some of our advance bookings were taken from several months in advance of the sailing date, for contemporary brands, to more than a year in advance of sailing, for our luxury brands. This lead-time provided us with more time to manage our prices, in relation to demand for available cabins, with the goal of achieving higher overall net revenue yields - see "Key Performance Indicators and Pro Forma Information" in our Management Discussion and Analysis of Financial Condition and Results of Operations in Exhibit 13 to this joint Annual Report on Form 10-K. In addition, some of our fares, such as Carnival Cruise Lines' Supersaver fares, Costa's Pronto Price Savings fares, Holland America Line's Early Savings and Mariner Savings fares and Princess's Loveboat Savers plan, are designed to encourage potential passengers to book cruise reservations earlier.

Commencing after September 11, 2001, our brands, and others in the travel and leisure industry, generally experienced a closer-to-vacation booking pattern than was experienced prior to September 11, 2001. However, since the fall of 2003, this trend reversed itself and bookings have been occurring further in advance, on average, of sailing date and are now at more normal historical levels. The wider booking patterns enable us to better optimize our net revenue yields. However, it is possible that booking trends could revert to closer to sailing pattern in the future.

When a passenger elects to purchase air transportation from us, both our cruise revenues and cruise operating expenses generally increase by approximately the same amount. Air transportation prices can vary by gateway and destination. Over the last several years, we have generally experienced a lower number of guests purchasing air transportation from us, which we believe is partially a result of having opened additional embarkation points closer to our guests' homes, as well as the availability of frequent flyer programs and lower priced air tickets.

XI. Onboard and Other Revenues

We earn onboard and other revenues from other onboard activities and services not included in the cruise ticket price consisting of, but not limited to, casino gaming, bar and some beverage sales, gift shop sales, entertainment arcades, shore excursions, art auctions, photo sales, spa services, bingo games and lottery tickets, video diaries, snorkel equipment rentals, internet and telephone usage and promotional advertising by merchants located in our ports of call.

Our casinos, which contain slot machines and gaming tables including blackjack, and in most cases craps and roulette, are generally open only when our ships are at sea in international waters. Onboard activities are either provided directly by us or by independent concessionaires, from which we collect a percentage of their revenues or a fee.

We receive additional revenues from the sale to our passengers of shore excursions at each ship's ports of call. These excursions include, among other things, general sightseeing and adventure outings and local boat and beach parties. For the Princess and Holland America Line ships and other of our brands operating to destinations in Alaska, shore excursions are operated by Princess Tours and Holland America Tours, as well as locally-owned operations. For shore excursions in other locations, we typically utilize

locally-owned operations.

In conjunction with our cruise vacations, all of our cruise brands also sell pre- and post-cruise land packages. Packages offered in conjunction with ports of call in the U.S. would generally include one to four-night vacations at nearby attractions or other vacation destinations, such as Universal Studios and Walt Disney World in Orlando, Florida, Busch Gardens in Tampa, Florida, or individual/multiple city tours of Boston, Massachusetts, New York City, New York, and/or San Diego, California. Packages offered in Europe generally include up to four-night vacations, including stays in well-known European cities, such as Athens, Greece, Barcelona, Spain, Copenhagen, Denmark, London, England, Paris, France and Rome, Italy.

In conjunction with our Alaska cruise vacations, principally on our Princess, Holland America Line and Carnival Cruise Lines ships, we sell pre- and post-cruise land packages, utilizing, to a large extent, our transportation and hotel assets.

XII. Sales Relationships and Marketing Activities

We are a customer service-driven company and continue to invest in our service organization to assist travel agents and guests. We believe that our support systems and infrastructure are among the strongest in the vacation industry.

We sell our cruises mainly through travel agents. Our individual cruise brands' relationships with their travel agents are generally independent of each of our other brands, except for certain brands sourcing UK passengers as discussed below. These travel agent relationships are not exclusive and most travel agents also sell cruises and other vacations provided by our competitors. Our policy towards travel agents is to train and motivate them to support our products with competitive sales and pricing policies and joint marketing programs. We also use a wide variety of marketing techniques, including websites, seminars and videos, to familiarize the agents with our cruise brands and products. As with our brands' travel agent relationships, each of our brands' marketing programs are generally independent of each of our other brands. In each of our principal markets, we have familiarized the travel agency community with our cruise brands and products.

Travel agents generally receive standard commissions of 10%, plus the potential of additional commissions based on sales volume. During fiscal 2005, no controlled group of travel agencies accounted for more than 10% of our revenues.

Our investment in customer service has been focused on the development of systems and employees. We have improved our systems within the reservations, quality assurance, and customer relationship management functions, emphasizing the continued support of the travel agency community, while simultaneously developing greater contact and interactivity with our customer base. We have individual websites for each of our brands, which provide access to information about our products to internet users throughout the world, and substantially all provide booking engines to our travel partners and to our customers. We also support booking capabilities through major airline computer reservation systems, including SABRE, Galileo, Amadeus and Worldspan. Although the vast majority of our cruises are distributed through travel agents, we also take telephone and internet bookings direct from customers who choose not to utilize the services of a travel agent.

We have pursued comprehensive marketing campaigns to market our brands to vacationers, including direct response marketing. The principal media used are magazine and newspaper advertisements and promotional campaigns. Certain of our brands also use significant amounts of television advertising.

In addition, we have formed a sales alliance for substantially all of our UK cruises brands, known as the "Carnival Complete Cruise Solution," which is comprised of Cunard, Ocean Village, P&O Cruises and Princess. By leveraging our UK sales force and back-office operations, we are able to provide our UK customers with a one-stop shopping destination for their cruise vacation, regardless of their varying cruise needs, in a cost effective manner.

Finally, we have established the World's Leading Cruise Lines ("WLCL") alliance for our family of North American cruise brands and Costa in order both to educate the consumer about the overall breadth of our cruise brands, as well as to increase the effectiveness and efficiency of marketing our brands. As part of this alliance, we offer Vacation Interchange Privileges, which is a loyalty program that provides special considerations to repeat guests aboard the WLCL brands.

XIII. Seasonality

Our revenue from the sale of passenger tickets is seasonal. Historically, demand for cruises has been greatest during our third fiscal quarter, which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher net revenue yields and, accordingly, the largest share of our net income is earned during this period. Substantially all of Holland America Tours' and Princess Tours' revenues and net income are generated from May through September in conjunction with the Alaska cruise season.

XIV. Competition

We compete with land-based vacation alternatives throughout the world, including, among others, hotels, resorts, theme parks and vacation ownership properties located in Las Vegas, Nevada, Orlando, Florida, various Caribbean, Mexican, Bahamian and Hawaiian Island destination resorts and numerous other vacation destinations throughout Europe and the rest of the world.

The primary cruise competitors for our Carnival Cruise Lines, Costa, Cunard, Holland America Line and Princess brands for North American-sourced passengers are Royal Caribbean Cruises Ltd., which owns Royal Caribbean International and Celebrity Cruises, Star Cruises plc, which owns NCL Group, which is comprised of Norwegian Cruise Line and Orient Lines, Disney Cruise Line, Mediterranean Shipping Company, which owns MSC Cruises, and Crystal Cruises.

Our primary cruise competitors for European-sourced passengers in the UK are Island Cruises, Fred Olsen Cruise Lines, Discovery Cruises, Saga Cruises, and Thomson Cruises, which is owned by TUI; in Germany they are MSC Cruises, Hapag-Lloyd, which is owned by TUI, Peter Deilmann, Phoenix Reisen and Transocean Cruises; and in Southern Europe they are MSC Cruises, Louis Cruise Line, Globalia, Pullmantur and Spanish Cruise Line. We also compete for passengers throughout Europe with Norwegian Cruise Line, Orient Lines, Royal Caribbean International and Celebrity Cruises.

Our primary cruise competitors for our Seabourn and Windstar luxury brands include Radisson Seven Seas Cruise Line and Silversea Cruises.

Our North American, European and Australian brands also compete among themselves for passengers.

XV. Governmental Regulations

A. Maritime Regulations

Our ships are regulated by various international, national, state and local laws, regulations and treaties in force in the jurisdictions in which our ships operate. In addition, our ships are registered in the Bahamas, Bermuda, Gibraltar, Italy, the Marshall Islands, the Netherlands, Panama and the UK, as more fully described under Part I, Item 1. Business, B. - "Cruise Operations - Ship Information" and, accordingly, are regulated by these jurisdictions and by the international conventions governing the safety of our ships and guests that these jurisdictions have ratified or to which they adhere. Each country of registry conducts periodic inspections to verify compliance with these regulations as discussed more fully below. In addition, the directives and regulations of the European Union are applicable to some aspects of our ship operations.

Specifically, the International Maritime Organization, sometimes referred to as the "IMO", which operates under the auspices of the United Nations, has adopted safety standards as part of the International Convention for Safety of Life at Sea, sometimes referred to as SOLAS, which is applicable to all of our ships. Among other things, SOLAS establishes vessel design, structural features, materials, construction, life saving equipment, safe management and operation and security requirements to improve passenger safety and security. The SOLAS requirements are revised from time to time, with the most recent modifications being phased-in through 2010.

In 1993, SOLAS was amended to incorporate the International Safety Management Code, referred to as the "ISM Code." The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code is mandatory for passenger vessel operators. All of our operations and ships have obtained the required certificates demonstrating compliance with the ISM Code and are regularly inspected and controlled by the national authorities, as well as the international

authorities acting under the provisions of the international agreements related to Port State Control, the process by which a nation exercises authority over foreign ships when the ships are in the waters subject to its jurisdiction.

In December 2004, the Maritime Safety Committee approved for adoption amendments to SOLAS chapter II-I Parts A & B that relate to the damage stability of new cruise passenger vessels. These regulations were adopted in May 2005, and are applicable to those vessels whose keels are laid after January 1, 2009. Although the new standards do not affect our existing fleet or our vessels currently under contract as those keels will have been laid prior to January 1, 2009, compliance with these standards for future ships will require the development of new designs, which may increase costs.

Our ships are subject to a program of periodic inspection by ship classification societies who conduct annual, intermediate, dry-docking and class renewal surveys. Classification societies conduct these surveys not only to ensure that our ships are in compliance with international conventions adopted by their respective country of registry and domestic rules and regulations, but also to verify that our ships have been maintained in accordance with the rules of the society and that recommended repairs have been satisfactorily completed.

Our ships that call on U.S. ports are subject to inspection by the U.S. Coast Guard for compliance with SOLAS, by the U.S. Public Health Service for sanitary standards, and by other agencies such as the U.S. Customs and Border Patrol, with regard to customs and immigration. Our ships are also subject to similar inspections pursuant to the laws and regulations of various other countries our ships visit.

Finally, our ships that call on U.S. ports are also subject to various security requirements, including, but not limited to, The Maritime Transportation Security Act of 2002 ("MTSA"), SOLAS and the International Ship and Port Facility Security Code ("ISPS Code"). Among other things, these regulations require certain vessel owners to implement security measures, conduct vessel security assessments, and develop security plans. Under these requirements, we have prepared and submitted security plans for all our ships to their respective country of registry, and International Ship Security Certificates have been issued demonstrating compliance with the ISPS Code. In addition, the MTSA regulations establish Area Maritime Security requirements for geographic port areas that provide authority for the U.S. Coast Guard to implement operational and physical security measures on a port area basis that could affect our operation in those areas.

We believe that health, safety and security issues will continue to be an area of focus by relevant government authorities in the U.S., the European Union and elsewhere. Resulting legislation or regulations, or changes in existing legislation or regulations, could impact our operations and would likely subject us to increasing compliance costs in the future.

B. Permits for Glacier Bay, Alaska

In connection with certain of our Alaska cruise operations, Holland America Line, Princess Cruises and Carnival Cruise Lines rely on concession permits from the U.S. National Park Service to operate their cruise ships in Glacier Bay National Park and Preserve. Such permits must be periodically renewed and there can be no assurance that they will continue to be renewed or that regulations relating to the renewal of such permits, including preference or historical rights, will remain unchanged in the future.

C. Alaska Environmental Regulations

The State of Alaska enacted legislation which prohibits certain discharges in designated Alaska waters, ports or near shorelines and requires that certain discharges be monitored to verify compliance with the standards established by the legislation. Both the state and federal environmental regime in Alaska is more stringent than the federal regime under the Federal Water Pollution Control Act with regard to discharge from vessels. The legislation also provides that repeat violators of the regulations could be prohibited from operating in Alaskan waters.

D. Other Environmental, Health and Safety Matters

We are subject to various international, national, state and local environmental protection and health and safety laws, regulations and treaties that govern, among other things, air emissions, employee health and safety, waste discharge, water management and disposal, and storage, handling, use and disposal of hazardous substances, such as

chemicals, solvents, paints and asbestos. We are committed to helping to conserve the natural environment, not only because of the existing regulations, but because a pristine environment is one of the key elements that bring our guests on board our ships.

In particular, in the U.S., the Act to Prevent Pollution from Ships, implementing the International Convention for the Prevention of Pollution from Ships, provides for severe civil and criminal penalties related to ship-generated pollution for incidents in U.S. waters within three nautical miles and in some cases in the 200-mile exclusive economic zone.

Furthermore, in the U.S., the Oil Pollution Act of 1990 (the "OPA") provides for strict liability for water pollution, such as oil pollution or threatened oil pollution incidents in the 200-mile exclusive economic zone of the U.S., subject to monetary limits. These monetary limits do not apply, however, where the discharge is proximately caused by the gross negligence or willful misconduct or the violation of an applicable safety, construction, or operating regulation by a responsible party; or the responsible party fails or refuses to: report the incident as required by law, provide all reasonable cooperation and assistance in connection with removal operations, or without sufficient cause, comply with an order issued by the federal on-scene coordinator. Pursuant to the OPA, in order for us to operate in U.S. waters, we are also required to obtain Certificates of Financial Responsibility from the U.S. Coast Guard for each of our ships. These certificates demonstrate our ability to meet removal costs and damages related to water pollution, such as for an oil spill or a release of a hazardous substance, up to our ship's statutory liability limit.

In addition, most U.S. states that border a navigable waterway or seacoast have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. federal law and in some cases have no statutory limits of liability.

Furthermore, many countries have ratified and adopted IMO Conventions which, among other things, impose liability for pollution damage, subject to defenses and to monetary limits, which monetary limits do not apply where the spill is caused by the owner's actual fault or by the owner's intentional or reckless conduct. In jurisdictions that have not adopted the IMO Conventions, various national, regional or local laws and regulations have been established to address oil pollution.

Limitations on the sulphur content of fuel are part of new regulations approved by the International Convention for the Prevention of Pollution from Ships Annex VI ("MARPOL Annex VI"). It applies to vessels of 400 gross tons or above engaged in international voyages. Ships must carry an International Air Pollution Prevention Certificate issued by its flag state indicating that it is operating in compliance with MARPOL Annex VI. These certificates are required to be issued during the three-year period ending in May 2008. Among other things, MARPOL Annex VI establishes a limit on the sulphur content of fuel oil and calls on the IMO to monitor the worldwide average sulphur content of fuel oil supplied for use aboard vessels. In addition, MARPOL Annex VI provides for special "Sox Emission Control Areas" to be established with more stringent limitations on sulphur emissions. Compliance with MARPOL and other European Union ("EU") regulations may increase our operating costs, including the cost of fuel, beginning in May 2006 for ships operating in the Baltic Sea and August 2007 for ships operating in the North Sea and the English Channel.

If we violate or fail to comply with environmental laws, regulations or treaties, we could be fined or otherwise sanctioned by regulators. We have made, and will continue to make, capital and other expenditures to comply with environmental laws and regulations.

The International Organization for Standardization ("ISO") is an international standard-setting body, which produces worldwide industrial and commercial standards. ISO 14001 is one of the series of ISO 14000 environmental management standards that were developed to help organizations manage their processes, products and services to minimize environmental impacts. ISO 14001 presents a structured approach to setting environmental objectives and targets, and provides a framework for any organization to apply these broad conceptual tools to their own processes. We are developing and implementing environmental management systems based on ISO 14001 in each of our cruise lines with the aim of achieving ISO 14001 certification in 2006. Costa has already successfully achieved ISO 14001 certification.

From time to time, environmental, health and safety regulators consider more stringent regulations which may affect our operations and increase our compliance costs. As evidenced from the preceding paragraphs, the cruise industry is affected by a substantial amount of environmental rules and regulations. We believe that the impact of cruise ships on the global environment will continue to be an area of focus by the relevant authorities throughout the world and, accordingly, this will likely subject us to increasing compliance costs in the future.

See Part 1, Item 1A. "Risk Factors" for additional discussion of our environmental risks.

E. Consumer Regulations

Our ships that call on U.S. ports are regulated by the Federal Maritime Commission referred to as the "FMC". Public Law 89-777, which is administered by the FMC, requires most cruise line operators to establish financial responsibility for their liability to passengers for non-performance of transportation, as well as casualty and personal injury. The FMC's regulations require that a cruise line demonstrate its financial responsibility for non-performance of transportation through a guarantee, escrow arrangement, surety bond or insurance. Currently, the amount required must equal 110% of the cruise line's highest amount of customer deposits over a two-year period, up to a maximum coverage level of \$15 million. See Part 1, Item 1. Business, E. - "Insurance - Other Insurance" for additional discussion.

In the UK, we are required to bond and obtain licenses from various organizations in connection with the conduct of our business and our ability to meet liability in the event of non-performance of obligations to consumers. These organizations include the Passenger Shipping Association and the Civil Aviation Authority. See Part 1, Item 1. Business, E. - "Insurance-Other Insurance" for additional discussion.

We are also required by German law to obtain a guarantee from a reputable insurance company to ensure that, in case of insolvency, our customers will be refunded any monies they have paid on account of a booking and, in addition, that they will be repatriated without additional cost if insolvency occurs after a cruise starts. In addition, in Australia, we are a member of the Travel Compensation Fund which provides compensation, as a last resort, to consumers who suffer losses in their dealings with travel agents. Finally, other jurisdictions, including Argentina and Brazil, require the establishment of financial responsibility for passengers from their jurisdictions.

We believe we have all material licenses to conduct our business. From time to time, various other regulatory and legislative changes may be proposed or adopted that could have an effect on the cruise industry, in general, and our business, in particular. See Part I, Item 1A. "Risk Factors" for a discussion of other regulations which impact us.

XVI. Financial Information

For financial information about our cruise reporting segment and geographic information with respect to each of the three years in the period ended November 30, 2005, see Note 12, "Segment Information" to our Consolidated Financial Statements in Exhibit 13 to this joint Annual Report on Form 10-K.

C. Employees

Our shoreside operations have approximately 9,500 full-time and 4,200 part-time/ seasonal employees. We also employ approximately 57,500 officers, crew and staff onboard our 79 ships at any one time. Due to the highly seasonal nature of our Alaskan and Canadian operations, Holland America Tours and Princess Tours increase their work force during the late spring and summer months in connection with the Alaskan cruise season, employing additional seasonal personnel, which have been included above. We have entered into agreements with unions covering certain employees in our hotel, motorcoach and ship operations. We consider our employee and union relations generally to be good.

We source our shipboard officers primarily from Italy, the UK, Holland, Germany and Norway. The remaining crew positions are manned by persons from around the world. We utilize various manning agencies in many countries and regions to help secure our shipboard employees.

D. Suppliers

Our largest purchases are for travel agency services, fuel, advertising, food and beverages, hotel and restaurant supplies and products, airfare, repairs and maintenance and dry-docking, port facility utilization, communication services and for the construction of our ships. Although we utilize a select number of suppliers for most of our food and beverages and hotel and restaurant supplies and products, most of these items are available from numerous sources at competitive prices. The use of a select number of suppliers enables us to, among other things, obtain volume discounts. We purchase fuel and port facility services at some of our ports of call from a limited number of suppliers. In addition, we perform our major dry-dock and ship improvement work at dry-dock facilities in the Bahamas, British Columbia, Canada, the Caribbean, Europe and the U.S. Finally, as of January 30, 2006, we have agreements in place for the construction of 16 cruise ships by two shipyards. We believe there are sufficient dry-dock and shipbuilding facilities to meet our anticipated requirements.

E. Insurance

General

We maintain insurance to cover a number of risks associated with owning and operating vessels in international trade. All such insurance policies are subject to coverage limits, exclusions and deductible levels. Insurance premium increases are dependent on our own loss experience and the general premium requirements of our underwriters. No assurance can be given that affordable and viable direct and reinsurance markets will be available to us in the future. We maintain certain levels of self-insurance for the below-mentioned risks, which may increase in the future to mitigate premium increases. We do not carry coverage related to loss of earnings or revenues for our ships.

Protection and Indemnity ("P&I") Coverage

Third-party liabilities in connection with our cruise activities are covered by entry in P&I clubs, which are mutual indemnity associations owned by ship owners. Our vessels are entered in three P&I clubs as follows: The West of England Ship Owners Mutual Insurance Association (Luxembourg), The Steamship Mutual Underwriting Association (Bermuda) Limited and the United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited. The P&I clubs in which we participate are part of a worldwide group of P&I clubs, known as the International Group of P&I Clubs (the "IG"). The IG insures directly, and through reinsurance markets, a large portion of the world's shipping fleets. Coverage is subject to the P&I clubs' rules and the limit of coverage is determined by the IG. P&I coverage includes legal, statutory or pre-approved contract liabilities and other expenses related to crew, passengers and other third parties. This coverage also includes shipwreck removal, pollution and damage to third party property.

Hull and Machinery Insurance

We maintain insurance on the hull and machinery of each of our ships in amounts equal to the estimated market value of each ship. The coverage for hull and machinery is provided by international marine insurance carriers. Most insurance underwriters make it a condition for insurance coverage that a ship be certified as "in class" by a classification society that is a member of the International Association of Classification Societies ("IACS"). All of our ships are currently certified as in class with an IACS member. These certifications have either been issued or endorsed within the last twelve months.

War Risk Insurance

We maintain war risk insurance, subject to coverage limits and exclusions for claims such as those arising from chemical and biological attacks, on all of our ships covering our legal liability to crew, passengers and other third parties arising from war or war-like actions, including terrorist risks. This coverage is provided by international marine insurance carriers. Due primarily to its high cost, we only carry war risk insurance coverage for physical damage to 43 of our 79 ships, which includes terrorist risks. The remaining 36 ships in the fleet do not have war risk coverage for physical damage. Under the terms of our war risk insurance coverage, which is typical for war risk policies in the marine industry, underwriters can give seven days notice to the insured that the liability and physical damage policies can be cancelled. In addition, the policy can be reinstated at different premium rates. This gives underwriters the ability to increase our premiums following events that they determine have increased their risk. No assurance can be given that affordable and viable direct and reinsurance markets will be available to us in the

future for war risk insurance. See Note 8, "Contingencies" to our Consolidated Financial Statements in Exhibit 13 to this joint Annual Report on Form 10-K.

Other Insurance

As required by the FMC, we maintain performance bonds or bank guarantees in the aggregate amount of \$105 million for ships operated by our brands which embark passengers in U.S. ports, to cover passenger ticket liabilities in the event of a cancelled or interrupted cruise. We also maintain other performance bonds or guarantees as required by various U.S. and foreign authorities that regulate certain of our operations in their jurisdictions; the most significant of which are required by the UK Passenger Shipping Association and the UK Civil Aviation Authority and total approximately 74 million sterling (\$128 million U.S. dollars at November 30, 2005 exchange rate) and 46 million sterling (\$80 million U.S. dollars at the November 30, 2005 exchange rate), respectively, to cover our brands' UK passenger and air ticket deposit liabilities.

We maintain standard property and casualty insurance policies to cover shoreside assets and liabilities to third parties, including our tour business and port facility assets, as well as appropriate workers' compensation policies. We also maintain business interruption insurance for Holland America Tour and Princess Tour hotel properties and our Cozumel, Mexico port retail facilities, which are also subject to deductibles.

The Athens Convention

Current conventions generally in force applying to passenger ships are the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea (1974), the 1976 Protocol to the Athens Convention and the Convention on Limitation of Liability for Maritime Claims (1976). The U.S. has not ratified any Athens Convention Protocol. However, vessels flying the flag of a country that has ratified it may contractually enforce the 1976 Athens Convention Protocol for cruises that do not call at a U.S. port.

The IMO Diplomatic Conference agreed to a new protocol to the Athens Convention on November 1, 2002. The new protocol, which has not yet been ratified, substantially increases the minimum level of compulsory insurance which must be maintained by passenger ship operators and provides a direct action provision, which will allow claimants to proceed directly against insurers. This new protocol requires passenger ship operators to maintain insurance or some other form of financial security, such as a guarantee from a bank, to cover the limits of strict liability under the Athens Convention with regards to the death or personal injury of passengers. The timing of the ratification of this new protocol, if obtained at all, is unknown. No assurance can be given that affordable and viable direct and reinsurance markets will be available to provide the level of coverage required under the new protocol. If the new protocol is ratified, we expect insurance costs could increase.

F. Trademarks and Other Intellectual Property

We own and have registered numerous trademarks and have also registered various domain names, which we believe are widely recognized throughout the world and have considerable value. These trademarks include the names of our cruise lines, each of which we believe is a widely-recognized brand name in the cruise vacation industry, as well as "World's Leading Cruise Lines." We have a license to use the P&O name, the P&O flag and other relevant trademarks and domain names in relation to cruises and related activities. Finally, we also have a license to use the "Love Boat" name and related marks. See Note 2, "Trademarks" to our Consolidated Financial Statements in Exhibit 13 to this joint Annual Report on Form 10-K.

G. Taxation

U.S. Federal Income Tax

We are a foreign corporation engaged in a trade or business in the U.S., and our ship-owning subsidiaries are foreign corporations that, in many cases, depending upon the itineraries of their ships, receive income from sources within the U.S. for U.S. federal income tax purposes. To the best of our knowledge, we believe that, under Section 883 of the Internal Revenue Code and applicable income tax treaties, our income and the income of our ship-owning subsidiaries, in each case derived from or incidental to the international operation of a ship or ships, is currently exempt from U.S. federal income tax. This exempt income does not include our U.S. source income, principally from the transportation,

hotel and tour businesses of Holland America Tours and Princess Tours, and, beginning with the year ended November 30, 2005, the items listed in the regulations under Section 883 that the Internal Revenue Service does not consider to be incidental to ship operations. Among the items that are identified in the regulations as not incidental to ship operations are income from the sale of air transportation, shore excursions and pre- and post cruise land packages. In addition, during 2005, we chartered three vessels to the Military Sealift Command in connection with the Hurricane Katrina relief effort. Income from these charters is not considered to be income from the international operation of our ships and, accordingly, income taxes will be assessed on the net earnings of these charters.

The following summary of the application of the principal U.S. federal income tax laws to us is based upon existing U.S. federal income tax law, including the Internal Revenue Code, proposed, temporary and final U.S. Treasury regulations, certain current income tax treaties, administrative pronouncements and judicial decisions, as currently in effect, all of which are subject to change, possibly with retroactive effect.

Application of Section 883 of the Internal Revenue Code

In general, under Section 883, certain non-U.S. corporations are not subject to U.S. federal income tax or branch profits tax on U.S. source income derived from, or incidental to, the international operation of a ship or ships. Effective for our year ended November 30, 2005, regulations provide, in general, that a foreign corporation will qualify for the benefits of Section 883 if, in relevant part, (i) the foreign country in which the foreign corporation is organized grants an equivalent exemption to corporations organized in the U.S. and (ii) the foreign corporation meets the publicly-traded test described below. In addition, to the extent a foreign corporation's shares are owned by a direct or indirect parent corporation which itself meets the publicly-traded test, then in analyzing the stock ownership test with respect to such subsidiary, stock owned directly or indirectly by such parent corporation will be deemed owned by individuals resident in the country of incorporation of such parent corporation.

A company whose shares are considered to be "primarily and regularly traded on an established securities market" in the U.S. or another qualifying jurisdiction will meet the publicly-traded test (the "publicly-traded test"). Stock will be considered "primarily traded" on one or more established securities markets if, with respect to each class of stock of the particular corporation, the number of shares in each such class that are traded during a taxable year on any such market exceeds the number of shares in each such class traded during that year on any other established securities market. Stock of a corporation will generally be considered "regularly traded" on one or more established securities markets under the regulations if (i) one or more classes of stock of the corporation that, in the aggregate, represent more than 50% of the total combined voting power of all classes of stock of such corporation entitled to vote and of the total value of the stock of such corporation are listed on such market; and (ii) with respect to each class relied on to meet the more than 50% requirement in (i) above, (x) trades in each such class are effected, other than in de minimis quantities, on such market on at least 60 days during the taxable year, and (y) the aggregate number of shares in each such class of the stock that are traded on such market during the taxable year is at least 10% of the average number of shares of the stock outstanding in that class during the taxable year. A class of stock that otherwise meets the requirements outlined in the preceding sentence is not treated as meeting such requirements for a taxable year if, at any time during the taxable year, one or more persons who own, actually or constructively, at least 5% of the vote and value of the outstanding shares of the class of stock, own, in the aggregate, 50% or more of the vote and value of the outstanding shares of the class of stock (the "5% Override Rule"). However, the 5% Override Rule does not apply (a) where the foreign corporation establishes that Qualified Shareholders own sufficient shares of the closely-held block of stock to preclude non-Qualified Shareholders of the closely-held block of stock from owning 50% or more of the total value of the class of stock for more than half of the taxable year; or (b) to certain investment companies provided that no person owns, directly or through attribution, both 5% or more of the value of the outstanding interests in such investment company and 5% or more of the value of the shares of the class of stock of the foreign corporation.

We believe that Carnival Corporation currently qualifies as a publicly traded corporation under the regulations and substantially all of its income, with the exceptions noted above, will continue to be exempt from U.S. federal income taxes. However, because various members of the Arison family and trusts established for their benefit currently own approximately 36% of Carnival Corporation shares, there is the potential that additional shareholders could acquire 5% or more of its shares, which could result in Carnival Corporation being considered closely held, and thus jeopardize its qualification as a

publicly traded corporation. If, in the future, Carnival Corporation were to fail to qualify as a publicly traded corporation, it and all of its ship-owning or operating subsidiaries that rely on Section 883 for exempting cruise operations income would be subject to U.S. federal income tax on their U.S. source cruise operation income. In such event, the net income of Carnival Corporation's ship-owning or operating subsidiaries would be materially reduced.

As a precautionary matter, Carnival Corporation amended its articles of incorporation in fiscal 2000 to ensure that it would continue to qualify as a publicly traded corporation under these regulations when they were originally proposed. As applied to Carnival Corporation, the final regulations are substantially the same as the proposed regulations. This amendment provides that no one person or group of related persons, other than certain members of the Arison family and trusts established for their benefit, may own or be deemed to own by virtue of the attribution provisions of the Internal Revenue Code more than 4.9% of Carnival Corporation shares, whether measured by vote, value or number of shares. Any Carnival Corporation shares acquired in violation of this provision will be transferred to a trust and, at the direction of its board of directors, sold to a person whose shareholding does not violate that provision. No profit for the purported transferee may be realized from any such sale. In addition, under specified circumstances, the trust may transfer the common stock at a loss to the purported transferee. Because certain of Carnival Corporation notes are convertible into its shares, the transfer of these notes are subject to similar restrictions. These transfer restrictions may also have the effect of delaying or preventing a change in control or other transactions in which the shareholders might receive a premium for Carnival Corporation shares over the then prevailing market price or which the shareholders might believe to be otherwise in their best interest.

Although the above represents our interpretation of this Internal Revenue Code provision and the U.S. Treasury regulations, the Internal Revenue Service's interpretation of these provisions could differ materially. In addition, the provisions of Section 883 are subject to change at any time by legislation. Moreover, changes could occur in the future with respect to the trading volume or trading frequency of Carnival Corporation shares or with respect to the identity, residence, or holdings of Carnival Corporation's direct or indirect shareholders that could affect Carnival Corporation's and its subsidiaries eligibility for the Section 883 exemption. Accordingly, although we believe it is unlikely, it is possible that Carnival Corporation and its ship-owning or operating subsidiaries' whose tax exemption is based on Section 883 could lose this exemption. If Carnival Corporation and/or its ship-owning or operating subsidiaries were not entitled to the benefit of Section 883, Carnival Corporation and/or its ship-owning or operating subsidiaries would be subject to U.S. federal income taxation on a portion of our income.

Exemption Under Applicable Income Tax Treaties

We believe that the income of some of Carnival Corporation's ship-owning subsidiaries and the U.S. source shipping income from Carnival plc and its UK and Italian resident subsidiaries currently qualify for exemption from U.S. federal income tax under applicable bilateral U.S. income tax treaties. There is, however, no authority that directly addresses the effect, if any, of DLC arrangements on the availability of benefits under the treaties and, consequently, the matter is not free from doubt. These treaties may be abrogated by either applicable country, replaced or modified with new agreements that treat shipping income differently than under the agreements currently in force. If any of our subsidiaries that currently claim exemption from U.S. income taxation on their U.S. source shipping income under an applicable treaty do not qualify for benefits under the existing treaties, or if the existing treaties are abrogated, replaced or materially modified in a manner adverse to our interests and, with respect to U.S. federal income tax only, if any such subsidiary does not qualify for Section 883 exemption, such ship-owning or operating subsidiary may be subject to U.S. federal income taxation on a portion of its income, which would reduce our net income.

Taxation in the Absence of an Exemption under Section 883 or any Applicable U.S. Income Tax Treaty

Shipping income that is attributable to transportation of passengers which begins or ends in the U.S. is considered to be 50% derived from U.S. sources. Shipping income that is attributable to transportation of passengers which begins and ends in foreign countries is considered 100% derived from foreign sources. Shipping income that is attributable to the transportation of passengers which begins and ends in the U.S. without stopping at an intermediate foreign port is considered to be 100% derived from U.S. sources.

The legislative history of the transportation income source rules suggests that a cruise that begins and ends in a U.S. port, but that calls on more than one foreign port, will derive U.S. source income only from the first and last legs of the cruise. Because there are no regulations or other Internal Revenue Service interpretations of these rules, the applicability of the transportation income source rules in the aforesaid manner is not free from doubt.

In the absence of an exemption under Section 883 or any applicable U.S. income tax treaty, as appropriate, we and/or our subsidiaries would be subject to either the net income and branch profits tax regimes of Section 882 and Section 884 of the Internal Revenue Code (the "net tax regime") or the four percent of gross income tax regime of Section 887 of the Internal Revenue Code (the "four percent tax regime").

Where the relevant foreign corporation has, or is considered to have, a fixed place of business in the U.S. that is involved in the earning of U.S. source shipping income and substantially all of this shipping income is attributable to regularly scheduled transportation, the net tax regime is applicable. If the foreign corporation does not have a fixed place of business in the U.S. or substantially all of its income is not derived from regularly scheduled transportation, the four percent tax regime will apply.

The net tax regime should be the tax regime applied to Carnival Corporation in the absence of an exemption under Section 883. Under the net tax regime, U.S. source shipping income, net of applicable deductions, would be subject to a corporate tax of up to 35% and the net after-tax income would be potentially subject to a further branch tax of 30%. In addition, interest paid by the corporations, if any, would generally be subject to a branch interest tax.

The four percent tax regime should be the tax regime applicable to our vessel owning subsidiaries based outside the United States, in the absence of an exemption under Section 883 or any applicable U.S. income tax treaty. Under the four percent tax regime, gross U.S. source shipping income would be subject to a four percent tax, without the benefit of deductions.

UK Income Tax

Cunard, Ocean Village, P&O Cruises, P&O Cruises Australia and Swan Hellenic are all strategically and commercially managed in the UK and have elected to enter the UK tonnage tax regime. Companies to which the tonnage tax regime applies pay corporation tax on profit calculated by reference to the net tonnage of qualifying vessels. UK corporation tax is not chargeable under normal UK tax rules on such companies' relevant shipping profits. For a company to be eligible for the regime, it must be subject to UK corporation tax and, among other matters, operate qualifying ships that are strategically and commercially managed in the UK. There is also a seafarer training requirement to which the tonnage tax companies are subject.

Profits which are excluded from normal corporation tax include income which is defined as relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and broadly from shipping related activities. It also includes dividends from foreign companies, which are subject to a tax on profits in their country of residence or elsewhere and the activities of which broadly would qualify in full for the UK tonnage tax regime if they were UK resident. In addition, more than 50 percent of the voting power in the foreign company must be held by one or more companies resident in a EU member state.

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime, which are not forecast to be significant, remain subject to normal UK corporation tax.

Italian and German Income Tax

In November 2004, the German brand of Carnival plc, AIDA, became a division of Costa. From the date of this change, AIDA's income is subject to Italian income tax. The majority of the profits earned by our German brands are exempt from German corporation taxes by virtue of the Italy/Germany double tax treaty.

During the 2005 third quarter, Costa elected to enter into the Italian Tonnage Tax regime, effective for its 2005 fiscal year, and for the following nine years. This regime will tax Costa's and AIDA's shipping profits, as defined, calculated by reference to the net tonnage of its qualifying vessels. However, income not considered to be shipping profits for Italian Tonnage Tax purposes will be taxed under Costa's and AIDA's current tax

regime for its Italian-registered ships, which results in a tax of approximately 6.6% on these non-tonnage tax profits.

Australian Income Tax

P&O Cruises Australia is a division of Carnival plc, and the income from this operation, is subject to UK tonnage tax as discussed above. The majority of this operation's profits are exempt from Australian corporation taxes by virtue of the UK/Australian double tax treaty.

H. Website Access to Carnival Corporation & plc SEC Reports

We make available, free of charge, access to our joint Annual Report on Form 10-K, joint Quarterly Reports on Form 10-Q, joint Current Reports on Form 8-K, Section 16 filings and all amendments to those reports as soon as reasonably practicable after such reports are electronically filed with or furnished to the SEC through our home pages at www.carnivalcorp.com and www.carnivalplc.com.

Item 1A. Risk Factors.

You should carefully consider the specific risk factors set forth below, as well as the other information contained or incorporated by reference in this joint Annual Report on Form 10-K, as these are important factors, among others, that could cause our actual results to differ from our expected or historical results. Some of the statements in this section and elsewhere in this joint Annual Report on Form 10-K are "forward-looking statements." For a discussion of those statements and of other factors to consider see the "Cautionary Note Concerning Factors That May Affect Future Results" section below.

(1) We may lose business to competitors throughout the vacation market.

We face significant competition from other cruise lines, both on the basis of cruise pricing and also in terms of the types of ships, services and destinations we offer to cruise passengers. In addition, we may need to enhance our older ships with current amenities in order for those ships to be more competitive with other cruise ships. Our principal competitors include the companies listed in this joint Annual Report on Form 10-K under Part 1, Item 1. Business, B. - "Cruise Operations - Competition."

However, we operate in the vacation market, and cruising is only one of many alternatives for people choosing a vacation. We therefore risk losing business not only to other cruise lines, but also to other vacation operators that provide other travel and leisure options, including hotels, resorts and package holidays and tours.

In the event that we do not compete effectively with other cruise companies and other vacation alternatives, our results of operations and financial condition could be adversely affected.

(2) The international political and economic climate and other world events affecting safety and security could adversely affect the demand for cruises and could harm our future sales and profitability.

Demand for cruises and other vacation options has been, and is expected to continue to be, affected by the public's attitude towards the safety of travel, the international political climate and the political climate of destination countries. Events such as the terrorist attacks in the U.S. on September 11, 2001 and the threats of additional attacks in the U.S. and elsewhere, concerns of an outbreak of additional hostilities and national government travel advisories, together with the resulting political instability and concerns over safety and security aspects of traveling, have had a significant adverse impact on demand and pricing in the travel and vacation industry and may continue to do so in the future. Demand for cruises is also likely to be increasingly dependent on the underlying economic strength of the countries from which cruise companies source their passengers. Economic or political changes that reduce disposable income or consumer confidence in the countries from which we source our passengers may affect demand for vacations, including cruise vacations, which are a discretionary purchase. Decreases in demand could lead to price discounting which, in turn, could reduce the profitability of our business.

(3) Overcapacity within the cruise and land-based vacation industry could have a negative impact on net revenue yields and increase operating costs, thus resulting in ship, goodwill and/or trademark asset impairments, all of which

could adversely affect profitability.

Cruising capacity has grown in recent years and we expect it to continue to increase over the next five years as all of the major cruise vacation companies are expected to introduce new ships. In order to utilize new capacity, the cruise vacation industry will probably need to increase its share of the overall vacation market. The overall vacation market is also facing increases in land-based vacation capacity, which also will impact us. Failure to increase our share of the overall vacation market is one of a number of factors that could have a negative impact on our net revenue yields. In some prior years, our net revenue yields were negatively impacted as a result of a variety of factors, including capacity increases. Should net revenue yields be negatively impacted, our results of operations and financial condition could be adversely affected, including the impairment of the value of our ships, goodwill and/or trademark assets. In addition, increased cruise capacity could impact our ability to retain and attract qualified crew at competitive costs and, therefore, increase our shipboard employee costs.

- (4) Our future operating cash flow may not be sufficient to fund future obligations, and we may not be able to obtain additional financing, if necessary, at a cost that is favorable or that meets our expectations.

Our forecasted cash flow from future operations may be adversely affected by various factors, including, but not limited to, declines in customer demand, increased competition, overcapacity, the deterioration in general economic and business conditions, terrorist attacks, ship accidents and other incidents, adverse publicity and increases in fuel prices, as well as other factors noted under these "Risk Factors" and under the "Cautionary Note Concerning Factors That May Affect Future Results" section below. To the extent that we are required, or choose, to fund future cash requirements, including future shipbuilding commitments, from sources other than cash flow from operations, cash on hand and current external sources of liquidity, including committed financings, we will have to secure such financing from banks or through the offering of debt and/or equity securities in the public or private markets.

Our access to, and the cost of, financing will depend on, among other things, the maintenance of strong long-term credit ratings. Carnival Corporation and Carnival plc's senior, unsecured long-term debt ratings are "A3" by Moody's, "A-" by Standard & Poor's and "A-" by Fitch Ratings. Carnival Corporation's short-term corporate credit ratings are "Prime-2" by Moody's, "A-2" by Standard & Poor's and "F2" by Fitch Ratings.

- (5) Accidents and other incidents, unusual weather conditions or adverse publicity concerning the cruise industry or us could affect our reputation and harm our future sales and profitability.

The operation of cruise ships involves the risk of accidents, passenger and crew illnesses, mechanical failures and other incidents at sea or while in port, which may bring into question passenger safety, health, security and vacation satisfaction, and thereby adversely affect future industry performance, sales and profitability. In addition, our cruises and port facilities may be impacted by unusual weather patterns or natural disasters, such as hurricanes and earthquakes. For example, Hurricane Wilma caused the temporary closing of cruise ports in South Florida and also destroyed our pier facility in Cozumel, Mexico. It is possible that we could be forced to alter itineraries or cancel a cruise or a series of cruises due to these factors, which would have an adverse affect on sales and profitability. In addition, adverse publicity concerning the vacation industry in general or the cruise industry or us in particular could affect our reputation and impact demand and, consequently, have an adverse affect on our profitability.

- (6) We are subject to many economic and political factors that are beyond our control, which could result in increases in our operating, financing and tax costs.

Some of our operating costs, including fuel, food, insurance, payroll and security costs, are subject to increases because of market forces, economic or political instability or decisions beyond our control. In addition, interest rates, currency fluctuations and our ability to obtain debt or equity financing are dependent on many economic and political factors. Actions by U.S. and non-U.S. taxing jurisdictions could also cause an increase in our costs.

Recently, the State of Alaska determined that an Initiative Petition (the "Initiative") to, among other things, impose a tax on cruise passengers sailing in Alaskan waters had sufficient signatures to qualify for the August, 2006 statewide primary election ballot. If the Initiative is approved by the voters, it would

likely take effect in 2007. The Initiative would impose a \$46 per passenger tax on cruise passengers aboard vessels with at least 250 berths, an additional fee of \$4 per passenger for an Ocean Ranger program, remove the exemption from Alaska corporate income taxes for commercial passenger vessels and assess a 33% tax on income from onboard gambling. The Initiative would also impose a number of other regulations, reporting and operational requirements on cruise vessel operators. Some or all of these provisions may be subject to legal challenges if the Initiative is approved.

Separately, two bills have been introduced for consideration in the Alaska Legislature. No action was taken on either of these bills. The legislature has until the end of the 2006 session to consider these bills. One bill would impose taxes of \$50 per cruise passenger and the other bill proposes a tax of \$75 per passenger. Similar legislation has been proposed in Alaska in the past and has not been approved. Both measures raise legal questions and it is uncertain whether either bill will be passed in its current form.

It is expected that any proposed passenger taxes, such as the Initiative discussed above, would be directly charged to and collected from our guests. However, if any of these taxes are enacted, it is likely that we would consider reducing the number of our ships that offer Alaskan cruises, in order to reduce the adverse impact of these taxes on our net income. The ultimate outcomes of these Alaskan matters cannot be determined at this time.

Increases in operating, financing and tax costs could adversely affect our results because we may not be able to recover these increased costs through price increases of our cruise vacations.

- (7) Environmental legislation and regulations could affect operations and increase our operating costs.

Some environmental groups have lobbied for more stringent regulation of cruise ships. Some groups have also generated negative publicity about the cruise industry and its environmental impact. The U.S. Congress, the International Maritime Organization and the U.S. Environmental Protection Agency periodically consider new laws and regulations to manage cruise ship pollution. In addition, various other regulatory agencies in the States of Alaska, California, Florida, Hawaii, Maine, Washington and elsewhere, including European regulatory organizations, have enacted or are considering new regulations or policies, which could adversely impact the cruise industry. See Part I, Item 1. Business, B. - "Cruise Operations - Governmental Regulations" for additional information.

In addition, pursuant to a settlement with the U.S. government in April 2002, Carnival Corporation pled guilty to certain environmental violations and was fined. Carnival Corporation was also placed on probation for a term of five years. Under the terms of the probation, any future violation of environmental laws by Carnival Corporation may be deemed a violation of probation, which could result in additional fines and other forms of relief.

Current and future environmental laws and regulations, or liabilities arising from past or future releases of, or exposure to, hazardous substances or to vessel discharges, could increase our cost of compliance or otherwise materially adversely affect our business, results of operations and/or financial condition.

- (8) New regulations of health, safety, security and other regulatory issues could increase our operating costs or negatively effect our bookings and future net revenue yields and adversely affect net income.

We are subject to various international, national, state and local health, safety and security laws, regulations and treaties. See Part I, Item 1. Business, B. - "Cruise Operations-Governmental Regulations" for a detailed discussion of these regulatory issues.

We believe that health, safety, security and other regulatory issues will continue to be areas of focus by relevant government authorities in the U.S., Europe and elsewhere. Resulting legislation or regulations, or changes in existing legislation or regulations, could impact our operations and would likely subject us to increasing compliance costs in the future.

Pursuant to the Western Hemisphere Travel Initiative, U.S. citizens will be required to carry a passport for travel to or from certain countries/areas that were previously exempt, such as the Caribbean, Canada and Mexico. The regulations are currently scheduled to require all U.S. citizens that enter the U.S. from these previously exempt locations by

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

Since many cruise customers visiting these destinations may not currently have passports, it is likely that this will have some negative effect on our bookings and future net revenue yields when the regulations take effect. There are a number of factors that could influence the ultimate impact of these regulations, such as customer travel patterns, customer price sensitivity and the cost and effectiveness of mitigating programs we and others have established. However, although we cannot be certain, we do not currently expect that these regulations will ultimately have a material adverse effect on our operating results, as a significant portion of our revenues are derived from cruises to destinations other than those mentioned above, a substantial portion of our U.S. citizen customers already have passports and we expect a large number of U.S. citizen travelers who do not have passports will obtain them.

- (9) Delays in ship construction and problems encountered at shipyards could reduce our profitability.

The construction of cruise ships is a complex process and involves risks similar to those encountered in other sophisticated construction projects, including delays in completion and delivery. In addition, industrial actions and insolvency or financial problems of the shipyards building our ships could also delay or prevent the delivery of our ships under construction. These events could adversely affect our profitability. However, the impact from a delay in delivery could be mitigated by contractual provisions and refund guarantees obtained by us.

In addition, as of November 30, 2005, we had entered into foreign currency swaps to fix the cost in dollars or sterling of three of our foreign currency denominated shipbuilding contracts. If the shipyard with which we have contracted is unable to perform under the related contracts, the foreign currency swaps related to the shipyard's shipbuilding contracts would still have to be honored. This might require us to realize a loss on existing foreign currency swaps without having the ability to have an offsetting gain on our foreign currency denominated shipbuilding contracts, thus resulting in an adverse effect on our financial results.

- (10) The lack of attractive port destinations for our cruise ships could reduce our net revenue yields and net income.

We believe that attractive port destinations, including ports that are not overly congested with tourists, are major reasons why our customers choose a cruise versus an alternative vacation option. The availability of ports, including the specific port facility at which our guests will embark and disembark, is affected by a number of factors including, but not limited to, existing capacity constraints, security concerns, unusual weather patterns and natural disasters, financial limitations on port development, political instability, exclusivity arrangements that ports may have with our competitors, local governmental regulations and charges and local community concerns about both port development and other adverse impacts on their communities from additional tourists. The inability to continue to maintain and increase our ports of call could adversely affect our net revenue yields and net income.

- (11) The structure of the DLC transaction involves risks not associated with the more common ways of combining the operations of two companies, and these risks may have an adverse effect on the economic performance of the companies and/or their respective share prices.

The DLC structure is a relatively uncommon way of combining the management and operations of two companies and it involves different issues and risks from those associated with the other more common ways of effecting a business combination, such as a merger or exchange offer to create a wholly owned subsidiary. In the DLC transaction, the combination was effected primarily by means of contracts between Carnival Corporation and Carnival plc and not by operation of a statute or court order. The legal effect of these contractual rights may be different from the legal effect of a merger or amalgamation under statute or court order, and there may be difficulties in enforcing these contractual rights. Shareholders and creditors of either company might challenge the validity of the contracts or their lack of standing to enforce rights under these contracts, and courts may interpret or enforce these contracts in a manner inconsistent with the express provisions and intentions we included in such contracts. In addition, shareholders and creditors of other companies might successfully challenge other DLC structures and establish legal precedents that could increase the risk of a successful challenge to the DLC transaction.

We are maintaining two separate public companies and comply with both Panamanian corporate law and English company laws and different securities and other regulatory and stock exchange requirements in the UK and the U.S. This structure requires more administrative time and cost than was the case for each company individually, which may have an adverse effect on our operating efficiency.

- (12) Changes under the Internal Revenue Code, applicable U.S. income tax treaties, and the uncertainty of the DLC structure under the Internal Revenue Code may adversely affect the U.S. federal income taxation of our U.S. source shipping income. In addition, changes in the UK, Italian, German, Australian and other countries income tax laws, regulations or treaties could also adversely affect our net income.

We believe that substantially all of the U.S. source shipping income of each of Carnival Corporation and Carnival plc qualifies for exemption from U.S. federal income tax, either under (1) Section 883 of the Internal Revenue Code; (2) U.S.-Italian income tax treaty; or (3) other applicable U.S. income tax treaties, and should continue to so qualify under the DLC structure. There is, however, no existing U.S. federal income tax authority that directly addresses the tax consequences of implementation of a dual listed company structure for purposes of Section 883 or any other provision of the Internal Revenue Code or any income tax treaty and, consequently, these matters are not free from doubt.

As discussed above, if we did not qualify for exemption from U.S. federal income taxes we would have higher income taxes and lower net income. Finally, changes in the income tax laws affecting our cruise businesses in the UK, Italy, Germany, Australia and elsewhere could result in higher income taxes being levied on our cruise operations, thus resulting in lower net income.

See Part I, Item 1. Business, G. - "Taxation" for additional information.

- (13) A small group of shareholders collectively owned, as of January 31, 2006, approximately 29% of the total combined voting power of our outstanding shares and may be able to effectively control the outcome of shareholder voting.

A group of shareholders, consisting of some members of the Arison family, including Micky Arison, and trusts established for their benefit, beneficially owned approximately 36% of the outstanding common stock of Carnival Corporation, which shares represent sufficient shares entitled to constitute a quorum at shareholder meetings and to cast approximately 29% of the total combined voting power of Carnival Corporation & plc. Depending upon the nature and extent of the shareholder vote, this group of shareholders may have the power to effectively control, or at least to influence substantially, the outcome of certain shareholder votes and, therefore, the corporate actions requiring such votes.

- (14) Carnival Corporation and Carnival plc are not U.S. corporations, and our shareholders may be subject to the uncertainties of a foreign legal system in protecting their interests.

Carnival Corporation's corporate affairs are governed by its third amended and restated articles of incorporation and amended and restated by-laws and by the corporate laws of Panama. Carnival plc is governed by its articles of association and memorandum of association and by the corporate laws of England and Wales. The corporate laws of Panama and England and Wales may differ in some respects from the corporate laws in the U.S.

- (15) Provisions in Carnival Corporation's and Carnival plc's constitutional documents may prevent or discourage takeovers and business combinations that our shareholders might consider to be in their best interests.

Carnival Corporation's amended articles of incorporation and by-laws and Carnival plc's articles of association contain provisions that may delay, defer, prevent or render more difficult a takeover attempt that our shareholders consider to be in their best interests. For instance, these provisions may prevent our shareholders from receiving a premium to the market price of our shares offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our shares if they are viewed as discouraging takeover attempts in the future.

Specifically, Carnival Corporation's articles of incorporation contain provisions that prevent third parties, other than the Arison family and trusts established for their

benefit, from acquiring beneficial ownership of more than 4.9% of its outstanding shares without the consent of Carnival Corporation's board of directors and provide for the lapse of rights, and sale, of any shares acquired in excess of that limit. The effect of these provisions may preclude third parties from seeking to acquire a controlling interest in us in transactions that shareholders might consider to be in their best interests and may prevent them from receiving a premium above market price for their shares. For a description of the reasons for the provisions see Part I, Item 1. Business, G. - "Taxation- Application of Section 883 of the Internal Revenue Code."

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements contained in this joint Annual Report on Form 10-K 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 U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. You can find many, but not all, of these statements by looking for words like "will," "may," "believes," "expects," "anticipates," "forecast," "future," "intends," "plans," and "estimates" and for similar expressions.

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in this joint Annual Report on Form 10-K. 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, cost per available lower berth day, estimates of ship depreciable lives and/or residual values, outlook or business prospects.

Certain of our risks are identified in "Management's Discussion and Analysis of Financial Condition and Results of Operations--Cautionary Note Concerning Factors That May Affect Future Results" in Exhibit 13 to this joint Annual Report on Form 10-K and in this Item 1A. "Risk Factors." These sections contain important cautionary statements and a discussion of many of the factors that could materially affect the accuracy of our forward-looking statements and/or adversely affect our business, results of operations and financial position.

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 Annual Report on Form 10-K, 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.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The Carnival Corporation and Carnival plc corporate headquarters and our operating units' principal shoreside operations and headquarters are as follows:

Entity/Brand -----	Location -----	Square Footage -----	Own/Lease -----
Carnival Corporation and Carnival Cruise Lines	Miami, FL U.S.A.	456,000/20,000	Own/Lease
Princess and Cunard	Santa Clarita, CA U.S.A.	283,000	Lease
Holland America Line, Holland America Tours, Princess Tours and Windstar	Seattle, WA U.S.A.	196,000/38,000	Lease/Own
Costa	Genoa, Italy	162,000	Own
Art framing and warehouse and Princess warehouse facilities	Dania Beach and Ft. Lauderdale, Florida U.S.A.	152,000	Lease
P&O Cruises, Ocean Village, Swan Hellenic, Cunard, Carnival Corporation & plc's Technical Services and UK sales office	Southampton, England	112,000	Lease
AIDA	Rostock, Germany	76,000	Lease
Carnival Cruise Lines sales office	Miramar, Florida U.S.A.	63,000	Lease
P&O Cruises Australia	Sydney, Australia	35,000	Lease
Costa U.S. sales office	Hollywood, Florida U.S.A.	29,000	Lease
Carnival plc and UK sales offices	London, England	8,000	Lease

In addition, we also lease 27,000 square feet of office space in Colorado Springs, Colorado and 10,000 square feet in Fort Pierce, Florida for additional Carnival Cruise Lines reservation centers. In Williston, North Dakota, Holland America Line owns 22,000 square feet of office space that is also a reservation center. Finally, we own or lease port facilities in Cozumel, Mexico, Juneau, Alaska, Long Beach, California, Savona, Italy and the Turks & Caicos Islands.

Our cruise ships, shoreside operations, headquarter facilities and Holland America Tours' and Princess Tours' properties, are all well maintained and in good condition. We evaluate our needs periodically and obtain additional facilities when deemed necessary. We believe that our facilities are adequate for our current needs.

Our cruise ships and Holland America Line's private island, Half Moon Cay, are briefly described in Part I, Item 1. Business, B. - "Cruise Segment." Princess also has a small private island called Princess Cay, which is located in the Bahamas and is used as a transit port for certain of its cruises. The hotel properties associated with Holland America Tours and Princess Tours operations, substantially all of which are owned, are briefly described in Part I, Item 1. Business, A. - "General."

Item 3. Legal Proceedings.

In January 2006, a lawsuit was filed against Carnival Corporation and its subsidiaries and affiliates, and other non-affiliated cruise lines in the U.S. District Court for the Southern District of New York on behalf of James Jacobs and 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. We intend to vigorously defend this lawsuit.

On November 28, 2005, a lawsuit was filed against Princess Cruise Lines, Ltd. in the U.S. District Court for the Southern District of Florida on behalf of some current and former crewmembers alleging that Princess failed to pay the plaintiffs for overtime. The suit seeks payment of (i) damages for breach of contract, (ii) damages under the Seaman's Wage Act and (iii) interest. We believe we have meritorious defenses to these claims and we intend to vigorously defend this lawsuit.

On November 16, 2005, a lawsuit was filed against Carnival Corporation in the U.S. District Court for the Southern District of Florida on behalf of some current and former crewmembers alleging that Carnival Cruise Lines failed to pay the plaintiffs for overtime. The suit seeks payment of (i) damages for breach of contract, (ii) damages under the Seaman's Wage Act and (iii) interest. We believe we have meritorious defenses to these claims and intend to vigorously defend this lawsuit.

On March 7, 2005, a lawsuit was filed against Carnival Corporation in the U.S. District Court for the Southern District of Florida on behalf of some current and former

crew members alleging that Carnival Cruise Lines failed to pay the plaintiffs for overtime and minimum wages. The suit seeks payment of (i) the wages alleged to be owed, (ii) damages under the Seaman's Wage Act and (iii) interest. On August 5, 2005 the court dismissed the lawsuit. The plaintiffs filed an appeal of their overtime claim to the Eleventh Circuit U.S. Court of Appeals on August 18, 2005, which is currently pending, but have voluntarily dismissed their minimum wage claim. We believe we have meritorious defenses to this claim and intend to vigorously defend this lawsuit.

In May 2005, a class action lawsuit was filed against Carnival Corporation in the United States District Court for the Southern District of Florida alleging breach of the implied covenant of good faith and fair dealing and a violation of The Florida Deceptive and Unfair Trade Practices Act for profits made by Carnival Cruise Lines on shore excursions provided by third party shore excursion operators. The suit sought certification as a class action on behalf of all Carnival Cruise Line passengers for damages and injunctive relief. On November 21, 2005, the United States District Court for the Southern District of Florida issued an order granting Carnival's motion to dismiss the class action complaint.

On April 23, 2003, Festival Crociere S.p.A. ("Festival") commenced an action against the European Commission (the "Commission") in the Court of First Instance of the European Communities in Luxembourg seeking to annul the Commission's antitrust approval of the DLC transaction (the "Festival Action"). We have been granted leave to intervene in the Festival Action and filed a Statement in Intervention with the Court. Festival was declared bankrupt on May 27, 2004 and Festival did not submit observations on our Statement in Intervention. The oral hearing was scheduled to take place on December 15, 2005 but has been postponed while the Court seeks clarification of the status of the Festival Action with the Italian judge presiding over Festival's bankruptcy proceedings. A successful third party challenge of an unconditional Commission clearance decision would be unprecedented, and based on a review of the law and the factual circumstances of the DLC transaction, as well as the Commission's approval decision in relation to the DLC transaction, we believe that the Festival Action will not have a material adverse effect on the companies or the DLC transaction.

Three actions (collectively, the "Facsimile Complaints") were filed against Carnival Corporation on behalf of purported classes of persons who received unsolicited advertisements via facsimile, alleging that Carnival Corporation and other defendants distributed unsolicited advertisements via facsimile in contravention of the U.S. Telephone Consumer Protection Act. The plaintiffs seek to enjoin the sending of unsolicited facsimile advertisements and statutory damages in the amount of \$500 per facsimile, or in the alternative, \$1,500 per facsimile if the conduct was willful or knowing. The advertisements referred to in the 2002 Facsimile Complaints that reference a Carnival Cruise Lines product were not sent by Carnival Corporation, but rather were distributed by a professional faxing company at the behest of third party travel agencies. The faxes involved in the 2004 case were sent to a travel agency with whom we had conducted business. We do not advertise directly to the traveling public through the use of facsimile transmission. The status of each Facsimile Complaint is as follows:

On April 15, 2002, a Facsimile Complaint was filed against us in the Circuit Court of Greene County, Alabama by Mary Pelt. In January 2006, the matter was settled for a nominal amount, dismissed without prejudice as to Mary Pelt and without prejudice as to the class members.

On May 14, 2002, a Facsimile Complaint was filed against Carnival Corporation and other defendants (including Club Resort International d/b/a Vacation Getaway Travel, Inc., Dollar Thrifty Automotive Group, Inc., Thrifty, Inc. and Thrifty Rent-A-Car Systems, Inc., Choicepoint, Inc., First Western Bank, and Bankcard USA Merchant Services, Inc.) in the Circuit Court of Jefferson County, Alabama, Bessemer Division by Clem & Kornis, L.L.C., The Firm of Compassion, P.C., Collins Chiropractic Center, Forstmann & Cutchen, L.L.P. and others. On July 26, 2002, Carnival Corporation filed a motion to dismiss or, in the alternative, to separate Carnival Corporation as a defendant. This action has been stayed as to Carnival Corporation.

On September 28, 2004, a Facsimile Complaint was filed against Carnival Corporation in the United States District Court for the Eastern District of New York by Sherman Gottlieb ("the plaintiff"), a Staten Island, New York-based travel agent. On November 19, 2004, the plaintiff filed an amended complaint. On April 28, 2005, the action was dismissed by the federal district court for lack of subject matter jurisdiction, without prejudice to renewal in state court. In

addition, the district court dismissed the plaintiff's state law claim. The plaintiff filed an appeal, which was orally argued on December 19, 2005. In February 2006, the appellate court vacated the dismissal and remanded the matter to the trial court for further proceedings.

We believe we have meritorious defenses to the Facsimile Complaints and intend to vigorously defend against these actions.

On November 22, 2000, Costa instituted arbitration proceedings in Italy to confirm the validity of its decision not to deliver its ship, the Costa Classica, to the shipyard of Cammell Laird Holdings PLC ("Cammell Laird") under a 79 million euro denominated contract for the conversion and lengthening of the ship in November 2000. Cammell Laird joined the arbitration proceeding on January 9, 2001 to present its counter demands. On January 9, 2001, Costa gave Cammell Laird notice of termination of the contract and Cammell Laird replied with its notice of termination of the contract on February 2, 2001. In October 2004 the arbitration tribunal decided to increase the scope of work of the technical experts by introducing new demands for reply in the experts' report. It is expected that the arbitration tribunal's decision will be made in 2007 at the earliest.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Executive Officers of the Registrants

Pursuant to General Instruction G(3), the information regarding our executive officers called for by Item 401(b) of Regulation S-K is hereby included in Part I of this joint Annual Report on Form 10-K.

The following table sets forth the name, age and title of each of our executive officers. Titles listed relate to positions within Carnival Corporation and Carnival plc unless otherwise noted. All the Carnival plc positions were effective as of April 17, 2003, except as noted below.

NAME ----	AGE ---	POSITION -----
Richard D. Ames	58	Senior Vice President Audit Services
Micky Arison	56	Chairman of the Board of Directors and Chief Executive Officer
Alan B. Buckelew	57	President of Princess Cruises
Gerald R. Cahill	54	Executive Vice President and Chief Financial and Accounting Officer
Pamela C. Conover	49	Senior Vice President Shared Services
Robert H. Dickinson	63	President and Chief Executive Officer of Carnival Cruise Lines and Director
David K. Dingle	49	Managing Director of Carnival UK and P&O Cruises
Pier Luigi Foschi	59	Chairman and Chief Executive Officer of Costa Crociere, S.p.A. and Director
Howard S. Frank	64	Vice Chairman of the Board of Directors and Chief Operating Officer
Ian J. Gaunt	54	Senior Vice President International
Stein Kruse	47	President and Chief Executive Officer of Holland America Line Inc. ("HAL")
Arnaldo Perez	45	Senior Vice President, General Counsel and Secretary
Peter G. Ratcliffe	57	Chief Executive Officer of P&O Princess Cruises International and Director

Business Experience of Executive Officers

Richard D. Ames has been Senior Vice President Audit Services since March 2002. From January 1992 to February 2002 he was Vice President Audit Services. Mr. Ames has been employed by us for 16 years.

Micky Arison has been Chairman of the Board of Directors since October 1990 and a director since June 1987. He has been Chief Executive Officer since 1979. Mr. Arison has been employed by us for 34 years.

Alan B. Buckelew has been President and Chief Financial Officer of Princess Cruises since February 2004. In addition, from October 2004 to November 2005 he was Chief

Operating Officer of Cunard. From October 2000 to January 2004, he was Executive Vice President and Chief Financial Officer of Princess. He was Senior Vice President, Corporate Services of Princess from September 1998 to September 2000. Mr. Buckelew has been employed by us or Carnival plc predecessor companies for 28 years.

Gerald R. Cahill has been Executive Vice President and Chief Financial and Accounting Officer since December 2003. From January 1998 to November 2003 he was Senior Vice President Finance, Chief Financial and Accounting Officer. Mr. Cahill has been employed by us for 11 years.

Pamela C. Conover has been Senior Vice President Shared Services since October 2004. From February 2001 to September 2004 she was President and Chief Operating Officer of Cunard Line Limited. Ms. Conover was Chief Operating Officer of Cunard Line Limited from June 1998 to January 2001. Ms. Conover has been employed by us for 11 years.

Robert H. Dickinson has been a director since June 1987. Mr. Dickinson has been President and Chief Executive Officer of Carnival Cruise Lines since May 2003. He was President and Chief Operating Officer of Carnival Cruise Lines from May 1993 to May 2003. Mr. Dickinson has been employed by us for 34 years.

David K. Dingle has been Managing Director of Carnival UK and P&O Cruises since April 2003. From October 2000 to April 2003, he was Managing Director of P&O Cruises UK. Mr. Dingle has been employed by us or Carnival plc predecessor companies for 27 years.

Pier Luigi Foschi has been a director since April 2003. He has been Chief Executive Officer of Costa Crociere, S.p.A. since October 1997 and Chairman of its Board since January 2000. Mr. Foschi has been employed by us for eight years.

Howard S. Frank has been Vice Chairman of the Board of Directors since October 1993, Chief Operating Officer since January 1998 and a director since April 1992. Mr. Frank has been employed by us for 16 years.

Ian J. Gaunt is an English Solicitor and has been Senior Vice President International since May 1999. He was a partner of the London-based international law firm of Sinclair, Roche & Temperley from 1982 through April 1999 where he represented Carnival Corporation as special external legal counsel since 1981. Mr. Gaunt has been employed by us for six years.

Stein Kruse has been the President and Chief Executive Officer of HAL since December 2004. From November 2003 to November 2004, he was the President and Chief Operating Officer of HAL. From September 1999 to October 2003, he was Senior Vice President, Fleet Operations for HAL. From June 1997 to August 1999 he was Senior Vice President and Chief Financial Officer for "K" Line America, Inc. Mr. Kruse has been employed by us for six years.

Arnaldo Perez has been Senior Vice President, General Counsel and Secretary since March 2002. From August 1995 to February 2002 he was Vice President, General Counsel and Secretary. Mr. Perez has been employed by us for 13 years.

Peter G. Ratcliffe has been a director since April 2003 and a director of Carnival plc since October 2000. He is Chief Executive Officer of P&O Princess Cruises International, and is primarily responsible for the operations of Cunard, Ocean Village, P&O Cruises, P&O Cruises Australia, Princess and Swan Hellenic. He was Carnival plc's Chief Executive Officer until April 2003. He was previously an executive director of The Peninsular and Oriental Steam Navigation Company and head of its cruise division, having served as President of Princess since 1993 and its Chief Operating Officer since 1989. Mr. Ratcliffe has been employed by us or Carnival plc predecessor companies for 32 years.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

A. Market Information

The information required by Item 201(a) of Regulation S-K, Market Information, is shown in Exhibit 13 and is incorporated by reference into this joint Annual Report on Form 10-K.

B. Holders

The information required by Item 201(b) of Regulation S-K, Holders of Common Stock, is shown in Exhibit 13 and is incorporated by reference into this joint Annual Report on Form 10-K.

C. Dividends

Carnival Corporation and Carnival plc declared cash dividends on all of their common stock and ordinary shares, respectively, in the amount of:

	Quarters Ended			
	February 28/29	May 31	August 31	November 30
2006	\$0.25			
2005	\$0.15	\$0.20	\$0.20	\$0.25
2004	\$0.125	\$0.125	\$0.125	\$0.15

All dividends for both Carnival Corporation and Carnival plc are declared in U.S. dollars. Holders of Carnival Corporation common stock or Carnival plc American Depository Shares receive a dividend payable in U.S. dollars. The dividends payable for Carnival plc ordinary shares are payable in sterling, unless the shareholders elect to receive the dividend in U.S. dollars. Dividends payable in sterling will be converted from U.S. dollars into sterling at the dollar/sterling exchange rate quoted by the Bank of England in London at the 12:00 p.m. foreign exchange rate on the next business day that follows the quarter end.

Payment of future dividends on Carnival Corporation common stock and Carnival plc ordinary shares will depend upon, among other factors, our earnings, financial condition and capital requirements. Each company may also declare special dividends to all stockholders in the event that members of the Arison family and trusts established for their benefit are required to pay additional income taxes by reason of their ownership of Carnival Corporation's common stock because of a Carnival Corporation income tax audit. The payment and amount of any dividend is within the discretion of the Boards of Directors, and it is possible that the timing and amount of any dividend may vary from the levels discussed above. No assurance can be given that Carnival Corporation and Carnival plc will continue to have per share dividend increases as were declared in 2005 and 2004 or maintain their current levels.

D. Issuer Purchases of Equity Securities

During the quarter ended November 30, 2005, purchases by Carnival Corporation of Carnival Corporation's equity securities that are registered by it pursuant to Section 12 of the Exchange Act were as follows:

Period	Total Number of Shares Purchased in Fourth Quarter	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs in Fourth Quarter	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (a)
-----	-----	-----	-----	-----
				(in millions)
September 1, 2005 through September 30, 2005	1,162,700	\$49.03	1,162,700	\$ 913
October 1, 2005 through October 31, 2005	5,707,249	\$47.98	5,707,249	\$ 639
November 1, 2005 through November 30, 2005	506,600	\$48.78	506,600	\$ 614
Total	7,376,549	\$48.20	7,376,549	
	=====		=====	

(a) During 2004, the Boards of Directors authorized the repurchase of up to an aggregate of \$1 billion of Carnival Corporation common stock and/or Carnival plc ordinary shares commencing in 2005 subject to certain repurchase restrictions on the Carnival plc shares. The repurchase program does not have an expiration date and may be discontinued by our Boards of Directors at any time. All shares were repurchased pursuant to this publicly announced program. At February 6, 2006 the remaining availability pursuant to our share purchase program was \$614 million.

During the year ended November 30, 2005, \$297 million of our Zero-Coupon Notes were converted at their accreted value into 9.0 million shares of Carnival Corporation common stock, of which 6.2 million were issued from treasury stock. The issuance was exempt from registration under the Securities Act.

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. Selected Financial Data.

The information required by Item 6. Selected Financial Data, is shown in Exhibit 13 and is incorporated by reference into this joint Annual Report on Form 10-K.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information required by Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, is shown in Exhibit 13 and is incorporated by reference into this joint Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The information required by Item 7A. Quantitative and Qualitative Disclosures About Market Risk, is shown in Management's Discussion and Analysis of Financial Condition and Results of Operations in Exhibit 13 and is incorporated by reference into this joint Annual Report on Form 10-K.

Item 8. Financial Statements and Supplementary Data.

The financial statements, together with the report thereon of PricewaterhouseCoopers LLP dated February 8, 2005, and the Selected Quarterly Financial Data (Unaudited), are shown in Exhibit 13 and are incorporated by reference into this joint Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. 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.

Our Chief Executive Officer, Chief Operating Officer and Chief Financial and Accounting Officer have evaluated our disclosure controls and procedures and have concluded, as of November 30, 2005, that they are effective as described above.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Operating Officer and Chief Financial and Accounting Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework"). Based on our evaluation under the COSO Framework, our management concluded that our internal control over financial reporting was effective as of November 30, 2005.

Our management's assessment of the effectiveness of our internal control over financial reporting as of November 30, 2005 has been audited by PricewaterhouseCoopers LLP, an independent registered certified public accounting firm, as stated in their report which is shown in Exhibit 13 and is incorporated by reference into this joint Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended November 30, 2005 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

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

Item 9B. Other Information.

None.

PART III

Items 10, 11, 12, 13 and 14. Directors and Executive Officers of the Registrants, Executive Compensation, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters, Certain Relationships and Related Transactions and Principal Accounting Fees and Services.

The information required by Items 10, 11, 12, 13 and 14 is incorporated herein by reference to the Carnival Corporation and Carnival plc joint definitive proxy statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the fiscal year, except that the information concerning the Carnival Corporation and Carnival plc executive officers called for by Item 401(b) of Regulation S-K is included in Part I of this joint Annual Report on Form 10-K.

We have adopted a code of ethics that applies to our chief executive officer, chief operating officer and senior financial officers, including the principal financial and accounting officer, controller and other persons performing similar functions. This code of ethics is posted on our website, which is located at www.carnivalcorp.com and www.carnivalplc.com. We intend to satisfy the disclosure requirement under Item 10 of Form

8-K regarding an amendment to, or waiver from, a provision of this code of ethics by posting such information on our website, at the addresses specified above. Information contained in our website, whether currently posted or posted in the future, is not part of this document or the documents incorporated by reference in this document.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) (1) Financial Statements

The financial statements shown in Exhibit 13 are incorporated herein by reference into this joint Annual Report on Form 10-K.

(2) Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instruction or are inapplicable and, therefore, have been omitted.

(3) Exhibits

The exhibits listed on the accompanying Index to Exhibits are filed or incorporated by reference as part of this joint Annual Report on Form 10-K and such Index to Exhibits is hereby incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CARNIVAL CORPORATION

CARNIVAL PLC

/s/ Micky Arison

Micky Arison
Chairman of the Board of
Directors and Chief Executive Officer
February 9, 2006

/s/ Micky Arison

Micky Arison
Chairman of the Board of
Directors and Chief Executive
Officer
February 9, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrants and in the capacities and on the dates indicated.

CARNIVAL CORPORATION

CARNIVAL PLC

/s/ Micky Arison

Micky Arison
Chairman of the Board of
Directors and Chief Executive Officer
February 9, 2006

/s/ Micky Arison

Micky Arison
Chairman of the Board of
Directors and Chief Executive
Officer
February 9, 2006

/s/ Howard S. Frank

Howard S. Frank
Vice Chairman of the Board of
Directors and Chief Operating Officer
February 9, 2006

/s/ Howard S. Frank

Howard S. Frank
Vice Chairman of the Board of
Directors and Chief Operating
Officer
February 9, 2006

/s/ Gerald R. Cahill

Gerald R. Cahill
Executive Vice President
and Chief Financial and
Accounting Officer
February 9, 2006

/s/ Gerald R. Cahill

Gerald R. Cahill
Executive Vice President
and Chief Financial and
Accounting Officer
February 9, 2006

/s/*Richard G. Capen, Jr.

Richard G. Capen, Jr.
Director
February 9, 2006

/s/*Richard G. Capen, Jr.

Richard G. Capen, Jr.
Director
February 9, 2006

/s/*Robert H. Dickinson

Robert H. Dickinson
Director
February 9, 2006

/s/*Robert H. Dickinson

Robert H. Dickinson
Director
February 9, 2006

/s/*Arnold W. Donald

Arnold W. Donald
Director
February 9, 2006

/s/*Arnold W. Donald

Arnold W. Donald
Director
February 9, 2006

/s/*Pier Luigi Foschi

Pier Luigi Foschi
Director
February 9, 2006

/s/*Pier Luigi Foschi

Pier Luigi Foschi
Director
February 9, 2006

/s/*Richard J. Glasier

Richard J. Glasier
Director
February 9, 2006

/s/*Richard J. Glasier

Richard J. Glasier
Director
February 9, 2006

/s/*Baroness Hogg

Baroness Hogg
Director
February 9, 2006

/s/*Baroness Hogg

Baroness Hogg
Director
February 9, 2006

/s/*A. Kirk Lanterman

A. Kirk Lanterman
Director
February 9, 2006

/s/*A. Kirk Lanterman

A. Kirk Lanterman
Director
February 9, 2006

/s/*Modesto A. Maidique

Modesto A. Maidique
Director
February 9, 2006

/s/*Modesto A. Maidique

Modesto A. Maidique
Director
February 9, 2006

/s/*Sir John Parker

Sir John Parker
Director
February 9, 2006

/s/*Sir John Parker

Sir John Parker
Director
February 9, 2006

/s/*Peter G. Ratcliffe

Peter G. Ratcliffe
Director
February 9, 2006

/s/*Peter G. Ratcliffe

Peter G. Ratcliffe
Director
February 9, 2006

/s/*Stuart Subotnick

Stuart Subotnick
Director
February 9, 2006

/s/*Stuart Subotnick

Stuart Subotnick
Director
February 9, 2006

/s/*Uzi Zucker

Uzi Zucker
Director
February 9, 2006

/s/*Uzi Zucker

Uzi Zucker
Director
February 9, 2006

*By: /s/ Arnaldo Perez

(Arnaldo Perez
Attorney-in-fact)

*By: /s/ Arnaldo Perez

(Arnaldo Perez
Attorney-in-fact)

INDEX TO EXHIBITS

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Sequential
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System

Exhibits

3.1-Third Amended and Restated Articles of Incorporation of Carnival Corporation, incorporated by reference to Exhibit No. 3.1 to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.

3.2-Amended and Restated By-laws of Carnival Corporation, incorporated by reference to Exhibit No. 3.2 to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.

3.3-Articles of Association of Carnival plc, incorporated by reference to Exhibit No. 3.3 to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.

3.4-Memorandum of Association of Carnival plc, incorporated by reference to Exhibit No. 3.4 to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.

4.1-Agreement of Carnival Corporation and Carnival plc, dated February 6, 2006 to furnish certain debt instruments to the Securities and Exchange Commission.

4.2-Carnival Corporation Deed, dated April 17, 2003, between Carnival Corporation and P&O Princess Cruises plc for the benefit of the P&O Princess Shareholders, incorporated by reference to Exhibit No. 4.1 to our joint Quarterly Report on Form 10-Q for the quarter ended August 31, 2003.

4.3-Equalization and Governance Agreement, dated April 17, 2003, between Carnival Corporation and P&O Princess Cruises plc, incorporated by reference to Exhibit No. 4.2 to our joint Quarterly Report on Form 10-Q of Carnival Corporation and Carnival plc for the quarter ended August 31, 2003.

4.4-Carnival Corporation Deed of Guarantee, dated as of April 17, 2003, between Carnival Corporation and Carnival plc, incorporated by reference to Exhibit No. 4.3 to the joint registration statement on Form S-4 of Carnival Corporation and Carnival plc.

4.5-Carnival plc (formerly P&O Princess Cruises plc) Deed of Guarantee, dated as of April 17, 2003, between Carnival Corporation and Carnival plc, incorporated by reference to Exhibit No. 4.10 to the joint registration statement on Form S-3 and F-3 of Carnival Corporation, Carnival plc and P&O Princess Cruises International Ltd. ("POPCIL").

4.6-Specimen Common Stock Certificate, incorporated by reference to Exhibit No. 4.16 to the joint registration statement on Form S-3 and F-3 of Carnival Corporation, Carnival plc and POPCIL.

4.7-Pairing Agreement, dated as of April 17, 2003, between Carnival Corporation, The Law Debenture Trust Corporation (Cayman) Limited, as trustee, and SunTrust Bank, as transfer agent, incorporated by reference to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.

4.8-Voting Trust Deed, dated as of April 17, 2003, between Carnival Corporation and The Law Debenture Trust Corporation (Cayman) Limited, as trustee, incorporated by reference to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.

4.9-SVE Special Voting Deed, dated as of April 17, 2003, between Carnival Corporation, DLS SVC Limited, P&O Princess Cruises plc, The Law Debenture Trust Corporation (Cayman) Limited, as trustee, and The Law Debenture Trust Corporation, P.L.C., incorporated by reference to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.

4.10-Form of deposit agreement among P&O Princess Cruises plc, Morgan Guaranty Trust Company of New York, as depository, and holders and beneficial owners from time to time of ADRs issued thereunder, incorporated by reference to P&O Princess' registration statement on Form 20-F.

4.11-Indenture, dated as of April 25, 2001, between Carnival Corporation and U.S. Bank Trust National Association, as trustee, relating to unsecured and unsubordinated debt securities, incorporated by reference to Exhibit No. 4.5 to Carnival Corporation registration statement on Form S-3.

4.12-Form of Indenture, dated March 1, 1993, between Carnival Cruise Lines, Inc. and First Trust National Association, as Trustee, relating to the Debt Securities, including form of Debt Security, incorporated by reference to Exhibit No. 4 to Carnival Corporation registration statement on Form S-3.

4.13-Second Supplemental Indenture, dated December 1, 2003, between Carnival plc and Carnival Corporation to The Bank of New York, as Trustee, relating to 7.30% Notes due 2007 and 7.875% debentures due 2027 incorporated by reference to Exhibit No. 4.14 to our joint Annual Report on Form 10-K for the year ended November 30, 2003.

*10.1-Retirement and Consulting Agreement, dated November 28, 2003, between Alton Kirk Lanterman, Carnival Corporation, Holland America Line Inc., and others, incorporated by reference to Exhibit No. 10.1 to our joint Annual Report on Form 10-K for the year ended November 30, 2003.

*10.2-Amendment to the Amended and Restated Carnival Corporation 1992 Stock Option Plan, incorporated by reference to Exhibit No. 10.2 to our joint Annual Report on Form 10-K for the year ended November 30, 2003.

10.3-Facilities agreement, dated October 21, 2005, between Carnival Corporation, Carnival plc, and certain of Carnival Corporation and Carnival plc subsidiaries, The Royal Bank of Scotland as facilities agent and a syndicate of financial institutions.

*10.4-Amended and Restated Carnival Corporation 1992 Stock Option Plan, incorporated by reference to Exhibit No. 10.4 to our Annual Report on Form 10-K for the year ended November 30, 1997.

*10.5-Carnival Cruise Lines, Inc. 1993 Restricted Stock Plan adopted on January 15, 1993 and as amended January 5, 1998 and December 21, 1998, incorporated by reference to Exhibit No. 10.5 to our Annual Report on Form 10-K for the year ended November 30, 1998.

*10.6-Carnival Corporation "Fun Ship" Nonqualified Savings Plan, incorporated by reference to Exhibit No. 10.6 to our Annual Report on Form 10-K for the year ended November 30, 1997.

*10.7-Amendments to The Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees, incorporated by reference to Exhibit No. 10.7 to our Annual Report on Form 10-K for the year ended November 30, 1997.

*10.8-Carnival Cruise Lines, Inc. Non-Qualified Retirement Plan, incorporated by reference to Exhibit No. 10.4 to our Annual Report on Form 10-K for the year ended November 30, 1990.

*10.9-Executive Long-term Compensation Agreement, dated as of January 16, 1998, between Robert H. Dickinson and Carnival Corporation, incorporated by reference to Exhibit No. 10.2 to our Annual Report on Form 10-K for the year ended November 30, 1997.

*10.10-Consulting Agreement/Registration Rights Agreement, dated June 14, 1991, between Carnival Corporation and Ted Arison, incorporated by reference to Exhibit No. 4.3 to post-effective amendment no. 1 on Form S-3 to Carnival Corporation's registration statement on Form S-1.

*10.11-First Amendment to Consulting Agreement/Registration Rights Agreement, incorporated by reference to Exhibit No. 10.40 to Carnival Corporation's Annual Report on Form 10-K for the year ended November 30, 1992.

*10.12-Director Appointment Letter between Peter G. Ratcliffe and Carnival plc, incorporated by reference to Exhibit No. 10.23 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.

*10.13-Director Appointment Letter, dated August 19, 2005, between Baroness Sarah Hogg and each of Carnival Corporation and Carnival plc, incorporated by reference to Exhibit No. 10.13 to our joint Annual Report on Form 10-K for the year ended November 30, 2004.

- *10.14-Director's Appointment Letter, dated August 19, 2004, between Richard J. Glasier and each of Carnival Corporation and Carnival plc, incorporated by reference to Exhibit No. 10.14 to our joint Annual Report on Form 10-K for the year ended November 30, 2004.
- *10.15-Director Appointment Letter, dated August 19, 2005, between Sir John Parker and each of Carnival Corporation and Carnival plc, incorporated by reference to Exhibit No. 10.15 to our joint Annual Report on Form 10-K for the year ended November 30, 2004.
- *10.16- Amended and Restated Carnival plc 2005 Employee Share Plan, incorporated by reference to Exhibit No. 10.2 to our joint Quarterly Report on Form 10-Q for the quarter ended August 31, 2005.
- *10.17-Executive Long-term Compensation Agreement, dated January 11, 1999, between Carnival Corporation and Micky Arison, incorporated by reference to Exhibit No. 10.36 to Carnival Corporation's Annual Report on Form 10-K for the year ended November 30, 1998.
- *10.18-Executive Long-term Compensation Agreement, dated January 11, 1999, between Carnival Corporation and Howard S. Frank, incorporated by reference to Exhibit No. 10.37 to Carnival Corporation's Annual Report on Form 10-K for the year ended November 30, 1998.
- *10.19-Carnival Corporation Supplemental Executive Retirement Plan, incorporated by reference to Exhibit No. 10.32 to Carnival Corporation's Annual Report on Form 10-K for the year ended November 30, 1999.
- *10.20-Amendment to the Carnival Corporation Supplemental Executive Retirement Plan, incorporated by reference to Exhibit No. 10.31 to Carnival Corporation's Annual Report on Form 10-K for the year ended November 30, 2000.
- *10.21-Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan, incorporated by reference to Exhibit No. 10.33 to Carnival Corporation's Annual Report on Form 10-K for the year ended November 30, 1999.
- *10.22-Amendment to the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees, incorporated by reference to Exhibit No. 10.33 to Carnival Corporation's Annual Report on Form 10-K for the year ended November 30, 2000.
- *10.23-Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan, incorporated by reference to Exhibit No. 10.34 to Carnival Corporation's Annual Report on Form 10-K for the year ended November 30, 2000.
- *10.24-Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan, incorporated by reference to Exhibit No. 10.37 to Carnival Corporation's Annual Report on Form 10-K for the year ended November 30, 2001.
- *10.25-Amendment to the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees, incorporated by reference to Exhibit No. 10.38 to Carnival Corporation's Annual Report on Form 10-K for the year ended November 30, 2001.
- *10.26-Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan, incorporated by reference to Exhibit No. 10.1 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2005.
- *10.27-Amended and Restated Carnival Corporation 2002 Stock Plan, incorporated by reference to Exhibit No. 10.1 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.
- *10.28-Agreement with Pier Luigi Foschi, incorporated by reference to Exhibit No. 10.4 to our joint Quarterly Report on Form 10-Q for the quarter ended August 31, 2005.
- 10.29-Succession Agreement to Registration Rights Agreement, dated June 14, 1991, between Carnival Corporation and Ted Arison, incorporated by reference to Exhibit No. 10.3 to Carnival Corporation's Quarterly Report on Form 10-Q for the quarter ended May 31, 2002.
- *10.30-Employment Agreement, dated as of April 17, 2003, by and between P&O Princess Cruises International, Ltd. and Peter Ratcliffe, incorporated by reference to Exhibit No. 10.2 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.
- *10.31-Carnival Corporation & plc Non-Executive Board of Director Cruise Benefit Policy, incorporated by reference to Exhibit No. 10.1 to our joint Quarterly Report on Form 10-Q

for the quarter ended August 31, 2005.

- *10.32-Indemnification Agreement, dated April 17, 2003, between Micky M. Arison and Carnival Corporation, incorporated by reference to Exhibit No. 10.5 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.
- *10.33-Consulting Agreement, dated November 30, 2004, between A. Kirk Lanterman, Holland America Line Inc. and others, incorporated by reference to our joint Current Report on Form 8-K, dated December 6, 2004.
- *10.34-Indemnification Agreement, dated April 17, 2003, between Robert H. Dickinson and Carnival Corporation, incorporated by reference to Exhibit No. 10.9 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.
- *10.35-Employment Agreement, dated December 1, 2004, between A. Kirk Lanterman and Holland America Line Inc., incorporated by reference to Exhibit No. 10.35 to our joint Annual Report on Form 10-K for the year ended November 30, 2004.
- *10.36-Indemnification Agreement, dated April 17, 2003, between Pier Luigi Foschi and Carnival Corporation, incorporated by reference to Exhibit No. 10.13 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.
- *10.37-Indemnification Agreement, dated April 17, 2003, between Howard S. Frank and Carnival Corporation, incorporated by reference to Exhibit No. 10.15 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.
- *10.38- Director Appointment Letter, dated December 1, 2004, between A. Kirk Lanterman and each of Carnival Corporation and Carnival plc, incorporated by reference to Exhibit No. 10.38 to our joint Annual Report on Form 10-K for the year ended November 30, 2004.
- *10.39-Indemnification Agreement, dated April 17, 2003, between Peter G. Ratcliffe and Carnival Corporation, incorporated by reference to Exhibit No. 10.24 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.
- *10.40-Director Appointment Letter, dated April 14, 2003, between Micky M. Arison and Carnival plc, incorporated by reference to Exhibit No. 10.4 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.
- *10.41-Director Appointment Letter, dated August 19, 2004, between Richard G. Capen and each of Carnival Corporation and Carnival plc, incorporated by reference to Exhibit No. 10.41 to our joint Annual Report on Form 10-K for the year ended November 30, 2004.
- *10.42-Director Appointment Letter, dated April 14, 2003, between Robert H. Dickinson and Carnival plc, incorporated by reference to Exhibit No. 10.8 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.
- *10.43-Director Appointment Letter, dated August 19, 2004, between Arnold W. Donald and each of Carnival Corporation and Carnival plc, incorporated by reference to Exhibit No. 10.43 to our joint Annual Report on Form 10-K for the year ended November 30, 2004.
- *10.44-Director Appointment Letter between Pier Luigi Foschi and Carnival plc, incorporated by reference to Exhibit No. 10.12 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.
- *10.45-Director Appointment Letter, dated April 14, 2003, between Howard S. Frank and Carnival plc, incorporated by reference to Exhibit No. 10.14 to our joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2003.
- *10.46-Director Appointment Letter, dated August 19, 2004, between Modesto A. Maidique and each of Carnival Corporation and Carnival plc, incorporated by reference to Exhibit No. 10.46 to our joint Annual Report on Form 10-K for the year ended November 30, 2004.
- *10.47-Amendment No. 1 to the Employment Agreement, dated as of July 19, 2004, by and between P&O Princess International Ltd. and Peter Ratcliffe incorporated by reference to Exhibit No. 10.1 to our joint Quarterly Report on Form 10-Q for the quarter ended August 31, 2004.
- *10.48-Director Appointment Letter, dated August 19, 2004, between Stuart Subotnick and each of Carnival Corporation and Carnival plc, incorporated by reference to Exhibit No.

10.48 to our joint Annual Report on Form 10-K for the year ended November 30, 2004.

*10.49-Director Appointment Letter, dated August 19, 2004, between Uzi Zucker and each of Carnival Corporation and Carnival plc, incorporated by reference to Exhibit No. 10.49 to our joint Annual Report on Form 10-K for the year ended November 30, 2004.

*10.50-Amendment of the Carnival Corporation "Fun Ship" Nonqualified Savings Plan, incorporated by reference to Exhibit No. 10.1 to our Quarterly Report on Form 10-Q for the quarter ended February 28, 2003.

*10.51-Amendment of the Carnival Corporation Nonqualified Retirement Plan For Highly Compensated Employees, incorporated by reference to Exhibit No. 10.2 to our Quarterly Report on Form 10-Q for the quarter ended February 28, 2003.

*10.52-The P&O Princess Cruises Executive Share Option Plan, incorporated by reference to Exhibit No. 4.9 to P&O Princess' Annual Report on Form 20-F for the year ended December 30, 2001.

*10.53-The P&O Princess Cruises Deferred Bonus and Co-Investment Matching Plan, incorporated by reference to Exhibit No. 4.10 to P&O Princess' Annual Report on Form 20-F for the year ended December 30, 2001.

*10.54-Carnival Cruise Lines Management Incentive Plan, incorporated by reference to Exhibit No. 10.3 to our joint Quarterly Report on Form 10-Q for the quarter ended August 31, 2005.

*10.55-Amendment to the Carnival Corporation Supplemental Executive Retirement Plan, incorporated by reference to Exhibit No. 10.1 to our joint Quarterly Report on Form 10-Q for the quarter ended February 29, 2004.

*10.56-Amendment to the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees, incorporated by reference to Exhibit No. 10.1 to our joint Quarterly Report on Form 10-Q for the quarter ended February 29, 2004.

*10.57-Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan, incorporated by reference to Exhibit No. 10.2 to our joint Quarterly Report on Form 10-Q for the quarter ended February 29, 2004.

*10.58-Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan, effective December 31, 2004, incorporated by reference to Exhibit No. 10.1 to our joint Quarterly Report on Form 10-Q for the quarter ended February 28, 2005.

*10.59- Form of Non-qualified Stock Option Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan, incorporated by reference to Exhibit No. 10.5 to our joint Quarterly Report on Form 10-Q for the quarter ended August 31, 2005.

*10.60-Form of Restricted Stock Award Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan, incorporated by reference to Exhibit No. 10.6 to our joint Quarterly Report on Form 10-Q for the quarter ended August 31, 2005.

*10.61-Form of Restricted Stock Unit Award Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan, incorporated by reference to Exhibit No. 10.7 to our joint Quarterly Report on Form 10-Q for the quarter ended August 31, 2005.

*10.62-Form of Share Option Certificate for the Amended and Restated Carnival plc 2005 Employee Share Plan, incorporated by reference to Exhibit No. 10.8 to our joint Quarterly Report on Form 10-Q for the quarter ended August 31, 2005.

10.63-Deed of Guarantee, dated October 21, 2005, between Carnival Corporation as guarantor and the Royal Bank of Scotland plc as facilities agent.

10.64-Deed of Guarantee, dated October 21, 2005, between Carnival plc as guarantor and the Royal Bank of Scotland plc as facilities agent.

12-Ratio of Earnings to Fixed Charges.

13-Portions of 2005 Annual Report incorporated by reference into 2005 joint Annual Report on Form 10-K.

21-Significant Subsidiaries of Carnival Corporation and Carnival plc.

23-Consent of PricewaterhouseCoopers LLP.

24-Powers of attorney given by certain Directors of Carnival Corporation and Carnival plc to Micky Arison, Howard S. Frank, Gerald R. Cahill and Arnaldo Perez authorizing such persons to sign this 2005 joint Annual Report on Form 10-K and any future amendments on their behalf.

31.1-Certification of Chief Executive Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2-Certification of Chief Operating Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.3-Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.4-Certification of Chief Executive Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.5-Certification of Chief Operating Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.6-Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1-Certification of Chief Executive Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2-Certification of Chief Operating Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.3-Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.4-Certification of Chief Executive Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.5-Certification of Chief Operating Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.6-Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*Indicates a management contract or compensation plan or arrangement.

February 6, 2006

Securities and Exchange Commission
450 Fifth Street, N.W.
Judiciary Plaza
Washington, DC 20549

RE: Carnival Corporation,
Commission File No. 1-9610, and Carnival plc, Commission File No. 1-15136

Gentlemen:

Pursuant to Item 601(b)(4)(iii) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended, Carnival Corporation and Carnival plc (the "Companies") hereby agree to furnish copies of certain long-term debt instruments to the Securities and Exchange Commission upon the request of the Commission, and, in accordance with such regulation, such instruments are not being filed as part of the joint Annual Report on Form 10-K of the Companies for their year ended November 30, 2005.

Very truly yours,

CARNIVAL CORPORATION AND CARNIVAL PLC

/s/ Arnaldo Perez

Senior Vice President, General Counsel
and Secretary

Dated 21 October 2005

Carnival Corporation

Carnival plc

The companies listed in Part 1 of Schedule 1

Arranged by

Banc of America Securities Limited, Barclays Capital, BNP Paribas, J.P.
Morgan plc, SANPAOLO IMI S.p.A. and The Royal Bank of Scotland plc

With

The Royal Bank of Scotland plc

as Facilities Agent

FACILITIES AGREEMENT

for

US\$1,200,000,000

(euro) 400,000,000

(pounds) 200,000,000

Multicurrency Revolving Facilities

[LOGO] NORTON ROSE

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THIS AGREEMENT is dated 21 October 2005 and made BETWEEN:

- (1) CARNIVAL CORPORATION (a Panamanian corporation having its principal place of business at Carnival Place, 3655 N.W. 87th Avenue, Miami, Florida, 33178-2428) (the "Company");
- (2) CARNIVAL PLC (a company incorporated under the laws of England and Wales with registered number 04039524) ("Carnival plc");
- (3) THE SUBSIDIARIES OF THE COMPANY and of CARNIVAL PLC listed in Part 1 of Schedule 1 as original borrowers (in this capacity and together with the Company and Carnival plc, the "Original Borrowers");
- (4) CARNIVAL CORPORATION and CARNIVAL PLC as guarantors of their respective Subsidiaries (each a "Guarantor");
- (5) BANC OF AMERICA SECURITIES LIMITED, BARCLAYS CAPITAL, BNP PARIBAS, J.P. MORGAN PLC, SANPAOLO IMI S.p.A. and THE ROYAL BANK OF SCOTLAND PLC as mandated lead arrangers (in this capacity the "Arrangers");
- (6) THE FINANCIAL INSTITUTIONS listed in Parts 2 and 4 of Schedule 1 as lenders (the "Original Lenders");
- (7) THE ROYAL BANK OF SCOTLAND PLC as facilities agent of the other Finance Parties (the "Facilities Agent"); and
- (8) THE FINANCIAL INSTITUTIONS listed in Part 5 of Schedule 1 as fronting banks for the Bonds (the "Original Fronting Banks").

IT IS AGREED as follows:

1 Definitions and interpretation

1.1 Definitions

In this Agreement:

"Accession Letter" means a document substantially in the form set out in Schedule 6 (Form of Accession Letter).

"Account Party" means a Bond Borrower or any member of the Carnival Corporation & plc Group who has requested a Bond Borrower to request, a Bond.

"Additional Borrower" means a company which becomes an Additional Borrower in accordance with clause 29 (Changes to the Obligors).

"Additional Cost Rate" has the meaning given to it in Schedule 4 (Mandatory Cost formulae).

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Approved Jurisdiction" means:

- (a) Italy;
- (b) Panama;
- (c) United Kingdom;
- (d) United States; or
- (e) any other country or jurisdiction agreed in writing by the Company and the Facilities Agent (acting on the instruction of all the Lenders).

"Australian Dollar", "AUD" and "\$A" means the lawful currency of Australia from time to time.

"Availability Period" means the period from and including the Signing Date to and including the Termination Date.

"Available Bond Facility" means an amount equal to US\$700,000,000 minus:

- (a) the Base Currency Amount for Tranche A of any outstanding Bonds; and
- (b) in relation to any proposed Bond Utilisation, the Base Currency Amount for Tranche A of any Bonds which are due to be made under the Bonding Facility on or before the proposed Utilisation Date,

other than any Bond Utilisations that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Available Swingline Tranche A Commitment" of a Swingline Lender under Tranche A means (but without limiting clause 8.6 (Relationship with the Facilities)) that Lender's Swingline Tranche A Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Swingline Loans under Tranche A; and
- (b) in relation to any proposed Swingline Utilisation under Tranche A, the Base Currency Amount of its participation in any Swingline Loans that are due to be made under Tranche A on or before the proposed Utilisation Date,

other than that Lender's participation in any Swingline Loans under Tranche A that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Available Swingline Tranche A Facility" means the aggregate for the time being of each Swingline Lender's Available Swingline Tranche A Commitment.

"Available Swingline Tranche B Commitment" of a Swingline Lender under Tranche B means (but without limiting clause 8.6 (Relationship with the Facilities)) that Lender's Swingline Tranche B Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Swingline Loans under Tranche B; and
- (b) in relation to any proposed Swingline Utilisation under Tranche B, the Base Currency Amount of its participation in any Swingline Loans that are due to be made under Tranche B on or before the proposed Utilisation Date,

other than that Lender's participation in any Swingline Loans under Tranche B that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Available Swingline Tranche B Facility" means the aggregate for the time being of each Swingline Lender's Available Swingline Tranche B Commitment.

"Available Swingline Tranche C Commitment" of a Swingline Lender under Tranche C means (but without limiting clause 8.6 (Relationship with the Facilities)) that Lender's Swingline Tranche C Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Swingline Loans under Tranche C; and
- (b) in relation to any proposed Swingline Utilisation under Tranche C, the Base Currency Amount of its participation in any Swingline Loans that are due to be made under Tranche C on or before the proposed Utilisation Date,

other than that Lender's participation in any Swingline Loans under Tranche C that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Available Swingline Tranche C Facility" means the aggregate for the time being of each Swingline Lender's Available Swingline Tranche C Commitment.

"Available Tranche A Commitment" of a Lender means that Lender's Tranche A Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Utilisations under Tranche A; and
- (b) in relation to any proposed Utilisation under Tranche A, the Base Currency Amount of its participation in any Utilisations under Tranche A that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Utilisations under Tranche A that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Available Tranche B Commitment" of a Lender means that Lender's Tranche B Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Utilisations under Tranche B; and
- (b) in relation to any proposed Utilisation under Tranche B, the Base Currency Amount of its participation in any Utilisations under Tranche B that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Utilisations under Tranche B that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Available Tranche C Commitment" of a Lender means that Lender's Tranche C Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Utilisations under Tranche C; and
- (b) in relation to any proposed Utilisation under Tranche C, the Base Currency Amount of its participation in any Utilisations under Tranche C that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Utilisations under Tranche C that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Available Tranche A Facility" means the aggregate for the time being of each Lender's Available Tranche A Commitment.

"Available Tranche B Facility" means the aggregate for the time being of each Lender's Available Tranche B Commitment.

"Available Tranche C Facility" means the aggregate for the time being of each Lender's Available Tranche C Commitment.

"Base Currency" means:

- (a) in relation to Tranche A, US Dollars;
- (b) in relation to Tranche B, euro; and
- (c) in relation to Tranche C, Sterling.

"Base Currency Amount" means, in relation to a Utilisation, the amount specified in the relevant Utilisation Request delivered by a Borrower for that Utilisation or (if the amount requested is not denominated in the Base Currency for the relevant Tranche requested in that Utilisation Request) that amount converted into the Base Currency for the relevant Tranche at the Facilities Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Facilities Agent receives the relevant Utilisation Request adjusted to reflect any repayment

(other than a repayment arising from a change of currency), prepayment, consolidation or division of the Utilisation, and in addition in the case of a Bond, as adjusted under clause 6.9 (Revaluation of Bonds).

"Bond" means any bond (including but not limited to surety bonds and performance bonds), guarantee (including but not limited to financial guarantees and performance guarantees), letter of credit (including but not limited to financial letters of credit and performance letters of credit), indemnity or other deed of obligation issued or to be issued by a Fronting Bank.

"Bond Borrower" means a Borrower who has requested a Bond Utilisation.

"Bond Proportion" means, in relation to a Lender in respect of any Bond, the proportion (expressed as a percentage) borne by that Lender's Available Tranche A Commitment to the Available Tranche A Facility immediately prior to the issue of that Bond, adjusted to reflect any assignment or transfer under this Agreement to or by that Lender.

"Bond Utilisation" means a utilisation of a Bond under the Bonding Facility (including a renewal of a Bond in accordance with clause 6.8 (Renewal of a Bond)).

"Bond Utilisation Request" means a notice substantially in the form set out in Part 2 of Schedule 3 (Utilisation Request - Bonds).

"Bonding Facility" means the bonding facility made available under Tranche A of this Agreement as described in clause 6 (Utilisation - Bonds) in a maximum amount of US\$700,000,000.

"Borrower" means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with clause 29 (Changes to the Obligors).

"Break Costs" means the amount (if any) by which:

(a) the interest (excluding amounts in respect of Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period,

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London and New York and:

(a) if on that day a payment in, or a purchase of, a currency (other than euro) is to be made, the principal financial centre of the country of that currency; or

(b) if on that day a payment in, or a purchase of, euro is to be made, which is also a TARGET Day.

"Carnival Corporation & plc Group" means the Carnival Corporation Group and the Carnival plc Group.

"Carnival Corporation Group" means the Company and all its Subsidiaries from time to time.

"Carnival Material Group Member" means the Company, Carnival plc, each other Obligor or any Material Subsidiary.

"Carnival plc Group" means Carnival plc and all its Subsidiaries from time to time.

"Commitment" means, at any time, in respect of a Lender, the aggregate of that Lender's:

(a) Tranche A Commitment;

(b) Tranche B Commitment (for the purpose only of calculating the utilisation fee pursuant to clause 16.4 converted into US Dollars at the Facilities Agent's Spot Rate of Exchange at that time); and

(c) Tranche C Commitment (for the purpose only of calculating the utilisation fee pursuant to clause 16.4 converted into US Dollars at the Facilities Agent's Spot Rate of Exchange at that time).

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 8 (Form of Compliance Certificate).

"Confidentiality Undertaking" means a confidentiality undertaking substantially in the form set out in Schedule 9 (Confidentiality Undertaking).

"CP Programme" means:

(a) any US Dollar, euro or Sterling commercial paper programme; or

(b) any other short term borrowings having a term of not more than 364 days,

of a member of the Carnival Corporation & plc Group.

"Deeds of Guarantee" means:

(a) the deed of guarantee issued by the Company in favour of the Facilities Agent on behalf of the Finance Parties in respect of Carnival plc dated on or about the Signing Date; and

(b) the deed of guarantee issued by Carnival plc in favour of the Facilities Agent on behalf of the Finance Parties in respect of the Company dated on or about the Signing Date.

"Default" means:

- (a) an Event of Default; or
- (b) any event or circumstance specified in clause 27 (Events of Default) which would (with the expiry of a grace period, or the giving of notice, or any combination of them), be an Event of Default.

"DLC Documents" means the agreements, deeds, instruments and constituent documents related to the Company and Carnival plc, as amended from time to time, establishing the dual listed company structure between the Company and Carnival plc entered into as contemplated by the Offer and Implementation Agreement between the Company and Carnival plc dated 8th January, 2003 namely the SVE Special Voting Deed, Carnival Corporation's Articles and By-Laws, Carnival plc's Memorandum and Articles, the Carnival Corporation Deed of Guarantee, the P&O Princess Guarantee (as each such expression is defined in the Equalisation and Governance Agreement), the deed between the Company and P&O Princess Cruises plc dated 17th April, 2003, the pairing agreement between the Company, The Law Debenture Trust Corporation (Cayman) Limited and SunTrust Bank dated 17th April, 2003, the P&O Princess special voting trust deed made between the Company and the Law Debenture Trust Corporation (Cayman) Limited dated 17th April, 2003 and the Equalisation and Governance Agreement.

"Equalisation and Governance Agreement" means the equalisation and governance agreement dated 17 April 2003 between the Company and Carnival plc.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"EURIBOR" means, in relation to any Loan in euro:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Facilities Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in euro for a period comparable to the Interest Period of the relevant Loan.

"euro", "EUR" and "(euro)" means the single currency of the Participating Member States.

"Event of Default" means any event or circumstance specified as such in clause 27 (Events of Default).

"Excluded Assets" means any assets sold or otherwise disposed of by any person, provided such person, directly or indirectly has the right to possession or use of such assets notwithstanding such transfer or other disposition.

"Expiry Date" means, in respect of a Bond, the last day of the Term of that Bond.

"Facilities" means the multicurrency revolving facilities made available under this Agreement as described in clause 2 (The Facilities).

"Facilities Agent's Spot Rate of Exchange" means the Facilities Agent's spot rate of exchange for the purchase of a relevant currency with US Dollars, euro or Sterling, as the case may be, in the London foreign exchange market at or about 11:00 a.m. on a particular day.

"Facility Office" means the office or offices notified by a Lender to the Facilities Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"Federal Funds Rate" means, in relation to any day, the rate per annum equal to:

- (a) the weighted average of the rates on overnight Federal funds transactions with members of the US Federal Reserve System arranged by Federal funds brokers, as published for that day (or, if that day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York; or
- (b) if a rate is not so published for any day which is a Business Day, the average of the quotations for that day on such transactions received by the Facilities Agent from three Federal funds brokers of recognised standing selected by the Facilities Agent.

"Fee Letter" means any letter or letters dated on or about the Signing Date between the Arrangers and the Company, the Facilities Agent and the Company or the Original Fronting Banks and the Company, setting out any of the fees referred to in clause 16 (Fees).

"Finance Document" means:

- (a) this Agreement;
- (b) each Fee Letter;
- (c) each of the Deeds of Guarantee;
- (d) each Utilisation Request;
- (e) a Transfer Certificate (if any);
- (f) any Accession Letter;
- (g) any Resignation Letter; and
- (h) any other document designated as such by the Facilities Agent and the Company.

"Finance Party" means the Facilities Agent, an Arranger, a Lender or a Fronting Bank.

"Fronting Bank" means:

- (a) any Original Fronting Bank;
- (b) any Lender appointed by the Company in the capacity of a Fronting Bank under clause 28.1.4; and
- (c) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with clause 28 (Changes to the Lenders) in the capacity of Fronting Bank,

which in each case has not ceased to be a Fronting Bank or a Party in accordance with the terms of this Agreement.

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"Increased Cost" means:

- (a) a reduction in the rate of return from the Facilities or on a Finance Party's (or its Affiliate's) overall capital;
- (b) an additional or increased cost; or
- (c) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates but only to the extent that it is attributable to that Finance Party having entered into its Tranche A Commitment, Tranche B Commitment and/or Tranche C Commitment or funding or performing its obligations under any Finance Document.

"Interest Period" means:

- (a) in relation to a Loan (other than a Swingline Loan), each period determined in accordance with clause 14 (Interest Periods);
- (b) in relation to a Swingline Loan, each period determined in accordance with clause 9.7 (Interest Period); and
- (c) in relation to an Unpaid Sum, each period determined in accordance with clause 13.3 (Interest on overdue amounts).

"Italian Insolvency Law" means Royal Decree no. 267 of 16 May 1942 as amended and supplemented by Law Decree no. 35 of 14 March 2005 as converted by Law no. 80 of 14 May 2005.

"Lender" means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with clause 28 (Changes to the Lenders) in the capacity of Lender,

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

"LIBOR" means, in relation to any Loan in any currency (other than euro):

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the currency or Interest Period of that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Facilities Agent at its request quoted by the Reference Banks to leading banks in the London interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in the currency of that Loan and for a period comparable to the Interest Period for that Loan.

"Loan" means a Loan Utilisation or a Swingline Loan or the principal amount outstanding for the time being of that Loan Utilisation or Swingline Loan, as the case may be.

"Loan Utilisation" means a loan made or to be made under clause 5, including any loan deemed to have been requested under clauses 7.1.2 and 9.3.2.

"Loan Utilisation Request" means a notice substantially in the form set out in Part 1 of Schedule 3 (Utilisation Request - Loans).

"Majority Lenders" means, at any time, a Lender or Lenders whose Commitments aggregate more than 66.666% of the Total Commitments (or, if the Total Commitments have been reduced to zero and there are no Utilisations then outstanding, aggregated more than 66.666% of the Total Commitments immediately prior to the reduction).

"Mandatory Cost" means the percentage rate per annum calculated by the Facilities Agent in accordance with Schedule 4 (Mandatory Cost formulae).

"Margin" means at any time the percentage rate per annum determined at such time to be the margin in accordance with clause 13.5 (Margin).

"Material Adverse Effect" means a material and adverse effect on:

- (a) the ability of any Obligor to perform and observe its payment obligations under any Finance Document; and
- (b) the financial condition of the Carnival Corporation & plc Group as a whole.

"Material Subsidiary" means, at any time, a Subsidiary of the Company or Carnival plc whose gross assets, pre-tax profits or turnover then equal or exceed 10 per cent. of the gross assets, pre-tax profits or turnover of the Carnival Corporation & plc Group.

For this purpose:

- (a) the gross assets, pre-tax profits or turnover of a Subsidiary of the Company or Carnival plc will be determined from its financial statements (consolidated if it has Subsidiaries) upon which the latest audited financial statements of the Carnival Corporation & plc Group have been based;
- (b) if a Subsidiary of the Company or Carnival plc becomes a member of the Carnival Corporation & plc Group after the date on which the latest audited financial statements of the Carnival Corporation & plc Group have been prepared, the gross assets, pre-tax profits or turnover of that Subsidiary will be determined from its latest financial statements;
- (c) the gross assets, pre-tax profits or turnover of the Carnival Corporation & plc Group will be determined from its latest audited financial statements, adjusted (where appropriate) to reflect the gross assets, pre-tax profits or turnover of any company or business subsequently acquired or disposed of; and
- (d) if a Material Subsidiary disposes of all or substantially all of its assets to another member of the Carnival Corporation & plc Group, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent financial statements of those Subsidiaries and the Carnival Corporation & plc Group will be used to determine whether those Subsidiaries are Material Subsidiaries or not.

If there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the Company or Carnival plc will be, in the absence of manifest error, conclusive.

"Moody's" means Moody's Investor Services, Inc.

"Non-Recourse Financing Arrangement" means a non-recourse financing arrangement under which (in the case of Borrowed Money) the lender's right of recourse is limited to a specific asset of the relevant member of the Carnival Corporation & plc Group or in the case of an asset or property, the asset or property is collateral for the financing and there is no further recourse by the relevant creditor against the general assets of any member of the Carnival Corporation & plc Group.

"Obligor" means a Borrower or a Guarantor.

"Optional Currency" means a currency (other than the Base Currency for the relevant Tranche) which complies with the conditions set out in clause 10.3 (Conditions relating to Optional Currencies).

"Original Financial Statements" means the audited consolidated financial statements of the Carnival Corporation & plc Group for the financial year ended 30 November 2004.

"Original Obligor" means an Original Borrower or a Guarantor.

"Overall Tranche A Commitment" of a Lender means:

- (a) its Tranche A Commitment; or
- (b) in the case of a Swingline Lender which does not have a Tranche A Commitment, the Tranche A Commitment of a Lender which is its Affiliate.

"Overall Tranche B Commitment" of a Lender means:

- (a) its Tranche B Commitment; or
- (b) in the case of a Swingline Lender which does not have a Tranche B Commitment, the Tranche B Commitment of a Lender which is its Affiliate.

"Overall Tranche C Commitment" of a Lender means:

- (a) its Tranche C Commitment; or
- (b) in the case of a Swingline Lender which does not have a Tranche C Commitment, the Tranche C Commitment of a Lender which is its Affiliate.

"Participating Member State" means any member state of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

"Party" means a party to this Agreement.

"Pre-Approved Bond" means the form and type of Bond set out in Schedule 11 (form of Pre-Approved Bonds).

"Quotation Day" means, in relation to any Interest Period for which an interest rate is to be determined:

- (a) (if the currency is Sterling) the first day of that Interest Period;
- (b) (if the currency is euro) two TARGET Days before the first day of that Interest Period; or
- (c) (for any other currency) two Business Days before the first day of that Interest Period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Facilities Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"Rating Requirements" means, at any time, in relation to any Lender a long term unsubordinated credit rating of:

- (a) at least Baal by Moody's; or

(b) at least BBB+ by S&P.

"Reference Banks" means JPMorgan Chase Bank, N.A., The Royal Bank of Scotland plc, Barclays Bank PLC and/or such other banks or financial institutions agreed to by the Company and the Facilities Agent.

"Relevant Interbank Market" means in relation to euro, the European interbank market and, in relation to any other currency, the London interbank market.

"Renewal Request" means a Bond Utilisation Request identified as being a "Renewal Request" and otherwise complying with clause 6.8.2.

"Repeating Representations" means the representations which are deemed to be repeated under clause 23.10 (Times for making representations).

"Resignation Letter" means a letter substantially in the form set out in Schedule 7 (Form of Resignation Letter).

"Rollover Loan" means one or more Loans under a Facility in respect of the same Tranche:

- (a) made or to be made on the same day that a maturing Loan is due to be repaid;
- (b) the aggregate amount of which is equal to or less than the maturing Loan;
- (c) in the same currency as the maturing Loan (unless it arose as a result of the operation of clause 10.2 (Unavailability of a currency)); and
- (d) made or to be made to the same Borrower for the purpose of refinancing a maturing Loan.

"S&P" means Standard & Poor's Rating Services.

"Screen Rate" means:

- (a) in relation to LIBOR, the British Bankers Association Interest Settlement Rate for the relevant currency and period; and
- (b) in relation to EURIBOR, the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period,

displayed on the appropriate page of the Telerate screen. If the relevant page is replaced or the service ceases to be available, the Facilities Agent may, after consultation with the Company and the Lenders, specify another page or service displaying the appropriate rate.

"SEC" means the United States Securities Exchange Commission.

"Security Interest" means a mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

"Signing Date" means the date of this Agreement.

"Specified Time" means, for any purpose, a time determined for that purpose in accordance with Schedule 10 (Timetables).

"Sterling", "GBP" and "(pounds)" means the lawful currency of the United Kingdom from time to time.

"Subsidiary" means a subsidiary within the meaning of section 736 of the Companies Act 1985.

"Summary Document" means the summary document (documento di sintesi) set out in Schedule 12 (Summary Document), drafted pursuant to the Bank of Italy's instructions on the transparency of banking transactions and services (Istruzioni di Vigilanza per le banche, Titolo X, Capitolo 1).

"Swingline Facilities" means the swingline loan facilities made available under this Agreement as described in clause 9 (Swingline loans).

"Swingline Lender" means:

- (a) an Original Lender listed in Part 4 of Schedule 1 (The Original Parties) as a swingline lender; or
- (b) any other person that becomes a swingline lender after the Signing Date in accordance with clause 28 (Changes to Lenders),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

"Swingline Loan" means a loan made or to be made under any Swingline Facilities.

"Swingline Loan Utilisation Request" means a notice substantially in the form set out in Part 3 of Schedule 3 (Utilisation Request - Swingline Loans).

"Swingline Tranche A Commitment" means:

- (a) in relation to a Swingline Lender under Tranche A on the Signing Date, the amount in the Base Currency for Tranche A set opposite its name under the heading Swingline Tranche A Commitment in Part 4 of Schedule 1 (The Original Parties) and the amount of any other Swingline Tranche A Commitment transferred to it under this Agreement; and
- (b) in relation to any other Swingline Lender under Tranche A, the amount in the Base Currency for Tranche A of any Swingline Tranche A Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Swingline Tranche B Commitment" means:

- (a) in relation to a Swingline Lender under Tranche B on the Signing Date, the amount in the Base Currency for Tranche B set opposite its name under the heading Swingline Tranche B Commitment in Part 4 of Schedule 1 (The Original Parties) and the amount of any other Swingline Tranche B Commitment transferred to it under this Agreement; and
- (b) in relation to any other Swingline Lender under Tranche B, the amount in the Base Currency for Tranche B of any Swingline Tranche B Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Swingline Tranche C Commitment" means:

- (a) in relation to a Swingline Lender under Tranche C on the Signing Date, the amount in the Base Currency for Tranche C set opposite its name under the heading Swingline Tranche C Commitment in Part 4 of Schedule 1 (The Original Parties) and the amount of any other Swingline Tranche C Commitment transferred to it under this Agreement; and
- (b) in relation to any other Swingline Lender under Tranche C, the amount in the Base Currency for Tranche C of any Swingline Tranche C Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"TARGET" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

"TARGET Day" means a day on which TARGET is open for the settlement of payments in euro.

"Taxes" means any and all present and future taxes, levies, imposts, duties, fees or charges of whatever nature or withholding of a similar nature together with interest thereon and penalties in respect thereof and "Tax" means any one of them.

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

"Tax Payment" means a payment made by an Obligor to a Finance Party in any way relating to a Tax Deduction or under any indemnity given by that Obligor in respect of Tax under any Finance Document.

"Term" means, in respect of a Bond, the period for which a Fronting Bank is under a liability under that Bond.

"Termination Date" means, in relation to each Tranche, the date which falls five (5) years after the Signing Date as may be extended under clause 4.2.

"Test Date - Bonds" means each date falling at six month intervals after the Signing Date.

"Test Total - Bonds" means, at any time, the aggregate in US Dollars of each Bond Utilisation outstanding at that time, where each Bond Utilisation not denominated in US Dollars is converted into US Dollars at the Facilities Agent's Spot Rate of Exchange at that time.

"Total Bond Commitments" means US\$700,000,000 at the date of this Agreement.

"Total Commitments" means, at any time, the aggregate of:

- (a) the Total Tranche A Commitments;
- (b) the Total Tranche B Commitments (converted into US Dollars at the Facilities Agent's Spot Rate of Exchange at that time); and
- (c) the Total Tranche C Commitments (converted into US Dollars at the Facilities Agent's Spot Rate of Exchange at that time).

"Total Swingline Tranche A Commitments" means, at any time, the aggregate of the Swingline Tranche A Commitments of all the Swingline Lenders under Tranche A at that time.

"Total Swingline Tranche B Commitments" means, at any time, the aggregate of the Swingline Tranche B Commitments of all the Swingline Lenders under Tranche B at that time.

"Total Swingline Tranche C Commitments" means, at any time, the aggregate of the Swingline Tranche C Commitments of all the Swingline Lenders under Tranche C at that time.

"Total Tranche A Commitments" means, at any time, the aggregate of the Tranche A Commitments of all the Lenders at that time.

"Total Tranche B Commitments" means, at any time, the aggregate of the Tranche B Commitments of all the Lenders at that time.

"Total Tranche C Commitments" means, at any time, the aggregate of the Tranche C Commitments of all the Lenders at that time.

"Tranche" means:

- (a) Tranche A;
- (b) Tranche B; or
- (c) Tranche C.

"Tranche A" means the facility made available by the Lenders to the Borrowers under clause 2.1.1(a).

"Tranche B" means the facility made available by the Lenders to the Borrowers under clause 2.1.1(b).

"Tranche C" means the facility made available by the Lenders to the Borrowers under clause 2.1.1(c).

"Tranche A Commitment" means:

- (a) in relation to an Original Lender, the amount in the Base Currency for Tranche A set opposite its name under the heading Tranche A Commitment in Part 2 of Schedule 1 (The Original Parties) and the amount of any other Tranche A Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency for Tranche A of any Tranche A Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Tranche A Indemnified Proportion" means, in relation to a Lender, the proportion (expressed as a percentage) borne by that Lender's Available Tranche A Commitment to the Available Tranche A Facility, adjusted to reflect any assignment or transfer under this Agreement to or by that Lender.

"Tranche B Commitment" means:

- (a) in relation to an Original Lender, the amount in the Base Currency for Tranche B set opposite its name under the heading Tranche B Commitment in Part 2 of Schedule 1 (The Original Parties) and the amount of any other Tranche B Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency for Tranche B of any Tranche B Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Tranche B Indemnified Proportion" means, in relation to a Lender, the proportion (expressed as a percentage) borne by that Lender's Available Tranche B Commitment to the Available Tranche B Facility, adjusted to reflect any assignment or transfer under this Agreement to or by that Lender.

"Tranche C Commitment" means:

- (a) in relation to an Original Lender, the amount in the Base Currency for Tranche C set opposite its name under the heading Tranche C Commitment in Part 2 of Schedule 1 (The Original Parties) and the amount of any other Tranche C Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency for Tranche C of any Tranche C Commitment transferred by it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Tranche C Indemnified Proportion" means, in relation to a Lender, the proportion (expressed as a percentage) borne by that Lender's Available Tranche C Commitment to the Available Tranche C Facility, adjusted to reflect any assignment or transfer under this Agreement to or by that Lender.

"Transfer Certificate" means a certificate substantially in the form set out in Schedule 5 (Form of Transfer Certificate) or any other form agreed between the Facilities Agent and the Company.

"Transfer Date" means, in relation to a transfer, the later of:

- (a) the proposed Transfer Date specified in the Transfer Certificate; and
- (b) the date on which the Facilities Agent executes the Transfer Certificate.

"U.K." means the United Kingdom of Great Britain and Northern Ireland.

"Unpaid Sum" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"US Borrower" means a Borrower whose jurisdiction of organisation is a state of the United States of America or the District of Columbia.

"US Dollar", "USD" and "\$US" means the lawful currency of the United States of America from time to time.

"Utilisation" means a Loan Utilisation, a Bond Utilisation and a Swingline Loan, as the case may be.

"Utilisation Date" means the date on which a Utilisation is made.

"Utilisation Request" means a Loan Utilisation Request, a Bond Utilisation Request or a Swingline Loan Utilisation Request, as the case may be.

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

1.2 Construction

1.2.1 The following definitions have the meanings given to them in clause 25.1 (Definitions):

- (a) Borrowed Money;
- (b) Capital Lease;
- (c) Consolidated Capital;
- (d) Consolidated Net Interest Charges;
- (e) EBITDA;

- (f) Excluded Indebtedness;
- (g) GAAP;
- (h) Indebtedness;
- (i) Interest;
- (j) Interest Payable;
- (k) Interest Receivable;
- (l) Issued Capital and Consolidated Reserves;
- (m) Measurement Period; and
- (n) Testing Date.

1.2.2 In this Agreement, unless the contrary intention appears, a reference to:

- (a) an amendment includes a supplement, novation, restatement or re-enactment and amended will be construed accordingly;
- (b) assets includes present and future properties, revenues and rights of every description;
- (c) an authorisation includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarization;
- (d) Barclays Capital is a reference to Barclays Capital, the investment banking division of Barclays Bank PLC (and all such references shall include Barclays Bank PLC);
- (e) consolidation in relation to the Carnival Corporation & plc Group means a combination of the relevant financial items of the Carnival Corporation Group and the Carnival plc Group and consolidated will be construed accordingly;
- (f) disposal means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and dispose will be construed accordingly;
- (g) indebtedness includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money whether present or future, actual or contingent;
- (h) a person includes any individual, company, corporation, partnership, business trust, joint venture, association, joint stock company, trust or other unincorporated organization whether or not a legal entity, or any governmental or agency or political subdivision thereof;
- (i) a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any Party to which it applies is accustomed to comply) of any governmental, inter-governmental or

supranational body, agency, department or regulatory, self-regulatory or other authority or organization with authority to regulate the business of any affected Party;

- (j) a currency is a reference to the lawful currency for the time being of the relevant country;
- (k) a Default being outstanding means that it has not been remedied or waived;
- (l) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
- (m) a clause, a subclause or a schedule is a reference to a clause or subclause of, or a schedule to, this Agreement;
- (n) a Party or any other person includes its successors in title, permitted assigns and permitted transferees;
- (o) a Finance Document or another document is a reference to that Finance Document or other document as amended including any amendment providing for an increase in the amount of a facility or any additional facility; and
- (p) a time of day is a reference to London time.

1.2.3 Unless the contrary intention appears, a reference to a month or months is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:

- (a) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
- (b) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
- (c) notwithstanding sub-paragraph (a) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.

1.2.4 Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 (the Third Parties Act) and, notwithstanding any term of any Finance Document, no consent of any third party is required for any variation (including any release or compromise of any liability) or termination of that Finance Document.

1.2.5 Unless the contrary intention appears:

- (a) a reference to a party will not include that Party if it has ceased to be a Party under this Agreement;

- (b) a word or expression used in any other Finance Document or in any notice given in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement; and
- (c) any obligation of an Obligor under the Finance Documents which is not a payment obligation remains in force for so long as any payment obligation of an Obligor is or may be outstanding under the Finance Documents.

1.2.6 The headings in this Agreement do not affect its interpretation.

1.2.7 Any reference in this Agreement to:

- (a) the Interest Period of a Bond will be construed, notwithstanding clause 14.1.2, as a reference to the Term of that Bond;
- (b) a Utilisation made or to be made to a Bond Borrower includes a Bond issued on its behalf;
- (c) an outstanding amount of a Bond at any time is the maximum amount that is or may be payable by the Bond Borrower in respect of that Bond at that time;
- (d) amounts outstanding under this Agreement includes amounts outstanding under or in respect of a Bond;
- (e) a Borrower "repaying" or "prepaying" a Bond means:
 - (i) that Borrower providing cash cover for that Bond;
 - (ii) the maximum amount payable under that Bond being reduced in accordance with its terms; or
 - (iii) the relevant Fronting Bank being satisfied that it has no further liability under that Bond,

and the amount by which a Bond is repaid or prepaid under clauses 1.2.7(e)(i) and 1.2.7(e)(ii) above is the amount of the relevant cash cover or reduction; and

- (f) a Bond Borrower providing "cash cover" for a Bond means a Bond Borrower (or another Obligor on its behalf) paying an amount in the currency of the Bond or, in relation to cash cover provided under clause 6.9.2(b), US Dollars, into an interest-bearing account in the name of the Bond Borrower and the following conditions being met:
 - (i) the account is with the Facilities Agent or the relevant Fronting Bank (if the cash cover is to be provided for all the Lenders) or with a Lender (if the cash cover is to be provided for that Lender);
 - (ii) withdrawals from the account may only be made to pay a Finance Party amounts due and payable to it under this Agreement in respect of that Bond until no amount is or may be outstanding under that Bond; and

(iii) the Bond Borrower (or relevant Obligor) has executed a security document over that account, in form and substance satisfactory to the Facilities Agent or the Fronting Bank or the Lender with which that account is held, creating a first ranking security interest over that account.

1.2.8 Any reference in this Agreement to:

- (a) an "Interest Period" includes each period determined under this Agreement by reference to which interest on a Swingline Loan is calculated; and
- (b) a "Lender" includes a Swingline Lender unless the context otherwise requires.

2 The Facilities

2.1 The Facilities

2.1.1 Subject to the terms of this Agreement, the Lenders make available to the Borrowers multicurrency revolving facilities in three (3) tranches being:

- (a) a US Dollar facility in an aggregate amount equal to the Total Tranche A Commitments;
- (b) a euro facility in an aggregate amount equal to the Total Tranche B Commitments; and
- (c) a Sterling facility in an aggregate amount equal to the Total Tranche C Commitments.

2.1.2 Each Lender under Tranche B which lends to Borrowers resident in Italy must be a Qualifying Lender (as defined in clause 17.10).

2.1.3 If a Borrower is resident in Italy, that Borrower may only request a Loan under Tranche B.

2.2 Finance Parties' rights and obligations

2.2.1 The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

2.2.2 The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.

2.2.3 A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

3 Purpose

3.1 Purpose

Each Borrower shall apply all amounts utilised by it under the Facilities:

- (a) by way of Loan Utilisations or Swingline Loans towards general liquidity and/or working capital purposes of the Carnival Corporation & plc Group including but not limited to, (in the case of Swingline Loans) support for any CP Programme; and
- (b) by way of Bond Utilisations, for the purposes of securing the commercial obligations specified in the Bond.

3.2 Monitoring

No Finance Party is bound to monitor or verify the utilisation of the Facilities pursuant to this Agreement.

4 Conditions of Utilisation

4.1 Initial conditions precedent

No Borrower may deliver a Utilisation Request unless the Facilities Agent has received all of the documents and other evidence listed in Part 1 of Schedule 2 (Conditions precedent) in form and substance satisfactory to the Facilities Agent. The Facilities Agent shall notify the Company and the Lenders promptly upon being so satisfied.

4.2 Extension of Termination Date

4.2.1 Subject to clause 4.2.7 below:

- (a) not more than 90 days nor less than 45 days prior to the first anniversary of the Signing Date, the Company may, by written notice to the Facilities Agent, request that the Termination Date in respect of some or all of each Lender's Tranche A Commitments, Tranche B Commitments and/or Tranche C Commitments be extended to a date falling on or before the date which is 365 days after the original Termination Date; and
- (b) if the Termination Date in respect of some or all of the Commitments is extended under this clause 4.2 pursuant to a request under clause 4.2.1(a) above then, not more than 90 days nor less than 45 days prior to the second anniversary of the Signing Date, the Company may, by written notice to the Facilities Agent, request that the Termination Date in respect of some or all of each remaining Lender's Tranche A Commitments, Tranche B Commitments and/or Tranche C Commitments be extended to a date falling on or before the date which is 365 days after the original Termination Date (as extended under clause 4.2.1(a)); and

(c) if the Termination Date in respect of some or all of the Tranche A Commitments, Tranche B Commitments and/or Tranche C Commitments is not extended under this clause 4.2 pursuant to a request under clause 4.2.1(a) above then, not more than 90 days nor less than 45 days prior to the second anniversary of the Signing Date, the Company may, by written notice to the Facilities Agent, request that the Termination Date in respect of some or all of each Lender's Tranche A Commitments, Tranche B Commitments and/or Tranche C Commitments be extended to a date falling on or before the date which is 730 days after the original Termination Date.

Any notice under this clause 4.2 is irrevocable.

4.2.2 The Company may make a request under clause 4.2.1(c) notwithstanding it did not make a request under clause 4.2.1(a).

4.2.3 The Facilities Agent shall promptly notify each of the Lenders of receipt of such request from the Company.

4.2.4 Each Lender shall notify the Facilities Agent not later than 20 days prior to the first anniversary of the Signing Date (in the case of notification of a request under clause 4.2.1(a) above) or the second anniversary of the Signing Date (in the case of notification of a request under clause 4.2.1(b) or clause 4.2.1(c) above) (in each case the "Notification Date"), whether it accepts or rejects the request by the Company.

4.2.5 As soon as practicable and in any event within two (2) Business Days after the Notification Date, the Facilities Agent shall, by notice to the Company and each Lender, confirm those Lenders which have agreed to extend the relevant Termination Date and those which have not. Upon receipt by the Company of such notification the Termination Date will be extended as requested in respect of those Lenders which have consented fully to the extension as requested.

4.2.6 If a Lender rejects a request by the Company, does not agree fully to extend its Tranche A Commitments, Tranche B Commitments and/or Tranche C Commitments as requested or does not respond prior to the Notification Date (which shall be deemed a rejection):

(a) the Termination Date for that Lender shall be the relevant Termination Date before the relevant extension provided always that in respect of any Lender which has agreed to extend the Termination Date in respect of its Tranche A Commitment, Tranche B Commitment or Tranche C Commitment in an amount less than that requested by the Company under clause 4.2.1(a) or (b) above (a "Part Extension"), the Company shall be at liberty to accept that Part Extension by notice to the Facilities Agent given within two (2) Business Days of receipt of the Facilities Agent's notice under clause 4.2.5, whereupon the Termination Date in respect of the Part Extension of the relevant Lender will be extended as so notified; and

(b) notwithstanding any provision to the contrary, the Company may, at any time following a rejection or deemed rejection by a Lender of any request to extend under clause 4.2.1, replace that Lender with one or more new Lenders or existing Lenders by requiring that Lender to

transfer its Tranche A Commitment, Tranche B Commitment and/or Tranche C Commitment (or, if the Company has accepted a Part Extension, any part of that Lender's Tranche A Commitment, Tranche B Commitment and/or Tranche C Commitment not so extended) and participation at par to such replacement Lender or Lenders (which are willing to accept such transfer on the basis set out in this clause) and without any premium or payment of fees or of costs or expenses to or by such replacement Lender(s) or any Obligor; and

(c) any Lender replaced under clause 4.2.6(b) shall be entitled to all accrued interest, fees and other amounts payable to it at the time of the transfer.

4.2.7 No Lender is under any obligation to extend the Termination Date applicable to its Tranche A Commitment, Tranche B Commitment and/or Tranche C Commitment. No Termination Date may be extended more than twice or beyond the seventh (7th) anniversary of the Signing Date.

5 Utilisation - Loan

5.1 Delivery of a Loan Utilisation Request

5.1.1 A Borrower may utilise the Facilities for Loan Utilisations by delivery to the Facilities Agent of a duly completed Loan Utilisation Request.

5.1.2 Unless the Facilities Agent otherwise agrees, the latest time for receipt by the Facilities Agent of a duly completed Loan Utilisation Request is the Specified Time one (1) Business Day before the Quotation Day for the proposed Loan Utilisation.

5.2 Completion of a Loan Utilisation Request

5.2.1 Each Loan Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

- (a) it identifies the Tranche to be utilised;
- (b) the proposed Utilisation Date is a Business Day falling within the Availability Period;
- (c) the currency and amount of the Loan Utilisation comply with clause 5.3 (Currency and amount); and
- (d) the proposed Interest Period complies with clause 14 (Interest Periods).

5.2.2 Only one Loan Utilisation may be requested in each Loan Utilisation Request.

5.2.3 Subject to clause 5.2.4, a Borrower may not deliver a Loan Utilisation Request for a Loan Utilisation if as a result of the proposed Loan Utilisation more than twelve (12) Loan Utilisations would be outstanding.

5.2.4 For the purposes of clause 5.2.3, the following shall not be taken into account:

- (a) a Loan Utilisation made pursuant to clause 7.1.2 to repay a Bond Utilisation or any amount outstanding under a Bond;
- (b) a Loan Utilisation made pursuant to clause 9.3.2 to repay a Swingline Loan that has become due and payable; and
- (c) any Utilisation made by a single Lender under clause 10.2 (Unavailability of a currency).

5.3 Currency and amount

5.3.1 The currency specified in a Loan Utilisation Request given under clause 5.1 must be the Base Currency for the Tranche requested or an Optional Currency.

5.3.2 The amount of the proposed Loan Utilisation must be:

- (a) if the currency selected is the Base Currency:
 - (i) in respect of Tranche A, a minimum of \$US20,000,000 or, if less, the Available Tranche A Facility;
 - (ii) in respect of Tranche B, a minimum of (euro)15,000,000 or, if less, the Available Tranche B Facility; or
 - (iii) in respect of Tranche C, a minimum of (pounds)10,000,000 or, if less, the Available Tranche C Facility;
- (b) if the currency selected is an Optional Currency and does not require the approval of the Facilities Agent under clause 10.3.1(a):
 - (i) in respect of Tranche A, a minimum of \$US20,000,000 or, if less, the Available Tranche A Facility (where the amount of the proposed Loan Utilisation is converted into US Dollars at the Facilities Agent's Spot Rate of Exchange on the date of the Loan Utilisation Request);
 - (ii) in respect of Tranche B, a minimum of (euro)15,000,000 or, if less, the Available Tranche B Facility (where the amount of the proposed Loan Utilisation is converted into euro at the Facilities Agent's Spot Rate of Exchange on the date of the Loan Utilisation Request); or
 - (iii) in respect of Tranche C, a minimum of (pounds)10,000,000 or, if less, the Available Tranche C Facility (where the amount of the proposed Loan Utilisation is converted into Sterling at the Facilities Agent's Spot Rate of Exchange on the date of the Loan Utilisation Request); and
- (c) if the currency selected is an Optional Currency and it has been approved by the Facilities Agent under clause 10.3.1(a), the minimum amount (and, if required, integral multiple)

specified by the Facilities Agent pursuant to clause 10.3.2 (Conditions relating to Optional Currencies).

5.4 Lenders' participation

5.4.1 Subject to clause 5.4.2, the Lenders will only be obliged to comply with this clause 5.4 (Lenders' participation) if on the proposed Utilisation Date:

- (a) in the case of a Rollover Loan no Event of Default is outstanding or would result from the proposed Rollover Loan and, in the case of any other Loan Utilisation, no Default is outstanding or would result from the proposed Loan Utilisation; and
- (b) the Repeating Representations to be made by each Obligor are correct in all material respects.

5.4.2 The Lenders shall be obliged to comply with this clause 5.4 in relation to any Loan Utilisation made pursuant to clause 7.1.2 or clause 9.3.2 provided that clause 5.4.1 shall not apply to any such Loan Utilisation, and the conditions referred to in clauses 5.4.5 and 5.4.6 shall be deemed satisfied in relation to any such Loan Utilisation.

5.4.3 The Facilities Agent must promptly notify each Lender of the details of the requested Loan Utilisation (including the amount, currency and Base Currency Amount) and the amount of each Lender's share in that Loan Utilisation, in each case by the Specified Time.

5.4.4 The amount of each Lender's share in:

- (a) each Loan Utilisation under Tranche A will be equal to the proportion which its Available Tranche A Commitment bears to the Available Tranche A Facility immediately prior to making the Loan Utilisation;
- (b) each Loan Utilisation under Tranche B will be equal to the proportion which its Available Tranche B Commitment bears to the Available Tranche B Facility immediately prior to making the Loan Utilisation; and
- (c) each Loan Utilisation under Tranche C will be equal to the proportion which its Available Tranche C Commitment bears to the Available Tranche C Facility immediately prior to making the Loan Utilisation.

5.4.5 If the conditions set out in this Agreement have been satisfied or waived, each Lender must make its share in each Loan Utilisation available to the Facilities Agent for the relevant Borrower through its Facility Office on the proposed Utilisation Date.

5.4.6 If, on the proposed Utilisation Date, the Facilities Agent is satisfied that all conditions precedent have been satisfied or waived it shall pay the proceeds of each Loan Utilisation received pursuant to clause 5.4.5 above in accordance with the payment directions set out in the relevant Loan Utilisation Request (or, if relevant, in accordance with clause 7.1.2 or clause 9.3.2).

- 6 Utilisation - Bonds
- 6.1 General
- 6.1.1 In determining the amount of the Available Bond Facility and a Lender's Bond Proportion of a proposed Bond for the purposes of this Agreement, the Lender's Available Tranche A Commitment will be calculated ignoring any cash cover provided for outstanding Bonds.
- 6.2 Tranche A
- A Bond Utilisation may only be made under Tranche A.
- 6.3 Delivery of a Bond Utilisation Request
- A Bond Borrower may request a Bond to be issued by delivery to the Facilities Agent of a duly completed Bond Utilisation Request not later than the Specified Time (unless a shorter period is agreed by the Facilities Agent (and the relevant Fronting Bank)).
- 6.4 Completion of a Bond Utilisation Request
- Each Bond Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
- 6.4.1 it specifies the Account Party;
- 6.4.2 it specifies the Fronting Bank;
- 6.4.3 it specifies the identity of the beneficiary of the Bond and the relevant Fronting Bank is not prevented by reason of legal or regulatory restrictions imposed upon it from issuing a Bond in favour of that beneficiary;
- 6.4.4 the proposed Utilisation Date is a Business Day within the Availability Period;
- 6.4.5 the currency and amount of the Bond comply with clause 6.5 (Currency and amount);
- 6.4.6 the form of the Bond is attached and it complies with clause 6.6 (Form and Type of Bond);
- 6.4.7 the Expiry Date of the Bond falls on or before the Termination Date; and
- 6.4.8 the delivery instructions for the Bond are specified.
- 6.5 Currency and amount
- 6.5.1 The currency specified in a Bond Utilisation Request given under clause 6.3 must be the Base Currency for Tranche A or an Optional Currency.
- 6.5.2 The amount of the proposed Bond must be an amount whose Base Currency Amount for Tranche A is not more than the lesser of the Available Tranche A Facility and the Available Bond Facility.

- 6.6 Form and Type of Bond
- 6.6.1 The form and type of instrument of the proposed Bond must be either:
- (a) substantially in the form of and a type of instrument consistent with one of the Pre-Approved Bonds; or
 - (b) in any other form and of such other type of instrument as requested by a Bond Borrower (to the extent required by the relevant beneficiary) and approved by the relevant Fronting Bank (such approval not to be unreasonably withheld, delayed or conditioned) prior to the date of the Bond Utilisation Request in respect of that Bond.
- 6.7 Issue of Bonds
- 6.7.1 If the conditions set out in clause 6.4 have been met, the relevant Fronting Bank shall issue the Bond on the proposed Utilisation Date.
- 6.7.2 The relevant Fronting Bank will only be obliged to comply with clause 6.7.1 above if on the date of the Bond Utilisation Request or, as the case may be, Renewal Request and on the proposed Utilisation Date:
- (a) in the case of a Bond renewed in accordance with clause 6.8 (Renewal of a Bond), no Event of Default is continuing or would result from the proposed Bond Utilisation and, in the case of any other Bond Utilisation, no Default is continuing or would result from the proposed Bond Utilisation; and
 - (b) the Repeating Representations to be made by each Obligor are true in all material respects.
- 6.7.3 The amount of each Lender's participation in each Bond will be equal to the proportion borne by its Lender's Available Tranche A Commitment to the Available Tranche A Facility immediately prior to the issue of the Bond.
- 6.7.4 The Facilities Agent shall determine the Base Currency Amount of each Bond which is to be issued in an Optional Currency and shall notify the relevant Fronting Bank and each Lender of the details of the requested Bond and its participation in that Bond by the Specified Time.
- 6.8 Renewal of a Bond
- 6.8.1 A Bond Borrower may request any Bond issued on its behalf be renewed by delivery to the Facilities Agent of a Renewal Request by the Specified Time.
- 6.8.2 The Finance Parties shall treat any Renewal Request in the same way as a Bond Utilisation Request except that the condition set out in clauses 6.4.1, 6.4.2 and 6.4.6 (Completion of a Bond Utilisation Request) shall not apply.

- 6.8.3 The terms of each renewed Bond shall be the same as those of the relevant Bond immediately prior to its renewal, except that:
- (a) its amount may be less than the amount of the Bond immediately prior to its renewal; and
 - (b) its Term shall start on the date which was the Expiry Date of the Bond immediately prior to its renewal, and shall end on the proposed Expiry Date specified in the Renewal Request.
- 6.8.4 If the conditions set out in this clause 6.8 have been met, the relevant Fronting Bank shall amend and re-issue any Bond pursuant to a Renewal Request.
- 6.9 Revaluation of Bonds
- 6.9.1 If any outstanding Bond is denominated in an Optional Currency, the Facilities Agent shall on each Test Date - Bonds recalculate the Base Currency Amount for Tranche A of that Bond by notionally converting into US Dollars the outstanding amount of that Bond on the basis of the Facilities Agent's Spot Rate of Exchange on the date of calculation.
- 6.9.2 If on any Test Date - Bonds (i) the Test Total - Bonds exceeds (ii) the Total Bond Commitments, each of the Bond Borrowers will, if requested by the Facilities Agent within three Business Days of the Test Date - Bonds, ensure that within three Business Days of receipt of such request either (at the discretion of the Bond Borrowers):
- (a) sufficient Bonds are cancelled so that the Test Total - Bonds does not exceed the Total Bond Commitments; and/or
 - (b) the Facilities Agent receives cash cover in US Dollars which when aggregated with all other amounts then held by the Facilities Agent as cash cover under this Agreement, will result in the Facilities Agent holding cash cover in an amount not less than the amount by which the Test Total - Bonds exceeds the Total Bond Commitments.
- 6.9.3 If on any Test Date - Bonds (i) the Total Bond Commitments exceed (ii) the Test Total - Bonds, the Facilities Agent shall to the extent that it holds cash cover as a result of the operation of clause 6.9.2(b) repay to the Bond Borrowers (or other relevant Obligors) an amount equal to the lesser of the amount of such excess and the amount of such cash cover held by it.
- 6.9.4 All cash cover held by the Facilities Agent under this clause 6.9 shall be repaid to the Bond Borrowers (or other relevant Obligors) on the Expiry Date of any Bond if upon that expiry no other Bond is then outstanding.

- 7 Bonds
- 7.1 Immediately payable
- 7.1.1 If a claim is made under a Bond, the Bond Borrower which requested that Bond shall pay to the Facilities Agent for the account of the relevant Fronting Bank the amount of that claim within five Business Days of demand.
- 7.1.2 If the relevant Bond Borrower does not repay such amount in full within five Business Days of demand by the relevant Fronting Bank:
- (a) subject to sub-clause (d) below, the Bond Borrower will on the immediately following Business Day be deemed to have delivered a Loan Utilisation Request under Tranche A for a Loan Utilisation in an amount equal to, and in the same currency as, the amount demanded under clause 7.1.1 with an Interest Period of two weeks and a Utilisation Date of the Business Day following the deemed date of the Loan Utilisation Request;
 - (b) the amount of each Lender's share in the Loan Utilisation shall be determined in accordance with clause 5.4;
 - (c) the Facilities Agent will pay to the relevant Fronting Bank the amount deemed requested by the Bond Borrower under paragraph (a) above in full satisfaction of the Bond Borrower's obligations under clause 7.1.1 and a pro tanto discharge of the Bond Borrower's obligations under clause 7.3.1; and
 - (d) in any case where the Bond Borrower is not permitted under this Agreement to utilise Tranche A by way of Loan, the Loan Utilisation shall be deemed requested under Tranche B, provided that if the amount of the Utilisation would exceed the Available Tranche B Facility, then the amount of such excess shall constitute a Loan Utilisation by Carnival plc under Tranche A (and then Tranche C to the extent that Loan Utilisation under Tranche A exceeds the Available Tranche A Facility) in each case with an Interest Period of two weeks.
- 7.2 Claims under a Bond
- 7.2.1 The Bond Borrower irrevocably and unconditionally authorises the relevant Fronting Bank to pay any claim made or purported to be made under a Bond requested by it and which appears on its face to be in order (a "claim").
- 7.2.2 The relevant Fronting Bank shall examine the claim made under any Bond in accordance with the criteria set out in the Uniform Customs and Practices for Documentary Credits, International Chamber of Commerce, publication No. 500 (or any subsequent revision thereof) ("UCP 500"), whether or not the Bond is or is stated to be governed by UCP 500, and accordingly the responsibility of the relevant Fronting Bank shall be limited to ascertaining that the documents constituting the claim appear on their face to be in accordance with the relevant Bond, properly completed and in compliance with the requirements of this Agreement and, subject to the terms of the Bond, the UCP 500.

- 7.2.3 Each Bond Borrower acknowledges that the relevant Fronting Bank:
- (a) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a claim other than set out in clause 7.2.2; and
 - (b) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.

- 7.2.4 Without prejudice to the limits on the liability of the Borrower under clause 7.3.1 or against any Fronting Bank at law, the obligations of a Bond Borrower under this clause 7 will not be affected by:
- (a) the sufficiency, accuracy or genuineness of any claim or any other document; or
 - (b) any incapacity of, or limitation on the powers of, any person signing a claim or other document.

7.3 Indemnities

7.3.1 Each Bond Borrower shall immediately on demand indemnify the relevant Fronting Bank against any cost, loss or liability incurred by that Fronting Bank (otherwise than by reason of that Fronting Bank's breach of this Agreement, gross negligence or wilful misconduct) as a direct consequence of, or in the performance of its obligations or the exercise of its rights under, any Bond requested by that Bond Borrower.

7.3.2 Each Lender shall (according to its Bond Proportion) immediately on demand (such demand to be made no earlier than seven Business Days following a demand on the Bond Borrower under clause 7.3.1) indemnify the relevant Fronting Bank against any cost, loss or liability incurred by that Fronting Bank (otherwise than by reason of that Fronting Bank's gross negligence or wilful misconduct) in acting as the relevant Fronting Bank under any Bond (unless that Fronting Bank has been reimbursed by an Obligor pursuant to a Finance Document).

7.3.3 If any Lender is not permitted (by its constitutional documents or any applicable law) to comply with clause 7.3.2 above, then that Lender will not be obliged to comply with clause 7.3.2 and shall instead be deemed to have taken, on the date the Bond is issued (or if later, on the date the Lender's participation in the Bond is transferred or assigned to the Lender in accordance with the terms of this Agreement), an undivided interest and participation in the Bond in an amount equal to its Bond Proportion of that Bond. On receipt of demand from the Facilities Agent, that Lender shall pay to the Facilities Agent (for the account of the relevant Fronting Bank) an amount equal to its Bond Proportion of the amount demanded under clause 7.3.2 above.

7.3.4 The relevant Bond Borrower shall immediately on demand reimburse any Lender for any payment it makes to the relevant Fronting Bank under this clause 7.3 (Indemnities) in respect of that Bond.

7.3.5 The obligations of each Lender under this clause are continuing obligations and will extend to the ultimate balance of sums payable by that Lender in respect of any Bond, regardless of any intermediate payment or discharge in whole or in part.

7.3.6 The obligations of any Lender under this clause will not be affected by any act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this clause (without limitation and whether or not known to it or any other person) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor, any beneficiary under a Bond or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor, any beneficiary under a Bond or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor, any beneficiary under a Bond or any other person;
- (e) any amendment (however fundamental) or replacement of a Finance Document, any Bond or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Bond or any other document or security; or
- (g) any insolvency or similar proceedings.

7.4 Rights of contribution

No Obligor will be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this clause 7.

8 Utilisation - Swingline Loan

8.1 General

8.1.1 The following provisions do not apply to Swingline Loans:

- (a) clause 5 (Utilisation);
- (b) clause 10 (Optional currencies);

- (c) clause 13 (Interest) as it applies to the calculation of interest on a Loan Utilisation but not default interest on an overdue amount;
- (d) clause 14 (Interest Periods); and
- (e) in respect of Swingline Loans under Tranche A, clause 15 (Changes to the calculation of interest).

8.2 Delivery of a Swingline Loan Utilisation Request

8.2.1 A Borrower may utilise the Swingline Facilities by delivery to the Facilities Agent of a duly completed Swingline Loan Utilisation Request not later than the Specified Time (unless a shorter period is agreed by the Facilities Agent).

8.2.2 Each Swingline Loan Utilisation Request must be sent to the Facilities Agent to:

- (a) the address in New York City notified by the Facilities Agent for this purpose (in the case of Tranche A);
- (b) the address in London notified by the Facilities Agent for this purpose (in the case of Tranche B); or
- (c) the address in London notified by the Facilities Agent for this purpose (in the case of Tranche C),

in each case with a copy to its address referred to in clause 35 (Notices).

8.3 Completion of a Swingline Loan Utilisation Request

8.3.1 Each Swingline Loan Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

- (a) it identifies the Borrower;
- (b) it specifies that it is for a Swingline Loan;
- (c) the proposed Utilisation Date is a Business Day within the Availability Period;
- (d) it identifies the relevant Tranche;
- (e) the currency and amount of the Swingline Loan comply with clause 8.4 (Currency and amount); and
- (f) the proposed Interest Period:
 - (i) does not overrun the Termination Date;
 - (ii) is a period of not more than five Business Days; and
 - (iii) ends on a Business Day.

- 8.3.2 Only one Swingline Loan may be requested in each Swingline Loan Utilisation Request.
- 8.4 Currency and amount
- 8.4.1 The currency specified in a Swingline Loan Utilisation Request given under clause 8.3 must be the Base Currency for the Tranche requested.
- 8.4.2 The amount of the proposed Swingline Loan must be in respect of:
- (a) Tranche A, a minimum of \$US10,000,000 or, if less, the Available Swingline Tranche A Facility and not more than the lesser of the Available Swingline Tranche A Facility and the Available Tranche A Facility;
 - (b) Tranche B, a minimum of (euro)10,000,000 or, if less, the Available Swingline Tranche B Facility and not more than the lesser of the Available Swingline Tranche B Facility and the Available Tranche B Facility; or
 - (c) Tranche C, a minimum of (pounds)10,000,000 or, if less, the Available Swingline Tranche C Facility and not more than the lesser of the Available Swingline Tranche C Facility and the Available Tranche C Facility.
- 8.5 Swingline Lenders' participation
- 8.5.1 If the conditions set out in this Agreement have been met, each Swingline Lender shall make its participation in each Swingline Loan available through its Facility Office in New York City, in the case of Tranche A, London or Milan, in the case of Tranche B, and London, in the case of Tranche C.
- 8.5.2 The Swingline Lenders will only be obliged to comply with clause 8.5.1 above if on the date of the Swingline Loan Utilisation Request and on the proposed Utilisation Date:
- (a) no Default is continuing or would result from the proposed Swingline Loan; and
 - (b) the Repeating Representations to be made by each Obligor are true in all material respects.
- 8.5.3 The amount of each Swingline Lender's participation in:
- (a) each Swingline Loan under Tranche A will be equal to the proportion which its Available Swingline Tranche A Commitment bears to the Available Swingline Tranche A Facility immediately prior to making the Swingline Loan;
 - (b) each Swingline Loan under Tranche B will be equal to the proportion which its Available Swingline Tranche B Commitment bears to the Available Swingline Tranche B Facility immediately prior to making the Swingline Loan; and
 - (c) each Swingline Loan under Tranche C will be equal to the proportion which its Available Swingline Tranche C Commitment bears to the Available Swingline Tranche C Facility immediately prior to making the Swingline Loan,

in each case, adjusted to take account of any limit applying under clause 8.6 (Relationship with the Facilities).

8.5.4 The Facilities Agent shall notify each Lender for a particular Tranche of the amount of each Swingline Loan under that Tranche, and in addition shall notify each Swingline Lender under that Tranche of the amount of its participation in that Swingline Loan, in each case by the Specified Time.

8.6 Relationship with the Facilities

8.6.1 This clause applies when a Swingline Loan is outstanding or is to be borrowed following the issue of a Swingline Loan Utilisation Request.

8.6.2 The Facilities may be used by way of Swingline Loans. The Swingline Facilities are not independent of Tranche A, Tranche B and Tranche C.

8.6.3 Notwithstanding any other term of this Agreement a Lender is only obliged to participate in a:

- (a) Loan under Tranche A to the extent that it would not result in the Base Currency Amount of its participation and that of a Lender which is its Affiliate in Loans under Tranche A exceeding its Overall Tranche A Commitment;
- (b) Loan under Tranche B to the extent that it would not result in the Base Currency Amount of its participation and that of a Lender which is its Affiliate in Loans under Tranche B exceeding its Overall Tranche B Commitment; and
- (c) Loan under Tranche C to the extent that it would not result in the Base Currency Amount of its participation and that of a Lender which is its Affiliate in Loans under Tranche C exceeding its Overall Tranche C Commitment.

8.6.4 Where, but for the operation of clause 8.6.3, the Base Currency Amount of a Lender's participation in Loans and that of a Lender which is its Affiliate:

- (a) under Tranche A would have exceeded its Overall Tranche A Commitment, the excess will be apportioned among the other Lenders participating in the relevant Loan under Tranche A pro rata according to their Tranche A Commitments;
- (b) under Tranche B would have exceeded its Overall Tranche B Commitment, the excess will be apportioned among the other Lenders participating in the relevant Loan under Tranche B pro rata according to their Tranche B Commitments; and
- (c) under Tranche C would have exceeded its Overall Tranche C Commitment, the excess will be apportioned among the other Lenders participating in the relevant Loan under Tranche C pro rata according to their Tranche C Commitments.

The calculations under this clause 8.6.4 will be applied as often as necessary until the Loan is apportioned among the relevant Lenders in a manner consistent with clause 8.6.3 above.

9 Swingline Loans

9.1 Swingline Facilities

Subject to the terms of this Agreement:

- (a) the Swingline Lenders under Tranche A make available to the Borrowers a US Dollar swingline loan facility in an aggregate amount equal to the Total Swingline Tranche A Commitments;
- (b) the Swingline Lenders under Tranche B make available to the Borrowers a euro swingline loan facility in an aggregate amount equal to the Total Swingline Tranche B Commitments; and
- (c) the Swingline Lenders under Tranche C make available to the Borrowers a Sterling swingline loan facility in an aggregate amount equal to the Total Swingline Tranche C Commitments.

9.2 Purpose

9.2.1 Each Borrower shall apply all amounts borrowed by it under the Swingline Facilities towards refinancing any note, instrument, facility or borrowing maturing under a CP Programme.

9.2.2 A Swingline Loan may not be applied in repayment or prepayment of another Swingline Loan.

9.3 Repayment

9.3.1 Each Borrower that has drawn a Swingline Loan shall repay that Swingline Loan on the last day of its Interest Period.

9.3.2 If the Borrower does not comply with clause 9.3.1:

- (a) the Borrower will be deemed to have delivered a Loan Utilisation Request (without the need to satisfy any conditions precedent as otherwise required under this Agreement) under the relevant Tranche to which the Swingline Loan relates for a Loan Utilisation in an amount equal to, and in the same currency as, the amount payable under clause 9.3.1 with an Interest Period of two weeks;
- (b) the amount of each Lender's share in the Loan Utilisation shall be determined in accordance with clause 5.4; and
- (c) the Facilities Agent will pay to the relevant Swingline Lenders the amount requested by the Borrower under paragraph (a) above in full satisfaction of its obligations under clause 9.3.1.

9.4 Indemnities

9.4.1 Where a Swingline Loan cannot by reason of applicable law be refinanced with a Loan Utilisation under clause 9.3.2:

- (a) each Lender under Tranche A shall (according to its Tranche A Indemnified Proportion) immediately on demand indemnify each Swingline Lender under Tranche A against any cost, loss or liability incurred by that Swingline Lender (otherwise than by reason of that Swingline Lender's gross negligence or wilful misconduct) in acting as a Swingline Lender of a Swingline Loan under Tranche A (unless that Swingline Lender has been reimbursed by an Obligor pursuant to a Finance Document);
- (b) each Lender under Tranche B shall (according to its Tranche B Indemnified Proportion) immediately on demand indemnify each Swingline Lender under Tranche B against any cost, loss or liability incurred by that Swingline Lender (otherwise than by reason of that Swingline Lender's gross negligence or wilful misconduct) in acting as a Swingline Lender of a Swingline Loan under Tranche B (unless that Swingline Lender has been reimbursed by an Obligor pursuant to a Finance Document); and
- (c) each Lender under Tranche C shall (according to its Tranche C Indemnified Proportion) immediately on demand indemnify each Swingline Lender under Tranche C against any cost, loss or liability incurred by that Swingline Lender (otherwise than by reason of that Swingline Lender's gross negligence or wilful misconduct) in acting as a Swingline Lender of a Swingline Loan under Tranche C (unless that Swingline Lender has been reimbursed by an Obligor pursuant to a Finance Document).

9.4.2 The relevant Borrower shall immediately on demand reimburse any Lender for any payment it makes to a Swingline Lender under this clause 9.4 (Indemnities) in respect of that Swingline Loan.

9.4.3 The obligations of each Lender under this clause are continuing obligations and will extend to the ultimate balance of sums payable by that Lender in respect of any Swingline Loan, regardless of any intermediate payment or discharge in whole or in part.

9.4.4 The obligations of any Lender under this clause will not be affected by any act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this clause (without limitation and whether or not known to it or any other person) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

- (e) any amendment (however fundamental) or replacement of a Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

9.4.5 No Obligor will be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this clause 9.4.

9.5 Voluntary Prepayment of Swingline Loans

9.5.1 The Borrower to which a Swingline Loan has been made may prepay at any time the whole of that Swingline Loan.

9.5.2 Any prepayment shall be made with accrued interest and without premium or penalty.

9.5.3 Unless a contrary indication appears in this Agreement, any part of the Swingline Facilities which is prepaid may be reborrowed in accordance with the terms of this Agreement.

9.6 Interest

9.6.1 The rate of interest on each Swingline Loan for any day during its Interest Period is:

- (a) for Swingline Loans under Tranche A, the higher of:
 - (i) the prime commercial lending rate in US Dollars announced by the Facilities Agent at the Specified Time and in force on that day; and
 - (ii) 0.50 per cent. per annum over the rate per annum determined by the Facilities Agent to be the Federal Funds Rate (as published by the Federal Reserve Bank of New York) for that day;
- (b) for Swingline Loans under Tranche B, the percentage rate per annum equal to the aggregate of:
 - (i) the applicable Margin;
 - (ii) the arithmetic mean of the rates (rounded up to four decimal places) as supplied to the Facilities Agent at its request by the Reference Banks to leading banks in the European Interbank Market as of 11:00am (Brussels time) on the Utilisation Date for that Swingline Loan for the offering of deposits in euro for a period comparable to the Interest Period for the relevant Swingline Loan and for settlement on that day; and
 - (iii) Mandatory Cost (if any);
- (c) for Swingline Loans under Tranche C the percentage rate per annum equal to the aggregate of:

- (i) the applicable Margin;
- (ii) LIBOR; and
- (iii) Mandatory Cost, if any;

9.6.2 The Facilities Agent shall promptly notify the Swingline Lenders and the relevant Borrower of the determination of the rate of interest under clause 9.6.1 above.

9.6.3 Each Borrower shall pay accrued interest on each Swingline Loan made to it on the last day of its Interest Period.

9.7 Interest Period

9.7.1 Each Swingline Loan has one Interest Period only.

9.7.2 The Interest Period for a Swingline Loan must be selected in the relevant Swingline Loan Utilisation Request.

9.8 Facilities Agent

9.8.1 The Facilities Agent may perform its duties in respect of the Swingline Facilities through an Affiliate acting as its agent.

9.8.2 Notwithstanding any other term of this Agreement and without limiting the liability of any Obligor under the Finance Documents, each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) pay to or indemnify the Facilities Agent, within three Business Days of demand, for or against any cost, loss or liability incurred by any Affiliate of the Facilities Agent (other than by reason of such Affiliate's gross negligence or wilful misconduct) in acting as Facilities Agent for the Swingline Facilities under the Finance Documents (unless such Affiliate has been reimbursed by an Obligor pursuant to a Finance Document).

9.9 Conditions of assignment or transfer

9.9.1 Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Overall Tranche A Commitment is not less than:

- (a) its Swingline Tranche A Commitment; or
- (b) if it does not have a Swingline Tranche A Commitment, the Swingline Tranche A Commitment of a Lender which is its Affiliate.

9.9.2 Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Overall Tranche B Commitment is not less than:

- (a) its Swingline Tranche B Commitment; or

(b) if it does not have a Swingline Tranche B Commitment, the Swingline Tranche B Commitment of a Lender which is its Affiliate.

9.9.3 Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Overall Tranche C Commitment is not less than:

(a) its Swingline Tranche C Commitment; or

(b) if it does not have a Swingline Tranche C Commitment, the Swingline Tranche C Commitment of a Lender which is its Affiliate.

10 Optional Currencies

10.1 Selection of currency

A Borrower (or the Company on behalf of a Borrower) shall select the currency of a Loan Utilisation in a Loan Utilisation Request and a Bond Utilisation in a Bond Utilisation Request.

10.2 Unavailability of a currency

10.2.1 If before the Specified Time on any Quotation Day:

(a) a Lender notifies the Facilities Agent that the Optional Currency requested is not readily available to it in the amount required; or

(b) a Lender notifies the Facilities Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Facilities Agent will give notice to the Company and the relevant Borrower promptly and in any event no later than the Specified Time on that day.

10.2.2 Any Lender that gives notice pursuant to clause 10.2.1 will be required to participate in the Loan in the Base Currency for the Tranche requested (in an amount equal to that Lender's proportion of the Base Currency Amount for that Tranche or, in respect of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount for that Tranche of the Rollover Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency for that Tranche during that Interest Period.

10.2.3 Any part of a Loan treated as a separate Loan under this clause 10.2 will not be taken into account for the purposes of any limit on the number of Loans outstanding at any one time.

10.2.4 A Loan will still be treated as a Rollover Loan if it is not denominated in the same currency as the maturing Loan by reason of the operation of this clause 10.2.

- 10.3 Conditions relating to Optional Currencies
- 10.3.1 A currency will constitute an Optional Currency in relation to any Utilisation if it is not the relevant Base Currency and if either:
- (a) it is freely convertible into the Base Currency for the relevant Tranche readily available in the amount requested in the Relevant Interbank Market on the Quotation Day and the Utilisation Date for that Utilisation and has been approved by the Facilities Agent (acting on the instructions of all the Lenders on or prior to receipt by the Facilities Agent of the relevant Utilisation Request for that Loan); or
 - (b) it is US Dollars, euro, Sterling or Australian Dollars.
- 10.3.2 If the Facilities Agent has received a written request from a Borrower for a currency to be approved under clause 10.3.1 above, the Facilities Agent will confirm to that Borrower by the Specified Time:
- (a) whether or not the Lenders have granted their approval; and
 - (b) if approval has been granted, the minimum amount (and, if required, integral multiples) for any subsequent Utilisation in that currency.
- 11 Repayment
- 11.1 Each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period.
- 11.2 Subject to the other terms of this Agreement, any amounts repaid under clause 11.1 above may be re-borrowed.
- 11.3 If, pursuant to the terms of this Agreement, the Lenders are obliged to make a Rollover Loan, the maturing loan referred to in the definition of Rollover Loan shall be repaid and the Rollover Loan shall be made without any requirement for an actual exchange of payments (other than to the extent that the amount of the maturing loan is more than the Rollover Loan), but without prejudice to the relevant Borrower's obligation to pay interest on the maturing loan.
- 11.4 Notwithstanding the provisions of clause 7, each Bond Borrower shall ensure that each Bond is repaid in full on or before the Termination Date.
- 12 Prepayment and cancellation
- 12.1 Mandatory prepayment - illegality
- 12.1.1 A Lender must notify the Company and the Facilities Agent promptly if it becomes aware that:
- (a) it will become; or
 - (b) it is,

unlawful in any applicable jurisdiction for that Lender to perform any of its obligations under a Finance Document or to fund or maintain its share in any Utilisation.

12.1.2 If a Fronting Bank becomes aware of any unlawfulness that may affect its ability to issue a particular Bond, that Fronting Bank shall promptly notify the Company and the Facilities Agent of that event.

12.1.3 After notification under clause 12.1.1(b) above:

- (a) each Borrower must repay or prepay the share of that Lender in each Utilisation on the date specified in clause 12.1.4 below; and
- (b) the Tranche A Commitment, the Tranche B Commitment and the Tranche C Commitment of that Lender will be immediately cancelled.

12.1.4 The date for repayment or prepayment of a Lender's share in an outstanding Utilisation will be:

- (a) the last day of the current Interest Period for that Utilisation; or
- (b) if earlier, the date specified by the Lender in the notification under clause 12.1.1(b) above and which must not be earlier than the last day of any applicable grace period allowed by law.

12.2 Mandatory prepayment - change of ownership

12.2.1 For the purposes of this clause:

Arison Party means each and all of Marilyn B. Arison, Micky Meir Arison, Shari Arison, Michael Arison or their spouses, children or lineal descendants of Marilyn B. Arison, Micky Meir Arison, Shari Arison, Michael Arison or their spouses, any trust established for the benefit of any Arison family member mentioned herein, or any person directly or indirectly, controlling, controlled by or under common control with any Arison family member mentioned herein or any trust established for the benefit of any such Arison family member or any charitable trust or non-profit entity established by any of the aforesaid persons or trusts;

a change of ownership occurs if any person or group of persons (other than any Arison Party or any two or more Arison Parties) gains ownership of the Company or Carnival plc provided that a change of ownership shall be deemed not to have occurred if:

- (a) either:
 - (i) the Company directly or indirectly gains ownership of Carnival plc; or
 - (ii) Carnival plc directly or indirectly gains ownership of the Company; and
- (b) such consequential amendments are made to this Agreement (with the consent of the Company and the Facilities Agent which consent shall not be unreasonably withheld, delayed or conditioned) as are required to reflect the relevant change and to put the Parties in an

equivalent position as regards the companies in the Carnival Corporation & plc Group as would have applied had the relevant change not occurred; and

- (c) the Facilities Agent receives a legal opinion from lawyers approved by it (acting reasonably) and in form and substance satisfactory to it (acting reasonably) confirming that (i) the monetary obligations under the Finance Documents of the Company will continue to be guaranteed by Carnival plc under the relevant Deed of Guarantee and/or (ii) the monetary obligations under the Finance Documents of Carnival plc will continue to be guaranteed by the Company under the relevant Deed of Guarantee, in each case, after the relevant change referred to in paragraph (a) above.

ownership means the ownership of more than fifty per cent. (50%) of the voting share capital (or equivalent rights of ownership) of the Company or of Carnival plc.

12.2.2 The Company must promptly notify the Facilities Agent if it becomes aware of any change of ownership.

12.2.3 If a change of ownership occurs, the Facilities Agent and the Company shall enter into discussions to determine if there is a basis acceptable to the Lenders and the Company for continuing the Facilities. If such agreement is reached within 90 days of the change of ownership, the Parties will promptly implement the agreement. If such agreement is not reached within 90 days of the change of ownership the Facilities Agent must, by notice to the Company:

- (a) cancel the Total Tranche A Commitments, the Total Tranche B Commitments and the Total Tranche C Commitments; and/or, as the case may be
- (b) declare each outstanding Utilisation, together with accrued interest and all other amounts accrued under the Finance Documents, to be immediately due and payable.

Any such notice will take effect in accordance with its terms.

12.3 Voluntary Prepayment

12.3.1 The Company may, by giving not less than three Business Days prior notice to the Facilities Agent, prepay (or ensure that a Borrower prepays) any Loan at any time in whole or in part.

12.3.2 A prepayment of part of a Loan must be:

- (a) in respect of Tranche A, in a minimum amount of \$US5,000,000 (or its equivalent in any Optional Currency);
- (b) in respect of Tranche B, in a minimum amount of (euro)5,000,000 (or its equivalent in any Optional Currency); and
- (c) in respect of Tranche C, in a minimum amount of (pounds)2,500,000 (or its equivalent in any Optional Currency).

12.4 Automatic cancellation

The Tranche A Commitment, the Tranche B Commitment and the Tranche C Commitment of each Lender will be automatically cancelled at the close of business on the last day of the Availability Period.

12.5 Voluntary cancellation

12.5.1 The Company may by notice to the Facilities Agent not later than 8:00 am on the date such cancellation is to take effect, cancel without penalty the whole or any part of the Available Tranche A Facility, the Available Tranche B Facility and/or the Available Tranche C Facility.

12.5.2 Partial cancellation of:

- (a) the Available Tranche A Facility must be in a minimum amount of \$US10,000,000;
- (b) the Available Tranche B Facility must be in a minimum amount of (euro)10,000,000; and
- (c) the Available Tranche C Facility must be in a minimum amount of (pounds)10,000,000.

12.5.3 Any cancellation in part will be applied against the relevant Available Tranche A Facility, the Available Tranche B Facility and the Available Tranche C Facility, as the case may be, of each Lender pro rata.

12.6 Involuntary prepayment and cancellation

12.6.1 If an Obligor is, or will be, required to pay to a Lender a Tax Payment or an Increased Cost, or if any Lender notifies the Facilities Agent that its Additional Cost Rate is greater than zero the Company may, while the requirement continues or following the notification in relation to the Additional Cost Rate, give notice to the Facilities Agent of prepayment and/or cancellation in respect of that Lender.

12.6.2 After notification under clause 12.6.1 above:

- (a) each Borrower must repay or prepay that Lender's share in each Utilisation under each Tranche made to it on the date specified in clause 12.6.3 below; and/or, as the case may be
- (b) the Tranche A Commitment, the Tranche B Commitment and the Tranche C Commitment of that Lender will be immediately cancelled.

12.6.3 The date for repayment or prepayment of a Lender's share in an outstanding Utilisation will be the last day of the Interest Period for that Utilisation during which the Company has given notice under clause 12.6.1 above or, if earlier, the date specified by the Company in its notification.

12.7 Miscellaneous provisions

12.7.1 Any notice of prepayment and/or cancellation under this Agreement is irrevocable and must specify the relevant date(s) upon which the relevant cancellation is to take effect or prepayment is to be made

and the amount of that cancellation or prepayment. The Facilities Agent must notify the Lenders promptly of receipt of any such notice.

12.7.2 All prepayments under this Agreement must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except for Break Costs.

12.7.3 Any part of the Facilities which are prepaid may be reborrowed in accordance with the terms of this Agreement.

12.7.4 The Majority Lenders may agree a shorter notice period for a voluntary prepayment.

12.7.5 No prepayment or cancellation is allowed except in accordance with the express terms of this Agreement.

12.7.6 No amount of the Total Tranche A Commitments, Total Tranche B Commitments or Total Tranche C Commitments cancelled under this Agreement may subsequently be reinstated.

13 Interest

13.1 Calculation of interest

The rate of interest on each Loan (other than a Swingline Loan) for each Interest Period is the percentage rate per annum equal to the aggregate of:

13.1.1 the applicable Margin;

13.1.2 LIBOR or, in relation to any Loan in euro, EURIBOR; and

13.1.3 Mandatory Cost, if any.

13.2 Payment of interest

The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period and, if the Interest Period is longer than six months, on the dates falling at six monthly intervals after the first day of that Interest Period.

13.3 Interest on overdue amounts

13.3.1 If an Obligor fails to pay any amount payable by it under the Finance Documents, it must immediately on demand by the Facilities Agent pay interest on the overdue amount from its due date up to the date of actual payment, both before, on and after judgment.

13.3.2 Interest on an overdue amount is payable at a rate determined by the Facilities Agent to be one per cent. per annum above the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Facilities Agent (acting reasonably) of up to three months.

13.3.3 Notwithstanding clause 13.3.2 above, if the overdue amount consists of all or part of a Loan which became due and payable on a day which was not the last day of an Interest Period for that Loan, then:

- (a) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period for that Loan; and
- (b) the rate of interest on the overdue amount for that first Interest Period will be one per cent. per annum above the rate which would have applied if the overdue amount had not become due.

After the expiry of the first Interest Period for that overdue amount, the rate on the overdue amount will be calculated in accordance with clause 13.3.2 above.

13.3.4 Interest (if unpaid) on an overdue amount will be compounded with that overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

13.4 Notification of rates of interest

The Facilities Agent shall promptly notify the Lenders and the relevant Borrower of the determination of a rate of interest under this Agreement.

13.5 Margin

13.5.1 At the Signing Date the Margin will be 0.175 per cent. per annum. Thereafter the Margin will, subject to clause 13.5.2, be set in accordance with the pricing grid below and clause 13.5.3 below to be the percentage rate per annum specified in Column 2 as set out opposite the Carnival Credit Rating at the relevant time by Moody's and S&P specified in Column 1 below.

Column 1 Carnival Credit Rating	Column 2 Margin % p.a.
A+/A1 or higher	0.125
A/A2	0.150
A-/A3	0.175
BBB+/Baa1	0.225
BBB/Baa2 or lower	0.300

13.5.2 During any period in which there is no Carnival Credit Rating assigned by either Moody's or S&P, the Margin shall be 0.300 per cent. per annum.

13.5.3 If there is a different Carnival Credit Rating assigned by S&P and Moody's, the applicable Margin shall be determined by averaging the Margins for S&P and Moody's as determined in accordance with the pricing grid in clause 13.5.1 above.

- 13.5.4 For the purposes of this Agreement, any reduction or increase in the Margin shall be determined on, and shall take effect from, the Business Day immediately following publication of the relevant change to the Carnival Credit Rating.
- 13.5.5 Promptly after becoming aware of the same, the Company shall inform the Facilities Agent in writing if either (i) there is any change in the Carnival Credit Rating with either Moody's or S&P which will cause a change to the Margin or (ii) if any of the circumstances contemplated by clauses 13.5.2 or 13.5.3 above arise.
- 13.5.6 For the purposes of this clause 13.5, "Carnival Credit Rating" means, in respect of Moody's or S&P:
- (a) the long term senior unsecured debt rating of the Company published by Moody's or, as the case may be, S&P; or
 - (b) if Moody's or S&P (as the case may be) does not publish a long term senior unsecured debt rating as provided in paragraph (a) above, the long term senior unsecured debt rating of Carnival plc published by Moody's or, as the case may be, S&P.
- 13.6 Maximum Interest Rate
- 13.6.1 Where any interest rate payable by a Borrower incorporated in Italy determined in accordance with this Agreement, including default interest rate, exceeds in any period of three calendar months the interest rate determined pursuant to paragraph 4 of article 2 of the Italian Act (Legge) 7 March 1996 No. 108 for transactions of the type contemplated hereunder, such interest rate will be deemed to be equal to and shall not exceed the maximum interest rate during such period determined in accordance with the above-mentioned provisions of Italian law.
- 14 Interest Periods
- 14.1 Selection of Interest Periods
- 14.1.1 A Borrower (or the Company or Carnival plc on behalf of a Borrower) may select an Interest Period for a Loan in the Loan Utilisation Request for that Loan.
- 14.1.2 Subject to this clause 14, a Borrower (or the Company or Carnival plc on behalf of a Borrower) may select an Interest Period of one, two, three or six months or any other period agreed between the Company and the Facilities Agent (acting on the instructions of all the Lenders).
- 14.1.3 An Interest Period for a Loan shall not extend beyond the Termination Date.
- 14.1.4 Each Interest Period for a Loan shall start on the Utilisation Date in respect of that Loan.
- 14.1.5 A Loan has one Interest Period only.

14.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

15 Changes to the calculation of interest

15.1 Absence of quotations

Subject to clause 15.2 (Market disruption), if LIBOR or, if applicable, EURIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR or EURIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

15.2 Market disruption

15.2.1 In this Agreement each of the following events is a Market Disruption Event:

- (a) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available and none or only one of the Reference Banks supplies a rate to the Facilities Agent to determine LIBOR or, if applicable, EURIBOR for the relevant currency and Interest Period; or
- (b) in respect of a Loan denominated in US Dollars, euro or Sterling, before close of business in London on the Quotation Day for the relevant Interest Period, the Facilities Agent receives notifications from a Lender or Lenders (whose participations in that Loan exceed 66.666 per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR or, if applicable, EURIBOR; or
- (c) in respect of a Loan denominated in any currency other than US Dollars, euro or Sterling, before close of business in London on the Quotation Day for the relevant Interest Period, the Facilities Agent receives notifications from a Lender or Lenders (whose participations in that Loan exceed 33.333 per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR.

15.2.2 The Facilities Agent must promptly notify the Company and the Lenders of a Market Disruption Event.

15.2.3 After notification under clause 15.2.2 above, the rate of interest on each Lender's share in the affected Loan for the Interest Period shall be the rate per annum which is the aggregate of:

- (a) the applicable Margin;
- (b) in the case of a Lender which has notified the Facilities Agent that its cost of funds is in excess of LIBOR or, if applicable, EURIBOR, in accordance with clauses 15.2.1(b) or (c) above or where the circumstances set out in clause 15.2.1(a) above apply, the rate notified to the

Facilities Agent by that Lender as soon as practicable, and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its share in that Loan from whatever source it may reasonably select; and

(c) the Mandatory Cost, if any, applicable to that Lender's share in the Loan.

15.3 Alternative basis of interest or funding

15.3.1 If a Market Disruption Event occurs and the Facilities Agent or the Company so requires, the Facilities Agent and the Company must enter into negotiations for a period of not more than thirty days with a view to agreeing an alternative basis for determining the rate of interest and/or funding for the affected Loan and any future Loan.

15.3.2 Any alternative basis agreed pursuant to clause 15.3.1 above shall, with the prior consent of all the Lenders and the Company, be binding on all the Parties.

15.4 Break Costs

15.4.1 Each Borrower shall, within three Business Days of demand, pay to the Facilities Agent for the account of each Lender such Lender's Break Costs attributable to all or any part of a Loan (other than a Swingline Loan) or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

15.4.2 Each Lender must supply to the Facilities Agent (who shall immediately deliver them to the Company and the relevant Borrower) details of the amount of any Break Costs claimed by it under this clause 15.4.

16 Fees

16.1 Commitment fee

16.1.1 The Company shall pay to the Facilities Agent (for the account of each Lender) a commitment fee in the Base Currency of the relevant Tranche computed at the rate of 30 per cent. of the applicable Margin per annum on the daily undrawn, uncanceled amount of each Lender's Commitment.

16.1.2 The accrued commitment fee is payable quarterly in arrear during the Availability Period and on the last day of the Availability Period and, if the Total Tranche A Commitments, the Total Tranche B Commitments and the Total Tranche C Commitments are cancelled in full, at the time such cancellation is effective.

16.2 Arrangement fee

The Company shall pay to the Arrangers (for the account of each Arranger) an arrangement fee in the amount and at the times agreed in a Fee Letter between the Arrangers and the Company.

16.3 Agency fee

The Company shall pay to the Facilities Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter between the Facilities Agent and the Company.

16.4 Utilisation fee

16.4.1 The Company shall pay to the Facilities Agent (for the account of each Lender) a utilisation fee computed at the rate of:

- (a) for each day on which the aggregate amount of the Utilisations (where each Utilisation is converted into US Dollars at the Facilities Agent's Spot Rate of Exchange on that day) equals or is less than 50 per cent. of the Total Commitments, zero cent. per annum; and
- (b) for each day on which the aggregate amount of the Utilisations (where each Utilisation is converted into US Dollars at the Facilities Agent's Spot Rate of Exchange on that day) exceeds 50 per cent. of the Total Commitments, 0.05 per cent. per annum.

16.4.2 Utilisation fee is payable in US Dollars on the amount of each Lender's share in the Utilisations.

16.4.3 Accrued utilisation fee is payable quarterly in arrear during the Availability Period and on the last day of the Availability Period and, for a Lender, on the date on which it ceases to be a Lender under this Agreement.

16.5 Fronting fee and Bonding fee

16.5.1 The Bond Borrower shall pay to the relevant Fronting Bank a fronting fee in respect of each Bond issued at its request in the amount and at the times agreed in a Fee Letter between that Fronting Bank and the Company.

16.5.2 Each Bond Borrower shall pay to the Facilities Agent (for the account of each Lender) for each Bond requested by it a bonding fee in US Dollars computed at the applicable Margin on the daily outstanding amount of that Bond for the period from the issue of that Bond until its Expiry Date or, following a claim under such Bond, the date of reimbursement of the full amount of such claim to the relevant Fronting Bank whether pursuant to clause 7.1.2, 7.3.1 or otherwise or, where the Lenders have made any payment to the relevant Fronting Bank under clause 7.3, the date on which each such Lender is reimbursed in full by an Obligor pursuant to clause 7.3.4 or otherwise (the "Reimbursement Date"). This fee shall be distributed according to each Lender's Bond Proportion of that Bond.

16.5.3 The accrued bonding fee on a Bond shall be payable quarterly in arrear starting on the date of issue of that Bond and on the Expiry Date or, following a claim under the relevant Bond, the Reimbursement Date in respect of that Bond.

16.5.4 If a Bond Borrower cash covers any part of a Bond then:

- (a) the fronting fee payable to the relevant Fronting Bank and the bonding fee payable for the account of each Lender shall continue to be payable in accordance with clause 16.5.2; and
- (b) the Bond Borrower will be entitled to withdraw the interest accrued on the cash cover to pay those fees.

16.6 Timing of payments

Notwithstanding any provision to the contrary in any Finance Document, all payments to be made by an Obligor in respect of any fees referred to in clauses 16.1, 16.4 and 16.5 are due within three Business Days of written demand by the Facilities Agent (in respect of payments under clauses 16.1, 16.4 or 16.5.2) or the relevant Fronting Bank (in respect of payments under clause 16.5.1) in each case served no earlier than the times agreed for payment, and attaching a statement of detailed calculations.

17 Taxes

17.1 Application of clauses

17.1.1 Clauses 17.2 to 17.7 shall only apply in respect of payments by the following Obligor:

- (a) Carnival plc; and
- (b) any Additional Borrower resident in the United Kingdom.

17.1.2 Clauses 17.8 to 17.9 shall only apply in respect of payments by the following Obligor:

- (a) the Company;
- (b) CC U.S. Ventures, Inc.;
- (c) Princess Cruise & Tours, Inc.;
- (d) Holland America Line Inc.;
- (e) any Additional Borrower incorporated in a state within, and operating in, the U.S.; and
- (f) other members of the Carnival Corporation & plc Group who become an Additional Borrower as may be requested by the Company to be covered under this clause 17.1.2, subject to the consent of the Facilities Agent (such consent not to be unreasonably withheld, delayed or conditioned).

17.1.3 Clauses 17.10 to 17.15 shall only apply in respect of payments by the following Obligor:

- (a) Costa Crociere S.p.A.; and
- (b) any Additional Borrower resident in Italy.

17.1.4 Clauses 17.16 to 17.21 shall apply in respect of payments by any Obligor that does not fall within any of clauses 17.1.1, 17.1.2 or 17.1.3.

17.2 General

In clauses 17.2 to 17.7:

Qualifying Lender means a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under this Agreement and is:

- (a) a U.K. Lender; or
- (b) a Treaty Lender.

Tax Credit means a credit against any Tax or any relief or remission for Tax (or its repayment).

Taxes Act means the Income and Corporation Taxes Act 1988.

Treaty Lender means a Lender which:

- (a) is resident (as defined in the appropriate double taxation agreement) in a country with which the U.K. has a double taxation agreement giving residents of that country full exemption from U.K. taxation on interest;
- (b) does not carry on a business in the U.K. through a permanent establishment with which the payment is effectively connected; and
- (c) is entitled to receive interest without withholding or, if withheld, is entitled to reclaim that withholding in full, under the terms of the appropriate double taxation agreement.

U.K. Lender means a Lender which is:

- (a) within the charge to U.K. corporation tax in respect of, and beneficially entitled to, a payment of interest on a loan made by a person that was a bank for the purposes of section 349 of the Taxes Act (as currently defined in section 840A of the Taxes Act) at the time that loan was made; or
- (b) a U.K. Non-Bank Lender.

U.K. Non-Bank Lender means:

- (a) a company resident in the U.K. for U.K. tax purposes;
- (b) a partnership, each member of which is a company resident in the U.K. for U.K. tax purposes or a company not resident in the U.K. for U.K. tax purposes but which carries on a trade in the U.K. through a permanent establishment and brings into account in computing its chargeable profits (for the purpose of section 11(2) of the Taxes Act) the whole of any share of interest

payable to it under this Agreement which falls to it by reason of sections 114 and 115 of the Taxes Act; or

- (c) a company not resident in the U.K. for U.K. tax purposes which carries on a trade in the U.K. through a permanent establishment and brings into account interest payable to it under this Agreement in computing its chargeable profits for the purpose of section 11(2) of the Taxes Act,

which, in each case, is beneficially entitled to interest payable to it under this Agreement and which has provided to the Company and not retracted confirmation of one of the above in accordance with this Agreement.

17.3

Tax gross-up

- (a) Each Obligor must make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If:
 - (i) a Lender is not, or ceases to be, a Qualifying Lender;
or
 - (ii) an Obligor or a Lender is aware that an Obligor must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction),it must promptly notify the Facilities Agent. The Facilities Agent must then promptly notify the affected Parties.
- (c) Except as provided below, if a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from the Obligor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) Except as provided below, an Obligor is not required to make an increased payment under paragraph (c) above for a Tax Deduction in respect of the tax imposed by the U.K. to a Lender that is not, or has ceased to be, a Qualifying Lender in excess of the increase that the Obligor would have had to pay under paragraph (c) above had the Lender been, or not ceased to be, a Qualifying Lender, except that where an amount (the "Claim") is demanded under the guarantee given by Carnival plc in respect of a default by one of its Subsidiaries (the "Paying Party"), Carnival plc shall not be entitled to the benefit of this paragraph (d) if, but only to the extent that, the amount paid by Carnival plc in respect of the Claim would be thereby reduced to an amount less than the amount which the Lender was entitled to receive from the Paying Party in respect of the Claim.
- (e) Paragraph (d) above will not apply if the Lender has ceased to be a Qualifying Lender by reason of any change after the date it became a Lender under this Agreement in (or in the

interpretation, administration, or application of) any law or double taxation agreement or any published practice or concession of any relevant taxing authority.

- (f) An Obligor is not required to make an increased payment to a Lender under paragraph (c) above for a Tax Deduction in respect of the tax imposed by the U.K. if that Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the Tax Deduction would not have been required if the Lender had complied with its obligations under paragraph (i) below.
- (g) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- (h) Within 30 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Obligor making that Tax Deduction or payment must deliver to the Facilities Agent for the relevant Finance Party evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.
- (i) A Treaty Lender must co-operate with each Obligor by using its commercially reasonable endeavours to complete any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.
- (j) If a Lender is expressed to be a U.K. Non-Bank Lender when it becomes a party to this Agreement as a Lender, it will be deemed to have confirmed its status for the purpose of the definition of U.K. Non-Bank Lender. A U.K. Non-Bank Lender must promptly notify the Company and the Facilities Agent of any change to its status that may affect any confirmation made by it.
- (k) In the event that an Obligor changes its country of residence and a Tax Deduction is imposed by the new country of residence, that Obligor shall pay such additional amounts to ensure that the amounts received by the Facilities Agent and each Lender are no less than the amounts the Facilities Agent and each Lender would have received but for such change of country of residence by that Obligor provided always that the Obligor shall not be obliged to pay such additional amounts to the extent that such additional amounts would not have been payable under this paragraph had each Lender remained a Qualifying Lender.

17.4

Tax indemnity

- (a) Except as provided below, the Company must indemnify a Finance Party against any loss or liability which that Finance Party acting reasonably determines will be or has been suffered (directly or indirectly) by that Finance Party for or on account of Tax in relation to a payment received or receivable (or any payment deemed to be received or receivable) under a Finance Document.

- (b) Paragraph (a) above does not apply to any Tax assessed on a Finance Party under the laws of the jurisdiction in which:
- (i) that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (ii) that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,
- if that Tax is imposed on or calculated by reference to the net income received or receivable by that Finance Party. However, any payment deemed to be received or receivable, including any amount treated as income but not actually received by the Finance Party, such as a Tax Deduction, will not be treated as net income received or receivable for this purpose.
- (c) Paragraph (a) above does not apply to the extent a loss, liability or cost:
- (i) is compensated for by any increased payment under clause 17.3 (Tax gross-up); or
 - (ii) would have been compensated for by an increased payment under clause 17.3 (Tax gross-up) but was not so compensated solely because one of the exclusions in clause 17.3(d) and (f) and the proviso to clause 17.3(k) applied.
- (d) A Finance Party making, or intending to make, a claim under paragraph (a) above must promptly notify the Company of the event which will give, or has given, rise to the claim.

17.5

Tax Credit

- (a) Where any payment has been made subject to a Tax Deduction, a Finance Party agrees to use its commercially reasonable endeavours to complete any procedural formalities necessary for the relevant Finance Party to obtain any Tax Credit available as a result of the payment being made subject to a Tax Deduction.
- (b) If an Obligor makes a Tax Payment and the relevant Finance Party in its absolute discretion determines that:
- (i) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment; and
 - (ii) it has used and retained that Tax Credit (on a consolidated basis if relevant to the determination of its allowable credit for foreign taxes paid or accrued),
- the Finance Party must pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been if the Tax Payment had not been required to be made by the Obligor.

17.6 Stamp taxes

The Company must pay and indemnify each Finance Party against any stamp duty, registration or other similar Tax payable in connection with the entry into, performance or enforcement of any Finance Document, except for any such Tax payable in connection with the entry into a Transfer Certificate.

17.7 Value added taxes

- (a) Any amount (including costs and expenses) payable under a Finance Document by an Obligor is exclusive of any value added tax or any other Tax of a similar nature which might be chargeable in connection with that amount. If any such Tax is chargeable, the Obligor must pay to the Finance Party (in addition to and at the same time as paying that amount) an amount equal to the amount of that Tax (and such Finance Party shall as soon as reasonably practicable provide an appropriate value added tax invoice to the Obligor).
- (b) The obligation of any Obligor under paragraph (a) above will be reduced to the extent that the Finance Party determines (acting reasonably) that it is entitled to repayment or a credit in respect of the relevant Tax.

17.8 General

In clause 17.8 to 17.9:

Excluded Taxes means, with respect to the Facilities Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of an Obligor under the Finance Documents:

- (a) income, franchise or other similar taxes imposed on, based on or measured by or with respect to its net income by the United States of America, or income, franchise or other similar taxes imposed on, based on or measured by or with respect to its net income, net worth or capital employed, or gross basis business and/or occupational taxes by the jurisdiction under the laws of which such recipient is organized or in which it is resident or, in the case of any Lender, in which its applicable lending office is located;
- (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in paragraph (a) above;
- (c) in the case of a Lender (other than an assignee pursuant to a request by an Obligor under clause 17.9(g)), any withholding tax that:
 - (i) is attributable to such Lender's failure to comply with clause 17.9(e); or
 - (ii) in the case of a Foreign Lender, is imposed by the United States of America and is in effect and would apply to amounts payable to such Foreign Lender, at the time such Foreign Lender becomes a party to this Agreement (including by assignment) or designates a new lending office, except to the extent that (x) where the Foreign Lender

is an assignee, the assignor was entitled to receive additional amounts with respect to any withholding tax pursuant to clause 17.9, (y) where the Foreign Lender has designated a new lending office, the Foreign Lender was entitled to receive additional amounts with respect to any withholding tax pursuant to clause 17.9 or (z) such withholding tax shall have resulted from the making of any payment to a location other than the office designated by the Facilities Agent or such Foreign Lender for the receipt of payments of the applicable type; and

- (d) any tax imposed by a jurisdiction to the extent such tax is attributable to a connection between such jurisdiction and the Facilities Agent, such Lender or such other recipient, as the case may be, other than a connection arising from the transactions contemplated by this Agreement.

Foreign Lender means, with respect to an Obligor, any Lender that is organized under the laws of a jurisdiction other than that in which that Obligor is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

Governmental Authority means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

Indemnified Taxes means Taxes other than Excluded Taxes.

Other Taxes means any and all present or future recording, stamp, documentary, excise, transfer, sales, property or similar taxes, charges or levies arising from any payment made under the Finance Documents or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement other than (1) Excluded Taxes and (2) any Taxes required to be paid solely as a result of the execution or delivery of an instrument effecting an assignment, designation or participation contemplated in clause 28 (excluding any designation or assignment initiated pursuant to clause 17.9(g)).

17.9

Taxes

- (a) Any and all payments by or on account of any obligation of an Obligor under the Finance Documents shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if an Obligor shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this clause 17.9) the Facilities Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) that Obligor shall make such deductions and (iii) that Obligor shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

- (b) In addition, an Obligor shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.
- (c) Each Obligor shall indemnify the Facilities Agent and each Lender, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Facilities Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of that Obligor under the Finance Documents (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this clause 17.9) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto (except to the extent such penalties, interest or expenses result from the gross negligence or wilful misconduct of the Facilities Agent or the applicable Lender), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Lender, or by the Facilities Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error, provided that such certificate shall include a description in reasonable detail of the Indemnified Tax or Other Tax for which the indemnity is being demanded and the calculation in reasonable detail of the amount of such indemnity. The Facilities Agent and each Lender agrees to use its commercially reasonable endeavours to complete any procedural formalities necessary for the Facilities Agent and the Lender to obtain a credit against any Indemnified Tax or Other Tax or any relief or remission for an Indemnified Tax or Other Tax (or its repayment). Notwithstanding any contrary provision under the Finance Documents, the Facilities Agent or the Lender, as the case may be, shall have no obligation to contest the imposition or assertion of any Indemnified Tax or Other Tax.
- (d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Facilities Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment (if such a receipt is reasonably obtainable from such Governmental Authority), a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Facilities Agent.
- (e) The Facilities Agent will deliver to the Company, and each Lender will deliver to the Facilities Agent and the Company, on or before the first Utilisation Date (or, in the case of a Lender that becomes a Lender after the first Utilisation Date, on or before such later date on which such Lender becomes a Lender) such properly completed and executed Internal Revenue Service form (Form W-8BEN, W-8ECI, W-8EXP, W-8IMY, or W-9, as applicable) as will demonstrate, in accordance with applicable regulations, that payments of interest by an Obligor to the Facilities Agent for the account of such Lender pursuant to this Agreement will be exempt from (or entitled to a reduction in the rate of) United States federal withholding taxes. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Obligor is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Company (with a

copy to the Facilities Agent), at the time or times prescribed by applicable law, such other properly completed and executed documentation prescribed by applicable law or reasonably requested by the Company (including any replacement or successor form) as will permit such payments to be made without withholding or at a reduced rate, provided that such Foreign Lender has received prior written notice from the Company advising it of the availability of such exemption or reduction and containing all applicable documentation.

- (f) If the Facilities Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by an Obligor or with respect to which an Obligor has paid additional amounts pursuant to this clause 17.9, it shall pay over such refund to that Obligor (but only to the extent of indemnity payments made, or additional amounts paid, by the Obligor under this clause 17.9 with respect to the Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Facilities Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Obligor, upon the request of the Facilities Agent or such Lender, agrees to repay the amount paid over to the Obligor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Facilities Agent or such Lender to the extent that the Facilities Agent or such Lender is required to repay such refund to such Governmental Authority. This clause 17.9 shall not be construed to require the Facilities Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Obligor or any other person.
- (g) If an Obligor is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to this clause 17.9, then the Obligor may, at its sole expense and effort, upon notice to such Lender and the Facilities Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in clause 28), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Obligor shall have received the prior written consent of the Facilities Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its share in the Utilisations, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Obligor (in the case of all other amounts) and (iii) in the case of any such assignment resulting from payments required to be made pursuant to this clause 17.9, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Obligor to require such assignment and delegation cease to apply.

17.10 General

In clauses 17.10 to 17.15:

Italian Lender means a Lender which is resident in Italy or acting through a Facility Office in Italy and in either case is entitled to receive interest without withholding of tax from the relevant Obligor under the domestic law of Italy.

Qualifying Lender means a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under this Agreement and is:

- (a) an Italian Lender; or
- (b) a Treaty Lender.

Tax Credit means a credit against any Tax or any relief or remission for Tax (or its repayment).

Treaty Lender means a Lender which:

- (a) is resident (as defined in the appropriate double taxation agreement) in a country with which Italy has a double taxation agreement giving residents of that country full exemption from taxation on interest imposed by Italy;
- (b) does not carry on a business in Italy through a permanent establishment, branch or agency with which the payment is effectively connected;
- (c) is entitled to receive interest without withholding or, if withheld, is entitled to reclaim that withholding in full, under the terms of the appropriate double taxation agreement; and
- (d) has agreed with the Company any procedural formalities necessary for each Obligor to make all payments to be made by that Obligor to such Lender under the Finance Documents without any Tax Deduction.

17.11 Tax gross-up

- (a) Each Obligor must make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If:
 - (i) a Lender is not, or ceases to be, a Qualifying Lender; or
 - (ii) an Obligor or a Lender is aware that an Obligor must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction),

it must promptly notify the Facilities Agent. The Facilities Agent must then promptly notify the affected Parties.

- (c) Except as provided below, if a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from the Obligor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) Except as provided below, an Obligor is not required to make an increased payment under paragraph (c) above for a Tax Deduction in respect of the tax imposed by Italy to a Lender that is not, or has ceased to be, a Qualifying Lender in excess of the increase that the Obligor would have had to pay under paragraph (c) above had the Lender been, or not ceased to be, a Qualifying Lender.
- (e) Paragraph (d) above will not apply if the Lender has ceased to be a Qualifying Lender by reason of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or double taxation agreement or any published practice or concession of any relevant taxing authority.
- (f) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- (g) Within 30 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Obligor must deliver to the Facilities Agent for the relevant Finance Party evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.
- (h) In the event that an Obligor changes its country of residence and a Tax Deduction is imposed by the new country of residence, that Obligor shall pay such additional amounts to ensure that the amounts received by the Facilities Agent and each Lender are no less than the amounts the Facilities Agent and each Lender would have received but for such change of country of residence by that Obligor provided always that the Obligor shall not be obliged to pay such additional amounts to the extent that such additional amounts would not have been payable under this paragraph had each Lender remained a Qualifying Lender.

17.12 Tax indemnity

- (a) Except as provided below, the Company must indemnify a Finance Party against any loss or liability which that Finance Party acting reasonably determines will be or has been suffered (directly or indirectly) by that Finance Party for or on account of Tax in relation to a payment received or receivable (or any payment deemed to be received or receivable) under a Finance Document.
- (b) Paragraph (a) above does not apply to any Tax assessed on a Finance Party under the laws of the jurisdiction in which:

- (i) that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
- (ii) that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable by that Finance Party. However, any payment deemed to be received or receivable, including any amount treated as income but not actually received by the Finance Party, such as a Tax Deduction, will not be treated as net income received or receivable for this purpose.

- (c) Paragraph (a) above does not apply to the extent a loss, liability or cost:
 - (i) is compensated for by any increased payment under clause 17.11 (Tax gross-up); or
 - (ii) would have been compensated for by an increased payment under clause 17.11 (Tax gross-up) but was not so compensated solely because the exclusion in clause 17.11 (d) or the proviso to clause 17.11(h) applied.
- (d) A Finance Party making, or intending to make, a claim under paragraph (a) above must promptly notify the Company of the event which will give, or has given, rise to the claim.

17.13 Tax Credit

- (a) Where any payment has been made subject to a Tax Deduction, a Finance Party agrees to use its commercially reasonable endeavours to complete any procedural formalities necessary for the relevant Finance Party to obtain any Tax Credit available as a result of the payment being made subject to a Tax Deduction.
- (b) If an Obligor makes a Tax Payment and the relevant Finance Party in its absolute discretion determines that:
 - (i) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment; and
 - (ii) it has used and retained that Tax Credit (on a consolidated basis if relevant to the determination of its allowable credit for foreign taxes paid or accrued),

the Finance Party must pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been if the Tax Payment had not been required to be made by the Obligor.

17.14 Stamp taxes

The Company must pay and indemnify each Finance Party against any stamp duty, registration or other similar Tax payable in connection with the entry into, performance or enforcement of any

Finance Document, except for any such Tax payable in connection with the entry into a Transfer Certificate.

17.15 Value added taxes

- (a) Any amount (including costs and expenses) payable under a Finance Document by an Obligor is exclusive of any value added tax or any other Tax of a similar nature which might be chargeable in connection with that amount. If any such Tax is chargeable, the Obligor must pay to the Finance Party (in addition to and at the same time as paying that amount) an amount equal to the amount of that Tax (and such Finance Party shall as soon as reasonably practicable provide an appropriate value added tax invoice to the Obligor).
- (b) The obligation of any Obligor under paragraph (a) above will be reduced to the extent that the Finance Party determines (acting reasonably) that it is entitled to repayment or a credit in respect of the relevant Tax.

17.16 General

In clauses 17.16 to 17.21:

Tax Credit means a credit against any Tax or any relief or remission for Tax (or its repayment).

17.17 Tax gross-up

- (a) Each Obligor must make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If an Obligor or a Lender is aware that an Obligor must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction), it must promptly notify the Facilities Agent. The Facilities Agent must then promptly notify the affected Parties.
- (c) Except as provided below, if a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from the Obligor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- (e) Within 30 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Obligor must deliver to the Facilities Agent for the relevant Finance Party evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.

- (f) Where possible, each Finance Party shall, in consultation with the Company, take all reasonable steps to reduce the risk of a Tax Deduction being required by law or reduce the amount of such Tax Deduction, including, without limitation, transferring its rights and obligations under the Finance Documents to an Affiliate, changing its Facility Office or co-operating with each Obligor by using its commercially reasonable endeavours to complete any procedural formalities necessary for that Obligor to obtain authorisation to make payments without a Tax Deduction.

17.18 Tax indemnity

- (a) Except as provided below, the Company must indemnify a Finance Party against any loss or liability which that Finance Party acting reasonably determines will be or has been suffered (directly or indirectly) by that Finance Party for or on account of Tax in relation to a payment received or receivable (or any payment deemed to be received or receivable) under a Finance Document.
- (b) Paragraph (a) above does not apply to any Tax assessed on a Finance Party under the laws of the jurisdiction in which:
- (i) that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (ii) that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,
- if that Tax is imposed on or calculated by reference to the net income received or receivable by that Finance Party. However, any payment deemed to be received or receivable, including any amount treated as income but not actually received by the Finance Party, such as a Tax Deduction, will not be treated as net income received or receivable for this purpose.
- (c) Paragraph (a) above does not apply to the extent a loss, liability or cost is compensated for by any increased payment under clause 17.17 (Tax gross-up).
- (d) A Finance Party making, or intending to make, a claim under paragraph (a) above must promptly notify the Company of the event which will give, or has given, rise to the claim.

17.19 Tax Credit

- (a) Where any payment has been made subject to a Tax Deduction, a Finance Party agrees to use its commercially reasonable endeavours to complete any procedural formalities necessary for the relevant Finance Party to obtain any Tax Credit available as a result of the payment being made subject to a Tax Deduction.
- (b) If an Obligor makes a Tax Payment and the relevant Finance Party in its absolute discretion determines that:

(i) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment; and

(ii) it has used and retained that Tax Credit (on a consolidated basis if relevant to the determination of its allowable credit for foreign taxes paid or accrued),

the Finance Party must pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been if the Tax Payment had not been required to be made by the Obligor.

17.20 Stamp taxes

The Company must pay and indemnify each Finance Party against any stamp duty, registration or other similar Tax payable in connection with the entry into, performance or enforcement of any Finance Document, except for any such Tax payable in connection with the entry into a Transfer Certificate.

17.21 Value added taxes

(a) Any amount (including costs and expenses) payable under a Finance Document by an Obligor is exclusive of any value added tax or any other Tax of a similar nature which might be chargeable in connection with that amount. If any such Tax is chargeable, the Obligor must pay to the Finance Party (in addition to and at the same time as paying that amount) an amount equal to the amount of that Tax (and such Finance Party shall as soon as reasonably practicable provide an appropriate value added tax invoice to the Obligor).

(b) The obligation of any Obligor under paragraph (a) above will be reduced to the extent that the Finance Party determines (acting reasonably) that it is entitled to repayment or a credit in respect of the relevant Tax.

18 Increased Costs

18.1 Increased Costs

Subject to the exceptions set out below, the Company shall, within three Business Days of demand by the Facilities Agent, pay for the account of a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates as a result of:

(a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the Signing Date; or

(b) compliance with any law or regulation introduced after the Signing Date.

18.2 Claims

18.2.1 A Finance Party intending to make a claim for Increased Costs shall notify the Facilities Agent of the event giving rise to the claim, following which the Facilities Agent shall promptly notify the Company. Any such claim must be made on the Company within 6 months from the date on which the Finance Party becomes aware of such claim.

18.2.2 Each Finance Party shall, as soon as practicable after a demand by the Facilities Agent, provide a certificate confirming the amount of its Increased Costs.

18.3 Exceptions

These provisions do not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction required by law to be made by an Obligor;
- (b) compensated for under another clause in this Agreement or would have been but for an exception in such clause;
- (c) compensated for by the payment of the Mandatory Cost;
- (d) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation;
- (e) a tax on the overall net income or gains of a Finance Party or any of its Affiliates; or
- (f) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the Signing Date ("Basel II") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

19 Other indemnities

19.1 Currency indemnity

The Company shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:

- (a) that Finance Party receiving an amount in respect of an Obligor's liability under the Finance Documents; or
- (b) that liability being converted into a claim, proof, judgment or order,

in a currency other than the currency in which the amount is expressed to be payable under the relevant Finance Document.

19.1.2 Unless otherwise required by law, each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

19.2 Other indemnities

The Company shall, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability (excluding loss of profit and amounts in respect of Margin) which that Finance Party incurs as a consequence of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including any resulting from any distribution or redistribution of any amount among the Lenders under this Agreement;
- (c) a Utilisation not being made after a Utilisation Request has been delivered for that Utilisation by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of negligence or default by that Finance Party alone); or
- (d) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment.

The Company's liability in each case includes any loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under any Finance Document, any amount repaid or prepaid or any Utilisation.

19.3 Indemnity to the Facilities Agent

The Company shall, within three Business Days of demand, indemnify the Facilities Agent against any loss or liability incurred by the Facilities Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes to be a Default provided that prior to any such investigation being commenced the Facilities Agent has consulted the Company concerning such event if the Facilities Agent, acting in good faith, considers that it can do so without prejudicing the position of the Finance Parties; or
- (b) acting or relying on any notice which the Facilities Agent reasonably believes to be genuine, correct and appropriately authorised.

20 Mitigation by the Finance Parties

20.1 Each Finance Party must, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which result or would result in:

- (a) any Tax Payment or Increased Costs being payable to that Finance Party;

(b) that Finance Party being able to exercise any right of prepayment and/or cancellation under this Agreement by reason of any illegality; or

(c) that Finance Party incurring any cost of complying with the minimum reserve requirements of the European Central Bank,

including transferring its rights and obligations under the Finance Documents to an Affiliate or changing its Facility Office.

20.2 Clause 20.1 above does not in any way limit the obligations of any Obligor under the Finance Documents.

20.3 The Company must indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party which are directly referable to the Facility as a result of any step taken by it under this clause 20.

20.4 A Finance Party is not obliged to take any step under this clause 20 if, in the opinion of that Finance Party (acting reasonably), to do so could reasonably be expected to be prejudicial to it.

21 Costs and expenses

21.1 Initial costs

Subject to clause 21.4, the Company shall, within three Business Days of demand, pay to the Facilities Agent and the Arrangers the amount of all reasonable costs and expenses (including legal fees) reasonably incurred by them in connection with the negotiation, preparation, printing, execution and syndication of the Finance Documents.

21.2 Subsequent costs

21.2.1 Subject to clause 21.4, the Company must promptly on demand pay to the Facilities Agent the amount of all reasonable costs and expenses (including legal fees) reasonably incurred by it in connection with:

(a) the negotiation, preparation, printing and execution of any Finance Document (other than a Transfer Certificate) executed after the Signing Date; and

(b) any amendment, waiver or consent requested by or on behalf of an Obligor or an amendment required or specifically allowed by this Agreement to any Finance Document.

21.3 Enforcement costs

Subject to clause 21.4, the Company must promptly on demand pay to each Finance Party the amount of all costs and expenses (including legal fees) properly incurred by it in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

21.4 Legal fees

The Company will only be liable to pay an amount in respect of legal fees under clauses 22.1 to 21.3 for one law firm, and, in the case of clauses 21.1 and 21.2, applicable foreign counsel instructed by such law firm for the purposes of obtaining legal opinions, and, in the case of clause 21.3, applicable foreign counsel instructed by such law firm for the purposes of enforcing or preserving any rights under any Finance Document, representing all of the Finance Parties together.

22 Guarantee and indemnity

22.1 Guarantee and indemnity by the Company

22.1.1 The Company irrevocably and unconditionally:

- (a) guarantees to each Finance Party punctual performance by each Borrower that is its Subsidiary of all that Borrower's payment obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever a Borrower that is its Subsidiary does not pay any amount when due under any Finance Document, it shall immediately on demand by the Facilities Agent pay that amount as if it was the principal obligor; and
- (c) indemnifies each Finance Party immediately on demand against any loss or liability suffered by that Finance Party if any payment obligation guaranteed by it hereunder is or becomes unenforceable, invalid or illegal; the amount of the cost, loss or liability under this indemnity shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

22.1.2 The guarantee in clause 22.1.1 is a continuing guarantee and will extend to the ultimate balance of sums payable by any of the Company's Subsidiaries under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

22.2 Guarantee and indemnity by Carnival plc

22.2.1 Carnival plc irrevocably and unconditionally:

- (a) guarantees to each Finance Party punctual performance by each Borrower that is its Subsidiary of all that Borrower's payment obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever a Borrower that is its Subsidiary does not pay any amount when due under any Finance Document, it shall immediately on demand by the Facilities Agent pay that amount as if it was the principal obligor; and
- (c) indemnifies each Finance Party immediately on demand against any loss or liability suffered by that Finance Party if any payment obligation guaranteed by it hereunder is or becomes unenforceable, invalid or illegal; the amount of the cost, loss or liability under this indemnity

shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

22.2.2 The guarantee in clause 22.2.1 is a continuing guarantee and will extend to the ultimate balance of sums payable by any of Carnival plc's Subsidiaries under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

22.3 Reinstatement

- (a) If any discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of each Guarantor under this clause will continue as if the discharge or arrangement had not occurred.
- (b) Each Finance Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

22.4 Waiver of defences

The obligations of each Guarantor under this clause 22 will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this clause 22 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Carnival Corporation & plc Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (f) any amendment (however fundamental) of a Finance Document or any other document or security;
- (g) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (h) any insolvency or similar proceedings.

22.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this clause 22. This waiver applies irrespective of any law or any provision of the Finance Documents to the contrary.

22.6 Appropriations

22.6.1 Until all amounts which may be or become payable by any of the Company's Subsidiaries under the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts; or
- (b) apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise); and
- (c) hold in an interest-bearing suspense account any moneys received from the Company or on account of the Company's liability under this clause 22.

22.6.2 Until all amounts which may be or become payable by any of Carnival plc's Subsidiaries under the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts; or
- (b) apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise); and
- (c) hold in an interest-bearing suspense account any moneys received from Carnival plc or on account of Carnival plc's liability under this clause 22.

22.7 Non-competition

22.7.1 The Company shall, until all sums whatsoever payable by any of its Subsidiaries under the Finance Documents have been irrevocably paid in full, exercise only in accordance with the Facilities Agent's instructions:

- (a) its rights of subrogation, contribution and indemnity against that Subsidiary;
- (b) its right to take the benefit of, share in or enforce any security or other guarantee or indemnity for that Subsidiary's obligations under the Finance Documents held by any of the Finance Parties; and/or

(c) its rights to prove or claim in the bankruptcy, liquidation, administration or other insolvency proceedings of that Subsidiary.

22.7.2 Any amount recovered as a result of the exercise of the rights described in clause 22.7.1 above shall be held on trust for the Facilities Agent on behalf of the Finance Parties and paid to the Facilities Agent for the Finance Parties on demand. The Company warrants to the Finance Parties that it has not taken any security from its Subsidiaries in relation to the Finance Documents and agrees not to do so until the Finance Parties receive all sums payable by those Subsidiaries under the Finance Documents. Any security taken by the Company in breach of this provision and all moneys at any time received in respect thereof shall be held in trust for the Finance Parties.

22.7.3 Carnival plc shall, until all sums whatsoever payable by any of its Subsidiaries under the Finance Documents have been irrevocably paid in full, exercise only in accordance with the Facilities Agent's instructions:

(a) its rights of subrogation, contribution and indemnity against that Subsidiary;

(b) its right to take the benefit of, share in or enforce any security or other guarantee or indemnity for that Subsidiary's obligations under the Finance Documents held by any of the Finance Parties; and/or

(c) its rights to prove or claim in the bankruptcy, liquidation, administration or other insolvency proceedings of that Subsidiary.

22.7.4 Any amount recovered as a result of the exercise of the rights described in clause 22.7.3 above shall be held on trust for the Facilities Agent on behalf of the Finance Parties and paid to the Facilities Agent for the Finance Parties on demand. Carnival plc warrants to the Finance Parties that it has not taken any security from its Subsidiaries in relation to the Finance Documents and agrees not to do so until the Finance Parties receive all sums payable by those Subsidiaries under the Finance Documents. Any security taken by Carnival plc in breach of this provision and all moneys at any time received in respect thereof shall be held in trust for the Finance Parties.

22.8 Additional security

Each guarantee in clause 22.1 is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

23 Representations

23.1 Representations

The representations set out in this clause are made in accordance with clause 23.10 (Times for making representations).

23.2 Status

Each Obligor is duly incorporated and validly existing under the laws of its jurisdiction of incorporation as a limited liability company, a corporation, or other legal entity and has the power to execute, deliver and perform its obligations under the Finance Documents; all necessary corporate action has been taken by each Obligor to authorise the execution, delivery and performance of, the Finance Documents to which it is or will be a party and each Finance Document to which it is a party constitutes valid and legally binding and enforceable obligations in accordance with its terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)); each Obligor has the power to own its assets and carry on its business as it is being conducted where a lack of such power would have a Material Adverse Effect.

23.3 Non-conflict

The execution, delivery and performance by each Obligor of the Finance Documents will not contravene any existing law, regulation or authorisation to which that Obligor is subject, result in the breach of or default under any agreement or other instrument to which that Obligor is a party or which is binding upon that Obligor or its assets or contravene any provision of that Obligor's constitutional documents.

23.4 No default

23.4.1 No Default has occurred and is continuing or will result from the execution of, or the performance of any transaction contemplated by, any Finance Document.

23.4.2 No Obligor nor any of its respective Subsidiaries is in default under any agreement relating to Borrowed Money to which it or any of its respective Subsidiaries is a party or by which it or any of its respective Subsidiaries may be bound which default would have a Material Adverse Effect.

23.5 Financial statements

The Carnival Corporation & plc Group's audited financial statements most recently delivered to the Facilities Agent (which, in the case of the Carnival Corporation & plc Group at the Signing Date, are the Original Financial Statements):

- (a) have been prepared in accordance with GAAP, consistently applied; and
- (b) fairly represent its financial condition (consolidated, if applicable) as at the date to which they were drawn up,

except, in each case, as disclosed to the contrary in those financial statements.

23.6 No material adverse change

There has been no adverse change in the business or consolidated financial condition of the Carnival Corporation & plc Group since the date to which the Original Financial Statements were drawn up which would have a Material Adverse Effect.

23.7 Litigation

No litigation, arbitration or administrative proceedings is taking place, pending or to its knowledge, threatened against an Obligor or any Material Subsidiary, which is likely to be determined adversely to the relevant member of the Carnival Corporation & plc Group and, if so determined, would be likely to have a Material Adverse Effect.

23.8 Pari passu ranking

The obligations of each Obligor under the Finance Documents to which it is a party rank at least pari passu with all its other present unsecured and unsubordinated indebtedness with the exception of any obligations which are mandatorily preferred by law.

23.9 United States Law

23.9.1 In this Subclause:

controlled has the meaning given to it in the United States Investment Company Act of 1940;

holding company, affiliate and subsidiary company have the meanings given to them in the United States Public Utility Holding Company Act of 1935;

investment company has the meaning given to it in the United States Investment Company Act of 1940; and

public utility has the meaning given to it in the United States Federal Power Act of 1920.

23.9.2 No Obligor which is incorporated in the United States of America or a state thereof is:

- (a) a holding company, an affiliate of a holding company or a subsidiary company of a holding company, or subject to regulation, under the United States Public Utility Holding Company Act of 1935;
- (b) an investment company or controlled by an investment company or required to register as an investment company; or
- (c) a public utility, or subject to regulation, under the United States Federal Power Act of 1920.

- 23.10 Times for making representations
- 23.10.1 The representations set out in this clause 23 are made by each Original Obligor on the Signing Date in respect of itself (and its respective Subsidiaries if so stated in the representation so concerned) to each Finance Party.
- 23.10.2 Unless a representation is expressed to be given at a specific date, each representation (other than clause 23.4 (No default) to clause 23.7 (Litigation) inclusive) is deemed to be repeated by the Company and each Borrower to each Finance Party on the date of each Utilisation Request, each Utilisation Date, the first day of each Interest Period and, in the case of an Additional Borrower, by the Additional Borrower on the day on which the Subsidiary becomes an Additional Borrower.
- 23.10.3 When a representation is repeated, it shall be made with reference to the facts and circumstances existing at the time of repetition.

24 Information undertakings

24.1 Financial statements

24.1.1 The Company must supply to the Facilities Agent in sufficient copies for all the Lenders:

- (a) the audited consolidated financial statements of the Carnival Corporation & plc Group for each of its financial years (which will be the Carnival Corporation 10-K as filed with the SEC);
- (b) the unaudited consolidated financial statements of the Carnival Corporation & plc Group for each of the first three fiscal quarters in each of its financial years (which will be the Carnival Corporation 10-Q as filed with the SEC); and
- (c) the registration statements and reports filed with the SEC (including the Carnival Corporation 10-K) by the Company and Carnival plc.

24.1.2 All financial statements must be supplied as soon as they are available and:

- (a) in the case of the audited consolidated financial statements of the Carnival Corporation & plc Group, within 120 days;
- (b) in the case of unaudited quarterly financial statements of the Carnival Corporation & plc Group, within 75 days; and
- (c) in the case of registration statements and reports filed with the SEC, within 15 days,

of the end of the relevant financial period (or in the case of clause 24.1.1(c) above, of the date of filing with the SEC in accordance with the time periods specified in the rules and regulations of the SEC).

24.2 Form of financial statements

The Company must ensure that each set of financial statements supplied under this Agreement fairly presents the financial condition (consolidated or otherwise) of the relevant person as at the date to which those financial statements were drawn up. The Company shall not be required to produce footnotes to the unaudited financial statements.

24.3 Compliance Certificate

24.3.1 The Company must supply to the Facilities Agent a Compliance Certificate with each set of financial statements sent to the Facilities Agent under this Agreement.

24.3.2 A Compliance Certificate must be signed by a senior financial officer of the Company.

24.4 Information - miscellaneous

24.4.1 The Company must supply to the Facilities Agent, in sufficient copies for all the Lenders if the Facilities Agent so requests:

- (a) copies of all documents despatched by the Company or Carnival plc to its creditors generally at the same time as the documents are despatched;
- (b) promptly on request, a list of the then current Material Subsidiaries; and
- (c) promptly on request, such further information regarding the financial condition and operations of the Carnival Corporation & plc Group as any Finance Party through the Facilities Agent may reasonably require except information which is confidential in relation to third parties or which the Company is prohibited from disclosing by law or by regulatory requirement.

24.4.2 The Company must provide written notice to the Facilities Agent of any information posted to the website identified in clause 24.6.1(b) for the benefit of its shareholders, and for this purpose only the Facilities Agent agrees that it will accept such notification by email. The Company shall provide such notification as soon as practicable after the relevant information is posted to the website.

24.5 Notification of Default

The Company must notify the Facilities Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

24.6 Use of websites

24.6.1 Except as provided below, the Company may deliver any information under this Agreement to a Lender by posting it on to an electronic website if:

- (a) the Facilities Agent and the Lender agree, it being understood that the Facilities Agent and all Original Lenders provide their consent for all of the information under clause 24.1.1 to be so delivered;

- (b) the Company and the Facilities Agent designate an electronic website for this purpose which, for the purpose of clause 24.1.1 hereof shall be www.carnivalcorp.com, until and unless the Company sends written notice to the Facilities Agent advising of a change to the details of the website;
- (c) the Company notifies the Facilities Agent of the address of and password (if any) for the website (other than with respect to the information contemplated by clause 24.1.1 which shall be posted to the website identified in paragraph (b) above); and
- (d) the information posted is in a format agreed between the Company and the Facilities Agent.

The Facilities Agent must supply each relevant Lender with the address of and password for the website.

24.6.2 Notwithstanding the above, the Company must supply to the Facilities Agent in paper form a copy of any information posted on the website together with sufficient copies for:

- (a) any Lender not agreeing to receive information via the website (subject to clause 24.6.1(a) above); and
- (b) within ten Business Days of request, any other Lender, if that Lender so requests (subject to clause 24.6.1(a) above).

24.6.3 The Company must promptly upon becoming aware of its occurrence, notify the Facilities Agent if:

- (a) the website cannot be accessed;
- (b) the website or any information on the website is infected by any electronic virus or similar software;
- (c) the password (if any) for the website is changed; or
- (d) any information to be supplied under this Agreement is posted on the website or amended after being posted.

If the circumstances in paragraph (a) or (b) above occur, the Company must supply any information required under this Agreement in paper form during the time that the website is not available.

24.7 "Know your customer" checks

24.7.1 The Company shall promptly upon the written request of the Facilities Agent supply, or procure the supply of, such documentation and other evidence about each Obligor and each Additional Borrower as is reasonably requested by the Facilities Agent, for itself, on behalf of any Lender or on behalf of any prospective New Lender, in order for the Facilities Agent, that Lender or prospective New Lender to carry out and be satisfied with the results of all necessary "know your customer" checks that it is required to carry out by reason of being a party to the transactions contemplated in the Finance

Documents, provided that (subject to any change of law, change of regulation or a change in a Lender's internal compliance procedures, or any change in the interpretation, administration or application thereof, that is made, in each case, in accordance with a Lender's normal practice in respect of companies which are listed (at all times when the Company is listed) investment grade (at all times when the Company's debt is of investment grade) and (at all times) of a comparable credit standing to the Company (other than, in each case, on those companies first becoming a customer of that Lender), or any change in status of any Obligor after the Signing Date, that might reasonably result in further documentation or other evidence being required) the Facilities Agent may only make one such request in respect of itself, each Lender and each prospective New Lender.

24.7.2 Each Lender shall promptly upon the request of the Facilities Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facilities Agent (for itself) in order for the Facilities Agent to carry out and be satisfied with the results of all necessary "know your customer" checks that it is required to carry out pursuant to the transactions contemplated in the Finance Documents.

25 Financial covenants

25.1 Definitions

Borrowed Money or moneys borrowed means, at any time, all borrowings of the respective members of the Carnival Corporation & plc Group whether secured or unsecured and shall be deemed to include (to the extent that the same would not otherwise fall to be taken into account):

- (a) the principal amount for the time being owing (other than to any member of the Carnival Corporation & plc Group) of all debentures (as defined in section 744 of the Companies Act 1985) notwithstanding that the same may be or have been issued in whole or in part for a consideration other than cash; except that, in the case of a debenture issued at a discount which contains provisions for prepayment or acceleration, the principal amount thereof at any relevant time shall be deemed to be the highest amount which would, if such debenture were then to be repaid in accordance with any such provision for prepayment or acceleration, be repayable in respect of the principal amount thereof;
- (b) the outstanding amount raised by the acceptance of bills (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Carnival Corporation & plc Group or by any bank or accepting house under any acceptance credit opened on behalf of any member of the Carnival Corporation & plc Group;
- (c) the fixed premium payable on final redemption or repayment of any debentures, share capital or other Borrowed Moneys falling to be taken into account;
- (d) the nominal amount of any issued share capital and the principal amount of any Borrowed Moneys, the redemption or repayment whereof is guaranteed or the subject of any indemnity

or otherwise secured (and where part only is so secured to the extent so secured) by any other member of the Carnival Corporation & plc Group except insofar as either the benefit of such guarantee or indemnity or security or the beneficial interest in the right to such redemption or repayment is held by another member of the Carnival Corporation & plc Group or such nominal or principal amount is otherwise taken into account hereunder;

Provided that:

- (i) moneys borrowed by any member of the Carnival Corporation & plc Group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other Borrowed Moneys falling to be taken into account and intended to be applied for such purposes within six months after the borrowing thereof and so applied shall not during such period except to the extent not so applied themselves be taken into account;
- (ii) moneys borrowed by any member of the Carnival Corporation & plc Group and owing to any other member of the Carnival Corporation & plc Group shall not (save to the extent mentioned in (iii) below) be taken into account;
- (iii) moneys borrowed by a member of the Carnival Corporation & plc Group which is a partly owned Subsidiary of the Company and not owing to the Company or another member of the Carnival Corporation & plc Group shall be taken into account subject to the exclusion of that proportion thereof as equals the minority proportion but the minority proportion of any moneys borrowed by a member of the Carnival Corporation & plc Group from a partly-owned Subsidiary (which would otherwise be excluded by virtue of (ii) above) shall be included; for these purposes minority proportion shall mean that proportion of the issued equity share capital (within the meaning of section 744 of the Companies Act, 1985) of the partly-owned Subsidiary which is not attributable directly or indirectly to the Company;
- (iv) moneys borrowed by a member of the Carnival Corporation & plc Group expressed in or calculated by reference to a currency other than US Dollars shall be converted into US Dollars in the manner used in the financial statements filed by the Carnival Corporation & plc Group with the SEC;
- (v) moneys borrowed against the security of an asset in respect of which there is no recourse against any member of the Carnival Corporation & plc Group other than to that asset shall not be taken into account; and
- (vi) Excluded Indebtedness shall not be taken into account.

Capital Lease means with respect to any person, any lease of any property (whether real, personal or mixed) by such person as lessee that, in accordance with GAAP, either would be required to be classified and accounted for as a capital lease on a balance sheet of such person or otherwise be disclosed as such in a note to such balance sheet, other than, in the case of the Company and

Carnival plc or a Subsidiary, any such lease under which the Company, Carnival plc or such Subsidiary is the lessor.

Consolidated Capital means, at any time, the aggregate of the Issued Capital and Consolidated Reserves of the Carnival Corporation & plc Group and all Borrowed Moneys for the time being undischarged.

Consolidated Net Interest Charges means Interest Payable less Interest Receivable during the relevant Measurement Period.

EBITDA means the consolidated net income of the Carnival Corporation & plc Group for the relevant Measurement Period:

- (a) before any deduction for Taxes;
- (b) before any deduction for Consolidated Net Interest Charges and before any amortisation of upfront fees and expenses in relation to Borrowed Money;
- (c) before any deduction for depreciation or impairment;
- (d) before any deduction for amortisation; and
- (e) excluding exceptional items and separately disclosable items (for the avoidance of doubt, including restructuring items),

but adjusted by deducting any amounts attributable to minority interests.

Excluded Indebtedness means any Indebtedness (including Indebtedness pursuant to a U.S. leveraged lease financing including a U.S. lease to service contract under Section 7701(e) of the Internal Revenue Code of 1986 (as amended from time to time)), the payment of which is provided for by the deposit of cash, cash equivalents or letters of credit with one or more investment-grade banks or other financial institutions acting as payment undertaker, irrespective whether any such arrangements constitutes a defeasance under GAAP.

GAAP means generally accepted accounting principles in the United States.

Indebtedness means (a) any liability of any person (i) for borrowed money, or under any reimbursement obligation related to a letter of credit or bid or performance bond facility, or (ii) evidenced by a bond, note, debenture or other evidence of indebtedness (including a purchase money obligation) representing extensions of credit or given in connection with the acquisition of any business, property, service or asset of any kind, including without limitation, any liability under any commodity, interest rate or currency exchange hedge or swap agreement (other than a trade payable, other current liability arising in the ordinary course of business or commodity, interest rate or currency exchange hedge or swap agreement arising in the ordinary course of business) or (iii) for obligations with respect to (A) an operating lease, or (B) a lease of real or personal property that is or would be classified and accounted for as a Capital Lease; (b) any liability of others either for any lease, dividend

or letter of credit, or for any obligation described in the preceding clause (a) that (i) the person has guaranteed or that is otherwise its legal liability (whether contingent or otherwise or direct or indirect, but excluding endorsements or negotiable instruments for deposit or collection in the ordinary course of business) or (ii) is secured by any Security Interest on any property or asset owned or held by that person, regardless whether the obligation secured thereby shall have been assumed by or is a personal liability of that person; and (c) any amendment, supplement, modification, deferral, renewal, extension or refunding of any liability of the types referred to in clauses (a) and (b) above; provided however, that "Indebtedness" shall not include Excluded Indebtedness.

Interest means the aggregate interest, guarantee commission and amounts in the nature of interest paid or payable in respect of any Borrowed Moneys (other than agency, arrangement, management or participation fees or fees of any other nature).

Interest Payable means the aggregate of:

- (a) all Interest attributable to the Carnival Corporation & plc Group and charged to the Carnival Corporation & plc Group's consolidated profit and loss account during the relevant Measurement Period; and
- (b) the interest (or equivalent) element of payments under finance leases attributable to the Carnival Corporation & plc Group and charged to the Carnival Corporation & plc Group's consolidated profit and loss account during that Measurement Period;

in each case and calculated on the basis that:

- (i) the amount of Interest accrued will be increased by an amount equal to any amount payable by any member of the Carnival Corporation & plc Group under interest rate hedging arrangements in relation to that Measurement Period; and
- (ii) the amount of Interest accrued will be reduced by an amount equal to any amount payable to any member of the Carnival Corporation & plc Group under interest rate hedging arrangements in relation to that Measurement Period.

Interest Receivable means all interest and amounts in the nature of interest attributable to the Carnival Corporation & plc Group and credited to the Carnival Corporation & plc Group's consolidated profit and loss account during the relevant Measurement Period (whether or not paid).

Issued Capital and Consolidated Reserves means at any relevant time the aggregate of:

- (a) the amount paid up or credited as paid up on the issued share capital of the Company and Carnival plc on a combined basis (for which purpose an issue or proposed issue of share capital for cash which has been unconditionally underwritten shall be deemed paid up to the extent that the underwriters are liable therefor and that such capital will be paid up within four months from the date when such underwriting liability became unconditional); and

- (b) the amounts standing to the credit of the consolidated capital and revenue reserves of the Carnival Corporation & plc Group (including any share premium account or capital redemption reserve fund) after adding thereto or deducting therefrom any balance to the credit or debit of the profit and loss account, all determined by reference to the then latest available audited consolidated balance sheet of Carnival Corporation (reflecting the Carnival Corporation & plc Group) but after:
- (i) deducting an amount equal to any distribution declared, recommended or made by any member of the Carnival Corporation & plc Group (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of such balance sheet to the extent that such distribution is not provided for in such balance sheet;
 - (ii) excluding amounts attributable to minority interests in the Company's or Carnival plc's Subsidiaries;
 - (iii) excluding any sums set aside for deferred taxation but only to the extent that the reduction in the tax charge represented thereby cannot be seen with reasonable probability to continue for the foreseeable future; and
 - (iv) deducting any amount representing any intangible assets other than goodwill arising on consolidation.

Measurement Period means any twelve month period ending on a Testing Date.

Testing Date means the last day of each financial quarter of the Carnival Corporation & plc Group.

25.2 Interpretation

25.2.1 Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Company notifies the Facilities Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Signing Date in GAAP or in the application thereof on the operation of such provision (or if the Facilities Agent notifies the Company that the Majority Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

25.2.2 Any amount in a currency other than US Dollars is to be taken into account at its US Dollars equivalent calculated on the basis of the relevant rates of exchange used by the Carnival Corporation & plc Group in, or in connection with, its financial statements for that period.

25.2.3 No item must be credited or deducted more than once in any calculation under this clause.

25.3 Issued Capital and Consolidated Reserves

The Company must ensure that on each Testing Date Issued Capital and Consolidated Reserves are in excess of USD5,000,000,000.

25.4 Gearing

The Company must ensure that on each Testing Date the aggregate of all Borrowed Moneys (for the time being undischarged) does not exceed 65 per cent. of Consolidated Capital at that time.

25.5 Interest cover

The Company must ensure that on each Testing Date the ratio of EBITDA to Consolidated Net Interest Charges, for the Measurement Period ending on the Testing Date, is not less than 3 to 1.

26 General undertakings

26.1 General

Each Obligor agrees to be bound by the covenants set out in this clause relating to it and, where the covenant is expressed to apply to any member of the Carnival Corporation & plc Group and/or Material Subsidiaries, the Company and Carnival plc shall ensure that, in respect of each of their Subsidiaries, the relevant Carnival Corporation & plc Group member performs that covenant.

26.2 Authorisations

Each Obligor will obtain and comply with and do all that is necessary to maintain in full force and effect, and shall procure that each of its Subsidiaries obtain and comply with and do all that is necessary to maintain in full force and effect, in all material respects the terms and conditions of all authorisations, approvals, resolutions, exemptions, filings, notarisations, consents, licences and concessions material to the carrying on of its business as a member of the Carnival Corporation & plc Group, where the failure to so comply would be likely to have a Material Adverse Effect.

26.3 Negative pledge

No Obligor will create or incur, or suffer to be created or incurred or come to exist any Security Interest in respect of Indebtedness on any vessel or other of its properties or assets of any kind, real or personal, tangible or intangible, included in the consolidated balance sheet of the Carnival Corporation & plc Group in accordance with GAAP, nor shall the Company permit any member of the Carnival Corporation & plc Group to do any of the foregoing provided that solely for the purposes of this clause 26.3 the term "Security Interest" shall not include:

- (a) any Security Interest in respect of Excluded Assets or Excluded Indebtedness; and
- (b) any other Security Interest in respect of Indebtedness up to an amount not greater than 40% of the amount of the total assets of the Carnival Corporation & plc Group as shown in the

Carnival Corporation & plc Group's most recent consolidated balance sheet (excluding for these purposes the value of any intangible assets).

26.4 Insurance

The Company (for itself and its Subsidiaries) and Carnival plc (for itself and its Subsidiaries) will ensure that it, each other Obligor and each Material Subsidiary will insure all of their respective properties and assets with insurance companies to such an extent and against such risks as prudent companies engaged in businesses similar to those of the relevant company normally insure where the failure to so insure would have a Material Adverse Effect if the risk concerned were to occur.

26.5 ERISA

The Company (for itself and its Subsidiaries) and Carnival plc (for itself and its Subsidiaries) will ensure that it, each other Obligor and each Material Subsidiary will comply with all applicable provisions of ERISA and the regulations and rulings issued thereunder where failure to so comply would be likely to have a Material Adverse Effect.

26.6 Margin Stock

The Company (for itself and its Subsidiaries) and Carnival plc (for itself and its Subsidiaries) will ensure that no Borrower will use the proceeds of any Utilisation, directly or indirectly, to buy or carry Margin Stock (as defined in Regulations U and X issued by the Board of Governors of the United States Federal Reserve System) or to extend credit to others for the purposes of buying or carrying Margin Stock in any manner that might cause the borrowing or application to violate Regulations U or X.

27 Events of Default

27.1 Each of the events set out in this clause is an Event of Default.

27.2 Non-payment

An Obligor does not pay on the due date any amount payable by it under the Finance Documents in the manner required under the Finance Documents and such amount is not paid within five Business Days of receipt of written notice from the Facilities Agent that it has not received such sum provided that if such failure is solely the result of any bank or financial institution not promptly remitting a payment as instructed by the Obligor and if that Obligor has taken all reasonable steps to cause such payment to be made, the period for the remedy of such payment failure shall be extended by a further three Business Days.

27.3 Breach of other obligations

An Obligor defaults in the due performance or observance of any of its covenants under clause 25 or any material obligations under the Finance Documents (other than non-payment of any amount payable by it under the Finance Documents on its due date), unless the non-compliance is remedied

within fifteen Business Days of the Facilities Agent giving notice of the non-compliance and requesting that such default be remedied.

27.4 Misrepresentation

Any material representation or warranty made or deemed to be made or repeated by an Obligor in any Finance Document is or proves to have been incorrect in any material respect, unless the same is capable of remedy and is remedied within fifteen Business Days of the Facilities Agent giving notice of the misrepresentation.

27.5 Cross-default

Any Borrowed Money in any amount or aggregate amount at any one time, in excess of USD40,000,000 (or its equivalent in any currency) of a Carnival Material Group Member:

- (a) is not paid as and when the same is and becomes due and payable (or within any applicable grace period); or
- (b) becomes (whether by declaration or automatically in accordance with the relevant agreement or instrument constituting the same) due and payable prior to the date when it would otherwise have become due by reason of any default (however described),

provided that no Event of Default shall arise under this clause 27.5 where the Borrowed Money in question is a Non-Recourse Financing Arrangement.

27.6 Insolvency Proceedings

27.6.1 An order is made or resolution passed for the winding-up or dissolution of a Carnival Material Group Member other than:

(a) for the purpose of an amalgamation, reorganisation, merger or reconstruction agreed to in writing by the Facilities Agent (acting on the instructions of the Majority Lenders, such agreement not to be unreasonably withheld or delayed); or

(b) where such winding-up or dissolution is commenced as a result of the termination of the dual-listed combination structure between the Company and Carnival plc and where the surviving entity is (A) the Company where the Company assumes all the obligations of Carnival plc under this Agreement, Carnival plc or a Subsidiary of either the Company or Carnival plc which assumes all the obligations of Carnival plc under this Agreement and (B) such winding-up or dissolution is permitted under the terms of the DLC Documents; or

27.6.2 A Carnival Material Group Member makes or seeks to make any composition or other restructuring with its creditors generally in respect of indebtedness which it would otherwise be unable to pay or an administration or similar order is made in relation to, or an administrator or similar officer is appointed in respect of, the relevant Carnival Material Group Member.

27.7 Insolvency

A Carnival Material Group Member is deemed unable to pay its debts (within the meaning of section 123(1)(e) or (2) of the Insolvency Act 1986) or, in relation to any Carnival Material Group Member incorporated in Italy, is insolvent (within the meaning of Article 5 of the Italian Insolvency Law) or an encumbrancer takes possession of or a receiver or person with similar powers is appointed over the whole or a substantial part of the relevant Carnival Material Group Member's assets and shall not be paid off or removed within fifteen Business Days, and no Event of Default shall arise under this clause 27.7 where the asset or property in question is the subject a Non-Recourse Financing Arrangement.

27.8 Creditors' process

Any distress, execution or analogous event affects any substantial part of a Carnival Material Group Member and is not removed or discharged within fifteen Business Days, and no Event of Default shall arise under this clause 27.8 where the asset or property in question is the subject a Non-Recourse Financing Arrangement.

27.9 Cessation of business

An Obligor ceases to carry on all or a substantial part of its business and such cessation of business has a Material Adverse Effect.

27.10 Effectiveness of Finance Documents

27.10.1 It is or becomes unlawful for an Obligor to perform any of its material obligations under the Finance Documents.

27.10.2 Any Finance Document is not effective or is alleged by an Obligor to be ineffective for any reason.

27.10.3 An Obligor repudiates a Finance Document.

27.11 United States Bankruptcy Laws

27.11.1 In this Subclause:

U.S. Bankruptcy Law means the United States Bankruptcy Code 1978 or any other United States Federal or State bankruptcy, insolvency or similar law.

27.11.2 Subject to clause 27.11.3, any of the following occurs in respect of any Obligor which is subject to U.S. Bankruptcy Law:

- (a) it makes a general assignment for the benefit of creditors;
- (b) it commences a voluntary case or proceeding under any U.S. Bankruptcy Law; or

(c) an involuntary case under any U.S. Bankruptcy Law is commenced against it and is not controverted within 30 days or is not dismissed or stayed within 90 days after commencement of the case.

27.11.3 Clause 27.11.2 shall not apply where an involuntary case is commenced pursuant to clause 27.11.2(c) above (an "Involuntary Bankruptcy Event") in respect of a Borrower (other than the Company) which:

(a) does not have any actual or contingent liabilities as a Borrower under the Finance Documents at the time the relevant Involuntary Bankruptcy Event occurs; and

(b) is not a Material Subsidiary,

and in such circumstances:

(c) such Borrower shall, with effect from such Involuntary Bankruptcy Event, be prevented from incurring any actual or contingent obligations as a Borrower under any of the Finance Documents; and

(d) the Company undertakes to use its reasonable endeavours to procure the resignation of such Borrower as soon as reasonably practicable.

27.12 Article 2447 or 2482-ter of the Italian Civil Code

The occurrence of the circumstances set forth in Article 2447, or 2482-ter, as applicable, of the Italian Civil Code in relation to a Carnival Material Group Member incorporated in Italy unless, no later than 30 days from the date on which such Carnival Material Group Member's directors have knowledge of such occurrence, a shareholders' meeting is convened to vote on a resolution approving either: (a) a capital increase to comply with the minimum capital requirements under Italian law (and such capital increase has been fully paid up in the next following 30 days) or (b) in respect of a Carnival Material Group Member which is incorporated as a *societa per azioni*, the transformation of such company into a *societa a responsabilita limitata*.

27.13 Acceleration

27.13.1 If an Event of Default described in clause 27.11 (United States Bankruptcy Laws) occurs the Total Tranche A Commitments, the Total Tranche B Commitments and the Total Tranche C Commitments will, if not already cancelled under this Agreement, be immediately and automatically cancelled and all amounts outstanding under the Finance Documents shall become immediately due and payable without notice from the Facilities Agent.

27.13.2 If an Event of Default other than under clause 27.11 (United States Bankruptcy Laws) is outstanding, the Facilities Agent may, and must if so instructed by the Majority Lenders, by notice to the Company:

(a) cancel all or any part of the Total Tranche A Commitments, the Total Tranche B Commitments and the Total Tranche C Commitments; and/or

- (b) declare that all or part of any amounts outstanding under the Finance Documents are:
 - (i) immediately due and payable; and/or
 - (ii) payable on demand by the Facilities Agent acting on the instructions of the Majority Lenders; and/or
- (c) declare that full cash cover in respect of each Bond is immediately due and payable whereupon it shall become immediately due and payable.

Any notice given under this Subclause will take effect in accordance with its term.

28 Changes to the Lenders

28.1 Assignments and transfers by the Lenders

28.1.1 A Lender (the Existing Lender) may, subject to the provisions of this clause 28, at any time assign or transfer (including by way of novation) any of its rights and obligations under this Agreement to any other bank or financial institution which, in respect of an assignment or transfer of a Tranche A Commitment, meets the Rating Requirements at the time of such assignment or transfer (the New Lender) provided that where the Existing Lender is a Tranche B Lender and/or a Swingline Lender, such New Lender is able to perform that function or those functions in the same manner as the Existing Lender to the extent of the commitment transferred.

28.1.2 The consent of the Company is required for any assignment or transfer unless:

- (a)
 - (i) the New Lender is another Lender or an Affiliate of a Lender; and
 - (ii) following such assignment or transfer no Borrower would be obliged to pay any greater amount under clause 17 (Taxes), clause 18 (Increased Costs) or any other provision of a Finance Document, in the circumstances existing at the time of such assignment or transfer or which, at the time of such assignment or transfer, the Existing Lender or the New Lender knows will apply in the 12 month period following such assignment or transfer, than would have been payable but for the assignment or transfer; or
- (b) an Event of Default has occurred and has been outstanding for fifteen Business Days or more.

28.1.3 A Fronting Bank may not assign or transfer any obligations under an outstanding Bond without the consent of the Company.

28.1.4 The Company may, at any time, appoint or remove any Fronting Bank (in its capacity as Fronting Bank only) without the consent of the Facilities Agent or any of the Lenders, by notice to that Fronting Bank (in the case of a removal) and the Facilities Agent. The Company will procure that any outstanding Bond issued by a Fronting Bank which is being removed is repaid or prepaid no later than the date on

which that Fronting Bank is to cease to be a Fronting Bank under this Agreement. Any Lender to be appointed a Fronting Bank by the Company shall accede to the capacity of Fronting Bank by execution of a form of accession letter agreed between the Facilities Agent, the Company and such acceding Fronting Bank.

28.1.5 The consent of the Company must not be unreasonably withheld or delayed to any request for consent under this clause 28. It will not be unreasonable for the Company to withhold consent where following an assignment or transfer, a Borrower would be obliged to pay any greater amount under clause 17 (Taxes), clause 18 (Increased Costs) or any other provision of a Finance Document if, in the circumstances existing at the time of such assignment or transfer, such greater amount would not have been payable but for the assignment or transfer or which, at the time of such assignment or transfer, the Existing Lender or the New Lender knows will apply in the 12 month period following such assignment or transfer. The Company will be deemed to have given its consent 10 Business Days after the Company is given notice of the request unless it is expressly refused by the Company within that time.

28.1.6 A transfer of obligations will be effective only if either:

- (a) the obligations are novated in accordance with the following provisions of this clause; or
- (b) the New Lender confirms to the Facilities Agent and the Company in form and substance satisfactory to the Facilities Agent that it is bound by the terms of this Agreement as a Lender. On the transfer becoming effective in this manner the Existing Lender will be released from its obligations under this Agreement to the extent that they are transferred to the New Lender.

28.1.7 Unless the Facilities Agent otherwise agrees, the New Lender must pay to the Facilities Agent, for its own account, on or before the date upon which an assignment or transfer takes effect, a fee of USD3,500.

28.1.8 Any reference in this Agreement to a Lender includes a New Lender but excludes a Lender if no amount is or may be owed to or by it under this Agreement.

28.2 Procedure for transfer

28.2.1 In this Subclause:

Transfer Date means, for a Transfer Certificate, the latest of:

- (a) the proposed Transfer Date specified in that Transfer Certificate;
- (b) the date on which the Facilities Agent executes that Transfer Certificate; and
- (c) the date on which the consent of the Company, if required under clause 28.1.2, is obtained or is deemed to have been given.

28.2.2 A novation is effected if:

(a) the Existing Lender and the New Lender deliver to the Facilities Agent a duly completed Transfer Certificate; and

(b) the Facilities Agent executes it.

The Facilities Agent must execute as soon as reasonably practicable a Transfer Certificate delivered to it and which appears on its face to be in order.

28.2.3 The Facilities Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender upon its completion of all "know your customer" checks that it is required to carry out in relation to the transfer to such New Lender.

28.2.4 Each Party (other than the Existing Lender and the New Lender) irrevocably authorises the Facilities Agent to execute any duly completed Transfer Certificate on its behalf. A Transfer Certificate shall not be duly completed unless any and all consents required under this Agreement have been obtained or deemed obtained.

28.2.5 On the Transfer Date:

(a) the New Lender will assume the rights and obligations of the Existing Lender expressed to be the subject of the novation in the Transfer Certificate in substitution for the Existing Lender;

(b) the Existing Lender will be released from those obligations and cease to have those rights; and

(c) the Fronting Banks and the New Lender shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Fronting Banks and the Existing Lender shall each be released from further obligations to each other under this Agreement.

28.3 Limitation of responsibility of Existing Lenders

28.3.1 Unless expressly agreed to the contrary, an Existing Lender is not responsible to a New Lender for the legality, validity, adequacy, accuracy, completeness or performance of:

(a) any Finance Document or any other document; or

(b) any statement or information (whether written or oral) made in or supplied in connection with any Finance Document,

and any representations or warranties implied by law are excluded.

28.3.2 Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

- (a) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Finance Documents (including the financial condition and affairs of each Obligor and its related entities and the nature and extent of any recourse against any Party or its assets) in connection with its participation in this Agreement; and
- (b) has not relied exclusively on any information supplied to it by the Existing Lender in connection with any Finance Document.

28.3.3 Nothing in any Finance Document requires an Existing Lender to:

- (a) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this clause; or
- (b) support any losses incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under any Finance Document or otherwise.

28.4 Costs resulting from change of Lender or Facility Office

If:

- (a) a Lender assigns or transfers any of its rights and obligations under the Finance Documents or changes its Facility Office; and
- (b) as a result of circumstances existing at the date the assignment, transfer or change occurs, (or which such Lender knows will apply in the following 12 month period) an Obligor would be obliged to pay an amount under clause 17 (Taxes), clause 18 (Increased Costs) or any other provision of a Finance Document,

then, unless the assignment, transfer or change is made by a Lender to mitigate any circumstances giving rise to the payment of an amount under clause 17 (Taxes), clause 18 (Increased Costs) or any other provision of a Finance Document or a right to be prepaid and/or cancelled by reason of illegality, the Obligor need only pay that amount under clause 17 (Taxes), clause 18 (Increased Costs) or any other provision of a Finance Document to the same extent that it would have been obliged to if no assignment, transfer or change had occurred.

28.5 Affiliates of Lenders

28.5.1 Each Lender may fulfil its obligations in respect of a Loan through an Affiliate if the relevant Affiliate is specified in this Agreement as a Lender or becomes a Lender by means of a Transfer Certificate in accordance with this Agreement.

28.5.2 If clause 28.5.1 above applies, the Lender and its Affiliate will be treated as having a single Tranche A Commitment, Tranche B Commitment and/or Tranche C Commitment, as the case may be, and a single vote, but, for all other purposes, will be treated as separate Lenders.

28.5.3 A Swingline Lender may only assign or transfer all or any (the "Swingline Commitment Transfer Amount") of its Swingline Tranche A Commitment, its Swingline Tranche B Commitment or its Swingline Tranche C Commitment to a Lender which is not its Affiliate if it or, where it does not have a Tranche A Commitment, Tranche B Commitment or Tranche C Commitment, its Affiliate, transfers simultaneously to that proposed Lender or that proposed Lender's Affiliate an amount equal to or greater than the Swingline Commitment Transfer Amount of its (or its Affiliate's) Tranche A Commitment, its (or its Affiliate's) Tranche B Commitment or its (or its Affiliate's) Tranche C Commitment, as the case may be, and in any event in accordance with the other terms of this clause 28.

28.6 Sub-participation

A Lender may sub-participate all or any part of its rights and/or obligations under the Finance Documents or enter into any contractual arrangement with any person so that the effect thereof is to give that person an economic or other interest in that Lender's rights and/or obligations under the Finance Documents which is less than a legal or equitable transfer or assignment of those rights and obligations, provided that:

- (a) a Lender may not directly or indirectly transfer its voting rights under the Finance Documents without the consent of the Company (such consent not to be unreasonably withheld or delayed); and
- (b) following such sub-participation, no Borrower would be obliged to pay any greater amount under clause 17 (Taxes), clause 18 (Increased Costs) or any other provision of a Finance Document by reason of such sub-participation.

28.7 Downgrading of a Lender's rating

28.7.1 This clause 28.7 shall only apply to Lenders under Tranche A.

28.7.2 Each Lender confirms that on the Signing Date it meets the Rating Requirements.

28.7.3 If at any time a Lender ceases to meet the Rating Requirements (an Affected Lender), the Affected Lender shall promptly notify in writing each Fronting Bank which has issued a Bond under this Agreement.

28.7.4 Following the delivery of a notice under paragraph 28.7.3 above, the Affected Lender shall use reasonable endeavours, for a period of not more than 45 days from the date of such notice, to arrange for the transfer of its Tranche A Commitment under this Agreement to an Eligible Transferee in accordance with clause 28.1 (Assignments and transfers by the Lenders) (a Lender Downgrade Transfer).

28.7.5 If the Affected Lender successfully effects a Lender Downgrade Transfer, the Affected Lender's Tranche A Commitment shall be cancelled and reduced to zero with effect from the relevant Transfer Date.

28.7.6 If a Lender Downgrade Transfer is not effected within the 45 day period referred to in paragraph 28.7.4 above, the Affected Lender shall (A) on the last day of such period deposit an amount in US Dollars equal to such Affected Lender's Bond Proportion of the outstanding amount of each Bond into the relevant Lender Cash Cover Account and (B) in respect of any Bond which is issued after the expiry of the 45 day period referred to above deposit into the relevant Lender Cash Cover Account, within five Business Days of the date of issue of any such Bond, an amount in US Dollars equal to such Affected Lender's Bond Proportion of the outstanding amount of each such Bond.

28.7.7 The relevant Fronting Bank shall be entitled to apply all or any part of the Lender Cash Cover Amount in or towards the satisfaction of the relevant Affected Lender's obligations under clause 7.3 of this Agreement.

28.7.8 In respect of any Bond which is denominated in an Optional Currency the relevant Fronting Bank shall on each Test Date - Bonds recalculate the Base Currency Amount for Tranche A of the relevant Affected Lender's Bond Proportion of the outstanding amount of each Bond (the "Recalculated Amount"). If on any Test Date - Bonds the Recalculated Amount exceeds the Lender Cash Cover Amount the relevant Fronting Bank will promptly notify in writing the relevant Affected Lender. Within five Business Days of receipt of such notice the relevant Affected Lender shall deposit into the Lender Cash Cover Account an amount equal to such excess. If on any Test Date - Bonds the Lender Cash Cover Amount exceeds the Recalculated Amount the relevant Fronting Bank will promptly notify in writing the relevant Affected Lender. Such Fronting Bank shall promptly pay such excess to the relevant Affected Lender (provided that the relevant Affected Lender has notified the relevant Fronting Bank of the bank account details to which such excess amount should be paid).

28.7.9 Subject to paragraph 28.7.8 above, the Lender Cash Cover Amount shall only be repaid or returned to the relevant Affected Lender by the Fronting Bank in the event that:

- (a) the relevant Affected Lender again meets the Rating Requirements;
- (b) a Mandatory Prepayment Event occurs provided that if such event occurs under clause 12.2 (Mandatory prepayment - change of ownership) the Company or the relevant Bond Borrower has provided full cash cover in accordance with the terms of this Agreement; or
- (c) an acceleration of the Facilities occurs pursuant to clause 27.13 (Acceleration) and the Company or the relevant Bond Borrower has provided full cash cover in accordance with the terms of this Agreement.

The Lender Cash Cover Amount otherwise remaining on deposit shall be repaid to the relevant Affected Lender on the Termination Date.

28.7.10 The relevant Affected Lender shall receive interest from the relevant Fronting Bank on the Lender Cash Cover Amount at commercial rates as agreed between the relevant Fronting Bank and the relevant Affected Lender during the period commencing on the date of deposit to the earlier of the date of repayment (in accordance with paragraph 28.7.8 above) and the date on which such amount

or portion thereof shall be utilised to satisfy the relevant Affected Lender's obligations in accordance with paragraph 28.7.6 above.

28.7.11 The provisions of this clause 28.7 will not affect the Lenders' or the Fronting Banks' rights against, or obligations to, each of the Obligors and, subject to any Lender Downgrade Transfer, the Lenders and the Fronting Banks shall continue to observe their obligations to the Obligors (including, without limitation, in respect of any transfers or assignments) as if the provisions of this clause did not exist.

28.7.12 For the purposes of this clause 28.7:

"Eligible Transferee" means any bank or financial institution which meets the Rating Requirements;

"Lender Cash Cover Account" means any account held with a Fronting Bank for the purposes of this clause 28.7;

"Lender Cash Cover Amount" means, at any time, in relation to a Fronting Bank the amount standing to the credit of the relevant Lender Cash Cover Account; and

"Mandatory Prepayment Event" means an event specified in clause 12.1 (Mandatory prepayment - Illegality) or clause 12.2 (Mandatory prepayment - change of ownership).

28.8 Assignment to Federal Reserve Bank

Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement, without notice to or consent of any Party, to any U.S. Federal Reserve Bank provided that (i) no Lender shall be relieved of any of its obligations under this Agreement as a result of any such assignment and pledge and (ii) in no event shall such U.S. Federal Reserve Bank be considered to be a "Lender" or be entitled to require the assigning Lender to take or omit to take any action under this Agreement.

28.9 The Register

The Facilities Agent, acting solely for this purpose as an agent of the Obligors, shall maintain at one of its offices a copy of each assignment agreement and Transfer Certificate delivered to it and a register (the "Register") for the recordation of the names and addresses of each Lender and the commitments of and obligations owing to each Lender. The entries in the Register shall be conclusive and each Obligor, the Facilities Agent and each Lender may treat each Person whose name is recorded in the Register as a Lender notwithstanding any notice to the contrary. The Register shall be available for inspection by each Obligor at any reasonable time and from time to time upon reasonable prior notice.

28.10 Disclosure of information

28.10.1 Each Finance Party must keep confidential any information supplied to it by or on behalf of any Obligor in connection with the Finance Documents. However, a Finance Party is entitled to disclose information:

- (a) which is publicly available, other than as a result of a breach by that Finance Party of this clause 28.10;
- (b) in connection with any legal or arbitration proceedings;
- (c) if required to do so under any law or regulation;
- (d) to a governmental, banking, taxation or other regulatory authority;
- (e) to its professional advisers, where those professional advisers are bound by obligations of confidentiality in the conduct of their business or owe fiduciary obligations to that Finance Party;
- (f) to the extent allowed under clause 28.10.2 below;
- (g) to another Obligor; or
- (h) with the agreement of the relevant Obligor.

28.10.2 A Finance Party may disclose to an Affiliate or any person with whom it may enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Agreement (a "participant"):

- (a) a copy of any Finance Document; and
- (b) any information which that Finance Party has acquired under or in connection with any Finance Document.

However, before a participant may receive any confidential information, it must agree with the relevant Finance Party to keep that information confidential on the terms of clause 28.10.1 above by entering into a Confidentiality Undertaking or a similar undertaking in such other form as the Company shall approve.

28.10.3 This clause 28.10 supersedes any previous confidentiality undertaking given by a Finance Party in connection with this Agreement prior to it becoming a Party.

29 Changes to the Obligors

29.1 Assignments and transfer by the Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents without the prior consent of the Facilities Agent (acting on the instructions of all the Lenders).

29.2 Additional Borrowers

29.2.1 Subject to compliance with the provisions of clause 24.7 ("Know your customer" checks), the Company and/or Carnival plc may request that any of its direct or indirect wholly owned Subsidiaries becomes an Additional Borrower. That Subsidiary shall become an Additional Borrower if:

- (a) the Company and/or Carnival plc delivers to the Facilities Agent a duly completed and executed Accession Letter;
- (b) the Facilities Agent is satisfied (acting reasonably) that the guarantee of the Company or Carnival plc under clause 22 will cover the obligations of its Subsidiary;
- (c) the Subsidiary is incorporated in an Approved Jurisdiction;
- (d) the Company and/or Carnival plc confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and
- (e) the Facilities Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (Conditions precedent) in relation to that Additional Borrower, each in form and substance satisfactory to the Facilities Agent.

29.2.2 The Facilities Agent shall notify the Company or Carnival plc as appropriate and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (Conditions precedent).

29.2.3 Delivery of an Accession Letter, duly executed by the relevant Subsidiary and the Company or Carnival plc as appropriate, to the Facilities Agent constitutes confirmation by that Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

29.3 Resignation of a Borrower

29.3.1 The Company or Carnival plc may request that a Borrower (other than the Company or Carnival plc) ceases to be a Borrower by delivering to the Facilities Agent a Resignation Letter.

29.3.2 The Facilities Agent shall accept a Resignation Letter and notify the Company or Carnival plc, as the case may be, and the Lenders of its acceptance if:

- (a) no Default is outstanding or would result from the acceptance of the Resignation Letter (and the Company or, as the case may be, Carnival plc has confirmed this is the case in the Resignation Letter); and
- (b) no amount owed by that Borrower under the Finance Documents is still outstanding,

whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.

29.3.3 In the event that a Borrower ceases to be a direct or indirect wholly owned Subsidiary of the Company and/or Carnival plc, the Company or Carnival plc, as appropriate, will procure that such Borrower repays in full all amounts owed by that Borrower under the Finance Documents and that it ceases to be a Borrower under clause 29.3.1, in each case within ten Business Days of such Borrower ceasing to be a direct or indirect wholly owned Subsidiary of the Company and/or Carnival plc.

- 30 Role of the Facilities Agent, the Arrangers and the Fronting Banks
- 30.1 Appointment of the Facilities Agent
- 30.1.1 Each other Finance Party appoints the Facilities Agent to act as its agent under and in connection with the Finance Documents.
- 30.1.2 Each other Finance Party authorises the Facilities Agent to exercise the rights, powers, authorities and discretions specifically given to the Facilities Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.
- 30.2 Duties of the Facilities Agent
- 30.2.1 The Facilities Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facilities Agent for that Party by any other Party.
- 30.2.2 Except where a Finance Document specifically provides otherwise, the Facilities Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- 30.2.3 If the Facilities Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Finance Parties and (except where such notice is received from the Company or Carnival plc) the Company or Carnival plc.
- 30.2.4 If the Facilities Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facilities Agent or the Arrangers) under this Agreement it shall promptly notify the other Finance Parties and the Company.
- 30.2.5 The Facilities Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- 30.3 Role of the Arrangers
- Except as specifically provided in the Finance Documents, no Arranger has any obligations of any kind to any other Party under or in connection with any Finance Document.
- 30.4 No fiduciary duties
- 30.4.1 Except as specifically provided for in a Finance Document, nothing in the Finance Documents makes the Facilities Agent, the Arrangers or the Fronting Banks a trustee or fiduciary for any other Party or any other person.
- 30.4.2 The Facilities Agent, any Arranger or any Fronting Bank shall not be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

- 30.5 Business with the Carnival Corporation & plc Group
- The Facilities Agent, the Arrangers and the Fronting Banks may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Carnival Corporation & plc Group.
- 30.6 Rights and discretions of the Facilities Agent and each Fronting Bank
- 30.6.1 The Facilities Agent and, without prejudice to clause 7.2.2, each Fronting Bank may rely on:
- (a) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
 - (b) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- 30.6.2 The Facilities Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
- (a) no Default has occurred (unless it has actual knowledge of a Default arising under clause 27.2 (Non-payment));
 - (b) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
 - (c) any notice or request made by the Company (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.
- 30.6.3 The Facilities Agent and each Fronting Bank may engage, pay for and rely on the advice or services of any lawyers, accountants or other experts.
- 30.6.4 The Facilities Agent and each Fronting Bank may act in relation to the Finance Documents through its personnel and agents.
- 30.6.5 The Facilities Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- 30.6.6 Notwithstanding any other provision of any Finance Document to the contrary, neither the Facilities Agent nor any Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- 30.7 Majority Lenders' instructions
- 30.7.1 Unless a contrary indication appears in a Finance Document, the Facilities Agent shall (a) exercise any right, power, authority or discretion vested in it as Facilities Agent in accordance with any

instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Facilities Agent) and (b) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.

30.7.2 Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.

30.7.3 The Facilities Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

30.7.4 In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Facilities Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

30.7.5 The Facilities Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

30.8 Responsibility for documentation

Neither the Facilities Agent nor any Arranger nor any Fronting Bank:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Facilities Agent, an Arranger, an Obligor or any other person given in or in connection with any Finance Document; or
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document.

30.9 Exclusion of liability

30.9.1 Without limiting clause 30.9.2 below, neither the Facilities Agent nor any Fronting Bank will be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

30.9.2 No Party (other than the Facilities Agent or any Fronting Bank) may take any proceedings against any officer, employee or agent of the Facilities Agent or any Fronting Bank in respect of any claim it might have against the Facilities Agent or any Fronting Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Facilities Agent may rely on this clause and enforce its terms under the Third Parties Act.

30.9.3 The Facilities Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Facilities Agent if the Facilities Agent has taken all necessary steps as soon as reasonably practicable to comply with

the regulations or operating procedures of any recognised clearing or settlement system used by the Facilities Agent for that purpose.

30.9.4 Nothing in this Agreement shall oblige the Facilities Agent or the Arrangers to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Facilities Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facilities Agent or the Arrangers.

30.10 Lenders' indemnity to the Facilities Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facilities Agent, within three Business Days of demand, against any cost, loss or liability incurred by the Facilities Agent (otherwise than by reason of the Facilities Agent's gross negligence or wilful misconduct) in acting as Facilities Agent under the Finance Documents (unless the Facilities Agent has been reimbursed by an Obligor pursuant to a Finance Document).

30.11 Resignation of the Facilities Agent

30.11.1 The Facilities Agent may resign and with the prior written consent of the Company (not to be unreasonably withheld or delayed) appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Company.

30.11.2 Alternatively the Facilities Agent may resign by giving notice to the other Finance Parties and the Company, in which case the Majority Lenders may with the prior written consent of the Company (not to be unreasonably withheld or delayed) appoint a successor Facilities Agent.

30.11.3 If the Majority Lenders have not appointed a successor Facilities Agent in accordance with clause 30.11.2 above within 30 days after notice of resignation was given, the Facilities Agent may with the prior written consent of the Company (not to be unreasonably withheld or delayed) appoint a successor Facilities Agent.

30.11.4 The retiring Facilities Agent shall, at its own cost, make available to the successor Facilities Agent such documents and records and provide such assistance as the successor Facilities Agent may reasonably request for the purposes of performing its functions as Facilities Agent under the Finance Documents.

30.11.5 The Facilities Agent's resignation notice shall only take effect upon the appointment of a successor.

30.11.6 Upon the appointment of a successor, the retiring Facilities Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this clause 30. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

30.11.7 After consultation with the Company, the Majority Lenders may, by notice to the Facilities Agent, require it to resign in accordance with clause 30.11.2 above. In this event, the Facilities Agent shall resign in accordance with clause 30.11.2 above.

30.12 Confidentiality

30.12.1 In acting as agent for the Finance Parties, the Facilities Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

30.12.2 If information is received by another division or department of the Facilities Agent, it may be treated as confidential to that division or department and the Facilities Agent shall not be deemed to have notice of it.

30.13 Relationship with the Lenders

30.13.1 The Facilities Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

30.13.2 Each Lender shall supply the Facilities Agent with any information required by the Facilities Agent in order to calculate the Mandatory Cost in accordance with Schedule 4 (Mandatory Cost formulae).

30.13.3 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Facilities Agent and each relevant Fronting Bank and each Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Carnival Corporation & plc Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy and/or completeness of any information provided by the Facilities Agent, any Party or by any other person under or in connection with any Finance Document,

the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

30.14 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Facilities Agent shall, with the prior written consent of the Company, appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

30.15 Deduction from amounts payable by the Facilities Agent

If a Lender owes an amount to the Facilities Agent under the Finance Documents the Facilities Agent may, after giving notice to that Lender, deduct an amount not exceeding that amount from any payment to that Lender which the Facilities Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Lender shall be regarded as having received any amount so deducted.

31 Conduct of business by the Finance Parties

31.1 No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

32 Sharing among the Finance Parties

32.1 Payments to Finance Parties

If a Finance Party (a Recovering Finance Party) receives or recovers any amount from an Obligor other than in accordance with clause 33 (Payment mechanics) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Facilities Agent;
- (b) the Facilities Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Facilities Agent and distributed in accordance with clause 33

(Payment mechanics), without taking account of any Tax which would be imposed on the Facilities Agent in relation to the receipt, recovery or distribution; and

- (c) the Recovering Finance Party shall, within three Business Days of demand by the Facilities Agent, pay to the Facilities Agent an amount (the Sharing Payment) equal to such receipt or recovery less any amount which the Facilities Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with clause 33.5 (Partial payments).

32.2 Redistribution of payments

The Facilities Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with clause 33.5 (Partial payments).

32.3 Recovering Finance Party's rights

32.3.1 On a distribution by the Facilities Agent under clause 32.2 (Redistribution of payments), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.

32.3.2 If and to the extent that the Recovering Finance Party is not able to rely on its rights under clause 32.3.1 above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

32.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to clause 32.2 (Redistribution of payments) shall, upon request of the Facilities Agent, pay to the Facilities Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and
- (b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Lender for the amount so reimbursed.

32.5 Exceptions

32.5.1 This clause 32 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this clause, have a valid and enforceable claim against the relevant Obligor.

32.5.2 A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

- (a) it notified that other Finance Party of the legal or arbitration proceedings; and
- (b) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

33 Payment mechanics

33.1 Payments to the Facilities Agent

33.1.1 On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Facilities Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Facilities Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

33.1.2 Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Facilities Agent specifies by not less than five Business Days' prior notice.

33.2 Distributions by the Facilities Agent

Each payment received by the Facilities Agent under the Finance Documents for another Party shall, subject to clause 33.3 (Distributions to an Obligor) and clause 33.4 (Clawback) be made available by the Facilities Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Facilities Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London).

33.3 Distributions to an Obligor

The Facilities Agent may (with the consent of the Obligor or in accordance with clause 34 (Set-off)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

33.4 Clawback

33.4.1 Where a sum is to be paid to the Facilities Agent under the Finance Documents for another Party, the Facilities Agent is not obliged to pay that sum to that other Party (or to enter into or perform any

related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

33.4.2 If the Facilities Agent pays an amount to another Party and it proves to be the case that the Facilities Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Facilities Agent shall on demand refund the same to the Facilities Agent together with interest on that amount from the date of payment to the date of receipt by the Facilities Agent, calculated by the Facilities Agent to reflect its cost of funds.

33.5 Partial payments

33.5.1 If the Facilities Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Facilities Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

- (a) first, in or towards payment pro rata of any unpaid fees, costs and expenses of the Facilities Agent and any Fronting Bank under the Finance Documents;
- (b) secondly, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;
- (c) thirdly, in or towards payment pro rata of any principal due but unpaid under this Agreement and any amount due but unpaid under clause 7.3 (Indemnities) or clause 9.4 (Indemnities); and
- (d) fourthly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

33.5.2 The Facilities Agent shall, if so directed by the Majority Lenders, vary the order set out in clauses 33.5.1(b) to 33.5.1(d) above.

33.5.3 Clauses 33.5.1 and 33.5.2 above will override any appropriation made by an Obligor.

33.6 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

33.7 Business Days

33.7.1 Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

- 33.7.2 During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.
- 33.8 Currency of account
- 33.8.1 Subject to clauses 33.8.2 to 33.8.5 below, in respect of each Tranche, the Base Currency for that Tranche is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- 33.8.2 A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.
- 33.8.3 Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.
- 33.8.4 Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- 33.8.5 Any amount expressed to be payable in a currency shall be paid in that other currency.
- 33.9 Change of currency
- 33.9.1 Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
- (a) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Facilities Agent (after consultation with the Company); and
 - (b) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Facilities Agent (acting reasonably).
- 33.9.2 If a change in any currency of a country occurs, this Agreement will, to the extent the Facilities Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.
- 34 Set-off
- 34.1.1 If an Event of Default has occurred and is outstanding, a Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any obligation (whether or not matured) owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the

obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

34.1.2 The Finance Party shall notify the Company and the relevant Obligor as soon as practicable after any set-off is effected under this clause giving reasonable details of the amounts and accounts involved.

35 Notices

35.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

35.2 Addresses

35.2.1 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Company, that identified with its name below;
- (b) in the case of Carnival plc, that identified with its name below;
- (c) in the case of Costa Crociere S.p.A., that identified with its name below;
- (d) in the case of CC U.S. Ventures, Inc., that identified with its name below;
- (e) in the case of Holland America Line Inc., that identified with its name below;
- (f) in the case of Princess Cruise & Tours, Inc., that identified with its name below;
- (g) in the case of each Lender or any other Original Obligor, that notified in writing to the Facilities Agent on or prior to the date on which it becomes a Party; and
- (h) in the case of the Facilities Agent, that identified with its name below,

or any substitute address, fax number or department or officer as the Party may notify to the Facilities Agent (or the Facilities Agent may notify to the other Parties, if a change is made by the Facilities Agent) by not less than five Business Days' notice.

35.2.2 The address, fax number and telex number (and the department or officer, if any, for whose attention the communication is to be made) of each Fronting Bank for any communication or document to be made or delivered under or in connection with the Finance Documents is that notified in writing to the Facilities Agent prior to the Signing Date or upon its appointment as a Fronting Bank, or any substitute address, fax number, telex number or department or officer as each Fronting Bank may notify to the Facilities Agent by not less than five Business Days' notice.

35.2.3 The contact details of the Company for this purpose are:

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami,
Florida 33133
Fax number: + 1 305 406 6480
Attention: Treasurer; and

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami,
Florida 33133
Fax number: +1 305 406 4758
Attention: General Counsel

35.2.4 The contact details of Carnival plc for this purpose are:

Address: Carnival plc, 5 Gainsford Street, London, SE1 2NE, England
Fax number: 0207 940 5382
Tel number: 0207 940 5383
Attention: Corporation Counsel

35.2.5 The contact details of Costa Crociere S.p.A. for this purpose are:

Address: Costa Crociere S.p.A., Via XII Ottobre 2, 16121,
Genoa, Italy
Fax number: + 39 010 548 3446
Attention: Cristina Gado, Treasurer

with a copy to:

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami,
Florida 33133
Fax number: + 1 305 406 6480
Attention: Treasurer; and

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami,
Florida 33133
Fax number: +1 305 406 4758
Attention: General Counsel

35.2.6 The contact details of CC U.S. Ventures, Inc. for this purpose are:

Address: c/o Carnival Corporation, 3655 NW 87th Avenue, Miami,
Florida 33133
Fax number: + 1 305 406 6480
Attention: Treasurer; and

Address: c/o Carnival Corporation, 3655 NW 87th Avenue, Miami,
Florida 33133
Fax number: +1 305 406 4758
Attention: General Counsel

35.2.7 The contact details of Holland America Line Inc. for this purpose are:

Address: Holland America Line Inc., 300 Elliott Avenue West,
Seattle, Washington, 98119
Fax number: + 1 206 286 3936
Attention: Todd W. Kimmel, Treasurer

with a copy to:

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami,
Florida 33133
Fax number: + 1 305 406 6480
Attention: Treasurer; and

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami,
Florida 33133
Fax number: +1 305 406 4758
Attention: General Counsel

35.2.8 The contact details of Princess Cruise & Tours, Inc. for this purpose are:

Address: Princess Cruise & Tours, Inc., 24305 Town Center Drive,
Santa Clarita, California, 91355
Fax number: + 1 661 753 1510
Attention: Alan B. Buckelew, Executive Vice President and Treasurer

with a copy to:

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami,
Florida 33133
Fax number: + 1 305 406 6480
Attention: Treasurer; and

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami,
Florida 33133
Fax number: +1 305 406 4758
Attention: General Counsel

35.2.9 The contact details of the Facilities Agent for this purpose are:

For Operational Issues (Drawdowns; Rollovers, Rate Fixing: Fee Claims etc)

The Royal Bank of Scotland plc

Level 3
2-5 Devonshire Square
London
EC2M 4XJ

Attention: Loans Administration / LAU

Fax Number: 44 (0) 20 7615 7673

For Non Operational Issues (Covenants; Amendments & Waivers etc)

The Royal Bank of Scotland plc
Level 7
135 Bishopsgate
London
EC2M 3UR

Attention: Philip A. Pentney, Head of Syndicated Loans Agency

Fax No: 44 (0) 20 7085 4564

Telephone Number: 44 (0) 20 7085 8739

E-Mail: philip.pentney@rbos.com

35.3 Delivery

35.3.1 Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

- (a) if delivered in person, at the time of delivery;
- (b) if by way of fax, when received in legible form; or
- (c) if by post, five days after being deposited in the post postage prepaid in an envelope correctly addressed.

35.3.2 Any communication or document to be made or delivered to the Facilities Agent will be effective only when actually received by the Facilities Agent.

35.3.3 A communication given under clause 35.3.1 but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

35.3.4 All notices from or to an Obligor shall be sent through the Facilities Agent.

35.3.5 Any communication or document made or delivered to the Company in accordance with this clause will be deemed to have been made or delivered to each of the Obligors.

35.4 Notification of address and fax number

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to clause 35.2 (Addresses) or changing its own address or fax number, the Facilities Agent shall notify the other Parties.

- 35.5 Electronic communication
- 35.5.1 Any communication to be made between the Facilities Agent and a Lender under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Facilities Agent and the relevant Lender:
- (a) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (b) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (c) notify each other of any change to their address or any other such information supplied by them.
- 35.5.2 Any electronic communication made between the Facilities Agent and a Lender will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Facilities Agent only if it is addressed in such a manner as the Facilities Agent shall specify for this purpose.
- 35.6 English language
- 35.6.1 Any notice given under or in connection with any Finance Document must be in English.
- 35.6.2 All other documents provided under or in connection with any Finance Document must be:
- (a) in English; or
 - (b) if not in English, and if so required by the Facilities Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.
- 36 Calculations and certificates
- 36.1 Accounts
- In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are prima facie evidence of the matters to which they relate.
- 36.2 Certificates and Determinations
- Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates. The Facilities Agent shall provide reasonable details to support such calculation upon the Company's request.

36.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days in relation to Sterling or 360 days in relation to any other currency or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

37 Partial invalidity

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

38 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

39 Amendments and waivers

39.1 Required consents

39.1.1 Subject to clause 39.2 (Exceptions) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.

39.1.2 The Facilities Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause.

39.2 Exceptions

39.2.1 An amendment or waiver that has the effect of changing or which relates to:

- (a) the definition of Majority Lenders in clause 1.1 (Definitions);
- (b) an extension to the date of payment of any amount under the Finance Documents other than pursuant to clause 4.2;
- (c) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees (other than fronting fees payable pursuant to clause 16.5) or commission payable;

- (d) an increase in or an extension of any Tranche A Commitment, Tranche B Commitment and/or Tranche C Commitment other than pursuant to clause 4.2;
- (e) a change to the Borrowers or Guarantors other than in accordance with clause 29 (Changes to the Obligors);
- (f) any provision which expressly requires the consent of all the Lenders; or
- (g) clause 2.2 (Finance Parties' rights and obligations), clause 28 (Changes to the Lenders) or this clause 39,

shall not be made without the prior consent of all the Lenders.

39.2.2 An amendment or waiver which relates to the rights or obligations of the Facilities Agent or an Arranger when acting in that capacity may not be effected without the consent of the Facilities Agent or the Arrangers.

39.2.3 Notwithstanding any other provision of this Agreement, an amendment or waiver which relates to the rights or obligations of a Fronting Bank when acting in that capacity may not be effected without the consent of that Fronting Bank.

40 Counterparts

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

41 Governing law

This Agreement is governed by English law.

42 Enforcement

42.1 Jurisdiction

42.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a Dispute).

42.1.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

42.1.3 This clause 42.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

42.2 Service of process

42.2.1 Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

- (a) irrevocably appoints Carnival plc (and Carnival plc hereby accepts each such appointment) as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
- (b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

42.3 Waiver of Jury Trial

Each of the parties to this Agreement irrevocably waives trial by jury in any action or proceeding with respect to this Agreement or any of the Finance Documents.

43 USA PATRIOT Act

Each Lender hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, such Lender is required to obtain, verify and record information that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify such Obligor in accordance with the USA PATRIOT Act.

44 Summary Document

The Summary Document is set out in Schedule 12 solely to provide a summary of the main terms and conditions of the Agreement for the purposes of the Bank of Italy's instructions on the transparency of banking transactions and services (Istruzioni di vigilanza per le banche, Titolo X, Capitolo 1). The parties agree that the Summary Document is not intended to amend, supplement or interpret this Agreement. In case of inconsistency between this Agreement and the Summary Document, this Agreement will prevail for all purposes.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1

The Original Parties

Part 1
The Original Borrowers

Name of Subsidiaries of the Company and Carnival plc

- 1 Costa Crociere S.p.A. (a company organised and existing under the laws of Italy as a societa per azioni, with fully paid-up share capital equal to Euro 365.364.504,00, having its registered office in Genoa (Italy), via XII Ottobre 2, registered with the Companies' Register (Registro delle Imprese) of Genoa under no. 02545900108, Repertorio Economico Amministrativo no. 279842)
- 2 CC U.S. Ventures, Inc. (a company organised and existing under the laws of Delaware the United States)
- 3 Holland America Line Inc. (a company organised and existing under the laws of Washington the United States)
- 4 Princess Cruise & Tours, Inc. (a company organised and existing under the laws of Delaware the United States)

Part 2
The Original Lenders - Loan Commitments

(a) Tranche A Commitment	
Name of Original Lender	Amount (USD)
Bank of America, N.A	48,866,754.75
Barclays Bank PLC	48,866,754.75
JPMorgan Chase Bank, N.A	48,866,754.75
The Royal Bank of Scotland plc	48,866,754.75
BNP Paribas	48,866,754.75
SANPAOLO IMI S.p.A	48,866,754.75
Citibank, N.A	39,093,403.80
Deutsche Bank AG London Branch	39,093,403.80
KfW	61,662,093.03
HSBC Bank plc	39,093,403.80
Lloyds TSB Bank plc	61,662,093.03
Mizuho Corporate Bank. Ltd.,	61,662,093.03
Banca di Roma - London Branch	39,093,403.80
Banca Intesa S.p.A	39,093,403.80
Banca Nazionale del Lavoro SpA, New York Branch	39,093,403.80
Merrill Lynch Bank USA	61,662,093.03
Societe Generale	39,093,403.80
SunTrust Bank	61,662,093.03
UBS Limited	61,662,093.03
UniCredito Italiano - New York Branch	39,093,403.80
Australia and New Zealand Banking Group Limited	30,831,046.51
Banco Bilbao Vizcaya Argentaria S.A	19,546,701.90
Commerzbank Aktiengesellschaft	19,546,701.90
DnB NOR Bank ASA	30,831,046.51
National Australia Bank Limited	30,831,046.51
Sumitomo Mitsui Banking Corporation, New York Branch	30,831,046.51
US Bank, N.A	30,831,046.51
Wells Fargo Bank, National Association	30,831,046.51
	Total 1,200,000,000

(b) Tranche B Commitment

Name of Original Lender	Amount (euro)
Bank of America, N.A	30,303,030.30
Barclays Bank PLC	30,303,030.30
JPMorgan Chase Bank, N.A	30,303,030.30
The Royal Bank of Scotland plc	30,303,030.30
BNP Paribas	30,303,030.30
SANPAOLO IMI S.p.A	30,303,030.30
Citibank, N.A. - Milan Branch	24,242,424.24
Deutsche Bank SpA	24,242,424.24
KfW	0
HSBC Bank plc	24,242,424.24
Lloyds TSB Bank plc	0
Mizuho Corporate Bank. Ltd.,	0
Banca di Roma - London Branch	24,242,424.24
Banca Intesa S.p.A	24,242,424.24
Banca Nazionale del Lavoro SpA, New York Branch	24,242,424.24
Merrill Lynch Bank USA	0
Societe Generale	24,242,424.24
SunTrust Bank	0
UBS Limited	0
UniCredito Italiano - New York Branch	24,242,424.24
Australia and New Zealand Banking Group Limited	0
Banco Bilbao Vizcaya Argentaria S.A	12,121,212.12
Commerzbank Aktiengesellschaft	12,121,212.12
DnB NOR Bank ASA	0
National Australia Bank Limited	0
Sumitomo Mitsui Banking Corporation, New York Branch	0
US Bank, N.A	0
Wells Fargo Bank, National Association	0
	Total 400,000,000

(c) Tranche C Commitment

Name of Original Lender	Amount (Sterling)
Bank of America, N.A	8,144,459.13
Barclays Bank PLC	8,144,459.13
JPMorgan Chase Bank, N.A	8,144,459.13
The Royal Bank of Scotland plc	8,144,459.13
BNP Paribas	8,144,459.13
SANPAOLO IMI S.p.A	8,144,459.13
Citibank, N.A	6,515,567.30
Deutsche Bank AG London Branch	6,515,567.30
KfW	10,277,015.50
HSBC Bank plc	6,515,567.30
Lloyds TSB Bank plc	10,277,015.50
Mizuho Corporate Bank. Ltd.,	10,277,015.50
Banca di Roma - London Branch	6,515,567.30
Banca Intesa S.p.A	6,515,567.30
Banca Nazionale del Lavoro SpA, New York Branch	6,515,567.30
Merrill Lynch Bank USA	10,277,015.50
Societe Generale	6,515,567.30
SunTrust Bank	10,277,015.50
UBS Limited	10,277,015.50
UniCredito Italiano - New York Branch	6,515,567.30
Australia and New Zealand Banking Group Limited	5,138,507.75
Banco Bilbao Vizcaya Argentaria S.A	3,257,783.65
Commerzbank Aktiengesellschaft	3,257,783.65
DnB NOR Bank ASA	5,138,507.75
National Australia Bank Limited	5,138,507.75
Sumitomo Mitsui Banking Corporation, New York Branch	5,138,507.75
US Bank, N.A	5,138,507.75
Wells Fargo Bank, National Association	5,138,507.75
	Total 200,000,000

Part 3
[Not Used]

Part 4
The Original Swingline Lenders - Swingline Loan Commitments

(a) Swingline Tranche A Commitment

Name of Original Swingline Lender	Amount (USD)
Bank of America, N.A	48,747,120.60
Barclays Bank PLC	48,747,120.60
JPMorgan Chase Bank, N.A	48,747,120.60
The Royal Bank of Scotland plc	48,747,120.60
BNP Paribas	48,747,120.60
SANPAOLO IMI S.p.A	48,747,120.60
Citibank, N.A	38,997,696.48
Deutsche Bank AG New York Branch	38,997,696.48
KfW	0
HSBC Bank plc	38,997,696.48
Lloyds TSB Bank plc	61,511,133.70
Mizuho Corporate Bank, Ltd.	61,511,133.70
Banca di Roma - London Branch	38,997,696.48
Banca Intesa S.p.A	38,997,696.48
Banca Nazionale del Lavoro SpA, New York Branch	0
Merrill Lynch Bank USA	0
Societe Generale	38,997,696.48
SunTrust Bank	0
UBS Loan Finance LLC	61,511,133.70
UniCredito Italiano - New York Branch	0
Australia and New Zealand Banking Group Limited	0
Banco Bilbao Vizcaya Argentaria S.A	19,498,848.24
Commerzbank Aktiengesellschaft	19,498,848.24
DnB NOR Bank ASA	0
National Australia Bank Limited	0
Sumitomo Mitsui Banking Corporation, New York Branch	0
US Bank, N.A	0
Wells Fargo Bank, National Association	0
	Total 750,000,000

(b) Swingline Tranche B Commitment

Name of Original Swingline Lender	Amount (euro)
Bank of America, N.A	30,172,413.79
Barclays Bank PLC	30,172,413.79
JPMorgan Chase Bank, N.A	30,172,413.79
The Royal Bank of Scotland plc	30,172,413.79
BNP Paribas	30,172,413.79
SANPAOLO IMI S.p.A	30,172,413.79
Citibank, N.A. - Milan Branch	24,137,931.03
Deutsche Bank SpA	24,137,931.03
KfW	0
HSBC Bank plc	24,137,931.03
Lloyds TSB Bank plc	0
Mizuho Corporate Bank. Ltd.,	0
Banca di Roma - London Branch	24,137,931.03
Banca Intesa S.p.A	24,137,931.03
Banca Nazionale del Lavoro SpA, New York Branch	0
Merrill Lynch Bank USA	0
Societe Generale	24,137,931.03
SunTrust Bank	0
UBS Limited	0
UniCredito Italiano - New York Branch	0
Australia and New Zealand Banking Group Limited	0
Banco Bilbao Vizcaya Argentaria S.A	12,068,965.52
Commerzbank Aktiengesellschaft	12,068,965.52
DnB NOR Bank ASA	0
National Australia Bank Limited	0
Sumitomo Mitsui Banking Corporation, New York Branch	0
US Bank, N.A	0
Wells Fargo Bank, National Association	0
	Total 350,000,000

(c) Swingline Tranche C Commitment

Name of Original Swingline Lender	Amount (Sterling)
Bank of America, N.A	8,124,520.10
Barclays Bank PLC	8,124,520.10
JPMorgan Chase Bank, N.A	8,124,520.10
The Royal Bank of Scotland plc	8,124,520.10
BNP Paribas	8,124,520.10
SANPAOLO IMI S.p.A	8,124,520.10
Citibank, N.A	6,499,616.08
Deutsche Bank AG London Branch	6,499,616.08
KfW	0
HSBC Bank plc	6,499,616.08
Lloyds TSB Bank plc	10,251,855.62
Mizuho Corporate Bank, Ltd.	10,251,855.62
Banca di Roma - London Branch	6,499,616.08
Banca Intesa S.p.A	6,499,616.08
Banca Nazionale del Lavoro SpA, New York Branch	0
Merrill Lynch Bank USA	0
Societe Generale	6,499,616.08
SunTrust Bank	0
UBS Limited	10,251,855.62
UniCredito Italiano - New York Branch	0
Australia and New Zealand Banking Group Limited	0
Banco Bilbao Vizcaya Argentaria S.A	3,249,808.04
Commerzbank Aktiengesellschaft	3,249,808.04
DnB NOR Bank ASA	0
National Australia Bank Limited	0
Sumitomo Mitsui Banking Corporation, New York Branch	0
US Bank, N.A	0
Wells Fargo Bank, National Association	0
	Total 125,000,000

Part 5
The Original Fronting Banks

Bank of America, N.A.

The Royal Bank of Scotland plc

SANPAOLO IMI S.p.A.

Schedule 2

Conditions Precedent

Part 1

Conditions precedent to initial Utilisation

Original Obligors

- 1 A copy of the constitutional documents of each Original Obligor.
- 2 A copy of a resolution of the board of directors or executive committee thereof of each Original Obligor (and, if required by its existing by-laws, a copy of the resolution of the Shareholders' Meeting of Costa Crociere S.p.A.), approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party.
- 3 A specimen of the signature of each person who executes the Finance Documents and who is authorised on behalf of an Original Obligor to execute or witness the execution of any Finance Document or to sign or send any document or notice in connection with any Finance Document.
- 4 A certificate of an authorised signatory of the Company:
 - (a) confirming that utilising or (with respect to the Company and Carnival plc) guaranteeing the Total Tranche A Commitments, the Total Tranche B Commitments and the Total Tranche C Commitments (or, in the case of Costa Crociere S.p.A., utilising the Total Tranche B Commitments) in full would not breach any limit binding on any Original Obligor;
 - (b) certifying that each copy document specified in Part 1 of this Schedule is correct, complete and in full force and effect as at a date no earlier than the Signing Date; and
 - (c) confirming which companies are Material Subsidiaries and providing reasonable details of the calculations used to make such determinations.
- 5 A copy of a good standing certificate with respect to each US Borrower, issued as of a recent date by the Secretary of State or other appropriate official of each US Borrower's jurisdiction of incorporation or organisation.
- 6 A certificate of registration (certificato di iscrizione) of Costa Crociere S.p.A. with the relevant Companies' Register dated not earlier than five Business Days prior to the execution of this Agreement, confirming that no insolvency procedures have been started in relation to Costa Crociere S.p.A.

Legal opinions

- 7 A legal opinion of Clifford Chance, English law legal advisers to the Arrangers and the Facilities Agent, addressed to the Finance Parties.

- 8 A legal opinion of Tapia, Linares y Alfaro, Panama law legal advisers, addressed to the Finance Parties.
- 9 A legal opinion of Clifford Chance, New York state law legal advisers, addressed to the Finance Parties.
- 10 A legal opinion of Lane Powell PC, Washington state law legal advisers, addressed to the Finance Parties.
- 11 A legal opinion of Clifford Chance Studio Legale Associato, Italian law legal advisers, addressed to the Finance Parties.

Other documents and evidence

- 12 The duly executed Finance Documents (other than any of the Utilisation Requests).
- 13 Certified copy of the Original Financial Statements.
- 14 Certified copy of the DLC Documents.
- 15 Evidence that the fees, costs and expenses then due from the Company pursuant to clause 16 (Fees) and clause 21 (Costs and expenses) have been paid or will be paid by the first Utilisation Date.
- 16 Evidence of prepayment and cancellation in full on or prior to the date of this Agreement of the Company's USD1.4billion revolving credit agreement dated 26 June 2001 as amended on 17 November 2003, Carnival plc's (euro)600m credit facility agreement dated 9 March 2004 and Costa Crociere S.p.A.'s (euro)257.5m revolving credit agreement dated 3 May 2001.
- 17 A copy of any other authorisation or other document, opinion or assurance which the Facilities Agent has notified the Company is necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Finance Documents or for the validity and enforceability of any Finance Document.

Part 2

Conditions precedent required to be delivered by an Additional Borrower

Additional Borrowers

- 1 An Accession Letter, duly executed by the Additional Borrower and the Company or Carnival plc.
- 2 A copy of the constitutional documents of the Additional Borrower.
- 3 A copy of a resolution of the board of directors or executive committee thereof of the Additional Borrower (and, if such Additional Borrower is incorporated in Italy and it is required by its existing by-laws, a copy of the resolution of the Shareholders' Meeting of such Additional Borrower) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents to which it is a party.
- 4 A specimen of the signature of each person who executes the Accession Letter and is authorised on behalf of the Additional Borrower to execute or witness the execution of any Finance Document or to sign or send any document or notice in connection with any Finance Document.
- 5 A certificate of an authorised signatory of the Additional Borrower:
 - (a) confirming that utilising the Total Tranche A Commitments, the Total Tranche B Commitments and the Total Tranche C Commitments (or, in the case of an Additional Borrower resident in Italy, utilising the Total Tranche B Commitments) in full would not breach any limit binding on it; and
 - (b) certifying that each copy document specified in Part 2 of this Schedule is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.
- 6 If the proposed Additional Borrower is incorporated in Italy, a summary sheet (in the form of the Summary Sheet mutatis mutandis) signed for acknowledgement and acceptance by such Additional Borrower and constituting the Documento di Sintesi required by the relevant Italian banking regulations, namely Section 10 of the Bank of Italy's regulations of 25 July 2003 and the C.I.C.R. resolution dated 4 March 2003.
- 7 If the proposed Additional Borrower is incorporated in Italy, a certificate of registration (certificato di iscrizione) of such Additional Borrower with the relevant Companies' Register dated not earlier than five Business Days prior to the execution of the relevant Accession Letter, confirming that no insolvency procedures have been started in relation to such Additional Borrower.

Legal opinions

- 8 A legal opinion of Clifford Chance, English law legal advisers to the Facilities Agent, addressed to the Finance Parties.
- 9 If the Additional Borrower is incorporated in a jurisdiction other than England and Wales, a legal opinion from legal advisers in that jurisdiction, addressed to the Finance Parties.

Other documents and evidence

- 10 A copy of any other authorisation or other document, opinion or assurance which the Facilities Agent has notified the Company is necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.

Schedule 3

Utilisation Request

Part 1
Loans

From: o [Borrower]

To: THE ROYAL BANK OF SCOTLAND PLC (Facilities Agent)

Dated: [*]

Dear Sirs

CARNIVAL CORPORATION AND CARNIVAL PLC - USD1,200,000,000,
(euro)400,000,000 and (pounds)200,000,000 Multicurrency Revolving
Facilities Agreement dated [*] (the Agreement)

1 We refer to the Agreement. This is a Loan Utilisation Request. Terms defined in the Agreement have the same meaning in this Loan Utilisation Request unless given a different meaning in this Loan Utilisation Request.

2 We wish to borrow a Loan on the following terms:

Tranche: [A/B/C]

Proposed Utilisation Date: [*] (or, if that is not a Business Day, the next Business Day)

Currency of Loan: [*]

Amount: [*] or, if less, the Available Facility for the Tranche indicated above

Interest Period: [*]

3 We confirm that each condition specified in clause 5.4.1 is satisfied on the date of this Loan Utilisation Request.

4 The proceeds of this Loan should be credited to o [account].

5 This Loan Utilisation Request is irrevocable.

Yours faithfully

authorised signatory for
[name of relevant Borrower]

Part 2
Bonds

From: [Borrower]

To: THE ROYAL BANK OF SCOTLAND PLC (Facilities Agent)

Dated:

Dear Sirs

CARNIVAL CORPORATION AND CARNIVAL PLC - USD1,200,000,000,
(euro)400,000,000 and (pounds)200,000,000 Multicurrency Revolving
Facilities Agreement dated [*] (the Agreement)

1 We wish to arrange for a Bond to be issued by the relevant Fronting Bank on the following terms:

Fronting Bank [*]

Tranche: A

Proposed Utilisation Date: [*] (or, if that is not a Business Day, the next Business Day)

Currency of Bond: [*]

Amount: [*] or, if less, the lesser of the Available Tranche A Facility and the Available Bond Facility

Beneficiary: [*]

Account Party: [*]

Term or Expiry Date: [*]

2 We confirm that each condition specified in clause 6.7 (Issue of Bonds) is satisfied on the date of this Bond Utilisation Request.

3 We attach a copy of the proposed Bond.

4 This Bond Utilisation Request is irrevocable.

Delivery Instructions:

[specify delivery instructions]

Yours faithfully

authorised signatory for
[name of relevant Borrower]

Part 3
Swingline Loan

From: [Borrower]

To: THE ROYAL BANK OF SCOTLAND PLC (Facilities Agent)

Dated:

Dear Sirs

CARNIVAL CORPORATION AND CARNIVAL PLC - USD1,200,000,000,
(euro)400,000,000 and (pounds)200,000,000 Multicurrency Revolving
Facilities Agreement dated [*] (the Agreement)

1. We wish to borrow a Swingline Loan on the following terms:

Tranche [A/B/C]

Proposed Utilisation Date: [*] (or, if that is not a Business Day, the
next Business Day)

Currency of Swingline Loan: [USD/(euro)/(pounds)]

Amount: [*] or, if less, the Available Swingline
[Tranche A/Tranche B/Tranche C] Facility

Interest Period: [*]

2. We confirm that each condition specified in clause 8.5 (Swingline Lenders'
participation) is satisfied on the date of this Swingline Loan Utilisation
Request.

3. The proceeds of this Swingline Loan should be credited to [account].

4. This Swingline Loan Utilisation Request is irrevocable.

Yours faithfully

authorised signatory for
[name of relevant Borrower]

Schedule 4

Mandatory Cost Formulae

1 The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2 On the first Utilisation Date (or as soon as practicable thereafter) the Facilities Agent shall calculate or ascertain, as a percentage rate per annum, a rate (the "Base Cost Rate") for each Lender and, thereafter, on the first day of each Interest Period (or as soon as practicable thereafter) as a percentage rate per annum, a rate (the "Current Cost Rate") for each Lender, in accordance with the paragraphs set out below and shall notify the Company of the Base Cost Rate and the Current Cost Rate for each Lender promptly after calculating or ascertaining such rates.

3 The Mandatory Cost will be calculated by the Facilities Agent as the rate per annum that is the difference between (i) the weighted average of the Lenders' Current Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and (ii) the weighted average of the Lenders' Base Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum provided that if such a rate is negative, the Mandatory Costs rate shall be deemed to be zero.

The Additional Cost Rate for a Lender will be the Current Cost Rate for that Lender less the Base Cost Rate for that Lender and will be expressed as a percentage rate per annum provided that if such a rate is negative, the Additional Cost Rate shall be deemed to be zero.

4 The Base Cost Rate or the Current Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage (expressed as a rate per annum) notified by that Lender to the Facilities Agent. This percentage will be certified by that Lender in its notice to the Facilities Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

5 The Base Cost Rate or Current Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Facilities Agent as follows:

(a) in relation to a Sterling Loan:

$$\frac{AB+C(B-D)+Ex0.01}{100-(A+C)} \text{ per cent. per annum}$$

(b) in relation to a Loan in any currency other than Sterling:

Ex0.01
----- per cent. per annum.
300

Where:

- A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.
- B is the percentage rate of interest (excluding the Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of default interest payable for the relevant Interest Period on the Loan.
- C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.
- D is the percentage rate per annum payable by the Bank of England to the Facilities Agent on interest bearing Special Deposits.
- E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Facilities Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Facilities Agent pursuant to paragraph 9 below and expressed in pounds per (pounds)1,000,000.
- 6 Should a Lender transfer all or part of its Commitment to a New Lender after the Utilisation Date, the Base Cost Rate of such New Lender shall be deemed to be either (a) the percentage notified by it to the Facilities Agent under paragraph 4 above or (b) the percentage calculated by the Facilities Agent under paragraph 5 above, in each case on the date the relevant transfer becomes effective.
- 7 For the purposes of this Schedule:
- (a) "Eligible Liabilities" and "Special Deposits" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;
- (b) "Fees Rules" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;
- (c) "Fee Tariffs" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and
- (d) "Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

- 8 In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.
- 9 If requested by the Facilities Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Facilities Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per (pounds)1,000,000 of the Tariff Base of that Reference Bank.
- 10 Each Lender shall supply any information required by the Facilities Agent for the purpose of calculating its Base Cost Rate or Current Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:
- (a) the jurisdiction of its Facility Office and, if not U.K., its Base Cost Rate and Current Cost Rate; and
 - (b) any other information that the Facilities Agent may reasonably require for such purpose.
- Each Lender shall promptly notify the Facilities Agent of any change to the information provided by it pursuant to this paragraph.
- 11 The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Facilities Agent based upon the information supplied to it pursuant to paragraphs 9 and 10 above and on the assumption that, unless a Lender notifies the Facilities Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.
- 12 The Facilities Agent shall have no liability to any person if such determination results in a Base Cost Rate or Current Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 4, 6, 9 and 10 above is true and correct in all respects.
- 13 The Facilities Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Current Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 4, 6, 9 and 10 above.
- 14 Any determination by the Facilities Agent in accordance with this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate, a Base Cost Rate, a Current Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.

15 The Facilities Agent may from time to time, after consultation with the Company and the Lenders, determine and notify to all Parties any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

Schedule 5

Form of Transfer Certificate

To: THE ROYAL BANK OF SCOTLAND PLC as Facilities Agent

From: [The Existing Lender] (the Existing Lender) and [The New Lender] (the New Lender)

Dated:

CARNIVAL CORPORATION AND CARNIVAL PLC - USD1,200,000,000,
(euro)400,000,000 and (pounds)200,000,000 Multicurrency Revolving
Facilities Agreement dated [*] (the Agreement)

1 We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

2 We refer to clause 28.2 (Procedure for transfer):

(a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the Schedule in accordance with clause 28.2 (Procedure for transfer).

(b) The proposed Transfer Date is [*].

(c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of clause 35.2 (Addresses) are set out in the Schedule.

3 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in of clause 28.3 (Limitation of responsibility of Existing Lenders).

4 [The New Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is a Qualifying Lender, as defined in clause [insert appropriate reference from clause 17].

[4/5] This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.

[5/6] This Transfer Certificate is governed by English law.

The Schedule

Commitment/rights and obligations to be transferred

[insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments,]

[Existing Lender]

[New Lender]

By:

By:

This Transfer Certificate is accepted by the Facilities Agent and the Transfer Date is confirmed as [*].

[Facilities Agent]

By:

Schedule 6

Form of Accession Letter

To: THE ROYAL BANK OF SCOTLAND PLC as Facilities Agent

From: [Subsidiary] and CARNIVAL CORPORATION/CARNIVAL PLC

Dated: [*]

Dear Sirs

CARNIVAL CORPORATION AND CARNIVAL PLC - USD1,200,000,000,
(euro)400,000,000 and (pounds)200,000,000 Multicurrency Revolving
Facilities Agreement dated [*] (the Agreement)

1 We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.

2 [Subsidiary] agrees to become an Additional Borrower and to be bound by the terms of the Agreement as an Additional Borrower pursuant to clause 29.2 (Additional Borrowers) of the Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction].

3 [Subsidiary's] administrative details are as follows:

Address:

Fax No:

Attention:

4 This Accession Letter is governed by English law.

CARNIVAL CORPORATION [Subsidiary]

CARNIVAL PLC

Schedule 7

Form of Resignation Letter

To: THE ROYAL BANK OF SCOTLAND PLC as Facilities Agent

From: [resigning Borrower] and CARNIVAL CORPORATION/CARNIVAL PLC

Dated: [*]

Dear Sirs

CARNIVAL CORPORATION AND CARNIVAL PLC - USD1,200,000,000,
(euro)400,000,000 and (pounds)200,000,000 Multicurrency Revolving
Facilities Agreement dated [*] (the Agreement)

1 We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.

2 Pursuant to clause 29.3 (Resignation of a Borrower), we request that [resigning Borrower] be released from its obligations as a Borrower under the Agreement.

3 We confirm that:

(a) no Default is outstanding or would result from the acceptance of this request; and

(b) as at the date of this request no amount owed by [resigning Borrower] under the Agreement is outstanding.

4 This Resignation Letter is governed by English law.

CARNIVAL CORPORATION [Subsidiary]

By: By:

CARNIVAL PLC

By:

Form of Compliance Certificate

To: THE ROYAL BANK OF SCOTLAND PLC as Facilities Agent

From: CARNIVAL CORPORATION

Dated: [*]

Dear Sirs

CARNIVAL CORPORATION AND CARNIVAL PLC - USD1,200,000,000,
(euro)400,000,000 and (pounds)200,000,000 Multicurrency Revolving
Facilities Agreement dated [*] (the Agreement)

1 We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2 We confirm that as at as at [relevant testing date]:

(a) Issued Capital and Consolidated Reserves was [];

The aggregate of Borrowed Moneys was []; and Consolidated Capital was []; therefore the aggregate of Borrowed Moneys as a percentage of Consolidated Capital was [].

EBITDA was [] and Consolidated Net Interest Charges was []; therefore the ratio of EBITDA to Consolidated Net Interest Charges was [] to 1.

3 We set out below calculations establishing the figures in paragraph 2 above:

[].

4 [We confirm that no Default is outstanding as at [relevant testing date]*]

Signed: -----

Senior Financial Officer
of

CARNIVAL CORPORATION

* If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.

Form of Confidentiality Undertaking

To: [Transferring Lender]

Re: CARNIVAL CORPORATION - USD1,200,000,000, (euro)400,000,000 and (pounds)200,000,000 Multicurrency Revolving Facilities Agreement dated [*] (the Agreement)

[Carnival Plc./Carnival Corporation] (the Company)

Amount:

Facilities Agent:

Dear Sirs

We are considering [acquiring] (1) / [arranging the acquisition of] (2) an interest in the Agreement (the Acquisition). In consideration of you agreeing to make available to us certain information, by our signature of this letter we agree as follows (acknowledged and agreed by you by your signature of a copy of this letter):

1. Confidentiality Undertaking

We undertake (a) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2 below and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to our own confidential information, (b) to use the Confidential Information only for the Permitted Purpose, (c) to use all reasonable endeavours to ensure that any person to whom we pass any Confidential Information (unless disclosed under paragraph 2[(c)/(d)](3) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it, and (d) not to make enquiries of any member of the Group or any of their officers, directors, employees or professional advisers relating directly or indirectly to the Acquisition.

2. Permitted Disclosure

You agree that we may disclose Confidential Information:

to members of the Purchaser Group and their officers, directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to any auditors of members of the Purchaser Group;

[subject to the requirements of the Agreement, in accordance with the Permitted Purpose so long as any prospective purchaser has delivered a letter to us in equivalent form to this letter] (2) ;

[(b/c)] (3) subject to the requirements of the Agreement, to any person to (or through) whom we assign or transfer (or may potentially assign or transfer) all or any of the rights, benefits and obligations which we may acquire under the Agreement or with (or through) whom we enter into (or may potentially enter into) any sub-participation in relation to, or any other

(1) Delete if purchaser is acting as broker or agent.

(2) Delete if potential purchaser is acting as principal.

(3) Delete as applicable.

transaction under which payments are to be made by reference to, the Agreement or the Company or any member of the Group in each case so long as that person has delivered a letter to us in equivalent form to this letter; and

[(b/c/d)]³ (i) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, (ii) where required by the rules of any stock exchange on which the shares or other securities of any member of the Purchaser Group are listed or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of any member of the Purchaser Group.

3. Notification of Required or Unauthorised Disclosure

We agree (to the extent permitted by law) to inform you of the full circumstances of any disclosure under paragraph 2[(c)/(d)]⁽³⁾ or upon becoming aware that Confidential Information has been disclosed in breach of this letter.

4. Return of Copies

If you so request in writing, we shall return all Confidential Information supplied by you to us and destroy or permanently erase all copies of Confidential Information made by us and use all reasonable endeavours to ensure that anyone to whom we have supplied any Confidential Information destroys or permanently erases such Confidential Information and any copies made by them, in each case save to the extent that we or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph 2[(c)/(d)]⁽³⁾ above.

5. Continuing Obligations

The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in this letter shall cease (a) if we become a party to or otherwise acquire (by assignment or sub-participation) an interest, direct or indirect, in the Agreement or (b) twelve months after we have returned all Confidential Information supplied to us by you and destroyed or permanently erased all copies of Confidential Information made by us (other than any such Confidential Information or copies which have been disclosed under paragraph 2 above (other than sub-paragraph 2(a)) or which, pursuant to paragraph 4 above, are not required to be returned or destroyed).

6. No Representation; Consequences of Breach, etc

We acknowledge and agree that:

- (a) neither you, [nor your principal]⁽⁴⁾ nor any member of the Group nor any of your or their respective officers, employees or advisers (each a "Relevant Person") (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by you or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by you or be otherwise liable to us or any other person in respect to the Confidential Information or any such information; and
- (b) you [or your principal]⁽⁴⁾ or members of the Group may be irreparably harmed by the breach of the terms hereof and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by us.

7. No Waiver; Amendments, etc

This letter sets out the full extent of our obligations of confidentiality owed to you in relation to the information the subject of this letter. No failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privileges hereunder. The terms of this letter and our obligations hereunder may only be amended or modified by written agreement between us and the Company.

8. Inside Information

We acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation relating to insider dealing and we undertake not to use any Confidential Information for any unlawful purpose.

9. Nature of Undertakings

The undertakings given by us under this letter are given to you and (without implying any fiduciary obligations on your part) are also given for the benefit of [your principal,] (4) the Company and each other member of the Group.

10. Third Party Rights

- (a) Subject to this paragraph 10 and to paragraphs 6 and 9, a person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 (the Third Parties Act) to enforce or to enjoy the benefit of any term of this letter.
- (b) The Relevant Persons may enjoy the benefit of the terms of paragraphs 6 and 9 subject to and in accordance with this paragraph 10 and the provisions of the Third Parties Act.
- (c) The parties to this letter do not require the consent of the Relevant Persons (other than the Company) to rescind or vary this letter at any time.

11. Governing Law and Jurisdiction

- (a) This letter (including the agreement constituted by your acknowledgement of its terms) is governed by English Law.
- (b) The parties submit to the non-exclusive jurisdiction of the English courts.

12. Definitions

In this letter (including the acknowledgement set out below) terms defined in the Agreement shall, unless the context otherwise requires, have the same meaning and:

Confidential Information means any information relating to the Company, the Group, the Agreement and/or the Acquisition provided to us by you or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by us before the date the information is disclosed to us by you or any of your affiliates or advisers or is lawfully obtained by us thereafter, other than from a source which is connected with the Group and which, in either case, as far as we

(4) Delete if letter is addressed to the Seller rather than the Seller's broker or agent.

are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

Group means the Company and each of its holding companies and subsidiaries and each subsidiary of each of its holding companies (as each such term is defined in the Companies Act 1985);

Permitted Purpose means [subject to the terms of this letter, passing on information to a prospective purchaser for the purpose of] (2) considering and evaluating whether to enter into the Acquisition; and

Purchaser Group means us, each of our holding companies and subsidiaries and each subsidiary of each of our holding companies (as each such term is defined in the Companies Act 1985).

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

- -----
For and on behalf of
[Potential Purchaser/Purchaser's agent/broker]

To: [Potential Purchaser/Purchaser's agent/broker]

We acknowledge and agree to the above:

- -----
For and on behalf of
[Seller/Seller's agent/broker]

Schedule 10

Timetables

Each time shown below represents the Specified Time by which the relevant action listed in the far left column must be completed on a particular day

Part I
Loans

	Loans in US Dollars	Loans in euro	Loans in sterling	Loans in other currencies
Facilities Agent notifies the Company if a currency is approved as an Optional Currency in accordance with clause 10.3 (Conditions relating to Optional Currencies)				3:00 pm (London time) 4 Business Days before the proposed Utilisation Date
Delivery of a duly completed Loan Utilisation Request (clause 5.1 (Delivery of a Loan Utilisation Request))	4:00 pm (London time) 3 Business Days before the proposed Utilisation Date	4:00 pm (London time) 3 Business Days before the proposed Utilisation Date	4:00 pm (London time) 1 Business Day before the proposed Utilisation Date	4:00 pm (London time) 3 Business Days before the proposed Utilisation Date
Facilities Agent notifies the Lenders of the Loan in accordance with clause 5.4 (Lender's participation)	5:00 pm (London time) 3 Business Days before the proposed Utilisation Date	5:00 pm (London time) 3 Business Days before the proposed Utilisation Date	5:00 pm (London time) 1 Business Days before the proposed Utilisation Date	5:00 pm (London time) 3 Business Days before the proposed Utilisation Date
Facilities Agent receives a notification from a Lender under clause 10.2 (Unavailability of a currency)				9:00 am (London time) 2 Business Days before the proposed Utilisation Date
Facilities Agent gives notice in accordance with clause 10.2 (Unavailability of a currency)				10:00 am (London time) 2 Business Days before the proposed Utilisation Date
LIBOR or EURIBOR is fixed	11:00 am (London time) on the Quotation Day	11:00 am (Brussels time) on the Quotation Day	11:00 am (London time) on the Quotation Day	11:00 am (London time) on the Quotation Day

Part II
Bonds

Facilities Agent notifies the Company if a currency is approved as an Optional Currency in accordance with clause 10.3 (Conditions relating to Optional Currencies) 8 Business Days before the proposed Bond Utilisation

Delivery of a duly completed Bond Utilisation Request (clause 6.3 (Delivery of a Bond Utilisation Request)) 3:00 pm (London time) 7 Business Days before the proposed Bond Utilisation

Facilities Agent notifies the relevant Fronting Bank and the Lenders of the Bond in accordance with clause 6.7 (Issue of Bonds) 5:00 pm (London time) 7 Business Days before the proposed Bond Utilisation

Delivery of a duly completed Renewal Request (clause 6.8 (Renewal of a Bond)) 4 Business Days before the proposed Bond Utilisation on renewal.

Part III
Swingline Loans

	Tranche A	Tranche B	Tranche C
Delivery of a duly completed Swingline Loan Utilisation Request (clause 8.2 (Delivery of a Swingline Loan Utilisation Request))	11:00 am (New York time) on the Utilisation Date	8:30 am (London time) on the Utilisation Date	10:30 am (London time) on the Utilisation Date
Facilities Agent notifies each Swingline Lender of the amount of its participation in the Swingline Loan under clause 8.5 (Swingline Lenders' participation)	11:30 am (New York time) on the Utilisation Date	9:00 am (London time) on the Utilisation Date	11:00 am (London time) on the Utilisation Date
Facilities Agent determines the prime commercial lending rate under clause 9.6 (Interest)	9:30 am (New York time) on the Utilisation Date	Not applicable	Not applicable

Schedule 11
Pre-Approved Bonds

Summary Document

This is a Summary Document ("Documento di Sintesi"), prepared pursuant to the Bank of Italy's instructions on the transparency of banking transactions and services (Istruzioni di vigilanza per le banche, Titolo X, Capitolo 1) and summarising the terms and conditions of the Facilities Agreement for US\$1,200,000,000, (euro)400,000,000 and (pounds)200,000,000 Multicurrency Revolving Facilities dated 21 October 2005 (the "Agreement").

Capitalised terms not defined herein shall bear the same meaning ascribed to them in the Agreement. The term Clause shall refer to a clause of the Agreement, unless the contrary is stated.

1. FINANCIAL TERMS OF THE FACILITIES AGREEMENT

Aggregate amount granted pursuant to the Agreement: the aggregate of US\$1,200,000,000, (euro)400,000,000 and (pounds)200,000,000;

1.1 Tranche A: Maximum principal amount: US\$1,200,000,000;

Purpose: each Borrower shall apply all amounts utilised by it under the Facilities: (a) by way of Loan Utilisations or Swingline Loans towards general liquidity and/or working capital purposes of the Carnival Corporation & plc Group including, but not limited to, (in the case of Swingline Loans) support for any CP Programme; and (b) by way of Bond Utilisations, for the purposes of securing the commercial obligations specified in the Bond;

Availability Period: the period from and including the Signing Date to and including the Termination Date;

Interest Period: in relation to a Loan, each period determined in accordance with Clause 14 (Interest Periods) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 13.3 (Default Interest);

Interest rate: the interest rate on each Loan (other than a Swingline Loan) shall be a margin defined as Margin which shall be at the Signing Date 0.175% per annum and, thereafter, may vary between 0.125% and 0.300%; plus (ii) LIBOR (or, in relation to any Loan in euro, EURIBOR); plus (iii) the Mandatory Costs, if any; the interest rate on each Swingline Loan shall be the higher of (i) the prime commercial lending rate in US Dollars announced by the Facilities Agent at the Specified Time and in force on that day; and (ii) 0.50% per annum over the rate per annum determined by the Facilities Agent to be the Federal Funds Rate (as published by the Federal Reserve Bank of New York) for that day;

Default Interest: the default interest rate shall be the interest rate applicable from time to time, plus a margin of 1%;

Repayment: each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period; each Bond Borrower shall ensure that each Bond is repaid in full on or before the Termination Date.

Borrowers:

Carnival Corporation

3655 N.W. 87th Avenue

Miami, Florida, 33178-2428

Carnival plc

5 Gainsford Street

London SE1 2NE United Kingdom

Costa Crociere S.p.A. (Bond Utilisations only)

Via XII Ottobre 2

16121 Genoa (Italy)

CC U.S. Ventures Inc.

c/o CT Corporation

1209 Orange Street

Wilmington

Delaware

U.S.A. 19801

Holland America Line Inc.

300 Elliott Avenue West

Seattle

Washington

U.S.A. 98110

Princess Cruise & Tours, Inc.

P.O. Box 13471201

North Market Street

Wilmington

Delaware

U.S.A. 19899

1.2 Tranche B: Maximum principal amount: (euro)400,000,000;

Purpose: each Borrower shall apply all amounts utilised by it under the Facilities by way of Loan Utilisations or Swingline Loans towards general liquidity and/or working capital purposes of the Carnival Corporation & plc Group including, but not limited to, (in the case of Swingline Loans) support for any CP Programme;

Availability Period: the period from and including the Signing Date to and including the Termination Date;

Interest Period: in relation to a Loan, each period determined in accordance with Clause 14 (Interest Periods) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 13.3 (Default Interest);

Interest rate: the interest rate on each Loan (other than a Swingline Loan) shall be a margin defined as Margin which shall be at the Signing Date 0.175% per annum and, thereafter, may vary between 0.125% and 0.300%; plus (ii) LIBOR (or, in relation to any Loan in euro, EURIBOR); plus (iii) the Mandatory Costs, if any; the interest rate on each Swingline Loan, shall be the percentage rate per

annum equal to the aggregate of (i) the applicable Margin; (ii) the arithmetic mean of the rates (rounded up to four decimal places) as supplied to the Facilities Agent at its request by the Reference Banks to leading banks in the European Interbank Market as of 11:00am (Brussels time) on the Utilisation Date for that Swingline Loan for the offering of deposits in euro for a period comparable to the Interest Period for the relevant Swingline Loan and for settlement on that day; (iii) and Mandatory Costs (if any);

Default Interest: the default interest rate shall be the interest rate applicable from time to time, plus a margin of 1%;

Repayment: each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period.

Borrowers:

Carnival Corporation

3655 NW 87th Avenue

Miami, Florida 33133 USA

Carnival plc

5 Gainsford Street

London SE1 2NE United Kingdom

Costa Crociere S.p.A.

Via XII Ottobre 2

16121 Genoa (Italy)

CC U.S. Ventures Inc.

c/o CT Corporation

1209 Orange Street

Wilmington

Delaware

U.S.A. 19801

Holland America Line Inc.

300 Elliott Avenue West

Seattle

Washington

U.S.A. 98110

Princess Cruise & Tours, Inc.

P.O. Box 13471201

North Market Street

Wilmington

Delaware

U.S.A. 19899

1.3 Tranche C: Maximum principal amount: (pounds)200,000,000;

Purpose: each Borrower shall apply all amounts utilised by it under the Facilities by way of Loan Utilisations or Swingline Loans towards general liquidity and/or working capital purposes of the Carnival Corporation & plc Group including, but not limited to, (in the case of Swingline Loans) support for any CP Programme;

Availability Period: the period from and including the Signing Date to and including the Termination Date;

Interest Period: in relation to a Loan, each period determined in accordance with Clause 14 (Interest Periods) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 13.3 (Default Interest);

Interest rate: the interest rate on each Loan (other than a Swingline Loan) shall be a margin defined as Margin which shall be at the Signing Date 0.175% per annum and, thereafter, may vary between 0.125% and 0.300%; plus (ii) LIBOR (or, in relation to any Loan in euro, EURIBOR); plus (iii) the Mandatory Costs, if any; the interest rate on each Swingline Loan, shall be the percentage rate per annum equal to the aggregate of (i) the applicable Margin; (ii) LIBOR; (iii) and Mandatory Costs (if any);

Default Interest: the default interest rate shall be the interest rate applicable from time to time, plus a margin of 1%;

Repayment: each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period;

Borrowers:

Carnival Corporation

3655 NW 87th Avenue

Miami, Florida 33133 USA

Carnival plc

5 Gainsford Street

London SE1 2NE United Kingdom

CC U.S. Ventures Inc.

c/o CT Corporation

1209 Orange Street

Wilmington

Delaware

U.S.A. 19801

Holland America Line Inc.

300 Elliott Avenue West

Seattle

Washington

U.S.A. 98110

Princess Cruise & Tours, Inc.
P.O. Box 13471201
North Market Street
Wilmington
Delaware
U.S.A. 19899

1.4 Lenders and Applicable Tranches

Legal name	Lending office address	Applicable Tranche(s)
Bank of America, N.A.	TX 1-492-64-01, 901 Main St., Dallas, TX 72502, U.S.A.	A, Swingline (A)
Bank of America, N.A. - Milan Branch	Corso Matteotti, 10, 20121 Milan, Italy	B, Swingline (B) (for Costa Crociere S.p.A.)
Bank of America, N.A.	5 Canada Square, London E14 5AQ, United Kingdom	B,C, Swingline (B,C) (except for Costa Crociere S.p.A.)
Barclays Bank PLC	5 The North Colonnade Canary Wharf, London E14 4BB, United Kingdom	A,B,C, Swingline (A,B,C)
JPMorgan Chase Bank, N.A.	270 Park Avenue New York 10017, USA	A, Swingline (A)
JPMorgan Chase Bank, N.A.	Piazza Meda, 1 Via Catena 4, Milan 20121, Italy	B, Swingline (B) (for Costa Crociere S.p.A.)
JPMorgan Chase Bank, N.A.	125 London Wall, London EC2Y 5AJ, United Kingdom	B,C, Swingline (B,C) (except for Costa Crociere S.p.A.)
The Royal Bank of Scotland plc	CIB Leisure, 8th Floor, 135 Bishopsgate, London EC2M 3UR	A,B,C, Swingline (A,B,C)
BNP Paribas	1200 Smith Street, Suite 3100, Houston, Texas 77002, U.S.A.	A, Swingline (A)
BNP Paribas	Piazza San Fedele, 2, 20121 Milano (MI)	B, Swingline (B)
BNP Paribas	10 Harewood Avenue, London NW1 6AA, United Kingdom	C, Swingline (C)
SANPAOLO IMI S.p.A.	Warwick Court, 18-24 Warwick Lane, London EC4M 7LZ	A,B,C, Swingline (B,C)
SANPAOLO IMI S.p.A.	New York Branch, 245 Park Avenue, Suite 3500, New York, NY 10167	Swingline (A)
Citibank, N.A.	2 Penn's Way New Castle, DE. 19720	A, Swingline (A)
Citibank, N.A. - Milan Branch	Foro Buonaparte, 16-20121 Milano, Italy	B, Swingline (B)
Citibank, N.A.	UK Loans Processing Unit 2nd Floor 4 Harbour Exchange Isle of Dogs London E14 9GE U.K.	C, Swingline (C)
Deutsche Bank AG London Branch	Winchester House, 1 Great Winchester Street, London EC2N 2DB	A,C, Swingline (C)

Legal name	Lending office address	Applicable Tranche(s)
Deutsche Bank AG New York Branch	60 Wall Street, New York, NY 10005	Swingline (A)
Deutsche Bank SpA	Piazza del Calendario, 3, 20126, Milan, Italy	B, Swingline (B)
KfW	Palmengartenstrasse 5-9, D-60325 Frankfurt am Main	A, C
HSBC Bank plc	8 Canada Square, London E14 5HQ	A,C, Swingline (A,C)
HSBC Bank plc	Milan Branch, Piazzetta Maurilio Bossi, 1, 20121 Milano, Italy	B, Swingline (B)
Lloyds TSB Bank plc	25 Gresham Street, London, EC2V 7HN	A,C, Swingline (C)
Lloyds TSB Bank plc	1251 Avenue of the Americas, 39th Floor, New York, New York 10020	Swingline (A)
Mizuho Corporate Bank. Ltd.,	River Plate House, 7-11 Finsbury Circus, London EC2M 7DH	A,C
Mizuho Corporate Bank, Ltd.	1251 Avenue of the Americas, New York, N.Y. 10020, U.S.A.	Swingline (A,C)
Banca di Roma - London Branch	34 East 51st Street, New York, NY 10022, U.S.A.	A, Swingline (A)
Banca di Roma - London Branch	Piazza de Ferrari 3N., 16121 Genova, Italy	B, Swingline (B) (for Costa Crociere S.p.A.)
Banca di Roma - London Branch	81/87 Gresham Street, London EC2V 7NQ, UK	B,C, Swingline (B,C) (except for Costa Crociere S.p.A.)
Banca Intesa S.p.A.	Piazza Dante 44R, 16121, Genova, Italy	B, Swingline (B) (for Costa Crociere S.p.A.)
Banca Intesa S.p.A.	90 Queen Street, London EC4N 1SA	A,B,C Swingline (A,B,C) (except for Costa Crociere S.p.A. and US incorporated borrowers)
Banca Intesa S.p.A.	1 William Street, New York, NY 10004, U.S.A.	A, Swingline (A) (for US incorporated borrowers)
Banca Nazionale del Lavoro SpA, New York Branch	51 West 52nd Street, 36th Floor, New York, N.Y. 10019	A,B,C
Merrill Lynch Bank USA	15W. South Temple Street, STE 300, Salt Lake City, UT 84101	A,C
Societe Generale	41 Tower Hill, London EC3N 4SG	A,B,C, Swingline (A,B,C)
SunTrust Bank	200 S. Orange Avenue, Tower 10-MC 1106, Orlando, FL 32801	A,C
UBS Limited	1 Finsbury Avenue, London EC2M 2PP	A,C, Swingline (C)
UBS Loan Finance LLC	677 Washington Blvd., Stamford, CT 06901, U.S.A.	Swingline (A)
UniCredito Italiano - New York Branch	430 Park Avenue, 9th Floor, New York, New York 10022	A,B,C

Legal name	Lending office address	Applicable Tranche(s)
Australia and New Zealand Banking Group Limited	Minerva House, Montague Close, London SE1 9DH	A,C
Banco Bilbao Vizcaya Argentaria S.A.	108 Cannon Street, London EC4N 6EU	A,B,C, Swingline (B,C) (except for Costa Crociere S.p.A.)
Banco Bilbao Vizcaya Argentaria S.A., Milan	Via Cino del Duca 8 20122 Milan, Italy	B, Swingline (B) (for Costa Crociere S.p.A.)
Banco Bilbao Vizcaya Argentaria S.A., New York	1345 Avenue of the Americas, 45th Floor New York, New York 10105 U.S.A.	Swingline (A)
Commerzbank Aktiengesellschaft	Global Shipping, Ness 7-9, 20457 Hamburg	A,B,C, Swingline (A,B,C)
DnB NOR Bank ASA	200 Park Avenue, 31st Floor, New York, NY 10166-0396, U.S.A.	A,C
National Australia Bank Limited (ABN 12 004 044 937)	88 Wood Street, London EC2V 7QQ	A,C
Sumitomo Mitsui Banking Corporation, New York Branch	277 Park Avenue, New York, NY 10172	A,C
US Bank, N.A.	US Bank Tower, 425 Walnut Street, 8th Floor, Cincinnati, OH 45202, U.S.A.	A,C
Wells Fargo Bank, National Association	7000 Central Parkway, Suite 600, Atlanta, Georgia 30328, U.S.A.	A,C

1.4 Facilities Agent: The Royal Bank of Scotland plc;

1.5 Guarantors: (1) Carnival Corporation in respect of its Subsidiaries and Carnival plc and (2) Carnival plc in respect of its Subsidiaries and Carnival Corporation.

2. REPRESENTATIONS

As more particularly described in Clause 23 (Representations), these include: (a) Status; (b) Non-conflict; (c) No default; (d) Financial statements; (e) No material adverse change; (f) Litigation; (g) Pari passu ranking; and (h) United States Law.

3. UNDERTAKINGS

As more particularly described in Clause 26 (General undertakings), these include: (a) Authorisations; (b) Negative pledge; (c) Insurance; (d) ERISA; and (e) Margin Stock.

4. EVENTS OF DEFAULT

4.1 As more particularly described in Clause 27 (Events of Default), these include: (a) Non-payment; (b) Breach of other obligations; (c) Misrepresentation; (d) Cross-default; (e) Insolvency Proceedings; (f) Insolvency; (g) Creditors' process; (h) Cessation of business; (i) Effectiveness of Finance Documents; and (l) Article 2447 or 2482-ter of the Italian civil code;

4.2 Acceleration: if an Event of Default occurs, as more particularly described in Clause 27.13 (Acceleration) of the Agreement.

5. ANNUAL PERCENTAGE RATE OF CHARGE (INDICATORE SINTETICO DI COSTO) ("ISC")

5.1 ISC relating to Costa Crociere S.p.A. for Tranche A is equal to 0.375%.

For the purposes of calculating the ISC for Tranche A, reference has been made to a Margin equal to 0.300%.

5.2 ISC relating to Costa Crociere S.p.A. for Tranche B is equal to 3.45%.

For the purposes of calculating the ISC for Tranche B, the following assumptions have been made:

- (a) assuming that the currency selected for Loan Utilisations is euro, reference has been made to EURIBOR at 3.15% as determined on 19 October 2005;
- (b) for the calculation of EURIBOR, reference has been made to an Interest Period of five years; and
- (c) reference has been made to a Margin equal to 0.300%.

Additional charges in relation to the Loans granted or Bonds issued under the Agreement may arise in connection with the application of Clause 15.4 (Break costs) and Clause 17 (Taxes).

6. APPLICABLE LAW AND JURISDICTION

The Agreement is governed by English law. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Agreement (including a dispute regarding the existence, validity or termination of this Agreement).

SIGNATORIES

CARNIVAL CORPORATION

By: /s/ David Bernstein

By: DAVID BERNSTEIN, VICE-PRESIDENT AND TREASURER

CARNIVAL PLC

By: /s/ David Bernstein

By: DAVID BERNSTEIN, VICE-PRESIDENT AND TREASURER

COSTA CROCIERE S.p.A.

By: /s/ David Bernstein

By: DAVID BERNSTEIN, VICE-PRESIDENT AND TREASURER OF CARNIVAL CORPORATION AND CARNIVAL PLC/ATTORNEY-IN-FACT

CC U.S. VENTURES, INC.

By: /s/ David Bernstein

By: DAVID BERNSTEIN, VICE-PRESIDENT AND TREASURER OF CARNIVAL CORPORATION AND CARNIVAL PLC/AUTHORISED SIGNATORY

Oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt are not enforceable under Washington law.

HOLLAND AMERICA LINE INC.

By: /s/ David Bernstein

By: DAVID BERNSTEIN, VICE-PRESIDENT AND TREASURER OF CARNIVAL CORPORATION AND CARNIVAL PLC/AUTHORISED SIGNER

PRINCESS CRUISE & TOURS, INC.

By: /s/ David Bernstein

By: DAVID BERNSTEIN, VICE-PRESIDENT AND TREASURER OF CARNIVAL CORPORATION AND CARNIVAL PLC/AUTHORISED SIGNATORY

Guarantors

CARNIVAL CORPORATION

By: /s/ David Bernstein

By: DAVID BERNSTEIN, VICE-PRESIDENT AND TREASURER

CARNIVAL PLC

By: /s/ David Bernstein

By: DAVID BERNSTEIN, VICE-PRESIDENT AND TREASURER

Arrangers

BANC OF AMERICA SECURITIES LIMITED

By: /s/ Stephan James

By: STEPHAN JAMES

BARCLAYS CAPITAL

By: /s/ Sarah Brooks

By: SARAH BROOKS

BNP PARIBAS

By: /s/ Ann M.F. Rix

By: ANN M. F. RIX

By: /s/ Steve Duranti

By: STEVE DURANTI

J.P. MORGAN PLC

By: /s/ J. David Stewart

By: J. DAVID STEWART

SANPAOLO IMI S.p.A.

By: /s/ Dante Campioni

By: DANTE CAMPIONI

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Michael Ian Porter

By: MICHAEL IAN PORTER

Original Lenders

Tranche A

BANK OF AMERICA, N.A.

By: /s/ Justin Lien

By: JUSTIN LIEN

BARCLAYS BANK PLC

By: /s/ Sarah Brooks

By: SARAH BROOKS

JPMORGAN CHASE BANK, N.A.

By: /s/ Karl Olsen

By: KARL OLSEN

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Maxine Sanders

By: MAXINE SANDERS

BNP PARIBAS

By: /s/ Ann M.F. Rix

By: ANN M. F. RIX

By: /s/ Steve Duranti

By: STEVE DURANTI

SANPAOLO IMI S.p.A.

By: /s/ Dante Campioni

By: DANTE CAMPIONI

CITIBANK, N.A.

By: /s/ Charles R Delamater

By: CHARLES R. DELAMATER

DEUTSCHE BANK AG LONDON BRANCH

By: /s/ Simon Derrick

By: SIMON DERRICK

By: /s/ Richard Sedlacek

By: RICHARD SEDLACEK

KfW

By: /s/ Marco Albers

By: MARCO ALBERS

By: /s/ Sabine Kapschak

By: SABINE KAPSCHAK

HSBC BANK PLC

By: /s/ Arwel Davies

By: ARWEL DAVIES

LLOYDS TSB BANK PLC

By: /s/ David Moore

By: DAVID MOORE

MIZUHO CORPORATE BANK. LTD.,

By: /s/ Robert Pettitt

By: ROBERT PETTITT

BANCA DI ROMA - LONDON BRANCH

By: /s/ Vincent Wright

By: VINCENT WRIGHT

By: /s/ Peter Scharf

By: PETER SCHARF

BANCA INTESA S.p.A.

By: /s/Paul Samuels

By: PAUL SAMUELS

By: /s/ Lawrence Wybranlec

By: LAWRENCE WYBRANLEC

BANCA NAZIONALE DEL LAVORO SpA, NEW YORK BRANCH

By: /s/Juan Cortes

By: JUAN CORTES

By: /s/ Francesco Di Mario

By: FRANCESCO DI MARIO

MERRILL LYNCH BANK USA

By: /s/ Louis Alder

By: LOUIS ALDER

SOCIETE GENERALE

By: /s/ Alain Bataille

By: ALAIN BATAILLE

SUNTRUST BANK

By: /s/ Bradley J. Staples

By: BRADLEY J. STAPLES

UBS LIMITED

By: /s/Sharon Canham

By: SHARON CANHAM

By: /s/ Andrew Sudlow

By: ANDREW SUDLOW

UNICREDITO ITALIANO - NEW YORK BRANCH

By: /s/ Christopher J. Eldin

By: CHRISTOPHER J. ELDIN

By: /s/ Saiyed A. Abbas

By: SAIYED A. ABBAS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By: /s/ Richard Heyhoe

By: RICHARD HEYHOE

BANCO BILBAO VIZCAYA ARGENTARIA S.A.

By: /s/ Pedro Cayuela

By: PEDRO CAYUELA

By: /s/ Javier Ruiz

By: JAVIER RUIZ

COMMERZBANK AKTIENGESELLSCHAFT

By: /s/ Christoph Beneke

By: CHRISTOPH BENEKE

By: /s/ Christian Welk

By: CHRISTIAN WELK

DnB NOR BANK ASA

By: /s/ Erlend Bryn

By: ERLEND BRYN

By: /s/ Barbara Gronquist

By: BARBARA GRONQUIST

NATIONAL AUSTRALIA BANK LIMITED (ABN 12 004 044 937)

By: /s/ David Roberts

By: DAVID ROBERTS

SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH

By: /s/ William Ginn

By: WILLIAM GINN

US BANK, N.A.

By: /s/ Richard J. Popp

By: RICHARD J. POPP

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/Alex Idichandy

By: ALEX IDICHANDY

By: /s/ Kevin R. Combs

By: KEVIN R. COMBS

Tranche B

BANK OF AMERICA, N.A.

By: /s/ Justin Lien

By: JUSTIN LIEN

BARCLAYS BANK PLC

By: /s/ Sarah Brooks

By: SARAH BROOKS

JPMORGAN CHASE BANK, N.A.

By: /s/ Karl Olsen

By: KARL OLSEN

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Maxine Sanders

By: MAXINE SANDERS

BNP PARIBAS

By: /s/ Ann M.F. Rix

By: ANN M. F. RIX

By: /s/ Steve Duranti

By: STEVE DURANTI

SANPAOLO IMI S.p.A.

By: /s/ Dante Campioni

By: DANTE CAMPIONI

CITIBANK, N.A. - MILAN BRANCH

By: /s/ Charles R. Delamater

By: CHARLES R. DELAMATER

DEUTSCHE BANK SpA

By: /s/ Simon Derrick

By: SIMON DERRICK

By: /s/ Richard Sedlacek

By: RICHARD SEDLACEK

HSBC BANK PLC

By: /s/ Arwel Davies

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By: /s/ Vincent Wright

By: VINCENT WRIGHT

By: /s/ Peter Scharf

By: PETER SCHARF

BANCA INTESA S.p.A.

By: /s/ Paul Samuels

By: PAUL SAMUELS

By: /s/ Lawrence Wybranlec

By: LAWRENCE WYBRANLEC

BANCA NAZIONALE DEL LAVORO SpA, NEW YORK BRANCH

By: /s/ Juan Cortes

By: JUAN CORTES

By: /s/ Francesco Di Mario

By: FRANCESCO DI MARIO

SOCIETE GENERALE

By: /s/ Alain Bataille

By: ALAIN BATAILLE

UNICREDITO ITALIANO - NEW YORK BRANCH

By: /s/ Christopher J. Eldin

By: CHRISTOPHER J. ELGIN

By: /s/ Saiyed A. Abbas

By: SAIYED A. ABBAS

BANCO BILBAO VIZCAYA ARGENTARIA S.A.

By: /s/ Pedro Cayuela

By: PEDRO CAYUELA

By: /s/ Javier Ruiz

By: JAVIER RUIZ

COMMERZBANK AKTIENGESELLSCHAFT

By: /s/ Christoph Beneke

By: CHRISTOPH BENEKE

By: /s/ Christian Welk

By: CHRISTIAN WELK

Tranche C

BANK OF AMERICA, N.A.

By: /s/ Justin Lien

By: JUSTIN LIEN

BARCLAYS BANK PLC

By: /s/ Sarah Brooks

By: SARAH BROOKS

JPMORGAN CHASE BANK, N.A.

By: /s/ Karl Olsen

By: KARL OLSEN

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Maxine Sanders

By: MAXINE SANDERS

BNP PARIBAS

By: /s/ Ann M.F. Rix

By: ANN M. F. RIX

By: /s/ Steve Duranti

By: STEVE DURANTI

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By: DANTE CAMPIONI

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By: MARCO ALBERS

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By: SABINE KAPSCHAK

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By: /s/ Arwel Davies

By: ARWEL DAVIES

LLOYDS TSB BANK PLC

By: /s/ David Moore

By: DAVID MOORE

MIZUHO CORPORATE BANK. LTD.,

By: /s/ Robert Pettitt

By: ROBERT PETTITT

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By: /s/ Vincent Wright

By: VINCENT WRIGHT

By: /s/ Peter Scharf

By: PETER SCHARF

BANCA INTESA S.p.A.

By: /s/ Paul Samuels

By: PAUL SAMUELS

By: /s/ Lawrence Wybranlec

By: LAWRENCE WYBRANLEC

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By: JUAN CORTES

By: /s/ Francesco Di Mario

By: FRANCESCO DI MARIO

MERRILL LYNCH BANK USA

By: /s/ Louis Adler

By: LOUIS ALDER

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By: ALAIN BATAILLE

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By: BRADLEY J. STAPLES

UBS LIMITED

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By: SHARON CANHAM

By: /s/ Andrew Sudlow

By: ANDREW SUDLOW

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By: /s/ Javier Ruiz

By: JAVIER RUIZ

COMMERZBANK AKTIENGESELLSCHAFT

By: /s/ Christoph Beneke

By: CHRISTOPH BENEKE

DnB NOR BANK ASA

By: /s/ Erlend Bryn

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By: WILLIAM GINN

US BANK, N.A.

By: /s/ Richard J. Popp

By: RICHARD J. POPP

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Alex Idichandy

By: ALEX IDICHANDY

By: /s/ Kevin R Combs

By: KEVIN R. COMBS

Original Swingline Lenders

Swingline Tranche A

BANK OF AMERICA, N.A.

By: /s/ Justin Lien

By: JUSTIN LIEN

BARCLAYS BANK PLC

By: /s/ Sarah Brooks

By: SARAH BROOKS

JPMORGAN CHASE BANK, N.A.

By: /s/ Karl Olsen

By: KARL OLSEN

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Maxine Sanders

By: MAXINE SANDERS

BNP PARIBAS

By: /s/ Ann M.F. Rix

By: ANN M. F. RIX

By: /s/ Steve Duranti

By: STEVE DURANTI

SANPAOLO IMI S.p.A.

By: /s/ Dante Campioni

By: DANTE CAMPIONI

CITIBANK, N.A.

By: /s/ Charles R. Delamater

By: CHARLES R. DELAMATER

DEUTSCHE BANK AG NEW YORK BRANCH

By: /s/ Simon Derrick

By: SIMON DERRICK

By: /s/ Richard Sedlacek

By: RICHARD SEDLACEK

HSBC BANK PLC

By: /s/ Arwel Davies

By: ARWEL DAVIES

LLOYDS TSB BANK PLC

By: /s/ David Moore

By: DAVID MOORE

MIZUHO CORPORATE BANK, LTD.

By: /s/ Robert Pettitt

By: ROBERT PETTITT

BANCA DI ROMA - LONDON BRANCH

By: /s/ Vincent Wright

By: VINCENT WRIGHT

By: /s/ Peter Scharf

By: PETER SCHARF

BANCA INTESA S.p.A.

By: /s/ Paul Samuels

By: PAUL SAMUELS

By: /s/ Lawrence Wybranlec

By: LAWRENCE WYBRANLEC

SOCIETE GENERALE

By: /s/ Alain Bataille

By: ALAIN BATAILLE

UBS LOAN FINANCE LLC

By: /s/ Richard L. Tavrow

By: RICHARD L. TAVROW

By: /s/ Joselin Fernandes

By: JOSELIN FERNANDES

BANCO BILBAO VIZCAYA ARGENTARIA S.A.

By: /s/ Pedro Cayuela

By: PEDRO CAYUELA

By: /s/ Javier Ruiz

By: JAVIER RUIZ

COMMERZBANK AKTIENGESELLSCHAFT

By: /s/ Christoph Beneke

By: CHRISTOPH BENEKE

By: /s/ Christian Welk

By: CHRISTIAN WELK

Swingline Tranche B

BANK OF AMERICA, N.A.

By: /s/ Justin Lien

By: JUSTIN LIEN

BARCLAYS BANK PLC

By: /s/ Sarah Brooks

By: SARAH BROOKS

JPMORGAN CHASE BANK, N.A.

By: /s/ Karl Olsen

By: KARL OLSEN

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Maxine Sanders

By: MAXINE SANDERS

BNP PARIBAS

By: /s/ Ann M.F. Rix

By: ANN M. F. RIX

By: /s/ Steve Duranti

By: STEVE DURANTI

SANPAOLO IMI S.p.A.

By: /s/ Dante Campioni

By: DANTE CAMPIONI

CITIBANK, N.A. - MILAN BRANCH

By: /s/ Charles R. Delamater

By: CHARLES R. DELAMATER

DEUTSCHE BANK SpA

By: /s/ Simon Derrick

By: SIMON DERRICK

By: /s/ Richard Sedlacek

By: RICHARD SEDLACEK

HSEC BANK PLC

By: /s/ Arwel Davies

By: ARWEL DAVIES

BANCA DI ROMA - LONDON BRANCH

By: /s/ Vincent Wright

By: VINCENT WRIGHT

By: /s/ Peter Scharf

By: PETER SCHARF

BANCA INTESA S.p.A.

By: /s/ Paul Samuels

By: PAUL SAMUELS

By: /s/ Lawrence Wybranlec

By: LAWRENCE WYBRANLEC

SOCIETE GENERALE

By: /s/ Alain Bataille

By: ALAIN BATAILLE

BANCO BILBAO VIZCAYA ARGENTARIA S.A.

By: /s/ Pedro Cayuela

By: PEDRO CAYUELA

By: /s/ Javier Ruiz

By: JAVIER RUIZ

COMMERZBANK AKTIENGESELLSCHAFT

By: /s/ Christoph Beneke

By: CHRISTOPH BENEKE

By: /s/ Christian Welk

By: CHRISTIAN WELK

Swingline Tranche C

BANK OF AMERICA, N.A.

By: /s/ Justin Lien

By: JUSTIN LIEN

BARCLAYS BANK PLC

By: /s/ Sarah Brooks

By: SARAH BROOKS

JPMORGAN CHASE BANK, N.A.

By: /s/ Karl Olsen

By: KARL OLSEN

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Maxine Sanders

By: MAXINE SANDERS

BNP PARIBAS

By: /s/ Ann M.F. Fix

By: ANN M. F. FIX

By: /s/ Steve Duranti

By: STEVE DURANTI

SANPAOLO IMI S.p.A.

By: /s/ Dante Campioni

By: DANTE CAMPIONI

CITIBANK, N.A.

By: /s/ Charles R. Delamater

By: CHARLES R. DELAMATER

DEUTSCHE BANK AG LONDON BRANCH

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By: /s/ Arwel Davies

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LLOYDS TSB BANK PLC

By: /s/ David Moore

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MIZUHO CORPORATE BANK, LTD.

By: /s/ Robert Pettitt

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By: /s/ Vincent Wright

By: VINCENT WRIGHT

By: /s/ Peter Scharf

By: PETER SCHARF

BANCA INTESA S.p.A.

By: /s/ Paul Samuels

By: PAUL SAMUELS

By: /s/ Lawrence Wybranlec

By: LAWRENCE WYBRANLEC

SOCIETE GENERALE

By: /s/ Alain Bataille

By: ALAIN BATAILLE

UBS LIMITED

By: /s/ Sharon Canham

By: SHARON CANHAM

By: /s/ Andrew Sudlow

By: ANDREW SUDLOW

BANCO BILBAO VIZCAYA ARGENTARIA S.A.

By: /s/ Pedro Cayuela

By: PEDRO CAYUELA

By: /s/ Javier Ruiz

By: JAVIER RUIZ

COMMERZBANK AKTIENGESELLSCHAFT

By: /s/ Christoph Beneke

By: CHRISTOPH BENEKE

By: /s/ Christian Welk

By: CHRISTIAN WELK

Facilities Agent

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Paul T Fletcher

By: PAUL T. FLETCHER

Original Fronting Banks

BANK OF AMERICA, N.A.

By: /s/ Justin Lien

By: JUSTIN LIEN

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Maxine Sanders

By: MAXINE SANDERS

SANPAOLO IMI S.p.A.

By: /s/ Dante Campioni

By: DANTE CAMPIONI

Dated 21 October 2005

CARNIVAL CORPORATION (1)
as Guarantor

and

THE ROYAL BANK OF SCOTLAND PLC (2)
as Facilities Agent

DEED OF GUARANTEE
in relation to a US\$1,200,000,000,
(euro)400,000,000 and (pound)200,000,000
Multicurrency Revolving
Facilities Agreement

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THIS GUARANTEE is made by way of deed on 21 October 2005

BETWEEN:

- (1) CARNIVAL CORPORATION a Panamanian corporation having its principal place of business at Carnival Place, 3655 N.W. 87th Avenue, Miami, Florida, 33178-2428 (the "Guarantor"); and
- (2) THE ROYAL BANK OF SCOTLAND PLC a company registered in Scotland, with its registered office at 36 St Andrew Square, Edinburgh, EH2 2YB (the "Facilities Agent", which expression includes its successors and assigns for and on behalf of the Finance Parties).

WHEREAS:

- (A) By a multicurrency revolving facilities agreement (the "Facilities Agreement") dated on or about the date of this Guarantee and made between (1) Carnival Corporation, (2) Carnival plc, (3) the subsidiaries of Carnival Corporation and Carnival plc listed in Part 1 of Schedule 1 thereto, (4) Carnival Corporation and Carnival plc as guarantors, (5) Banc of America Securities Limited, Barclays Capital, BNP Paribas, J.P. Morgan plc, SANPAOLO IMI S.p.A and The Royal Bank of Scotland plc as mandated lead arrangers, (6) the financial institutions listed in Part 2 and Part 4 of Schedule 1 thereto as lenders (the "Original Lenders"), (7) The Royal Bank of Scotland plc as facilities agent and (8) the financial institutions listed in Part 5 of Schedule 1 thereto as fronting banks for the Bonds it was agreed that the Original Lenders would make available multicurrency revolving facilities of up to US\$1,200,000,000, (euro)400,000,000 and (pound)200,000,000.
- (B) The execution and delivery to the Facilities Agent of this Guarantee is one of the conditions precedent to the delivery of a Utilisation Request under the Facilities Agreement.

IT IS AGREED as follows:

1 Interpretation

1.1 Words and expressions defined in the Facilities Agreement shall have the same meaning when used in this Guarantee, except where the context otherwise requires or otherwise defined in this Guarantee.

1.2 In this Guarantee:

"Facilities Agreement" means the Facilities Agreement referred to in Recital (A), and includes any existing or future amendments or supplements, whether made with the Guarantor's consent or otherwise; and

"Guaranteed Amounts" means all moneys, obligations and liabilities expressed to be guaranteed by the Guarantor in Clause 2.1.

1.3 Clause 1.2 of the Facilities Agreement applies, with any necessary modifications, to this Guarantee.

2 Guarantee

2.1 The Guarantor hereby unconditionally and irrevocably:

2.1.1 guarantees to each Finance Party the punctual payment of all sums payable by Carnival plc to that Finance Party under the Finance Documents, including, without limitation, default interest payable under Clause 13.3 of the Facilities Agreement and payment upon any indemnity or otherwise; and

2.1.2 undertakes to each Finance Party that if for any reason Carnival plc shall fail to pay any such sum or sums on its due date the Guarantor shall, within 5 Business Days after first written demand by the Facilities Agent, unconditionally pay such sum or sums to the Facilities Agent in the currency or currencies in which such sum or sums are payable under the relevant Finance Document.

3 Guarantor as Principal Debtor/Indemnity

3.1 If any sums expressed to be payable by Carnival plc under the terms of the Finance Documents are not recoverable from Carnival plc by reason of (a) any invalidity, unenforceability or illegality of a Finance Document or any provision thereof (b) any legal limitation or incapacity of Carnival plc or (c) as a result of such Finance Document or any provision thereof being or becoming void, voidable or unenforceable such sums shall nevertheless be recoverable by the Facilities Agent on behalf of the Finance Parties from the Guarantor as if it were principal debtor. The Guarantor agrees to indemnify the Finance Parties on demand in an amount equal to any loss or liability arising from any such invalidity, unenforceability, illegality, legal limitation or incapacity affecting any Finance Document or Carnival plc.

4 Interest

4.1 The Guarantor agrees to pay interest on each amount demanded of it hereunder from the date of demand until payment (as well after as before judgment) at the rate then applicable under the Facilities Agreement to the sums in respect of which such demand is made (or would be so applicable but for any legal or other limitation affecting Carnival plc), provided that under no circumstances will the Guarantor be liable for interest on the same amount both under this Clause 4.1 and under the Facilities Agreement.

5 Continuing Guarantee

5.1 The guarantee and indemnity constituted by this Guarantee shall continue in full force and effect until all sums whatsoever payable by Carnival plc under the Finance Documents have been finally and irrevocably paid in full, notwithstanding any intermediate payment or discharge or partial settlement or other matter.

6 Liability Unconditional

6.1 The Guarantor's liability under this Guarantee shall not be discharged, reduced or otherwise affected in any way by reason of (i) any of the Finance Parties giving Carnival plc time or any other concession, (ii) any composition, discharge, release or other variation of liability entered into with, or granted to Carnival plc, (iii) any of the Finance Parties taking, holding, varying, realising or not enforcing any other security for the liabilities of Carnival plc under the Facilities Agreement, (iv) any amendment, variation or waiver (however fundamental) of any provision of a Finance Document, (v) any legal limitation or incapacity relating to Carnival plc, (vi) the invalidity, illegality, non-provability or unenforceability of a Finance Document, (vii) any insolvency or similar proceedings or any other act or omission of any of the Finance Parties or any other circumstances which, but for this provision, might discharge the Guarantor.

7 Demand

7.1 The Facilities Agent shall not be entitled to make any demand on the Guarantor under Clause 2.1.2 for payment by the Guarantor of any sums payable by Carnival plc under any Finance Document unless such action has first been approved by the Majority Lenders.

8 Waiver of Guarantor's Rights

8.1 Waiver

The Guarantor shall, until all the Guaranteed Amounts have been finally and irrevocably paid, discharged or satisfied in full, exercise only in accordance with the Facilities Agent's instructions:

- 8.1.1 its rights of subrogation, contribution and indemnity against Carnival plc;
- 8.1.2 its right to take the benefit of, share in or enforce any security or other guarantee or indemnity for Carnival plc's obligations held by any of the Finance Parties; and
- 8.1.3 its right to prove or claim in bankruptcy, liquidation, administration or other insolvency proceedings of Carnival plc.

Any amount obtained by the Guarantor in breach of this Clause 8 shall be held on trust for the relevant Finance Parties and paid to the Facilities Agent (on behalf of such Finance Parties) on demand.

8.2 Appropriations

Until all amounts which may be or become payable by Carnival plc under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- 8.2.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- 8.2.2 hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee.

8.3 Immediate recourse

The Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Guarantee. This waiver applies irrespective of any provision of a Finance Document to the contrary.

9 Representations and Warranties

9.1 The Guarantor represents and warrants to each Finance Party that:

- 9.1.1 it is duly incorporated and validly existing under the laws of the jurisdiction of its incorporation as a limited liability company and has the power to execute, deliver and perform its obligations under this Guarantee;
- 9.1.2 all necessary corporate action has been taken by it to authorise the execution, delivery and performance of this Guarantee and this Guarantee constitutes valid and legally binding obligations of the Guarantor enforceable in accordance with its terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));

- 9.1.3 it has the power to own its assets and carry on its business as it is being conducted where a lack of such power would have a Material Adverse Effect;
- 9.1.4 the execution, delivery and performance of this Guarantee by the Guarantor will not contravene any existing law, regulation or authorisation to which it is subject, result in the breach of or default under any agreement or other instrument to which the Guarantor is a party or which is binding upon the Guarantor or its assets or contravene any provision of the Guarantor's constitutional documents;
- 9.1.5 its obligations under this Guarantee rank at least pari passu with all its other present unsecured and unsubordinated indebtedness with the exception of any obligations which are mandatorily preferred by law; and
- 9.1.6 the Guarantor has not taken any security from Carnival plc in relation to this Guarantee.

10 Certificates

- 10.1 A certificate of the Facilities Agent setting forth the amount of any sum due by the Guarantor and not then paid by Carnival plc and/or the Guarantor shall be conclusive evidence of such amount against the Guarantor in the absence of any manifest error.

11 Settlements Conditional

- 11.1 If any moneys paid to any Finance Party in reduction of the obligation of Carnival plc under a Finance Document have to be repaid by such Finance Party by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force or on any other ground, following such repayment the liability of the Guarantor under this Guarantee shall be computed as if such moneys had never been paid to such Finance Party at all.

12 Counterparts

- 12.1 This Guarantee may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which shall be an original but all of which shall together constitute one and the same instrument.

13 Assignment and references to Finance Party

- 13.1 A Finance Party may assign its rights under and in connection with this Guarantee to the same extent as it may assign its rights under the Facilities Agreement.
- 13.2 This Guarantee shall remain in effect despite any amalgamation or merger (however effected) relating to a Finance Party.
- 13.3 References to a Finance Party shall be deemed to include any assignee or successor in title of such Finance Party and any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the relevant Finance Party under the Facilities Agreement or this Guarantee or to which under such laws the same have been transferred.

14 Notices

- 14.1 Any notice or demand to the Guarantor under or in connection with this Guarantee shall be given by letter or fax at:

Carnival Corporation
3655 NW 87th Avenue
Miami, FL 33133 USA

Fax No: + 1 (305) 406-6480
Attention: Treasurer

With a copy to:

Carnival Corporation
3655 NW 87th Avenue
Miami, FL 33178, USA

Fax No: + 1 (305) 406-4758
Attention: General Counsel

or to such other address which the Guarantor may notify to the Facilities Agent.

- 14.2 Clause 35 of the Facilities Agreement applies to any notice or demand under or in connection with this Guarantee but no notice may be served by email in connection with this Guarantee.
- 14.3 A demand under this Guarantee shall be valid notwithstanding that it is served on the date on which the amount to which it relates is payable by Carnival plc under the Facilities Agreement and a demand under this Guarantee may refer to all amounts payable under or in connection with the Facilities Agreement without specifying a particular sum or aggregate sum.

- 14.4 The Facilities Agent agrees to send to the Guarantor copies of all formal demands served on Carnival plc pursuant to the Facilities Agreement.
- 15 Invalidity
- 15.1 If any provision of this Guarantee is or becomes illegal, invalid, prohibited or unenforceable in any jurisdiction, such invalidity, illegality, prohibition or unenforceability shall not invalidate the remaining provisions hereof or affect the legality, validity or enforceability of such provision in any other jurisdiction.
- 16 No Set-Off or Counterclaim
- 16.1 All payments by the Guarantor hereunder shall be made in full, without set-off or counterclaim in immediately available, freely transferable, cleared funds for value on the date specified in the Facilities Agent's demand to the account notified to the Guarantor by the Facilities Agent.
- 16.2 If an Event of Default has occurred and is outstanding, a Finance Party may set off any matured obligation owed to it by the Guarantor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any obligation (whether or not matured) owed by that Finance Party to the Guarantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the relevant Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. The relevant Finance Party shall notify the Guarantor as soon as practicable after any set-off is effected under this Clause giving reasonable details of the amounts and accounts involved.

17 No Implied Waivers, Remedies Cumulative

17.1 No failure or delay on the part of any of the Finance Parties to exercise any power, right or remedy under this Guarantee shall operate as a waiver thereof, nor shall any single or partial exercise by any of the Finance Parties of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

18 Expenses

18.1 The Guarantor shall pay to each Finance Party on demand all legal fees and other costs, charges or expenses properly incurred by it in connection with the preservation of its rights under or enforcement of this Guarantee.

19 Third Party Rights

19.1 Any person other than any Finance Party who is not a party to this Guarantee shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

19.2 The Facilities Agent shall be entitled to exercise any and all rights and benefits under this Guarantee on behalf of each of the Finance Parties.

20 Additional Security

This Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

21 Governing Law and Jurisdiction

21.1 This Guarantee shall be governed by, and construed in accordance with, English law.

21.2 Subject to the provisions of this Clause 21, the courts of England shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee.

21.3 The Facilities Agent reserves the rights:

21.3.1 to commence proceedings in relation to any matter which arises out of or in connection with this Guarantee in the courts of any country other than England; and

21.3.2 to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in England or without commencing proceedings in England.

21.4 The Guarantor shall not commence any proceedings in any country other than England in relation to a matter which arises out of or in connection with this Guarantee.

21.5 Nothing in this Clause 21 shall exclude or limit any right which any Finance Party may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

21.6 In this Clause 21, "proceedings" means proceedings of any kind, including an application for a provisional or protective measure.

THIS GUARANTEE has been duly executed as a deed on the date first written above.

EXECUTED as a DEED) /s/ David Bernstein
On behalf of CARNIVAL CORPORATION) -----
By DAVID BERNSTEIN)
Name: DAVID BERNSTEIN)
Title: VICE PRESIDENT & TREASURER)

SIGNED by MICHAEL IAN PORTER) s/ Michael Ian Porter
for and on behalf of) -----
THE ROYAL BANK OF SCOTLAND PLC)
In the presence of:)

WITNESSED BY:
PAUL T. FLETCHER
s/ Paul T. Fletcher

Dated 21 October 2005

CARNIVAL PLC (1)
as Guarantor

and

THE ROYAL BANK OF SCOTLAND PLC (2)
as Facilities Agent

DEED OF GUARANTEE
in relation to a US\$1,200,000,000,
(euro)400,000,000 and (pound)200,000,000
Multicurrency Revolving
Facilities Agreement

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THIS GUARANTEE is made by way of deed on 21 October 2005

BETWEEN:

- (1) CARNIVAL PLC a company organised and existing under the laws of England with registered number 04039524 (the "Guarantor"); and
- (2) THE ROYAL BANK OF SCOTLAND PLC a company registered in Scotland, with its registered office at 36 St Andrew Square, Edinburgh, EH2 2YB (the "Facilities Agent", which expression includes its successors and assigns for and on behalf of the Finance Parties).

WHEREAS:

- (A) By a multicurrency revolving facilities agreement (the "Facilities Agreement") dated on or about the date of this Guarantee and made between (1) Carnival Corporation, (2) Carnival plc, (3) the subsidiaries of Carnival Corporation and Carnival plc listed in Part 1 of Schedule 1 thereto, (4) Carnival Corporation and Carnival plc as guarantors, (5) Banc of America Securities Limited, Barclays Capital, BNP Paribas, J.P. Morgan plc, SANPAOLO IMI S.p.A and The Royal Bank of Scotland plc as mandated lead arrangers, (6) the financial institutions listed in Part 2 and Part 4 of Schedule 1 thereto as lenders (the "Original Lenders"), (7) The Royal Bank of Scotland plc as facilities agent and (8) the financial institutions listed in Part 5 of Schedule 1 thereto as fronting banks for the Bonds it was agreed that the Original Lenders would make available multicurrency revolving facilities of up to US\$1,200,000,000, (euro)400,000,000 and (pound)200,000,000.
- (B) The execution and delivery to the Facilities Agent of this Guarantee is one of the conditions precedent to the delivery of a Utilisation Request under the Facilities Agreement.

IT IS AGREED as follows:

1 Interpretation

1.1 Words and expressions defined in the Facilities Agreement shall have the same meaning when used in this Guarantee, except where the context otherwise requires or otherwise defined in this Guarantee.

1.2 In this Guarantee:

"Facilities Agreement" means the Facilities Agreement referred to in Recital (A), and includes any existing or future amendments or supplements, whether made with the Guarantor's consent or otherwise; and

"Guaranteed Amounts" means all moneys, obligations and liabilities expressed to be guaranteed by the Guarantor in Clause 2.1.

1.3 Clause 1.2 of the Facilities Agreement applies, with any necessary modifications, to this Guarantee.

2 Guarantee

2.1 The Guarantor hereby unconditionally and irrevocably:

2.1.1 guarantees to each Finance Party the punctual payment of all sums payable by Carnival Corporation to that Finance Party under the Finance Documents, including, without limitation, default interest payable under Clause 13.3 of the Facilities Agreement and payment upon any indemnity or otherwise; and

2.1.2 undertakes to each Finance Party that if for any reason Carnival Corporation shall fail to pay any such sum or sums on its due date the Guarantor shall, within 5 Business Days after first written demand by the Facilities Agent, unconditionally pay such sum or sums to the Facilities Agent in the currency or currencies in which such sum or sums are payable under the relevant Finance Document.

3 Guarantor as Principal Debtor/Indemnity

3.1 If any sums expressed to be payable by Carnival Corporation under the terms of the Finance Documents are not recoverable from Carnival Corporation by reason of (a) any invalidity, unenforceability or illegality of a Finance Document or any provision thereof (b) any legal limitation or incapacity of Carnival Corporation or (c) as a result of such Finance Document or any provision thereof being or becoming void, voidable or unenforceable such sums shall nevertheless be recoverable by the Facilities Agent on behalf of the Finance Parties from the Guarantor as if it were principal debtor. The Guarantor agrees to indemnify the Finance Parties on demand in an amount equal to any loss or liability arising from any such invalidity, unenforceability, illegality, legal limitation or incapacity affecting any Finance Document or Carnival Corporation.

4 Interest

4.1 The Guarantor agrees to pay interest on each amount demanded of it hereunder from the date of demand until payment (as well after as before judgment) at the rate then applicable under the Facilities Agreement to the sums in respect of which such demand is made (or would be so applicable but for any legal or other limitation affecting Carnival Corporation), provided that under no circumstances will the Guarantor be liable for interest on the same amount both under this Clause 4.1 and under the Facilities Agreement.

5 Continuing Guarantee

5.1 The guarantee and indemnity constituted by this Guarantee shall continue in full force and effect until all sums whatsoever payable by Carnival Corporation under the Finance Documents have been finally and irrevocably paid in full, notwithstanding any intermediate payment or discharge or partial settlement or other matter.

6 Liability Unconditional

6.1 The Guarantor's liability under this Guarantee shall not be discharged, reduced or otherwise affected in any way by reason of (i) any of the Finance Parties giving Carnival Corporation time or any other concession, (ii) any composition, discharge, release or other variation of liability entered into with, or granted to Carnival Corporation, (iii) any of the Finance Parties taking, holding, varying, realising or not enforcing any other security for the liabilities of Carnival Corporation under the Facilities Agreement, (iv) any amendment, variation or waiver (however fundamental) of any provision of a Finance Document, (v) any legal limitation or incapacity relating to Carnival Corporation, (vi) the invalidity, illegality, non-provability or unenforceability of a Finance Document, (vii) any insolvency or similar proceedings or any other act or omission of any of the Finance Parties or any other circumstances which, but for this provision, might discharge the Guarantor.

7 Demand

7.1 The Facilities Agent shall not be entitled to make any demand on the Guarantor under Clause 2.1.2 for payment by the Guarantor of any sums payable by Carnival Corporation under any Finance Document unless such action has first been approved by the Majority Lenders.

8 Waiver of Guarantor's Rights

8.1 Waiver

The Guarantor shall, until all the Guaranteed Amounts have been finally and irrevocably paid, discharged or satisfied in full, exercise only in accordance with the Facilities Agent's instructions:

8.1.1 its rights of subrogation, contribution and indemnity against Carnival Corporation;

8.1.2 its right to take the benefit of, share in or enforce any security or other guarantee or indemnity for Carnival Corporation's obligations held by any of the Finance Parties; and

8.1.3 its right to prove or claim in bankruptcy, liquidation, administration or other insolvency proceedings of Carnival Corporation.

Any amount obtained by the Guarantor in breach of this Clause 8 shall be held on trust for the relevant Finance Parties and paid to the Facilities Agent (on behalf of such Finance Parties) on demand.

8.2 Appropriations

Until all amounts which may be or become payable by Carnival Corporation under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- 8.2.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- 8.2.2 hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee.

8.3 Immediate recourse

The Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Guarantee. This waiver applies irrespective of any provision of a Finance Document to the contrary.

9 Representations and Warranties

9.1 The Guarantor represents and warrants to each Finance Party that:

- 9.1.1 it is duly incorporated and validly existing under the laws of the jurisdiction of its incorporation as a limited liability company and has the power to execute, deliver and perform its obligations under this Guarantee;
- 9.1.2 all necessary corporate action has been taken by it to authorise the execution, delivery and performance of this Guarantee and this Guarantee constitutes valid and legally binding obligations of the Guarantor enforceable in accordance with its terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));
- 9.1.3 it has the power to own its assets and carry on its business as it is being conducted where a lack of such power would have a Material Adverse Effect;

- 9.1.4 the execution, delivery and performance of this Guarantee by the Guarantor will not contravene any existing law, regulation or authorisation to which it is subject, result in the breach of or default under any agreement or other instrument to which the Guarantor is a party or which is binding upon the Guarantor or its assets or contravene any provision of the Guarantor's constitutional documents;
- 9.1.5 its obligations under this Guarantee rank at least pari passu with all its other present unsecured and unsubordinated indebtedness with the exception of any obligations which are mandatorily preferred by law; and
- 9.1.6 the Guarantor has not taken any security from Carnival Corporation in relation to this Guarantee.

10 Certificates

- 10.1 A certificate of the Facilities Agent setting forth the amount of any sum due by the Guarantor and not then paid by Carnival Corporation and/or the Guarantor shall be conclusive evidence of such amount against the Guarantor in the absence of any manifest error.

11 Settlements Conditional

- 11.1 If any moneys paid to any Finance Party in reduction of the obligation of Carnival Corporation under a Finance Document have to be repaid by such Finance Party by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force or on any other ground, following such repayment the liability of the Guarantor under this Guarantee shall be computed as if such moneys had never been paid to such Finance Party at all.

12 Counterparts

- 12.1 This Guarantee may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which shall be an original but all of which shall together constitute one and the same instrument.

13 Assignment and references to Finance Party

- 13.1 A Finance Party may assign its rights under and in connection with this Guarantee to the same extent as it may assign its rights under the Facilities Agreement.
- 13.2 This Guarantee shall remain in effect despite any amalgamation or merger (however effected) relating to a Finance Party.
- 13.3 References to a Finance Party shall be deemed to include any assignee or successor in title of such Finance Party and any person who, under the laws of its jurisdiction of incorporation or

domicile, has assumed the rights and obligations of the relevant Finance Party under the Facilities Agreement or this Guarantee or to which under such laws the same have been transferred.

14 Notices

- 14.1 Any notice or demand to the Guarantor under or in connection with this Guarantee shall be given by letter or fax at:

Carnival plc
5 Gainsford Street
London
SE1 2NE
England

Fax No: 0207 940 5382
Attention: Corporate Counsel

With a copy to:

Carnival Corporation
3655 NW 87th Avenue
Miami, FL 33178, USA

Fax No: + 1 (305) 406-4758
Attention: Treasurer

or to such other address which the Guarantor may notify to the Facilities Agent.

- 14.2 Clause 35 of the Facilities Agreement applies to any notice or demand under or in connection with this Guarantee but no notice may be served by email in connection with this Guarantee.

- 14.3 A demand under this Guarantee shall be valid notwithstanding that it is served on the date on which the amount to which it relates is payable by Carnival Corporation under the Facilities Agreement and a demand under this Guarantee may refer to all amounts payable under or in connection with the Facilities Agreement without specifying a particular sum or aggregate sum.

- 14.4 The Facilities Agent agrees to send to the Guarantor copies of all formal demands served on Carnival Corporation pursuant to the Facilities Agreement.

15 Invalidity

- 15.1 If any provision of this Guarantee is or becomes illegal, invalid, prohibited or unenforceable in any jurisdiction, such invalidity, illegality, prohibition or unenforceability shall not invalidate the

remaining provisions hereof or affect the legality, validity or enforceability of such provision in any other jurisdiction.

16 No Set-Off or Counterclaim

16.1 All payments by the Guarantor hereunder shall be made in full, without set-off or counterclaim in immediately available, freely transferable, cleared funds for value on the date specified in the Facilities Agent's demand to the account notified to the Guarantor by the Facilities Agent.

16.2 If an Event of Default has occurred and is outstanding, a Finance Party may set off any matured obligation owed to it by the Guarantor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any obligation (whether or not matured) owed by that Finance Party to the Guarantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the relevant Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. The relevant Finance Party shall notify the Guarantor as soon as practicable after any set-off is effected under this Clause giving reasonable details of the amounts and accounts involved.

17 No Implied Waivers, Remedies Cumulative

17.1 No failure or delay on the part of any of the Finance Parties to exercise any power, right or remedy under this Guarantee shall operate as a waiver thereof, nor shall any single or partial exercise by any of the Finance Parties of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

18 Expenses

18.1 The Guarantor shall pay to each Finance Party on demand all legal fees and other costs, charges or expenses properly incurred by it in connection with the preservation of its rights under or enforcement of this Guarantee.

19 Third Party Rights

19.1 Any person other than any Finance Party who is not a party to this Guarantee shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

19.2 The Facilities Agent shall be entitled to exercise any and all rights and benefits under this Guarantee on behalf of each of the Finance Parties.

20 Additional Security

This Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

21 Governing Law and Jurisdiction

21.1 This Guarantee shall be governed by, and construed in accordance with, English law.

21.2 Subject to the provisions of this Clause 21, the courts of England shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee.

21.3 The Facilities Agent reserves the rights:

21.3.1 to commence proceedings in relation to any matter which arises out of or in connection with this Guarantee in the courts of any country other than England; and

21.3.2 to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in England or without commencing proceedings in England.

21.4 The Guarantor shall not commence any proceedings in any country other than England in relation to a matter which arises out of or in connection with this Guarantee.

21.5 Nothing in this Clause 21 shall exclude or limit any right which any Finance Party may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

21.6 In this Clause 21, "proceedings" means proceedings of any kind, including an application for a provisional or protective measure.

THIS GUARANTEE has been duly executed as a deed on the date first written above.

EXECUTED as a DEED) /s/ David Bernstein
by DAVID BERNSTEIN) -----
for and on behalf of CARNIVAL PLC)
pursuant to a power of attorney)
dated 10 October 2005)
in the presence of:)

THOMAS BROWER
/s/ Thomas Brower

Witness

Name: THOMAS BROWER

Address: 3301 KAPALUA COURT, FREEHOLD, NEW JERSEY 07728

Occupation: BANKER

SIGNED by MICHAEL IAN PORTER) s/ Michael Ian Porter
for and on behalf of) -----
THE ROYAL BANK OF SCOTLAND PLC)
In the presence of:)

WITNESSED BY
PAUL T. FLETCHER

s/ Paul T. Fletcher

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

	Years Ended November 30,				
	2005	2004	2003	2002	2001
Net income	\$ 2,257	\$ 1,854	\$ 1,194	\$ 1,016	\$ 926
Income tax expense (benefit), net	73	47	29	(57)	(12)
Income before income taxes	2,330	1,901	1,223	959	914
Adjustment to earnings: (Income) loss from affiliated operations and dividends received	(3)	3	1	2	57
Earnings as adjusted	2,327	1,904	1,224	961	971
Fixed charges					
Interest expense, net	330	284	195	111	121
Interest portion of rent expense (a)	17	17	16	5	4
Capitalized interest	21	26	49	39	29
Total fixed charges	368	327	260	155	154
Fixed charges not affecting earnings: Capitalized interest	(21)	(26)	(49)	(39)	(29)
Earnings before fixed charges	\$ 2,674	\$ 2,205	\$ 1,435	\$ 1,077	\$ 1,096
Ratio of earnings to fixed charges	7.3x	6.7x	5.5x	6.9x	7.1x

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

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

	Years Ended November 30,		
	2005	2004	2003
	-----	-----	-----
Revenues			
Cruise			
Passenger tickets	\$ 8,379	\$ 7,357	\$ 5,039
Onboard and other	2,356	2,070	1,420
Other	352	300	259
	-----	-----	-----
	11,087	9,727	6,718
	-----	-----	-----
Costs and Expenses			
Operating			
Cruise			
Commissions, transportation and other	1,665	1,572	1,021
Onboard and other	408	359	229
Payroll and related	1,145	1,003	744
Food	615	550	393
Fuel	709	493	340
Other ship operating	1,425	1,270	897
Other	250	210	190
	-----	-----	-----
Total	6,217	5,457	3,814
Selling and administrative	1,329	1,285	936
Depreciation and amortization	902	812	585
	-----	-----	-----
	8,448	7,554	5,335
	-----	-----	-----
Operating Income	2,639	2,173	1,383
	-----	-----	-----
Nonoperating (Expense) Income			
Interest income	28	17	27
Interest expense, net of capitalized interest	(330)	(284)	(195)
Other (expense) income, net	(7)	(5)	8
	-----	-----	-----
	(309)	(272)	(160)
	-----	-----	-----
Income Before Income Taxes	2,330	1,901	1,223
Income Tax Expense, Net	(73)	(47)	(29)
	-----	-----	-----
Net Income	\$ 2,257	\$ 1,854	\$ 1,194
	=====	=====	=====
Earnings Per Share			
Basic	\$ 2.80	\$ 2.31	\$ 1.66
	=====	=====	=====
Diluted	\$ 2.70	\$ 2.24	\$ 1.63
	=====	=====	=====
Dividends Per Share	\$ 0.80	\$ 0.525	\$ 0.44
	=====	=====	=====

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

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

	November 30,	
	2005	2004
	-----	-----
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,178	\$ 643
Short-term investments	9	17
Accounts receivable, net	408	409
Inventories	250	240
Prepaid expenses and other	370	419
	-----	-----
Total current assets	2,215	1,728
	-----	-----
Property and Equipment, Net	21,312	20,823

Goodwill	3,206	3,321
Trademarks	1,282	1,306
Other Assets	417	458
	-----	-----
	\$ 28,432	\$ 27,636
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Short-term borrowings	\$ 300	\$ 381
Current portion of long-term debt	1,042	681
Convertible debt subject to current put option	283	600
Accounts payable	690	631
Accrued liabilities and other	832	868
Customer deposits	2,045	1,873
	-----	-----
Total current liabilities	5,192	5,034
	-----	-----

Long-Term Debt	5,727	6,291
----------------	-------	-------

Other Long-Term Liabilities and Deferred Income	541	551
---	-----	-----

Commitments and Contingencies (Notes 7 and 8)

Shareholders' Equity

Common stock of Carnival Corporation; \$.01 par value; 1,960 shares authorized; 639 shares at 2005 and 634 shares at 2004 issued	6	6
Ordinary shares of Carnival plc; \$1.66 par value; 226 shares authorized; 212 shares at 2005 and 2004 issued	353	353
Additional paid-in capital	7,381	7,311
Retained earnings	10,233	8,623
Unearned stock compensation	(13)	(16)
Accumulated other comprehensive income	156	541
Treasury stock; 2 shares of Carnival Corporation at 2005 and 42 shares of Carnival plc at 2005 and 2004, at cost	(1,144)	(1,058)
	-----	-----
Total shareholders' equity	16,972	15,760
	-----	-----
	\$ 28,432	\$ 27,636
	=====	=====

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

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

	Years Ended November 30,		
	2005	2004	2003
	----	----	----
OPERATING ACTIVITIES			
Net income	\$ 2,257	\$ 1,854	\$ 1,194
Adjustments to reconcile net income to			
Fuel			
Depreciation and amortization	902	812	585
Investment write-down	22		
Accretion of original issue discount	20	21	20
Other	15	16	8
Changes in operating assets and liabilities, excluding business acquired			
Receivables	(71)	11	(91)
Inventories	(15)	(73)	(17)
Prepaid expenses and other	(105)	(54)	82
Accounts payable	84	(28)	43
Accrued and other liabilities	89	178	(16)
Customer deposits	212	479	125
	-----	-----	-----
Net cash provided by operating activities	3,410	3,216	1,933
	-----	-----	-----
INVESTING ACTIVITIES			
Additions to property and equipment	(1,977)	(3,586)	(2,516)
Sales of short-term investments	943	1,216	3,745
Purchases of short-term investments	(935)	(772)	(3,803)
Cash acquired from the acquisition of P&O Princess, net			140
Proceeds from retirement of property and equipment		77	51
Other, net	(1)	(24)	(50)
	-----	-----	-----
Net cash used in investing activities	(1,970)	(3,089)	(2,433)
	-----	-----	-----
FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt	1,152	843	2,123
Principal repayments of long-term debt	(1,096)	(932)	(1,137)
Dividends paid	(566)	(400)	(292)
(Repayments of) proceeds from short-term borrowings, net	(58)	272	94
Proceeds from exercise of stock options	63	142	53
Purchase of treasury stock	(386)		
Other	(1)	(4)	(15)
	-----	-----	-----
Net cash (used in) provided by financing activities	(892)	(79)	826
	-----	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(13)	(15)	(23)
	-----	-----	-----
Net increase in cash and cash equivalents	535	33	303
Cash and cash equivalents at beginning of year	643	610	307
	-----	-----	-----
Cash and cash equivalents at end of year	\$ 1,178	\$ 643	\$ 610
	=====	=====	=====

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Compre- hensive income	Common stock	Ordinary shares	Additional paid-in capital	Retained earnings
	-----	-----	-----	-----	-----
Balances at November 30, 2002		\$ 6		\$ 1,089	\$ 6,326
Comprehensive income					
Net income	\$ 1,194				\$ 1,194
Foreign currency translation adjustment	162				
Unrealized losses on marketable securities, net	(1)				
Changes related to cash flow derivative hedges, net	(9)				
Total comprehensive income	\$ 1,346				
	=====				
Cash dividends declared					(329)
Acquisition of Carnival plc			\$ 346	6,010	
Issuance of stock under stock plans			3	64	
Amortization of unearned stock compensation					
Balances at November 30, 2003		6	349	7,163	7,191
Comprehensive income					
Net income	\$ 1,854				1,854
Foreign currency translation adjustment	398				
Unrealized loss on marketable securities	(1)				
Minimum pension liability adjustments	(3)				
Changes related to cash flow derivative hedges, net	(13)				
Total comprehensive income	\$ 2,235				
	=====				
Cash dividends declared					(422)
Issuance of stock under stock plans			4	148	
Amortization of unearned stock compensation					
Balances at November 30, 2004		6	353	7,311	8,623
Comprehensive income					
Net income	\$ 2,257				2,257
Foreign currency translation adjustment	(398)				
Minimum pension liability adjustments	(2)				
Changes related to cash flow derivative hedges, net	15				
Total comprehensive income	\$ 1,872				
	=====				
Cash dividends declared					(647)
Issuance of stock under stock plans				73	
Amortization of unearned stock compensation					
Purchase of treasury stock					
Issuance of common stock upon conversion of convertible debt				(3)	
Balances at November 30, 2005		\$ 6	\$ 353	\$ 7,381	\$ 10,233
	=====	=====	=====	=====	=====

	Unearned stock compen- sation	Accumulated other comprehensive income (loss)	Treasury stock	Total share- holders' equity
	-----	-----	-----	-----
Balances at November 30, 2002	\$ (11)	\$ 8		\$ 7,418
Comprehensive income				
Net income				1,194
Foreign currency translation adjustment		162		162
Unrealized losses on marketable securities, net		(1)		(1)
Changes related to cash flow derivative hedges, net		(9)		(9)

Total comprehensive income				
Cash dividends declared				(329)
Acquisition of Carnival plc			\$ (1,058)	5,298
Issuance of stock under stock plans	(14)			53
Amortization of unearned stock compensation	7			7
	-----	-----	-----	-----
Balances at November 30, 2003	(18)	160	(1,058)	13,793
Comprehensive income				
Net income				1,854
Foreign currency translation adjustment		398		398
Unrealized loss on marketable securities		(1)		(1)
Minimum pension liability adjustments		(3)		(3)
Changes related to cash flow derivative hedges, net		(13)		(13)
Total comprehensive income				
Cash dividends declared				(422)
Issuance of stock under stock plans	(7)			145
Amortization of unearned stock compensation	9			9
	-----	-----	-----	-----
Balances at November 30, 2004	(16)	541	(1,058)	15,760
Comprehensive income				
Net income				2,257
Foreign currency translation adjustment		(398)		(398)
Minimum pension liability adjustments		(2)		(2)
Changes related to cash flow derivative hedges, net		15		15
Total comprehensive income				
Cash dividends declared				(647)
Issuance of stock under stock plans	(9)			64
Amortization of unearned stock compensation	12			12
Purchase of treasury stock			(386)	(386)
Issuance of common stock upon conversion of convertible debt			300	297
	-----	-----	-----	-----
Balances at November 30, 2005	\$ (13)	\$ 156	\$ (1,144)	\$ 16,972
	=====	=====	=====	=====

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

CARNIVAL CORPORATION & PLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - General

Description of Business

Carnival Corporation is incorporated in Panama, and Carnival plc is incorporated in England and Wales. 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 2005 Annual Report as "Carnival Corporation & plc," "our," "us," and "we." Our consolidated financial statements only include the results of operations and cash flows of the former P&O Princess Cruises plc since April 17, 2003.

Carnival Corporation and Carnival plc (formerly known as P&O Princess Cruises plc or "P&O Princess") operates as a dual listed company ("DLC"), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through amendments to Carnival Corporation's articles of incorporation and by-laws and to Carnival plc's memorandum of association and articles of association. The two companies have retained their separate legal identities, however, they operate as if they were a single economic enterprise. Each company's shares continue to be publicly traded; on the New York Stock Exchange ("NYSE") for Carnival Corporation and the London Stock Exchange for Carnival plc. In addition, Carnival plc American Depository Shares ("ADSs") are traded on the NYSE. See Note 3.

We are the largest cruise company and one of the largest vacation companies in the world. As of November 30, 2005, a summary of the number of cruise ships we operate, by brand, their passenger capacity and the primary areas in which they are marketed is as follows:

Cruise Brands -----	Number of Cruise Ships -----	Passenger Capacity (a) -----	Primary Market -----
Carnival Cruise Lines	21	47,820	North America
Princess Cruises ("Princess")	14	29,152	North America
Holland America Line	12	16,930	North America
Costa Cruises ("Costa")	10	17,262	Europe
P&O Cruises	5	8,844	United Kingdom
AIDA Cruises ("AIDA")	4	5,378	Germany
Cunard Line ("Cunard")	2	4,410	North America and United Kingdom
P&O Cruises Australia(b)	3	3,680	Australia and New Zealand
Ocean Village	1	1,578	United Kingdom
Swan Hellenic	1	678	United Kingdom
Seabourn Cruise Line ("Seabourn")	3	624	North America
Windstar Cruises	3	604	North America
	--	-----	
	79	136,960	
	==	=====	

(a) In accordance with cruise industry practice, passenger capacity is calculated based on two passengers per cabin even though some cabins can accommodate three or more passengers.

(b) In December 2005, we entered into an agreement for the sale of P&O Cruises Australia's Pacific Sky, which is expected to leave our fleet in May 2006.

Preparation of Financial Statements

The preparation of our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the amounts reported and disclosed in our financial statements. Actual results could differ from these estimates. All significant intercompany balances and transactions are eliminated in consolidation.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Presentation

We consolidate entities over which we have control (see Note 3), as typically evidenced by a direct ownership interest of greater than 50%. For affiliates where significant influence over financial and operating policies exists, as typically evidenced by a direct ownership interest from 20% to 50%, the investment is accounted for using the equity method.

Cash and Cash Equivalents and Short-Term Investments

Cash and cash equivalents include investments with original maturities of three months or less, which are stated at cost. At November 30, 2005 and 2004, cash and cash equivalents included \$980 million and \$495 million of investments, respectively, primarily comprised of time deposits, investment grade asset-backed debt obligations, commercial paper and money market funds.

Substantially all of our short-term investments, which consist of investments with original maturities greater than three months, are comprised of investment grade variable rate debt obligations, which are asset-backed and categorized as available-for-sale. Our investments in these securities are recorded at cost, which approximates their fair value due to these investments having variable interest rates, which typically reset every 28 days. Despite the long-term nature of their stated contractual maturities, we have the ability to quickly liquidate these securities. As a result of the resetting variable rates, at November 30, 2005 and 2004 we had no cumulative gross unrealized or realized holding gains or losses from these investments. All income generated from these investments was recorded as interest income.

Inventories

Inventories consist of provisions, gift shop and art merchandise held for resale, fuel and supplies carried at the lower of cost or market. Cost is determined using the weighted-average or first-in, first-out methods.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization were computed using the straight-line method over our estimates of average useful lives and residual values, as a percentage of original cost, as follows:

	Residual Values -----	Years -----
Ships	15%	30
Ship improvements	0% or 15%	2 to remaining life of ship
Buildings and improvements	0-10%	5-40
Transportation equipment and other	0-25%	2-20
Leasehold improvements, including port facilities		Shorter of lease term or related asset life

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be fully recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of our asset based on our estimate of its undiscounted future cash flows. If these estimated undiscounted future cash flows are less than the carrying value of the asset, an impairment charge is recognized for the excess, if any, of the asset's carrying value over its estimated fair value.

Dry-dock costs primarily represent planned major maintenance activities that are incurred when a ship is taken out of service for scheduled maintenance. These costs are included in prepaid expenses and are amortized to other ship operating expenses using the straight-line method generally over one to two years.

Ship improvement costs that we believe add value to our ships are capitalized to the ships, and depreciated over the improvements' estimated useful lives, while costs of repairs and maintenance are charged to expense as incurred. Upon replacement or refurbishment of previously capitalized ship components, these assets' estimated cost and accumulated depreciation are written off.

We capitalize interest on ships and other capital projects during their construction period.

Goodwill

We review our goodwill for impairment annually, or, when events or circumstances dictate, more frequently. All of our goodwill has been allocated to our cruise reporting units. There were no significant changes to our goodwill carrying amounts since November 30, 2003, other than the changes resulting from using different foreign currency translation rates at each balance sheet date, except as noted below.

During 2004, we increased the fair values of the P&O Princess publicly traded debt, and correspondingly, goodwill, by \$61 million to take into account the extension of Carnival Corporation's guarantee to cover this debt as of April 2003, the acquisition date. In addition, we reduced the fair value of P&O Princess' trademarks and, correspondingly increased goodwill by \$54 million to properly value our acquired trademarks as of the acquisition date. The impact of these changes on our financial statements was immaterial.

Our goodwill impairment reviews consist of a two-step process of first determining the fair value of the reporting unit and comparing it to the carrying value of the net assets allocated to the reporting unit. Fair values of our reporting units were determined based on our estimates of comparable market price or discounted future cash flows. If this fair value exceeds the carrying value, which was the case for our reporting units, no further analysis or goodwill write-down is required. If the fair value of the reporting unit is less than the carrying value of the net assets, the implied fair value of the reporting unit is allocated to all the underlying assets and liabilities, including both recognized and unrecognized tangible and intangible assets, based on their fair value. If necessary, goodwill is then written-down to its implied fair value.

Trademarks

The cost of developing and maintaining our trademarks have been expensed as incurred. However, for acquisitions made after June 2001 we have allocated a portion of the purchase price to the acquiree's identified trademarks. The trademarks that Carnival Corporation recorded as part of its acquisition of P&O Princess, which are estimated to have an indefinite useful life and, therefore, are not amortizable, are reviewed for impairment annually, or more frequently when events or circumstances indicate that the trademark may be impaired. Our trademarks would be considered impaired if their carrying value exceeds their fair value.

Derivative Instruments and Hedging Activities

We utilize derivative and nonderivative financial instruments, such as foreign currency swaps and foreign currency obligations, to limit our exposure to fluctuations in foreign currency exchange rates and interest rate swaps to manage our interest rate exposure and to achieve a desired proportion of variable and fixed rate debt (see Notes 6 and 11).

All derivatives are recorded at fair value, and the changes in fair value must be immediately included in earnings if the derivatives do not qualify as effective hedges. If a derivative is a fair value hedge, then changes in the fair value of the derivative are offset against the changes in the fair value of the underlying hedged item. If a derivative is a cash flow hedge, then changes in the fair value of the derivative are recognized as a component of accumulated other comprehensive income ("AOCI") until the underlying hedged item is recognized in earnings. If a derivative or a nonderivative financial instrument is designated as a hedge of a net investment in a foreign operation, then changes in the fair value of the financial instrument are recognized as a component of AOCI to offset the change

in the translated value of the net investment being hedged, until the investment is liquidated. We formally document all relationships between hedging instruments and hedged items, as well as our risk management objectives and strategies for undertaking our hedge transactions.

We classify the fair value of our derivative contracts and the fair value of our offsetting hedged firm commitments as either current or long-term, which are included in prepaid and other assets and accrued and other liabilities, depending on whether the maturity date of the derivative contract is within or beyond one year from our balance sheet dates. The cash flows from derivatives treated as hedges are classified in our statements of cash flows in the same category as the item being hedged.

During fiscal 2005, 2004 and 2003, all net changes in the fair value of both our fair value hedges and the offsetting hedged firm commitments and our cash flow hedges were immaterial, as were any ineffective portions of these hedges. No fair value hedges or cash flow hedges were derecognized or discontinued in fiscal 2005, 2004 or 2003. In addition, the amount of realized net losses or gains from cash flow hedges that were reclassified into earnings during fiscal 2005, 2004 and 2003 was not significant. The amount of estimated cash flow hedges unrealized net losses which are expected to be reclassified to earnings in the next twelve months is approximately \$4 million.

Finally, if any shipyard with which we have contracts to build our ships is unable to perform, we would be required to perform under our foreign currency swaps related to these shipbuilding contracts. Accordingly, based upon the circumstances, we may have to discontinue the accounting for those currency swaps as hedges, if the shipyard cannot perform. However, we believe that the risk of shipyard nonperformance is remote.

Revenue and Expense Recognition

Guest cruise deposits represent unearned revenues and are initially recorded as customer deposit liabilities when received. Customer deposits are subsequently recognized as cruise revenues, together with revenues from onboard and other activities and all associated direct costs of a voyage, upon completion of voyages with durations of ten nights or less and on a pro rata basis for voyages in excess of ten nights. Future travel discount vouchers issued to guests are typically recorded as a reduction of revenues when such vouchers are utilized. Revenues and expenses from our tour and travel services are recognized at the time the services are performed or expenses are incurred.

Insurance/Self-Insurance

We use a combination of insurance and self-insurance for a number of risks including claims related to crew and passengers, hull and machinery, war risk, workers' compensation and general liability. Liabilities associated with these risks, including estimates for crew and passenger claims, are estimated based on, among other things, historical claims experience, severity factors and other actuarial assumptions. Our expected loss accruals are based on estimates, and while we believe the amounts accrued are adequate, the ultimate loss may differ from the amounts provided.

Advertising Costs

Advertising costs are charged to expense as incurred except for brochures and media production costs. The brochures and media production costs are recorded as prepaid expenses and charged to expense as consumed or upon the first airing of the advertisement, respectively. Advertising expenses totaled \$455 million, \$464 million and \$335 million in fiscal 2005, 2004 and 2003, respectively. At November 30, 2005 and 2004, the amount of advertising costs included in prepaid expenses was not significant.

Foreign Currency Translations and Transactions

For our foreign subsidiaries and affiliates using the local currency as their functional currency, assets and liabilities are translated at exchange rates in effect at the balance sheet dates. Revenues and expenses of these foreign subsidiaries and affiliates are translated at weighted-average exchange rates for the period. Equity is translated at

historical rates, and the resulting cumulative foreign currency translation adjustments resulting from this process are included as a component of AOCI. Therefore, the U.S. dollar value of these items in our financial statements fluctuates from period to period, depending on the value of the dollar against these functional currencies.

Exchange gains and losses arising from the remeasurement of monetary assets and liabilities and foreign currency transactions denominated in a currency other than the functional currency of the entity involved are immediately included in our earnings, unless such net liabilities have been designated to act as a hedge of a net investment in a foreign operation. In addition, the unrealized exchange gains or losses on our long-term intercompany receivables denominated in a non-functional currency, which are not expected to be repaid in the foreseeable future and are therefore considered to form part of our net investment, are recorded as a foreign currency translation adjustment, which is included as a component of AOCI. Finally, net foreign currency transaction gains or losses recorded in our earnings were not significant in fiscal 2005, 2004 and 2003.

Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted-average number of shares of common stock and ordinary shares outstanding during each period. Diluted earnings per share is computed by dividing adjusted net income by the weighted-average number of shares of common stock and ordinary shares, common stock equivalents and other potentially dilutive securities outstanding during each period. All shares that are issuable under our outstanding convertible notes that have contingent share conversion features have been considered outstanding for our diluted earnings per share computations, if dilutive, using the "if converted" method of accounting from the date of issuance.

Stock-Based Compensation

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

	Years ended November 30,		
	2005	2004	2003
Net income, as reported	\$2,257	\$ 1,854	\$ 1,194
Stock-based compensation expense included in net income, as reported	12	11	7
Total stock-based compensation expense determined under the fair value-based method for all awards(c)	(86) (a)	(66) (b)	(36)
Pro forma net income for basic earnings per share	2,183	1,799	1,165
Interest on dilutive convertible notes	47	49	43
Pro forma net income for diluted earnings per share	\$2,230	\$ 1,848	\$ 1,208
Earnings per share			
Basic			
As reported	\$ 2.80	\$ 2.31	\$ 1.66
Pro forma	\$ 2.71	\$ 2.24	\$ 1.62
Diluted			
As reported	\$ 2.70	\$ 2.24	\$ 1.63
Pro forma	\$ 2.62	\$ 2.18	\$ 1.60

- (a) In January 2005, Carnival Corporation granted approximately 1.4 million employee stock options, with a \$57.30 exercise price and a 2-year vesting term, in substitution for a similar number of outstanding options whose termination date was accelerated because of a corporate reorganization of our European and U.S. operations that was completed in 2004 ("2004 reorganization"). Due to the unusually short vesting period of these options, we would be required upon the adoption of SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS No. 123(R)"), to recognize a large charge for stock compensation expense in 2006. Such a charge would distort stock compensation expense in 2006 and not be indicative of our expected future normal annual charge for stock options. Accordingly, in the fourth quarter of 2005, we authorized the immediate vesting of these options, resulting in an increase of \$11 million in stock compensation expense in the 2005 pro forma net income. In addition, prior to this accelerated vesting we had expensed \$8 million for 2005 pro forma stock expense compensation related to these options. In addition, for employee stock options granted after September 2005, we reduced the options contractual term from 10 years to 7 years, in order to reduce the options' expected option life, thus reducing its estimated fair value.
- (b) As a result of the 2004 reorganization, 1.6 million unvested options held by employees vested immediately and their termination dates were accelerated. This vesting occurred either in accordance with the terms of the option plan or to avoid having these employees and Carnival Corporation incur unduly burdensome taxes upon the exercise of such options at a later date. As a result of this accelerated vesting, we included an additional \$19 million of stock-based compensation expense in the 2004 pro forma net income.
- (c) These amounts include the expensing of stock options made to retirement-eligible employees over the expected vesting period of the option. SFAS 123(R), when adopted, will require the expensing of future option grants over the period to retirement eligibility, if less than the vesting period, because vesting is not contingent upon any future performance.

As recommended by SFAS No. 123, the fair value of options were estimated using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model was developed for use in estimating the fair value of traded options that have no vesting or trading restrictions and are fully transferable. In addition, option-pricing models require the input of subjective assumptions, including expected stock price volatility and dividend yields. Because our options have characteristics different from those of traded options and because changes in the subjective assumptions can materially affect our estimate of the fair value of stock options, we believe that the existing valuation models, including Black-Scholes, do not necessarily provide a reliable single measure of the fair value of our options. Since 2004, we have continued to refine our Black-Scholes' estimates and assumptions based upon more in-depth reviews of the underlying information in order to more accurately value our options. The impact of such changes has generally been to reduce the estimated fair value of our option awards. The Black-Scholes weighted-average assumptions were as follows:

	Years ended November 30,		
	2005	2004	2003
Fair value of options at the dates of grant	\$12.99	\$15.87	\$13.33
Risk free interest rate	4.1%	3.4%	3.5%
Expected dividend yield	1.90%	1.36%	1.30%
Expected volatility(a)	27.0%	35.0%	48.7%
Expected option life (in years)	4.74	5.75	6.00

(a) In 2003, our volatility assumption was based on the historical volatility of Carnival Corporation common stock. Subsequent to 2003, we also considered the implied volatilities derived from our exchange traded options and convertible notes in determining our expected volatility assumption since we believe these implied market volatilities should be considered in estimating our expected future volatilities.

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123(R), which will require us to recognize compensation costs in our financial statements in an amount equal to the fair value of share-based payments granted to employees and directors over the corresponding service period, and also requires an estimation of forfeitures when calculating compensation expense, instead of accounting for forfeitures as incurred, which is our current method. This statement is effective for us in the first quarter of fiscal 2006

and is expected to increase our full year 2006 share-based compensation expense by approximately \$55 million compared to 2005. We have not yet determined which of the two alternative transition methods we will use upon adoption of this new statement.

Concentrations of Credit Risk

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. Credit risk, including counterparty nonperformance under derivative instruments, contingent obligations and new ship progress payment guarantees, is considered minimal, as we primarily conduct business with large, well-established financial institutions who have long-term credit ratings of A or above and we seek to diversify our counterparties. In addition, we have established guidelines regarding credit ratings and investment maturities that we follow to maintain safety and liquidity. We do not anticipate nonperformance by any of our significant counterparties.

We also monitor the creditworthiness of our customers to which we grant credit terms in the normal course of our business. Concentrations of credit risk associated with these receivables are considered minimal primarily due to their short maturities and the large number of accounts within our customer base. We have experienced only minimal credit losses on our trade receivables. We do not normally require collateral or other security to support normal credit sales. However, we do normally require collateral and/or guarantees to support notes receivable on significant asset sales and new ship progress payments to shipyards.

Reclassifications

Reclassifications have been made to prior year amounts to conform to the current year presentation.

NOTE 3 - DLC Transaction

On April 17, 2003, Carnival Corporation and Carnival plc completed a DLC transaction, which implemented Carnival Corporation & plc's DLC structure. The contracts governing the DLC structure provide that Carnival Corporation and Carnival plc each continue to have separate boards of directors, but the boards and senior executive management of both companies are identical. The amendments to the constituent documents of each of the companies also provide that, on most matters, the holders of the common equity of both companies effectively vote as a single body. On specified matters where the interests of Carnival Corporation's shareholders may differ from the interests of Carnival plc's shareholders (a "class rights action"), each shareholder body will vote separately as a class, such as transactions primarily designed to amend or unwind the DLC structure. Generally, no class rights action will be implemented unless approved by both shareholder bodies.

Upon the closing of the DLC transaction, Carnival Corporation and Carnival plc also executed the Equalization and Governance Agreement, which provides for the equalization of dividends and liquidation distributions based on an equalization ratio and contains provisions relating to the governance of the DLC structure. Because the current equalization ratio is 1 to 1, one Carnival plc ordinary share is entitled to the same distributions, subject to the terms of the Equalization and Governance Agreement, as one share of Carnival Corporation common stock. In a liquidation of either company or both companies, if the hypothetical potential per share liquidation distributions to each company's shareholders are not equivalent, taking into account the relative value of the two companies' assets and the indebtedness of each company, to the extent that one company has greater net assets so that any liquidation distribution to its shareholders would not be equivalent on a per share basis, the company with the ability to make a higher net distribution is required to make a payment to the other company to equalize the possible net distribution to shareholders, subject to certain exceptions.

At the closing of the DLC transaction, Carnival Corporation and Carnival plc also executed deeds of guarantee. Under the terms of Carnival Corporation's deed of guarantee, Carnival Corporation has agreed to guarantee all indebtedness and certain other monetary obligations of Carnival plc that are incurred under agreements entered into on or after the

closing date of the DLC transaction. The terms of Carnival plc's deed of guarantee are identical to those of Carnival Corporation's. In addition, Carnival Corporation and Carnival plc have each extended their respective deeds of guarantee to the other's pre-DLC indebtedness and certain other monetary obligations, or alternatively standalone guarantees in lieu of utilization of these deeds of guarantee, thus effectively cross guaranteeing all Carnival Corporation and Carnival plc indebtedness and other monetary obligations. Each deed of guarantee provides that the creditors to whom the obligations are owed are intended third party beneficiaries of such deed of guarantee.

The deeds of guarantee are governed and construed in accordance with the laws of the Isle of Man. Subject to the terms of the guarantees, the holders of indebtedness and other obligations that are subject to the guarantees will have recourse to both Carnival plc and Carnival Corporation though a Carnival plc creditor must first make written demand on Carnival plc and a Carnival Corporation creditor on Carnival Corporation. Once the written demand is made by letter or other form of notice, the holders of indebtedness or other obligations may immediately commence an action against the relevant guarantor. There is no requirement under the deeds of guarantee to obtain a judgment, take other enforcement actions or wait any period of time prior to taking steps against the relevant guarantor. All actions or proceedings arising out of or in connection with the deeds of guarantee must be exclusively brought in courts in England.

Under the terms of the DLC transaction documents, Carnival Corporation and Carnival plc are permitted to transfer assets between the companies, make loans or investments in each other and otherwise enter into intercompany transactions. The companies have entered into some of these types of transactions and expect to enter into additional transactions in the future to take advantage of the flexibility provided by the DLC structure and to operate both companies as a single unified economic enterprise in the most effective manner. In addition, under the terms of the Equalization and Governance Agreement and the deeds of guarantee, the cash flow and assets of one company are required to be used to pay the obligations of the other company, if necessary.

Given the DLC structure as described above, we believe that providing separate financial statements for each of Carnival Corporation and Carnival plc would not present a true and fair view of the economic realities of their operations. Accordingly, separate financial statements for both Carnival Corporation and Carnival plc have not been presented.

Simultaneously with the completion of the DLC transaction, a partial share offer ("PSO") for 20% of Carnival plc's shares was made and accepted, which enabled 20% of Carnival plc shares to be exchanged for 41.7 million Carnival Corporation shares. The 41.7 million shares of Carnival plc held by Carnival Corporation as a result of the PSO, which cost \$1.05 billion, are being accounted for as treasury stock in the accompanying balance sheets.

Carnival plc was the third largest cruise company in the world and operated many well-known global brands with leading positions in the U.S., UK, Germany and Australia. The combination of Carnival Corporation with Carnival plc under the DLC structure has been accounted for under U.S. generally accepted accounting principles ("GAAP") as an acquisition of Carnival plc by Carnival Corporation pursuant to SFAS No. 141, "Business Combinations." The number of additional shares effectively issued in the combined entity for purchase accounting purposes was 209.6 million. In addition, Carnival Corporation incurred \$60 million of direct acquisition costs, which have been included in the aggregate purchase price of \$5.36 billion.

The following pro forma information has been prepared assuming the DLC transaction had occurred on December 1, 2002, rather than April 17, 2003, and has not been adjusted to reflect any net transaction benefits. In addition, the pro forma information does not purport to represent what the results of operations actually could have been if the DLC transaction had occurred on December 1, 2002. For fiscal 2003, our pro forma revenues and net income would have been \$7.60 billion and \$1.16 billion, respectively, and our basic and diluted pro forma earnings per share would have been \$1.46 and \$1.43, based on 797 million and 840 million pro forma weighted-average shares outstanding.

NOTE 4 - Property and Equipment

Property and equipment consisted of the following (in millions):

	November 30,	
	2005	2004
Ships	\$ 23,506	\$ 22,572
Ships under construction	540	429
	-----	-----
	24,046	23,001
Land, buildings and improvements, and port facilities	593	555
Transportation equipment and other	692	628
	-----	-----
Total property and equipment	25,331	24,184
Less accumulated depreciation and amortization	(4,019)	(3,361)
	-----	-----
	\$ 21,312	\$ 20,823
	=====	=====

Capitalized interest, primarily on our ships under construction, amounted to \$21 million, \$26 million and \$49 million in fiscal 2005, 2004 and 2003, respectively. Amounts related to ships under construction include progress payments for the construction of the ship, as well as design and engineering fees, capitalized interest, construction oversight costs and various owner supplied items. At November 30, 2005, 7 ships with an aggregate net book value of \$2.63 billion were pledged as collateral pursuant to mortgages related to \$1.37 billion of debt and a \$483 million contingent obligation (see Notes 6 and 7).

Maintenance and repair expenses and dry-dock amortization were \$445 million, \$353 million and \$256 million in fiscal 2005, 2004 and 2003, respectively.

NOTE 5 - Variable Interest Entity

In accordance with FASB Interpretation No. 46, "Consolidation of Variable Interest Entities," we have determined that we are carrying a loan, initially made in April 2001, to a ship repair facility that is a variable interest entity ("VIE"). Although we use this facility for some of our ship repair work, we are not a "primary beneficiary" and, accordingly, this entity is not consolidated in our financial statements. At November 30, 2005 and 2004, our loan to this VIE, which is also our maximum exposure to loss, was \$46 million and \$41 million, respectively.

NOTE 6 - Debt

Short-Term Borrowings

Short-term borrowings were unsecured and consisted of the following (in millions):

	November 30,	
	2005	2004
Euro commercial paper (a)	\$ 187	
Euro bank loans (a)		\$ 284
Bank loans (b)	113	97
	-----	-----
	\$ 300	\$ 381
	=====	=====
Weighted-average interest rate	3.1%	2.4%
	=====	=====

(a) These euro denominated borrowings have been translated to U.S. dollars at the period-end exchange rates.

(b) These loans are denominated in U.S. dollars.

Long-Term Debt

Long-term debt consisted of the following (in millions):

	November 30,	
	----- 2005 (a) -----	2004 (a) ----- -----
Secured		
Floating rate notes, collateralized by four ships, bearing interest from libor plus 1.13% to libor plus 1.29% (4.9% to 5.7% at 2005 and 3.0% to 3.6% at 2004), due through 2015 (b)	\$ 788	\$ 904
Fixed rate notes, collateralized by two ships, bearing interest at 5.4% and 5.5%, due through 2016 (b)	380	381
Euro floating rate note, collateralized by one ship, bearing interest at euribor plus 0.5% (2.75% at 2005 and 2004), due through 2008	64	101
Euro fixed rate note, collateralized by one ship, bearing interest at 4.74%, due through 2012	142	183
Capitalized lease obligations, collateralized by two ships, implicit interest at 3.66%		110
Other	2	3
	-----	-----
Total Secured	1,376	1,682
	-----	-----
Unsecured		
Fixed rate notes, bearing interest at 3.75% to 7.2%, due through 2028 (c)	2,239	2,039
Euro floating rate notes, bearing interest at euribor plus 0.25% to euribor plus 1.29% (2.4% to 2.6% at 2005 and 2.4% to 3.5% at 2004), due through 2010 (d)	933	1,265
Sterling fixed rate notes, bearing interest at 5.63%, due in 2012	372	415
Euro fixed rate notes, bearing interest at 5.57%, due in 2006	355	399
Sterling floating rate note, bearing interest at libor plus 0.33% (4.91% at 2005), due in 2010 (d)	285	
Other	34	36
Convertible notes, bearing interest at 2%, due in 2021, with next put option in 2008	600	600
Convertible notes, bearing interest at 1.75%, net of discount, with a face value of \$889 million, due in 2033, with first put option in 2008	575	575
Zero-coupon convertible notes, net of discount, with a face value of \$510 million and \$1.05 billion at 2005 and 2004, respectively, due in 2021, with first put option in 2006	283	561
	-----	-----
Total Unsecured	5,676	5,890
	-----	-----
	7,052	7,572
Less portion due within one year	(1,325)	(1,281)
	-----	-----
	\$ 5,727	\$ 6,291
	=====	=====

(a) All borrowings are in U.S. dollars unless otherwise noted and all interest rates are as of year ends. Euro and sterling denominated notes have been translated to U.S. dollars at the period-end exchange rates. At November 30, 2005, 56%, 30% and 14%, (60%, 29% and 11% at November 30, 2004) of our long-term debt was U.S. dollar, euro and sterling denominated, respectively, including the effect of foreign currency swaps. In addition, at November 30, 2005, 75% of the interest cost on our long-term debt was fixed (68% at November 30, 2004) and 25% was variable (32% at November 30, 2004), including the effect of interest rate swaps.

(b) In 2004, we borrowed an aggregate of \$739 million to finance a portion of the Diamond Princess and Sapphire Princess purchase prices, which loans have both a fixed and variable interest rate component.

(c) In July 2005, we borrowed \$328 million under an unsecured term loan facility, to pay a portion of the Carnival Liberty purchase price. This facility bears interest at 4.51% and

is repayable in semi-annual installments through July 2017. In addition, we entered into a foreign currency swap, which effectively converted this U.S. dollar debt to euro debt.

- (d) In March 2005, Carnival plc entered into a five-year unsecured multi-currency term loan facility, bearing interest at euribor/libor plus 0.33%, which margin will vary based on Carnival plc's senior unsecured credit rating. Under this facility, we borrowed 368 million euros (\$436 million U.S. dollars at the November 30, 2005 exchange rate) to repay a 368 million euro note, which bore interest at euribor plus 0.60%, prior to its October 2008 maturity date. We also borrowed 165 million sterling under this facility (\$285 million U.S. dollars at the November 30, 2005 exchange rate), which we used to pay a portion of P&O Cruises' purchase price for the Arcadia. Finally, we entered into interest rate swap agreements to fix the interest rates on these euro and sterling borrowings at 3.50% and 5.40%, respectively.

Convertible Notes

Carnival Corporation's 2% convertible notes ("2% Notes"), its 1.75% convertible notes ("1.75% Notes") and its zero-coupon convertible notes ("Zero-Coupon Notes") are convertible into 15.3 million shares, a maximum of 20.9 million shares (11.1 million shares during fiscal 2005) and 8.5 million shares, respectively, of Carnival Corporation common stock.

The 2% Notes are convertible at a conversion price of \$39.14 per share, subject to adjustment, during any fiscal quarter for which the closing price of the Carnival Corporation common stock is greater than \$43.05 per share for a defined duration of time in the preceding fiscal quarter. The conditions for conversion of the 2% Notes were satisfied since the first quarter of 2004 and, accordingly, the 2% Notes have been convertible into Carnival Corporation common stock since the second quarter of fiscal 2004. A nominal amount of 2% Notes were converted in fiscal 2005 and 2004. At November 30, 2004, our 2% Notes were classified as a current liability, since the noteholders had the right to require us to repurchase them on April 15, 2005. However, substantially all of the noteholders did not exercise their rights. Accordingly, subsequent to April 15, 2005 we have again classified our 2% Notes as long-term debt, since the next date that the noteholders can require us to repurchase them is on April 15, 2008.

The 1.75% Notes are convertible at a conversion price of \$53.11 per share, subject to adjustment, during any fiscal quarter for which the closing price of the Carnival Corporation common stock is greater than a specified trigger price for a defined duration of time in the preceding fiscal quarter. During the fiscal quarters ending from August 31, 2003 through April 29, 2008, the trigger price will be \$63.73 per share. Thereafter, this conversion trigger price increases each quarter based on an annual rate of 1.75%, until maturity. In addition, holders may also surrender the 1.75% Notes for conversion if they have been called for redemption or for other specified occurrences, including the credit rating assigned to the 1.75% Notes being Baa3 or lower by Moody's Investors Service and BBB- or lower by Standard & Poor's Rating Services, as well as certain corporate transactions. The conditions for conversion of the 1.75% Notes have not been met since their issuance. The 1.75% Notes interest is payable in cash semi-annually in arrears through April 29, 2008. Effective April 30, 2008, the 1.75% Notes no longer require a cash interest payment, but interest will accrete at a 1.75% yield to maturity.

The Zero-Coupon Notes have a 3.75% yield to maturity and are convertible during any fiscal quarter for which the closing price of the Carnival Corporation common stock is greater than a specified trigger price for a defined duration of time in the preceding fiscal quarter. The trigger price commenced at a low of \$31.94 per share for the first quarter of fiscal 2002 and increases at an annual rate of 3.75% thereafter, until maturity. The trigger price was \$36.72 for the 2005 fourth quarter. Since the third quarter of 2003, the Zero-Coupon Notes have been convertible into Carnival Corporation common stock. During fiscal 2005, \$297 million of our Zero-Coupon Notes were converted at their accreted value into 9.0 million shares of Carnival Corporation common stock, of which 6.2 million shares were issued from treasury stock. No Zero-Coupon Notes were converted prior to fiscal 2005.

At November 30, 2005, the Zero-Coupon Notes were classified as a current liability, since the noteholders have the right to require us to repurchase them on October 24, 2006 at their accreted values. If the noteholders do not exercise their rights in full, we will change the classification of any outstanding Zero-Coupon Notes to long-term debt, as the next

repurchase date does not occur until October 24, 2008. We currently expect that we will satisfy any Zero-Coupon Note conversions through the issuance of Carnival Corporation common stock.

Subsequent to April 29, 2008 and October 23, 2008, we may redeem all or a portion of the 1.75% Notes and Zero-Coupon Notes, respectively, at their accreted values and subsequent to April 14, 2008, we may redeem all or a portion of our 2% Notes at their face value plus any unpaid accrued interest, subject to the noteholders' right to convert.

In addition, on April 29 of 2008, 2013, 2018, 2023 and 2028 the 1.75% noteholders, on April 15 of 2008 and 2011 the 2% noteholders and on October 24 of 2006, 2008, 2011 and 2016 the Zero-Coupon noteholders may require us to repurchase all or a portion of the outstanding 1.75% Notes and Zero-Coupon Notes at their accreted values and the 2% Notes at their face value plus any unpaid accrued interest.

Upon conversion, redemption or repurchase of the 1.75% Notes, the 2% Notes and the Zero-Coupon Notes, we may choose to deliver Carnival Corporation common stock, cash or a combination of cash and common stock with a total value equal to the value of the consideration otherwise deliverable.

Revolving Credit and Committed Financing Facilities

In October 2005, simultaneously with the termination of the Carnival Corporation \$1.4 billion, the Carnival plc 600 million euro and the Costa 257.5 million euro revolving credit facilities, Carnival Corporation, Carnival plc, and certain of Carnival plc's subsidiaries, entered into a five-year unsecured multi-currency revolving credit facility for \$1.2 billion, 400 million euros and 200 million sterling (aggregating \$2.02 billion U.S. dollars at the November 30, 2005 exchange rates) (the "Facility"). The Facility currently bears interest at *libor/euribor* plus a margin of 17.5 basis points ("BPS"). In addition, we are required to pay a commitment fee of 30% of the margin per annum. Both the margin and the commitment fee will vary based on changes to Carnival Corporation's senior unsecured credit ratings. Finally, an additional utilization fee of 5 BPS per annum of the outstanding amounts under the Facility is payable if such outstanding amounts exceed 50% of the aggregate commitments.

Our multi-currency commercial paper programs are supported by this Facility and, accordingly, any amounts outstanding under our commercial paper programs effectively reduce the aggregate amount available under this Facility. At November 30, 2005, we had borrowed 158 million euros (\$187 million U.S. dollars at the November 30, 2005 exchange rate) under our euro commercial paper program, which is classified as a short-term borrowing since we do not expect to refinance it using proceeds from our long-term Facility. This Facility also supports up to \$700 million for bonds and letters of credit issued by the facility lenders on behalf of Carnival Corporation & plc. The issuance of any such bonds or letters of credit, none outstanding at November 30, 2005, will reduce the aggregate amount available under this Facility. At November 30, 2005, \$1.83 billion was available under the Facility, based on the November 30, 2005 exchange rates.

In 2005 and January 2006, we entered into five unsecured long-term loan financing facilities, which provide us with the option to borrow up to an aggregate of \$1.65 billion for a portion of the purchase price of five ships. These ships are expected to be delivered through 2009. These facilities are repayable semi-annually over a 12 year period. However, we have the option to terminate them up until 60 days prior to the ships' delivery dates.

The Facility and other of our loan and derivative agreements, contain covenants that require us, among other things, to maintain minimum debt service coverage, minimum shareholders' equity and limits our debt to capital and debt to equity ratios, and the amounts of our secured assets and secured indebtedness. Generally, if an event of default under any loan agreement is triggered, then pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due and the underlying facilities could be terminated. At November 30, 2005, we were in compliance with all of our debt covenants.

At November 30, 2005, the scheduled annual maturities of our long-term debt was as follows (in millions):

Fiscal	

2006	\$1,325(a)
2007	1,035
2008	1,672(a)
2009	169
2010	944
Thereafter	1,907

	\$7,052
	=====

(a) Includes \$283 million of Carnival Corporation's Zero-Coupon Notes in 2006, \$600 million and \$575 million of its 2% Notes and 1.75% Notes in 2008, based in each case on the date of the noteholders' next put option.

Debt issuance costs are generally amortized to interest expense using the straight-line method, which approximates the effective interest method, over the term of the notes or the noteholders first put option date, whichever is earlier. In addition, all loan issue discounts are amortized to interest expense using the effective interest rate method over the term of the notes.

NOTE 7 - Commitments

Ship Commitments

A description of our ships under contract for construction at November 30, 2005, as adjusted for our December 2005 ship orders, was as follows:

Brand and Ship -----	Expected Service Date (a) -----	Passenger Capacity -----	Estimated Total Cost (b)		
			Euros	Sterling	USD
----- (in millions) -----					
Carnival Cruise Lines					
Carnival Freedom	3/07	2,974			\$ 500
Newbuild	6/08	3,000	(euro) 485		
Newbuild(c)	10/09	3,608	560		
		-----	-----		-----
Total Carnival Cruise Lines		9,582	1,045		500
		-----	-----		-----
Princess					
Crown Princess	6/06	3,100			500
Emerald Princess	4/07	3,100			525
Newbuild(c)	10/08	3,100			570
		-----			-----
Total Princess		9,300			1,595
		-----			-----
Holland America Line					
Noordam(d)	2/06	1,918			420
Newbuild(c)	7/08	2,044			450
		-----			-----
Total Holland America Line		3,962			870
		-----			-----
AIDA					
Newbuild(e)	4/07	2,030	315		
Newbuild(e)	4/08	2,030	315		
Newbuild(e)	4/09	2,030	315		
		-----	-----		
Total AIDA		6,090	945		
		-----	-----		
Costa					
Costa Concordia(e)	7/06	3,000	450		
Costa Serena(e)	6/07	3,000	475		
Newbuild(c) (e)	6/09	3,000	485		
		-----	-----		
Total Costa		9,000	1,410		
		-----	-----		
Total Euro Commitments			(euro) 3,400		

Total Euro Commitments converted to USD(f)					4,035

P&O Cruises					
Ventura(d)	4/08	3,100		(pound) 355	
Cunard					
Queen Victoria(d)	12/07	1,982		270	45
		-----		-----	-----
Total Sterling Commitments				(pound) 625	

Total Sterling Commitments converted to USD(f)					1,085

Grand Total		43,016			
		=====			
Grand Total in USD					\$8,130
					=====

(a) The expected service date is the month in which the ship is currently expected to begin its first revenue generating cruise.

(b) Estimated total cost of the completed ship includes the contract price with the shipyard, design and engineering fees, capitalized interest, construction oversight costs and various owner supplied items. All of our ship construction contracts are with the Fincantieri shipyards in Italy, except for AIDA's which are with the Meyer Werft shipyard

in Germany. In addition, the estimated total cost reflects the currency denomination that we are committed to expend, including the effect of foreign currency swaps.

- (c) These construction contracts aggregating \$2.26 billion were entered into in December 2005.
- (d) These construction contracts are denominated in euros, except for \$45 million of the Queen Victoria costs, which are denominated in USD. The euro denominated contract amounts have been fixed into U.S. dollars or sterling by utilizing foreign currency swaps.
- (e) These construction contracts are denominated in euros, which is the functional currency of the cruise line which will operate the ship and, therefore, we do not expect to enter into foreign currency swaps to hedge these commitments.
- (f) The estimated total costs of these contracts denominated in euros and sterling have been translated into U.S. dollars using the November 30, 2005 exchange rate.

In connection with our cruise ships under contract for construction listed above, we have paid \$540 million through November 30, 2005 and anticipate paying the remaining estimated total costs as follows: \$1.71 billion, \$2.34 billion, \$2.13 billion and \$1.41 billion in fiscal 2006, 2007, 2008 and 2009, respectively.

Operating Leases

Rent expense under our operating leases, primarily for office and warehouse space, was \$50 million in each of fiscal 2005 and 2004 and \$48 million in fiscal 2003. At November 30, 2005, minimum annual rentals for our operating leases, with initial or remaining terms in excess of one year, were as follows (in millions): \$43, \$30, \$25, \$20 and \$16 and \$66 in fiscal 2006 through 2010 and thereafter, respectively.

Port Facilities and Other

At November 30, 2005, we had commitments through 2052, with initial or remaining terms in excess of one year, to pay minimum amounts for our annual usage of port facilities and other contractual commitments as follows (in millions): \$58, \$70, \$70, \$56, \$52, and \$294 in fiscal 2006 through 2010 and thereafter, respectively.

NOTE 8 - Contingencies

Litigation

In January 2006, a lawsuit was filed against Carnival Corporation and its subsidiaries and affiliates, and other non-affiliated cruise lines in the U.S. District Court for the Southern District of New York on behalf of James Jacobs and 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. The ultimate outcome of this matter cannot be determined at this time. We intend to vigorously defend this lawsuit.

In November 2005, two separate lawsuits were filed against Carnival Corporation and Princess Cruise Lines, Ltd. in the U.S. District Court for the Southern District of Florida on behalf of some current and former crewmembers alleging that Carnival Cruise Lines and Princess failed to pay the plaintiffs for overtime. These suits seek payment of (i) damages for breach of contract, (ii) damages under the Seaman's Wage Act and (iii) interest. The ultimate outcome of these matters cannot be determined at this time. However, we believe we have meritorious defenses and we intend to vigorously defend these lawsuits.

In March 2005, a lawsuit was filed against Carnival Corporation in the U.S. District Court for the Southern District of Florida on behalf of some current and former crew members alleging that Carnival Cruise Lines failed to pay the plaintiffs for overtime and minimum wages. The suit seeks payment of (i) the wages alleged to be owed, (ii) damages under the Seaman's Wage Act and (iii) interest. On August 5, 2005, the court dismissed the lawsuit. The plaintiffs filed an appeal of their overtime claim to the Eleventh Circuit U. S. Court of Appeals on August 15, 2005, which is currently pending, but have voluntarily dismissed their minimum wage claim. The ultimate outcome of this matter cannot be determined at this time. However, we believe we have meritorious defenses and we intend to vigorously defend this lawsuit.

In April 2003, Festival Crociere S.p.A. ("Festival") commenced an action against the European Commission (the "Commission") in the Court of First Instance of the European Communities in Luxembourg seeking to annul the Commission's antitrust approval of the DLC transaction (the "Festival Action"). We have been granted leave to intervene in the Festival Action and filed a Statement in Intervention with the court. Festival was declared bankrupt in May 2004 and Festival did not submit observations on our Statement in Intervention. The oral hearing was scheduled to take place on December 15, 2005 but has been postponed while the Court seeks clarification of the status of the Festival Action with the Italian judge presiding over Festival's bankruptcy proceedings. A successful third party challenge of an unconditional Commission clearance decision would be unprecedented, and based on a review of the law and the factual circumstances of the DLC transaction, as well as the Commission's approval decision in relation to the DLC transaction, we believe that the Festival Action will not have a material adverse effect on the companies or the DLC transaction. However, the ultimate outcome of this matter cannot be determined at this time.

In 2002 and 2004, three actions were filed against Carnival Corporation on behalf of purported classes of persons who received unsolicited advertisements via facsimile, alleging that Carnival Corporation and other defendants distributed unsolicited advertisements via facsimile in contravention of the U.S. Telephone Consumer Protection Act. One of the actions filed in 2002 has been settled for a nominal amount leaving two open actions (collectively, the "Facsimile Complaints"). The plaintiffs seek to enjoin the sending of unsolicited facsimile advertisements and statutory damages. The advertisements referred to in the 2002 Facsimile Complaints that reference a Carnival Cruise Line product were not sent by Carnival Corporation, but rather were distributed by a professional faxing company at the behest of third party travel agencies. The faxes involved in the 2004 case were sent to a travel agency with whom we had conducted business. We do not advertise directly to the traveling public through the use of facsimile transmission. The ultimate outcomes of the Facsimile Complaints cannot be determined at this time. However, we believe that we have meritorious defenses and we intend to vigorously defend against these actions.

Costa instituted arbitration proceedings in Italy in 2000 to confirm the validity of its decision not to deliver its ship, the Costa Classica, to the shipyard of Cammell Laird Holdings PLC ("Cammell Laird") under a 79 million euro denominated contract for the conversion and lengthening of the ship in November 2000. Costa also gave notice of termination of the contract in January 2001. It is expected that the arbitration tribunal's decision will be made in 2007 at the earliest. In the event that an award is given in favor of Cammell Laird, the amount of damages, which Costa would have to pay, if any, is not currently determinable. The ultimate outcome of this matter cannot be determined at this time.

In 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 November 30, 2005, Carnival Corporation had contingent obligations totaling approximately \$1.1 billion to participants in lease out and lease back type transactions for three of its ships. At the inception of the leases, the entire amount of the contingent obligations was paid by Carnival Corporation to major financial institutions to enable them to directly pay these obligations. Accordingly, these obligations were considered extinguished, and neither the funds nor the contingent obligations have been included on our balance sheets. Carnival Corporation would only be required to make any payments under these contingent obligations in the remote event of nonperformance by these financial institutions, all of which have long-term credit ratings of AA or higher. In addition, Carnival Corporation obtained a direct guarantee from another AA+ rated financial institution for \$306 million of the above noted contingent obligations, thereby further reducing the already remote exposure to this portion of the contingent obligations. If the major financial institutions' credit ratings fall below AA-, Carnival Corporation would be required to move a majority of the

funds from these financial institutions to other highly-rated financial institutions. If Carnival Corporation's credit rating falls below BBB, it would be required to provide a standby letter of credit for \$88 million, or alternatively provide mortgages in the aggregate amount of \$88 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 November 30, 2005, have to pay a total of \$171 million in stipulated damages. As of November 30, 2005, \$179 million of standby letters of credit have been issued by a major financial institution in order to provide further security for the payment of these contingencies stipulated damages. In addition, in 2004 Carnival Corporation entered into a five year \$170 million unsecured revolving credit facility, guaranteed by Carnival plc, which is being used to support these standby letters of credit through the issuance of a back-up letter of credit. In the event we were to default under covenants in our loan agreements, any amounts outstanding under the \$170 million unsecured revolving credit facility would be due and payable, and we would be required to post cash collateral to support the stipulated damages standby letters of credit in excess of \$170 million. Between 2017 and 2022, we have the right to exercise options that would terminate these transactions at no cost to us. As a result of these three transactions, we have \$40 million and \$43 million of deferred income recorded on our balance sheets as of November 30, 2005 and 2004, respectively, which is being amortized to nonoperating income through 2022.

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.

War Risk Insurance

We maintain war risk insurance, subject to coverage limits and exclusions for claims such as those arising from chemical and biological attacks, on all of our ships covering our legal liability to crew, passengers and other third parties arising from war or war-like actions, including terrorist risks. Due primarily to its high costs, we only carry war risk insurance coverage for physical damage to 43 of our 79 ships, which includes terrorist risks. Under the terms of our war risk insurance coverage, which is typical for war risk policies in the marine industry, underwriters can give seven days notice to the insured that the liability and physical damage policies can be cancelled. If one or more of our 36 uninsured ships suffer damage in an attack, then the cost of any such damages would be expensed, and such amounts could be material.

NOTE 9 - Income and Other Taxes

For fiscal 2004 and 2003, we believe that substantially all of our income, with the exception of our U.S. source income principally from the transportation, hotel and tour businesses of Holland America Tours and Princess Tours, is derived from, or incidental to, the international operation of ships, and is therefore exempt from U.S. federal income taxes. For fiscal 2005, regulations under Section 883 of the Internal Revenue Code limiting the types of income considered to be derived from the international operation of a ship first became effective. Section 883 is the primary provision upon which we rely to exempt certain of our international ship operation earnings from U.S. income taxes. Accordingly, the 2005 provision for U.S. federal income taxes includes taxes on a portion of our ship operating income that is in addition to the U.S. source transportation, hotel and tour income on which U.S. taxes have historically been provided. In addition, during the fourth quarter of 2005 we chartered three ships to the Military Sealift Command in connection with the Hurricane Katrina relief effort. Income from these charters is not considered to be income from the international operation of our ships and, accordingly, approximately \$18 million of income taxes were provided on the net earnings of these charters in our 2005 fourth quarter at an

effective tax rate of approximately 60%.

If we were found not to qualify for exemption pursuant to applicable income tax treaties or under the Internal Revenue Code or if the income tax treaties or Internal Revenue Code were to be changed in a manner adverse to us, a portion of our income would become subject to taxation by the U.S. at higher than normal corporate tax rates.

Cunard, Ocean Village, P&O Cruises, P&O Cruises Australia, Swan Hellenic, AIDA (except for prior to November 2004), and Costa, since the beginning of fiscal 2005, are subject to income tax under the tonnage tax regimes of either the United Kingdom or Italy. Under both tonnage tax regimes, shipping profits, as defined under the applicable law, are subject to corporation tax by reference to the net tonnage of qualifying vessels. Income not considered to be shipping profits under tonnage tax rules is taxable under either the normal UK income tax rules or the tax regime applicable to Italian-registered ships. We believe that substantially all of the income attributable to these brands constitutes shipping profits and, accordingly, Italian and UK income tax expenses for these operations has been and is expected to be minimal under the current tax regimes.

We do not expect to incur income taxes on future distributions of undistributed earnings of foreign subsidiaries and, accordingly, no deferred income taxes have been provided for the distribution of these earnings.

In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes based on passenger counts, ship tonnage or some other measure. These taxes, other than those directly charged to and/or collected from passengers by us, are recorded as operating expenses in the accompanying statements of operations.

NOTE 10 - Shareholders' Equity

Carnival Corporation's articles of incorporation authorize its Board of Directors, at its discretion, to issue up to 40 million shares of its preferred stock and Carnival plc has 100,000 authorized preference shares. At November 30, 2005 and 2004, no Carnival Corporation preferred stock had been issued and only a nominal amount of Carnival plc preferred shares had been issued.

In October 2004, the Boards of Directors authorized the repurchase of up to an aggregate of \$1 billion of Carnival Corporation common stock and/or Carnival plc ordinary shares commencing in 2005 subject to certain repurchase restrictions on Carnival plc shares. Through February 6, 2006, we repurchased 8.0 million shares of Carnival Corporation common stock for \$386 million. No expiration date has been specified for this authorization.

At November 30, 2005, there were 75.5 million shares of Carnival Corporation common stock reserved for issuance pursuant to its convertible notes and its employee benefit and dividend reinvestment plans. In addition, Carnival plc shareholders have authorized 13.5 million ordinary shares for future issuance under its employee benefit plans.

At November 30, 2005 and 2004 accumulated other comprehensive income was as follows (in millions):

	2005	2004
	----	----
Cumulative foreign currency translation adjustments, net	\$190	\$588
Minimum pension liability adjustments	(19)	(17)
Unrealized losses on cash flow derivative hedges, net	(15)	(30)
	----	----
	\$156	\$541
	=====	=====

NOTE 11 - Financial Instruments

Considerable judgment is required in interpreting data to develop estimates of fair value and, accordingly, amounts are not necessarily indicative of the amounts that we could realize in a current market exchange. Our financial instruments are not held for trading or other speculative purposes.

Cash and Cash Equivalents and Short-Term Investments

The carrying amounts of our cash and cash equivalents and short-term investments approximate their fair values due to their short maturities or variable interest rates.

Other Assets

At November 30, 2005 and 2004, long-term other assets included notes and other receivables and marketable securities held in rabbi trusts for certain of our nonqualified benefit plans. These assets had carrying and fair values of \$406 million and \$405 million at November 30, 2005, respectively, and carrying and fair values of \$240 million and \$227 million at November 30, 2004. Fair values were based on public market prices, estimated discounted future cash flows or estimated fair value of collateral.

Debt

The fair values of our non-convertible debt and convertible notes were \$5.98 billion and \$2.03 billion, respectively, at November 30, 2005 and \$6.32 billion and \$2.53 billion at November 30, 2004. These fair values were greater than the related carrying values by \$86 million and \$572 million, respectively, at November 30, 2005 and by \$100 million and \$790 million at November 30, 2004. The net difference between the fair value of our non-convertible debt and its carrying value was due primarily to our issuance of debt obligations at fixed interest rates that are above market interest rates in existence at the measurement dates. The net difference between the fair value of our convertible notes and its carrying value is largely due to the impact of changes in the Carnival Corporation common stock value on the value of our convertible notes on those dates. The fair values of our unsecured fixed rate public notes, convertible notes, sterling bonds and unsecured 5.57% euro notes were based on their public market prices. The fair values of our other debt were estimated based on appropriate market interest rates being applied to this debt.

Foreign Currency Swaps and Other Hedging Instruments

We have foreign currency swaps that are designated as foreign currency fair value hedges for three of our euro denominated shipbuilding contracts (see Note 7). At November 30, 2005 and 2004, the fair value of the foreign currency swaps related to our shipbuilding commitments was a net unrealized gain of \$29 million and \$219 million, respectively. These foreign currency swaps mature through 2008.

At November 30, 2005, we have foreign currency swaps totaling \$1.11 billion that are effectively designated as hedges of our net investments in foreign subsidiaries, which have euro and sterling denominated functional currencies. These foreign currency swaps were entered into to effectively convert \$237 million and \$736 million of U.S. dollar denominated debt into sterling debt and euro debt (\$251 million and \$466 million at November 30, 2004), respectively. In addition, \$138 million and \$170 million of euro denominated debt was effectively converted into sterling debt at November 30, 2005 and 2004, respectively. At November 30, 2005 and 2004, the fair value of these foreign currency swaps was an unrealized loss of \$58 million and \$137 million, respectively, which is included in the cumulative translation adjustment component of AOCI. These currency swaps mature through 2017.

The fair values of these foreign currency swaps were estimated based on prices quoted by financial institutions for these instruments.

Finally, we have designated \$1.58 billion and \$1.1 billion of our outstanding euro and sterling debt and other obligations, which are nonderivatives and mature through 2012, as hedges of our net investments in foreign operations and, accordingly, have included \$95 million and \$194 million of foreign currency transaction losses in the cumulative translation adjustment component of AOCI at November 30, 2005 and 2004, respectively.

Interest Rate Swaps

We have interest rate swap agreements designated as fair value hedges whereby we receive fixed interest rate payments in exchange for making variable interest rate payments. At November 30, 2005 and 2004, these interest rate swap agreements effectively changed \$926

million and \$929 million, respectively, of fixed rate debt to libor-based floating rate debt.

In addition, we also have interest rate swap agreements designated as cash flow hedges whereby we receive variable interest rate payments in exchange for making fixed interest rate payments. At November 30, 2005 and 2004, these interest rate swap agreements effectively changed \$1.25 billion and \$828 million, respectively, of euribor and GBP libor floating rate debt to fixed rate debt.

These interest rate swap agreements mature through 2010. At November 30, 2005 and 2004, the fair value of our interest rate swaps designated as cash flow hedges was an unrealized loss of \$6 million and \$22 million, respectively. The fair values of our interest rate swap agreements were estimated based on prices quoted by financial institutions for these instruments.

NOTE 12 - Segment Information

Our cruise segment includes all of our cruise brands, which have been aggregated as a single reportable segment based on the similarity of their economic and other characteristics, including products and services they provide. Our other segment primarily represents the hotel, tour and transportation operations of Holland America Tours and Princess Tours, and the business to business travel agency operations of P&O Travel Ltd., the latter two since completion of the DLC transaction on April 17, 2003. The significant accounting policies of our segments are the same as those described in Note 2 - "Summary of Significant Accounting Policies." Information for our cruise and other segments as of and for the years ended November 30 was as follows (in millions):

	Revenues (a)	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income	Capital expenditures	Total assets
	-----	-----	-----	-----	-----	-----	-----
2005							
Cruise	\$ 10,735	\$ 5,967	\$ 1,276	\$ 873	\$ 2,619	\$1,892	\$ 27,883
Other	467	365	53	29	20	85	549 (b)
Intersegment elimination	(115)	(115)					
	-----	-----	-----	-----	-----	-----	-----
	\$ 11,087	\$ 6,217	\$ 1,329	\$ 902	\$ 2,639	\$ 1,977	\$ 28,432
	=====	=====	=====	=====	=====	=====	=====
2004							
Cruise	\$ 9,427	\$ 5,247	\$ 1,231	\$ 791	\$ 2,158	\$ 3,512	\$ 27,136
Other	398	308	54	21	15	74	500 (b)
Intersegment elimination	(98)	(98)					
	-----	-----	-----	-----	-----	-----	-----
	\$ 9,727	\$ 5,457	\$ 1,285	\$ 812	\$ 2,173	\$ 3,586	\$ 27,636
	=====	=====	=====	=====	=====	=====	=====
2003							
Cruise	\$ 6,459	\$ 3,624	\$ 896	\$ 568	\$ 1,371	\$ 2,454	\$ 24,090
Other	345	276	40	17	12	62	401 (b)
Intersegment elimination	(86)	(86)					
	-----	-----	-----	-----	-----	-----	-----
	\$ 6,718	\$ 3,814	\$ 936	\$ 585	\$ 1,383	\$ 2,516	\$ 24,491
	=====	=====	=====	=====	=====	=====	=====

(a) A portion of other segment revenues include revenues for the cruise portion of a tour, when a cruise is sold along with a land tour package by Holland America Tours or Princess Tours, and shore excursion and port hospitality services provided to cruise passengers by these tour companies. These intersegment revenues, which are included in full in the cruise segment, are eliminated from the other segment revenues in the line "Intersegment elimination."

(b) Other segment assets primarily included hotels and lodges in Alaska and the Canadian Yukon, luxury dayboats offering tours to a glacier in Alaska and on the Yukon River, motorcoaches used for sightseeing and charters in the States of Washington and Alaska, British Columbia, Canada and the Canadian Yukon and private, domed rail cars, which run on the Alaska Railroad between Anchorage and Fairbanks, Whittier and Denali, and Whittier and Talkeetna.

Foreign revenues for our cruise brands represent sales generated from outside the U.S. primarily by foreign tour operators and foreign travel agencies. Substantially all of these foreign revenues are from the UK, Germany, Italy, Canada, France, Australia, Spain, Switzerland and Brazil. Substantially all of our long-lived assets are located outside of the U.S. and consist principally of our ships and ships under construction and exclude goodwill and trademarks.

Revenue information by geographic area for fiscal 2005, 2004 and 2003 was as follows (in millions):

	2005	2004	2003
	----	----	----
U.S.	\$ 6,439	\$5,788	\$4,513
Continental Europe	1,681	1,549	971
UK	1,520	1,341	724
Canada	665	562	231
Australia and New Zealand	311	215	71
Others	471	272	208
	-----	-----	-----
	\$11,087	\$9,727	\$6,718
	=====	=====	=====

NOTE 13 - Benefit Plans

Stock Option Plans

We have stock option plans primarily for management level employees and members of our Board of Directors. The Carnival Corporation and Carnival plc plans are administered by a committee of our independent directors (the "Committee"), that determines who is eligible to participate, the number of shares for which options are to be granted and the amounts that may be exercised within a specified term. The Carnival Corporation and Carnival plc option exercise price is generally set by the Committee at 100% of the fair market value of the common stock/ordinary shares on the date the option is granted. Substantially all Carnival Corporation and Carnival plc options granted during fiscal 2005, 2004 and 2003 were granted at an exercise price per share equal to or greater than the fair market value of the Carnival Corporation common stock and Carnival plc ordinary shares on the date of grant. Carnival Corporation and Carnival plc employee options generally vest evenly over five years and at the end of three years, respectively. Our employee options granted prior to October 2005 have a ten-year term and those options granted thereafter had a seven-year term. Carnival Corporation director options granted subsequent to fiscal 2000 vest evenly over five years and have a ten-year term. At November 30, 2005, Carnival Corporation had 27.9 million shares and Carnival plc had 13.5 million shares, which were available for future grants under the option plans.

A combined summary of the activity and status of the Carnival Corporation and Carnival plc stock option plans was as follows:

	Weighted- Average Exercise Price Per Share			Number of Options Years Ended November 30,		
	2005	2004	2003	2005	2004	2003
	----	----	----	----	----	----
Outstanding options- beginning of year Carnival plc	\$35.61	\$28.79	\$29.26	18,203,942	19,297,979	11,828,958
Outstanding options at April 17, 2003(a)			\$19.64			5,523,013
Options granted	\$51.88	\$47.52	\$30.88	4,446,260 (d)	5,306,802 (c)	5,464,109
Options exercised(b)	\$30.56	\$25.23	\$17.35	(1,953,396)	(5,686,484) (c)	(2,919,554)
Options canceled	\$36.11	\$30.17	\$28.64	(638,554)	(714,355)	(598,547)
	-----	-----	-----	-----	-----	-----
Outstanding options- end of year	\$39.15	\$35.61	\$28.79	20,058,252 (e)	18,203,942 (e)	19,297,979 (e)
	=====	=====	=====	=====	=====	=====
Options exercisable- end of year	\$36.87	\$32.05	\$27.68	8,560,318 (d, f)	5,920,890 (d, f)	7,848,335 (f)
	=====	=====	=====	=====	=====	=====

(a) All Carnival plc unvested options outstanding on the date the DLC transaction was

completed vested fully on such date, except for 1.3 million options, which were granted on April 15, 2003.

- (b) Included 0.4 million, 2.0 million and 1.8 million Carnival plc options in 2005, 2004 and 2003, of which 0.3 million, 0.8 million and 1.0 million had a sterling denominated exercise price, respectively.
- (c) During 2004, as a result of Costa being transferred to the Carnival plc side of the DLC structure, options to purchase 973,000 shares of Carnival Corporation vested immediately and their termination dates were accelerated to 2004. These vested options, along with all of Costa employees' already exercisable options, were exercised in 2004 to avoid unduly burdensome taxes. In 2004, Carnival plc granted 1.1 million options to replace the 973,000 options and another 127,000 of options that were terminated early at an exercise price equal to the fair market value of Carnival plc ordinary shares on the grant date. See Note 2.
- (d) On December 1, 2003, as a result of the Princess cruise operations being transferred to the Carnival Corporation side of the DLC structure, options to purchase 743,000 shares of Carnival plc vested immediately, and the termination dates on all Princess employees' Carnival plc exercisable options were shortened. All such changes have been made pursuant to the original terms of the Carnival plc plan. In January 2005, Carnival Corporation granted 1.4 million options to replace the 657,000 options and another 743,000 options that were terminated early at an exercise price per share equal to the fair market value of Carnival Corporation common stock on the grant date. In late 2005, these 1.4 million unvested options were vested. See Note 2.
- (e) Included 3.2 million, 3.3 million and 3.6 million of Carnival plc options at a weighted- average exercise price of \$38.29, \$38.42 and \$20.89 per share, based on the November 30, 2005, 2004 and 2003 U.S. dollar to sterling exchange rate, respectively.
- (f) Included 0.7 million, 0.9 million and 2.2 million of Carnival plc options at a weighted- average exercise price of \$23.89, \$22.15 and \$18.06 per share, based on the November 30, 2005, 2004 and 2003 U.S. dollar to sterling exchange rate, respectively.

Combined information with respect to outstanding and exercisable Carnival Corporation and Carnival plc stock options at November 30, 2005 was as follows:

Exercise Price Range	Options Outstanding			Options Exercisable	
	Shares	Weighted-Average Remaining Life (Years)	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
\$ 1.94-\$ 5.73	30,980	(a)	\$ 2.07	30,980	\$ 2.07
\$ 5.74-\$17.19	245,674	4.0	\$16.51	245,674	\$16.51
\$17.20-\$22.92	1,612,064	5.5	\$22.08	1,132,313	\$21.88
\$22.93-\$28.65	3,426,680	6.5	\$26.82	1,457,132	\$26.12
\$28.66-\$34.38	1,881,786	5.2	\$30.19	1,310,425	\$30.15
\$34.39-\$40.11	1,924,441	7.6	\$34.60	524,931	\$35.01
\$40.12-\$45.84	3,886,238	5.7	\$44.35	1,963,880	\$44.30
\$45.85-\$51.57	4,488,284	8.0	\$48.09	539,930	\$48.37
\$51.58-\$57.30	2,562,105	8.1	\$55.46	1,355,053	\$57.30
Total	20,058,252	6.8	\$39.15	8,560,318	\$36.87

- (a) These stock options do not have an expiration date.

In addition, at November 30, 2005, Carnival Corporation had 50,998 restricted stock units ("RSUs") outstanding, which do not have an exercise price, and either have three or five-year cliff vesting terms. The weighted-average remaining vesting period of these RSUs is 2.9 years.

Carnival Corporation Nonvested Stock

Carnival Corporation has issued nonvested stock to a few officers and some non-executive board members. These shares have the same rights as Carnival Corporation common stock, except for transfer restrictions and forfeiture provisions. During fiscal 2005, 2004 and 2003, 158,750 shares, 160,000 shares and 455,000 shares, respectively, of Carnival

Corporation common stock were issued, which were valued at \$9 million, \$7 million and \$14 million, respectively. Unearned stock compensation was recorded within shareholders' equity at the date of award based on the quoted market price of the Carnival Corporation common stock on the date of grant and is amortized to expense using the straight-line method from the grant date through the earlier of the vesting date or the officers' and directors' estimated retirement date. The shares granted to the executive officers either have three or five-year cliff vesting terms and the shares granted to the non-executive board members vest evenly over five years after the grant date. As of November 30, 2005 and 2004 there were 1,063,750 shares and 1,065,000 shares, respectively, issued under the plan, which remained to be vested.

Defined Benefit Pension Plans

We have several defined benefit pension plans, which cover some of our shipboard and shoreside employees. The U.S. and UK shoreside employee plans are closed to new membership and are funded at or above the level required by U.S. or UK regulations. The remaining defined benefit plans are primarily unfunded. In determining our plans' benefit obligations at November 30, 2005, we used assumed weighted-average discount rates of 5.5% and 4.8% for our U.S. and foreign plans, respectively. The net liabilities related to the obligations under these single employer defined benefit pension plans are not material.

A minimum pension liability adjustment is required when the actuarial present value of accumulated benefits exceeds plan assets and accrued pension liabilities. At November 30, 2005 and 2004, our single employer plans had aggregated additional minimum pension liability adjustments, less allowable intangible assets, of \$19 million and \$17 million, respectively, which are included in AOCl.

In addition, P&O Cruises participated in a Merchant Navy Ratings Pension Fund, which is a defined benefit multiemployer pension plan that was available to their shipboard non-officers. This plan has a significant funding deficit and has been closed to further benefit accrual since prior to the completion of the DLC transaction. P&O Cruises, along with other unrelated employers, are making payments into this plan under a non-binding Memorandum of Understanding to reduce the deficit. Accordingly, at November 30, 2005 and 2004, we had recorded a long-term pension liability of \$22 million and \$26 million, which represented our estimate of the present value of our entire liability under this plan, based on our current intention to continue to make these voluntary payments.

P&O Cruises, Princess and Cunard participate in an industry-wide British Merchant Navy Officers Pension Fund ("MNOFF"), which is a defined benefit multiemployer pension plan that is available to certain of their British shipboard officers. The MNOFF is divided into two sections, the "New Section" and the "Old Section," each of which covers a different group of participants, with the Old Section closed to further benefit accrual and the New Section only closed to new membership. At November 30, 2005, the New Section was estimated to have a funding deficit and the Old Section was estimated to have a funding surplus.

Substantially all of any MNOFF New Section deficit liability which we may have relates to P&O Cruises and Princess obligations, which existed prior to the DLC transaction. However, since the MNOFF is a multiemployer plan and it was not probable that we would withdraw from the plan nor was our share of the liability certain, we could not record our estimated share of the ultimate deficit as a Carnival plc acquisition liability that existed at the DLC transaction date. The amount of our share of the fund's ultimate deficit could vary considerably if different pension assumptions and/or estimates were used. Therefore, we expense our portion of any deficit as amounts are invoiced by the fund's trustee. In August 2005, we received an invoice from the fund for what the trustee calculated to be our share of the entire MNOFF liability. Accordingly, we recorded the full invoiced liability of \$23 million in payroll and related expense in 2005. It is possible that the fund's trustee may invoice us for additional amounts in the future for various reasons, including if they believe the fund requires further funding.

Total expense for all of our defined benefit pension plans, including our multiemployer plans, was \$45 million, \$18 million and \$17 million in fiscal 2005, 2004 and 2003, respectively.

Defined Contribution Plans

We have several defined contribution plans available to most of our employees. We contribute to these plans based on employee contributions, salary levels and length of service. Total expense relating to these plans was \$14 million, \$13 million and \$12 million in fiscal 2005, 2004 and 2003, respectively.

NOTE 14 - Earnings Per Share

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

	Years Ended November 30,		
	2005	2004	2003
Net income	\$2,257	\$1,854	\$1,194
Interest on dilutive convertible notes	47	49	43
Net income for diluted earnings per share	\$2,304	\$1,903	\$1,237
Weighted-average common and ordinary shares outstanding	806	802	718
Dilutive effect of convertible notes	42	44	39
Dilutive effect of stock plans	5	5	2
Diluted weighted-average shares outstanding	853	851	759
Basic earnings per share	\$ 2.80	\$ 2.31	\$ 1.66
Diluted earnings per share	\$ 2.70	\$ 2.24	\$ 1.63

The weighted-average shares outstanding for the year ended November 30, 2003 includes the pro rata Carnival plc shares since April 17, 2003. Options to purchase 2.1 million, 6.0 million and 8.4 million shares for fiscal 2005, 2004 and 2003, respectively, were excluded from our diluted earnings per share computation since the effect of including them was anti-dilutive.

NOTE 15 - Supplemental Cash Flow Information

Total cash paid for interest was \$314 million, \$250 million and \$156 million in fiscal 2005, 2004 and 2003, respectively. In addition, cash paid for income taxes was \$15 million, \$8 million and \$20 million in fiscal 2005, 2004 and 2003, respectively. Finally, in 2005 \$297 million of our Zero-Coupon Notes were converted through a combination of the issuance of Carnival Corporation treasury stock and newly issued Carnival Corporation Common stock, which represented a noncash financing activity.

Report of Independent Registered Certified Public Accounting Firm To the Boards of Directors and Shareholders of Carnival Corporation and Carnival plc:

We have completed integrated audits of Carnival Corporation & plc's November 30, 2005 and 2004 consolidated financial statements and of its internal control over financial reporting as of November 30, 2005, and an audit of its 2003 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions on Carnival Corporation's and Carnival plc's November 30, 2005, 2004 and 2003 consolidated financial statements and its internal control over financial reporting as of November 30, 2005, based on our audits, are presented below.

Consolidated financial statements

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, cash flows and shareholders' equity present fairly, in all material respects, the financial position of Carnival Corporation & plc (comprising Carnival Corporation and Carnival plc and their respective subsidiaries, the "Company") at November 30, 2005 and November 30, 2004, and the results of their operations and their cash flows for each of the three years in the period ended November 30, 2005 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that the Company maintained effective internal control over financial reporting as of November 30, 2005 based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of November 30, 2005, based on criteria established in Internal Control - Integrated Framework issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Miami, Florida
February 8, 2006

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements contained in this 2005 Annual Report are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, outlook, plans, goals and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can find many, but not all, of these statements by looking for words like "will," "may," "believes," "expects," "anticipates," "forecast," "future," "intends," "plans," and "estimates" and for similar expressions.

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in this 2005 Annual Report. 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:

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

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 2005 Annual Report, 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.

Executive Overview

In 2003, the demand for travel was challenged by, among other things, an unstable geopolitical environment, a weaker economy, the emergence of Severe Acute Respiratory Syndrome ("SARS") in Asia and the threat and eventual outbreak of war in Iraq. These events had a negative effect on the public's willingness to travel, and consequently, negatively impacted our net revenue yields (see "Key Performance Indicators" below).

Since the beginning of 2004 and continuing through 2005, the effects of those factors on the cruise industry were reduced, and we experienced a substantial improvement in our net revenue yields. The improvement in net revenue yields was primarily the result of higher passenger ticket prices, onboard revenues and occupancy and, to a lesser extent, a weaker U.S. dollar relative to the euro and sterling. The increase in 2005 pricing was achieved despite an 8.5% increase in cruise capacity relating to the introduction of three new ships in fiscal 2005. In addition, from 2003 through 2005, the cruise industry was impacted by substantial increases in fuel prices. However, the 2005 increased net revenue yields more than compensated for the increase in fuel costs. It is possible that fuel prices may continue to increase in 2006 and future years. As discussed below, our 2006 earnings guidance is impacted by an expectation of higher fuel costs.

Throughout this period we generated significant cash flows and remained in a strong financial position, which is a high priority and we believe provides us with a competitive advantage in the capital intensive cruise industry. However, our operations are subject to many risks, as briefly noted above and under the caption "Cautionary Note Concerning Factors That May Affect Future Results," which could adversely impact our future results.

During calendar 2005, we ordered six additional ships for our North American and European brands, which are expected to be delivered between 2007 and 2009. As of January 30, 2006, we had signed agreements with two shipyards providing for the construction of 16 additional cruise ships (see Note 7 in the accompanying financial statements). These new ships are expected to continue to help us maintain our leadership position within the cruise industry. The year-over-year percentage increases in our ALBD capacity, resulting from new ships entering service, is expected to be 5.1%, 7.5%, 8.4% and 6.5% for fiscal 2006, 2007, 2008 and 2009, respectively, based on ships currently on order and net of the expected sale of the Pacific Sky by P&O Cruises Australia in May 2006.

Outlook For Fiscal 2006 ("2006")

As of December 16, 2005 we said that we expected our 2006 full year earnings per share will be between \$3.00 to \$3.10. We also said that we expected our first quarter 2006 earnings per share to be in the range of \$0.34 to \$0.36. Our guidance was based on the then current forward fuel price curve for all of 2006 of \$322 per metric ton and \$312 per metric ton for the first quarter 2006. In addition, this guidance was also based on currency exchange rates of \$1.17 to the euro and \$1.73 to sterling.

Our 2006 outlook includes the impact of two accounting matters. Commencing with the first quarter of fiscal 2006, we will begin to recognize compensation costs in our statement of operations in an amount equal to the fair value of share-based payments granted to employees and directors pursuant to SFAS No. 123(R). The increase in our share-based compensation expense in 2006 is expected to be approximately \$55 million compared to our reported fiscal 2005 stock-based compensation expense (see Note 2). Also commencing with the first quarter of fiscal 2006, we will change the period over which we amortize our deferred dry-dock costs to the length of time between dry-docks, generally two to three years, instead of amortizing them generally over one to two years. This change in estimate reflects the lengthening of the time between dry-docks, resulting from regulatory changes and technological enhancements to our ships. In 2006, this change is expected to reduce dry-dock amortization by approximately \$40 million compared to normal levels of dry-dock amortization.

Since the date of our December earnings release, the cruise industry has begun a period of heavy bookings generally referred to as "wave season." Bookings and pricing for our brands since the start of wave season are up slightly compared to the corresponding period last year.

Since our December guidance, the forward prices for fuel for the full year 2006 and first quarter 2006 have increased from \$322 per ton and \$312 per ton to \$334

per ton and \$321 per ton, respectively. If actual fuel prices for the full year 2006 and first quarter 2006 ultimately equal the more recent forward prices, our diluted earnings per share would be reduced by \$0.04 and \$0.01 for the full year 2006 and first quarter 2006, respectively.

Partially offsetting the impact of fuel prices, the U.S. dollar has weakened relative to both the euro and sterling, to currency exchange rates of \$1.20 to the euro and \$1.75 to sterling. Assuming the exchange rates remain at the current levels, our diluted earnings per share would increase by approximately \$0.01 for the year 2006 and would be unchanged for the 2006 first quarter.

Key Performance Indicators and Pro Forma Information

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

Net cruise costs per ALBD is the most significant measure we use to monitor our ability to control our cruise segment costs rather than gross cruise costs per ALBD. In calculating net cruise costs, we exclude the same variable costs 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 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. cruise operations. We believe that this is a useful measure indicating the actual growth of our operations in a fluctuating exchange rate environment. On a constant dollar basis, net cruise revenues and net cruise costs would be \$8.63 billion and \$5.15 billion for fiscal 2005, respectively. In addition to our two non-GAAP financial measures discussed above, our non-U.S. cruise operations' depreciation and net interest expense were impacted by the changes in exchange rates for fiscal 2005 compared to 2004.

Our 2003 reported results only included the results of P&O Princess since April 17, 2003. Consequently, for the year ended November 30, 2004, we believe that the most meaningful comparison of our annual operating income and revenue and cost metrics is to the comparable pro forma results and metrics in 2003, which reflect the operations of both Carnival Corporation and P&O Princess as if the companies had been consolidated throughout 2003. Accordingly, we have disclosed pro forma information for the year ended November 30, 2003, as well as the required reported information, in the discussion of our results of operations.

The 2003 pro forma information was computed by adding the results of P&O Princess' annual operations, and acquisition adjustments of \$16 million of depreciation expense and \$3 million of interest expense and excluding \$51 million of nonrecurring DLC transaction costs, to the 2003 Carnival Corporation reported results for the year ended November 30, 2003.

Critical Accounting Estimates

Our critical accounting estimates are those which we believe require our most significant judgments about the effect of matters that are inherently uncertain. A discussion of our critical accounting estimates, the underlying judgments and uncertainties used to make them and the likelihood that materially different estimates would be reported under different conditions or using different assumptions is as follows:

Ship Accounting

Our most significant assets are our ships and ships under construction, which represent 85% of our total assets. We make several critical accounting estimates dealing with our ship accounting. First, we compute our ships' depreciation expense, which represented 11% of our cruise operating expenses in fiscal 2005, which requires us to estimate the average useful life of each of our ships, as well as their residual values. Secondly, we account for ship improvement costs by capitalizing those costs, that we believe will add value to our ships and depreciate those improvements over their estimated useful lives, while expensing repairs and maintenance costs as they are incurred. Finally, when we record the retirement of a ship component that is included within the ship's cost basis, we estimate its net book value to determine the amount of ship component retired.

We determine the average useful life of our ships and their residual values based primarily on our estimates of the weighted-average useful lives and residual values of the ships' major component systems, such as cabins, main diesels, main electric, superstructure and hull. In addition, we consider, among other things, long-term vacation market conditions and competition and historical useful lives of similarly-built ships. We have estimated our new ships' average useful lives at 30 years and their average residual values at 15% of our original ship cost.

Given the very large and complex nature of our ships, ship accounting estimates require considerable judgment and are inherently uncertain. We do not have cost segregation studies performed to specifically componentize our ship systems. In addition, since we do not separately componentize our ships, we do not identify and track depreciation of specific component systems. Therefore, we have to estimate the net book value of components that are replaced or refurbished, based primarily upon their replacement or refurbishment cost and the age of the ship.

If materially different conditions existed, or if we materially changed our assumptions of ship lives and residual values, our depreciation expense or loss on replacement or refurbishment of ship assets and net book value of our ships would be materially different. In addition, if we change our assumptions in making our determinations as to whether improvements to a ship add value, the amounts we expense each year as repair and maintenance costs could increase, partially offset by a decrease in depreciation expense, as less costs would have been initially capitalized to our ships. Our fiscal 2005 ship depreciation expense would have increased by approximately \$23 million for every year we reduced our estimated average 30 year ship useful life. In addition, if our ships were estimated to have no residual value, our fiscal 2005 depreciation expense would have increased by approximately \$120 million.

We believe that the estimates we made for ship accounting purposes are reasonable and our methods are consistently applied and, accordingly, result in depreciation expense that is based on a rational and systematic method to equitably allocate the costs of our ships to the periods during which services are obtained from their use. In addition, we believe that the estimates we made are reasonable and our methods consistently applied (1) in determining the average useful life and average residual values of our ships; (2) in determining which ship improvement costs add value to our ships; and (3) in determining the net book value of ship component assets being replaced or refurbished. Finally, we believe our critical ship accounting estimates are generally comparable with those of other major cruise companies.

Asset Impairment

The impairment reviews of our ship, trademark assets and of our goodwill, which has been allocated to our cruise line reporting units, require us to make significant estimates to

determine the fair values of these assets or reporting units.

The determination of fair value includes numerous uncertainties, unless a viable actively traded market exists for the asset or for a comparable reporting unit, which is usually not the case for cruise ships, cruise lines and trademarks. For example, in determining fair values of ships and cruise lines utilizing discounted forecasted cash flows, significant judgments are made concerning, among other things, future net revenue yields, net cruise costs per ALBD, interest and discount rates, cruise itineraries, ship additions and retirements, technological changes, consumer demand, governmental regulations and the effects of competition. In addition, third party appraisers are sometimes used to determine fair values and some of their valuation methodologies are also subject to similar types of uncertainties. Also, the determination of fair values of reporting units using a price earnings multiple approach also requires significant judgments, such as determining reasonably comparable multiples. Finally, determining trademark fair values also requires significant judgments in determining both the estimated trademark cash flows, and the appropriate royalty rates to be applied to those cash flows to determine their fair value. We believe that we have made reasonable estimates and judgments in determining whether our ships, goodwill and trademarks have been impaired. However, if there is a material change in the assumptions used in our determination of fair value or if there is a material change in the conditions or circumstances influencing fair value, we could be required to recognize a material impairment charge.

Contingencies

We periodically assess the potential liabilities related to any lawsuits or claims brought against us, as well as for other known unasserted claims, including environmental, legal, passenger and crew, and tax matters. While it is typically very difficult to determine the timing and ultimate outcome of these matters, we use our best judgment to determine if it is probable that we will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable loss, if any, can be made. In assessing probable losses, we make estimates of the amount of insurance recoveries, if any. We accrue a liability when we believe a loss is probable and the amount of the loss can be reasonably estimated, in accordance with the provisions of SFAS No. 5, "Accounting for Contingencies," as amended. Such accruals are typically based on developments to date, management's estimates of the outcomes of these matters, our experience in contesting, litigating and settling other similar matters, historical claims experience and actuarially determined assumptions of liabilities, and any related insurance coverage. See Note 8 in the accompanying financial statements for additional information concerning our contingencies.

Given the inherent uncertainty related to the eventual outcome of these matters and potential insurance recoveries, it is possible that all or some of these matters may be resolved for amounts materially different from any provisions or disclosures that we may have made with respect to their resolution. In addition, as new information becomes available, we may need to reassess the amount of probable liability that needs to be accrued related to our contingencies. All such revisions in our estimates could materially impact our results of operations and financial position.

Results of Operations

We earn our cruise revenues primarily from the following:

- sales of passenger cruise tickets and, in some cases, the sale of air and other transportation to and from our ships. The cruise ticket price includes accommodations, most meals, some non-alcoholic beverages, entertainment and many onboard activities,
- the sale of goods and/or services primarily on board our ships, which include bar and some beverage sales, casino gaming, shore excursions, gift shop and spa sales, photo and art sales, and pre- and post cruise land packages. These goods and services are either provided directly by us or by independent concessionaires, from which we receive a percentage of their revenues.

We incur cruise operating costs and expenses for the following:

- the costs of passenger cruise tickets, which represent costs that vary directly with passenger cruise ticket revenues, and include travel agent commissions, air and other travel related costs,
- onboard and other cruise costs, which represent costs that vary directly with onboard and other revenues, and include the costs of liquor and some beverages, costs of tangible goods sold by us from our gift, photo and art auction activities, pre- and post cruise land packages and credit card fees. Concession revenues do not have any significant amount of costs associated with them, as the costs and services incurred for these activities are provided by our concessionaires,
- payroll and related costs, which represent costs for all our shipboard personnel, including deck and engine officers and crew and hotel and administrative employees,
- food costs, which include both our passenger and crew food costs,
- fuel costs, which include fuel delivery costs, and
- other ship operating costs, which include repairs and maintenance, port charges, insurance, entertainment and all other shipboard operating costs and expenses.

For segment information related to our revenues, expenses, operating income and other financial information see Note 12 in the accompanying financial statements.

Summary

Our reported and pro forma results of operations and selected information were as follows:

	Years Ended November 30,			
	2005	2004	Pro Forma 2003	Reported 2003
(dollars in millions, except selected information)				
Revenues				
Cruise				
Passenger tickets	\$ 8,379	\$ 7,357	\$ 5,732	\$ 5,039
Onboard and other	2,356	2,070	1,600	1,420
Other	352	300	264	259
	-----	-----	-----	-----
	11,087	9,727	7,596	6,718
	-----	-----	-----	-----
Costs and Expenses				
Operating				
Cruise				
Commissions, transportation and other	1,665	1,572	1,227	1,021
Onboard and other	408	359	279	229
Payroll and related	1,145	1,003	841	744
Food	615	550	447	393
Fuel	709	493	390	340
Other ship operating	1,425	1,270	1,038	897
Other	250	210	198	190
	-----	-----	-----	-----
Total	6,217	5,457	4,420	3,814
Selling and administrative	1,329	1,285	1,103	936
Depreciation and amortization	902	812	653	585
	-----	-----	-----	-----
Operating Income	2,639	2,173	1,420	1,383
Nonoperating Expense, Net	(309)	(272)	(185)	(160)
	-----	-----	-----	-----
Income Before Income Taxes	2,330	1,901	1,235	1,223
Income Tax Expense, Net	(73)	(47)	(25)	(29)
	-----	-----	-----	-----
Net Income	\$ 2,257	\$ 1,854	\$ 1,210	\$ 1,194
	=====	=====	=====	=====
Selected Information				
Passengers carried (in thousands)	6,848	6,306	5,422	5,038
	=====	=====	=====	=====
Occupancy percentage	105.6%	104.5%	102.6%	103.4%
	=====	=====	=====	=====
Fuel cost per metric ton (a)	\$ 260	\$ 194	\$ 179	\$ 182
	=====	=====	=====	=====

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

Non-GAAP Financial Measures

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

	Years Ended November 30,			
	2005	2004	Pro Forma	Reported
			2003	2003
	(in millions, except ALBDs and yields)			
Cruise revenues				
Passenger tickets	\$ 8,379	\$ 7,357	\$ 5,732	\$ 5,039
Onboard and other	2,356	2,070	1,600	1,420
Gross cruise revenues	10,735	9,427	7,332	6,459
Less cruise costs				
Commissions, transportation and other	(1,665)	(1,572)	(1,227)	(1,021)
Onboard and other	(408)	(359)	(279)	(229)
Net cruise revenues	\$ 8,662	\$ 7,496	\$ 5,826	\$ 5,209
ALBDs	47,754,627	44,009,061	37,554,709	33,309,785
Gross revenue yields	\$ 224.80	\$ 214.21	\$ 195.23	\$ 193.91
Net revenue yields	\$ 181.39	\$ 170.32	\$ 155.11	\$ 156.38

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

	Years Ended November 30,			
	2005	2004	Pro Forma	Reported
			2003	2003
	(in millions, except ALBDs and costs per ALBD)			
Cruise operating expenses	\$ 5,967	\$ 5,247	\$ 4,222	\$ 3,624
Cruise selling and administrative expenses	1,276	1,231	1,054	896
Gross cruise costs	7,243	6,478	5,276	4,520
Less cruise costs included in net cruise revenues				
Commissions, transportation and other	(1,665)	(1,572)	(1,227)	(1,021)
Onboard and other	(408)	(359)	(279)	(229)
Net cruise costs	\$ 5,170	\$ 4,547	\$ 3,770	\$ 3,270
ALBDs	47,754,627	44,009,061	37,554,709	33,309,785
Gross cruise costs per ALBD	\$ 151.67	\$ 147.20	\$ 140.50	\$ 135.69
Net cruise costs per ALBD	\$ 108.25	\$ 103.31	\$ 100.38	\$ 98.16

Fiscal 2005 ("2005") Compared to Fiscal 2004 ("2004")

Revenues

Net cruise revenues increased \$1.17 billion, or 15.6%, to \$8.66 billion in 2005 from \$7.50 billion in 2004. The 8.5% increase in ALBDs between 2005 and 2004 accounted for \$638 million of the increase, and the remaining \$528 million was from increased net revenue yields, which increased 6.5% in 2005 compared to 2004 (gross revenue yields increased by 4.9%). Net revenue yields increased in 2005 primarily from higher cruise ticket prices, a 1.1% increase in occupancy, higher onboard revenues and the weaker U.S. dollar relative to the euro and sterling. Net revenue yields as measured on a constant dollar basis increased 6.1% in 2005. Gross cruise revenues increased \$1.31 billion, or 13.9%, in 2005 to \$10.74

billion from \$9.43 billion in 2004 for largely the same reasons as net cruise revenues.

Onboard and other revenues included concession revenues of \$289 million in 2005 and \$261 million in 2004. Onboard and other revenues increased in 2005 compared to 2004, primarily because of the 8.5% increase in ALBDs and increased passenger spending on our ships.

Other non-cruise revenues increased \$69 million, or 17.3%, to \$467 million in 2005 from \$398 million in 2004 primarily due to the increase in the number of cruise/tours sold.

Costs and Expenses

Net cruise costs increased \$623 million, or 13.7%, to \$5.17 billion in 2005 from \$4.55 billion in 2004. The 8.5% increase in ALBDs between 2004 and 2005 accounted for \$387 million of the increase, and the remaining \$236 million was from increased net cruise costs per ALBD, which increased 4.8% in 2005 compared to 2004 (gross cruise costs per ALBD increased 3.0%). Net cruise costs per ALBD increased primarily due to a \$66 increase in fuel cost per metric ton, or 34.0%, to \$260 per metric ton in 2005, higher dry-dock amortization expense, a \$23 million MNOFP contribution (see Note 13 in the accompanying financial statements) and a weaker U.S. dollar relative to the euro and to sterling in 2005. Net cruise costs per ALBD as measured on a constant dollar basis compared to 2004 increased 4.3% in 2005 and were flat excluding fuel costs and the MNOFP contribution, compared to 2004. Gross cruise costs increased \$765 million, or 11.8%, in 2005 to \$7.24 billion from \$6.48 billion in 2004, which was a lower percentage increase than net cruise costs primarily because of the lower proportion of passengers who purchased air transportation from us in 2005.

Other non-cruise operating expense increased \$57 million, or 18.5%, to \$365 million in 2005 from \$308 million in 2004 primarily due to the increase in the number of cruise/tours sold.

Depreciation and amortization expense increased by \$90 million, or 11.1%, to \$902 million in 2005 from \$812 million in 2004 largely due to the 8.5% increase in ALBDs through the addition of new ships and ship improvement expenditures.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, increased \$31 million in 2005 to \$323 million in 2005 from \$292 million in 2004. This increase was primarily due to a \$36 million increase in interest expense from higher average borrowing rates and a weaker U.S. dollar, partially offset by a \$5 million increase in interest income due to higher average invested fund balances.

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

Income Taxes

Income tax expense increased by \$26 million from 2004 to \$73 million in 2005 from \$47 million in 2004 primarily because we recorded approximately \$18 million for U.S. income taxes related to the charter of three ships to the Military Sealift Command ("MSC") in connection with the Hurricane Katrina relief efforts. Commencing in September 2005, these three ships were chartered for six months, and pursuant to our agreement with the MSC, the net earnings from the charter will be equal to the amount of net earnings we would have earned on these ships if we had not entered into this charter.

Fiscal 2004 ("2004") Compared to Pro Forma 2003 ("pro forma 2003") and Reported Results 2003 ("reported 2003")

Revenues

Net cruise revenues increased \$1.67 billion, or 29%, to \$7.50 billion in 2004 from \$5.83 billion in pro forma 2003. The 17.2% increase in ALBDs between pro forma 2003 and 2004 accounted for \$1.0 billion of the increase, and the remaining \$670 million was from increased

net revenue yields, which increased 9.8% in 2004 compared to pro forma 2003 (gross revenue yields increased by 9.7%). Net revenue yields increased in 2004 primarily from higher cruise ticket prices, a 1.9% increase in occupancy, higher onboard revenues and the weaker U.S. dollar relative to the euro and sterling. Net revenue yields as measured on a constant dollar basis increased 6.6% in 2004. Gross cruise revenues increased \$2.10 billion, or 29%, in 2004 to \$9.43 billion from \$7.33 billion in pro forma 2003 primarily for the same reasons as net cruise revenues.

Net cruise revenues increased \$2.29 billion, or 44%, to \$7.50 billion in 2004 from \$5.21 billion in reported 2003. The 32.1% increase in ALBDs between reported 2003 and 2004, which included P&O Princess for a full year in 2004, but only since April 17, 2003 during 2003, accounted for \$1.67 billion of the increase, and the remaining \$615 million was from increased net revenue yields, which increased 8.9% in 2004 compared to 2003 (gross revenue yields increased by 10.5%). Net revenue yields increased primarily for the same reasons as noted above. Gross cruise revenues increased \$2.97 billion, or 46%, in 2004 to \$9.43 billion from \$6.46 billion for primarily the same reasons as net cruise revenues.

Onboard and other revenues included concession revenues of \$261 million in 2004, \$201 million in pro forma 2003 and \$192 million in reported 2003, which increased in 2004 compared to both pro forma 2003 and reported 2003 primarily because of the increases in ALBDs and increased passenger spending on our ships.

Other non-cruise revenues increased \$48 million, or 13.7%, to \$398 million in 2004 from \$350 million in proforma 2003 (an increase of \$53 million, or 15.4% from \$345 million in reported 2003) primarily due to the increase in the number of cruise/tours sold, as well as price increases.

Costs and Expenses

Net cruise costs increased \$777 million, or 21%, to \$4.55 billion in 2004 from \$3.77 billion in pro forma 2003. The 17.2% increase in ALBDs between pro forma 2003 and 2004 accounted for \$650 million of the increase, and the remaining \$127 million was from increased net cruise costs per ALBD, which increased 2.9% in 2004 compared to pro forma 2003 (gross cruise costs per ALBD increased 4.8%). Net cruise costs per ALBD increased primarily due to a \$15 increase in fuel cost per metric ton, or 8.4%, to \$194 per metric ton in 2004 and the weaker U.S. dollar relative to the euro and the sterling in 2004. Net cruise costs per ALBD as measured on a constant dollar basis compared to pro forma 2003 declined 0.5% in 2004. The decrease in constant dollar net cruise costs was primarily the result of the economies of scale associated with the pro forma 17.2% ALBD increase and synergy savings from the integration efforts following the DLC transaction. Gross cruise costs increased \$1.20 billion, or 23%, in 2004 to \$6.48 billion from \$5.23 billion in pro forma 2003 primarily for the same reasons as net cruise costs.

Net cruise costs increased \$1.28 billion, or 39%, to \$4.55 billion in 2004 from \$3.27 billion in reported 2003. The 32.1% increase in ALBDs between reported 2003 and 2004 accounted for \$1.05 billion of the increase, and the remaining \$230 million was from increased net cruise costs per ALBD, which increased 5.2% in 2004 compared to reported 2003 (gross cruise costs per ALBD increased 8.5%). Net cruise costs per ALBD increased primarily for the same reasons as noted above. Gross cruise costs increased \$1.96 billion, or 43%, in 2004 to \$6.48 billion from \$4.52 billion in reported 2003 primarily for the same reasons as net cruise costs and a higher proportion of P&O Princess brands' customers who purchased air from us.

Other non-cruise operating expense increased \$24 million, or 8.5%, to \$308 million in 2004 from \$284 million in pro forma 2003 (an increase of \$32 million, or 11.6%, from \$276 million in reported 2003) primarily due to the increased volume of cruise/tours sold in 2004.

Depreciation and amortization expense increased by \$159 million, or 24.3%, to \$812 million in 2004 from \$653 million in pro forma 2003 largely due to the pro forma 17.2% expansion of the combined fleet and ship improvement expenditures, as well as the impact of a weaker U.S. dollar. Depreciation and amortization increased by \$227 million, or 38.8%, to \$812 million in 2004 from \$585 million in reported 2003. This increase was primarily due to the same factors as noted above and the result of the consolidation of P&O Princess.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, increased to \$292 million in 2004 from \$217 million in reported 2003, or \$75 million, which increase consisted primarily of a \$102 million increase in interest expense from our higher level of average borrowings and a weaker U.S. dollar, partially offset by a \$27 million decrease in interest expense due to lower average borrowing rates. The higher average debt balances were primarily a result of our consolidation of the former P&O Princess debt and new ship deliveries.

Income Taxes

Income tax expense increased \$18 million from reported 2003 to \$47 million in 2004 primarily because of the increase in Costa's Italian taxable income and other taxes relating to our operations.

Liquidity and Capital Resources

Sources and Uses of Cash

Our business provided \$3.41 billion of net cash from operations during fiscal 2005, an increase of \$194 million, or 6.0%, compared to fiscal 2004. 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 fiscal 2005, our net expenditures for capital projects were \$1.98 billion, of which \$1.47 billion was spent for our ongoing new shipbuilding program, including the final delivery payments for the Carnival Valor, Carnival Liberty and P&O Cruises' Arcadia. The remaining capital expenditures consisted primarily of \$324 million for ship improvements and refurbishments, and \$179 million for Alaska tour assets, cruise port facility developments and information technology assets. During fiscal 2004, our net expenditures for capital projects were \$3.59 billion primarily because we took delivery of seven new ships.

During fiscal 2005, we borrowed \$1.15 billion, of which a portion was used to pay a part of the Arcadia and Carnival Liberty purchase prices and to refinance debt as noted below. During fiscal 2005, we made \$609 million of debt repayments, which included the final payment on our capitalized lease obligations of \$110 million, \$100 million repayment of our 7.05% fixed rate notes and \$253 million in repayments of Costa indebtedness. In addition, we refinanced \$487 million of euro debt in 2005 to reduce our future borrowing rate. We also paid cash dividends of \$566 million and purchased \$386 million of treasury stock during 2005.

Future Commitments and Funding Sources

At November 30, 2005, our contractual cash obligations, including ship construction contracts entered into in December 2005, and the effects such obligations are expected to have on our liquidity and cash flow in future periods were as follows (in millions):

Contractual Cash Obligations	Payments Due by Fiscal Year						
	Total	2006	2007	2008	2009	2010	Thereafter
Long-term debt (a)	\$ 7,052	\$1,325	\$1,035	\$1,672	\$ 169	\$ 944	\$1,907
Short-term borrowings(a)	300	300					
Fixed-rate interest payments (a)	1,679	203	188	166	146	128	848
Shipbuilding(a)	7,590	1,710	2,340	2,130	1,410		
Port facilities and other(a)	600	58	70	70	56	52	294
Operating leases(a)	200	43	30	25	20	16	66
Purchase obligations(b)	615	516	81	11	5	2	
Other long-term liabilities reflected on the balance sheet (c)	457	23	106	52	39	33	204
Total contractual cash obligations (d)	\$18,493	\$4,178	\$3,850	\$4,126	\$1,845	\$1,175	\$3,319

(a) See Notes 6 and 7 in the accompanying financial statements for additional information regarding these contractual cash obligations. Fixed-rate interest payments represent cash outflows for fixed interest payments, including interest swapped from a variable- rate to a fixed-rate, but does not include interest payments on variable-rate debt or interest swapped from a fixed-rate to a variable-rate. Ship construction contracts entered into after November 30, 2005 aggregated \$2.26 billion.

(b) Represents legally-binding commitments to purchase inventory and other goods and services made in the normal course of business to meet operational requirements. Many of our contracts contain clauses that allow us to terminate the contract with notice, and with or without a termination penalty. Termination penalties are generally an amount less than the original obligation. Historically, we have not had any significant defaults of our contractual obligations or incurred significant penalties for termination of our contractual obligations.

(c) Represents cash outflows for certain of our long-term liabilities that could be reasonably estimated. The primary outflows are for estimates of our employee benefit plan obligations, crew and passenger claims, certain deferred income taxes and other long-term liabilities. Other long-term liabilities, such as deferred income, derivative contracts payable, which convert fixed rate debt to variable rate debt, fair value of hedged commitments and certain deferred income taxes, have been excluded from the table as they do not require cash settlement in the future or the timing of the cash outflow cannot be reasonably estimated.

(d) Foreign currency payments are based on the November 30, 2005 exchange rates.

During 2004, the Boards of Directors authorized the repurchase of up to an aggregate of \$1 billion of Carnival Corporation common stock and/or Carnival plc ordinary shares commencing in 2005, subject to certain repurchase restrictions on Carnival plc shares. From December 1, 2004 through February 6, 2006, we had repurchased 8.0 million shares for \$386 million.

At November 30, 2005, as adjusted for \$916 million of additional committed ship financing facilities entered into in January 2006, we had liquidity of \$4.67 billion, which consisted of \$1.19 billion of cash, cash equivalents and short-term investments, \$1.83 billion available for borrowing under our revolving credit facility, and \$1.65 billion under committed ship financing facilities. Our revolving credit facility matures in 2010. A key to our access to liquidity is the maintenance of our strong credit ratings.

Based primarily on our historical results, current financial condition and future forecasts, we believe that our existing liquidity and cash flow from future operations will be sufficient to fund most of our expected capital projects, debt service requirements,

dividend payments, working capital and other firm commitments. In addition, based on our future forecasted operating results and cash flows for fiscal 2006, we expect to be in compliance with our debt covenants during 2006. However, our forecasted cash flow from future operations, as well as our credit ratings, may be adversely affected by various factors, including, but not limited to, those factors noted under "Cautionary Note Concerning Factors That May Affect Future Results." To the extent that we are required, or choose, to fund future cash requirements, including our future shipbuilding commitments, from sources other than as discussed above, we believe that we will be able to secure such financing from banks or through the offering of debt and/or equity securities in the public or private markets. No assurance can be given that our future operating cash flow will be sufficient to fund future obligations or that we will be able to obtain additional financing, if necessary.

Off-Balance Sheet Arrangements

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

Foreign Currency Exchange Rate Risks

In 2003, we broadened our global presence through Carnival plc's foreign operations, in addition to the foreign currency denominated operations of our Costa subsidiary. Specifically, our expanded international business operations through P&O Cruises, Ocean Village and Swan Hellenic in the UK and AIDA in Germany subject us to an increasing level of foreign currency exchange risk related to the sterling and euro because these operations have either the sterling or the euro as their functional currency. Accordingly, exchange rate fluctuations of the sterling and the euro against the dollar will affect our reported financial results since the reporting currency for our consolidated financial statements is the U.S. dollar and the functional currency for our international operations is generally the local currency. Any weakening of the U.S. dollar against these local functional currencies has the financial statement effect of increasing the U.S. dollar values reported for cruise revenues and cruise expenses in our consolidated financial statements. Strengthening of the U.S. dollar has the opposite effect.

We seek to minimize the impact of fluctuations in foreign currency exchange rates through our normal operating and financing activities, including netting certain exposures to take advantage of any natural offsets and, when considered appropriate, through the use of derivative financial instruments. The financial impacts of these hedging instruments are generally offset by corresponding changes in the underlying exposures being hedged. Our policy is to not use any financial instruments for trading or other speculative purposes.

One of our primary foreign currency exchange rate risks is related to our outstanding commitments under ship construction contracts denominated in a currency other than the functional currency of the cruise brand that is expected to be operating the ship. These currency commitments are affected by fluctuations in the value of the functional currency as compared to the currency in which the shipbuilding contract is denominated. We generally use foreign currency swaps to manage foreign currency exchange rate risk from ship construction contracts (see Notes 2, 7 and 11 in the accompanying financial statements). Accordingly, increases and decreases in the fair value of these foreign currency swaps offset changes in the fair value of the foreign currency denominated ship construction commitments, thus resulting in the elimination of such risk.

Specifically, we have foreign currency swaps for three of our euro denominated shipbuilding contracts. At November 30, 2005, the fair value of these foreign currency swaps was a net unrealized gain of \$29 million which is recorded, along with an offsetting \$29 million fair value liability related to our shipbuilding firm commitments, on our accompanying 2005 balance sheet. Based upon a 10% strengthening or weakening of the U.S. dollar and sterling compared to the euro as of November 30, 2005, assuming no changes in comparative interest rates, the estimated fair value of these foreign currency swaps would decrease or increase by \$120 million, which would be offset by a decrease or increase of \$120 million in the U.S. dollar value of the related foreign currency ship construction commitments resulting in no net dollar impact to us.

However, at November 30, 2005, as adjusted for our December 2005 ship orders, we have two euro denominated shipbuilding contracts aggregating 1.05 billion in euros assigned to Carnival Cruise Lines, a U.S. dollar functional currency operation, for which we have not entered into any foreign currency swaps. Therefore, the U.S. dollar cost of these ships will increase or decrease based upon changes in the exchange rate until the payments are made under the shipbuilding contracts or we enter into a foreign currency swap. These euro commitments effectively act as an economic hedge against a portion of our net investment in euro-denominated cruise operations. Accordingly, any increase or decrease in our ship costs resulting from changes in the exchange rate will be offset by a corresponding change in the net assets of our euro-denominated cruise operations. Based upon a 10% hypothetical increase or decrease in the November 30, 2005 U.S. dollar to euro foreign currency exchange rate, the cost of these ships would increase or decrease by \$124 million. Decisions regarding whether or not to hedge a given ship commitment are made on a case-by-case basis, taking into consideration the amount and duration of the exposure, market volatility, and economic trends.

The cost of shipbuilding orders that we may place in the future for our cruise lines who generate their cash flows in a currency that is different than the shipyard's operating currency, generally the euro, is expected to be affected by foreign currency exchange rate fluctuations. Given the decline in the U.S. dollar relative to the euro over the past several years, the U.S. dollar cost to order new cruise ships at current exchange rates has increased significantly. If the U.S. dollar remains at current levels or declines further, this may affect our ability to order future new cruise ships for U.S. dollar functional currency brands.

Finally, we consider our investments in foreign subsidiaries to be denominated in relatively stable currencies and of a long-term nature. In addition to the strategy discussed above, we also partially address these exposures by denominating a portion of our debt, or entering into foreign currency swaps, in our subsidiaries' functional currencies (generally euros or sterling). Specifically, we have debt of \$1.68 billion in euros and \$657 million in sterling and have \$1.11 billion of foreign currency swaps, whereby we have converted \$237 million of U.S. dollar debt into sterling debt, \$736 million of U.S. dollar debt into euro debt and \$138 million of euro debt into sterling debt, thus partially offsetting this foreign currency exchange rate risk. At November 30, 2005, the fair value of these foreign currency swaps was a net unrealized loss of \$58 million, which is recorded in AOCI and offsets a portion of the gains recorded in AOCI upon translating these foreign subsidiaries net assets into U.S. dollars. Based upon a 10% hypothetical increase or decrease in the November 30, 2005 foreign currency exchange rate, we estimate that these contracts' fair values would increase or decrease by \$111 million, which would be offset by a decrease or increase of \$111 million in the U.S. dollar value of our net investments.

Interest Rate Risks

We seek to minimize the impact of fluctuations in interest rates through our long-term investment and debt portfolio strategies, which include entering into a substantial amount of fixed rate debt instruments. We continuously evaluate our debt portfolio, and make periodic adjustments to the mix of floating rate and fixed rate debt based on our view of interest rate movements through the use of interest rate swaps. At November 30, 2005, 75% of the interest cost on our long-term debt was effectively fixed and 25% was variable, including the effect of our interest rate swaps.

Specifically, we have interest rate swaps at November 30, 2005, which effectively changed \$926 million of fixed rate debt to libor-based floating rate debt. In addition, we have interest rate swaps at November 30, 2005, which effectively changed \$961 million and \$286 of euribor and GBP libor floating rate debt, respectively, to fixed rate debt. The fair value of our long-term debt and interest rate swaps at November 30, 2005 was \$7.70 billion. Based upon a hypothetical 10% decrease or increase in the November 30, 2005 market interest rates, the fair value of our long-term debt and interest rate swaps would increase or decrease by approximately \$85 million and interest expense on our variable rate debt, including the effect of our interest rate swaps, would increase or decrease by approximately \$7 million.

In addition, based upon a hypothetical 10% decrease or increase in Carnival Corporation's November 30, 2005 common stock price, the fair value of our convertible notes would increase or decrease by approximately \$197 million.

These hypothetical amounts are determined by considering the impact of the hypothetical interest rates and common stock price on our existing long-term debt and interest rate swaps. This analysis does not consider the effects of the changes in the level of overall economic activity that could exist in such environments or any relationships which may exist between interest rate and stock price movements. Furthermore, since substantially all of our fixed rate long-term debt cannot currently be called or prepaid and \$1.25 billion of our variable rate long-term debt is subject to interest rate swaps which effectively fix the interest rate, it is unlikely we would be able to take any significant steps in the short-term to mitigate our exposure in the unlikely event of a significant decrease in market interest rates.

Bunker Fuel Price Risks

We have typically not used financial instruments to hedge our exposure to the bunker fuel price market risk. We estimate that our fiscal 2006 fuel cost would increase or decrease by approximately \$2.9 million for each \$1 per metric ton increase or decrease in our average bunker fuel price.

Selected Financial Data

The selected consolidated financial data presented below for fiscal 2001 through 2005 and as of the end of each such year, are derived from our audited financial statements and should be read in conjunction with those financial statements and the related notes.

	Years Ended November 30,				
	2005	2004	2003	2002	2001
	(in millions, except per share and other operating data)				
Statement of Operations and Cash Flow Data (a)					
Revenues	\$11,087	\$9,727	\$6,718	\$4,383	\$4,549
Operating income	\$2,639	\$2,173	\$1,383	\$1,042	\$ 892
Net income (b)	\$2,257	\$1,854	\$1,194	\$1,016 (c)	\$ 926 (c)
Earnings per share (b)					
Basic	\$ 2.80	\$ 2.31	\$ 1.66	\$ 1.73	\$ 1.58
Diluted	\$ 2.70	\$ 2.24	\$ 1.63	\$ 1.69	\$ 1.57
Dividends declared per share					
	\$0.800	\$0.525	\$0.440	\$0.420	\$0.420
Cash from operations	\$3,410	\$3,216	\$1,933	\$1,469	\$1,239
Capital expenditures	\$1,977	\$3,586	\$2,516	\$1,986	\$ 827
Other Operating Data (a)					
Available lower berth days (d)	47,754,627	44,009,061	33,309,785	21,435,828	20,685,123
Passengers carried	6,848,386	6,306,168	5,037,553	3,549,019	3,385,280
Occupancy percentages (e)	105.6%	104.5%	103.4%	105.2%	104.7%

	As of November 30,				
	2005	2004	2003	2002	2001
	(in millions, except percentages)				
Balance Sheet and Other Data (a)					
Total assets	\$28,432	\$27,636	\$24,491	\$12,335	\$11,564
Long-term debt, excluding current portion	\$ 5,727	\$ 6,291	\$ 6,918	\$ 3,014	\$ 2,955
Total shareholders' equity	\$16,972	\$15,760	\$13,793	\$ 7,418	\$ 6,591
Debt to capital (f)	30.2%	33.5%	34.9%	29.9%	31.1%

(a) Includes the results of Carnival plc since April 17, 2003. Accordingly, the information from 2003 and thereafter is not comparable to the prior periods. Our results for the

three years prior to fiscal 2004, were negatively affected by a number of factors affecting consumers' vacation demands including, among other things, armed conflicts in the Middle East and elsewhere, terrorist attacks in the U.S. and elsewhere, the uncertain worldwide economy and adverse publicity surrounding these and other events.

- (b) Effective December 1, 2001, we adopted SFAS No. 142, which required us to stop amortizing goodwill as of December 1, 2001. If amortization of goodwill had not been recorded for fiscal 2001, our adjusted net income would have been \$952 million and our adjusted basic and diluted earnings per share would have been \$1.63 and \$1.61, respectively.
- (c) Our net income for fiscal 2002 and 2001 includes an impairment charge of \$20 million and \$140 million, respectively, and fiscal 2001 includes a nonoperating net gain of \$101 million from the sale of our investment in Airtours plc. In addition, fiscal 2002 includes a \$51 million income tax benefit as a result of an Italian investment incentive.
- (d) Total annual passenger capacity for the period, assuming two passengers per cabin, that we offered for sale, which is computed by multiplying passenger capacity by revenue-producing ship operating days in the period.
- (e) In accordance with cruise industry practice, occupancy percentage is calculated using a denominator of two passengers per cabin even though some cabins can accommodate three or more passengers. The percentages in excess of 100% indicate that more than two passengers occupied some cabins.
- (f) Percentage of total debt to the sum of total debt and shareholders' equity.

Market Price for Common Stock and Ordinary Shares

Carnival Corporation's common stock, together with paired trust shares of beneficial interest in the P&O Princess Special Voting Trust (which holds a Special Voting Share of Carnival plc), is traded on the NYSE under the symbol "CCL." Carnival plc's ordinary shares trade on the London Stock Exchange under the symbol "CCL." Carnival plc's ADSs, each one of which represents one Carnival plc ordinary share, are traded on the NYSE under the symbol "CUK." The depository for the ADSs is JPMorgan Chase Bank. The high and low stock sales price for the periods indicated were as follows:

	Carnival Corporation		Carnival plc			
	High	Low	Price per Ordinary Share (GBP)		Price per ADS (USD)	
			High	Low	High	Low
Fiscal 2005						
Fourth Quarter	\$54.98	\$45.78	(pound) 33.19	(pound) 26.60	\$56.48	\$47.32
Third Quarter	\$55.75	\$48.76	(pound) 33.40	(pound) 28.31	\$58.10	\$51.46
Second Quarter	\$55.96	\$46.76	(pound) 31.45	(pound) 25.90	\$59.21	\$50.02
First Quarter	\$58.98	\$48.90	(pound) 32.69	(pound) 29.13	\$62.17	\$56.50
Fiscal 2004						
Fourth Quarter	\$53.65	\$45.29	(pound) 30.89	(pound) 26.22	\$57.15	\$47.43
Third Quarter	\$48.05	\$41.55	(pound) 27.30	(pound) 23.65	\$50.03	\$43.85
Second Quarter	\$46.50	\$40.05	(pound) 26.72	(pound) 22.98	\$48.05	\$41.20
First Quarter	\$46.30	\$34.95	(pound) 26.12	(pound) 20.30	\$49.21	\$35.13

As of February 6, 2006, there were 4,287 holders of record of Carnival Corporation common stock and 48,601 holders of record of Carnival plc ordinary shares and 69 holders of record of Carnival plc ADSs. The past performance of our stock prices cannot be relied on as a guide to their future performance.

All dividends for both Carnival Corporation and Carnival plc are declared in U.S. dollars. Holders of Carnival Corporation common stock or Carnival plc ADS's receive a dividend payable in U.S. dollars. The dividends payable for Carnival plc ordinary shares are payable in sterling, unless the shareholders elect to receive the dividends in U.S. dollars. Dividends payable in sterling will be converted from U.S. dollars into sterling based upon a current U.S. dollar to sterling exchange rate announced prior to the dividend payment date.

Selected Quarterly Financial Data (Unaudited)

Our revenue from the sale of passenger tickets is seasonal. Historically, demand for cruises has been the greatest during our third quarter which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher net revenue

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

Quarterly financial results for fiscal 2005 were as follows:

	Quarters Ended			
	February 28	May 31	August 31	November 30
(in millions, except per share data)				
Revenues	\$2,396	\$2,519	\$3,605	\$2,567
Operating income	\$ 418	\$ 482	\$1,291	\$ 448
Net income	\$ 345	\$ 408	\$1,151 (a)	\$ 353
Earnings per share				
Basic	\$ 0.43	\$ 0.51	\$ 1.43	\$ 0.44
Diluted	\$ 0.42	\$ 0.49	\$ 1.36	\$ 0.43
Dividends declared per share	\$ 0.15	\$ 0.20	\$ 0.20	\$ 0.25

(a) Includes a \$23 million expense related to the MNOFP contribution and a \$22 million expense for a non-cruise investment write-down.

Quarterly financial results for fiscal 2004 were as follows:

	Quarters Ended			
	February 29	May 31	August 31	November 30
(in millions, except per share data)				
Revenues	\$1,981	\$2,253	\$3,250	\$2,243
Operating income	\$ 260	\$ 406	\$1,160	\$ 347
Net income	\$ 203	\$ 332	\$1,025	\$ 294
Earnings per share				
Basic	\$ 0.25	\$ 0.41	\$ 1.28	\$ 0.37
Diluted	\$ 0.25	\$ 0.40	\$ 1.22	\$ 0.36
Dividends declared per share	\$0.125	\$0.125	\$0.125	\$ 0.15

Significant Subsidiaries of Carnival Corporation and Carnival plc(1)

Name of Subsidiary -----	Jurisdiction of Incorporation or Organization -----
Costa Crociere, S.p.A. (2)	Italy
HAL Antillen N.V.	Netherlands Antilles
Holland America Line N.V. (3)	Netherlands Antilles
Princess Bermuda Holdings Ltd. (4)	Bermuda
Princess Cruise Lines Ltd. (5)	Bermuda
Sitmar International Srl ("Sitmar")	Panama
Sunshine Shipping Corp. ("Sunshine") (6)	Bermuda

- (1) Carnival Corporation, incorporated in the Republic of Panama, and Carnival plc, incorporated in England and Wales, are separate legal entities, which have entered into a DLC structure as discussed in Notes 1 and 3 to the Consolidated Financial Statements in Exhibit 13 to the joint Annual Report on Form 10-K. We have accounted for the DLC transaction under U.S. GAAP as an acquisition of Carnival plc by Carnival Corporation. Accordingly, we have determined the significant subsidiaries based upon the consolidated results of operations and financial position of Carnival Corporation & plc.
- (2) Majority owned subsidiary of Carnival plc.
- (3) Subsidiary of HAL Antillen N.V.
- (4) Subsidiary of Sitmar.
- (5) Subsidiary of Sunshine.
- (6) Subsidiary of Princess Bermuda Holdings Ltd.

Consent of Independent Registered Certified Public Accounting Firm

We hereby consent to the incorporation by reference in the joint Registration Statements on Form S-3 of Carnival Corporation and Carnival plc (File Nos. 333-113310, 333-106850, 333-106553, 333-72729, 333-68999 and 333-43269), the Registration Statements on Form S-8 of Carnival Corporation (File Nos. 333-125418, 333-105672, 333-87036, 333-67394, 333-60558, 333-43885, 33-53099, 33-51195, 33-45287 and 33-26898) and the Registration Statements on Form S-8 of Carnival plc (File Nos. 333-125418, 333-124640, 333-104609, 333-84968, 333-13794 and 333-12742), of our report, dated February 8, 2006, relating to the financial statements and management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in this joint Annual Report to Shareholders of Carnival Corporation and Carnival plc, which is incorporated in this joint Annual Report on Form 10-K.

/s/PricewaterhouseCoopers LLP

Miami, Florida
February 8, 2006

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned directors of Carnival Corporation, a company incorporated under the laws of the Republic of Panama, and Carnival plc, a company organized and existing under the laws of England and Wales, do and each of them does, hereby constitute and appoint Micky Arison, Howard S. Frank, Gerald R. Cahill and Arnaldo Perez, his or her true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him or her and in his or her name, place and stead, to sign the Carnival Corporation and Carnival plc joint Annual Report on Form 10-K ("Form 10-K") for the year ended November 30, 2005 and any and all future amendments thereto; and to file said Form 10-K and any such amendments with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals this 23rd day of December 2005.

CARNIVAL CORPORATION

CARNIVAL PLC

/s/ Richard G. Capen, Jr.

Richard G. Capen, Jr.
Director

/s/ Richard G. Capen, Jr.

Richard G. Capen, Jr.
Director

/s/ Robert H. Dickinson

Robert H. Dickinson
Director

/s/ Robert H. Dickinson

Robert H. Dickinson
Director

/s/ Arnold W. Donald

Arnold W. Donald
Director

/s/ Arnold W. Donald

Arnold W. Donald
Director

/s/ Pier Luigi Foschi

Pier Luigi Foschi
Director

/s/ Pier Luigi Foschi

Pier Luigi Foschi
Director

/s/ Richard J. Glasier

Richard J. Glasier
Director

/s/ Richard J. Glasier

Richard J. Glasier
Director

/s/ Baroness Sarah Hogg

Baroness Sarah Hogg
Director

/s/ Baroness Sarah Hogg

Baroness Sarah Hogg
Director

/s/ A. Kirk Lanterman

A. Kirk Lanterman
Director

/s/ A. Kirk Lanterman

A. Kirk Lanterman
Director

/s/ Dr. Modesto A. Maidique

Dr. Modesto A. Maidique
Director

/s/ Dr. Modesto A. Maidique

Dr. Modesto A. Maidique
Director

/s/ Sir John Parker

Sir John Parker
Director

/s/ Sir John Parker

Sir John Parker
Director

/s/ Peter G. Ratcliffe

Peter G. Ratcliffe
Director

/s/ Peter G. Ratcliffe

Peter G. Ratcliffe
Director

/s/ Stuart Subotnick

Stuart Subotnick
Director

/s/ Stuart Subotnick

Stuart Subotnick
Director

/s/ Uzi Zucker

/s/ Uzi Zucker

Uzi Zucker
Managing Director

Uzi Zucker
Managing Director

I, Micky Arison, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 9, 2006

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 annual report on Form 10-K 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: February 9, 2006

By: /s/ Howard S. Frank

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

I, Gerald R. Cahill, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 9, 2006

By: /s/ Gerald R. Cahill

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

I, Micky Arison, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 9, 2006

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 annual report on Form 10-K 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: February 9, 2006

By: /s/ Howard S. Frank

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

I, Gerald R. Cahill, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 9, 2006

By:/s/ Gerald R. Cahill

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

In connection with the Annual Report on Form 10-K for the year ended November 30, 2005 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: February 9, 2006

By: /s/ Micky Arison

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

In connection with the Annual Report on Form 10-K for the year ended November 30, 2005 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: February 9, 2006

By: /s/ Howard S. Frank

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

In connection with the Annual Report on Form 10-K for the year ended November 30, 2005 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: February 9, 2006

By: /s/ Gerald R. Cahill

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

In connection with the Annual Report on Form 10-K for the year ended November 30, 2005 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: February 9, 2006

By: /s/ Micky Arison

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

In connection with the Annual Report on Form 10-K for the year ended November 30, 2005 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: February 9, 2006

By: /s/ Howard S. Frank

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

In connection with the Annual Report on Form 10-K for the year ended November 30, 2005 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: February 9, 2006

By: /s/ Gerald R. Cahill

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