



## **Carnival Corporation & plc Comments on Potential Impact of Recently Passed Alaska Cruise Tax Initiative**

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MIAMI, Aug. 24, 2006 /PRNewswire-FirstCall/ -- Carnival Corporation & plc (NYSE/LSE: CCL) (NYSE: CUK) today commented on the potential impact of Alaska's Ballot Initiative 2 which has been approved by the state's voters and is expected to be implemented in 2007.

Although still subject to final certification by the state, the new taxes include a \$50 per passenger head tax which will increase the government taxes and fees paid by passengers embarking on Alaskan cruises. At this time, the company cannot estimate the impact these additional passenger taxes may have on its Alaskan cruise business.

In addition to the head tax, the initiative includes a gaming tax on any gambling conducted within state waters as well as a state corporate income tax for cruise lines operating ships in Alaska. Carnival estimates that the gaming and income taxes may reduce 2007 earnings per share by approximately \$0.03.

The initiative also calls for cruise lines to reveal profits on shore excursions and any advertising revenues earned from shoreside businesses.

Carnival Corporation & plc brands currently carry approximately 560,000 passengers annually in Alaska aboard 16 cruise ships - eight from Holland America Line, seven from Princess Cruises and one from Carnival Cruise Lines.

"We are disappointed that the Ballot Initiative 2 has passed as we believe this will inhibit the future growth and expansion of Alaska's tourism business," said Micky Arison, Carnival Corporation & plc chairman and CEO. "The estimates of the impact of these taxes are being made prior to our finalizing deployment, legal and other business decisions that will need to be considered as a result of this initiative," he added.

Carnival Corporation & plc is the largest cruise vacation group in the world, with a portfolio of 12 cruise brands in North America, Europe and Australia, comprised of Carnival Cruise Lines, Holland America Line, Princess Cruises, Seabourn Cruise Line, Windstar Cruises, AIDA Cruises, Costa Cruises, Cunard Line, Ocean Village, P&O Cruises, Swan Hellenic and P&O Cruises Australia.

Together, these brands operate 81 ships totaling approximately 144,000 lower berths with 15 new ships scheduled to enter service between March 2007 and spring 2010. Carnival Corporation & plc also operates the leading tour companies in Alaska and the Canadian Yukon, Holland America Tours and Princess Tours. Traded on both the New York and London Stock Exchanges, Carnival Corporation & plc is the only group in the world to be included in both the S&P 500 and the FTSE 100 indices.

Additional information is available on line via [carnivalcorp.com](http://carnivalcorp.com) and [carnivalplc.com](http://carnivalplc.com).

SOURCE Carnival Corporation & plc

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