CARNIVAL CORPORATION&PLC

Carnival Corporation & plc Reports Second Quarter Earnings

June 16, 2006
Board Authorizes Additional $1 Billion Share Buyback

MIAMI, June 16, 2006 /PRNewswire-FirstCall/ -- Carnival Corporation & plc (NYSE/LSE: CCL; NYSE: CUK) reported net income of $380 million, or $0.46 diluted EPS, on revenues of $2.66 billion for its second quarter ended May 31, 2006. Net income for the second quarter of 2005 was $388 million, or $0.47 diluted EPS, on revenues of $2.52 billion.

Net income for the six months ended May 31, 2006, was $631 million, or $0.77 diluted EPS, on revenues of $5.13 billion, compared to net income of $736 million, or $0.89 diluted EPS, on revenues of $4.91 billion for the same period in 2005.

The company has completed $667 million of its previously authorized $1 billion stock repurchase program and the board of directors has now authorized a second $1 billion stock repurchase program. The repurchase will take place from time to time in open market or privately negotiated transactions in accordance with all applicable laws, rules and regulations. This authorization covers both Carnival Corporation stock traded on the New York Stock Exchange and Carnival plc ordinary shares traded on the London Stock Exchange.

Second quarter 2006 revenues increased 5.8 percent, driven by both a 4.5 percent increase in capacity and an increase in revenue yields (revenue per available lower berth day).

Net and gross revenue yields in current dollars for the second quarter of 2006 increased 1.5 percent compared to the prior year. Net revenue yields as measured on a local currency basis ("constant dollar basis"), which the company believes better reflects underlying revenue performance, increased 2.6 percent over the same period last year, with cruise ticket prices, onboard revenues and occupancies all increasing.

Net cruise costs per available lower berth day ("ALBD") for the second quarter of 2006 increased 5.6 percent compared to the same period last year. On a constant dollar basis, net cruise costs per ALBD increased 5.9 percent from the same period last year. The increase in costs per ALBD was primarily due to a 43 percent increase in fuel prices. Excluding the increased fuel prices, the company's 2006 second quarter net cruise costs per ALBD increased 0.5 percent compared to last year on a constant dollar basis. Gross cruise costs per ALBD increased 3.8 percent.

Carnival Corporation & plc Chairman and CEO Micky Arison said, "Our second quarter earnings were largely in line with our expectations. Both our North American and European cruise brands' yields were strong despite some price pressure on Caribbean sailings. We also did a very good job managing controllable costs, although higher fuel prices reduced second quarter earnings by $74 million, or 8 cents per share, compared to 2005."

Outlook for the Remainder of 2006

"Based on what we see at this point, we are expecting a solid increase in revenue yields from our European cruise brands in the second half of 2006. Additionally, pricing for our North American brands for European and Alaskan itineraries in ahead of the prior year. However, there remains considerable softness for Caribbean sailings in the second half of 2006. We have responded with more aggressive pricing strategies which have resulted in a solid increase in bookings over the last few weeks," Arison said.

Despite sluggish Caribbean bookings, the company currently expects that net revenue yields will be up 1 to 2 percent (flat in constant dollars) in the second half of 2006 compared to last year. The company continues to expect full year 2006 net revenue yields to increase 1 to 2 percent on both a current and constant dollar basis.

Net cruise costs per ALBD are expected to increase 2 to 3 percent (flat to up 1 percent in constant dollar terms), in the second half of 2006 compared to the corresponding period last year. The company's cost guidance for fuel is based on recent forward prices for fuel of $364 per metric ton for the balance of the year, which is 24 percent or approximately $100 million higher than the last half of 2005. Excluding the anticipated fuel price increase, the company expects net cruise costs per ALBD to be lower by 2 to 3 percent compared to the prior year on a constant dollar basis.

For the third quarter of 2006, the company expects net revenue yields to be up 1 to 2 percent (flat on a constant dollar basis), compared to last year. Net cruise costs per ALBD are expected to be up 5 to 6 percent (up 4 to 5 percent on a constant dollar basis), compared to last year. The increased costs are all attributable to the higher fuel price estimates, which, if realized, will cost the company approximately $66 million in the third quarter, based on recent forward prices for fuel of $364 per metric ton for the third quarter. This cost is 34 percent higher than the average price for fuel for the third quarter of 2005. Excluding the anticipated fuel price increase, the company's cost guidance for the third quarter of 2006 is for net cruise costs per ALBD to be flat compared to the third quarter 2005 on a constant dollar basis. Based on these estimates, the company expects diluted earnings per share for the third quarter of 2006 to be approximately $1.45 to $1.47.

Based on these estimates, the company continues to forecast that diluted earnings per share for the full year 2006 will be approximately $2.65 to $2.75. This guidance is based on currency exchange rates of $1.29 to the euro and $1.88 to sterling.

New Ship Deliveries and Orders

During the second quarter, the company's Princess Cruises brand took delivery of the new 3,100-passenger Crown Princess, which began offering nine-day Caribbean cruises from the new Brooklyn Cruise Terminal earlier this week.

Continuing its expansion of the European cruise market, on June 12, 2006, the company announced it had ordered two cruise ships for its European brands. The order includes a 2,340-passenger vessel for Costa Cruises and a 2,050-passenger ship for AIDA Cruises, with delivery scheduled for 2009 and 2010, respectively. In addition, Costa has an option for a second 2,240- passenger ship for 2010. Including these new orders, the company's order book now includes 16 new vessels - 10 for its European brands and six for its North American brands.

"This commitment to future expansion, as well as the authorization for another $1 billion share repurchase, demonstrates our confidence in the favorable long-term prospects of our global cruise business. The current order book allows us to grow our global capacity at a measured pace of 7 percent compounded annually over the next four years. We are in a unique position of having strong cash flow to fund our growth initiatives and, to the extent that we have cash remaining, we intend to return those funds to shareholders through dividends and share repurchases," Arison said.

The company has one ship scheduled to enter service in the third quarter 2006, the Costa Concordia, which is slated to launch seven-day Mediterranean cruises from Civitavecchia (Rome) on July 23, 2006.

Also in the third quarter, the company will launch its first Asian-based cruise initiative, Costa Asia, with the newly refurbished Costa Allegra operating five-day voyages from Shanghai, the People's Republic of China, beginning July 3, 2006.

Carnival has scheduled a conference call with analysts at 10 a.m. EDT (15:00 London time) today to discuss its 2006 second quarter earnings. This call can be listened to live, and additional information can be obtained, via Carnival Corporation & plc's Web site at http://www.carnivalcorp.com and http://www.carnivalplc.com.

Carnival Corporation & plc is the largest cruise vacation group in the world, with a portfolio of 13 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; P&O Cruises Australia and Costa Asia.

Together, these brands operate 80 ships totaling approximately 141,000 lower berths with 16 new ships scheduled to enter service between July 2006 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.

Cautionary note concerning factors that may affect future results

Some of the statements contained in this earnings release are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to Carnival Corporation & plc, 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 Carnival Corporation & plc's actual results, performance or achievements to differ materially from those expressed or implied in this earnings release. Forward-looking statements include those statements which may impact the forecasting of earnings per share, net revenue yields, booking levels, pricing, occupancy, operating, financing and/or tax costs, fuel costs, costs per available lower berth day, 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 the net revenue yields for cruise brands of Carnival Corporation & plc; conditions in the cruise and land-based vacation industries, including competition from other cruise ship operators and providers of other vacation alternatives and increases in capacity offered by cruise ship and land-based vacation alternatives; risks associated with operating internationally; the international political and economic climate, armed conflicts, terrorist attacks and threats thereof, availability of air service, other world events and adverse publicity, and fear of or the demand for cruises; accidents, unusual weather patterns or natural disasters, such as hurricanes and earthquakes, and other incidents, (including machinery and equipment failures, which could cause the alteration of itineraries or cancellation of a cruise or series of cruises and the impact of the spread of contagious diseases), affecting the health, safety, security and vacation satisfaction of passengers; changing consumer preferences, which may, among other things, adversely impact the demand for cruise; the ability of Carnival Corporation & plc to implement its shipbuilding programs and brand strategies and to continue to expand its business worldwide; Carnival Corporation & plc's future operating cash flow may not be sufficient to fund future obligations and Carnival Corporation & plc may not be able to obtain financing, if necessary, on terms that are favorable or consistent with Carnival Corporation & plc's expectations; Carnival Corporation & plc's ability to attract and retain qualified shipboard crew and maintain good relations with employee unions; the impact of changes in operating and financing 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 Carnival Corporation & plc operates, including the implementation of U.S. regulations requiring U.S. citizens to obtain passports for travel to or from additional foreign destinations; continued availability of attractive port destinations; Carnival Corporation & plc's ability to successfully implement cost reduction plans and the continuing financial viability of Carnival Corporation & plc's travel agent distribution system and air service providers. 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, Carnival Corporation & plc expressly disclaims any obligation to disseminate, after the date of this release, 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.

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended May 31, 2006	2005(1)	Six Months Ended May 31, 2006(1)	2005(1)
	(in millions, except per share data)			
Revenues				
Cruise				
Passenger tickets	$2,629	$1,903	$3,938	$3,749
Onboard and other	488	506	1,139	1,110
Other	42	47	58	55
	2,662	2,516	5,135	4,914
Costs and Expenses				
Operating				
Cruise				
Commissions, transportation and other	405	380	813	803
Onboard and other	101	96	198	193
Payroll and related	238	276	500	547
Food	237	229	481	462
Fuel	247	169	491	362
Other ship operating	383	374 (2)	749 (2)	764 (2)
Other	37	46	53	53
Total	1,628	1,568	3,285	3,184
Selling and administration	354	342	726	678
Depreciation and amortization	240	224	472	448
	2,214	2,134	4,483	4,310
Operating Income	448	382	797	604
Nonoperating (Expense)				
Income				
Interest income	5	6	12	9
Interest expense, net of capitalized interest	(76)	(82)	(151)	(160)
Other (expense) income, net	(1)	2	(14)(3)	8 (4)
	(71)	(74)	(153)	(151)
Income Before Income Taxes	377	308	642	733
Income Tax Benefit (Expense), Net	3		(11)	3
Net Income	$380	$388	$631	$736
Earnings Per Share				
Basic	$0.47	$0.48	$0.78	$0.92
Diluted	$0.46	$0.47	$0.77	$0.89
Dividends Per Share	$0.25	$0.20	$0.50	$0.35
Weighted-Average Shares Outstanding				
Basic	805	805	807	805
Weighted-Average Shares Outstanding - diluted	849	854	843	855

(1) Reclassifications have been made to certain 2006 and 2005 amounts to conform to the current period presentation as a result of adopting a new chart of accounts in connection with the initial implementation of a new worldwide accounting system.

(2) 2006 and three months ended February 28, 2006 amounts were retrospectively adjusted for the change in the company's method of accounting for dry-dock costs from the deferral method to the direct expense method, which resulted in a $20 million and $17 million increase in other ship operating costs for the three and six months ended May 31, 2005, respectively, and a $20 million increase for the three months ended February 28, 2006.

(3) Includes a $10 million expense for a non-cruise investment write-down and a $5 million expense for a litigation reserve.

(4) Includes a $7 million gain from the settlement of litigation.

CARNIVAL CORPORATION & PLC
SELECTED STATISTICAL AND SEGMENT INFORMATION

	Three Months Ended May 31, 2006	2005(1)	Six Months Ended May 31, 2006 (1)	2005(1)
	(in millions, except statistical information)			
STATISTICAL INFORMATION				
Passengers carried (in thousands)	1,708	1,687	3,226(2)	3,304
Available lower berth days (3)	12,242,982	11,711,930	24,179,428	23,268,272
Occupancy percentage	105.0%	104.0%	104.0%(4)	104.3%
Fuel cost per metric ton	$364	$236	$336	$222
SEGMENT INFORMATION				
Revenues				
Cruise	$2,620	$2,450	$5,060	$4,856
Other	54	66	76	72
Intersegment elimination	(12)	(13)	(14)	(14)
	$2,662	$2,516	$5,125	$4,914
Operating expenses				
Cruise	$1,583	$1,438	$3,083	$2,853
Other	45	53	67	67
Intersegment elimination	(12)	(13)	(14)	(14)
	$1,620	$1,458	$3,136	$2,906
Selling and administrative expenses				
Cruise	$343	$327	$689	$654
Other	11	15	22	24
	$354	$342	$720	$678
Depreciation and Amortization				
Cruise	$232	$217	$456	$432
Other	8	7	16	14
	$240	$224	$472	$446
Operating income (loss)				
Cruise	$442	$477	$832	$817
Other	(14)	(35)	(35)	(33)
	$428	$442	$797	$884

(1) Reclassifications have been made to certain 2006 and 2005 amounts to conform to the current period presentation.

(2) Passengers carried in 2006 are less than 2005 because 2006 does not include passengers for three ships chartered to the Military Sealift Command (MSC) in the 2006 first quarter in connection with the Hurricane Katrina relief efforts.

(3) Available lower berth days is the standard measure of passenger capacity for the period, and assumes that each cabin we offer for sale accommodates two passengers. ALBDs are computed by multiplying passenger capacity by revenue- producing ship operating days in the period.

(4) Occupancy percentage includes the three ships chartered to the MSC at 100% occupancy.

CARNIVAL CORPORATION & PLC
NON-GAAP FINANCIAL MEASURES

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

Three Months Ended May 31,	Six Months Ended May 31,	2006	2005	2006(2)	2005(2)
(in millions, except ALBDs and yields)					
Cruise revenues	Passenger tickets	$2,620	$1,903	$3,938	$3,749
Onboard and other	488	506	1,139	1,110	
Gross cruise revenues	2,620	2,409	5,060	4,854	
Less cruise costs	Commissions, transportation and other	(405)	(380)	(813)	(803)
Onboard and other	(101)	(96)	(198)	(193)	
Net cruise revenues	(1)	$2,114	$1,933	$4,050	$3,858

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

Three Months Ended May 31,	Six Months Ended May 31,	2006	2005(2)	2006(2)	2005(2)
(in millions, except ALBDs and costs per ALBD)					
Cruise operating expenses	$1,583	$1,438	$3,083	$2,853	
Cruise selling and administrative expenses	343	327	689	654	
Gross cruise costs	1,926	1,765	3,772	3,507	
Less cruise costs included in net cruise revenues	Commissions, transportation and other	(405)	(380)	(813)	(803)
Onboard and other	(101)	(96)	(198)	(193)	
Net cruise costs					

SOURCE Carnival Corporation & plc

CONTACT: Media: US: Tim Gallagher, +1-305-599-2600, ext. 16000 or
UK/EM: Beth Roberts, +1-305-406-4832, both of Carnival Corporation & plc; or
Investor Relations: Stephen Lindgren or Ruben Vegarajah, +44-20-7940-5850, both of
Brunswick Group