[NOTIFY] 72731,737

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended May 31, 1997

OR

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

For the transition period from ______________ to ________________

Commission file number 1-9610

CARNIVAL CORPORATION

(Exact name of registrant as specified in its charter)

Republic of Panama	59-1562976
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

(Address of principal executive offices)

(zip code)

(305) 599-2600

(Registrant's telephone number, including area code)

None.

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No__

Indicate the number of shares outstanding of each of the issuers classes of common stock, as of July 11, 1997.

Class A Common Stock, $.01 par value: 242,192,113 shares

Class B Common Stock, $.01 par value: 54,957,142 shares

CARNIVAL CORPORATION

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PART I. FINANCIAL INFORMATION
ITEM 1: FINANCIAL STATEMENTS

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

ASSETS	May 31, 1997	November 30, 1996
CURRENT ASSETS		
Cash and cash equivalents	$ 93,626	$ 111,629
Short-term investments	12,380	12,486
Accounts receivable	49,280	38,109
Consumable inventories, at average cost	54,902	53,281
Prepaid expenses and other	91,801	75,428
Total current assets	301,989	290,933
PROPERTY AND EQUIPMENT, NET	4,104,135	4,099,038
OTHER ASSETS		
Investments in and advances to affiliates	385,023	430,330
Goodwill, less accumulated amortization of $58,765 in 1997 and $55,274 in 1996	216,098	219,589
Other assets	63,037	61,998
	$5,070,282	$5,101,888
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 62,090	$ 66,369
Accounts payable	108,135	84,748
Accrued liabilities	119,690	126,511
Customer deposits	490,632	352,698
Dividends payable	32,679	32,416
Total current liabilities	813,226	662,742
LONG-TERM DEBT	937,105	1,277,529
CONVERTIBLE NOTES		39,103
DEFERRED INCOME AND OTHER LONG-TERM LIABILITIES	89,621	91,630
COMMITMENTS AND CONTINGENCIES (Note 5)		
SHAREHOLDERS' EQUITY		
Class A Common Stock; $.01 par value; one vote per share; 399,500 shares authorized; 242,122 and 239,733 shares issued and outstanding	2,421	2,397
Class B Common Stock; $.01 par value; five votes per share; 100,500 shares authorized; 54,957 shares issued and outstanding	550	550
Paid-in-capital	862,682	819,610
Retained earnings	2,355,235	2,207,781
Other	9,442	546
Total shareholders' equity	3,230,330	3,030,884
	$5,070,282	$5,101,888

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

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

	Six Months Ended, May 31,		Three Months Ended, May 31,	
	1997	1996	1997	1996
REVENUES	$1,117,696	$965,624	$596,614	$516,836
COSTS AND EXPENSES				
Operating expenses	634,622	566,240	337,684	302,544
Selling and administrative	156,219	140,243	76,716	68,961
Depreciation and amortization	82,658	67,936	41,961	35,101
	873,499	774,419	456,361	406,606

OPERATING INCOME BEFORE (LOSS) INCOME FROM AFFILIATED OPERATIONS	244,197	191,205	140,253	110,230
(LOSS) INCOME FROM AFFILIATED OPERATIONS	(11,694)	163	(2,712)	166
OPERATING INCOME	232,503	191,368	137,541	110,396
NONOPERATING INCOME (EXPENSE)				
Interest income	3,382	15,104	1,565	7,259
Interest expense, net of capitalized interest	(31,536)	(33,216)	(14,446)	(17,178)
Other income	2,105	5,069	459	4,309
Income tax benefit	6,353	5,023	2,328	1,497
	(19,696)	(8,020)	(10,094)	(4,113)
NET INCOME	$ 212,807	$183,348	$127,447	$106,283
EARNINGS PER SHARE	$.71	$.64	$.43	$.37

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

CARNIVAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Six Months Ended May 31, 1997	1996
OPERATING ACTIVITIES		
Net income	$212,807	$183,348
Adjustments		
Depreciation and amortization	82,658	67,936
Equity in loss (income) from affiliates and dividends received	17,334	(163)
Other	(834)	3,423
Changes in operating assets and liabilities		
Increase in receivables	(11,441)	(2,557)
Increase in consumable inventories	(1,621)	(3,252)
Increase in prepaid and other	(16,505)	(6,459)
Increase in accounts payable	23,387	15,445
(Decrease) increase in accrued liabilities	(6,821)	7,689
Increase in customer deposits	137,934	163,627
Net cash provided from operations	436,898	429,037
INVESTING ACTIVITIES		
Decrease in short-term investments, net	106	24,099
Additions to property and equipment, net	(84,132)	(456,296)
Reductions in (additions to) investments in and advances to affiliates	35,986	(187,099)
(Increase) decrease in other non-current assets	(1,039)	72,149
Net cash used for investing activities	(49,079)	(547,147)
FINANCING ACTIVITIES		
Principal payments of long-term debt	(369,997)	(458,369)
Dividends paid	(65,090)	(51,268)
Proceeds from long-term debt	25,272	662,004
Issuance of common stock	3,993	1,545
Net cash (used for) provided from financing activities	(405,822)	153,912
Net (decrease) increase in cash and cash equivalents	(18,003)	35,802
Cash and cash equivalents at beginning of period	111,629	53,365
Cash and cash equivalents at end of period	$ 93,626	$ 89,167
Supplemental disclosure of non-cash transactions		
Conversion of 4-1/2% Convertible Notes into Class A Common Stock	$ 39,085	
Issuance of Class A Common Stock in connection with investment in Airtours plc		$144,171

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

CARNIVAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

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

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

General

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

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

	Six Months Ended May 31,		Three Months Ended May 31,	
	1997	1996	1997	1996
(in thousands, except selected statistical information)				
REVENUES:				
Cruise	$1,084,603	$931,019	$570,581	$489,332
Tour	37,670	40,778	30,475	33,539
Intersegment revenues	(4,577)	(6,173)	(4,442)	(6,035)
	$1,117,696	$965,624	$596,614	$516,836
OPERATING EXPENSES:				
Cruise	$ 601,616	$532,695	$313,899	$278,008
Tour	37,583	39,718	28,227	30,571
Intersegment expenses	(4,577)	(6,173)	(4,442)	(6,035)
	$ 634,622	$566,240	$337,684	$302,544
OPERATING INCOME:				
Cruise	$ 265,284	$206,524	$149,227	$115,700
Tour	(16,608)	(13,544)	(5,879)	(4,399)
(Loss) income from affiliates and corporate expenses	(16,173)	(1,612)	(5,807)	(905)

	$ 232,503	$191,368	$137,541	$110,396

SELECTED STATISTICAL INFORMATION:

Passengers Carried	950,000	843,000	495,000	436,000
Passenger Cruise Days	5,880,000	5,101,000	3,062,000	2,647,000
Occupancy Percentage	107.2%	107.1%	108.0%	107.2%

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

	Six Months Ended May 31,		Three Months Ended May 31,	
	1997	1996	1997	1996
REVENUES	100%	100%	100%	100%
COSTS AND EXPENSES:				
Operating expenses	57	59	57	59
Selling and administrative	14	14	13	13
Depreciation and amortization	7	7	7	7
OPERATING INCOME BEFORE LOSS FROM AFFILIATED OPERATIONS	22	20	23	21
Loss from affiliated operations	(1)	-	-	-
OPERATING INCOME	21	20	23	21
NONOPERATING INCOME (EXPENSE)	(2)	(1)	(2)	-
NET INCOME	19%	19%	21%	21%

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

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

In June 1997, the Company made an investment in Costa Crociere, through an investment in Il Ponte (See Note 6), which it will record using the equity basis of accounting. Starting with the Company's quarter ending November 30, 1997, the Company's portion of Costa Crociere's operating results will be recorded by the Company on a two month lag basis. Historically, demand for Costa Crociere's cruises has been greatest during the summer months when their ships operate in the Mediterranean and Northern Europe for which they obtain higher pricing. Demand for Costa Crociere cruises is lower during the winter months when their ships sail in more competitive markets.

Six Months Ended May 31, 1997 Compared
To Six Months Ended May 31, 1996

Revenues

The increase in total revenues of $152.1 million, or 15.7%, from the first six months of 1996 to the first six months of 1997 was due to an increase in cruise revenues. The increase in cruise revenues was primarily the result of a 15.2% increase in capacity for the period resulting from the addition of Carnival Cruise Lines' cruise ships Inspiration and Carnival Destiny in March and November 1996, respectively, and Holland America Line's cruise ship Veendam in May 1996. The capacity increase resulting from the introduction of new vessels was partially offset by the removal from service from the Carnival Cruise Lines fleet of the Festivale in April 1996. Occupancy rates were up .1% and gross revenue per passenger cruise day was up 1.1% resulting in an increase of 1.1% in gross yield (total revenue per available lower berth day). Gross revenue per passenger cruise day increased primarily due to higher pricing associated with the Carnival Destiny as well as the other cruise products. This higher pricing was partially offset by the effect of a reduction in the percentage of passengers electing the Company's air program. When a passenger elects to purchase his/her own air transportation, rather than use the Company's air program, both the Company's cruise revenues and operating expenses decrease by approximately the same amount.

Average capacity is expected to increase approximately 10.2% and 9.1% during the third and fourth fiscal quarters of 1997, respectively, as compared with the same periods in 1996. Average capacity is expected to increase approximately 12.3% during the fiscal year ending November 30, 1997 as compared with the fiscal year ended November 30, 1996. The increases in capacity are primarily as a result of the introduction into service of the vessels described above and the Rotterdam VI which will be introduced into service in October 1997. The existing Rotterdam V is scheduled to discontinue service at the end of September 1997.

Costs and Expenses

Operating expenses increased $68.4 million, or 12.1%, from the first six months of 1996 to the first six months of 1997. Cruise operating costs increased by $68.9 million, or 12.9%, to $601.6 million in the first six months of 1997 from $532.7 million in the first six months of 1996, primarily due to additional costs associated with the increased capacity.

Selling and administrative costs increased $16.0 million, or 11.4%, during the first six months of 1997 as compared with the same six months of 1996 primarily due to an increase in advertising expense and payroll and related costs associated with the increase in capacity.

Depreciation and amortization increased by $14.7 million, or 21.7%, to $82.7 million in the first six months of 1997 from $67.9 million in the first six months of 1996 primarily due to the addition of the Inspiration, the Veendam and the Carnival Destiny.

Affiliated Operations

During the first six months of 1997, the Company recorded $11.7 million of losses from affiliated operations. Approximately $8.3 million of such losses were attributable to the Company's 29.5% interest in Airtours, acquired in April 1996. Airtours' earnings are seasonal, historically incurring losses during its first two fiscal quarters and profits during its last two fiscal quarters. See "General" above for a further discussion of Airtours' seasonality. Had the Company owned its interest in Airtours during the first six months of 1996, the Company's earnings for the 1996 period, excluding the cost of capital, would have been reduced by approximately $10.6 million.

Nonoperating Income (Expense)

Interest income decreased $11.7 million in 1997 primarily due to a decrease in cash balances and notes receivable. Cash balances were unusually high during the first half of fiscal 1996, because of United Kingdom regulatory requirements which caused the Company to deposit funds in escrow approximately three months prior to acquiring an interest in Airtours. Notes receivable decreased due to the sale by the Company in the second quarter of 1996 of its holding of 13% senior secured notes due 2003 of Kloster Cruise Limited. Gross interest expense (excluding capitalized interest) decreased $8.0 million in 1997 as a result of lower debt balances. Capitalized interest decreased $6.3 million due to lower levels of investments in ship construction projects during the first half of 1997 as compared with the same period in 1996. Other income decreased by $3.0 million in 1997 primarily because the first half of fiscal 1996 included income resulting from the sale of an option to Kloster Cruise Limited to buy back their 13% senior secured notes.

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

Revenues

The increase in total revenues of $80 million, or 15.4%, from the second quarter of 1996 to the second quarter of 1997 was due to an increase in cruise revenues. The increase in cruise revenues was primarily the result of a 14.8% increase in capacity for the period resulting from the addition of Carnival

Cruise Lines' cruise ships Inspiration and Carnival Destiny in March and November 1996, respectively, and Holland America Line's cruise ship Veendam in May 1996. The increase in capacity from the new vessel additions was partially offset by the removal from service from the Carnival Cruise Lines fleet of the Festivale in April 1996. Occupancy rates were up .8% and gross revenue per passenger cruise day was up .8% resulting in an increase of 1.6% in gross yield. For a description of the gross revenue per passenger cruise day increase, see the explanation of Revenues in the Six Months Ended May 31, 1997 Compared To Six Months Ended May 31, 1996 discussion above.

Costs and Expenses

Operating expenses increased $35.1 million, or 11.6%, from the second quarter of 1996 to the second quarter of 1997. Cruise operating costs increased by $35.9 million, or 12.9%, to $313.9 million in the second quarter of 1997 from $278.0 million in the second quarter of 1996, primarily due to additional costs associated with the increased capacity.

Selling and administrative costs increased $7.8 million, or 11.2%, primarily due to an increase in advertising expense and payroll and related costs during the second quarter of 1997 as compared with the same quarter of 1996 mainly resulting from the increase in capacity.

Depreciation and amortization increased by $6.9 million, or 19.5%, to $42.0 million in the second quarter of 1997 from $35.1 million in the second quarter of 1996 primarily due to the addition of the Inspiration, the Veendam and the Carnival Destiny.

Affiliated Operations

During the second quarter of 1997, the Company recorded $2.7 million of losses from affiliated operations. Approximately $2.3 million of such losses were attributable to the Company's 29.5% interest in Airtours, acquired in April 1996. Airtours' earnings are seasonal, historically incurring losses during their first two fiscal quarters and profits during their last two fiscal quarters. Had the Company owned its interest in Airtours during the entire second fiscal quarter of 1996, the Company's earnings for that period, excluding the cost of capital, would have been reduced by approximately $2.9 million.

Nonoperating Income (Expense)

Interest income decreased, gross interest expense (excluding capitalized interest) decreased and other income decreased in the second quarter of fiscal 1997 for the same reasons as discussed in the Nonoperating Income (Expense) explanation in the Six Months Ended May 31, 1997 Compared To Six Months Ended May 31, 1996 discussion above. Capitalized interest decreased $3.9 million due to lower levels of investments in ship construction projects during the second quarter of 1997 as compared with the same period in 1996.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

The Company's business provided $436.9 million of net cash from operations during the six months ended May 31, 1997, an increase of 1.8% compared to the corresponding period in 1996.

During the six months ended May 31, 1997, the Company expended approximately $84.1 million on capital projects, of which $26 million was spent in connection with its ongoing shipbuilding program. The remainder was spent on the acquisition of a private island in the Caribbean, to be used as a destination for the HAL ships, transportation equipment, vessel refurbishments, tour assets and other equipment.

The Company made scheduled principal payments totaling approximately $32.4 million under various individual vessel mortgage loans during the six months ended May 31, 1997. During this same period, the Company made net repayments of $311 million under its commercial paper programs.

Future Commitments

The Company has contracts for the delivery of seven new vessels over the next four years. The Company will pay approximately $600 million during the twelve month period ending May 31, 1998 relating to the construction and delivery of those new cruise ships and approximately $1.5 billion beyond May 31, 1998. The Company also has an agreement to acquire a 312 berth cruise ship in the spring of 1998 for approximately $45 million. At May 31, 1997, the Company had $1 billion of long-term debt of which $262 million is due during the twelve month period ending May 31, 1998. Included in the $262 million of debt due during the next twelve months is $200 million of Unsecured

5.75% Notes Due March 15, 1998 which the Company plans to repay through borrowings under the commercial paper programs, the Company's U.S. Dollar Revolver and/or through issuance of additional long-term debt. See Note 3 in the accompanying financial statements for more information regarding the Company's debt. The Company also enters into forward foreign currency contracts and interest rate swap agreements to hedge the impact of foreign currency and interest rate fluctuations.

In June 1997, the Company and Airtours completed the acquisition of Costa Crociere, an Italian cruise company listed on the Milan Stock Exchange. The total cost of the Costa Crociere acquisition was approximately $275 million, with the Company and Airtours each responsible for funding 50%. The Company funded its portion of the purchase price through the guarantee of approximately $100 million of the debt of Il Ponte, a holding company which was purchased from the Costa family, with the remainder of its 50% of the purchase price funded from borrowings under the Company's commercial paper programs. (See Note 6 for additional information related to the acquisition.)

Funding Sources

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

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

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

The discussions of legal proceedings set forth in "PART I. FINANCIAL INFORMATION, ITEM 1. FINANCIAL STATEMENTS, NOTE 5 - COMMITMENTS AND CONTINGENCIES" contained herein and "PART I. ITEM 3. LEGAL PROCEEDINGS" in the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1996 are incorporated by reference into this Item.

ITEM 5: Other Information

(a) Conversion of Class B Common Stock

On July 15, 1997, the B Trust exercised its right to convert all of the 54,957,142 shares of Class B Common Stock held by it into an equal number of shares of Class A Common Stock. Prior to July 1, 1997, the B Trust had been restricted from converting such shares under a stockholders agreement with the Company. Prior to the conversion of the Class B Common Stock, the B Trust was the controlling stockholder of the Company. The holders of Class B Common Stock had the power to elect 75% of the directors of the Company and the Class B Common Stock had five votes per share (as opposed to one vote per share for the Class A Common Stock) for all other voting matters. As a result of the conversion of the Class B Common Stock, (i) there will be no shares of Class B Common Stock outstanding, (ii) all holders of Class A Common Stock (including the B Trust) will vote as one class in all elections for directors, and (iii) all shares of Class A Common Stock (including the shares held by the B Trust) will have one vote per share for all other voting matters. As a result of the conversion, the B Trust owns 18.49% of the outstanding Class A Common Stock of the Company. Although the B Trust is not currently a party to any proxy or voting trust arrangements with respect to the Class A Common Stock that it holds, the B Trust is not prohibited from entering into such arrangements in the future.

(b) Taxation of the Company

The following discussion summarizes the expected United States Federal income taxation of the Company's current operations following the conversion of the Class B Common Stock. This discussion revises the tax disclosure in the Company's Form 10-K for the fiscal year ended November 30, 1996. State and local taxes are not discussed. The discussion is based on the current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), proposed, temporary, and final Treasury regulations, administrative rulings, and court decisions. All of the foregoing are subject to change, possibly with retroactive effect, and any change thereto could affect the accuracy of this discussion.

Carnival Corporation is a Panamanian corporation, and its subsidiaries that earn income from the international operation, or from the rental on a full or bareboat basis, of ships ("Shipping Income") (collectively, the "Shipping Companies") are Panamanian, Liberian, Netherlands Antilles, and Bahamian corporations. Accordingly, the Company's income from sources outside of the United States generally is not subject to tax. Moreover, the Company believes that, under current law, all or virtually all of its income from sources within the United States ("United States Source Income") that constitutes Shipping Income will be exempt from United States corporate tax if the Shipping Companies meet the requirements of Section 883 of the Code. (Certain of the Company's United States Source Income, such as Holland America Line's income from bus, hotel and tour operations, is not Shipping Income, and thus is subject to United States tax.) Section 883 of the Code provides that Shipping Income of a foreign corporation is exempt from United States corporate income tax if such foreign corporation meets an "Incorporation Test" and either a "CFC Test" or a "Publicly Traded Test". As discussed below, the Company believes that it meets these requirements for all of the current fiscal year and will continue to meet them for future fiscal years.

A corporation meets the Incorporation Test if it is organized under the laws of a foreign country that grants an equivalent exemption to corporations organized in the United States (an "equivalent exemption jurisdiction"). The Company believes that Panama, the Netherlands Antilles, the Bahamas, and Liberia are equivalent exemptions jurisdictions. If however, Panamanian, Netherlands Antilles, the Bahamian, or Liberian law were to change adversely, the Company would consider taking appropriate steps (including reincorporating in another jurisdiction) so as to remain eligible for the exemption from United States Federal income tax provided by Section 883 of the Code.

A corporation meets the CFC Test if it is a controlled foreign corporation, which the Code defines as a corporation more than 50% of whose voting power or equity value is owned (or considered as owned) on any day of its fiscal year by United States persons who each own (or are considered as owning) stock representing 10% or more of the corporation's voting power ("10% Shareholders"). Prior to the Conversion Date, the B Trust, which is a United States person, owned all of the Company's Class B Stock, which represented more than 50% of the total combined voting power of all classes of the Company's stock. Accordingly, the Company believes that it will meet the CFC Test for its entire current taxable year. There is, however, no authority that addresses the treatment under Section 883 of a corporation that meets the shareholder test for a CFC for only part of its taxable year.

A corporation meets the Publicly Traded Test if the stock of the corporation (or the direct or indirect corporate parent thereof) is "primarily and regularly traded on an established securities market" in the United States. The Company believes that it will satisfy the requirements of the Publicly Traded Test during the portion of its taxable year following the Conversion Date (although the regulations do not specifically address the effect of satisfying these requirements for only a portion of the taxable year) and for subsequent taxable years. No Treasury regulations have been promulgated that explain when stock will be considered "primarily and regularly traded on an established securities market" for purposes of Section 883; however, Treasury regulations have been promulgated interpreting a similar phrase under Section 884 of the Code which was enacted as part of the same legislation that added the Publicly Traded Test to Section 883. Under the Section 884 regulations, stock is considered primarily and regularly traded on an established securities market in the United States in any taxable year if: (i) 80% (by vote and value) of the stock of such corporation is listed on an established securities market in the United States where more shares are traded than in any other country, (ii) trades of such stock are effected on such market, other than in de minimis quantities, on at least 60 days during the taxable year, (iii) the aggregate number of shares so traded is equal to 10% or more of the average number of shares outstanding during the taxable year, and (iv) the company is not "closely held". A class of stock is treated as meeting the requirements of clauses (ii) and (iii) if the class of stock is regularly quoted by brokers or dealers making a market in the stock. A class of stock of a company is "closely held" under the Section 884 regulations if 50% or more of its outstanding shares of stock is owned (within the meaning of the applicable regulations) for more than 30 days during the relevant taxable year by persons who (a) each own 5% or more of the value of the outstanding shares of stock and (b) are not (or fail to document that they are) "qualifying shareholders" for purposes of this provision of Section 884. Except in the context of determining whether stock of a corporation is "closely held", the Section 884 regulations do not address whether a corporation can meet the primarily and regularly traded test for a portion of its taxable year.

The Company believes that it will meet the foregoing requirements for the portion of its taxable year beginning after the Conversion Date and for future taxable years. Since the Conversion Date, the Company has had only one class of stock outstanding, the Class A Common Stock, which is listed on the New York Stock Exchange, where more shares trade than in any other country. Trades of such common stock have been effected in more than de minimis quantities on every business day since the Company's initial public offering, and the annual volume of such trades has significantly exceeded 10% of the average number of shares outstanding. Moreover, the Company believes that any stock traded on the NYSE should be treated as if it is regularly quoted by brokers or dealers making a market in that stock. Finally, to the Company's knowledge, it is not closely held because no person other than members of the Arison Group owns more than 5% of its stock and the Arison Group holds less than 50% of the outstanding shares.

The Company is not aware of any planned changes in ownership of its stock or the listing of or trading in its stock that would adversely affect its ability to meet the Publicly Traded Test and thus qualify for the exemption under Section 883; however, in the future circumstances may occur which may not be within the Company's control. Moreover, future regulations promulgated under Section 883 might adopt an interpretation of the phrase "primarily and regularly traded on an established securities market" that is not consistent with the Company's interpretation of the regulations under Section 884 and the Company might not be able to meet the requirements of those regulations. Finally, whether or not such regulations are promulgated, there is no assurance that the Company's interpretation of such phrase with respect to either its current taxable year or future taxable years will be accepted by the Internal Revenue Service or the courts.

Section 883 of the Code applies only to income derived from the international operation of ships, and its legislative history indicates that Section 883 of the Code does not apply to Shipping Income that is treated as 100% United States Source Income under certain source of income rules, such as income derived from transportation that both begins and ends in the United States. Accordingly, any such income may well be subject to United States corporate tax unless another exception was applicable. Although the matter is not entirely free from doubt, the Company does not believe that any significant portion of its Shipping Income from its current operations is 100% United States Source Income (and thereby subject to United States corporate tax) under the applicable provisions of the Code.

(c) Forward-Looking Statements

Certain statements in this Form 10-Q and in the future filings by the Company with the Securities and Exchange Commission, in the Company's press releases, and in oral statements made by or with the approval of an authorized executive officer constitute "forward-looking statements" within the meaning of the Reform Act. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions which may impact levels of disposable income of consumers and pricing and passenger yields for the Company's cruise products; consumer demand for cruises; pricing policies followed by competitors of the Company; increases in cruise industry capacity in the Caribbean and Alaska; changes in tax laws and regulations (especially any change affecting the Company's status as a "controlled foreign corporation" as defined in Section 957(a) of the Internal Revenue Code of 1986, as amended) (see "Market for the Registrant's Common Equity and Related Stockholders' Matters - Taxation of the Company" in the Company's Annual Report on Form 10-K for the year ended November 30, 1996); the ability of the Company to implement its shipbuilding program and to expand its business outside the North American market where it has less experience; delivery of new vessels on schedule and at the contracted price; weather patterns in the Caribbean; unscheduled ship repairs and drydocking; incidents involving cruise vessels at sea; and changes in laws and government regulations applicable to the Company (including the implementation of the "Safety of Life at Sea Convention" and changes in Federal Maritime Commission surety and guaranty arrangements).

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

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

(b) Reports on Form 8-K

None

SIGNATURE

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

CARNIVAL CORPORATION

Dated: July 15, 1997 BY/s/ Micky Arison
Micky Arison
Chairman of the Board and Chief Executive Officer

Dated: July 15, 1997 BY/s/ Howard S. Frank
Howard S. Frank
Vice-Chairman, Chief Financial and Accounting Officer

INDEX TO EXHIBITS

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

EXHIBIT 11

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

	Six Months Ended May 31, 1997	Six Months Ended May 31, 1996	Three Months Ended May 31, 1997	Three Months Ended May 31, 1996
Net income	$212,807	$183,348	$127,447	$106,283
Adjustments to net income for the purpose of computing fully diluted earnings per share:				
Interest reduction from assumed conversion of 4.5% Convertible Subordinated Notes		2,772		1,386
Adjusted net income	$212,807	$186,120	$127,447	$107,669
Weighted average shares outstanding	297,910	287,190	298,126	288,960
Adjustments to weighted average shares outstanding for the purpose of computing fully diluted earnings per share:				
Additional shares issuable upon assumed conversion of 4.5% Convertible Subordinated Notes		6,618		6,618
Adjusted weighted average shares outstanding	297,910	293,808	298,126	295,578
Earnings per share:				
Primary	$0.71	$0.64	$0.43	$0.37
Fully Diluted*	$0.71	$0.63	$0.43	$0.36

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

EXHIBIT 12

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

	Six Months Ended May 31, 1997	1996
Net income	$212,807	$183,348
Income tax benefit	(6,353)	(5,023)
Income before income tax benefit	206,454	178,325
Adjustment to earnings:		
Equity in loss (income) of affiliates and dividends received	17,334	(163)
Earnings as adjusted	223,788	178,162
Fixed Charges:		
Interest expense, net	31,536	33,216
Interest portion of rental expense (1)	932	931
Capitalized interest	7,415	13,754
Total fixed charges	39,883	47,901
Fixed charges not affecting earnings:		
Capitalized interest	(7,415)	(13,754)
Earnings before fixed charges	$256,256	$212,309
Ratio of earnings to fixed charges	6.4 x	4.4 x

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

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6-MOS
NOV-30-1997
MAY-31-1997
93,626
12,380
49,280
0
54,902
301,989
4,878,119
773,984
5,070,282
813,226
937,105
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3,227,359
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1,117,696
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634,622
0
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38,951
206,454
6,353
212,807
0
0
0
212,807
0.71
0.71