UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

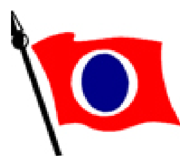
(Mark One)

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

For the fiscal year ended November 30, 2012 or

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

For the transition period from ______ to ______



Carnival Corporation	Carnival plc
Commission file number: 1-9610	Commission file number: 1-15136
Carnival Corporation (Exact name of registrant as specified in its charter)	Carnival plc (Exact name of registrant as specified in its charter)
Republic of Panama (State or other jurisdiction of incorporation or organization)	England and Wales (State or other jurisdiction of incorporation or organization)
59-1562976 (I.R.S. Employer Identification No.)	98-0357772 (I.R.S. Employer Identification No.)
3655 N.W. 87th Avenue Miami, Florida 33178-2428 (Address of principal executive offices and zip code)	Carnival House, 5 Gainsford Street, London SE1 2NE, United Kingdom (Address of principal executive offices and zip code)
(305) 599-2600 (Registrant’s telephone number, including area code)	011 44 20 7940 5381 (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 Common Stock ($0.01 par value)	Title of each class 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 New York Stock Exchange, Inc.	Name of each exchange on which registered 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 registrants were 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 whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) 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, non-accelerated filers, or small reporting companies. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filers	☑	Accelerated Filers	☐
Non-Accelerated Filers	☐	Smaller Reporting Companies	☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold was $12.3 billion as of the last business day of the registrant's most recently completed second fiscal quarter.

At January 22, 2013, Carnival Corporation had outstanding 592,310,060 shares of its Common Stock, $0.01 par value.

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold was $5.9 billion as of the last business day of the registrant's most recently completed second fiscal quarter.

At January 22, 2013, Carnival plc had outstanding 215,466,538 Ordinary Shares $1.66 par value, one Special Voting Share, GBP 1.00 par value and 592,310,060 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

CARNIVAL CORPORATION & PLC
FORM 10-K
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2012

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DOCUMENTS INCORPORATED BY REFERENCE

The information described below and contained in the Registrants' 2012 annual report to shareholders to be furnished to the U.S. Securities and Exchange Commission pursuant to Rule 14a-3(b) of the Securities Exchange Act of 1934 is shown in Exhibit 13 and is incorporated by reference into this joint 2012 Annual Report on Form 10-K ("Form 10-K").

Part and Item of the Form 10-K

Part II

Item 5(a).	Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities – Market Information, Holders and Performance Graph.
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' 2013 joint definitive Proxy Statement, to be filed with the U.S. Securities and Exchange Commission, are incorporated by reference into this Form 10-K under the items described below.

Part and Item of the Form 10-K

Part III

Item 10.	Directors, Executive Officers and Corporate Governance.
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, and Director Independence.
Item 14.	Principal Accountant Fees and Services.

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PART I

Item 1. Business.

A. Overview

I. Summary

Carnival Corporation was incorporated in Panama in 1972 and Carnival plc was incorporated in England and Wales in 2000. Carnival Corporation and Carnival plc operate a dual listed company ("DLC"), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation's Articles of Incorporation and By-Laws and Carnival plc's Articles of Association. The two companies operate as if they are a single economic enterprise with a single senior executive management team and identical Boards of Directors, but each has retained its separate legal identity. Carnival Corporation and Carnival plc are both public companies with separate stock exchange listings and their own shareholders. See Note 3, "DLC Arrangement" to our Consolidated Financial Statements in Exhibit 13 to this Form 10-K. Together with their consolidated subsidiaries, Carnival Corporation and Carnival plc are referred to collectively in this Form 10-K as "Carnival Corporation & plc," "our," "us" and "we."

With 100 cruise ships, we are the largest cruise company and among the most profitable and financially strong leisure travel companies in the world. We have a portfolio of many of the world's best known cruise brands that are sold in all the world's major vacation markets and are a leading provider of vacations to all major cruise destinations throughout the world (see Section III. "Cruise Programs"). A description of the principal vacation regions where we source substantially all of our guests and our brands that market primarily to these vacationers is discussed in detail in Sections III. "North America" and IV. "Europe, Australia & Asia."

II. Mission and Related Strategies

Our mission is to take the world on vacation and deliver exceptional experiences that appeal to a large variety of consumers, all at an outstanding value. We believe our multi-brand strategy is essential to achieving our mission and maintaining our leadership positions. Our ten unique brands with worldwide sourcing of guests and diverse itinerary options allow us to expand our offerings to our past guests, while continuing to grow our business through the acquisition of new guests in established and emerging markets. Our success also depends on, among other things, our ability to exceed the expectations of our guests by providing them with a wide variety of exceptional vacation experiences. We strive to capture a greater share of consumers' spending on vacations by providing extraordinary cruise products and services, all at an outstanding value.

In conjunction with our mission we are committed to:

- Protecting the health, safety and security of our guests, employees and all others working on our behalf, thereby promoting an organization that is free of injuries, illness and loss. The safety of our guests and crew is paramount to our business. We continue to focus on improving existing, and implementing new, safety measures onboard all of our ships.
- Protecting the environment, including the marine environment in which our vessels sail and the communities in which we operate, by minimizing adverse environmental consequences and using resources efficiently.
- Fully complying with, or exceeding, all legal and statutory requirements related to health, environment, safety and security throughout our business activities.
- Assigning health, environment, safety and security matters the same priority as other critical business matters.

Our primary financial goals are to profitably grow our cruise business, while maintaining a strong balance sheet. Our ability to generate significant operating cash flows allows us to internally fund all of our capital investment program and still have a substantial amount of free cash flow, which we intend to return to shareholders in the form of dividends and opportune share buybacks.

To achieve our mission and primary financial goals, we build new and innovative ships and continue to invest in our existing ships to strengthen the leadership position of each of our brands. We believe that adding newer, more efficient ships, as well as improving our existing fleet, will have a positive impact on our profitability. Our newbuilding program is the primary platform for our capacity growth. We currently have nine cruise ships scheduled to enter service between March 2013 and March 2016, two of which will enter service in 2013. Our current intention is to have an average of two to three new cruise ships enter service annually, some of which will replace existing capacity from the possible sales of older, less efficient ships. We are strategically timing the introductions of additional ships to our brands to allow ample time for those lines to further grow their guest base and absorb the new capacity. In addition, we will continue to focus on increasing our fleets' onboard revenues by adding new products and services for our guests to enjoy.

Based on our current ship orders, our capacity growth rate is expected to be 4%, compounded annually through 2016. Our rate of growth is slowing in the more established regions of North America and Western Europe. We are committed to a measured pace of newbuilds to achieve an optimal balance of supply and demand to maximize our profitability in these established regions. In addition, we believe that we have significant opportunities to grow our presence in the emerging Asian cruise region and will continue to redeploy some of our existing ships to that region. The mobility of ships enables us to move them between regions to maximize our profitability.

Our operating structure is decentralized, with each of our major brands having its own headquarters and operating team, which helps create an ownership culture that is an important driver of our performance. We believe this approach results in delivering products and services that are tailored to specific geographic markets and lifestyles, which allows us to penetrate each market more effectively. Although we operate under this decentralized structure, we leverage our size to obtain economies of scale and synergies by consolidating our purchasing power and implementing cross-brand initiatives aimed at cost-containment, such as common reservation systems, cross-selling, shared data centers and shared port facilities. Currently, our most important cross-brand initiatives are aimed at improving our safety training and reducing our fuel consumption.

Following the *Costa Concordia* incident ("the ship incident") in January 2012, we announced a comprehensive audit and review of all safety and emergency response procedures across our ten brands to identify lessons learned and best practices, which reinforces our commitment to the safety of our guests and crew. We engaged outside industry-leading experts to assist in these audits and reviews. As a result, we have and will continue to implement improvements to our already established procedures for bridge operations, quality assurance and auditing of ship operations, bridge officer training, safety and emergency response and crew training programs. We are also improving the structure and organization of our existing Health, Environmental, Safety and Security ("HESS")-related audit functions and our HESS-related management systems. In addition, as members of Cruise Lines International Association ("CLIA") and the European Cruise Council ("ECC"), we are also enhancing existing or implementing additional safety policies that are a result of the CLIA/ECC Cruise Industry Operational Safety Review that was initiated after the ship incident.

Costa Concordia is expected to be removed from the coast of Italy during 2013. We remain committed to minimizing any environmental impact from the ship incident. As of January 22, 2013, we have settled with 93% and 62% of the crew and guests, respectively. Substantially all of the ship removal costs and the costs of these and any future claims will be covered by our insurance.

We are committed to rebuilding Costa Cruises' ("Costa") reputation and strengthening its trust with guests and travel agents after the ship incident. Accordingly, Costa has launched a number of initiatives, including enhancements to existing safety and security procedures, training and related processes. In addition, Costa has initiated a major international advertising campaign called the "Real Costa" that targets consumers in its key markets. The primary goal of the campaign is to enhance Costa's image and describe its exceptional vacation experiences through the perspective of its guests and crew. The Real Costa campaign focuses on Costa's excellent products and services as reflected in Costa's high guest satisfaction rates. Over the next few years, we expect to fully recover from the ship incident and continue to build on our leadership positions.

III. Cruise Programs

Our 100 ships sail to all of the world's major cruise destinations and the percentage of our passenger capacity deployed in each of these areas is as follows:

Region	Cruise Programs	
	2013	2012
Caribbean	33%	35%
Europe	31%	29%
Asia/Australia	10%	8%
Alaska	6%	6%
Other	20%	22%
	100%	100%

B. Cruise Business

I. Overview

a. Summary

The multi-night cruise business has grown significantly but still remains relatively small compared to the wider global vacation industry, which includes a large variety of land-based vacation alternatives around the world. For example, there were only about 230,000 cabins in the global cruise business at November 30, 2012, which is less than two percent of the number of worldwide hotel rooms. Within the global vacation industry, cruise companies compete for the discretionary income spent by vacationers, and a 2012 Nielsen Global Consumer Confidence Survey found that after providing for savings and living expenses, the number one global spending priority is for vacations. Cruise guests tend to rate their overall satisfaction with a cruise vacation higher than comparable land-based hotel and resort vacations. As a result of these and other favorable cruise business characteristics, we believe that the cruise business has the opportunity to capture a greater share of consumers' spending on vacations compared to prior periods.

b. Favorable Characteristics of the Cruise Business

1. Exceptional Value Proposition

We believe that the cost of a cruise vacation represents an exceptional value in comparison to alternative land-based vacations. We believe that cruising provides many relatively unique benefits, such as transportation to various destinations while also providing accommodations, a generous diversity of food choices and a selection of daily entertainment options for one all-inclusive, competitive price. To make cruising even more cost effective and more easily accessible to our guests, we offer a number of drive-to-home ports, which enables many cruise guests to reduce their overall vacation costs by eliminating or reducing air and other transportation costs.

2. Relatively Low Penetration Levels

Based on industry data, the 2012 annual penetration rate, computed based on the number of annual cruise passengers as a percentage of the total population, is 3.4% for North America, 2.7% for the United Kingdom ("UK"), 2.7% for Australia and 1.4% for continental Europe (continental Europe represents Germany, Italy, Spain, France and Portugal). Based on industry data or our internal estimates, approximately 24% of the U.S. population and lower percentages of European and Australian populations, have ever taken a cruise. In addition, Europeans and Australians have significantly more vacation days a year than North Americans, which presents opportunities for increases in these regions' penetration levels compared to North America.

Cruising is at an earlier stage of development and has lower penetration rates in emerging markets within Asia. There are an increasing number of relatively lower penetrated markets where economic growth has raised discretionary income levels and thus fueled an increasing demand for vacations, including cruising.

3. Wide Appeal

Cruising appeals to a broad range of ages and income levels. The average age of a cruise guest varies by brand and ranges from approximately 40 years to 60 years across the contemporary, premium and luxury cruise categories. Cruising provides something for every generation, from kids clubs to an array of onboard entertainment provided to teens and adults. Cruising also offers a diverse range of ship types and sizes, as well as price points, to attract guests with varying tastes and from most income levels. To attract more first time cruisers, the duration of some cruises has been shortened, which has lowered the purchase price and thus broadened the appeal for cruising. The range of pricing varies by a wide margin, from a three-day cruise in an inside cabin on a contemporary line embarking at a local home port to a world cruise in a balcony suite on a luxury brand requiring air transportation to and from the port.

4. Positive Demographics

The average age of populations in established cruise regions is increasing. Between 2012 and 2022, the number of people in the cruise business' primary age group of 45 years and older is expected to grow by 19 million, or 13%, in the U.S. and Canada, and 16 million, or 11%, in the major Western European countries. We believe the cruise business is well-positioned to take advantage of these favorable age demographics in its major markets.

Many international markets are experiencing a rapid growth in middle-class consumers, especially in **B**razil, **R**ussia, **I**ndia and **C**hina. As their earning power and disposable income increase, these middle-class consumers are becoming more eager to purchase entertainment, travel and luxury products and services. This demand growth provides the cruise business the opportunity to expand its reach in these markets.

5. High Guest Satisfaction Rates

Cruise guests tend to rate their overall satisfaction with a cruise vacation higher than comparable land-based hotel and resort vacations. According to industry surveys, the cruise experience consistently exceeds expectations of repeat and first-time cruisers on a wide range of important vacation attributes. Cruising continues to receive high guest satisfaction rates because of the unique vacation experiences it offers, including, but not limited to, visiting multiple destinations without having to pack and unpack, all-inclusive product offerings and state-of-the art cruise ships with entertainment, relaxation and fun, all at an outstanding value.

6. Favorable Supply Versus Demand Balance

Our current intention is to have an average of two to three new cruise ships enter service annually. Other cruise operators have also slowed their passenger capacity growth compared to historical levels. Furthermore, older cruise ships will continue to be retired from service as they near the end of their economic lives. As a result of these factors and other reasons, the cruise business supply growth has recently slowed, and we expect demand to accelerate as the global economy recovers and emerging markets continue to develop. We believe this favorable supply versus demand balance will have a positive impact on our ability to profitably grow our cruise business.

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c. Global Cruise Business

Cruising offers a broad range of products and services to suit vacationing guests of many ages, backgrounds and interests. Cruise brands can be broadly classified 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 and appeal to the more experienced cruise guest who is usually more affluent and older. Premium cruises emphasize quality, comfort, style, more destination-focused itineraries and the average pricing is normally higher than contemporary cruises. The luxury experience is usually characterized by smaller vessel size, very high standards of accommodation and service, higher prices and exotic itineraries to ports that are inaccessible to larger ships. We have product and service offerings in each of these three broad classifications. Notwithstanding these classifications, there generally is overlap and competition among all cruise products and services.

The global cruise business and our passenger capacity have increased at a compound annual growth rate of 5.6% and 6.9%, respectively, from 2006 to 2011. The global cruise business and our compound annual passenger capacity growth rate is currently expected to be 3.2% and 3.2%, respectively, from 2011 to 2015 based on the assumption discussed below. The passenger capacities that have been or are expected to be marketed are as follows:

	Passenger Capacity (weighted-average)	
Fiscal Year	Global Cruise Business	Carnival Corporation & plc
2006	337,000	140,000
2007	359,000	150,000
2008	377,000	162,000
2009	397,000	174,000
2010	423,000	186,000
2011	443,000	195,000
2012	455,000	200,000
2013 (a)	470,000	206,000
2014 (a)	483,000	211,000
2015 (a)	502,000	221,000

(a) Our estimates of future passenger capacity do not include any assumption related to unannounced ship withdrawals and, accordingly, our estimates could indicate a higher growth in passenger capacity than will actually occur.

The number of cruise passengers carried in the global cruise business and by us have increased at a compound annual growth rate of 5.4% and 6.4% from 2006 to 2011, respectively, and 2.8% and 2.8% from 2011 to 2012, respectively. The North America regions' cruise passengers have increased at a compound annual growth rate of 2.2% from 2006 to 2011 and 2.3% from 2011 to 2012. The Europe, Australia, Asia and Other regions' cruise passengers have increased at a compound annual growth rate of 11% from 2006 to 2011 and 3.5% from 2011 to 2012. As we continue to expand our global presence, our revenues generated from passengers sourced from outside the U.S. have grown to 54% in 2012, up from 40% in 2006. The number of cruise passengers carried are as follows:

	Cruise Passengers			
	Global Cruise Business			Carnival Corporation & plc
Year (a)	North America	Europe, Australia, Asia and Other	Total	Total
2006	10,380,000	4,800,000	15,180,000	7,008,000
2007	10,450,000	5,500,000	15,950,000	7,672,000
2008	10,290,000	6,000,000	16,290,000	8,183,000
2009	10,400,000	7,190,000	17,590,000	8,519,000
2010	11,000,000	8,070,000	19,070,000	9,147,000
2011	11,520,000	9,090,000	20,610,000	9,559,000
2012(b)	11,790,000	9,400,000	21,190,000	9,829,000

(a) The estimates of the total passengers carried for 2006 through 2011 were obtained from G.P. Wild (International) Limited, an independent cruise research company, and are based upon where the passengers were sourced and not the cruise brands on which they sailed.
(b) The estimates of the total passengers carried for 2012 were based on internally developed global passenger growth rates.

II. Segment Information

Each of our ten cruise brands is an operating segment that we aggregate into either the (1) North America or (2) Europe, Australia & Asia ("EAA") reportable cruise segments based on the similarity of their economic and other characteristics. As of January 22, 2013, our cruise brands' summary information is as follows:

Cruise Brands	Passenger Capacity (a)	Number of Cruise Ships	Primary Markets (b)
North America			
Carnival Cruise Lines	61,968	24	North America
Princess Cruises ("Princess")	36,912	16	North America
Holland America Line	23,492	15	North America
Seabourn	1,986	6	North America
North America Cruise Brands	124,358	61	
EAA			
Costa	31,720	14	Italy, France and Germany
AIDA Cruises ("AIDA")	16,442	9	Germany
P&O Cruises (UK)	14,636	7	UK
Cunard	6,672	3	UK and North America
P&O Cruises (Australia)	4,780	3	Australia
Ibero Cruises ("Ibero")	4,176	3	Spain and South America
EAA Cruise Brands	78,426	39	
	202,784	100	

(a) In accordance with cruise business practice, passenger capacity is calculated based on the assumption of two passengers per cabin even though some cabins can accommodate three or more passengers.
(b) Represents the primary regions or countries from where guests are sourced.

As of January 22, 2013, we had signed agreements with three shipyards providing for the construction of nine cruise ships, with two to be delivered in 2013, two in 2014, three in 2015 and two in 2016. These additions are expected to increase our passenger capacity by over 29,800 lower berths. Our North America cruise brands have four ships with almost 13,800 lower berths scheduled to enter service by February 2016 and our EAA cruise brands have five ships with over 16,000 lower berths scheduled to enter service by March 2016. It is possible that some of our older ships may be sold, chartered or retired during the next few years. Alternatively, it is also possible that we could acquire more ships. See Part I, Item 1. Business. B. "Cruise Business – Ships Under Contract for Construction" and Note 6, "Commitments" and Note 11, "Fair Value Measurements, Derivative Instruments and Hedging Activities" to our Consolidated Financial Statements in Exhibit 13 to this Form 10-K for additional ship commitment information.

We also have a Cruise Support segment that includes our cruise port and related facilities located in Cozumel, Mexico; Grand Turk, Turks and Caicos Islands and Roatán, Honduras, which are operated for the benefit of our cruise brands. Cruise Support also includes other corporate-wide services that are provided for the benefit of our cruise brands.

In addition to our cruise operations, we own Holland America Princess Alaska Tours, the leading tour company in Alaska and the Canadian Yukon, which complements our Alaska cruise operations. Our tour company owns and operates, among other things, 12 hotels or lodges, over 300 motorcoaches and 20 domed rail cars. This tour company and two cruise ships that we own and charter-out comprise our Tour and Other segment.

See Note 12, "Segment Information" to our Consolidated Financial Statements in Exhibit 13 to this Form 10-K for additional segment and geographic information.

III. North America

Almost 60% of the cruise passengers in the world are sourced from the North American region, where cruising is a mainstream alternative to land-based vacations. Approximately 11.5 million North American-sourced passengers took cruise vacations for two or more consecutive days in 2011, and we estimate that 11.8 million passengers cruised in 2012. According to an internally developed survey conducted in 2011, nearly 75% of Americans listed travel as their top lifetime goal. As a result of this and the favorable characteristics of the cruise business, we believe the cruise segment of the North America vacation region continues to have growth potential.

At January 22, 2013, our North America brands represented 61% of our total passenger capacity. As of January 22, 2013, four ships under construction, with almost 13,800 lower berths, have been designated for our North America brands.

The most popular location visited by North America-sourced cruise guests in 2012 was the Caribbean (including The Bahamas), followed by other locations, such as the Mediterranean Sea, Alaska, Northern Europe, Mexican Riviera, New England, Canada, Bermuda, Hawaii, the Panama Canal and other exotic locations, such as South and Central America, the South Pacific Islands, Australia, the Far East and India.

Carnival Cruise Lines, Princess, Holland America Line and Seabourn source their guests principally from North America. Cunard also sources a large portion of its guests from North America.

Carnival Cruise Lines is a leader in contemporary cruising and operates 24 ships designed to provide fun and memorable vacation experiences at an outstanding value. Carnival Cruise Lines, which celebrated its 40th anniversary in 2012, is one of the most recognizable brands in the cruise business and carried over four million passengers in 2012, the most of any individual cruise brand. Carnival Cruise Lines has a broad appeal to families, couples, singles and seniors and carried more than 710,000 children in 2012. One common denominator among its guests is their desire for a truly fun and memorable vacation experience. Carnival Cruise Lines has one new 4,000 passenger-capacity ship scheduled to enter service in February 2016, which will grow the brand's existing passenger capacity by 6%.

Carnival Cruise Lines offers cruises generally from three to eight days with most of its ships home ported in North America. Carnival Cruise Lines is the leading provider of year-round Caribbean cruises and also operates seasonal cruises in Mexico, Europe, New England, Canada, Alaska, the Baltics, Hawaii, South America, the British Isles and Panama. Some of Carnival Cruise Lines' cruise offerings feature a private island destination in The Bahamas, known as Half Moon Cay, which is owned and operated by Holland America Line.

In October 2011, Carnival Cruise Lines unveiled Fun Ship 2.0, a program that is transforming the line's guest experience through innovative dining, bar and entertainment concepts, as well as partnerships with popular celebrities and brands. Entertainer George Lopez is the brand's creative director for comedy and is enhancing the line's fleet wide comedy clubs; Food Network star Guy Fieri has developed an onboard burger restaurant called Guy's Burger Joint; leading video game manufacturer EA SPORTS has partnered with the line to create the first-ever EA SPORTS Bars at sea; and through a partnership with toy and game leader Hasbro, Inc. the line has introduced new larger-than-life adaptations of Hasbro's iconic games. Representing an initial investment of $500 million, various Fun Ship 2.0 innovations will be introduced throughout the Carnival Cruise Lines fleet over the next few years. Fun Ship 2.0 will play a central role in the refurbishment of the *Carnival Destiny*, which will be renamed *Carnival Sunshine* after this work is completed in Spring 2013. The refurbishment will add a variety of Fun Ship 2.0 innovations, as well as one-of-a-kind amenities such as a three-level Serenity adults-only retreat. The many groundbreaking features of Fun Ship 2.0 are best reflected in the 3,690-passenger capacity *Carnival Breeze*, which debuted in Europe in 2012 before launching year-round Caribbean service from Miami in November 2012.

In October 2012, the 2,124-passenger capacity *Carnival Spirit* began operating year-round cruises from Sydney, Australia, marking the line's first cruises in this vacation region. See Part 1, Item 1. Business. B. "Cruise Business – Australia" for additional discussion of Carnival Cruise Lines' operations in Australia. In Spring 2013, Carnival Cruise Lines will launch its most diverse European schedule ever. *Carnival Sunshine* will operate a series of Mediterranean voyages from April through October, while *Carnival Legend* will feature itineraries in the Baltics, the Mediterranean, Northern Europe and the British Isles, including the line's first Norwegian fjords itinerary.

Princess, whose brand name was originally made famous by the *Love Boat* television show, has been providing cruises since 1965. Princess is the world's largest premium cruise line based on passenger capacity and operates a fleet of 16 ships. Princess offers 125 unique itineraries to more than 310 destinations, with cruises generally from three to 14 days, and two world cruises over 100 days. In 2013, Princess will increase the number of its three and four day cruises in order to provide customers an opportunity to experience the Princess products and services on shorter voyages for a lower price compared to longer cruises. Princess has two additional ships scheduled to enter service, *Royal Princess* in June 2013 and *Regal Princess* in June 2014. The new ships will each have a 3,560-passenger capacity, the largest in the Princess fleet, and will continue the evolution of the Princess product and services. The two newbuilds will offer a variety of new features, including an exciting Sports Court and the SeaWalk, which is a top-deck, glass-bottom walkway extending more than 28 feet beyond the ship's side. With these two new ship additions, Princess' existing passenger capacity will grow by 19%.

Princess is a leading cruise line in international and exotic destinations, including Europe, Australia, Asia, Panama Canal, Hawaii and South America. Princess will have seven ships sailing in 2013 throughout Europe between the months of April and December, including the inaugural season of *Royal Princess*. Princess is also a leading cruise line in Alaska and in 2013 will dedicate seven ships to sailing in this area between the months of May and September. Some of Princess' Caribbean cruise offerings feature a private island destination that Princess leases and operates, known as Princess Cays®, which is located on the island of Eleuthera in The Bahamas.

Princess is widely recognized as an innovative, premium cruise line committed to helping its guests Escape Completely® from their daily routine and responsibilities. Designed with a warm, welcoming "comfortable elegance," Princess' ships provide a relaxed, rejuvenating retreat at sea, with signature amenities offered consistently across most of its fleet befitting its mission to be The Consummate Host® to its guests. Its "Piazza" main atrium serves as the heart of the ship, featuring its International Café and specialty coffee bar, its Vines wine and seafood bar and a variety of entertainment throughout the day and evening. Its "Movies Under The Stars" outdoor theaters recreate the drive-in movie experience out on deck, with first-run Hollywood hits and major sporting events shown on a 330 square-foot poolside LED screen, complete with fresh-made popcorn. Its adults-only Sanctuary retreat space and unique "Ultimate Balcony Dining" course-by-course dining option were industry firsts.

Princess sources a majority of its passengers from North America but also sources a large number of passengers from Australia and the UK. In addition, Princess recently began growing the passenger sourcing from Asia. See Part I, Item 1. Business. B. "Cruise Business – Australia" and "Cruise Business – Asia" for additional discussion of Princess' operations in Australia and Asia.

Holland America Line, which is celebrating its 140th year anniversary in 2013, operates a premium fleet of 15 mid-sized ships. Holland America Line calls on 371 destinations in 99 countries and territories on all seven continents, including Antarctica. While the majority of cruises are from seven to 21 days, Holland America Line also offers longer, exotic Grand Voyages up to 75 days, plus an annual Grand World Voyage of over 100 days. Holland America Line is also a leading cruise line in Alaska and in 2013 will dedicate seven of its ships to sailing in this area between the months of May and September. Europe is also a key destination in 2013 with seven ships sailing between the months of April and November, including *Rotterdam*, which is home ported year-round in Amsterdam, the Netherlands. In the Caribbean, most of Holland America Line's ships visit its private island in The Bahamas, Half Moon Cay. Holland America Line has one new 2,660-passenger capacity ship scheduled to enter service in November 2015, which will increase its existing passenger capacity by 11%.

Holland America Line's mission is to create once-in-a-lifetime experiences for its guests every time they cruise. The brand continues to enjoy one of the highest rates of repeat cruisers. Holland America Line's more than $500 million Signature of Excellence product enhancement initiative emphasizes its dedication to all aspects of the guest experience, including elegant accommodations, sophisticated five-star dining and award-winning service. Its mid-sized ships are designed for more intimate cruising and feature classically-designed interiors, wraparound teak decks and private verandas. In addition, Holland America Line ships have one of the most extensive collections of art and antiques at sea.

All of Holland America Line's ships have Culinary Arts Centers presented by *Food & Wine* magazine, where guests enjoy cooking demonstrations, private cooking lessons, wine tastings and lifestyle seminars. In addition, the Digital Workshop in collaboration with Microsoft® offers complimentary photo and video editing classes, and guests will find specialty coffees, an extensive library, music listening stations and internet access in the Explorations Café® in partnership with The New York Times®. The Greenhouse Spa and Salon has extensive wellness and beauty treatments, fitness classes and exercise equipment.

Seabourn provides ultra-luxury cruising vacations on smaller ships that focus on personalized services, all-suite accommodations, superb cuisine and unique experiences. It was voted the "Best-Small Ship Cruise Line" by readers of *Travel + Leisure* for the last four years and *Condé Nast Traveler* for the last three years. Seabourn offers travelers a compelling value proposition that includes complimentary open bars throughout the ship, fine wines poured at lunch and dinner and gratuities are neither required nor expected. Seabourn pampers its guests with value-added extras such as Massage Moments^{SM} on deck and Caviar in the Surf^{SM} beach parties. Seabourn's ships cruise to destinations throughout the world, including Europe, Asia, the South Pacific Islands, Australia, the Americas and Antarctica, with cruises generally from seven to 14 days, with some of longer length, including a world cruise over 100 days.

Seabourn currently operates three 450-passenger capacity and three 212-passenger capacity ships. The larger ships offer more categories of luxury suites, more dining alternatives and 11,400-square foot spa facilities that are the largest on any ultra-luxury vessel. All of the Seabourn ships have a service ratio of nearly one staff member per guest and an intimate, sociable atmosphere that has been the hallmark of the Seabourn lifestyle since it began its operations in 1988.

IV. Europe, Australia & Asia

a. Europe

We believe that Europe is the largest leisure travel vacation region in the world, but to date cruising in Europe has achieved a much lower level of penetration than in North America and represents a relatively small percentage of the European vacation markets. Approximately 6.2 million European-sourced passengers took cruise vacations for two or more consecutive nights in 2011 compared to 11.5 million North American-sourced passengers. Additionally, we estimate that about 6.4 million European-sourced passengers took a cruise in 2012. Because of the relatively low penetration rates and other favorable characteristics of the cruise business, we believe the cruise segment of the European vacation markets continues to have growth potential.

At January 22, 2013, our Europe brands represented 39% of our total passenger capacity. As of January 22, 2013, five ships under construction, with over 16,000 lower berths, have been designated for our Europe brands, with three for AIDA and one each for Costa and P&O Cruises (UK).

The most popular location visited by European-sourced cruise guests in 2012 was the Mediterranean Sea, followed by other locations such as the Atlantic Isles (including the Canary Islands and Madeira), Northern Europe (including Scandinavia and the Baltic Sea), the Caribbean, Bermuda, the Arabian Gulf and Indian Ocean, the Far East, South America, New York, the Black Sea, New England and Canada.

1. United Kingdom

The UK provides the largest number of cruise passengers sourced in Europe. Approximately 1.7 million UK passengers cruised in 2011, and we estimate that 1.8 million passengers cruised in 2012. Cruising in the UK is an established alternative to land-based vacations. P&O Cruises (UK) sources substantially all its guests from the UK. Cunard sources a majority of its guests from the UK but also sources a large number of passengers from North America and Germany.

P&O Cruises (UK) is the leading and most recognized cruise brand in the UK and can trace its roots back 175 years to the formation of the Peninsular Steam Navigation Company in 1837. Today, P&O Cruises (UK) is dedicated to providing the vacation of a lifetime to its largely British guests and operates a fleet of seven premium ships that vary in size from 700 to 3,100 lower berths. Three of its ships offer vacations exclusively for adults, while the other ships are well-suited for families. P&O Cruises (UK) has one new 3,611-passenger capacity ship scheduled to enter service in March 2015, which will increase its existing passenger capacity by 25%, and will be the largest cruise ship built exclusively for the British market.

P&O Cruises (UK)'s ships visit over 200 destinations worldwide, with cruises generally from seven to 15 days, with a number of longer voyages, including three world cruises of over 80 days. In the summer, cruises depart from Southampton, England to the Mediterranean, Scandinavia and the Baltic Sea, New England and Canada, the Atlantic Isles and the Caribbean. In the winter, P&O Cruises (UK) offers cruises from the Caribbean, cruises departing from Southampton, England primarily to the Mediterranean Sea and the Canary Islands and world cruises.

P&O Cruises (UK)'s fleet reflects the tastes and trends of contemporary Britain in dining, entertainment, service and ambiance. This is enhanced through partnerships with British celebrity chefs Marco Pierre White, Atul Kochhar and Olly Smith, together with popular television programs, such as the British Broadcasting Corporation's *Strictly Come Dancing*. Based on British heritage and traditions, P&O Cruises (UK) provides an authentic, high-quality cruise experience and has an enviable reputation for trust and reliability, highlighted by the high levels of customer loyalty.

Cunard, which was launched in 1839, operates three premium/luxury ships, *Queen Elizabeth*, *Queen Mary 2* and *Queen Victoria*, that evoke a golden era of luxurious cruising on one of the youngest fleets in the cruise business. During 2013, Cunard ships will principally sail a variety of seasonal itineraries in Northern Europe, the Mediterranean and the New England and Canadian areas, as well as their iconic transatlantic voyages on *Queen Mary 2*. Most of Cunard's cruises are from seven to 14 days with three world cruises of over 105 days.

Cunard is an international cruise line that offers guests a unique British experience. Cunard ships provide guests with the opportunity to relive the golden age of ocean travel featuring sophisticated five-star dining, luxurious accommodations and award-winning White Star Service. In addition, Cunard ships spotlight uniquely British shipboard amenities, such as libraries, traditional British pubs and theaters. Cunard ships also feature the Queen's Grill and Princess Grill, which are renowned for their extensive suites and intimate dining rooms. Cunard enjoys an enviable association with the British Royal Family. Her Majesty the Queen is Godmother to both *Queen Elizabeth* and *Queen Mary 2*. Together, these features further distinguish this historic brand from all others and have made Cunard ships the Most Famous Ocean Liners In The World℠.

2. Continental Europe

The main countries in continental Europe for sourcing cruise passengers are Germany, Italy, Spain and France. Together, almost 3.5 million cruise passengers were sourced from these countries in 2011 and we estimate that approximately 3.6 million passengers took a cruise in 2012. The German cruise business reached more than 1.4 million passengers in 2012 and is the second largest source market in Europe, after the UK. The Italian cruise business is the third largest in Europe with 950,000 passengers in 2012. The Spanish and French cruise businesses are the fourth and fifth largest in Europe with 700,000 passengers and 450,000 passengers in 2012, respectively.

The primary sources of our guests for Costa are from Italy, France and Germany, while AIDA sources substantially all its guests from Germany and Ibero sources substantially all of its guests from Spain, Brazil and Argentina.

Costa is Italy's and France's number one cruise line and a leading cruise line in Germany, and overall is Europe's largest cruise line based on guests carried and passenger capacity. Costa has operated for 65 years and in 2012, it took delivery of one new 2,984-passenger-capacity cruise ship, *Costa Fascinosa*, and now operates 14 contemporary ships. Costa has one additional ship, *Costa Diadema*, scheduled to enter service in October 2014, which will increase its existing passenger capacity by 12%. In Germany, where we also own and operate AIDA, Costa offers a more traditional cruise product and services catering to an older age demographic, which differentiates its product offerings from AIDA's.

In 2012, Costa launched a number of initiatives to rebuild its brand's reputation and strengthen its trust with guests and travel agents. One of these initiatives is Costa's new international advertising campaign, called the "Real Costa," which was launched in November 2012 and targets consumers in its key markets of Italy, France and Germany. The "Real Costa" campaign aims to portray an authentic Costa cruise, where guests experience a unique emotional journey, including romantic walks on the ships' decks, excellent dining experiences and interactions between themselves and Costa's staff. The campaign invites consumers to go to the Costa website where they can view the new Real Time section with daily updated content from all of Costa's ships. Costa's website has also been enhanced to include a new section, "Here for you," to give even more transparency to onboard safety procedures, and a new area called "Millions of Memories" where guests can share their pictures and emotions. Past guests can share their experiences and give recommendations and tips on Costa cruises in a new section of Costa's website called "Costa Cruise Tips." Finally, the new campaign includes interviews of senior management, articles highlighting the professionalism of Costa's crew, including officers, and behind the scenes onboard tours.

Costa's 1.4 million guests in 2012 were sourced from over 180 countries. Costa calls on 250 ports around the world, with 150 different itineraries, with cruises from seven to 11 days. In the summer, Costa deploys its ships in the Mediterranean and Northern Europe areas. In the winter, Costa deploys its ships in South America, the Mediterranean, the Caribbean, the Arabian Gulf and the Red Sea. See Part I, Item 1. Business. B. "Cruise Business – Asia" for additional discussion of Costa's operations in Asia.

Costa's ships represent some of the best of Italy by offering beautiful Italian art, unique interior decorations with superb Italian mosaics, precious Murano chandeliers, fine Italian wines, excellent Mediterranean food selections and unique shops that carry well-known Italian fashion brands. Costa attracts international guests due to its multi-lingual service and is considered in Europe and South America to be a top vacation provider. Costa is also known for offering innovative itineraries that combine the excitement of new destinations with pampering onboard service and ambiance. The spectacular Samsara spa wellness center includes a dedicated restaurant and cabins with direct access to the spa.

AIDA, which began operating in 1996, is the leader and most recognized cruise brand in the German cruise business. Germany is our fastest growing European market and AIDA is our fastest growing cruise brand. AIDA has taken delivery of six ships in the past six years including the 2012 delivery of *AIDAmar* and now operates nine contemporary ships. AIDA has three additional ships scheduled to enter service between March 2013 and March 2016, which will increase its existing passenger capacity by 53%.

The new ship, *AIDAstella* to be delivered in 2013 is a sister ship to *AIDAmar*. The remaining two ships scheduled for delivery in March 2015 and March 2016 are a new design, larger than AIDA's current generation of vessels and combine an advanced technological platform with innovative guest features. The larger 3,286-passenger capacity ships will also further develop AIDA's hallmark "Theatrium" and "Brauhaus" micro-brewery features.

AIDA offers its guests cruises generally from five to 14 days, while calling on approximately 185 ports. In the summer, AIDA ships sail in the North Sea, the Baltic Sea, the Mediterranean Sea, the Adriatic Sea, the Black Sea, New England and Canada. In the winter, AIDA ships sail in the Caribbean, Central America, South America, Southeast Asia, the Atlantic Isles, the Western Mediterranean, the Arabian Gulf and the Red Sea.

AIDA's product is especially tailored for German-speaking guests, including German-speaking crew as well as German-style food and entertainment. AIDA offers an exceptionally relaxed, yet active, cruising experience with an emphasis on a healthy and youthful lifestyle, choice, informality, friendliness and activity. In addition, AIDA's ships include a variety of informal and formal dining options, including buffets, grills and exclusive restaurants.

Ibero began operations in 2003 and is a leading cruise line in Spain. Ibero's three contemporary ships are especially tailored for Spanish-speaking guests, including Spanish-speaking crew as well as Mediterranean and Spanish-style food and entertainment. From spring until fall, Ibero's ships offer seven-day Mediterranean and Northern European sailings. For the Northern Hemisphere's 2013 fall and 2014 winter, two of Ibero's ships will be repositioned to South America and offer cruises along the Brazilian and Argentine coasts, and its third ship will continue to sail in the Mediterranean Sea.

3. South America

Cruise vacations have been marketed to South Americans for many years, mainly to Brazilian- and Argentinean-sourced guests. Brazil and Argentina have a combined population of approximately 235 million, and we believe that their discretionary incomes will continue to grow in the future. Almost eight million Brazilian and Argentine tourists traveled abroad in 2012. Based on industry data and our internal estimates, approximately 800,000 Brazilians and Argentineans took a cruise vacation in 2012, of which almost 35% sailed on a Carnival Corporation & plc branded vessel primarily through our Costa and Ibero brands. Because of the low penetration rate of less than half of one percent and other favorable characteristics of the cruise business, we believe the cruise segment of the South American vacation markets continues to have growth potential.

Cruises from South America typically occur during the Southern Hemisphere summer months of November through March. Costa and Ibero operate an aggregate of seven ships from home ports in Brazil and Argentina from November 2012 through March 2013.

b. Australia

Approximately 640,000 Australian and New Zealand passengers took cruise vacations in 2011, and we estimate that approximately 700,000 passengers cruised in 2012. Cruising in Australia is an established alternative to land-based vacations. However, due to the favorable characteristics of the cruise business, we believe the cruise segment of the Australian vacation market continues to have growth potential. We serve this market substantially through our P&O Cruises (Australia), Princess and Carnival Cruise Lines brands. In addition, some of our other brands also source guests from Australia and New Zealand.

P&O Cruises (Australia) is the leading Australian cruise line, recognized by nine out of ten Australians as the brand synonymous with cruising. With 300,000 passengers annually, P&O Cruises (Australia) carried almost half of all Australia and New Zealand cruise passengers in 2012.

Its three contemporary ships are home ported in a number of cities in Australia and New Zealand. P&O Cruises (Australia) sails to more South Pacific Island destinations than any other cruise line, which enables guests to discover the islands of the South Pacific from New Caledonia to Fiji. P&O Cruises (Australia) also offers year round itineraries to Australia's magnificent coast line and New Zealand.

With almost 80 years of cruising experience, P&O Cruises (Australia) provides a quintessential holiday experience for Australians and New Zealanders. The onboard atmosphere is laid back with a focus on great food, friendly service and exciting entertainment. Its ships offer cruises generally from three to ten days for guests of all ages and have broad appeal to families, friends and couples.

In 2013, Princess will deploy two premium ships on a year-round basis and two premium ships on a seasonal basis on cruises departing from home ports in Australia. During 2013, Princess will have the largest Australian and New Zealand passenger capacity deployment of any cruise brand. Princess' ships visit the South Pacific Islands, Australia, New Zealand and Asia and the cruises generally are from 11 to 17 days, with one world cruise of over 100 days. Princess is primarily marketed in North America, so we consider it a North America cruise brand for our cruise segment reporting, even though these ships are marketed principally to Australians during these deployments.

In October 2012, Carnival Cruise Lines deployed *Carnival Spirit* in the cruise segment of the Australian vacation market on a year-round basis for cruises departing from the home port of Sydney, Australia. *Carnival Spirit* offers cruises from eight to 12 days to the South Pacific Islands and New Zealand. Carnival Cruise Lines is primarily marketed in North America, so we consider it a North America cruise brand for our cruise segment reporting, even though this ship is marketed to Australians and New Zealanders.

c. Asia

Although in the early stages of development, we believe the cruise segment of the Asian vacation markets, such as China, Japan, South Korea, Singapore, Indonesia, Thailand, Malaysia and India, have significant long-term potential for expansion. Accordingly, we view the Asian region as an important part of our global strategy and remain committed to capacity growth focused on the emerging cruise markets in this region. We are increasing our presence in Asia by, among other things, establishing a new corporate office in Singapore and appointing experienced executives to coordinate and assist our brands' current operations and future expansion efforts. We expect to make further announcements on expanding our fleet in Asia in 2013.

1. China

We began sourcing passengers from China in 2006. We source most of our Chinese guests from the cities of Shanghai, Beijing and Guangzhou, which have a combined regional population of approximately 300 million people. Tourism is one of the most rapidly growing sectors in the Chinese economy as Chinese discretionary income has increased at a compound average growth rate of over 15% over the last five years. More than 78 million Chinese tourists are expected to have traveled abroad in 2012. We believe the cruise segment of the Chinese vacation market has significant long-term growth potential for the cruise business given its early stage of development, large and growing middle-class population, easing of travel restrictions and expanding international tourist travel.

Costa began its China operations in 2006 and was the first international cruise line to home port a ship in China. Currently, Costa operates one contemporary ship, the 1,928-passenger capacity *Costa Victoria*, that is primarily marketed to the Chinese and surrounding vacation markets. *Costa Victoria* was introduced in China in May 2012 to replace the 1,302-passenger capacity *Costa Classica*, increasing our capacity in the region by 48%. Commencing in May 2013, a second ship, the 2,114-passenger capacity *Costa Atlantica*, will join *Costa Victoria*. These ships are especially tailored for Chinese-speaking guests, serving Asian style cuisine, offering local entertainment and gaming options and providing well-known luxury brands in their retail shops.

Costa offers its guests cruises generally from four to seven days. With both *Costa Victoria* and *Costa Atlantica* operating in the region, they will more than double their capacity. These two ships will offer cruises departing from Shanghai and Tianjin, China calling on ports in South Korea and Japan during the summer months. During the winter, these ships will sail from Singapore calling on ports in Malaysia and Thailand and from Hong Kong calling on ports in Taiwan and Vietnam.

2. Japan

Japan has the world's tenth largest population and third largest economy. In addition, Japan has more developed ports-of-call than other countries in the Asian region. We believe the cruise segment of the Japanese vacation market has long-term growth potential for the cruise business given its early stage of development, large population, developed economy and other favorable cruise business characteristics. Accordingly, we have recently established a Carnival Japan sales and reservation office in Tokyo, Japan.

Princess will deploy the 2,022-passenger capacity *Sun Princess* on cruises departing from home ports in Yokohama and Kobe, Japan commencing April 2013 for three months. *Sun Princess* will visit Japan, Korea, Taiwan and Russia with cruises ranging from nine to 12 days. This ship will offer the Princess products and services, with Japanese touches to appeal to the local market. In 2014, Princess will offer cruises on *Sun Princess* departing from Kobe and Otaru, Japan from April to August, while serving Yokohama, Japan with the 2,678-passenger capacity *Diamond Princess* from April to October. Princess is primarily marketed in North America, so we consider it a North America cruise brand for our cruise segment reporting, even though these ships will be marketed principally to Japanese guests during these deployments.

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V. Ships Under Contract for Construction

As of January 22, 2013, summary information of our ships under contract for construction is as follows (a):

Cruise Brands and Ships	Expected Service Date (b)	Passenger Capacity
North America		
Carnival Cruise Lines		
Newbuild (c)	2/16	4,000
Holland America Line		
Newbuild (c)	11/15	2,660
Princess		
Royal Princess	6/13	3,560
Regal Princess	6/14	3,560
North America Cruise Brands		13,780
EAA		
AIDA		
AIDAstella	3/13	2,194
Newbuild	3/15	3,286
Newbuild	3/16	3,286
P&O Cruises (UK)		
Newbuild	3/15	3,611
Costa		
Costa Diadema	10/14	3,677
EAA Cruise Brands		16,054
		29,834

(a) Our ship construction agreements cannot be cancelled by either party without cause, and such cancellation will subject the defaulting party to contractual liquidated damages.

(b) The expected service date is the month that the ship is currently expected to begin its first revenue generating cruise. Our Carnival Cruise Lines, Costa, Holland America Line, Princess and P&O Cruises (UK) ship construction contracts are with the Fincantieri shipyards in Italy. Our AIDA ship construction contracts are with Meyer Werft shipyard in Germany for *AIDAstella* and Mitsubishi Heavy Industries in Japan for its following two ships.

(c) Our Carnival Cruise Lines and Holland America Line binding Memorandum of Agreement for newbuilds is subject to the completion of definitive construction contracts and financing commitments, which are expected to be finalized in 2013.

VI. Cruise Ports and Destination Developments

Our cruise brands provide guests with unique vacation experiences and additional home and transit ports through the development and management of new or enhanced cruise port facilities. Our involvement is usually in cooperation with governmental entities and typically includes providing development and management expertise and financial commitments that are connected to long-term port usage and preferential berthing agreements. However, sometimes we provide direct financial support or develop the port infrastructure ourselves, including the development of mixed-use commercial properties.

During 2012, we were in various stages of involvement with the development, enhancement and/or financing of government-owned and operated cruise port facilities in Galveston, Texas; Miami, Florida; New York City, New York; Port Everglades, Florida; San Juan, Puerto Rico and St. Maarten, Kingdom of the Netherlands. We also operate, or plan on operating, leased or owned port facilities or have interests in joint ventures that operate leased or owned port facilities in Amber Cove, Dominican Republic; Barcelona, Spain; Civitavecchia, Naples, Savona and Trieste, Italy; Hamburg, Germany; Juneau, Alaska; Long Beach, California and Marseilles, France for the benefit of our cruise brands.

We also operate leased or owned port facilities that we developed as destinations in Cozumel, Mexico; Grand Turk, Turks and Caicos Islands and Roatán, Honduras, which are all included in our Cruise Support segment, as well as private island destinations in The Bahamas primarily for the benefit of our North America cruise brands. These destinations offer a variety of features, including shore excursions, cultural and historic exhibits, water sports, beaches, duty-free shopping and a variety of themed-dining options. These features come together to make each of these ports-of-call an all-encompassing experience.

VII. Cruise Ship Repair Facility

We own a 40% interest in Grand Bahamas Shipyard Ltd. ("GBSL"), which is the largest cruise ship dry-dock repair facility in the world, to support our ship maintenance programs. We utilize this facility, among other ship repair facilities, for our dry-dockings. This repair facility, located in Freeport, Grand Bahamas, has three dry-docks and can accommodate ships of up to 137,000 tons. As a result, our North America brand ships based in the Caribbean primarily use this facility given its proximity to their home ports. During 2012, we had 13 ships serviced at this facility. In addition, unaffiliated cruise ships and other types of ships, such as cargo and oil and gas tankers, were serviced at this facility. GBSL generated total revenues of $111 million in 2012, with a large portion being derived from work on our cruise ships.

Royal Caribbean Cruises Ltd. ("RCCL"), our largest cruise competitor, also owns a 40% interest in GBSL and an unaffiliated entity owned by Grand Bahamas Port Authority owns the remaining 20%. We account for our investment in GBSL using the equity method, with our share of income or loss recorded in other nonoperating income or expense. Our total net investment in, including notes receivable from, GBSL was $70 million at November 30, 2012. GBSL had an aggregate of $112 million of outstanding debt to RCCL and us and $3 million of outstanding debt under a revolving credit facility to a third party at November 30, 2012.

VIII. Cruise Pricing and Payment Terms

Each of our cruise brands publishes prices for the upcoming seasons primarily through the internet. Prices vary by cruise line, by category of cabin, by ship, by season and by itinerary. Cruise prices frequently change in a dynamic pricing environment. Some cruise prices are reduced through special promotions, early booking or past guest recognition programs. Conversely, some cruise prices are increased due to higher demand.

Our advance bookings are generally taken several months in advance of the cruise departure date. Typically, the longer the cruise itinerary the further in advance the bookings are made. This lead time allows us to manage our prices in relation to demand for available cabins through the use of advanced revenue management capabilities and other initiatives, with the strategy of filling our ships while achieving the highest possible overall net revenue yields. In addition, we have the ability to change ship itineraries over time to maximize our net revenue yields. (See "Key Performance Non-GAAP Financial Indicators" in our Management Discussion and Analysis of Financial Condition and Results of Operations in Exhibit 13 to this Form 10-K).

The cruise ticket price typically includes accommodations, most meals, some non-alcoholic beverages and most onboard entertainment such as the use of, or admission to, a wide variety of activities and facilities including, among others, nightclubs, lounges, bars, theatrical shows, movies, comedy and music acts, parties, supervised youth programs, swimming pools, water slides, water parks, whirlpools, saunas, a health club, a jogging track, sun decks, libraries, cooking demonstrations and a planetarium. Our brands' payment terms generally require that a guest pay a deposit to confirm their reservation with the balance due before the departure date. In addition, some of our European brands extend certain of their travel agents and tour operators with credit that allow them to pay us a certain period of time after they collect cruise ticket payments from our guests but typically prior to sailing. Currently, AIDA, Cunard and P&O Cruises (UK) are charging fuel supplements, which are included in cruise passenger ticket revenues.

Our guests are subject to a cancellation fee if they do not pay a vacation protection premium for the ability to obtain a refund if they cancel their cruise within a pre-defined period before sailing. We include this cancellation fee income in cruise passenger ticket revenues upon cancellation. Guests who pay a vacation protection premium for the ability to obtain a refund will receive all or a portion of their deposit value back in cash or in the form of a future cruise credit, in accordance with the terms of the programs. We include this vacation protection premium in other cruise revenues.

As a convenience to our guests, we offer to arrange air transportation to and from airports near the home port. When a guest elects to purchase air transportation from us, both our revenues and expenses generally increase by approximately the same amount. Air transportation prices typically vary by gateway, ticket class, destination and other ticket restrictions. In 2012, approximately 10% of our guests purchased air transportation from us. In order to increase the level of our air transportation services, certain of our brands offer an air program that includes competitive air prices (for both restricted/non-refundable and flexible fares) and provides our guests with next port protection, which enables them to get to the next appropriate cruise port at no additional air cost if they miss their original port embarkation due to airline delays or airline service disruptions. In addition, for some of our European brands' cruise itineraries we charter aircraft to facilitate our guests' travel to distant locations. We also offer transfers from and to the airport as part of our air programs, as well as to other guests who may need this transfer service.

IX. Onboard and Other Revenues

Onboard and other activities are provided either directly by us or by independent concessionaires, from which we receive either a percentage of their revenues or a fee. We earn onboard and other revenues from activities and services not included in the cruise ticket price consisting of, but not limited to, liquor and some non-alcoholic beverage sales, shore excursions, casino gaming, gift shop sales, photo sales, full service spas, communication services, art sales, a wide variety of dining options and laundry services. Our brands are always working on innovative ways to enhance our guests' onboard experience and increase our onboard revenues, such as offering all-inclusive beverage packages and prepaid gift cards. We use various marketing and promotional tools and are supported by point-of-sale systems permitting "cashless" transactions for the sale of these onboard and other products and services. As a convenience to our guests, all our brands allow their guests to pre-book, and in some cases pre-pay, certain of their onboard and other revenue-producing activities in advance of the cruise.

Sales to our guests of shore excursions at each ship's ports-of-call include, among other things, general sightseeing, cultural tours, adventure outings and local boat and beach parties. We typically utilize local operators who provide shore excursions with guides who speak the same languages as most of our shore excursion guests. For our sailings to destinations in Alaska, shore excursions are operated by Holland America Princess Alaska Tours, as well as local operators. We also offer revenue-producing activities on the private islands and port destinations that we operate that include, among other things, beach bars and restaurants, water sports, sky lifts, cabana rentals and a surf rider attraction.

Our casinos are all owned and operated directly by us and are equipped according to the needs of the individual brands, ships and itineraries. We offer a wide variety of slot and gaming machines and a diverse mix of both traditional and specialty table games. The casinos are only open when our ships are at sea in international waters or when otherwise permitted by law.

In conjunction with our cruise vacations, many of our cruise brands sell pre-and post-cruise land packages of one to four days that include, among other things, guided tours, hotels and related transportation services. In Alaska and the Canadian Yukon, we utilize, to a large extent, our hotel and transportation assets.

X. Sales Relationships

We sell our cruises mainly through travel agents, including wholesalers, general sales agents and tour operators that serve our guests in their local markets. Travel agents are an integral part of our long-term cruise distribution network. Our individual cruise brands' relationships with their travel agents are generally independent of each of our other brands. Our travel agent relationships are not exclusive and travel agents generally receive a base commission, plus the potential of additional commissions based on the achievement of pre-defined sales volumes. Most travel agents also sell cruises and other vacations provided by our competitors. We motivate travel agents to support our products and services with competitive sales and pricing policies and joint marketing and advertising programs. We also employ a wide variety of trade marketing techniques, including websites, training seminars and videos, to familiarize agents with our cruise brands and their products and services. Substantially all of our cruise brands offer interactive online and other education courses for travel professionals who want to continue learning about the cruise business and how to effectively sell our cruise products and services. During fiscal 2012, no controlled group of travel agencies accounted for 10% or more of our revenues.

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. Our investment in customer service includes the development of employees, processes and systems. We continually improve our systems within the reservations and customer relationship management functions, emphasizing the continuing support and training of the travel agency community, while simultaneously developing greater contact and interaction with our guest base.

All of our brands have developed internet booking engines to allow travel agents to book our cruises. We also support travel agent booking capabilities through global distribution systems. We estimate that over 75% of our bookings from travel agents are made electronically.

All of our cruise brands have their own consumer websites that provide access to information about their products and services to users in key source markets and enable their guests to quickly and easily book vacations. We also employ vacation planners who support our direct sales initiatives by offering our guests cruise planning expertise and other services.

XI. Marketing Activities

Each of our brands has comprehensive marketing and advertising programs to promote their products and services to vacationers and travel agents. Each brand's marketing activities are designed to reach a local market in the local language. The principal mediums used for marketing and advertising are television, magazine, radio, outdoor billboards, direct mail, e-mail, online websites, online advertising and social media.

We continue to expand our use of digital marketing and social media, such as Facebook, Twitter, YouTube and Pinterest, to help us cultivate guests as fans of our brands, ships, itineraries and onboard products and services. In 2012, we had over five million "Likes" on Facebook for all our brands. We also have blogs hosted by ship captains, cruise and entertainment directors, executive pursers and special guests. We use Twitter to enhance our customer service and as part of our public relations strategies to inform the press, popular bloggers, fans and brand advocates of new developments and breaking news stories.

All of our cruise brands offer past guest recognition programs that reward repeat guests with special incentives such as reduced fares, gifts, expedited ship embarkation and disembarkation and onboard activities. Our cruise brands continue to offer new enhancements and benefits to their past guest recognition programs.

Customer feedback and research is also a critically important element in the development of our overall marketing and business strategies. We measure and evaluate key drivers of customer loyalty and satisfaction that provide valuable insights about the cruise experience. We regularly initiate customer research studies among both guests and travel agents to assess the impact of various programs and to solicit feedback to help make business decisions.

XII. Seasonality

Our revenues from the sale of passenger tickets are 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 ticket prices and occupancy levels and, accordingly, the largest share of our operating income is earned during this period. The seasonality of our results also increases due to ships being taken out-of-service for maintenance, which we schedule during non-peak demand periods. In addition, substantially all of Holland America Princess Alaska Tours' revenue and net income is generated from May through September in conjunction with the Alaska cruise season.

XIII. Competition

We compete with land-based vacation alternatives throughout the world, including hotels, resorts (including all-inclusive resorts), theme parks, organized tours, casinos and vacation ownership properties. Our principal cruise competitors are RCCL, which owns Royal Caribbean International, Celebrity Cruises, Azamara Club Cruises, CDF Croisieres de France and Pullmantur. RCCL and TUI AG jointly own TUI Cruises, a German cruise competitor. Other principal cruise competitors include Norwegian Cruise Line and MSC. Almost 83% of all 2011 global cruise passengers in the cruise segment of the global vacation industry sailed with these competitors and us.

XIV. Governmental Regulations

a. Maritime Regulations

1. General

The international, national, state and local laws, regulations, treaties and other legal requirements applicable to our operations change regularly, sometimes on a daily basis, depending on the itineraries of our ships and the ports and countries visited. Our ships, which are registered in The Bahamas, Bermuda, Italy, Malta, the Netherlands, Panama, Portugal and the UK, are regulated by these jurisdictions and are required to comply with the international conventions that govern health, environmental, safety and security matters in relation to our guests, crew and ships. Each country of registry conducts periodic inspections, or appoints ship classification societies to conduct periodic inspections on their behalf, to verify compliance with these regulations. In addition, the requirements of the European Union ("EU"), the U.S. and the other international ports that our ships visit apply to some aspects of our ship operations.

Our ships are also subject to periodic class surveys, including dry-docking inspections, by ship classification societies to verify that our ships have been maintained in accordance with the rules of the classification societies and that recommended repairs have been satisfactorily completed. Class certification is one of the necessary documents required for our cruise ships to be flagged in a specific country, obtain liability insurance and legally operate as passenger cruise ships. Dry-dock frequency is a statutory requirement controlled under the International Convention for Safety of Life at Sea ("SOLAS"). Our ships qualify to dry-dock once or twice every five years, depending on the age of the ship. Dry-docking, which requires that the ship be temporarily taken out-of-service, typically lasts for one or more weeks depending on the amount of work performed. Significant dry-dock work includes, among other things, hull inspection and related activities (such as scraping, pressure cleaning and bottom painting, maintenance of steering propulsion, stabilizers, thruster equipment and ballast tanks). While the ship is out of the water in dry-dock, we also perform other repairs and maintenance and ship improvement projects.

As noted above, our ships are subject to inspection by the port regulatory authorities in the various countries that they visit. Such inspections include verification of compliance with the maritime safety, security, environmental, customs, immigration, health and labor regulations applicable to each port as well as with international requirements. For example, in U.S. ports these authorities include the U.S. Coast Guard and U.S. Customs and Border Protection and in Canada, the Canadian Coast Guard. In EU ports, the Paris Memorandum of Understanding authorizes the enforcement of internationally accepted conventions through Port State Control inspections by the relevant authorities. For example, in Italian ports these authorities include the Italian Coast Guard, Maritime Health and the State Police. In UK ports, these authorities include the Maritime and Coastguard Agency, the Department for Transport's Transport Security team, otherwise known as TRANSEC, and the Port Health Authority. Similar Memoranda of Understanding govern Port State Control inspections of our ships in most other areas of the world where we operate.

Although not required by regulations, we voluntarily publish annual Sustainability Reports that address governance, commitments, stakeholder engagement, environmental, labor, human rights, society, product responsibility, economic and other sustainability-related issues and performance indicators. These reports, which can be viewed at www.carnivalcorp.com and www.carnivalplc.com, were developed in accordance with the Sustainability Reporting Guidelines established by the Global Reporting Initiative, the global standard for reporting on environmental, social and governance policies, practices and performance.

We believe maritime safety, security, environmental, health and labor issues will continue to be areas of focus by relevant government authorities where our cruise ships operate and, accordingly, we will likely be subject to increasing compliance costs in the future.

2. Maritime Safety Regulations

The International Maritime Organization ("IMO"), a specialized agency of the United Nations, has adopted safety standards as part of SOLAS, which apply to all of our ships. Among other things, SOLAS establishes requirements for vessel design, structural features, construction methods and materials, refurbishment standards, life-saving equipment, fire protection and detection, safe management and operation and security in order to help ensure guest and crew safety and security. All of our crew undergo regular safety training exercises that meet all international maritime regulations. SOLAS requirements are periodically revised for both new and existing ships.

SOLAS requires implementation of the International Safety Management Code ("ISM Code"), which 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 shoreside and shipboard operations and ships are regularly audited by national authorities and maintain the required certificates of compliance with the ISM Code.

As previously discussed, following the ship incident we announced a comprehensive audit and review of all safety and emergency response procedures across our ten brands. This review was completed in December 2012. As a result, we have and will continue to implement improvements to our procedures for bridge operations, quality assurance and auditing of ship operations, bridge officer training, safety and emergency response and crew training programs.

In addition, as members of CLIA and the ECC, we have agreed to and are implementing policies that are part of the CLIA/ECC Cruise Industry Operational Safety Review that was initiated after the ship incident as follows: bridge access, emergency instructions and training for lifeboat loading, excess lifejackets, harmonization of bridge procedures, location of lifejacket storage, passage planning, passenger muster procedures, recording the nationality of passengers, securing heavy objects and standardization of muster. Further details on the above policies can be found on the CLIA website at www.cruising.org/regulatory/cruise-industry-policies/cruise-industry-operational-safety-review.

3. Maritime Security Regulations

Our ships are subject to various security requirements, including the International Ship and Port Facility Security Code ("ISPS Code", a part of SOLAS); the U.S. Maritime Transportation Security Act of 2002, which addresses port and waterway security and the U.S. Cruise Vessel Security and Safety Act, which will phase in through 2013 and applies to all of our ships that embark or disembark passengers in the U.S. These maritime security regulations require that, among other things, we implement specific security measures; conduct vessel security assessments; identify and deter security threats; and develop security plans that may include guest, vehicle and baggage screening procedures, security patrols, establishment of restricted areas, personnel identification procedures, access control measures and installation of surveillance equipment. We are in compliance with these maritime security regulations.

4. Maritime Environmental Regulations

We are subject to numerous international, national, state and local environmental laws, regulations and treaties that govern, among other things, air emissions, waste discharge, water management and disposal and the storage, handling, use and disposal of hazardous substances such as chemicals, solvents and paints. In addition to the existing legal requirements, we are committed to helping to preserve the environment because a clean, unspoiled environment is a key element that attracts guests to our ships. 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, regulations and treaties.

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Our environmental efforts are focused on, among other things, reducing emissions such as greenhouse gases ("GHGs") (for example, carbon dioxide ("CO_2") or carbon dioxide equivalents ("CO_2e")), sulfur oxide ("SOx") and nitrogen oxide ("NOx"). These emissions result from the combustion of the marine fuels consumed by our ships, which accounts for substantially all of our GHGs and other emissions. Further, reducing fuel consumption is one of our most important cross-brand initiatives, which will reduce emissions and mitigate the impact of high fuel prices. Our strategy for saving energy is addressed through the environmental management systems of our brands. Our strategy includes installing some of the best available energy reduction technologies on our ships, such as propulsion and cooling systems, and evaluating alternative fuel and emission reduction technologies. In addition, we are designing more energy efficient ships that will enter our fleet in the future, while continuing to reduce the fuel consumption of our existing fleet.

We measure our ability to use direct energy efficiently by calculating the amount of primary source energy we consume. One of our key objectives is to reduce fuel consumption by our ships, the primary energy source. We control our GHG and other emissions by managing our energy consumption. Our ship fuel consumption and emission rates are as follows:

Measure	Units	2011	2008	Percentage Reduction Since 2008
Ship Fuel Consumption Rate	Grams Fuel/ALB-KM (a)	95	104	(8.7%)
Ship Fuel GHG Emission Rate	Grams CO_2e/ALB-KM (b)	298	327	(8.9%)
SOx Emissions Rate	Kg SOx/NM (c)	15.3	16.1	(5.0%)
NOx Emissions Rate	Kg NOx/NM (c)	23.2	24.8	(6.5%)

(a) We measure and report the fuel consumption rate in terms of grams of fuel per available lower berth kilometer ("ALB-KM"). This indicator enables us to make meaningful fuel consumption comparisons that take into account changes in fleet size, itineraries and passenger capacity.

(b) We measure and report the fuel GHG emission rate in terms of grams of CO_2e per ALB-KM. This indicator enables us to make meaningful GHG emission reduction comparisons that take into account changes in fleet size, itineraries and passenger capacity.

(c) We measure emission rates in terms of total kilograms ("Kg") of emissions per nautical mile ("NM"). Using an emission rate normalized by distance traveled allows us to compare our pollutant reduction efforts over the reporting periods.

i. International Regulations

The most important environmental convention governing ships is the IMO International Convention for the Prevention of Pollution from Ships ("MARPOL"). This convention includes requirements designed to prevent and minimize both accidental and operational pollution by oil, sewage, garbage and air emissions. Many countries have ratified and adopted IMO Conventions that, among other things, impose liability for pollution damage, subject to defenses and to monetary limits. 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. All of our ships must carry an International Oil Pollution Prevention Certificate, an International Sewage Pollution Prevention Certificate, an International Air Pollution Prevention Certificate and a Garbage Management Plan. These certificates and plan are issued by the ship's state of registry and evidence their compliance with the MARPOL regulations regarding oil, sewage and air pollution prevention. In jurisdictions that have not adopted the IMO Conventions, various national, regional or local laws and regulations have been established to address these issues and we comply with them.

Recently adopted amendments to MARPOL will make the Baltic Sea a "Special Area" where sewage discharges from passenger ships will be restricted. We are not certain as to when these amendments are expected to enter into effect. The underlying requirements may impact our operations unless suitable port waste facilities are available, or new technologies for onboard waste treatment are developed. Accordingly, the cost of complying with these requirements is not determinable at this time, however, we do not expect it to be material.

The International Organization for Standardization ("ISO") is an international standard-setting body, which produces worldwide industrial and commercial standards. The environmental management systems of all of our cruise brands and ships are certified in accordance with ISO 14001, which is an environmental management standard that was developed to help organizations manage the environmental impacts of their processes, products and services. By presenting a structured approach to setting environmental objectives and targets, ISO 14001 provides a framework for any organization to apply these broad conceptual tools to their own processes.

ii. U.S. Federal and State Regulations

The U.S. Act to Prevent Pollution from Ships, which implements the MARPOL convention, 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 within the 200-mile exclusive economic zone.

The U.S. Oil Pollution Act of 1990 ("OPA 90") provides for strict liability for water pollution caused by oil pollution or possible oil pollution incidents in the 200-mile exclusive economic zone of the U.S., subject to defined monetary limits. OPA 90 requires that in order for us to operate in U.S. waters, we must have Certificates of Financial Responsibility from the U.S. Coast Guard for each of our ships that operate in these waters. We have these certificates that demonstrate our ability to meet the maximum amount of OPA 90 related liability that our ships could be subject to for removal costs and damages, such as from an oil spill or a release of a hazardous substance.

The Clean Water Act of 1972 and other laws and regulations provide the U.S. Environmental Protection Agency ("EPA") with the authority to regulate commercial vessels' incidental discharges of ballast water, bilge water, gray water, anti-fouling paints and other substances during normal operations within the U.S. three mile territorial sea and inland waters.

The U.S. National Pollutant Discharge Elimination System was designed to minimize pollution within U.S. territorial waters. For our affected ships, all of the requirements are laid out in the Vessel General Permit ("VGP"), which are an EPA requirement. The VGP establishes effluent limits for 26 specific discharges incidental to the normal operation of a vessel. In addition to these discharge and vessel specific requirements, the VGP includes requirements for inspections, monitoring, reporting and record-keeping.

Most U.S. states that border navigable waterways or sea coasts have also enacted environmental regulations that impose strict liability 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.

The state of Alaska enacted legislation that prohibits certain discharges in designated Alaskan waters and requires that certain discharges be monitored to verify compliance with the standards established by the legislation. Both the state and federal environmental regimes in Alaska are 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.

iii. EU Regulations

Over the past 30 years, the EU has adopted a substantial and diverse range of environmental measures aimed at improving the quality of the environment for European citizens and providing them with a high quality of life. To support the implementation and enforcement of European environmental legislation, the EU has adopted directives on environmental liability and enforcement and a recommendation providing for minimum criteria for environmental inspections.

The European Commission's ("EC") strategy is to reduce atmospheric emissions from seagoing ships. The EC strategy seeks to implement SOx Emission Control Areas set out in MARPOL as discussed below. In addition, the EC goes beyond the IMO by introducing requirements to use low sulfur (less than 0.1%) marine gas oil in EU ports.

iv. Low Sulfur Fuel Regulations

MARPOL specifies requirements for Emission Control Areas ("ECAs") with stricter limitations on sulfur emissions in these areas. Ships operating in the Baltic Sea ECA, the North Sea/English Channel ECA and the North American ECA are required to use fuel with a sulfur content of no more than 1% or use alternative emission reduction methods, provided the alternatives are at least as effective in terms of emissions reductions.

Beginning in January 2014, the area which extends approximately 50 miles off the coasts of Puerto Rico and the U.S. Virgin Islands will also become an ECA, but we do not believe this will result in a significant impact on our fuel costs. Other additional ECAs may also be established in the future, such as for areas around Australia, Hong Kong, Japan, the Mediterranean Sea and Mexico.

From January 2015 and thereafter, the fuel sulfur content limit in ECAs will be further reduced to 0.1%. Compliance with these requirements will further increase our fuel costs. Based on 2013 itineraries and projected fuel consumption as well as current fuel prices and technologies, we estimate that the implementation of the 0.1% low sulfur content requirement in all four currently designated ECAs will increase our annual fuel costs by approximately $255 million to $275 million. The increase from our prior year estimate is substantially all due to an increase in the spread between 0.1% and 1% low sulfur fuel prices, which change daily. These costs may be reduced by potential mitigating factors.

The MARPOL global limit on fuel sulfur content outside of ECAs will be reduced to 0.5% from the current 3.5% global limit on and after January 2020. The 0.5% global standard will be subject to an IMO review by 2018 to determine the availability of fuel oil to comply with this standard, taking into account the global fuel oil market supply and demand, an analysis of trends in fuel oil markets and any other relevant issues. If the IMO determines that there is insufficient fuel to comply with the 0.5% standard in January 2020, then this requirement will be delayed to January 2025, at the latest. However, the European Union Parliament and Council have set 2020 as the final date for the 0.5% fuel sulfur limit to enter force, regardless of the 2018 IMO review results. This European Union Sulfur Directive will cover European Union Member State territorial waters that are within 12 nautical miles of their coastline. We believe that compliance with the 0.5% global standard could significantly increase our fuel costs. However, the magnitude of this increase is not reasonably determinable at this time due to the length of time until the global standard becomes effective and the other potential mitigating factors discussed below.

The cost impacts from implementing progressively lower sulfur content requirements may be mitigated by, among other things, the favorable impact of future changes in the supply and demand balance for marine and other fuels, future developments of and investments in sulfur emission abatement and propulsion technologies, including more advanced engines, more effective hull coatings and paints, exhaust gas cleaning systems and propeller design, more efficient shipboard systems, the use of alternative lower cost and lower emission fuels, such as liquefied natural gas ("LNG") at sea and in port. We are also further mitigating the cost impacts from these lower sulfur content requirements through fuel conservation initiatives, including engine performance improvements, air conditioning efficiency improvements, new itinerary options, decreasing ship speeds, new air lubrication systems, increased energy use awareness and training, more efficient lighting, voyage optimization tools and improved evaporator management. Implementing a combination of fuel saving initiatives has allowed us to reduce our rate of fuel consumption by 18% over the past seven years.

As part of our emission abatement program, we have worked with local port authorities and the EPA to assist in the development and construction of shore power connections in Juneau, Alaska; Long Beach, Los Angeles, San Francisco and San Diego, California; Seattle, Washington and Vancouver, British Columbia and have equipped 16 ships with shore power technology. We expect to work with other port authorities in the future to implement additional shore power connections. This technology enables our ships to use power from the local electric grid rather than running their engines while in port to power their onboard services, and thus reducing our air emissions. We have also worked on a project that utilizes LNG as a power source for certain of our ships while they are at the Port of Hamburg, Germany.

v. Greenhouse Gas Emissions

We have voluntarily set a reduction target of 20% from our 2005 baseline of CO_2 emission rate from shipboard operations by 2015. We have already reached a reduction of over 14%. Each of our cruise brands has established objectives, targets and plans within their respective ISO 14001 environmental management systems to reduce fuel consumption rates and resulting CO_2 emission rates.

We voluntarily participated in the Carbon Disclosure Project ("CDP"), which provides visibility of companies' carbon footprints and activities regarding carbon emissions. The CDP rates companies on the depth and scope of their disclosures and the quality of their reporting. Our submission included details of our most recently compiled emissions data and reduction efforts, along with our completion of an independent, third-party verification of our GHG emissions inventory. We have been named to the Carbon Disclosure Leadership Index since 2008.

In July 2011, MARPOL was amended to include mandatory measures to reduce emissions of GHGs from international shipping. These measures require a Ship Energy Efficiency Management Plan ("SEEMP") for all ships. All of our ships have established a SEEMP.

5. Maritime Health Regulations

We are committed to providing a healthy environment for all of our guests and crew. We collaborate with public health inspection programs throughout the world, such as the Centers for Disease Control and Prevention in the U.S., the SHIPSAN Project in the EU and the National Health Surveillance Agency in Brazil to ensure that development of these programs leads to enhanced health and hygiene onboard our ships.

Through our collaborative efforts, we work with the authorities to develop and revise guidelines, review plans and conduct on-site inspections for all newbuilds and significant existing ship renovations. In addition, we continue to maintain our ships by meeting, and often exceeding, applicable public health guidelines and requirements, complying with inspections, reporting communicable illnesses and conducting regular crew training and guest education programs.

6. Maritime Labor Regulations

In 2006, the International Labor Organization ("ILO"), an agency of the United Nations that develops and oversees international labor standards, adopted a new Consolidated Maritime Labor Convention ("MLC 2006"). MLC 2006 contains a comprehensive set of global standards based on those that are already found in 68 maritime labor Conventions and Recommendations adopted by the ILO since 1920. It brings almost all of these Conventions and Recommendations together in a single new Convention. MLC 2006 includes a broad range of requirements, such as a broader definition of a seafarer, minimum age of seafarers, medical certificates, recruitment practices, training, repatriation, food, recreational facilities, health and welfare, hours of work and rest, accommodations, wages and entitlements. While many of the practices were widely adhered to by ships registered in different countries, MLC 2006 will add requirements not previously in effect, particularly in the area of occupational safety and health.

MLC 2006 will become effective in certain countries commencing August 2013. We already comply with many of the provisions of this new Convention and will be fully compliant when it becomes mandatory. We expect that compliance with MLC 2006 will further increase our annual ship operating costs by an estimated $15 million to $25 million.

The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("STCW"), as amended, establishes minimum standards relating to training, certification and watchkeeping for our seafarers. We are compliant with the requirements of STCW.

b. Consumer Regulations

Our ships that call on U.S. ports are regulated by the Federal Maritime Commission ("FMC"). Public Law 89-777, which is administered by the FMC, requires all our cruise brands that call on U.S. ports and embark or disembark guests in U.S. ports to establish financial responsibility for their liability to passengers for nonperformance of transportation, for personal injury and for loss of life. The FMC's regulations require that a cruise line demonstrate its financial responsibility for nonperformance 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. In order to comply with this requirement, we have an aggregate of $75 million of guarantees provided by some of our insurers. Our Protection and Indemnity coverages are used to establish our financial responsibility for personal injury and loss of life.

In some cases in the UK and Australia, we are currently required to obtain licenses from and post bonds with various organizations in connection with the conduct of our business and/or our ability to meet our liabilities in the event of nonperformance of obligations to consumers. The most significant requirement relates to ABTA, formally known as the Association of British Travel Agents, which requires us to maintain approximately $140 million of sterling-denominated bonds to cover certain of our brands' UK customer deposits. We are also required to pay to the UK Civil Aviation Authority a non-refundable £2.50 fee per guest when we arrange a flight as part of a cruise vacation.

In the other major countries where we source our guests, we are also required to establish financial responsibility, such as obtaining a guarantee from a reputable insurance company to ensure that, in case of insolvency, our guests will be refunded their deposits and repatriated without additional cost if insolvency occurs after a cruise starts.

c. Regulations for Guests with Disabilities

Regulations regarding ship accessibility standards are expected to be issued in the United States in the near future. While we believe our vessels have been designed and outfitted to accommodate our disabled guests, we cannot at this time accurately predict whether we will be required to make material modifications or incur significant additional expenses in response to these expected regulations.

C. Employees

Our shoreside operations have an average of 9,400 full-time and 4,300 part-time/seasonal employees. We also employ an average of approximately 76,000 crew members, including officers, onboard the 100 ships we currently operate. Holland America Princess Alaska Tours increases its work force during the late spring and summer months in connection with the Alaskan cruise season, employing additional seasonal personnel, which are included above. We have entered into agreements with unions covering certain employees on our ships and in our hotel and transportation operations. We consider our employee and union relations to be strong. The percentages of our shipboard and shoreside employees that are represented by collective bargaining agreements are 30% and 14%, respectively.

We source our shipboard officers primarily from Italy, the UK, Holland, Germany and Norway. The remaining crew positions are sourced from around the world, with the largest contingent from the Philippines, Indonesia and India. We utilize manning agencies to help locate and hire many of our shipboard employees.

Our cruise brands are committed to providing appropriate marine-related training to ensure that our shipboard crew, including officers, have the knowledge and skills to properly perform their jobs. We have a maritime training program that includes, among other things, two maritime training facilities, known as the Centers for Simulator Maritime Training ("CSMART"), with one located in Almere, the Netherlands and the other in Rostock, Germany. These facilities employ state-of-the-art simulation equipment and instructional tools to provide our crew with training in fixed propeller and azipod maneuvering, engine control room operations, bridge resource management, ship stability, emergency preparedness and other maritime skills. We have recently initiated organizational enhancements designed to improve our HESS risk management capabilities. In addition, we will be implementing quality assurance initiatives that will further strengthen bridge resource management training and operational bridge performance. We have also established the European Cruise Academy in Rostock, Germany, which offers advanced training certificates in the maritime sciences primarily related to the cruise business.

D. Suppliers

Our largest operating expenditures are for fuel, travel agency services, food and beverages, air transportation services, port facility utilization, repairs and maintenance including dry-docking, advertising and marketing, hotel and restaurant products and supplies and communication services. Our largest capital expenditures are for the construction of new ships and improvements to existing ships.

Although we utilize a select number of suppliers for most of our food and beverages, communication services, air transportation services and hotel and restaurant products and supplies, most of these products and services are available from multiple 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.

We perform our major dry-dock and ship improvement work at a number of dry-dock facilities in The Bahamas, Europe, the U.S., Canada, Singapore and Australia. As of January 22, 2013, we have agreements in place for the construction of nine cruise ships with three shipyards. We believe there are sufficient dry-dock and shipbuilding facilities to meet our anticipated repair, maintenance, ship improvement and newbuild requirements.

E. Insurance

I. General

We maintain insurance to cover a number of risks associated with owning and operating our vessels and other non-ship related risks. All such insurance policies are subject to coverage limits, exclusions and deductible levels. Insurance premiums are dependent on our own loss experience and the general premium requirements of our insurers. We maintain certain levels of deductibles for substantially all the below-mentioned coverages, some of which have increased in recent years, and we may increase our deductibles further to mitigate future premium increases. We do not carry coverage related to loss of earnings or revenues from our ships or other operations. Certain of our insurance premiums have or will increase as a result of the ship incident. Substantially all of these insurance premium increases are already included in our December 20, 2012 guidance for 2013. However, since our annual P&I insurance coverage does not expire until February 2013 the remaining increase will not impact our results until 2014, but this portion is not expected to be significant.

II. Protection and Indemnity ("P&I") Coverages

Liabilities, costs and expenses for illness and injury to crew, guest injury, pollution and other third party claims in connection with our cruise activities are covered by our P&I clubs, which are mutual indemnity associations owned by ship owners.

We are members of the Standard Steamship Owners' Protection and Indemnity Association (Europe) Ltd. and The Steamship Mutual Underwriting Association (Bermuda) Limited P&I clubs. The P&I clubs that we participate in 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 broad and established reinsurance markets, a large portion of the world's shipping fleets. Coverage is subject to the P&I clubs' rules and the limits of coverage are determined by the IG.

III. Hull and Machinery Insurance

We maintain insurance on the hull and machinery of each of our ships for reasonable amounts as determined by management. The coverage for hull and machinery is provided by large and well-established international marine insurers. Most insurers 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 have been certified within the last twelve months to be in class by an IACS member.

IV. War Risk Insurance

We maintain war risk insurance for legal liability to crew, guests and other third parties as well as loss or damage to our vessels arising from war or war-like actions, including terrorist incidents. Items excluded from this coverage are claims arising from chemical, nuclear and biological attacks. Our primary war risk insurance coverage is provided by international marine insurers and our excess war risk insurance is provided by our two P&I clubs. Under the terms of our war risk insurance coverage, which is typical for war risk policies in the marine industry, insurers can give us seven days notice that the insurance policies will be cancelled. However, the policies can be reinstated at different premium rates. This gives insurers the ability to increase our premiums following events that they determine have increased their risk.

V. Athens Convention

Effective January 1, 2013, the European Union Passenger Liability Regulation ("PLR") incorporated the 2002 protocol to the Athens Convention, which requires us to maintain compulsory insurance for liability for passenger death or personal injury. The PLR applies to all EU registered vessels as well as non-EU registered vessels embarking or disembarking passengers in EU member states. We are required to have Certificates of Financial responsibility from an EU flag state on the applicable ships as evidence that we carry the compulsory insurance up to the limits prescribed under the 2002 Athens protocol. The cost of these new requirements is not significant.

VI. Other Insurance

We maintain property insurance covering our shoreside assets and casualty insurance covering liabilities to third parties arising from our hotel and transportation businesses, shore excursion operations and shoreside operations, including our port facilities. We also maintain workers compensation, directors and officers liability and other insurance coverages.

F. Trademarks and Other Intellectual Property

We own and have registered or licensed numerous trademarks and domain names, which we believe are widely recognized and have considerable value. These intangible assets enable us to distinguish our cruise products and services, ships and programs from those of our competitors. Our trademarks include the trade names of our cruise brands, each of which we believe is a widely-recognized brand in the cruise business, as well as our ship names and a wide variety of cruise products and services. We have entered into licenses, including a license to use the P&O name, the P&O flag and other relevant trademarks and domain names in relation to cruising and related activities. We also have a license to use the "*Love Boat*" name and related marks. See Note 11, "Fair Value Measurements, Derivatives Instruments and Hedging Activities" to our Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates – Asset Impairments" in Exhibit 13 to this Form 10-K for additional discussion of our trademarks.

G. Taxation

A summary of our principal taxes and exemptions in the jurisdictions where our primary businesses are located is as follows:

I. U.S. Income Tax

We are primarily foreign corporations engaged in the business of operating cruise ships in international transportation. We also own and operate, among other businesses, the U.S. hotel and transportation business of Holland America Princess Alaska Tours through U.S. corporations.

Our North American cruise ship businesses and certain ship-owning subsidiaries are engaged in a trade or business within the U.S. Depending on the itinerary of any particular ship, that ship may generate income from sources within the U.S. We believe that our U.S. source income and the income of our ship-owning subsidiaries, to the extent derived from, or incidental to, the international operation of a ship or ships, is currently exempt from U.S. federal income and branch profits tax.

Our domestic U.S. operations, principally the hotel and transportation business of Holland America Princess Alaska Tours, are subject to state and federal income taxation in the U.S.

a. Application of Section 883 of the Internal Revenue Code

In general, under Section 883 of the Internal Revenue Code, certain non-U.S. corporations (such as our North American cruise ship businesses) 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. Applicable U.S. Treasury 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. (an "equivalent exemption jurisdiction") and (ii) the foreign corporation meets a defined publicly-traded test. Subsidiaries of foreign corporations that are organized in an equivalent exemption jurisdiction and meet the publicly-traded test also benefit from Section 883. We believe that Panama is an equivalent exemption jurisdiction and Carnival Corporation currently qualifies as a publicly-traded corporation under the regulations. Accordingly, substantially all of Carnival Corporation's income is exempt from U.S. federal income and branch profits tax.

Regulations under Section 883 list items that the Internal Revenue Service ("IRS") does not consider to be incidental to ship operations. Among the items identified as not incidental is income from the sale of air transportation, transfers, shore excursions and pre- and post-cruise land packages to the extent earned from sources within the U.S.

b. Exemption Under Applicable Income Tax Treaties

We believe that the U.S. source transportation income earned by Carnival plc and its Italian resident subsidiary currently qualifies for exemption from U.S. federal income tax under applicable bilateral U.S. income tax treaties.

c. U.S. State Income Tax

Carnival Corporation and Carnival plc and certain of their subsidiaries are subject to various U.S. state income taxes generally imposed on each state's portion of the U.S. source income subject to U.S. federal income taxes. However, the state of Alaska imposes an income tax on its allocated portion of the total income of our companies doing business in Alaska and certain of their subsidiaries.

II. UK and Australian Income Tax

Cunard, P&O Cruises (UK) and P&O Cruises (Australia) are divisions of Carnival plc and have elected to enter the UK tonnage tax regime through 2021. Companies to which the tonnage tax regime applies pay corporation taxes on profits calculated by reference to the net tonnage of qualifying ships. UK corporation tax is not chargeable under the normal UK tax rules on these brands' relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and from shipping related activities.

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. Companies within UK tonnage tax are also subject to a seafarer training requirement.

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime remain subject to normal UK corporation tax. Dividends received from subsidiaries of Carnival plc doing business outside the UK are generally exempt from UK corporation tax.

P&O Cruises (Australia) and all of the other cruise ships operated internationally by Carnival plc for the Australian market are exempt from Australian corporation tax by virtue of the UK/Australian income tax treaty.

III. Italian Income Tax

Costa, AIDA and Ibero have elected to enter the Italian tonnage tax regime through 2014 and intend to reapply for an additional ten-year period beginning 2015. Companies to which the tonnage tax regime applies pay corporation taxes on shipping profits calculated by reference to the net tonnage of qualifying ships.

Most of Costa's and AIDA's earnings not considered to be shipping profits for Italian tonnage tax purposes will be taxed at an effective tax rate of approximately 6% under the Italian tax regime since all of their ships are Italian registered.

IV. Portuguese, Spanish and German Income Tax

All of Ibero's ships are registered in Portugal. Provided certain local employment requirements are satisfied, most of Ibero's income that is not considered to be shipping profits for Italian tonnage tax purposes is subject to Portuguese income tax at effective rates of 5% or less through 2020. After 2020, such income will be subject to the normal Portuguese tax rate.

Ibero's Spanish operations are minimal and, therefore, its Spanish income taxes are minimal.

Substantially all of AIDA's earnings are exempt from German corporation tax by virtue of the Italy/Germany income tax treaty.

V. Brazilian and Chinese Income and Other Taxes

From November through March, Costa and Ibero charter certain of their ships for operation in Brazil to Brazilian subsidiaries. The subsidiaries' earnings are subject to Brazilian resident income tax, and we believe that payments these subsidiaries make to Costa and Ibero are exempt from Brazilian income tax under Brazilian domestic law and the Italy/Brazil income tax treaty.

Substantially all of Costa's income from its operations in China is exempt from Chinese corporation tax by virtue of the Italy/China Maritime tax treaty.

VI. Other

In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes and/or fees based on guest counts, ship tonnage, passenger capacity or some other measure.

H. Website Access to Carnival Corporation & plc SEC Reports

Our Form 10-K, joint Quarterly Reports on Form 10-Q, joint Current Reports on Form 8-K, joint Proxy Statement related to our annual stockholders meeting, Section 16 filings and all amendments to those reports are available free of charge on our home pages at www.carnivalcorp.com and www.carnivalplc.com and on the SEC's home page at www.sec.gov as soon as reasonably practicable after we have electronically filed or furnished these reports with the SEC. The content of any website referred to in this Form 10-K is not incorporated by reference into this Form 10-K.

Item 1A. Risk Factors.

You should carefully consider the specific risk factors set forth below and the other information contained or incorporated by reference in this 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 item and elsewhere in this 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.

- *General economic and business conditions may adversely impact consumer demand for vacations and, consequently, reduce our cruise brands' net revenue yields and profitability.*

Demand for cruises is in part dependent on the underlying perceived or actual economic condition of the countries from which cruise companies source their guests. Adverse changes in the perceived or actual economic climate, such as higher unemployment and underemployment rates; declines in income levels; securities, real estate and other market declines and volatility; increasing taxation; higher fuel prices and healthcare costs; more restrictive credit markets; higher interest rates and changes in governmental regulations, could reduce our potential vacationers' discretionary incomes, net worth or their consumer confidence. Consequently, this may negatively affect demand for vacations, including cruise vacations, which are a discretionary purchase. Decreases in demand could lead to price reductions which, in turn, could reduce the profitability of our business. These ticket price reductions may result in a less affluent guest base, which along with decreases in discretionary income or consumer confidence could also result in lower onboard revenues that could also have a negative effect on our net revenue yields and profitability.

- *Increases in fuel prices may adversely affect our operations, financial condition and liquidity.*

Economic, market and political conditions around the world such as fuel demand, regulatory requirements, supply disruptions and related infrastructure needs, make it difficult to predict the future price and availability of fuel. Fuel costs accounted for 23%, 21% and 18% of our cruise operating expenses in 2012, 2011 and 2010, respectively. Future increases in the global price of fuel would increase the cost of our cruise ship operations as well as some of our other expenses, such as crew travel, freight and commodity prices. We may be unable to implement additional fuel conservation initiatives and other best practices or increase ticket prices and collect fuel supplements, which would help to fully or partially offset these fuel price increases. See risks relating to environmental laws and regulations, continuing financial viability of air service providers and failures to keep pace with technology below for additional information regarding our fuel risks.

To mitigate a portion of our economic risk attributable to potential fuel price increases, we have established a fuel derivatives program. To date under this program, we have bought Brent crude oil ("Brent") call options and sold Brent put options, collectively referred to as zero cost collars, that established ceiling and floor prices. These derivatives are based on Brent prices whereas the actual fuel used on our ships is marine fuel. Changes in the Brent prices may not show a high degree of correlation with changes in our underlying marine fuel prices. In addition, there can be no assurance that our fuel derivatives program will provide a sufficient level of protection against increases in fuel prices or that our counterparties will be able to perform, such as in the case of a counterparty bankruptcy. The zero cost collars will reduce our benefit if Brent prices drop below the floor. Also, the fuel derivative contracts may create significant volatility in our U.S. GAAP earnings due to volatility in fuel prices over the contracts' terms. Furthermore, volatility in fuel prices could have a material adverse effect on our operations, financial condition and liquidity.

Finally, we believe that our land-based vacation competitors' operating costs are less affected by fuel price increases than cruise companies. Accordingly, fuel price increases may adversely impact cruise companies more than their land-based competitors.

- *Incidents, the spread of contagious diseases and threats thereof, adverse weather conditions or other natural disasters and other incidents affecting the health, safety, security and satisfaction of guests and crew could have an adverse effect on our sales and profitability.*

The operation of cruise ships, hotels, land tours, port facilities and shore excursions involve the risk of incidents, including those caused by the improper operation of our ships, motorcoaches and trains; guest and crew illnesses, such as from the spread of contagious diseases; mechanical failures; fires and collisions; repair delays; groundings; navigational errors; oil spills and other maritime and environmental mishaps; missing passengers and other incidents at sea or while in port or on land, which may cause injury and death, or the alteration of itineraries or cancellation of a cruise or series of cruises or tours. Although we place guest and crew safety as the highest priority in all our operations, our ships have been involved in accidents and other incidents in the past. We may experience similar or other incidents in the future. These types of incidents may bring into question guest and crew health, safety, security and satisfaction and may adversely affect our sales and profitability, may result in additional costs to our business, litigation against us and increasing government or other regulatory oversight.

In particular, our ability to effectively and efficiently operate shipboard and shoreside activities may be impacted by widespread public health issues/illnesses or health warnings resulting in, among other things, reduced demand for cruises and cruise cancellations and employee absenteeism that could have an adverse affect on our sales and profitability. For example, a severe outbreak of the influenza virus or some other pandemic could, among other things, disrupt our ability to embark/disembark passengers and crew, disrupt air travel to and from ports, increase costs for prevention and treatment and adversely affect our supply chain. This could also adversely impact cruise demand in areas unaffected by such an outbreak.

In addition, as mentioned above, our ships are subject to the risks of mechanical failures and accidents, for which we have had to incur repair expenses. If these occur in the future, we may be unable to procure spare parts when needed or make repairs without incurring significant expense or suspension of service. A significant performance deficiency or problem on any one of our ships could have an adverse effect on our financial condition and results of operations.

Our cruise ships, hotels, land tours, port facilities, shore excursions and other service providers may be impacted by adverse weather patterns or other natural disasters, such as hurricanes, earthquakes, floods, fires, tornados, tsunamis and volcanic eruptions. These events could result in, among other things, increased port related and other costs. It is possible that we could be forced to alter itineraries or cancel a cruise or a series of cruises or tours due to these or other factors, which would have an adverse effect on our sales and profitability.

The frequency of extreme weather events such as hurricanes and floods, which may be caused by climate change, may not only cause disruption, alteration, or cancellation of cruises but may also adversely impact commercial airline flights, other transport and shore excursion activities or prevent our guests from electing to cruise altogether. Such extreme weather events may also disrupt the supply of provisions, fuel and shore power, and may limit our ability to safely embark and disembark our guests. In addition, these extreme weather conditions could result in increased wave and wind activity, which would make it more challenging to sail and dock our ships and could cause sea/motion sickness among guests and crew. These events could have an adverse impact on the safety and guest satisfaction of cruising and could have an adverse impact on our sales and profitability. Finally, these extreme weather conditions could cause property damage to our ships, port facilities and other assets and impact our ability to obtain insurance coverage for operations in such areas at reasonable rates.

Furthermore, some of the same factors that impact our guests' decisions to cruise with us may also impact our ability to employ qualified crew.

- *The international political climate, armed conflicts, terrorist and pirate attacks, vessel seizures, and threats thereof, and other world events affecting the safety and security of travel 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 and security of travel. Factors including, but not limited to, past acts of terrorism, threats of additional terrorist attacks, drug-related violence in Mexico, pirate attacks and vessel seizures off the coasts of Africa, national government travel advisories, political instability in North Africa, the Middle East and elsewhere and general concerns over the safety and security aspects of traveling have had a significant adverse impact on demand and pricing in the travel and vacation industry in the past and may have an adverse impact in the future. Decreases in demand may lead to price reductions, which in turn could reduce our profitability. These types of events could also impact our ability to source qualified crew from throughout the world at competitive costs and, therefore, increase our shipboard crew costs.

- *Negative publicity concerning the cruise business in general or us in particular, including any adverse environmental impacts of cruising, could impact the demand for cruises, affect our reputation and harm our future sales and profitability.*

Incidents involving cruise ships, and, in particular our cruise ships, media coverage thereof, as well as adverse media publicity concerning the cruise vacation industry in general, or unusual weather patterns or other natural disasters or disruptions, such as hurricanes and earthquakes, could impact demand for our cruises. In addition, any events which impact the travel industry more generally may negatively impact guests' ability or desire to travel to or from our ships, or interrupt our ability to obtain services and goods from key vendors in our supply chain. Any of the foregoing could have an adverse impact on our result of operations and on future industry performance.

Maintaining a good reputation is critical to our business. Reports and media coverage of ship incidents at sea or while in port, including missing guests, improper conduct by our employees, guests or agents, crimes, crew and guest illnesses such as incidents of stomach flu, parasitic outbreaks or other contagious diseases, security breaches, terrorist threats and attacks and other adverse events can result in negative publicity, which could lead to a negative perception regarding the safety of our ships and the satisfaction of our guests. In addition, negative publicity regarding adverse environmental impacts of cruising, such as climate change and oil spills, could diminish our reputation. The considerable expansion in the use of social media over recent years has increased the ways in which our reputation can be impacted, and the speed with which it can occur. Anything that damages our reputation, whether or not justified, could have an adverse impact on demand, which could lead to price reductions and a reduction in our sales and profitability.

- *Litigation, enforcement actions, fines or penalties could adversely impact our financial condition or results of operations and damage our reputation.*

Our business is subject to various international laws and regulations that could lead to enforcement actions, fines, civil or criminal penalties or the assertion of litigation claims and damages. In addition, improper conduct by our employees or agents could damage our reputation and lead to litigation or legal proceedings that could result in significant awards or settlements to plaintiffs and civil or criminal penalties, including substantial monetary fines. Such events could lead to an adverse impact on our financial condition or results of operations.

As a result of any ship or other incidents, such as the *Costa Concordia* incident, litigation claims, enforcement actions and regulatory actions and investigations, including, but not limited to, those arising from personal injury, loss of life, loss of or damage to personal property, business interruption losses or environmental damage to any affected coastal waters and the surrounding area, may be asserted or brought against various parties including us and/or our cruise brands. The time and attention of our management may also be diverted in defending such claims, actions and investigations. Subject to applicable insurance coverage, we may also incur costs both in defending against any claims, actions and investigations and for any judgments, fines, civil or criminal penalties if such claims, actions or investigations are adversely determined.

- *We are subject to many economic, market and political factors that are beyond our control, which could increase our operating, financing and other costs and could harm future sales and profitability.*

Some of our operating costs including, but not limited to, food, payroll, port costs, repairs and maintenance, security and other commodity-based items are subject to increases because of market forces, economic or political instability or other circumstances beyond our control. In addition, interest rates, currency exchange rate fluctuations and our ability to obtain debt or equity financing are dependent on many economic, market and political factors. Increases in operating or financing costs could adversely affect our results because we may not be able to recover these increased costs through price increases charged to our guests and such increases may adversely impact our liquidity and credit ratings.

It is possible that jurisdictions or ports-of-call that we regularly visit may also decide to assess new taxes or fees or change existing taxes or fees specifically targeted to the cruise business, its employees and guests, including, but not limited to, value added taxes on cruise tickets and onboard revenues and changes in the scope of income that is includable within tonnage tax regimes, which could increase our operating costs and could decrease the demand for cruises and ultimately decrease our net revenue yields and net income.

- *Changes in and compliance with environmental laws and regulations could adversely affect our operations and thus impact our profitability.*

Some environmental groups have lobbied for more stringent regulation of cruise ships. Some groups have also generated negative publicity about the cruise business and its environmental impact. Various agencies and regulatory organizations have enacted or are considering new regulations or policies, such as requirements to use lower sulfur content fuels and stricter emission limits to reduce GHG effects, which could adversely impact the cruise business.

The IMO has amended the MARPOL regulations to reduce emissions from ships. As described in “Maritime Environmental Regulations” as referenced below, these changes will result in reductions in ship sulfur oxide emissions by requiring progressive reductions in the sulfur content in fuel or the use of abatement technologies. These limits will be further reduced in designated ECAs, including ECAs that have been or could be proposed in other prime cruising areas, such as around Australia, Hong Kong, Japan, the Mediterranean Sea and Mexico. As a result of these amendments, low sulfur fuel may be less available because of increased demand, and the cost of such fuel may increase. If utilized, new sulfur emissions abatement technologies may also increase costs. The increase in fuel prices impacts not only our fuel costs, but also some of our other expenses, including, but not limited to, crew and guest travel, freight and commodity prices and may have an adverse impact on our profitability.

Initiatives to limit GHG emissions have recently been introduced in Australia and are being considered in several European countries. Similarly, numerous bills related to climate change have been introduced in the U.S. Congress, which could adversely impact our business. For example, while not all are likely to become law, there are indications that additional climate change related mandates could be forthcoming, and they may significantly impact our costs, including, among other things, increasing fuel prices, including new taxes on bunker fuel, establishment of costly emissions trading schemes and increasing newbuild and operational costs.

Current and future environmental laws and regulations, or liabilities arising from past or future releases of, or exposure to, hazardous substances or vessel discharges, including ballast water and waste disposal, could materially increase our cost of compliance or otherwise adversely affect our business, results of operations and financial condition. See Part I, Item 1. Business. B. “Cruise Business- Governmental Regulations—Maritime Regulations” for additional information regarding these risks.

- *Changes in and compliance with laws and regulations relating to the protection of persons with disabilities, employment, health, safety, security and other regulations under which we operate could increase our costs.*

We are subject to various international, national, state and local laws, regulations, treaties and employee union agreements related to, among other things, persons with disabilities, employment, health, safety and security. Failure to comply with these laws and regulations could lead to enforcement actions, fines, civil or criminal penalties or the assertion of litigation claims and damages. These issues are, and we believe will continue to be, an area of focus by the relevant authorities throughout the world. Accordingly, new legislation, regulations or treaties, or changes thereto, could impact our operations and would likely subject us to increased compliance costs in the future. In addition, training of crew may become more time consuming and may increase our operating costs due to increasing regulatory and other requirements.

- *Changes in and compliance with income tax laws and regulations and income tax treaties may adversely affect the taxation of our shipping income and our profitability.*

We believe that substantially all of the income earned by Carnival Corporation, Carnival plc and their ship owning or operating subsidiaries qualifies for taxation based on ship tonnage, are exempt from taxation or are otherwise subject to minimal taxes in the jurisdictions where the entities are incorporated or do business.

We believe that Panama and the jurisdictions where the ship owning and operating subsidiaries of Carnival Corporation are formed are equivalent exemption jurisdictions for purposes of Section 883 of the Internal Revenue Code. The laws of Panama and the other jurisdictions where our ships are owned or operated are subject to change and, in the future, may no longer qualify as equivalent exemption jurisdictions.

The IRS interpretation of Section 883 could differ materially from ours. In addition, provisions of the Internal Revenue Code, including Section 883, are subject to legislative change at any time. Moreover, changes could occur in the future with respect to the trading volume or trading frequency of Carnival Corporation shares. Accordingly, 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.

There is no authority that directly addresses the effect, if any, of a DLC arrangement on the availability of benefits under treaties and, accordingly, their application to our operations is not free from doubt. The applicable treaties may be revoked by either applicable country, replaced or modified with new agreements that treat income from international operation of ships differently than the agreements currently in force or may be interpreted by one of its countries differently from us.

If we did not qualify for tonnage tax, exemption, treaties or minimal taxes, or if the laws that provide for these tax systems were changed, we would have significantly higher income tax expense. In many jurisdictions, the benefit of tonnage tax or preferential tax regimes would be replaced with taxation at normal statutory rates. In the absence of Section 883 or an applicable income tax treaty in the U.S., we would be subject to the net income and branch profits tax regimes of Section 882 and Section 884 of the Internal Revenue Code. In combination, these provisions would result in the taxation of our U.S. source shipping income, net of applicable deductions, at a current federal corporate income tax rate of up to 35%, state income tax rates would vary and our net after-tax income would be potentially subject to a further branch profits tax of 30%.

We are subject to the continual examination of our income tax returns by tax authorities in the jurisdictions where we operate. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcome from these examinations will not adversely affect our net income.

As budgetary constraints continue to adversely impact the jurisdictions in which we operate, increases in income tax regulations affecting our operations may be imposed. We continue to monitor global administrative, legislative and judicial tax related developments and evaluate a variety of possible courses of action based upon such developments. However, there is no assurance that such actions, if taken, will successfully mitigate adverse income tax consequences.

- *Our ability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments on terms that are favorable or consistent with our expectations could reduce our profitability. In addition, we expect increases to our repairs and maintenance expenses and refurbishment costs as our fleet ages.*

The construction, repair, maintenance and refurbishment of cruise ships are complex processes and involve risks similar to those encountered in other large and sophisticated construction, repair, maintenance and refurbishment projects, which could cause delays and cost overruns in completing such work. As our fleet ages, our repair and maintenance expenses will increase, such as the required 25 year survey that is more exhaustive and thus may require additional repair and maintenance work to be performed. In addition, other events, such as work stoppages, other labor actions, insolvencies, “force majeure” events or other financial difficulties experienced at the shipyards and their subcontractors and suppliers who build, repair, maintain or refurbish our ships could also delay or prevent the delivery of our ships under construction and prevent or delay the completion of the refurbishment, repair and maintenance of existing ships in our fleet. These events could adversely affect our profitability. However, the impact from a delay in delivery of our newbuilds is expected to be partially mitigated by contractual provisions and bank guarantees that we require shipyards to provide to us. In addition, the consolidation of the control of certain cruise shipyards or cruise shipyard voluntary capacity reductions or insolvencies could result in less shipyard availability thus reducing competition and increasing prices. Finally, the lack of qualified shipyard repair facilities could result in the inability to repair and maintain our ships on a timely basis, which could also result in reduced profitability.

Also, the European shipyards that build most of our ships are currently eligible to benefit from governmental support of innovation, development, employment and export credit financing that expire in 2013. There is no assurance that such eligibility will be extended or renewed and, therefore, we may incur higher vessel purchase prices and financing costs.

As of November 30, 2012, we had entered into foreign currency zero cost collars for a portion of the cost in U.S. dollars and sterling of two of our euro-denominated shipbuilding contracts. However, if the shipyard with which we have contracted is unable to perform under the related contracts, the foreign currency zero cost collars related to the shipyard’s shipbuilding contract payments would still have to be honored. This might require us to realize a loss on existing foreign currency zero cost collars without an offsetting gain on our foreign currency denominated shipbuilding contract payments, thus resulting in an adverse effect on our financial results.

The cost of shipbuilding orders that we may place in the future that is denominated in a different currency than our cruise brands’ or the shipyards’ functional currency is expected to be affected by foreign currency exchange rate fluctuations. These foreign currency exchange rate fluctuations may affect our desire to order new cruise ships. In addition, the prices of various commodities that are used in the construction of ships, such as steel, can be subject to volatile price changes and, accordingly, the cost of future newbuilds may increase, which could have an adverse impact on our profitability.

In connection with our shipbuilding contracts, we do not anticipate any contractual breakage or cancellations on our part. However, if any were to occur, it could result in, among other things, the forfeiture of our payments and the imposition of contractual liquidated damages.

- *Lack of continuing availability of attractive, convenient and safe port destinations could adversely affect our net revenue yields and net income.*

We believe that attractive, convenient and safe port destinations, including ports that are not overly congested with tourists, are major reasons why our guests choose a cruise versus an alternative vacation option. The continuing availability of these types of ports, including the port facilities where our guests embark and disembark, is affected by a number of factors including, but not limited to, existing capacity constraints (particularly during the Caribbean winter months and Mediterranean summer months), security, safety and environmental concerns, adverse weather conditions and other natural disasters, financial limitations on port development, political instability, exclusivity arrangements that ports may have with our competitors, local governmental regulations and fees and local community concerns about both port development and other adverse impacts on their communities from additional tourists. The inability to continue to utilize, maintain, rebuild, if necessary, and increase the number of ports that our ships call on could adversely affect our net revenue yields and net income.

- *Continuing financial viability of our travel agent distribution system, air service providers and other key vendors in our supply chain is essential to allowing us to profitably operate our business. In addition, reductions in the availability of, and increases in the prices for, the services and products provided by these vendors can adversely impact our net income.*

The majority of our guests book their cruises through independent travel agents, including wholesalers, general sales agents and tour operators. These parties generally sell and market our cruises on a nonexclusive basis. Our competitors may offer higher commissions and incentives and thus adversely impact our business. Significant disruptions, contractions or consolidations to our travel agent distribution system, such as those caused by a reduction in travel and related commission income as a result of an economic slowdown could have an adverse effect on our sales and profitability. In addition, we extend credit to certain of our larger European travel agents and tour operators and, accordingly, if such agents and operators cannot repay their debts to us, it will adversely impact our cash flows and operations.

Many of our guests and substantially all our crew depend on scheduled or chartered commercial airline services to transport them to or from the airports near the ports where our cruises embark and disembark. Changes or disruptions in commercial or chartered airline services as a result of strikes, labor unrest, financial instability or viability, adverse weather conditions, airport delays, consolidation of carriers, or other events or the lack of availability due to schedule changes or a high level of airline bookings could adversely affect our ability to deliver guests and crew to or from our cruise ships and increase our cost of sales which would, in turn, have an adverse effect on our results of operations. In addition, increases in the prices of airfares due to rising fuel prices would increase the overall vacation price to our guests and may adversely affect demand for our cruises, as well as increase our airfare for our crew.

Travel agents may face increased pressure from our competitors, particularly in the North America market, to sell and market these competitor cruises exclusively. If such exclusive arrangements were introduced, there can be no assurance that we will be able to find alternative distribution channels to ensure our customer base would not be affected.

Economic downturns may impact the financial viability of other key vendors in our supply chain and the interruption in the services or goods we purchase from them could adversely impact our operations and profitability.

- *Disruptions and other damages to our information technology and other networks and operations, and breaches in data security could result in decreases in our net income.*

Our ability to increase revenues and control costs, as well as our ability to serve guests most effectively depends in part on the reliability of our sophisticated information technology ("IT") systems and other networks. We use IT, communications and other systems among other things, to manage our inventory of cabins held for sale and set pricing in order to maximize our revenue yields and to optimize the effectiveness and efficiency of our shoreside and shipboard operations. Gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, causing operational disruptions and other cyber-related risks could adversely impact our guest services and satisfaction, employee relationships and our reputation.

These potential disruptions and cyber attacks could negatively affect costs, customer demand and pricing for our cruises. In addition, the operation and maintenance of these IT systems and networks is in some cases dependent on third-party technologies, systems and service providers for which there is no certainty of uninterrupted availability. While we have and continue to invest in IT and other security initiatives and disaster recovery plans, these measures cannot completely insulate us from disruptions that could result in adverse effects on our operations and decreases in our net income.

Our Corporate and cruise brands' principal offices are located in the U.S., Australia, Continental Europe and the UK. Although we have developed disaster recovery and similar contingency plans, actual or threatened natural disasters (for example, hurricanes, earthquakes, tornados, fires and floods) or similar events in these locations may have a material impact on our business continuity, reputation and results of operations.

- *A failure to keep pace with developments in technology could impair our operations or competitive position.*

Our business continues to demand the use of sophisticated systems and technology. These systems and technologies must be refined, updated and replaced with more advanced systems on a regular basis. If we are unable to do so on a timely basis or within reasonable cost parameters, our business could suffer. We also may not achieve the benefits that we anticipate from any new system or technology, such as fuel abatement technologies, and a failure to do so could result in higher than anticipated costs or could impair our operating results.

- *We may lose business to competitors throughout the vacation industry, which could adversely affect our operations and financial condition.*

We face significant competition from other cruise brands on the basis of cruise pricing, travel agent preference and the types and sizes of ships and cabins, services and destinations being offered by them to cruise guests. We try to differentiate ourselves from our cruise competitors by offering a wide variety of brands, itineraries, products and services to our guests, but the acceptance of each offering is not certain and consumers’ preferences are always subject to change. In addition, we may choose to enhance our older ships with innovative amenities and improvements in order for those ships to be more competitive with other cruise ships.

In addition, we operate in the vacation industry 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 vacation operators that provide other travel and leisure options, including, but not limited to, hotels, resorts, theme parks, packaged holidays and tours, casino operators and vacation ownership properties.

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.

- *Overcapacity in the cruise ship or land-based vacation industry could have a negative impact on our net revenue yields and increase operating costs, thus resulting in ship, goodwill and trademark asset impairments, all of which could adversely affect profitability.*

Although cruising capacity has grown at a slower pace in recent years, we expect it to continue to increase over the next few years. The overall vacation industry may also face increases in land-based vacation capacity, which may impact us as well. We aim to fill our new capacity at favorable revenue yields despite the new competing cruise and land-based capacity growth. Also, to the extent that we or our competitors deploy ships to a particular itinerary and the resulting capacity in that region exceeds the demand, we may lower pricing and profitability may be lower than anticipated. 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 trademark assets. In addition, increased cruise capacity could impact our ability to retain and attract qualified crew, including officers, at competitive rates and, therefore, increase our shipboard employee costs.

- *The loss of key personnel or our ability to recruit or retain qualified personnel could adversely affect our results of operations.*

We rely upon the ability, expertise, judgment, discretion, integrity and good faith of our senior management team. Our success is also dependent upon our personnel and our ability to recruit and train high quality employees. We must continue to recruit, retain and motivate management and other employees to enable us to maintain our current business and support our projected growth. The loss of services of any of our key management could have a material adverse effect on our business. We are not protected by life insurance covering any of our personnel. We do not have employment agreements with substantially all of our officers.

- *Union disputes and other employee relation issues could adversely affect our financial results.*

A large number of our employees are represented by labor unions in a number of countries under various collective bargaining agreements with varying durations and expiration dates. We may not be able to satisfactorily renegotiate these collective bargaining agreements when they expire. In addition, existing collective bargaining agreements may not prevent a strike or work stoppage on our ships in the future. We may also be subject to or affected by work stoppages unrelated to our business or collective bargaining agreements. Any such work stoppages or potential work stoppages could have a material adverse effect on our financial results.

- *The impact of disruptions in the global financial markets or other events may negatively affect the ability of our counterparties and others to perform their obligations to us and thus, adversely affect our financial position and results of operations.*

The ability of our counterparties to perform, primarily with respect to our cash equivalents, investments, committed financing facilities, contingent obligations, derivative instruments, insurance contracts and new ship progress payment guarantees, may adversely impact us if any of their financial positions weaken materially or they suffer other financial disruptions.

For example, the recent severe economic downturn, including failures of financial service companies and the related liquidity crisis, disrupted the capital and credit markets. Additional economic concerns from some of the countries in the EU continue to strain the financial markets both in the U.S. and internationally. A recurrence of these disruptions could cause our counterparties and others to breach their obligations to us under our contracts with them. This could include failures of banks or other financial service companies to fund required borrowings under our loan agreements or to pay us amounts that may become due under our derivative contracts for fuel, interest rates and foreign currencies or other agreements. If any of the foregoing occurs it may have a negative impact on our cash flows, including our ability to meet our obligations, results of operations and financial condition.

- *Our success depends upon the continued strength of our cruise brands and our ability to implement our brand strategies.*

We believe that our cruise branding has contributed significantly to the success of our business and that maintaining and enhancing our branding is critical to expanding our brands' customer bases. In addition, the ability of our brands to successfully target different segments of the vacation markets in which they operate enables them to strengthen their business. Failure to protect our brands from infringers could have a material adverse effect on our business and results of operations.

- *Our international operations are subject to additional risks not generally applicable to our U.S. operations and may result in increased costs and adversely affect our financial position and results of operations.*

Our international operations are subject to additional risks including, but not limited to, adverse changes in foreign countries' political systems; social unrest; restrictions and taxes on the withdrawal of foreign investment and earnings and other payments by subsidiaries; government policies against the vacation or maritime industries; local cabotage requirements; anti-bribery laws or regulations; investment restrictions or requirements; diminished ability to legally enforce our intellectual property and contractual rights in foreign countries and commercial instability caused by corruption. In addition, our international operations may also be subject to adverse changes in foreign exchange restrictions, fluctuations in foreign currency exchange rates and changes in or application of foreign taxation structures including duties and value-added taxes. Also, if a significant country leaves the euro currency system it is possible that this could have a significant impact on our operations. If we are unable to address these risks adequately, our financial position and results of operations could be adversely affected.

Operating internationally also exposes us to numerous and sometimes conflicting legal and regulatory requirements. In many parts of the world, including countries in which we operate, practices in the local business communities might not conform to international business standards. We may not be successful in ensuring that our employees and other representatives stationed throughout the world properly adhere to our policies or applicable laws or regulations. Failure to adhere to our policies or applicable laws or regulations could result in penalties, sanctions, damage to our reputation and related costs, which in turn could negatively affect our results of operations and cash flows.

- *Geographic regions in which we try to expand our business may be slow to develop and ultimately not develop how we expect, thus resulting in the slower growth of our business.*

As we expand our global presence it requires, among other things, significant levels of investments. We may not recover our investments in these markets, and we cannot be certain that these markets will ultimately develop as we expect. Accordingly, our business expansion may not produce the returns that we had expected, which could adversely impact the growth of our business.

- *Our decisions to self-insure against various risks or the inability to obtain insurance for certain risks at reasonable rates could result in higher expenses or lower revenues.*

We seek to maintain comprehensive insurance coverage at commercially reasonable rates. We believe that our current coverage is adequate to protect us against most of the significant risks involved in the conduct of our business, although we do elect to self-insure or use higher deductibles for substantially all the insurable risks we face in order to minimize the cost of our insurance policies. Accordingly, we are not protected against all risks, such as loss of use of a ship, which could result in an unexpected decrease in our revenue in the event of an incident. We attempt to mitigate our risks that are not covered by insurance, although we cannot be certain such processes and procedures will be successful. Further, significant incidents could result in higher insurance premiums commencing on the policy renewal dates.

We may also be subject to additional premium costs in amounts based not only on our own claims record but also on the claims records of all other members of the P&I associations through which we receive indemnity coverage for tort liability. We are also subject to additional P&I premium assessments for various reasons including, but not limited to, investment or underwriting shortfalls experienced by our P&I clubs. In addition, if we or other ship-owners sustain significant losses, our ability to obtain future insurance coverage at commercially reasonable rates could be materially adversely affected.

Finally, we cannot be certain that affordable and viable direct insurance and reinsurance markets will be available to us in the future.

- *Fluctuations in foreign currency exchange rates could adversely affect our financial results.*

We earn revenues, pay expenses, purchase and own assets and incur liabilities in currencies other than the U.S. dollar; most importantly, the euro, sterling and Australian and Canadian dollars. We derived 54%, 56% and 54% of our revenues from passengers sourced from countries outside of the U.S. in 2012, 2011 and 2010, respectively. Because our consolidated financial statements are presented in U.S. dollars, we must translate revenues and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Further, we report currency transactions in the functional currencies of our reporting units, excluding fuel which is always transacted and reported in U.S. dollars regardless of the functional currency of the reporting unit. Therefore, the strengthening of the U.S. dollar against our other major currencies, will adversely affect our U.S. dollar financial results.

- *Whether our future operating cash flow will be sufficient to fund future obligations and whether we will be able to obtain financing, if necessary, in sufficient amounts and on terms that are favorable or consistent with our expectations may adversely impact our financial results.*

Our forecasted cash flows from future operations may be adversely affected by various factors, including, but not limited to, declines in guest demand and consumer confidence; a weakening economy; increased competition; overcapacity; terrorist and pirate attacks and the threats thereof; the impact of the spread of contagious diseases such as influenza virus; ship incidents; negative publicity; adverse currency movements; increases in fuel prices and other factors noted under these "Risk Factors." To the extent that we are required, or choose, to fund future cash requirements, including current and future shipbuilding commitments and debt repayments, from sources other than cash flow from operations, available cash and committed external sources of liquidity, including committed ship and other financings, we will have to secure such financing from export credit agencies or banks or through the offering of debt and equity securities in the public or private markets. There is no guarantee that such financings will be available in the future to fund our future obligations, or that they will be available on terms consistent with our expectations.

Our access to and the cost of financing will depend on, among other things, conditions in the global financing markets, the availability of sufficient amounts of financing and the maintenance of our investment grade long-term senior unsecured credit ratings. If our long-term senior unsecured credit ratings were to be downgraded or assigned a negative outlook, our access to, and cost of, debt financing may be negatively impacted. Further, the terms of future debt agreements could include more restrictive covenants, which may restrict our business operations.

Our ability to maintain our credit facilities may also be impacted by material changes in our ownership. More specifically, we may be required to prepay our debt facilities if a person or group of persons acting in concert gain control of Carnival Corporation & plc, other than the Arison family, including Micky Arison, our Chairman and Chief Executive Officer.

- *The DLC arrangement 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 their respective share prices.*

The DLC arrangement 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 impacting a business combination, such as a merger or exchange offer to create a wholly owned subsidiary. In our DLC arrangement, the combination is 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 arrangements and establish legal precedents that could increase the risk of a successful challenge to our DLC arrangement.

- *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 ("Articles") and Third Amended and Restated By-Laws ("By-Laws") and by the laws of Panama. Carnival plc is governed by its Articles of Association and by the laws of England and Wales. The contracts that control the relationship between Carnival Corporation and Carnival plc under the DLC arrangement are governed by the laws of Panama, the Isle of Man and the Cayman Islands. The laws of Panama, England and Wales, the Isle of Man and the Cayman Islands may differ in some respects from the laws in the U.S. Thus, our public shareholders may have more difficulty in protecting their interest with respect to actions by management, directors and controlling shareholders than would otherwise be the case for a U.S. shareholder in a U.S. Corporation or a UK shareholder in a UK Corporation.

- *A small group of shareholders owns a significant portion of the total combined voting power of our outstanding shares and may be able to effectively control the outcome of shareholder voting.*

As of January 22, 2013, a small group of shareholders consisting of some members of the Arison family, including Micky Arison, beneficially owned approximately 27% 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 significantly influence, the outcome of certain shareholder votes and, therefore, the corporate actions requiring such votes.

- *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 Articles 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. As a result, 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 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 outstanding Carnival Corporation shares without the consent of its 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.

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements, estimates or projections contained in this Form 10-K are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, outlooks, 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. We have tried, whenever possible, to identify these statements by using words like "will," "may," "could," "should," "would," "believe," "depends," "expect," "goal," "anticipate," "forecast," "future," "intend," "plan," "estimate," "target," "indicate" and similar expressions of future intent or the negative of such terms.

Forward-looking statements include those statements that may impact, among other things, the forecasting of our non-GAAP earnings per share; net revenue yields; booking levels; pricing; occupancy; operating, financing and tax costs, including fuel expenses; costs per available lower berth day; estimates of ship depreciable lives and residual values; liquidity; goodwill and trademark fair values and outlook.

Certain of the risks we are exposed to are identified in this Item 1A. "Risk Factors." This item contains important cautionary statements and a discussion of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are not known.

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 stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this 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.

As of January 22, 2013, the Carnival Corporation and Carnival plc headquarters and our larger shoreside locations are as follows:

Entity/Brand	Location	Square Footage	Own/Lease
Carnival Corporation headquarters and Carnival Cruise Lines	Miami, FL U.S.A.	463,000/12,000	Own/Lease
Princess	Santa Clarita, CA U.S.A.	449,000	Lease
Holland America Line, Holland America Princess Alaska Tours and Seabourn	Seattle, WA U.S.A.	237,000	Lease
Costa	Genoa, Italy	218,000/23,000	Own/Lease
P&O Cruises (UK) and Cunard	Southampton, England	150,000	Lease
AIDA	Rostock, Germany	153,000/53,000	Own/Lease
P&O Cruises (Australia)	Sydney, NSW Australia	65,000	Lease
Carnival plc headquarters	London, England	9,000	Lease

In addition, we own, lease or have controlling interests in port facilities in Barcelona, Spain; Cozumel, Mexico; Grand Turk, Turks & Caicos Islands; Juneau, Alaska; Long Beach, California and Roatán, Honduras.

Holland America Line's and Princess' private islands, Half Moon Cay and Princess Cays®, respectively, are briefly described in Part I, Item 1. Business. B. "Cruise Business." The hotel properties owned and operated by Holland America Princess Alaska Tours and the two cruise ships that we own and charter-out under long-term bareboat charter agreements are also briefly described in Part I, Item 1. Business. B. "Cruise Business."

Information about our cruise ships, including the number each of our cruise brands operates, their passenger capacity and their primary regions or countries from which they source their guests, as well as information regarding our cruise ships under construction may be found under Part I, Business. B. "Cruise Business," and Note 6, "Commitments" and Note 11, "Fair Value Measurements, Derivative Instruments and Hedging Activities" to our Consolidated Financial Statements in Exhibit 13 to this Form 10-K. Also, information about maritime regulations and issues that may affect our cruise ships can be found in Part I. Item 1. Business. B. "Cruise Business."

Our cruise ships in operation, headquarters, ports, private islands and other shoreside facilities and Holland America Princess Alaska 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.

Item 3. Legal Proceedings.

On January 26, 2012, a purported class action was filed in the United States District Court for the Northern District of Illinois (Eastern Division) naming as defendants Costa Crociere S.p.A., Carnival Corporation and Carnival plc (Gary Lobaton v. Carnival Corporation, Carnival plc and Costa Crociere S.p.A.). The defendants have been served with the action. The plaintiff purports to represent an alleged class of the passengers and crew of *Costa Concordia* who were on board the ship during the ship incident in January 2012. The complaint alleges the defendants violated the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, breached contracts with employees and passengers and acted negligently. The plaintiff also alleges unjust enrichment. The complaint seeks unspecified monetary and punitive damages, interests and costs, among other things.

On May 3, 2012, an action was filed in the United States District Court for the Southern District of Florida naming as defendants Carnival Corporation, Carnival plc, Costa Crociere S.p.A. and Costa Cruise Lines, Inc. (Giglio Sub v. Carnival Corporation). The defendants have been served with the action. The plaintiffs are a purported class of business owners and wage earners on Giglio Island in Italy who claim they have been injured as a result of the ship incident in January 2012. The plaintiffs allege negligence, gross negligence and nuisance against the defendants. The complaint seeks monetary damages in the amount of $75 million, punitive damages, interests, costs and an injunction that future travel near Giglio Island will be conducted at safe distances. On September 26, 2012, the court granted the defendants' motion to dismiss the plaintiffs' claims to Italy based on the *forum non conveniens* doctrine. The plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Eleventh Circuit, which is pending.

On June 25, 2012, an action was filed in the United States District Court for the Central District of California naming as defendants Carnival Corporation, Costa Crociere S.p.A., Micky Arison, Howard Frank, Arnold Donald, Joseph Farcus, and Joseph Farcus, Architect, P.A. (Sandoval v. Carnival Corporation). The defendants have been served with the action, although the plaintiffs voluntarily dismissed claims against Costa Crociere S.p.A. The action was filed by two plaintiffs in connection with the ship incident in January 2012. The case is scheduled for trial in June 2013.

On July 5, 2012, an action was filed in the Circuit Court serving Miami-Dade County, Florida naming as defendants Carnival Corporation, Carnival Corporation & plc, Costa Cruise Lines, Inc., Costa Crociere S.p.A. and Joseph Farcus P.A. (Scimone v. Carnival Corp.). The defendants have been served with the action. The plaintiffs filed the action in connection with the ship incident in January 2012. The action contains claims for negligence, product liability, professional negligence and intentional tort. The complaint seeks economic and compensatory damages, attorneys' fees, costs and interest. The plaintiffs state they will amend their complaint to state a claim for punitive damages. The defendants removed the case to the United States District Court for the Southern District of Florida and moved to dismiss to Italy based on *forum non conveniens* and the forum selection clauses in certain of the plaintiffs' Passage Ticket Contracts. The case is scheduled for trial in 2014.

On July 5, 2012, an action was filed in the Circuit Court serving Miami-Dade County, Florida naming as defendants Carnival Corporation, Carnival Corporation & plc, Costa Cruise Lines, Inc., Costa Crociere S.p.A. and Joseph Farcus P.A. (Abeid-Saba v. Carnival Corp.). The defendants have been served with the action. The plaintiffs filed the action in connection with the ship incident in January 2012. The action contains claims for maritime negligence, gross negligence, negligence-product defect as to Carnival Corporation, professional negligence in ship design, intentional failure to warn, intentional failure to abandon ship, intentional failure to notify authorities, corporate policies and practice, intentional infliction of emotional distress, negligent retention, fraudulent misrepresentation and fraud in the inducement. The complaint seeks economic and compensatory damages, attorneys' fees, costs and interest. The plaintiffs state they will amend their complaint to state a claim for punitive damages. The defendants removed the case to the United States District Court for the Southern District of Florida and moved to dismiss to Italy based on *forum non conveniens* and the forum selection clauses in certain of the plaintiffs' Passage Ticket Contracts.

On July 13, 2012, an action was filed in the United States District Court for the Southern District of Florida naming as defendants Carnival Corporation, Carnival Corporation & plc, Costa Cruise Lines, Inc., and Costa Crociere S.p.A (Warrick v. Carnival Corp.). The defendants have been served with the action. The plaintiffs, consisting of five U.S. citizens, filed the action in connection with the ship incident in January 2012. Three of the plaintiffs were passengers on the ship and they assert claims for fraudulent misrepresentation, maritime negligence, gross negligence, intentional infliction of emotional distress, negligent hiring, fraudulent inducement and deceptive trade practices arising out of the incident, as well as vicarious liability and actual and apparent agency. The remaining two plaintiffs did not sail because one did not have the required visa and the other opted to also stay behind. These two plaintiffs assert claims for breach of contract, fraudulent misrepresentation and unjust enrichment. The complaint seeks economic and compensatory damages, punitive damages, attorneys' fees, costs and interest. The defendants have moved to dismiss the plaintiffs' claims to Italy based on *forum non conveniens* and the forum selection clauses in the plaintiffs' Passage Ticket Contracts.

On September 4, 2012, an action was filed in the United States District Court for the Southern District of Florida naming as defendants Carnival Corporation, Costa Cruise Lines Inc., and Costa Crociere S.p.A. (Perez v. Carnival Corp.). The defendants have been served with the action. The plaintiffs, consisting of 154 individuals, filed the action in connection with the ship incident in January 2012. The action seeks damages for negligence, negligent retention, and negligent training (against Carnival Corporation only). The defendants moved to dismiss to Italy based on the *forum non conveniens* doctrine and the forum selection clauses in certain of the plaintiffs' Passage Ticket Contracts.

On January 9, 2013, an action was filed in the Circuit Court serving Miami-Dade County naming as defendants Carnival Corporation, Carnival plc, Costa Crociere S.p.A. and Costa Cruise Lines, Inc. (Gual v. Carnival Corp.). The defendants have not yet been served with the action. The plaintiffs, consisting of ten Spanish citizens, filed the action in connection with the ship incident in January 2012. The plaintiffs' claims are for maritime negligence, negligent hiring, supervision and retention, negligent training, gross negligence, intentional tortious conduct, intentional infliction of emotional distress, wrongful death under Florida law and breach of contract.

On January 11, 2013, an action was filed in the United States District Court for the Southern District of Florida naming as defendants Carnival Corporation, Carnival Corporation & plc, Costa Cruise Lines, Inc., and Costa Crociere S.p.A. (Ankhimova v. Carnival Corp.). The defendants have not yet been served with the action. The action was filed by two plaintiffs in connection with the ship incident in January 2012. The action seeks damages for negligence, negligent retention, negligent training, gross negligence, maritime negligence, intentional infliction of emotional distress, negligent infliction of emotional distress and loss of services.

On January 11, 2013, an action was filed in the United States District Court for the Eastern District of California naming as defendants Carnival Corporation, Carnival plc, Costa Crociere S.p.A. and Costa Cruise Lines, Inc. (Lynch v. Carnival Corp.). The defendants have not yet been served with the action. The action was filed by two plaintiffs in connection with the ship incident in January 2012. The action seeks damages for maritime tort, deceptive trade practice under California Civil Code, intentional tort, fraud in the inducement and punitive conduct, breach of contract, gross negligence and false advertising and deceptive trade practices under California's Business and Professions Code.

On January 14, 2013, an action was filed in the United States District Court for the Southern District of Florida naming as defendants Carnival Corporation, Carnival plc, Costa Crociere S.p.A. and John Does 1-10 (King v. Carnival Corp.). The defendants have not yet been served with the action. The action was filed by two plaintiffs in connection with the ship incident in January 2012. The action seeks damages for violation of the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, breach of contract, negligence, unjust enrichment, punitive damages, negligent infliction of emotional distress, negligent supervision and gross negligence.

On January 24, 2013, Costa was notified by the Chief Prosecutor of Grosseto, Italy of his intention to seek to charge Costa pursuant to Section 25 of Legislative Decree No. 231/2001 ("Law 231") for acts committed by its employees in connection with the Costa Concordia incident. If the prosecutor proceeds, he will be required to present his evidence against Costa to a court in a preliminary hearing to be held in the spring of 2013. If the court finds sufficient evidence to support a claim against Costa, the court will order a formal trial that would be expected to commence in the fall of 2013. We believe Costa has meritorious defenses to the claims under Law 231 and that any liability that may arise as a result of these proceedings will not have a material adverse effect on our financial results.

Item 4. Mine Safety Disclosures.

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 Form 10-K.

The table below sets forth the name, age, years of service and title of each of our executive officers. Titles listed relate to positions within Carnival Corporation and Carnival plc unless otherwise noted.

Name	Age	Years of Service (a)	Title
Micky Arison	63	41	Chairman of the Board of Directors and Chief Executive Officer
David Bernstein	55	14	Senior Vice President and Chief Financial Officer
Alan B. Buckelew	64	35	President and Chief Executive Officer of Princess
Gerald R. Cahill	61	18	President and Chief Executive Officer of Carnival Cruise Lines
David Dingle	55	34	Chief Executive Officer of Carnival UK
Pier Luigi Foschi	66	15	Chairman and Chief Executive Officer of Carnival Asia and Chairman of Costa Crociere, S.p.A. and Director
Howard S. Frank	71	23	Vice Chairman of the Board of Directors and Chief Operating Officer
Larry Freedman	61	14	Chief Accounting Officer and Vice President – Controller
Stein Kruse	54	13	Chairman, President and Chief Executive Officer of Holland America Line and Chairman of Seabourn
Arnaldo Perez	52	20	Senior Vice President, General Counsel and Secretary
Michael Thamm	49	19	Chief Executive Officer of Costa Crociere, S.p.A

(a) Years of service with us or Carnival plc predecessor companies.

Business Experience of Executive Officers

Micky Arison has been Chairman of the Board of Directors since 1990 and a director since 1987. He has been Chief Executive Officer since 1979.

David Bernstein has been Senior Vice President and Chief Financial Officer since 2007. From 2003 to 2007, he was Vice President and Treasurer. From 1998 to 2003, he was Chief Financial Officer of Cunard and Seabourn.

Alan B. Buckelew has been Chief Executive Officer of Princess since 2007. He has been President of Princess from 2004. From 2004 to 2007, he was also Chief Operating Officer of Cunard. From 2000 to 2004, he was Executive Vice President and Chief Financial Officer of Princess.

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Gerald R. Cahill has been President and Chief Executive Officer of Carnival Cruise Lines since 2007. From 2003 to 2007, he was Executive Vice President and Chief Financial and Accounting Officer. From 1998 to 2003, he was Senior Vice President Finance, Chief Financial and Accounting Officer.

David Dingle has been Chief Executive Officer of Carnival UK since June 2007. In this capacity, he has full operating responsibility for the UK brands, P&O Cruises (UK) and Cunard. From 2003 to 2007, he was Managing Director of Carnival UK and P&O Cruises (UK). From 2000 to 2003, he was Managing Director of P&O Cruises (UK).

Pier Luigi Foschi has been Chairman and Chief Executive Officer of Carnival Asia since September 2012. He has been a director since 2003. He has been Chairman of the Board of Costa Crociere S.p.A since 2000. He was Chief Executive Officer of Costa Crociere, S.p.A from 1997 to July 2012. In that capacity, Mr. Foschi also had responsibility for AIDA from 2003 to July 2012 and Ibero from 2007 to July 2012.

Howard S. Frank has been Vice Chairman of the Board of Directors since 1993, Chief Operating Officer since 1998 and a director since 1992.

Larry Freedman has been Chief Accounting Officer since 2007 and Vice President-Controller since 1998. From 1998 to 2007, Mr. Freedman was also Vice President-Finance.

Stein Kruse has been the Chairman of the Board, President and Chief Executive Officer of Holland America Line since 2004. Mr. Kruse also serves as Chairman of the Board of Seabourn, a role he has held since 2011. From 2003 to 2004, he was the President and Chief Operating Officer of Holland America Line. From 1999 to 2003, he was Senior Vice President, Fleet Operations for Holland America Line.

Arnaldo Perez has been Senior Vice President, General Counsel and Secretary since 2002. From 1995 to 2002, he was Vice President, General Counsel and Secretary.

Michael Thamm has been Chief Executive Officer of Costa Crociere S.p.A. since July 2012. In this capacity, Mr. Thamm also has responsibility for AIDA and Ibero. He was president of AIDA from 2004 to July 2012 and Senior Vice President Operations of AIDA from 1993 to 2004.

PART II

Item 5. Market for Registrants' 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 Form 10-K.

B. Holders

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

C. Dividends

Carnival Corporation and Carnival plc declared quarterly cash dividends on all of their common stock and ordinary shares as follows:

	Quarters Ended			
	February 28/29	May 31	August 31	November 30
2012	$ 0.25	$ 0.25	$ 0.25	$ 0.75(a)
2011	$ 0.25	$ 0.25	$ 0.25	$ 0.25
2010	$ 0.10	$ 0.10	$ 0.10	$ 0.10

(a) Includes the regular quarterly dividend of $0.25 per share and a special dividend of $0.50 per share.

All dividends for both Carnival Corporation and Carnival plc are declared in U.S. dollars. If declared, holders of Carnival Corporation common stock and 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 dividends in U.S. dollars. Dividends payable in sterling will be converted from U.S. dollars into sterling at the U.S. dollar to sterling exchange rate quoted by the Bank of England in London at 12:00 p.m. on the next combined U.S. and UK business day that follows the quarter end.

The payment and amount of any future dividend is within the discretion of the Boards of Directors. Our dividends were and will be based on a number of factors, including our earnings, liquidity position, financial condition, tone of business, capital requirements, credit ratings and the availability and cost of obtaining new debt. We cannot be certain that Carnival Corporation and Carnival plc will continue their dividend in the future, and if so, the amount and timing of such future dividends are not determinable and may be different than the levels and have a different timing than are disclosed above.

Maintenance of a strong balance sheet allows us to return free cash flow to shareholders. As previously discussed, since we have slowed down the pace of our newbuilding program, we currently believe this will lead to an increase in free cash flows. The special dividend of $0.50 per share declared on November 15, 2012 is in keeping with our strategy of returning free cash flow to shareholders, which we remain committed to doing through a combination of dividends and opportune share repurchases.

D. Securities Authorized for Issuance under Equity Compensation Plans

The information required by Item 201(d) of Regulation S-K is incorporated by reference to Part III, Item 12 of this Form 10-K.

E. Performance Graph

The information required by Item 201(e) of Regulation S-K, Performance Graph, is shown in Exhibit 13 and is incorporated by reference into this Form 10-K.

F. Issuer Purchases of Equity Securities; Use of Proceeds from Registered Securities

I. Repurchase Authorizations

In September 2007, our Boards of Directors authorized the repurchase of up to an aggregate of $1 billion of Carnival Corporation common stock and Carnival plc ordinary shares subject to certain restrictions (the “Repurchase Program”). The Repurchase Program does not have an expiration date and may be discontinued by our Boards of Directors at any time.

During the three months ended November 30, 2012, purchases of Carnival Corporation common stock pursuant to the Repurchase Program were as follows:

Period	Total Number of Shares of Carnival Corporation Common Stock Purchased (a)	Average Price Paid per Share of Carnival Corporation Common Stock	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Repurchase Program (b) (in millions)
September 1, 2012 through September 30, 2012	—	$ —	$ 265
October 1, 2012 through October 31, 2012	—	$ —	$ 265
November 1, 2012 through November 30, 2012	565,561	$ 38.36	$ 244

(a) No shares of Carnival Corporation common stock were purchased outside of publicly announced plans or programs.
(b) During the three months ended November 30, 2012, there were no repurchases of Carnival plc ordinary shares under the Repurchase Program.

During 2012 and 2011, we repurchased 2.6 million and 13.5 million shares of Carnival Corporation common stock for $90 million and $413 million, respectively under the Repurchase Program. During 2010, there were no repurchases of Carnival Corporation common stock under the Repurchase Program. In addition, during 2011, Carnival Investments Limited, a subsidiary of Carnival Corporation, also repurchased 1.3 million ordinary shares of Carnival plc for $41 million under the Repurchase Program. During fiscal 2012 and 2010, there were no repurchases of Carnival plc ordinary shares under the Repurchase Program. There were 2.1 million shares of Carnival Corporation common stock repurchased for $78 million under the Repurchase Program from December 1, 2012 through January 16, 2013. On January 16, 2013, the Boards of Directors increased the remaining authorization available under the Repurchase Program back to $1 billion, which was fully available at January 22, 2013.

In addition to the Repurchase Program, the Boards of Directors have authorized the repurchase of up to 19.2 million Carnival plc ordinary shares and up to 32.8 million shares of Carnival Corporation common stock under the Stock Swap programs described below. Depending on market conditions and other factors, we may purchase shares of Carnival Corporation common stock and/or Carnival plc ordinary shares under the Repurchase Program and the Stock Swap programs concurrently.

At January 22, 2013, the remaining availability under the Stock Swap programs repurchase authorizations were 18.1 million Carnival plc ordinary shares and 32.8 million Carnival Corporation common stock. Carnival plc ordinary share repurchases under both the Repurchase Program and the Stock Swap authorizations require annual shareholder approval. The existing shareholder approval is limited to a maximum of 21.5 million ordinary shares and is valid until the earlier of the conclusion of the Carnival plc 2013 annual general meeting or October 10, 2013.

II. Stock Swap Programs

We use the Stock Swap programs in situations where we can obtain an economic benefit because either Carnival Corporation common stock or Carnival plc ordinary shares are trading at a price that is at a premium or discount to the price of Carnival plc ordinary shares or Carnival Corporation common stock, as the case may be. This economic benefit is used for general corporate purposes, which could include repurchasing additional stock under the Repurchase Program.

In the event Carnival Corporation common stock trades at a premium to Carnival plc ordinary shares, we may elect to issue and sell Carnival Corporation common stock through a sales agent and use the sale proceeds to repurchase Carnival plc ordinary shares in the UK market on at least an equivalent basis. Carnival Corporation may issue and sell up to 18.1 million of its common stock in the U.S. market, which shares are to be sold from time to time at prevailing market prices in ordinary brokers' transactions. Any sales of Carnival Corporation shares have been or will be registered under the Securities Act.

In the event Carnival Corporation common stock trades at a discount to Carnival plc ordinary shares, we may elect to sell existing ordinary shares of Carnival plc, with such sales made by Carnival Corporation or Carnival Investments Limited, a subsidiary of Carnival Corporation, through a sales agent, from time to time in "at the market" transactions, and use the sale proceeds to repurchase Carnival Corporation common stock in the U.S. market on at least an equivalent basis. Carnival Corporation or Carnival Investments Limited may sell up to 32.8 million Carnival plc ordinary shares in the UK market, which shares are to be sold from time to time at prevailing market prices in ordinary brokers' transactions. Any sales of Carnival plc shares have been or will be registered under the Securities Act.

During 2012 and 2011, no Carnival Corporation common stock or Carnival plc ordinary shares were sold or repurchased under the "Stock Swap" programs. During 2010, Carnival Investments Limited sold 14.8 million shares of Carnival plc ordinary shares for total net proceeds of $545 million. Substantially all of the net proceeds of these sales were used to purchase 14.8 million shares of Carnival Corporation common stock. During the year ended November 30, 2010, no Carnival Corporation common stock was sold and no Carnival plc ordinary shares were repurchased under the "Stock Swap" program.

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 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 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 Form 10-K.

Item 8. Financial Statements and Supplementary Data.

The financial statements, together with the report thereon of PricewaterhouseCoopers LLP, dated January 29, 2013, and the Selected Quarterly Financial Data (Unaudited) are shown in Exhibit 13 and are incorporated by reference into this Form 10-K.

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

None.

Item 9A. Controls and Procedures.

A. 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. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our Chief Executive Officer, Chief Operating Officer and Chief Financial Officer have evaluated our disclosure controls and procedures and have concluded, as of November 30, 2012, that they are effective as described above.

B. Management's Annual 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 the Securities Exchange Act of 1934 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 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, 2012.

PricewaterhouseCoopers LLP, the independent registered certified public accounting firm that audited our consolidated financial statements incorporated in this Form 10-K, has also audited the effectiveness of our internal control over financial reporting as of November 30, 2012 as stated in their report, which is shown in Exhibit 13 and is incorporated by reference into this Form 10-K.

C. 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, 2012 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

We have adopted a code of ethics that applies to our chief executive officer, chief operating officer and senior financial officers, including the chief financial officer, chief accounting officer and controller and other persons performing similar functions. Our code of ethics applies to all our other employees as well. 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 any amendments to, or waivers from, any provisions 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.

The additional information required by Item 10 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 2012 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 Form 10-K.

Item 11. Executive Compensation.

The information required by Item 11 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 2012 fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

A. Securities Authorized for Issuance under Equity Compensation Plans

I. Carnival Corporation

Set forth below is a table that summarizes compensation plans (including individual compensation arrangements) under which Carnival Corporation equity securities are authorized for issuance as of November 30, 2012.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (1))
Equity compensation plans approved by security holders	8,551,942(a)	$ 48.10	16,138,136(b)(c)
Equity compensation plans not approved by security holders	—	—	—
	8,551,942	$ 48.10	16,138,136

(a) Includes outstanding options to purchase Carnival Corporation common stock under the Carnival Corporation 2002 Stock Plan and Carnival Corporation 2001 Outside Director Stock Plan. Also includes 989,210 restricted share units outstanding under the Carnival Corporation 2002 Stock Plan, 3,088 restricted share units outstanding under the Carnival Corporation 2001 Outside Director Stock Plan and 802,627 restricted share units outstanding under the Carnival Corporation 2011 Stock Plan.

(b) Includes Carnival Corporation common stock available for issuance as of November 30, 2012 as follows: 2,389,697 under the Carnival Corporation Employee Stock Purchase Plan, which includes 32,731 shares subject to purchase during the current purchase period and 13,748,439 under the Carnival Corporation 2011 Stock Plan.

(c) In addition to options, the Carnival Corporation 2011 Stock Plan provides for the award of restricted shares and restricted share units without limitation on the number of shares than can be awarded in either form.

II. Carnival plc

Set forth below is a table that summarizes compensation plans (including individual compensation arrangements) under which Carnival plc equity securities are authorized for issuance as of November 30, 2012.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	Weighted-average exercise price of outstanding options, warrants and rights (a)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (1))
Equity compensation plans approved by security holders	2,194,233(b)	$ 45.88	16,578,671(c)
Equity compensation plans not approved by security holders	—	—	—
	2,194,233	$ 45.88	16,578,671

(a) Converted from sterling, if applicable, using the November 30, 2012 exchange rate of $1.60:£1.

(b) Includes outstanding options to purchase Carnival plc ordinary shares under the Carnival plc Executive Share Option Plan and Carnival plc 2005 Employee Share Plan. Also includes 823,037 restricted share units outstanding under the Carnival plc 2005 Employee Share Plan.

(c) In addition to options, the Carnival plc 2005 Employee Share Plan provides for the award of restricted shares and restricted share units without limitation on the number of shares that can be awarded in either form.

The additional information required by Item 12 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 2012 fiscal year.

Items 13 and 14. Certain Relationships and Related Transactions, and Director Independence and Principal Accountant Fees and Services.

The information required by Items 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 2012 fiscal year.

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PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) (1) Financial Statements

The financial statements shown in Exhibit 13 are incorporated herein by reference into this 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 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, each of the registrants has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CARNIVAL CORPORATION

/s/ Micky Arison
Micky Arison
Chairman of the Board of
Directors and Chief Executive Officer

January 29, 2013

CARNIVAL PLC

/s/ Micky Arison
Micky Arison
Chairman of the Board of
Directors and Chief Executive Officer

January 29, 2013

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

CARNIVAL CORPORATION

/s/ Micky Arison
Micky Arison
Chairman of the Board of
Directors and Chief Executive Officer

January 29, 2013

/s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of
Directors and Chief Operating Officer

January 29, 2013

/s/ David Bernstein
David Bernstein
Senior Vice President and
Chief Financial Officer

January 29, 2013

CARNIVAL PLC

/s/ Micky Arison
Micky Arison
Chairman of the Board of
Directors and Chief Executive Officer

January 29, 2013

/s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of
Directors and Chief Operating Officer

January 29, 2013

/s/ David Bernstein
David Bernstein
Senior Vice President and
Chief Financial Officer

January 29, 2013

/s/ Larry Freedman
Larry Freedman
Chief Accounting Officer and
Vice President – Controller

January 29, 2013

/s/*Sir Jonathon Band
Sir Jonathon Band
Director

January 29, 2013

/s/*Robert H. Dickinson
Robert H. Dickinson
Director

January 29, 2013

/s/*Arnold W. Donald
Arnold W. Donald
Director

January 29, 2013

/s/*Pier Luigi Foschi
Pier Luigi Foschi
Director

January 29, 2013

/s/*Richard J. Glasier
Richard J. Glasier
Director

January 29, 2013

/s/*Debra Kelly-Ennis
Debra Kelly-Ennis
Director

January 29, 2013

/s/*Modesto A. Maidique
Modesto A. Maidique
Director

January 29, 2013

/s/*Sir John Parker
Sir John Parker
Director

January 29, 2013

/s/ Larry Freedman
Larry Freedman
Chief Accounting Officer and
Vice President - Controller

January 29, 2013

/s/*Sir Jonathon Band
Sir Jonathon Band
Director

January 29, 2013

/s/*Robert H. Dickinson
Robert H. Dickinson
Director

January 29, 2013

/s/*Arnold W. Donald
Arnold W. Donald
Director

January 29, 2013

/s/*Pier Luigi Foschi
Pier Luigi Foschi
Director

January 29, 2013

/s/*Richard J. Glasier
Richard J. Glasier
Director

January 29, 2013

/s/*Debra Kelly-Ennis
Debra Kelly-Ennis
Director

January 29, 2013

/s/*Modesto A. Maidique
Modesto A. Maidique
Director

January 29, 2013

/s/*Sir John Parker
Sir John Parker
Director

January 29, 2013

/s/*Peter G. Ratcliffe
Peter G. Ratcliffe
Director

January 29, 2013

/s/*Stuart Subotnick
Stuart Subotnick
Director

January 29, 2013

/s/*Laura Weil
Laura Weil
Director

January 29, 2013

/s/*Randall J. Weisenburger
Randall J. Weisenburger
Director

January 29, 2013

*By: /s/ Arnaldo Perez
Arnaldo Perez
(Attorney-in-fact)

January 29, 2013

/s/*Peter G. Ratcliffe
Peter G. Ratcliffe
Director

January 29, 2013

/s/*Stuart Subotnick
Stuart Subotnick
Director

January 29, 2013

/s/*Laura Weil
Laura Weil
Director

January 29, 2013

/s/*Randall J. Weisenburger
Randall J. Weisenburger
Director

January 29, 2013

*By: /s/ Arnaldo Perez
Arnaldo Perez
(Attorney-in-fact)

January 29, 2013

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	Filed Herewith
Articles of incorporation and by-laws					
3.1	Third Amended and Restated Articles of Incorporation of Carnival Corporation.	8-K	3.1	4/17/03	
3.2	Third Amended and Restated By-Laws of Carnival Corporation.	8-K	3.1	4/20/09	
3.3	Articles of Association of Carnival plc.	8-K	3.3	4/20/09	
3.4	Memorandum of Association of Carnival plc.	8-K	3.2	4/20/09	
Instruments defining the rights of security holders, including indenture					
4.1	Agreement of Carnival Corporation and Carnival plc, dated January 17, 2013 to furnish certain debt instruments to the Securities and Exchange Commission.				X
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.	10-Q	4.1	10/15/03	
4.3	Equalization and Governance Agreement, dated April 17, 2003, between Carnival Corporation and P&O Princess Cruises plc.	10-Q	4.2	10/15/03	
4.4	Carnival Corporation Deed of Guarantee, dated as of April 17, 2003, between Carnival Corporation and Carnival plc.	S-4	4.3	5/30/03	
4.5	Carnival plc Deed of Guarantee, dated as of April 17, 2003, between Carnival Corporation and Carnival plc.	S-3 & F-3	4.10	6/19/03	
4.6	Specimen Common Stock Certificate.	S-3 & F-3	4.16	6/19/03	
4.7	Pairing Agreement, dated as of April 17, 2003, between Carnival Corporation, The Law Debenture Trust Corporation (Cayman) Limited, as trustee, and Computershare Investor Services (formerly SunTrust Bank), as transfer agent.	8-K	4.1	4/17/03	
4.8	Voting Trust Deed, dated as of April 17, 2003, between Carnival Corporation and The Law Debenture Trust Corporation (Cayman) Limited, as trustee.	8-K	4.2	4/17/03	
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.	8-K	4.3	4/17/03	

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INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
4.10	Form of Amended and Restated Deposit Agreement and holders from time to time of receipts issued thereunder.	Post Amend-ment to Form F-6	99-a	4/15/03	
4.11	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.	S-3	4	3/2/93	
4.12	Second Supplemental Indenture, dated December 1, 2003, between Carnival plc and Carnival Corporation to The Bank of New York, as Trustee, relating to 7.875% debentures due 2027.	10-K	4.14	2/25/04	
4.13	Specimen Ordinary Share Certificate.	S-3	4.1	7/2/09	
Material contracts					
10.1*	Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.	10-Q	10.1	9/28/07	
10.2*	Amendment to the Amended and Restated Carnival Corporation 1992 Stock Option Plan.	10-K	10.2	2/25/04	
10.3	Facilities Agreement dated May 18, 2011, among Carnival Corporation, Carnival plc and certain of Carnival Corporation and Carnival plc subsidiaries, Banc of America Securities Limited as facilities agent and a syndicate of financial institutions.	10-Q	10.4	7/1/11	
10.4*	Amended and Restated Carnival Corporation 1992 Stock Option Plan.	10-K	10.4	2/27/98	
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.	10-K	10.5	2/25/99	
10.6*	Carnival Corporation “Fun Ship” Nonqualified Savings Plan.	10-K	10.6	2/27/98	
10.7*	Amendment to the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.	10-Q	10.1	3/30/07	
10.8*	Carnival Cruise Lines, Inc. Non-Qualified Retirement Plan.	10-K	10.4	2/22/91	
10.9*	Executive Long-term Compensation Agreement, dated as of January 16, 1998, between Robert H. Dickinson and Carnival Corporation.	10-K	10.2	2/27/98	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
10.10*	Consulting Agreement/ Registration Rights Agreement, dated June 14, 1991, between Carnival Corporation and Ted Arison.	S-3A	4.3	7/16/91	
10.11*	First Amendment to Consulting Agreement/ Registration Rights Agreement between Carnival Corporation and Ted Arison.	10-K	10.40	2/25/93	
10.12*	Form of Appointment Letter for Non-Executive Directors.	10-Q	10.1	6/27/08	
10.13*	Form of Appointment Letter for Executive Directors.	10-Q	10.2	6/27/08	
10.14*	Amended and Restated Carnival plc 2005 Employee Share Plan.	10-Q	10.1	4/2/09	
10.15*	Carnival Corporation Supplemental Executive Retirement Plan.	10-K	10.32	2/28/00	
10.16*	Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.	10-K	10.31	2/28/01	
10.17*	Amendment to the Carnival Corporation “Fun Ship” Nonqualified Savings Plan.	10-K	10.33	2/28/00	
10.18*	Amendment to the Carnival Corporation “Fun Ship” Nonqualified Savings Plan.	10-Q	10.2	3/30/07	
10.19*	Amendment to the Carnival Corporation “Fun Ship” Nonqualified Savings Plan.	10-K	10.34	2/28/01	
10.20*	Amendment to the Carnival Corporation “Fun Ship” Nonqualified Savings Plan.	10-K	10.37	2/28/02	
10.21*	Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.	10-Q	10.3	3/30/07	
10.22*	Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.	10-Q	10.1	6/30/09	
10.23*	Amended and Restated Carnival Corporation 2002 Stock Plan.	10-Q	10.3	4/2/09	
10.24*	Agreement with Pier Luigi Foschi.	8-K	10.1	9/1/09	
10.25	Succession Agreement, dated as of May 28, 2002, to Registration Rights Agreement, dated June 14, 1991, between Carnival Corporation and Ted Arison.	10-Q	10.2	7/12/02	
10.26*	Carnival Corporation & plc Non-Executive Board of Director Cruise Benefit Policy.	10-Q	10.1	10/7/05	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
10.27*	Amendment to the Carnival Corporation Nonqualified Retirement Plan For Highly Compensated Employees.	10-Q	10.1	3/28/06	
10.28*	Amendment of the Carnival Corporation “Fun Ship” Nonqualified Savings Plan.	10-Q	10.1	4/14/03	
10.29*	Amendment of the Carnival Corporation Nonqualified Retirement Plan For Highly Compensated Employees.	10-Q	10.2	4/14/03	
10.30*	The P&O Princess Cruises Executive Share Option Plan.	20-F	4.9	12/30/01	
10.31*	Form of Carnival Corporation Performance-Based Restricted Stock Unit Agreement.	10-Q	10.1	4/1/11	
10.32*	Carnival Cruise Lines Management Incentive Plan.				X
10.33*	Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.	10-Q	10.1	4/8/04	
10.34*	Amendment to the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.	10-Q	10.2	4/8/04	
10.35*	Amendment to the Carnival Corporation “Fun Ship” Nonqualified Savings Plan.	10-Q	10.3	4/8/04	
10.36*	Amendment to the Carnival Corporation “Fun Ship” Nonqualified Savings Plan.	10-Q	10.1	4/7/05	
10.37*	Form of Nonqualified Stock Option Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.	10-Q	10.5	10/7/05	
10.38*	Form of Restricted Stock Award Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.	10-K	10.60	1/29/08	
10.39*	Form of Restricted Stock Unit Award Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.	10-K	10.61	1/29/08	
10.40*	Form of Share Option Certificate for the Amended and Restated Carnival plc 2005 Employee Share Plan.	10-Q	10.8	10/7/05	
10.41*	Carnival Corporation 2011 Stock Plan Non-Employee Director Restricted Stock Unit.	10-Q	10.2	7/1/11	

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INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
10.42*	Carnival Corporation 2011 Stock Plan Non-Employee Director Restricted Stock Award Agreement.	10-Q	10.3	7/1/11	
10.43*	Corporate Aviation Administrative Policy Statement for the use of Carnival Corporation & plc aircraft.	10-Q	10.2	3/28/06	
10.44*	Form of Restricted Share Unit Award Certificate for the Amended and Restated Carnival plc 2005 Employee Share Plan.	10-Q	10.3	3/28/06	
10.45*	Form of Restricted Stock Unit Agreement for the Amended and Restated Carnival Corporation 2002 Stock Plan.	10-K	10.67	1/29/08	
10.46*	Princess Cruises Chief Executive Officer Supplemental Retirement Plan – 2008 restatement.	10-Q	10.6	4/2/09	
10.47*	Amendment to the P&O Princess Cruises Executive Share Option Plan.	10-Q	10.5	3/30/07	
10.48*	Carnival Corporation 2011 Stock Plan	10-Q	10.1	7/1/11	
10.49*	Form of Executive Restricted Stock Agreement for the Amended and Restated Carnival Corporation 2002 Stock Plan.	10-Q	10.4	4/2/09	
10.50*	Form of Carnival plc Performance-Based Restricted Stock Unit Agreement	10-Q	10.2	4/1/11	
10.51*	Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.	8-K	10.1	10/19/07	
10.52*	Form of Executive Restricted Stock Agreement for Executives with Long-term Compensation Agreements.	10-Q	10.5	4/2/09	
10.53*	Amended and Restated Carnival Corporation & plc Management Incentive Plan for the CEO, COO and CFO.				X
10.54*	Amended and Restated Executive Long-term Compensation Agreement, dated January 15, 2008, between Carnival Corporation and Micky Arison.	10-Q	10.2	3/28/08	
10.55*	Amended and Restated Executive Long-term Compensation Agreement dated January 15, 2008, between Carnival Corporation and Howard S. Frank.	10-Q	10.3	3/28/08	
10.56*	Amendment to the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.	10-Q	10.7	4/2/09	
10.57*	Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan.	10-Q	10.8	4/2/09	
10.58*	Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.	10-Q	10.9	4/2/09	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	Filed Herewith
10.59*	Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan.	10-Q	10.1	4/1/10	
10.60*	Carnival Corporation & plc Stock Ownership Policy for Section 16 Officers.	10-Q	10.2	4/1/10	
10.61*	Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan.	10-Q	10.3	4/1/10	
10.62*	Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan.	10-Q	10.1	7/1/10	
10.63*	Form of Executive Restricted Stock Agreement for Executives with Executive Long-term Compensation Agreements for Carnival Corporation 2011 Stock Plan.	10-Q	10.1	3/30/12	
10.64*	Form of Executive Restricted Stock Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.2	3/30/12	
10.65*	2011-1 Amendment to Princess Cruises Chief Executive Officer Supplemental Retirement Plan.	10-Q	10.3	3/30/12	
10.66*	2011-2 Amendment to Princess Cruises Chief Executive Officer Supplemental Retirement Plan.	10-Q	10.4	3/30/12	
Statements regarding computations of ratios					
12	Ratio of Earnings to Fixed Charges.				X
Annual report to security holders					
13	Portions of 2012 Annual Report.				X
Subsidiaries of the registrants					
21	Significant Subsidiaries of Carnival Corporation and Carnival plc.				X
Consents of experts and counsel					
23	Consent of Independent Registered Certified Public Accounting Firm.				X

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INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
Power of attorney					
24	Powers of Attorney given by certain Directors of Carnival Corporation and Carnival plc to Micky Arison, Howard S. Frank, David Bernstein and Arnaldo Perez authorizing such persons to sign this 2012 joint Annual Report on Form 10-K and any future amendments on their behalf.				X
Rule 13a-14(a)/15d-14(a) certifications					
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.				X
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.				X
31.3	Certification of Senior Vice President and Chief Financial Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
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.				X
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.				X
31.6	Certification of Senior Vice President and Chief Financial Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
Section 1350 certifications					
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.				X
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.				X
32.3**	Certification of Senior Vice President and Chief Financial 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.				X

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INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
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.				X
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.				X
32.6**	Certification of Senior Vice President and Chief Financial 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.				X
Interactive data file					
101	The financial statements from Carnival Corporation & plc's joint Annual Report on Form 10-K for the year ended November 30, 2012, as filed with the SEC on January 29, 2013 formatted in XBRL, are as follows:				X
	(i) the Consolidated Statements of Income for the years ended November 30, 2012, 2011 and 2010;				X
	(ii) the Consolidated Balance Sheets at November 30, 2012 and 2011;				X
	(iii) the Consolidated Statements of Cash Flows for the years ended November 30, 2012, 2011 and 2010;				X
	(iv) the Consolidated Statements of Shareholders' Equity for the years ended November 30, 2012, 2011 and 2010; and				X
	(v) the notes to the consolidated financial statements, tagged in summary and detail.				X

* Indicates a management contract or compensation plan or arrangement.
** These items are furnished and not filed.

Exhibit 4.1

January 17, 2013

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, 2012.

Very truly yours,

CARNIVAL CORPORATION AND CARNIVAL PLC

/s/ Arnaldo Perez
Senior Vice President,
General Counsel and Secretary

Exhibit 10.32

CARNIVAL CRUISE LINES
MANAGEMENT INCENTIVE PLAN

1. OBJECTIVE

This Carnival Cruise Lines Management Incentive Plan (the "**Plan**") is designed to focus the attention of the employees of Carnival Cruise Lines ("**CCL**") on achieving outstanding performance results as reflected in the operating income of the Carnival Cruise Lines division of Carnival Corporation ("**CCL**") and the operating income of Carnival Corporation & plc (the "**Corporation**"), as well as other relevant measures. It is intended that the bonuses paid to participants under this Plan will be generally based 75% on achieving CCL Operating Income Target (defined below) and 25% on achieving the Corporation Operating Income Target (defined below).

2. PLAN ADMINISTRATION

The administrators of the Plan shall be the Compensation Committees of the Boards of Directors of the Corporation (the "**Compensation Committees**"). The Compensation Committees shall have sole discretion in resolving any questions regarding the administration or terms of the Plan not addressed in this document, as well as in resolving any ambiguities that may exist in this document.

The Compensation Committees delegate authority to approve the Target Bonus (defined below) and bonuses payable to participants who are not deemed to be "**Executive Officers**" (as defined by Rule 16a-1 of the Securities Exchange Act) of the Corporation, as follows:

A. to a committee comprised of the Chief Executive Officer and the Chief Operating Officer of the Corporation (the "**Senior Management Committee**") for:

   i. the ten (10) highest paid Plan participants (based on salary plus Target Bonus for the current Plan Year) not deemed to be Executive Officers (the "**Top Ten Participants**"); and

   ii. the aggregate amount for all Plan participants other than the Executive Officers; and

B. to the CCL Chief Executive Officer (the "**CCL CEO**") for all other Plan participants.

The term "**Administrators**" as used hereafter shall refer to the Compensation Committees with respect to bonus determinations for the Executive Officers participating in the Plan; to the Senior Management Committee with respect to bonus determinations for the Top Ten Participants; and to the CCL CEO with respect to bonus determinations for all other participants (subject to the approval by the Senior Management Committee of the aggregate amount of cash bonus payable to all participants other than the Executive Officers).

3. PLAN YEAR

The “**Plan Year**” shall be the 12-month period ending November 30 of each year.

4. PARTICIPATION

Prior to the commencement of each Plan Year, the CCL CEO shall determine which employees of CCL shall participate in the Plan. In general, the CCL CEO and all employees of CCL at the level of Vice President or above shall be eligible to participate in the Plan. In his/her discretion, the CCL CEO may select other employees to participate in the Plan or establish separate criteria to determine the bonus of specified employees.

Persons who commence employment or are promoted to the status of Vice President or above following the beginning of the Plan Year may, with the approval of the applicable Administrators, be allowed to participate in the Plan.

In order to receive a cash bonus under the Plan, a participant must be employed by Carnival Corporation & plc or one of its subsidiaries on the day the bonus is paid; provided, however, that if a participant is on a leave of absence that does not meet the requirements of The Family and Medical Leave Act of 1993 on the day the bonus is paid to the other participants, such bonus shall not be payable until the participant returns to active duty. The only exceptions to this requirement are for participants whose employment is terminated prior to the day the bonus is paid as the result of death, disability or Retirement (“**Early Termination Employees**”) or for other circumstances approved by the Administrators on a case-by-case basis. If employment is terminated by reason of death, disability or Retirement, a participant or his/her estate will receive a pro-rata bonus based on the portion of the Plan Year the participant was employed. For purposes of this section, “**Retirement**” means a termination of employment by a participant (A) on or after the earlier of (i) age 65 with at least five years of employment with Carnival Corporation, Carnival plc or any successor thereto and/or their subsidiaries or (ii) age 60 with at least 15 years of employment with Carnival Corporation, Carnival plc or any successor thereto and/or their subsidiaries or (B) who, as of December 31, 2012, had both reached the age 55 and had at least 15 years of employment with Carnival Corporation, Carnival plc or any successor thereto and/or their subsidiaries.

5. BONUS

A. For purposes of this Plan, the terms below shall be defined as follows:

i. The “**CCL Operating Income**” shall mean the net income of CCL before interest income and expense and other nonoperating income and expense and income taxes, as reported by CCL for the Plan Year.

ii. The “**CCL Operating Income Target**” for the Plan Year will be equal to the actual CCL Operating Income for the prior Plan Year adjusted for any change in capacity as follows:

CCL Operating Income Target = Prior Plan Year's actual CCL Operating Income per berth day multiplied by the current Plan Year's budgeted available lower berth days ("**ALBDs**").

iii. The "**Corporation Operating Income**" shall mean the operating income of the Corporation as reported by the Corporation in its full year earnings report issued following each Plan Year, including realized gains and losses recognized on the Corporation's fuel derivatives. Operating Income does not include interest income and expense, other non-operating income and expense, unrealized gains or losses on the Corporation's fuel derivatives and income taxes.

iv. The "**Corporation Operating Income Target**" for the Plan Year will be equal to the projected Operating Income for the Plan Year that corresponds to the midpoint of the diluted earnings per share guidance publicly announced during the first month of the Plan Year by the Corporation.

The Compensation Committees may, in their discretion, increase or decrease the CCL Operating Income Target and/or the Corporation Operating Income Target or establish an alternative target for any reason they deem appropriate. In addition, in the discretion of the Compensation Committees, certain items, including, but not limited to, gains or losses on ship sales can be excluded from the CCL and/or Corporation Operating Income Targets and the actual CCL and/or Corporation Operating Income for any Plan Year.

B. Within 75 days following the commencement of each Plan Year, the Administrators shall, in their discretion, determine a Target Bonus (in the currency of his/her base salary) for each participant for the current Plan Year based on recommendations from CCL, which may, in the Administrators' discretion, be increased or decreased for any reason(s) deemed appropriate by them. The "**Target Bonus**" is the anticipated level of bonus for a participant if 100% of both the CCL Operating Income Target and Corporation Operating Income Target are achieved, prior to the Administrators exercising discretion to increase or decrease the bonus payable to a participant as provided in 5.C.ii.

C. Within 75 days following the end of each Plan Year, the Administrators shall determine each participant's bonus for the prior Plan Year as follows:

i. The actual CCL Operating Income, adjusted to reflect the impact of constant (prior year) fuel prices on fuel expense, and the actual Corporation Operating Income for the Plan Year will be confirmed, and the Administrators shall determine the preliminary bonus amount for each participant by reference to the schedule appended to this Plan (the "**Bonus Schedule**"), which calibrates the weighted CCL Operating Income Target (75%) and the Corporation Operating Income Target (25%) for the Plan Year with the Target Bonus for each participant. The performance range in the Bonus Schedule is from 75% to 120% of the Operating Income Targets with results at 75% or less producing a preliminary bonus amount equal to 50% of the Target Bonus and at 120% or more producing a preliminary bonus amount equal to 150% of the Target Bonus. Results from 75% to 120% of the Operating Income Targets will be calculated using interpolation.

ii. The Administrators may then consider other factors deemed, in their discretion, relevant to the performance of CCL and Carnival Corporation & plc, including, but not limited to, the impacts of changes in accounting principles, unusual gains and/or losses and other events outside the control of management. The Administrators may also consider other factors they deem, in their discretion, relevant to the performance of CCL or each individual participant, including, but not limited to, operating performance metrics (such as return on investment, revenue yield, costs per ALBD), successful implementation of strategic initiatives and business transactions, significant business contracts, departmental accomplishments, executive recruitment, new ship orders, and management of health, environment, safety and security matters. Based on such factors, the Administrators may, in their discretion, increase or decrease the preliminary bonus amount calculated pursuant to Section 5.C.i. by any amount deemed appropriate to determine the final bonus amount. The final bonus amount shall not exceed 200% of the Target Bonus of the participant.

In addition, the Administrators may adjust a participant's bonus amount for any unpaid leave of absence regardless of the nature of the leave.

6. <u>PAYMENT OF BONUS</u>

Except as otherwise provided in the section entitled "Participation," bonuses shall be paid as soon as administratively practicable following determination of the bonuses by the Administrators. At the discretion of the Administrators, special arrangements may be made for earlier payment to Early Termination Employees.

Notwithstanding any other provision of this Plan, the issuance of bonuses is at the sole discretion of the Administrators. The Administrators at their sole discretion, may increase, decrease or withhold bonuses.

7. <u>DURATION OF PLAN</u>

The Plan will be effective until terminated by the Compensation Committees.

8. <u>AMENDMENT OF PLAN</u>

The Compensation Committees may amend the Plan from time to time in such respects as the Compensation Committees may deem advisable.

BONUS SCHEDULE

Percent of Target Operating Income Achieved	Bonus Funding	CCL Weighted Bonus Funding (75%)	Corporation Weighted Bonus Funding (25%)
Under 75%	50.0%	37.50%	12.50%
75%	50.0%	37.50%	12.50%
76%	52.0%	39.00%	13.00%
77%	54.0%	40.50%	13.50%
78%	56.0%	42.00%	14.00%
79%	58.0%	43.50%	14.50%
80%	60.0%	45.00%	15.00%
81%	62.0%	46.50%	15.50%
82%	64.0%	48.00%	16.00%
83%	66.0%	49.50%	16.50%
84%	68.0%	51.00%	17.00%
85%	70.0%	52.50%	17.50%
86%	72.0%	54.00%	18.00%
87%	74.0%	55.50%	18.50%
88%	76.0%	57.00%	19.00%
89%	78.0%	58.50%	19.50%
90%	80.0%	60.00%	20.00%
91%	82.0%	61.50%	20.50%
92%	84.0%	63.00%	21.00%
93%	86.0%	64.50%	21.50%
94%	88.0%	66.00%	22.00%
95%	90.0%	67.50%	22.50%
96%	92.0%	69.00%	23.00%
97%	94.0%	70.50%	23.50%
98%	96.0%	72.00%	24.00%
99%	98.0%	73.50%	24.50%
100%	100.0%	75.00%	25.00%
101%	102.5%	76.88%	25.63%
102%	105.0%	78.75%	26.25%
103%	107.5%	80.63%	26.88%
104%	110.0%	82.50%	27.50%
105%	112.5%	84.38%	28.13%
106%	115.0%	86.25%	28.75%
107%	117.5%	88.13%	29.38%
108%	120.0%	90.00%	30.00%
109%	122.5%	91.88%	30.63%
110%	125.0%	93.75%	31.25%
111%	127.5%	95.63%	31.88%
112%	130.0%	97.50%	32.50%
113%	132.5%	99.38%	33.13%
114%	135.0%	101.25%	33.75%
115%	137.5%	103.13%	34.38%
116%	140.0%	105.00%	35.00%
117%	142.5%	106.88%	35.63%
118%	145.0%	108.75%	36.25%
119%	147.5%	110.63%	36.88%
120%	150.0%	112.50%	37.50%
Over 120%	150.0%	112.50%	37.50%

Exhibit 10.53

AMENDED AND RESTATED
CARNIVAL CORPORATION & PLC
MANAGEMENT INCENTIVE PLAN FOR THE CEO, COO AND CFO

1. OBJECTIVE

This Carnival Corporation & plc Management Incentive Plan for the CEO, COO and CFO (the "**Plan**") is designed to focus the attention of the Chief Executive Officer ("**CEO**"), the Chief Operating Officer ("**COO**") and the Chief Financial Officer ("**CFO**") of Carnival Corporation & plc (the "**Corporation**") on achieving outstanding performance results as reflected in the operating income of the Corporation, as well as other relevant measures.

2. PLAN ADMINISTRATION

The administrators of the Plan are the Compensation Committees of the Boards of Directors of the Corporation (the "**Committees**"). The Committees shall have sole discretion in resolving any questions regarding the administration or terms of the Plan not addressed in this document, as well as in resolving any ambiguities that may exist in this document.

3. PLAN YEAR

The "**Plan Year**" shall be the 12-month period ending November 30 of each year.

4. PARTICIPATION

The CEO, COO and CFO of the Corporation shall be eligible to participate in the Plan. In their discretion, the Committees may select other employees to participate in the Plan or establish separate criteria to determine the bonus of specified employees.

Persons who commence employment or are promoted to the status of a CEO, COO or CFO following the beginning of the Plan Year may, with the approval of the Committees, be allowed to participate in the Plan.

In order to receive a cash bonus under the Plan, a participant must be employed by the Corporation or one of its subsidiaries on the day the bonus is paid; provided, however, that if a participant is on a leave of absence that does not meet the requirements of The Family and Medical Leave Act of 1993 on the day the bonus is paid to the other participants, such bonus shall not be payable until the participant returns to active duty. The only exceptions to this requirement are for participants whose employment is terminated prior to the day the bonus is paid as the result of death, disability or Retirement ("**Early Termination Employees**") or for other circumstances approved by the Committees on a case-by-case basis. If employment is terminated by reason of death, disability or Retirement, a participant or his/her estate will receive a pro-rata bonus based on the portion of the Plan Year the participant was employed. For purposes of this section, "**Retirement**" means a termination of employment by a participant (A) on or after the earlier of (i) age 65 with at least five years of employment with Carnival Corporation, Carnival plc or any successor thereto and/or their subsidiaries or (ii) age 60 with at least 15 years of employment with Carnival Corporation, Carnival plc or any successor thereto and/or their subsidiaries or (B) who, as of December 31, 2012, had both reached the age 55 and

had at least 15 years of employment with Carnival Corporation, Carnival plc or any successor thereto and/or their subsidiaries.

5. BONUS

A. For purposes of this Plan, the terms below shall be defined as follows:

i. "**Operating Income**" shall mean the operating income of the Corporation as reported by the Corporation in its full year earnings report issued following each Plan Year, including realized gains and losses recognized on the Corporation's fuel derivatives. Operating Income does not include interest income and expense, other non-operating income and expense, unrealized gains or losses on the Corporation's fuel derivatives and income taxes.

ii. The "**Operating Income Target**" for the Plan Year will be equal to the projected Operating Income for the Plan Year that corresponds to the midpoint of the diluted earnings per share guidance publicly announced during the first month of the Plan Year by the Corporation. The Committees may, in their discretion, increase or decrease the Operating Income Target or establish an alternative target for any reason they deem appropriate. In addition, in the discretion of the Committees, certain items, including, but not limited to, gains or losses on ship sales can be excluded from the Operating Income Target and the actual Operating Income for any Plan Year.

B. Within 75 days following the commencement of each Plan Year, the Committees will establish a Target Bonus (in the currency of his/her base salary), for each participant for the first year of his/her participation in the Plan. In the second and subsequent Plan Years of participation, the Target Bonus for each participant shall be calculated by multiplying the Target Bonus for the prior Plan Year by a percentage equal to 100 plus the percentage change in the Operating Income Target for the new Plan Year as compared to the Operating Income Target of the prior Plan Year. The Committees may, in their discretion, increase or decrease the Target Bonus for any reason they deem appropriate. The "**Target Bonus**" is the anticipated level of bonus for a participant if 100% of Corporation Operating Income Target is achieved, prior to the Committees exercising discretion to increase or decrease the bonus payable to a participant as provided in 5.C.ii.

C. Within 75 days following the end of each Plan Year, the Committees shall determine each participant's bonus for the prior Plan Year as follows:

i. The actual Operating Income for the Plan Year will be confirmed, and the Committees shall determine the preliminary bonus amount for each participant by reference to the schedule appended to this Plan (the "**Bonus Schedule**"), which calibrates the Operating Income Target for the Plan Year with the Target Bonus for each participant. The performance range in the Bonus Schedule shall be from 72% to 123% of the Operating Income Target with results at 72% or less producing a preliminary bonus amount equal to 50% of the Target Bonus and at 123% or more producing a preliminary bonus amount equal to 150% of the Target Bonus. Results from 97% to 103% of the Operating Income Target will result in a preliminary bonus amount equal to 100% of the Target Bonus. The preliminary bonus amount for

results between 72% and 97% as well as results between 103% and 123% will be calculated using interpolation.

ii. The Committees may then consider other factors deemed, in their discretion, relevant to the performance of the Corporation, including, but not limited to, the impacts of changes in accounting principles, unusual gains and/or losses and other events outside the control of management. The Committees may also consider other factors they deem, in their discretion, relevant to the performance of the Corporation or each individual participant, including, but not limited to, operating performance metrics (such as return on investment, revenue yield, costs per available lower berth days), successful implementation of strategic initiatives and business transactions, significant business contracts, departmental accomplishments, executive recruitment, new ship orders, and management of health, environment, safety and security matters. Based on such factors, the Committees may, in their discretion, increase or decrease the preliminary bonus amount calculated pursuant to Section 5.C.i. by any amount deemed appropriate to determine the final bonus amount. The final bonus amount shall not exceed 200% of the Target Bonus of the participant.

In addition, the Committees may adjust a participant's bonus amount for any unpaid leaves of absence regardless of the nature of the leave.

6. PAYMENT OF BONUS

Except as otherwise provided in the section entitled "Participation," bonuses shall be paid as soon as administratively practicable following determination of the bonuses by the Committees. At the discretion of the Committees, special arrangements may be made for earlier payment to Early Termination Employees.

Notwithstanding any other provision of this Plan, the issuance of bonuses is at the sole discretion of the Committees. The Committees at their sole discretion, may increase, decrease or withhold bonuses.

7. DURATION OF PLAN

The Plan will be effective until terminated by the Committees.

8. AMENDMENT OF PLAN

The Committees may amend the Plan from time to time in such respects as the Committees may deem advisable.

BONUS SCHEDULE	
Percent of Operating Income Target Achieved	**Percent of Target Bonus Funded**
Under 72%	50.0%
72%	50.0%
73%	52.0%
74%	54.0%
75%	56.0%
76%	58.0%
77%	60.0%
78%	62.0%
79%	64.0%
80%	66.0%
81%	68.0%
82%	70.0%
83%	72.0%
84%	74.0%
85%	76.0%
86%	78.0%
87%	80.0%
88%	82.0%
89%	84.0%
90%	86.0%
91%	88.0%
92%	90.0%
93%	92.0%
94%	94.0%
95%	96.0%
96%	98.0%
97%	100.0%
98%	100.0%
99%	100.0%
100%	100.0%
101%	100.0%
102%	100.0%
103%	100.0%
104%	102.5%
105%	105.0%
106%	107.5%
107%	110.0%
108%	112.5%
109%	115.0%
110%	117.5%
111%	120.0%
112%	122.5%
113%	125.0%
114%	127.5%
115%	130.0%
116%	132.5%
117%	135.0%
118%	137.5%
119%	140.0%
120%	142.5%
121%	145.0%
122%	147.5%
123%	150.0%
Over 123%	150.0%

Exhibit 12

CARNIVAL CORPORATION & PLC
RATIO OF EARNINGS TO FIXED CHARGES
(in millions, except ratios)

	Years Ended November 30,				
	2012	2011	2010	2009	2008
Net income	$ 1,298	$ 1,912	$ 1,978	$ 1,790	$ 2,324
Income tax expense, net	4	—	1	16	47
Income before income taxes	1,302	1,912	1,979	1,806	2,371
Fixed charges					
Interest expense, net	336	365	378	380	420
Interest portion of rent expense (a)	19	20	21	18	17
Capitalized interest	17	21	26	37	52
Total fixed charges	372	406	425	435	489
Fixed charges not affecting earnings					
Capitalized interest	(17)	(21)	(26)	(37)	(52)
Earnings before fixed charges	$ 1,657	$ 2,297	$ 2,378	$ 2,204	$ 2,808
Ratio of earnings to fixed charges	4.5x	5.7x	5.6x	5.1x	5.7x

(a) Represents one-third of rent expense, which we believe to be representative of the interest portion of rent expense.

Exhibit 13

CARNIVAL CORPORATION & PLC
EXHIBIT 13 TO FORM 10-K
FOR THE YEAR ENDED NOVEMBER 30, 2012

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CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share data)

	Years Ended November 30,		
	2012	2011	2010
Revenues			
Cruise			
Passenger tickets	$11,658	$12,158	$11,084
Onboard and other	3,513	3,357	3,104
Tour and other	211	278	281
	15,382	15,793	14,469
Operating Costs and Expenses			
Cruise			
Commissions, transportation and other	2,292	2,461	2,272
Onboard and other	558	506	474
Fuel	2,381	2,193	1,622
Payroll and related	1,742	1,723	1,611
Food	960	965	869
Other ship operating	2,233	2,247	2,032
Tour and other	154	204	212
	10,320	10,299	9,092
Selling and administrative	1,720	1,717	1,614
Depreciation and amortization	1,527	1,522	1,416
Ibero goodwill and trademark impairment charges	173	-	-
	13,740	13,538	12,122
Operating Income	1,642	2,255	2,347
Nonoperating (Expense) Income			
Interest income	10	11	12
Interest expense, net of capitalized interest	(336)	(365)	(378)
Unrealized gains on fuel derivatives, net	6	1	-
Realized losses on fuel derivatives	(13)	-	-
Other (expense) income, net	(7)	10	(2)
	(340)	(343)	(368)
Income Before Income Taxes	1,302	1,912	1,979
Income Tax Expense, Net	(4)	-	(1)
Net Income	$ 1,298	$ 1,912	$ 1,978
Earnings Per Share			
Basic	$ 1.67	$ 2.43	$ 2.51
Diluted	$ 1.67	$ 2.42	$ 2.47
Dividends Declared Per Share	$ 1.50	$ 1.00	$ 0.40

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Years Ended November 30,		
	2012	2011	2010
Net Income	$1,298	$1,912	$1,978
Items Included in Other Comprehensive Income (Loss)			
Change in foreign currency translation adjustment	25	(24)	(664)
Other	(23)	69	(52)
Other Comprehensive Income (Loss)	2	45	(716)
Total Comprehensive Income	$1,300	$1,957	$1,262

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 values)

	November 30,	
	2012	2011
ASSETS		
Current Assets		
Cash and cash equivalents	$ 465	$ 450
Trade and other receivables, net	270	263
Insurance recoverables	460	30
Inventories	390	374
Prepaid expenses and other	236	195
Total current assets	1,821	1,312
Property and Equipment, Net	32,137	32,054
Goodwill	3,174	3,322
Other Intangibles	1,314	1,330
Other Assets	715	619
	$39,161	$38,637
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	$ 56	$ 281
Current portion of long-term debt	1,678	1,019
Accounts payable	549	576
Dividends payable	583	194
Claims reserve	553	97
Accrued liabilities and other	845	832
Customer deposits	3,076	3,106
Total current liabilities	7,340	6,105
Long-Term Debt	7,168	8,053
Other Long-Term Liabilities	724	647
Commitments and Contingencies		
Shareholders' Equity		
Common stock of Carnival Corporation, $0.01 par value; 1,960 shares authorized; 649 shares at 2012 and 647 shares at 2011 issued	6	6
Ordinary shares of Carnival plc, $1.66 par value; 215 shares at 2012 and 2011 issued	357	357
Additional paid-in capital	8,252	8,180
Retained earnings	18,479	18,349
Accumulated other comprehensive loss	(207)	(209)
Treasury stock, 55 shares at 2012 and 52 shares at 2011 of Carnival Corporation and 33 shares at 2012 and 2011 of Carnival plc, at cost	(2,958)	(2,851)
Total shareholders' equity	23,929	23,832
	$39,161	$38,637

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

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CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Years Ended November 30,		
	2012	2011	2010
OPERATING ACTIVITIES			
Net income	$ 1,298	$ 1,912	$ 1,978
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	1,527	1,522	1,416
Ibero goodwill and trademark impairment charges	173	-	-
Share-based compensation	39	46	43
Losses and (gains) on fuel derivatives, net	7	(1)	-
Other, net	61	49	(15)
Changes in operating assets and liabilities			
Receivables	(15)	(43)	106
Inventories	(16)	(54)	(12)
Insurance recoverables, prepaid expenses and other	148	18	(14)
Accounts payable	(24)	67	(36)
Claims reserves, accrued and other liabilities	(192)	(41)	81
Customer deposits	(7)	291	271
Net cash provided by operating activities	2,999	3,766	3,818
INVESTING ACTIVITIES			
Additions to property and equipment	(2,332)	(2,696)	(3,579)
Insurance proceeds for the ship	508	-	-
Other, net	52	50	78
Net cash used in investing activities	(1,772)	(2,646)	(3,501)
FINANCING ACTIVITIES			
(Repayments of) proceeds from short-term borrowings, net	(224)	(450)	626
Principal repayments of revolvers	-	(13)	(350)
Proceeds from revolvers	-	8	94
Principal repayments of other long-term debt	(1,052)	(1,237)	(1,842)
Proceeds from issuance of other long-term debt	946	1,696	1,280
Dividends paid	(779)	(671)	(237)
Purchases of treasury stock	(90)	(454)	(524)
Sales of treasury stock	-	-	545
Other, net	9	28	4
Net cash used in financing activities	(1,190)	(1,093)	(404)
Effect of exchange rate changes on cash and cash equivalents	(22)	(6)	(22)
Net increase (decrease) in cash and cash equivalents	15	21	(109)
Cash and cash equivalents at beginning of year	450	429	538
Cash and cash equivalents at end of year	$ 465	$ 450	$ 429

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Common stock	Ordinary shares	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity
Balances at November 30, 2009	$6	$354	$7,920	$15,561	$ 462	$(2,264)	$22,039
Net income	-	-	-	1,978	-	-	1,978
Other comprehensive loss	-	-	-	-	(716)	-	(716)
Cash dividends declared	-	-	-	(315)	-	-	(315)
Purchases and sales under the Stock Swap program and other	-	1	174	-	-	(130)	45
Balances at November 30, 2010	6	355	8,094	17,224	(254)	(2,394)	23,031
Net income	-	-	-	1,912	-	-	1,912
Other comprehensive income	-	-	-	-	45	-	45
Cash dividends declared	-	-	-	(787)	-	-	(787)
Purchases of treasury stock under the Repurchase Program and other	-	2	86	-	-	(457)	(369)
Balances at November 30, 2011	6	357	8,180	18,349	(209)	(2,851)	23,832
Net income	-	-	-	1,298	-	-	1,298
Other comprehensive income	-	-	-	-	2	-	2
Cash dividends declared	-	-	-	(1,168)	-	-	(1,168)
Purchases of treasury stock under the Repurchase Program and other	-	-	72	-	-	(107)	(35)
Balances at November 30, 2012	$6	$357	$8,252	$18,479	$(207)	$(2,958)	$23,929

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. Carnival Corporation and Carnival plc operate a dual listed company ("DLC"), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation's Articles of Incorporation and By-Laws and Carnival plc's Articles of Association. The two companies operate as if they are a single economic enterprise, but each has retained its separate legal identity. Each company's shares are 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 are traded on the NYSE. See Note 3.

The 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 2012 Annual Report as "Carnival Corporation & plc," "our," "us" and "we."

We are the largest cruise company and among the largest leisure travel companies in the world. Each of our ten cruise brands is an operating segment that we aggregate into either the (1) North America or (2) Europe, Australia & Asia ("EAA") reportable cruise segments (see Note 12). As of January 22, 2013, our cruise brands' summary information is as follows:

Cruise Brands	Passenger Capacity (a)	Number of Cruise Ships	Primary Markets (b)
North America			
Carnival Cruise Lines	61,968	24	North America
Princess Cruises ("Princess")	36,912	16	North America
Holland America Line	23,492	15	North America
Seabourn	1,986	6	North America
North America Cruise Brands	124,358	61	
EAA			
Costa Cruises ("Costa")	31,720	14	Italy, France and Germany
AIDA Cruises ("AIDA")	16,442	9	Germany
P&O Cruises (UK)	14,636	7	United Kingdom ("UK")
Cunard	6,672	3	UK and North America
P&O Cruises (Australia)	4,780	3	Australia
Ibero Cruises ("Ibero")	4,176	3	Spain and South America
EAA Cruise Brands	78,426	39	
	202,784	100	

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

(b) Represents the primary regions or countries where guests are sourced.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation

We consolidate entities over which we have control, as typically evidenced by a voting control of greater than 50% or for which we are the primary beneficiary, whereby we have the power to direct the most significant activities and the obligation to absorb significant losses or receive significant benefits from the entity (see Note 3). We do not separately present our noncontrolling interests in the consolidated financial statements since the amounts are insignificant. For affiliates we do not control but where significant influence over financial and operating policies exists, as typically evidenced by a voting control of 20% to 50%, the investment is accounted for using the equity method.

Preparation of Financial Statements

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported and disclosed in our financial statements. Actual results may differ from the estimates used in preparing our consolidated financial statements. All significant intercompany balances and transactions are eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents include investments with maturities of three months or less at acquisition, which are stated at cost. At November 30, 2012 and 2011, cash and cash equivalents are comprised of cash on hand, money market funds and time deposits.

Inventories

Inventories consist principally of food and beverage provisions, hotel and restaurant products and supplies, fuel and gift shop and art merchandise held for resale, which are all 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:

	Years	Residual Values
Ships	30	15%
Ship improvements	Shorter of remaining ship life or useful life (3-28)	0% or 15%
Buildings and improvements	5-40	0-10%
Computer hardware and software	3-10	0-10%
Transportation equipment and other	2-20	0-10%
Leasehold improvements, including port facilities	Shorter of lease term or related asset life (3-30)	-

The cruise business is very capital intensive. Each year, a capital program is developed for the improvement of our ships, as well as asset replacements to enhance efficiency of operations, gain strategic benefits or provide newer improved product offerings to our guests. Ship improvement costs that we believe add value to our ships, such as those incurred for refurbishments, safety and operational efficiencies, are capitalized to the ships and depreciated over their or the ships' estimated remaining useful life, whichever is shorter, while costs of repairs and maintenance, including minor improvement costs, are charged to expense as incurred. We capitalize interest as part of the cost of acquiring ships and other capital projects during their construction period. The specifically identified or estimated cost and accumulated depreciation of previously capitalized ship components are written-off upon retirement, which may result in a loss on disposal that is included in other ship operating expenses.

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 expensed as incurred and included in other ship operating expenses.

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be fully recoverable. Upon the occurrence of a triggering event, the assessment of possible impairment is based on our ability to recover the carrying value of our asset, which is determined by using the asset's estimated 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. As it relates to our ships, the lowest level for which we maintain identifiable cash flows that are independent of the cash flows of other assets and liabilities is at the individual ship level.

Intangibles

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in business acquisitions. We review our goodwill for impairment at least annually and, when events or circumstances dictate, more frequently. All of our goodwill has been allocated to our reporting units, also referred to as "cruise brands."

In 2012, we adopted new authoritative accounting guidance that allows us to first assess qualitative factors to determine whether it is necessary to perform the more detailed two-step quantitative goodwill impairment test. We would perform the quantitative test if our qualitative assessment determined it is more-likely-than-not that a cruise brand's fair value is less than its carrying amount. We may also elect to bypass the qualitative assessment and proceed directly to the quantitative test for any cruise brand. When performing the quantitative test, if the fair value of the cruise brand exceeds its carrying value, no further analysis or write-down of goodwill is required. However, if the fair value of the cruise brand is less than the carrying value of its net assets, the estimated fair value of the cruise brand is assigned to all its underlying assets and liabilities, including both recognized and unrecognized tangible and intangible assets, based on their fair values. If necessary, goodwill is then written down to its implied fair value.

Trademarks represent substantially all of our other intangibles. For certain acquisitions, we have allocated a portion of the purchase prices to the acquiree's identified trademarks. Trademarks are estimated to have an indefinite useful life and, therefore, are not amortizable, but are reviewed for impairment at least annually and, when events or circumstances dictate, more frequently.

In 2012, we also adopted new authoritative accounting guidance that allows us to first assess qualitative factors to determine whether it is necessary to perform a more detailed quantitative trademark impairment test. We would perform the quantitative test if our qualitative assessment determined it was more-likely-than-not that the trademarks are impaired. We may also elect to bypass the qualitative assessment and proceed directly to the quantitative test. Our trademarks would be considered impaired if their carrying value exceeds their estimated fair value. The costs of developing and maintaining our trademarks are expensed as incurred.

A significant amount of judgment is required in estimating the fair values of our cruise brands and trademarks.

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 and expenses of a voyage are recognized as cruise costs and expenses, upon completion of voyages with durations of ten nights or less and on a pro rata basis for voyages in excess of ten nights. The impact of recognizing these shorter duration cruise revenues and costs and expenses on a completed voyage basis versus on a pro rata basis is not material. Future travel discount vouchers issued to guests are recorded as a reduction of cruise passenger ticket revenues when such vouchers are utilized. Cancellation fees are recognized in cruise passenger ticket revenues at the time of the cancellation.

Our sale to guests of air and other transportation to and from airports near the home ports of our ships and the related cost of purchasing these services are recorded in cruise passenger ticket revenues and cruise transportation costs, respectively. The proceeds that we collect from the sale of third party shore excursions and on behalf of onboard concessionaires, net of the amounts remitted to them, are recorded as concession revenues in onboard and other cruise revenues. All these amounts are recognized on a completed voyage or pro rata basis as discussed above.

Cruise passenger ticket revenues include fees and taxes levied by governmental authorities and collected by us from our guests. A portion of these fees and taxes vary with guest head counts and are directly imposed on a revenue-producing arrangement. This portion of the fees and taxes is expensed in commissions, transportation and other costs when the corresponding revenues are recognized. These fees and taxes included in passenger ticket revenues and commissions, transportation and other costs were $477 million, $405 million and $346 million in 2012, 2011 and 2010, respectively. The remaining portion of governmental fees and taxes are also included in passenger ticket revenues but are expensed in other ship operating expenses when the corresponding revenues are recognized.

Revenues and expenses from our hotel and transportation operations, which are included in our Tour and Other segment, are recognized at the time the services are performed or expenses are incurred. Revenues from the leasing of two of our ships to an unaffiliated entity, which are also included in our Tour and Other segment, are recognized ratably over the term of the charter agreement using the straight-line method.

Insurance

We maintain insurance to cover a number of risks including, among others, illness and injury to crew, guest injuries, pollution, damages to hull and machinery for each of our ships, war risks, workers' compensation, employee health, directors and officers liability, property damages and general liabilities for third party claims. All of our insurance policies are subject to coverage limits, exclusions and deductible levels. The liabilities associated with crew illnesses and crew and guest injury claims, including all legal costs, are estimated based on the specific merits of the individual claims or actuarially estimated based on historical claims experience, loss development factors and other assumptions. While we believe our estimated accrued claims reserves are adequate, the ultimate losses may differ.

Selling and Administrative Expenses

Selling expenses include a broad range of advertising, such as marketing and promotional expenses. Advertising is charged to expense as incurred, except for media production costs. Media production costs are recorded as prepaid expenses and charged to expense upon the first airing of the advertisement. Advertising expenses totaled $527 million in both 2012 and 2011 and $507 million in 2010. Administrative expenses represent the costs of our shoreside ship support, reservations and other administrative functions, and include, among others, salaries and related benefits, professional fees and occupancy costs, which are typically expensed as incurred.

Foreign Currency Translations and Transactions

Each business determines its functional currency by reference to its primary economic environment. We translate the assets and liabilities of our foreign operations that have functional currencies other than the U.S. dollar at exchange rates in effect at the balance sheet date.

Revenues and expenses of these foreign operations are translated at weighted-average exchange rates for the period. Their equity is translated at historical rates and the resulting foreign currency translation adjustments are included as a component of accumulated other comprehensive income ("AOCI"), which is a separate component of shareholders' equity. Therefore, the U.S. dollar value of these non-equity translated items in our consolidated financial statements will fluctuate from period to period, depending on the changing value of the U.S. dollar versus these currencies.

Our underlying businesses execute transactions in a number of different currencies, principally the U.S. dollar, euro, sterling and Australian and Canadian dollars. 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 nonoperating earnings, unless such monetary liabilities have been designated to act as hedges of net investments in our foreign operations. These net gains or losses included in nonoperating earnings were insignificant in 2012, 2011 and 2010. In addition, the unrealized 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 investments, are recorded as foreign currency translation adjustments, which are included as a component of AOCI.

Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted-average number of shares outstanding during each period. Diluted earnings per share is computed by dividing adjusted net income by the weighted-average number of shares, common stock equivalents and other potentially dilutive securities outstanding during each period. For earnings per share purposes, Carnival Corporation common stock and Carnival plc ordinary shares are considered a single class of shares since they have equivalent rights (see Note 3). All shares that were issuable under our previously outstanding convertible notes that had contingent share conversion features were considered outstanding for our 2010 diluted earnings per share computations, if dilutive, using the "if converted" method of accounting from the date of issuance.

Share-Based Compensation

We recognize compensation expense for all share-based compensation awards using the fair value method. Share-based compensation cost is recognized ratably using the straight-line attribution method over the expected vesting period or to the retirement eligibility date, if less than the vesting period, when vesting is not contingent upon any future performance. For performance-based share awards, we recognize compensation cost over the vesting period based on the probability of the performance condition being achieved over the vesting period. If the performance condition is not met, compensation expense will not be recognized and any previously recognized compensation expense will be reversed. In addition, we estimate the amount of expected forfeitures, based on historical forfeiture experience, when calculating compensation cost. If the actual forfeitures that occur are significantly different from the estimate, then we revise our estimates.

Other Recently Adopted Accounting Pronouncement

In June 2011, authoritative guidance was issued on the presentation of comprehensive income. The guidance allows an entity to present components of net income and other comprehensive income in one continuous statement or in two separate but consecutive statements. The guidance eliminates the option to report other comprehensive income and its components in the consolidated statements of shareholders' equity and requires retrospective application. We have elected to early adopt and, accordingly, have included Consolidated Statements of Comprehensive Income in these financial statements.

NOTE 3 – DLC Arrangement

In 2003, Carnival Corporation and Carnival plc completed a DLC transaction, which implemented Carnival Corporation & plc's DLC arrangement. The contracts governing the DLC arrangement 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 constitutional 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" such as transactions primarily designed to amend or unwind the DLC arrangement), each shareholder body will vote separately as a class. 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 arrangement. Because the 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 mirror 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 have provided standalone guarantees in lieu of utilization of these deeds of guarantee, thus effectively cross guaranteeing all Carnival Corporation and Carnival plc indebtedness and certain 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 deeds of guarantee, the holders of indebtedness and other obligations that are subject to the deeds of guarantee 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. Accordingly, 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 to or investments in each other and otherwise enter into intercompany transactions. The companies have entered into some of these types of transactions and may enter into additional transactions in the future to take advantage of the flexibility provided by the DLC arrangement, 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 flows and assets of one company are required to be used to pay the obligations of the other company, if necessary.

Given our DLC arrangement, 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.

NOTE 4 – Property and Equipment

Property and equipment consisted of the following (in millions):

	November 30,	
	2012	2011
Ships, including ship improvements	$ 40,774	$ 39,764
Ships under construction	380	526
	41,154	40,290
Land, buildings and improvements, including leasehold improvements and port facilities	901	898
Computer hardware and software, transportation equipment and other	1,146	1,016
Total property and equipment	43,201	42,204
Less accumulated depreciation and amortization	(11,064)	(10,150)
	$ 32,137(a)	$ 32,054(a)

(a) At November 30, 2012 and 2011, the net carrying values of ships and ships under construction for our North America, EAA, Cruise Support and Tour and Other segments were $18.0 billion, $12.8 billion, $0.2 billion and $0.1 billion and $17.9 billion, $12.8 billion, $0.2 billion and $0.1 billion, respectively.

Ships under construction include progress payments for the construction of new ships, as well as design and engineering fees, capitalized interest, construction oversight costs and various owner supplied items. Capitalized interest, substantially all on our ships under construction, amounted to $17 million, $21 million and $26 million in 2012, 2011 and 2010, respectively.

Repairs and maintenance expenses, including minor improvement costs and dry-dock expenses, were $832 million, $830 million and $797 million in 2012, 2011 and 2010, respectively, and are substantially all included in other ship operating expenses.

In February 2012, *Costa Allegra* suffered fire damage and, accordingly, we decided to withdraw this ship from operations resulting in a $34 million impairment charge, which is included in other ship operating expenses. In addition, during 2012 we incurred $17 million for *Costa Allegra* incident-related expenses, which are substantially all included in other ship operating expenses. In October 2012, we sold *Costa Allegra*.

See Note 7 for a discussion of the January 2012 *Costa Concordia* ("the ship") incident.

During 2011, we reviewed certain of our ships for impairment since there were indicators of impairment. As a result of these reviews, in August 2011 we included $28 million of estimated impairment charges in other ship operating expenses as a result of the possible sales of *Costa Marina*, which was sold in November 2011, and *Pacific Sun*, which was sold in December 2011. We operated *Pacific Sun* under a bareboat charter agreement until July 2012.

In 2010, we recognized a $44 million gain on the sale of P&O Cruises (UK)'s *Artemis* as a reduction of other ship operating expenses. We operated *Artemis* under a bareboat charter agreement until April 2011.

NOTE 5 – Debt

Unsecured long-term debt and short-term borrowings consisted of the following (in millions):

	November 30,	
	2012(a)	2011(a)
Long-Term Debt		
Export Credit Facilities		
Fixed rate, bearing interest at 4.2% to 5.5%, due through 2020 (b)	$ 2,009	$ 2,340
Euro fixed rate, bearing interest at 3.8% to 4.5%, due through 2025 (b)	423	470
Floating rate, bearing interest at LIBOR plus 1.3% to 1.6% (1.9% to 2.0%), due through 2024 (c)	1,303	872
Euro floating rate, bearing interest at EURIBOR plus 0.2% to 1.0% (0.4% to 2.0%), due through 2026 (b)(d)	1,516	1,314
Bank Loans		
Fixed rate, bearing interest at 3.5% to 4.4%, due through 2015 (b)(e)(f)	650	850
Euro fixed rate, bearing interest at 3.9%, due in 2021 (b)	296	350
Floating rate, bearing interest at LIBOR plus 0.7% to 1.0% (1.0% to 1.3%), due through 2016 (b)(f)	700	500
Euro floating rate, bearing interest at EURIBOR plus 0.6% (0.8%), due in 2014 (b)	132	135
Private Placement Notes		
Fixed rate, bearing interest at 5.9% to 6.0%, due through 2016	116	121
Euro fixed rate, bearing interest at 6.9% to 7.3%, due through 2018 (b)	185	247
Publicly-Traded Notes		
Fixed rate, bearing interest at 6.7% to 7.2%, due through 2028	517	528
Euro fixed rate, bearing interest at 4.3%, due in 2013	971	997
Sterling fixed rate, bearing interest at 5.6%, repaid at maturity in 2012	-	314
Other	28	34
Short-Term Borrowings		
Commercial paper, with aggregate weighted-average interest rate of 0.3%	-	162
Euro bank loans, with aggregate weighted-average interest rate of 1.7%	56	119
Total Debt	8,902	9,353
Less short-term borrowings	(56)	(281)
Less current portion of long-term debt	(1,678)	(1,019)
Total Long-term Debt	$ 7,168	$ 8,053

(a) All interest rates are as of the latest balance sheet date for which there is an outstanding debt balance. The debt table does not include the impact of our foreign currency and interest rate swaps. At November 30, 2012, 58% and 42% of our debt was U.S. dollar and euro-denominated, respectively, and at November 30, 2011, 56%, 41% and 3% of our debt was U.S. dollar, euro and sterling-denominated, respectively, including the effect of foreign currency swaps. Substantially all of our fixed rate debt can

only be called or prepaid by incurring significant costs. In addition, substantially all of our debt agreements, including our main revolving credit facility, contain one or more financial covenants that require us, among other things, to maintain minimum debt service coverage and minimum shareholders' equity and to limit our debt to capital and debt to equity ratios and the amounts of our secured assets and secured and other indebtedness. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables (see Note 11) could become due, and all debt and derivative contracts could be terminated. At November 30, 2012, we believe we were in compliance with all of our debt covenants.

(b) Includes $3.8 billion of debt whose interest rates, and in the case of our main revolver its commitment fees, would increase upon certain downgrades in the long-term senior unsecured credit ratings of Carnival Corporation or Carnival plc.

(c) In 2012, we borrowed $560 million under an unsecured export credit facility, the proceeds of which were used to pay for a portion of *Carnival Breeze's* purchase price and is due in semi-annual installments through May 2024.

(d) In 2012, we borrowed $383 million under an unsecured euro-denominated export credit facility, the proceeds of which were used to pay for a portion of *AIDAmar's* purchase price and is due in semi-annual installments through May 2024.

(e) Includes a $150 million bank loan that currently carries a fixed interest rate. However, the loan can be converted to a floating interest rate at the option of the lenders.

(f) In 2012, we borrowed $200 million under a bank loan, which is due in 2014. This bank loan was used to repay an existing $200 million unsecured fixed rate bank loan at maturity in 2012.

At November 30, 2012, the scheduled annual maturities of our debt were as follows (in millions):

	Fiscal						
	2013	2014	2015	2016	2017	Thereafter	Total
Short-term borrowings	$ 56						$ 56
Long-term debt	1,678	$ 1,615	$ 1,269	$ 848	$ 593	$ 2,843	8,846
	$ 1,734	$ 1,615	$ 1,269	$ 848	$ 593	$ 2,843	$ 8,902

In December 2012, we issued $500 million of unsecured publicly-traded notes, which bear interest at 1.9% and are due in 2017. We are using the net proceeds of these notes for general corporate purposes, including repayments of portions of debt facilities maturing in 2013.

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 debt. In addition, all debt issue discounts are amortized to interest expense using the effective interest rate method over the term of the notes.

Committed Ship Financings

We have unsecured long-term export credit committed ship financings, for which we have the option to draw in euros and/or U.S. dollars depending on the facility, in order to pay for a portion of our ships' purchase prices. These commitments, if drawn, are repayable semi-annually over 12 years. We have the option to cancel each one at specified dates prior to the underlying ship's delivery date.

At January 22, 2013, our committed ship financings are as follows:

Cruise Brands and Ships	Fiscal Year Scheduled for Funding	Amount (in millions)
North America		
Princess		
Royal Princess	2013	$ 523
Regal Princess	2014	523
North America Cruise Brand		1,046
EAA		
AIDA		
AIDAstella	2013	310
Newbuild	2015	440
Newbuild	2016	440
P&O Cruises (UK)		
Newbuild	2015	539
Costa		
Costa Diadema	2014	508
EAA Cruise Brands		2,237
		$ 3,283

Revolving Credit Facilities

Carnival Corporation, Carnival plc and certain of Carnival plc's subsidiaries are party to a five-year multi-currency revolving credit facility for $2.4 billion (comprised of $1.6 billion, €450 million and £150 million) (the "Facility"), which expires in May 2016. The Facility currently bears interest at LIBOR/EURIBOR plus a margin of 65 basis points ("bps"). The margin varies based on changes to Carnival Corporation's and Carnival plc's long-term senior unsecured credit ratings. We are required to pay a commitment fee of 35% of the margin per annum on any undrawn portion. If more than one-third or if more than two-thirds of the Facility is drawn, we will incur an additional 15 bps or 30 bps utilization fee, respectively, on the total amount outstanding.

At November 30, 2012, we also had one other undrawn revolving credit facility for $78 million, which expires in 2015. At November 30, 2012, $2.5 billion was available under all of our revolving credit facilities.

NOTE 6 – Commitments

Ship Commitments

At November 30, 2012, we had nine ships under contract for construction with an aggregate passenger capacity of over 29,800. The estimated total cost of these ships is $5.9 billion, which includes the contract prices with the shipyards, design and engineering fees, capitalized interest, construction oversight costs and various owner supplied items. We have paid $0.4 billion through November 30, 2012 and anticipate paying $1.1 billion, $1.6 billion, $1.7 billion and $1.1 billion of the remaining estimated total costs in 2013, 2014, 2015 and 2016, respectively.

Operating Leases, Port Facilities and Other Commitments

Rent expense under our operating leases, primarily for office and warehouse space, was $57 million, $59 million and $61 million in 2012, 2011 and 2010, respectively.

At November 30, 2012, minimum amounts payable for our operating leases, with initial or remaining terms in excess of one year, and for the annual usage of port facilities and other contractual commitments with remaining terms in excess of one year, were as follows (in millions):

	Fiscal						
	2013	2014	2015	2016	2017	Thereafter	Total
Operating leases	$ 43	$ 41	$ 38	$ 34	$ 25	$ 179	$ 360
Port facilities and other	135	127	121	113	105	678	1,279
	$ 178	$ 168	$ 159	$ 147	$ 130	$ 857	$ 1,639

NOTE 7 – *Costa Concordia*

During 2012, we wrote-off the net carrying value of the ship in the amount of €381 million (or $515 million) and received €395 million (or $508 million) of hull and machinery insurance proceeds for the total loss of the ship. As a result, in 2012 we recognized €14 million (or $17 million) of proceeds in excess of the net carrying value of the ship as a reduction of other ship operating expenses. In addition, during 2012 we incurred $28 million for ship incident-related expenses that were not covered by insurance, including a $10 million insurance deductible related to third party personal injury liabilities. These ship incident-related expenses are principally included in other ship operating expenses.

As a result of the ship incident, litigation claims, enforcement actions, regulatory actions and investigations, including, but not limited to, those arising from personal injury, loss of life, loss of or damage to personal property, business interruption losses or environmental damage to any affected coastal waters and the surrounding areas, have been and may be asserted or brought against various parties, including us. The existing assertions are in their initial stages and there are significant jurisdictional uncertainties. The ultimate outcome of these matters cannot be determined at this time. However, we do not expect these matters to have a significant impact on our results of operations because we have insurance coverage for these types of third-party claims.

Since the ship incident, we have separately presented short-term insurance recoverables and short-term claims reserve in our Consolidated Balance Sheets. At November 30, 2012, substantially all of our aggregated short-term and long-term insurance recoverables relate to crew, guest and other third party claims for the ship incident. At November 30, 2012, primarily all of our aggregated short-term and long-term claims reserves also relate to the ship incident. At November 30, 2012 and 2011, our long-term insurance recoverables and long-term claims reserve are included in other assets and other long-term liabilities, respectively, and are not material.

NOTE 8 – Contingencies

Litigation

In the normal course of our business, various 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. Management believes the ultimate outcome of these claims and lawsuits will not have a material adverse impact on our consolidated financial statements. See Note 7 for a discussion of loss contingencies related to the ship incident.

Contingent Obligations – Lease Out and Lease Back Type ("LILO") Transactions

At November 30, 2012, Carnival Corporation had estimated contingent obligations totaling $429 million, excluding termination payments as discussed below, to participants in LILO transactions for two of its ships. At the inception of these leases, the aggregate of the net present value of these obligations was paid by Carnival Corporation to a group of major financial institutions, who agreed to act as payment undertakers and directly pay these obligations. As a result, these contingent obligations are considered extinguished and neither the funds nor the contingent obligations have been included in our Consolidated Balance Sheets.

In the event that Carnival Corporation were to default on its contingent obligations and assuming performance by all other participants, we estimate that we would, as of November 30, 2012, be responsible for a termination payment of $40 million. In 2017, we have the right to exercise options that would terminate these LILO transactions at no cost to us.

In certain cases, if the credit ratings of the financial institutions who are directly paying the contingent obligations fall below AA-, then Carnival Corporation will be required to replace these financial institutions with other financial institutions whose credit ratings are at least AA or meet other specified credit requirements. In such circumstances, we would incur additional costs, although we estimate that they would not be material to our consolidated financial statements. For the two financial institution payment undertakers subject to this AA- credit rating threshold, one has a credit rating of AA and the other has a credit rating of AA-. If Carnival Corporation's credit rating, which is BBB+, falls below BBB, it will be required to provide a standby letter of credit for $43 million, or, alternatively, provide mortgages for this aggregate amount on these two ships.

Contingent Obligations – Indemnifications

Some of the debt contracts 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 and 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.

NOTE 9 – Income and Other Taxes

A summary of our principal taxes and exemptions in the jurisdictions where our primary businesses are located is as follows:

U.S. Income Tax

We are primarily foreign corporations engaged in the business of operating cruise ships in international transportation. We also own and operate, among other businesses, the U.S. hotel and transportation business of Holland America Princess Alaska Tours through U.S. corporations.

Our North American cruise ship businesses and certain ship-owning subsidiaries are engaged in a trade or business within the U.S. Depending on the itinerary of any particular ship, that ship may generate income from sources within the U.S. We believe that our U.S. source income and the income of our ship-owning subsidiaries, to the extent derived from, or incidental to, the international operation of a ship or ships, is currently exempt from U.S. federal income and branch profits tax.

In general, under Section 883 of the Internal Revenue Code, certain non-U.S. corporations (such as our North American cruise ship businesses) 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. Applicable U.S. Treasury 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. (an "equivalent exemption jurisdiction") and (ii) the foreign corporation meets a defined publicly-traded test. Subsidiaries of foreign corporations that are organized in an equivalent exemption jurisdiction and meet the publicly-traded test also benefit from Section 883. We believe that Panama is an equivalent exemption jurisdiction and Carnival Corporation currently qualifies as a publicly-traded corporation under the regulations. Accordingly, substantially all of Carnival Corporation's income is exempt from U.S. federal income and branch profits tax.

Regulations under Section 883 list items that the Internal Revenue Service does not consider to be incidental to ship operations. Among the items identified as not incidental is income from the sale of air transportation, transfers, shore excursions and pre- and post-cruise land packages to the extent earned from sources within the U.S.

We believe that the U.S. source transportation income earned by Carnival plc and its Italian resident subsidiary currently qualifies for exemption from U.S. federal income tax under applicable bilateral U.S. income tax treaties.

Our domestic U.S. operations, principally the hotel and transportation business of Holland America Princess Alaska Tours, are subject to state and federal income taxation in the U.S.

Carnival Corporation and Carnival plc and certain of their subsidiaries are subject to various U.S. state income taxes generally imposed on each state's portion of the U.S. source income subject to U.S. federal income taxes. However, the state of Alaska imposes an income tax on its allocated portion of the total income of our companies doing business in Alaska and certain of their subsidiaries.

UK and Australian Income Tax

Cunard, P&O Cruises (UK) and P&O Cruises (Australia) are divisions of Carnival plc and have elected to enter the UK tonnage tax regime through 2021. Companies to which the tonnage tax regime applies pay corporation taxes on profits calculated by reference to the net tonnage of qualifying ships. UK corporation tax is not chargeable under the normal UK tax rules on these brands' relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and from shipping related activities.

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. Companies within UK tonnage tax are also subject to a seafarer training requirement.

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime remain subject to normal UK corporation tax. Dividends received from subsidiaries of Carnival plc doing business outside the UK are generally exempt from UK corporation tax.

P&O Cruises (Australia) and all of the other cruise ships operated internationally by Carnival plc for the Australian market are exempt from Australian corporation tax by virtue of the UK/Australian income tax treaty.

Italian Income Tax

Costa, AIDA and Ibero have elected to enter the Italian tonnage tax regime through 2014 and intend to reapply for an additional ten-year period beginning 2015. Companies to which the tonnage tax regime applies pay corporation taxes on shipping profits calculated by reference to the net tonnage of qualifying ships.

Most of Costa's and AIDA's earnings not considered to be shipping profits for Italian tonnage tax purposes will be taxed at an effective tax rate of approximately 6% under the Italian tax regime since all of their ships are Italian registered.

In 2010, AIDA and Costa recognized a $30 million income tax benefit from an Italian investment incentive related to certain of their newbuild expenditures.

Portuguese, Spanish and German Income Tax

All of Ibero's ships are registered in Portugal. Provided certain local employment requirements are satisfied, most of Ibero's income that is not considered to be shipping profits for Italian tonnage tax purposes is subject to Portuguese income tax at effective rates of 5% or less through 2020. After 2020, such income will be subject to the normal Portuguese tax rate.

Ibero's Spanish operations are minimal and, therefore, its Spanish income taxes are minimal.

Substantially all of AIDA's earnings are exempt from German corporation tax by virtue of the Italy/Germany income tax treaty.

Brazilian and Chinese Income and Other Taxes

From November through March, Costa and Ibero charter certain of their ships for operation in Brazil to Brazilian subsidiaries. The subsidiaries' earnings are subject to Brazilian resident income tax, and we believe that payments these subsidiaries make to Costa and Ibero are exempt from Brazilian income tax under Brazilian domestic law and the Italy/Brazil income tax treaty.

Substantially all of Costa's income from its operations in China is exempt from Chinese corporation tax by virtue of the Italy/China Maritime tax treaty.

Other

We recognize income tax benefits for uncertain tax positions, based solely on their technical merits, when it is more likely than not to be sustained upon examination by the relevant tax authority. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate resolution. All interest expense related to income tax liabilities is included in income tax expense. Based on all known facts and circumstances and current tax law, we believe that the total amount of our uncertain income tax position liabilities and related accrued interest are not material to our financial position.

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 and/or fees based on guest counts, ship tonnage, passenger capacity or some other measure, and these taxes and fees are included in commissions, transportation and other costs and other ship operating expenses.

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 preferred stock. At November 30, 2012 and 2011, no Carnival Corporation preferred stock had been issued and only a nominal amount of Carnival plc preference shares had been issued. In September 2007, our Boards of Directors authorized the repurchase of up to an aggregate of $1 billion of Carnival Corporation common stock and Carnival plc ordinary shares subject to certain restrictions (the "Repurchase Program"). The Repurchase Program does not have an expiration date and may be discontinued by our Boards of Directors at any time.

During 2012 and 2011, we repurchased 2.6 million and 13.5 million shares of Carnival Corporation common stock for $90 million and $413 million, respectively, under the Repurchase Program. During 2010, there were no repurchases of Carnival Corporation common stock under the Repurchase Program. In addition, during 2011, Carnival Investments Limited, a subsidiary of Carnival Corporation, also repurchased 1.3 million ordinary shares of Carnival plc for $41 million under the Repurchase Program. During 2012 and 2010, there were no repurchases of Carnival plc ordinary shares under the Repurchase Program. At November 30, 2012, the remaining availability under the Repurchase Program was $244 million. There were 2.1 million shares of Carnival Corporation common stock repurchased for $78 million under the Repurchase Program from December 1, 2012 through January 16, 2013. On January 16, 2013, the Boards of Directors increased the remaining authorization available under the Repurchase Program back to $1 billion, which was fully available at January 22, 2013.

In addition to the Repurchase Program, the Boards of Directors have authorized the repurchase of up to 19.2 million Carnival plc ordinary shares and up to 32.8 million shares of Carnival Corporation common stock under the Stock Swap programs described below. Depending on market conditions and other factors, we may purchase shares of Carnival Corporation common stock and/or Carnival plc ordinary shares under the Repurchase Program and the Stock Swap programs concurrently. We use the Stock Swap programs in situations where we can obtain an economic benefit because either Carnival Corporation common stock or Carnival plc ordinary shares are trading at a price that is at a premium or discount to the price of Carnival plc ordinary shares or Carnival Corporation common stock, as the case may be. This economic benefit is used for general corporate purposes, which could include repurchasing additional stock under the Repurchase Program. Carnival plc ordinary share repurchases under both the Repurchase Program and the Stock Swap authorizations require annual shareholder approval. At January 22, 2013, the remaining availability under the Stock Swap programs repurchase authorizations were 18.1 million Carnival plc ordinary shares and 32.8 million Carnival Corporation common stock.

During 2012 and 2011, no Carnival Corporation common stock or Carnival plc ordinary shares were sold or repurchased under the Stock Swap programs. In 2010, we sold 14.8 million shares of Carnival plc ordinary shares held as treasury stock for $545 million of net proceeds. In 2010, substantially all of these net proceeds were used to fund the repurchase of 14.8 million shares of Carnival Corporation common stock. We sold Carnival plc ordinary shares held in treasury, only to the extent we were able to purchase shares of Carnival Corporation in the U.S. on at least an equivalent basis under the Stock Swap program.

At November 30, 2012, there were 25 million shares of Carnival Corporation common stock reserved for issuance under its employee benefit and dividend reinvestment plans. In addition, Carnival plc shareholders have authorized 18.8 million ordinary shares for future issuance under its employee benefit plans.

On November 15, 2012, our Boards of Directors declared a special dividend to holders of Carnival Corporation common stock and Carnival plc ordinary shares of $0.50 per share, or $0.4 billion, which was paid in December 2012. The special dividend was in addition to our $0.25 per share regular 2012 quarterly dividend.

Accumulated other comprehensive loss was as follows (in millions):

	November 30, 2012	November 30, 2011
Cumulative foreign currency translation adjustments, net	$ (98)	$ (123)
Unrecognized pension expenses	(125)	(96)
Unrealized loss on marketable security	(13)	(17)
Net gains on cash flow derivative hedges	29	27
	$ (207)	$ (209)

NOTE 11 – Fair Value Measurements, Derivative Instruments and Hedging Activities

Fair Value Measurements

U.S. accounting standards establish a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.
- Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.
- Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable market participants at the measurement date. Therefore, even when market assumptions are not readily available, our own assumptions are set to reflect those that we believe market participants would use in pricing the asset or liability at the measurement date.

The fair value measurement of a financial asset or financial liability must reflect the nonperformance risk of the counterparty and us. Therefore, the impact of our counterparty's creditworthiness was considered when in an asset position, and our creditworthiness was considered when in a liability position in the fair value measurement of our financial instruments. Creditworthiness did not have a significant impact on the fair values of our financial instruments at November 30, 2012 and 2011. Both the counterparties and we are expected to continue to perform under the contractual terms of the instruments. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, certain estimates of fair values presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

Financial Instruments that are not Measured at Fair Value on a Recurring Basis

The estimated carrying and fair values and basis of valuation of our financial instrument assets and liabilities that are not measured at fair value on a recurring basis were as follows (in millions):

	November 30, 2012			November 30, 2011		
	Carrying Value	Fair Value		Carrying Value	Fair Value	
		Level 1	Level 2		Level 1	Level 2
Assets						
Cash and cash equivalents (a)	$ 269	$ 269	$ -	$ 358	$ 358	$ -
Long-term other assets (b)	39	1	36	42	2	39
Total	$ 308	$ 270	$ 36	$ 400	$ 360	$ 39
Liabilities						
Fixed rate debt (c)	$ 5,195	$ -	$ 5,825	$ 6,251	$ -	$ 6,715
Floating rate debt (c)	3,707	-	3,706	3,102	-	3,057
Total	$ 8,902	$ -	$ 9,531	$ 9,353	$ -	$ 9,772

(a) Cash and cash equivalents are comprised of cash on hand and time deposits and, due to their short maturities, the carrying values approximate their fair values.

(b) At November 30, 2012 and 2011, substantially all of our long-term other assets were comprised of notes and other receivables. The fair values of notes and other receivables were based on estimated future cash flows discounted at appropriate market interest rates.

(c) The net difference between the fair value of our fixed rate debt and its carrying value was due to the market interest rates in existence at November 30, 2012 and 2011 being lower than the fixed interest rates on these debt obligations, including the impact of changes in our credit ratings, if any. The net difference between the fair value of our floating rate debt and its carrying value was due to the market interest rates in existence at November 30, 2012 and 2011 being slightly higher than the floating interest rates on these debt obligations, including the impact of changes in our credit ratings, if any. The fair values of our publicly-traded notes were based on their unadjusted quoted market prices in active markets. The fair values of our other debt were estimated based on appropriate market interest rates being applied to this debt.

Financial Instruments that are Measured at Fair Value on a Recurring Basis

The estimated fair value and basis of valuation of our financial instrument assets and liabilities that are measured at fair value on a recurring basis were as follows (in millions):

	November 30, 2012		November 30, 2011	
	Level 1	Level 2	Level 1	Level 2
Assets				
Cash equivalents (a)	$ 196	$ -	$ 92	$ -
Restricted cash (b)	28	-	11	-
Marketable securities held in rabbi trusts (c)	104	16	98	18
Derivative financial instruments (d)	-	48	-	6
Total	$ 328	$ 64	$ 201	$ 24
Liabilities				
Derivative financial instruments (d)	$ -	$ 43	$ -	$ 12
Total	$ -	$ 43	$ -	$ 12

(a) Cash equivalents are comprised of money market funds.
(b) Restricted cash is comprised of money market funds.
(c) Level 1 and 2 marketable securities are held in rabbi trusts and are primarily comprised of frequently-priced mutual funds invested in common stocks and other investments, respectively. Their use is restricted to funding certain deferred compensation and non-qualified U.S. pension plans.
(d) See "Derivative Instruments and Hedging Activities" section below for detailed information regarding our derivative financial instruments.

We measure our derivatives using valuations that are calibrated to the initial trade prices. Subsequent valuations are based on observable inputs and other variables included in the valuation models such as interest rate, yield and commodity price curves, forward currency exchange rates, credit spreads, maturity dates, volatilities and netting arrangements. We use the income approach to value derivatives for foreign currency options and forwards, interest rate swaps and fuel derivatives using observable market data for all significant inputs and standard valuation techniques to convert future amounts to a single present value amount, assuming that participants are motivated, but not compelled to transact. We also corroborate our fair value estimates using valuations provided by our counterparties.

Nonfinancial Instruments that are Measured at Fair Value on a Nonrecurring Basis

The reconciliation of the changes in the carrying amounts of our goodwill, which goodwill has been allocated to our North America and EAA cruise brands, was as follows (in millions):

	North America Cruise Brands	EAA Cruise Brands	Total
Balance at November 30, 2010	$ 1,898	$ 1,422	$ 3,320
Foreign currency translation adjustment	-	2	2
Balance at November 30, 2011	1,898	1,424	3,322
Ibero goodwill impairment charge (a)	-	(153)	(153)
Foreign currency translation adjustment	-	5	5
Balance at November 30, 2012	$ 1,898	$ 1,276	$ 3,174

(a) At February 29, 2012, given the current state of the Spanish economy and considering the low level of Ibero estimated fair value in excess of its carrying value, we performed an interim impairment review of Ibero's goodwill. The interim discounted future cash flow analysis that was used to estimate Ibero's fair value was primarily impacted by slower than anticipated Ibero capacity growth. As a result, Ibero's estimated fair value no longer exceeded its carrying value. Accordingly, we proceeded to step two of the impairment test and recognized a goodwill impairment charge of $153 million during the first quarter of 2012, which represented Ibero's entire goodwill balance. At November 30, 2012, accumulated goodwill impairment charges were $153 million.

At July 31, 2012, all of our cruise brands carried goodwill, except for Ibero and Seabourn. We performed our annual impairment test as of July 31, 2012, which included performing a qualitative assessment for all cruise brands that carried goodwill, except for Costa. Qualitative factors such as industry and market conditions, macroeconomic conditions, changes to the weighted-average cost of capital (“WACC”), overall financial performance and changes in fuel were considered in the qualitative assessment to determine how changes in these factors would affect each of these cruise brands’ estimated fair values. Based on our qualitative assessments, we determined it was more-likely-than-not that each of these cruise brands’ estimated fair values exceeded their carrying values and, therefore, we did not proceed to the two-step quantitative goodwill impairment test.

As of July 31, 2012, we also performed our annual goodwill impairment test of Costa’s goodwill. We did not perform a qualitative assessment but instead proceeded directly to step one of the two-step goodwill impairment test and compared Costa’s estimated fair value to the carrying value of its allocated net assets. Costa’s estimated cruise brand fair value was based on a discounted future cash flow analysis. The principal assumptions used in our cash flow analysis related to forecasting future operating results, include net revenue yields, net cruise costs including fuel prices, capacity changes, including the expected deployment of vessels into, or out of, Costa, WACC for comparable publicly-traded companies, adjusted for the risk attributable to the geographic regions in which Costa operates and terminal values, which are all considered level 3 inputs. Based on the discounted cash flow analysis, we determined that Costa’s estimated fair value significantly exceeded its carrying value and, therefore, we did not proceed to step two of the impairment test.

The reconciliation of the changes in the carrying amounts of our intangible assets not subject to amortization, which represent trademarks that have been allocated to our North America and EAA cruise brands, was as follows (in millions):

	North America Cruise Brands	EAA Cruise Brands	Total
Balance at November 30, 2010	$ 927	$ 384	$ 1,311
Foreign currency translation adjustment	-	2	2
Balance at November 30, 2011	927	386	1,313
Ibero trademarks impairment charge (a)	-	(20)	(20)
Foreign currency translation adjustment	-	6	6
Balance at November 30, 2012	$ 927	$ 372	$ 1,299

(a) At February 29, 2012, we also performed an interim impairment test of Ibero’s trademarks, which resulted in a $20 million impairment charge, based on the reduction of revenues primarily as a result of slower than anticipated Ibero capacity growth and a lower estimated royalty rate, which are all considered level 3 inputs. At November 30, 2012, Ibero’s remaining trademark carrying values are not significant.

At July 31, 2012, our cruise brands that have significant trademarks recorded include AIDA, P&O Cruises (Australia), P&O Cruises (UK) and Princess. We performed our annual trademark impairment reviews for these cruise brands as of July 31, 2012, which included performing a qualitative assessment. Qualitative factors such as industry and market conditions, macroeconomic conditions, changes to the WACC, changes to the royalty rates and overall financial performance were considered in the qualitative assessment to determine how changes in these factors would affect the estimated fair values for each of our cruise brands’ recorded trademarks. Based on our qualitative assessments, we determined it was more likely-than-not that the estimated fair value for each of these cruise brands’ recorded trademarks exceeded their carrying value, and therefore, none of these trademarks were impaired.

The determination of our cruise brand and trademark fair values includes numerous assumptions that are subject to various risks and uncertainties. We believe that we have made reasonable estimates and judgments in determining whether our goodwill and trademarks have been impaired. However, if there is a material change in assumptions used or if there is a material change in the conditions or circumstances influencing fair values, then we may need to recognize a material impairment charge.

There have not been any events or circumstances subsequent to July 31, 2012, which we believe would require us to perform an interim goodwill or trademark impairment test.

At November 30, 2012 and 2011, our intangible assets subject to amortization are not significant to our consolidated financial statements.

Derivative Instruments and Hedging Activities

We utilize derivative and nonderivative financial instruments, such as foreign currency forwards, options and swaps, foreign currency debt obligations and foreign currency cash balances, to manage our exposure to fluctuations in certain foreign currency exchange rates, and interest rate swaps to manage our interest rate exposure in order to achieve a desired proportion of fixed and floating rate debt. In November 2011, we implemented a fuel derivatives program to mitigate a portion of the risk to our future cash flows attributable to potential fuel price increases, which we define as our "economic risk." Our policy is to not use any financial instruments for trading or other speculative purposes.

All derivatives are recorded at fair value. The changes in fair value are immediately included in earnings if the derivatives do not qualify as effective hedges, or if we do not seek to qualify for hedge accounting treatment, such as for our fuel derivatives. If a derivative is designated as 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 designated as a cash flow hedge, then the effective portion of the changes in the fair value of the derivative is recognized as a component of AOCI until the underlying hedged item is recognized in earnings or the forecasted transaction is no longer probable. If a derivative or a nonderivative financial instrument is designated as a hedge of our 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 a portion of the change in the translated value of the net investment being hedged, until the investment is sold or liquidated. We formally document hedging relationships for all derivative and nonderivative hedges and the underlying hedged items, as well as our risk management objectives and strategies for undertaking the hedge transactions.

We classify the fair values of all our derivative contracts as either current or long-term, depending on whether the maturity date of the derivative contract is within or beyond one year from the balance sheet date. The cash flows from derivatives treated as hedges are classified in our Consolidated Statements of Cash Flows in the same category as the item being hedged. Our cash flows related to fuel derivatives are classified within investing activities.

The estimated fair values of our derivative financial instruments and their location on the Consolidated Balance Sheets were as follows (in millions):

	Balance Sheet Location	November 30, 2012	November 30, 2011
Derivative assets			
Derivatives designated as hedging instruments			
Net investment hedges (a)	Prepaid expenses and other	$ 1	$ -
	Other assets – long-term	6	3
Foreign currency zero cost collars (b)	Prepaid expenses and other	11	-
	Other assets – long-term	5	-
Interest rate swaps (c)	Prepaid expenses and other	-	2
		23	5
Derivatives not designated as hedging instruments			
Fuel (d)	Other assets – long-term	25	1
Total derivative assets		$ 48	$ 6
Derivative liabilities			
Derivatives designated as hedging instruments			
Net investment hedges (a)	Accrued liabilities and other	$ -	$ 1
Interest rate swaps (c)	Accrued liabilities and other	7	5
	Other long-term liabilities	17	6
		24	12
Derivatives not designated as hedging instruments			
Fuel (d)	Accrued liabilities and other	16	-
	Other long-term liabilities	3	-
		19	-
Total derivative liabilities		$ 43	$ 12

(a) At November 30, 2012 and 2011, we had foreign currency forwards totaling $235 million and $183 million, respectively, that are designated as hedges of our net investments in foreign operations, which have a euro-denominated functional currency. At November 30, 2012, $91 million of our foreign currency forwards matured in January 2013 and $144 million mature through July 2017.

(b) At November 30, 2012, we had foreign currency derivatives consisting of foreign currency zero cost collars totaling $842 million that are designated as foreign currency cash flow hedges for a portion of our euro-denominated shipbuilding payments. See "Newbuild Currency Risks" below for additional information regarding these derivatives.

(c) We have euro interest rate swaps designated as cash flow hedges whereby we receive floating interest rate payments in exchange for making fixed interest rate payments. At November 30, 2012 and 2011, these interest rate swap agreements effectively changed $269 million and $320 million, respectively, of EURIBOR-based floating rate euro debt to fixed rate debt. These interest rate swaps mature through February 2022. In addition, at November 30, 2011 we had both U.S. dollar and sterling interest rate swaps designated as fair value hedges whereby we received fixed interest rate payments in exchange for making floating interest rate payments. These interest rate swap agreements effectively changed $510 million of fixed rate debt to U.S. dollar LIBOR or GBP LIBOR-based floating rate debt. The U.S. dollar and sterling interest rate swaps matured in February 2012 and June 2012, respectively.

(d) At November 30, 2012, we had fuel derivatives consisting of zero cost collars on Brent crude oil (“Brent”) to cover a portion of our estimated fuel consumption through 2016. See “Fuel Price Risks” below for additional information regarding these fuel derivatives. At November 30, 2011, we had fuel derivatives consisting of zero cost collars on Brent to cover 10% of our estimated fuel consumption for the second half of 2012 through 2015.

The effective portions of our derivatives qualifying and designated as hedging instruments recognized in other comprehensive income (loss) were as follows (in millions):

	November 30,		
	2012	2011	2010
Net investment hedges	$ 48	$ (13)	$ 84
Foreign currency zero cost collars – cash flow hedges	$ 16	$ 76	$ (58)
Interest rate swaps – cash flow hedges	$ (11)	$ (4)	$ (6)

In 2010, we recognized a gain of $18 million on foreign currency forwards that were not designated as hedges, which we entered into for treasury management purposes. The gain on these foreign currency forwards included in nonoperating other income was offset by the loss incurred on the remeasurement of a non-functional currency monetary liability, which was also included in nonoperating other income.

There are no credit risk related contingent features in our derivative agreements, except for bilateral credit provisions within our fuel derivative counterparty agreements. These provisions require interest-bearing, non-restricted cash to be posted or received as collateral to the extent the fuel derivative fair value payable to or receivable from an individual counterparty, respectively, exceeds $100 million. At November 30, 2012 and 2011, no collateral was required to be posted to or received from our fuel derivative counterparties.

The amount of estimated cash flow hedges’ unrealized gains and losses that are expected to be reclassified to earnings in the next twelve months is not significant. We have not provided additional disclosures of the impact that derivative instruments and hedging activities have on our consolidated financial statements as of November 30, 2012 and 2011 and for the years ended November 30, 2012, 2011 and 2010 where such impacts were not significant.

Foreign Currency Exchange Rate Risks

Overall Strategy

We manage our exposure to 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 and nonderivative financial instruments. Our primary focus is to manage the economic foreign currency exchange risks faced by our operations, which are the ultimate foreign currency exchange risks that would be realized by us if we exchanged one currency for another, and not accounting risks. Accordingly, we do not currently hedge foreign currency exchange accounting risks with derivative financial instruments. The financial impacts of the hedging instruments we do employ generally offset the changes in the underlying exposures being hedged.

Operational and Investment Currency Risks

Our European and Australian cruise brands subject us to foreign currency translation risk related to the euro, sterling and Australian dollar because these brands generate significant revenues and incur significant expenses in euro, sterling or the Australian dollar. Accordingly, exchange rate fluctuations of the euro, sterling and Australian dollar against the U.S. dollar will affect our reported financial results since the reporting currency for our consolidated financial statements is the U.S. dollar. Any strengthening of the U.S. dollar against these foreign currencies has the financial statement effect of decreasing the U.S. dollar values reported for cruise revenues and expenses. Any weakening of the U.S. dollar has the opposite effect.

Most of our brands also have non-functional currency risk related to their international sales operations, which has become an increasingly larger part of most of their businesses over time, and primarily includes the euro, sterling and Australian, Canadian and U.S. dollars. In addition, all of our brands have non-functional currency expenses for a portion of their operating expenses. Accordingly, these brands' revenues and expenses in non-functional currencies create some degree of natural offset for recognized transactional currency gains and losses due to currency exchange movements.

We consider our investments in foreign operations to be denominated in relatively stable currencies and of a long-term nature. We partially mitigate our net investment currency exposures by denominating a portion of our foreign currency third-party debt and foreign currency intercompany payables in our foreign operations' functional currencies, generally the euro or sterling. As of November 30, 2012 and 2011, we have designated $1.8 billion of our foreign currency intercompany payables and $3.6 billion for our foreign currency third-party debt and intercompany payables, respectively, as nonderivative hedges of our net investments in foreign operations. Accordingly, we have included $243 million and $204 million of cumulative foreign currency transaction nonderivative gains in the cumulative translation adjustment component of AOCI at November 30, 2012 and 2011, respectively, which offsets a portion of the losses recorded in AOCI upon translating our foreign operations' net assets into U.S. dollars. During 2012, 2011 and 2010, we recognized foreign currency nonderivative transaction gains of $39 million, $21 million and $271 million, respectively, in the cumulative translation adjustment component of AOCI.

Newbuild Currency Risks

Our shipbuilding contracts are typically denominated in euros. Our decisions regarding whether or not to hedge a non-functional currency ship commitment for our cruise brands are made on a case-by-case basis, taking into consideration the amount and duration of the exposure, market volatility, currency exchange rate correlation, economic trends, our overall expected net cash flows by currency and other offsetting risks. We use foreign currency derivative contracts and have used nonderivative financial instruments to manage foreign currency exchange rate risk for some of our ship construction payments.

In June 2012, we entered into foreign currency zero cost collars that are designated as cash flow hedges for a portion of *Royal Princess'* euro-denominated shipyard payments. These collars mature in May 2013 at a weighted-average ceiling rate of $1.30 to the euro, or $560 million, and a weighted-average floor rate of $1.19 to the euro, or $512 million. If the spot rate is between these two rates on the date of maturity, then we would not owe or receive any payments under these collars.

In July 2012, we entered into foreign currency zero cost collars that are designated as cash flow hedges for a portion of P&O Cruises (UK) newbuild's euro-denominated shipyard payments. These collars mature in February 2015 at a weighted-average ceiling rate of £0.83 to the euro, or $294 million, and a weighted-average floor rate of £0.77 to the euro, or $272 million. If the spot rate is between these two rates on the date of maturity, then we would not owe or receive any payments under these collars.

At November 30, 2012, substantially all of our remaining newbuild currency exchange rate risk relates to euro-denominated newbuild construction payments for *Regal Princess* and a portion of P&O Cruises (UK)'s newbuild, which represent a total commitment of $1.1 billion.

The cost of shipbuilding orders that we may place in the future that is denominated in a different currency than our cruise brands' or the shipyards' functional currency is expected to be affected by foreign currency exchange rate fluctuations. These foreign currency exchange rate fluctuations may affect our desire to order new cruise ships.

Interest Rate Risks

We manage our exposure to fluctuations in interest rates through our investment and debt portfolio management strategies. These strategies include purchasing high quality short-term investments with floating interest rates, and evaluating our debt portfolio as to whether to make periodic adjustments to the mix of fixed and floating rate debt through the use of interest rate swaps and the issuance of new debt or the early retirement of existing debt. At November 30, 2012, 61% and 39% (65% and 35% at November 30, 2011) of our debt bore fixed and floating interest rates, respectively, including the effect of interest rate swaps.

Fuel Price Risks

Our exposure to market risk for changes in fuel prices substantially all relate to the consumption of fuel on our ships. We use our fuel derivatives program to mitigate a portion of our economic risk attributable to potential fuel price increases. We designed our fuel derivatives program to maximize operational flexibility by utilizing derivative markets with significant trading liquidity and our program currently consists of zero cost collars on Brent.

These derivatives are based on Brent prices whereas the actual fuel used on our ships is marine fuel. Changes in the Brent prices may not show a high degree of correlation with changes in our underlying marine fuel prices. We will not realize any economic gain or loss upon the monthly maturities of our zero cost collars unless the average monthly price of Brent is above the ceiling price or below the floor price. We believe that these derivatives will act as economic hedges, however hedge accounting is not applied. As part of our fuel derivatives program, we will continue to evaluate various derivative products and strategies.

At November 30, 2012, our outstanding fuel derivatives consisted of zero cost collars on Brent to cover a portion of our estimated fuel consumption as follows:

Maturities (a)	Transaction Dates	Barrels (in thousands)	Weighted-Average Floor Prices	Weighted-Average Ceiling Prices	Percent of Estimated Fuel Consumption Covered
Fiscal 2013					
	November 2011	2,112	$ 74	$ 132	
	February 2012	2,112	$ 98	$ 127	
	March 2012	4,224	$ 100	$ 130	
		8,448			40%
Fiscal 2014					
	November 2011	2,112	$ 71	$ 128	
	February 2012	2,112	$ 88	$ 125	
	June 2012	2,376	$ 71	$ 116	
		6,600			32%
Fiscal 2015					
	November 2011	2,160	$ 71	$ 125	
	February 2012	2,160	$ 80	$ 125	
	June 2012	1,236	$ 74	$ 110	
		5,556			26%
Fiscal 2016	June 2012	3,564	$ 75	$ 108	17%

(a) Fuel derivatives mature evenly over each month within the above fiscal periods.

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. Our maximum exposure under foreign currency and fuel derivative contracts and interest rate swap agreements that are in-the-money, which were not significant at November 30, 2012, is the replacement cost, net of any collateral received, in the event of nonperformance by the counterparties to the contracts, all of which are currently our lending banks. We seek to minimize credit risk exposure, including counterparty nonperformance primarily associated with our cash equivalents, investments, committed financing facilities, contingent obligations, derivative instruments, insurance contracts and new ship progress payment guarantees, by normally conducting business with large, well-established financial institutions, insurance companies and export credit agencies, and by diversifying our counterparties. In addition, we have guidelines regarding credit ratings and investment maturities that we follow to help safeguard liquidity and minimize risk. We normally do require collateral and/or guarantees to support notes receivable on significant asset sales, long-term ship charters and new ship progress payments to shipyards. We currently believe the risk of nonperformance by any of our significant counterparties is remote.

We also monitor the creditworthiness of travel agencies and tour operators in Europe and credit card providers to which we extend credit in the normal course of our business. Our credit exposure includes contingent obligations related to cash payments received directly by travel agents and tour operators for cash collected by them on cruise sales in most of Europe where we are obligated to extend credit in a like amount to these guests even if we do not receive payment from the travel agents or tour operators. Concentrations of credit risk associated with these receivables and contingent obligations are not considered to be material, primarily due to the large number of unrelated accounts within our customer base, the amount of these contingent obligations and their short maturities. We have experienced only minimal credit losses on our trade receivables and related contingent obligations. We do not normally require collateral or other security to support normal credit sales.

NOTE 12 – Segment Information

We have three reportable cruise segments that are comprised of our (1) North America cruise brands, (2) EAA cruise brands and (3) Cruise Support. In addition, we have a Tour and Other segment. Our segments are reported on the same basis as the internally reported information that is provided to our chief operating decision maker ("CODM"), who is the Chairman of the Boards of Directors and Chief Executive Officer of Carnival Corporation and Carnival plc. Decisions to allocate resources and assess performance for Carnival Corporation & plc are taken by the CODM upon review of the segment results across all of our cruise brands and other segments.

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Our North America cruise segment includes Carnival Cruise Lines, Holland America Line, Princess and Seabourn. Our EAA cruise segment includes AIDA, Costa, Cunard, Ibero, P&O Cruises (Australia) and P&O Cruises (UK). These individual cruise brand operating segments have been aggregated into two reportable segments based on the similarity of their economic and other characteristics, including types of customers, regulatory environment, maintenance requirements, supporting systems and processes and products and services they provide. Our Cruise Support segment represents certain of our port and related facilities and other corporate-wide services that are provided for the benefit of our cruise brands. Our Tour and Other segment represents the hotel and transportation operations of Holland America Princess Alaska Tours and two of our ships that we charter to an unaffiliated entity. The significant accounting policies of our segments are the same as those described in Note 2 – "Summary of Significant Accounting Policies."

Selected information for our Cruise and Tour and Other segments as of and for the years ended November 30 was as follows (in millions):

	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
2012							
North America Cruise Brands (a)	$ 9,364	$ 6,240	$ 949	$ 898	$ 1,277	$ 990	$21,893
EAA Cruise Brands	5,827	4,010	650	561	433(b)	1,291	15,894
Cruise Support	86	22	114	28	(78)	33	888
Tour and Other (a)	211	154	7	40	10	18	486(c)
Intersegment elimination (a)	(106)	(106)	-	-	-	-	-
	$15,382	$10,320	$ 1,720	$ 1,527	$ 1,642	$ 2,332	$39,161
2011							
North America Cruise Brands (a)	$ 8,921	$ 5,848	$ 938	$ 869	$ 1,266	$ 1,232	$21,642
EAA Cruise Brands	6,504	4,244	655	579	1,026	1,380	15,626
Cruise Support	90	3	103	31	(47)	68	795
Tour and Other (a)	392	318	21	43	10	16	574(c)
Intersegment elimination (a)	(114)	(114)	-	-	-	-	-
	$15,793	$10,299	$ 1,717	$ 1,522	$ 2,255	$ 2,696	$38,637
2010							
North America Cruise Brands (a)	$ 8,379	$ 5,294	$ 902	$ 843	$ 1,340	$ 1,082	$21,239
EAA Cruise Brands	5,730	3,572	584	505	1,069	2,260	14,849
Cruise Support	79	14	98	27	(60)	218	802
Tour and Other (a)	403	334	30	41	(2)	19	600(c)
Intersegment elimination (a)	(122)	(122)	-	-	-	-	-
	$14,469	$ 9,092	$ 1,614	$ 1,416	$ 2,347	$ 3,579	$37,490

(a) In 2011 and 2010, a portion of Tour and Other segment revenues included revenues for the cruise portion of a tour when a cruise was sold along with a land tour package by Holland America Princess Alaska Tours. These intersegment cruise revenues, which were included in our North America cruise brands' segment, were eliminated directly against the Tour and Other segment revenues and operating expenses in the line "Intersegment elimination."

In 2012, the Tour and Other segment no longer includes revenues for the cruise portion of a tour. However, a portion of the North America cruise brands' segment revenues include revenues for the tour portion of a cruise when a land tour package is sold along with a cruise by Holland America Line and Princess. These intersegment tour revenues, which are included in our Tour and Other segment, are eliminated directly against the North America cruise brands' segment revenues and operating expenses in the line "Intersegment elimination."

This change in 2012 from prior years is referred to as "the change in the accounting for our North America cruise brands and Tour and Other segments" and did not have a significant impact on either of these segments' 2012, 2011 and 2010 operating income.

(b) Includes $173 million of impairment charges related to Ibero's goodwill and trademarks.

(c) Tour and Other segment assets primarily include hotels and lodges in the state of Alaska and the Canadian Yukon, motorcoaches used for sightseeing and charters, domed rail cars, which run on the Alaska Railroad, and our owned ships under long-term charter to an unaffiliated entity.

Non-U.S. revenues for our cruise brands represent sales generated from outside the U.S. principally by non-U.S. tour operators and non-U.S. travel agencies. Substantially all of our long-lived assets are located outside of the U.S. and consist principally of our ships and ships under construction.

Revenues by geographic areas, which are based on where our guests are sourced and not the cruise brands on which they sailed, were as follows (in millions):

	Years Ended November 30, 2012	2011	2010
North America	$ 7,952	$ 7,835	$ 7,467
Europe	5,367	5,961	5,574
Australia and Asia	1,506	1,528	1,063
Others	557	469	365
	$ 15,382	$ 15,793	$ 14,469

NOTE 13 – Compensation Plans

Equity Plans

We issue our share-based compensation awards under the Carnival Corporation and Carnival plc stock plans, which have an aggregate of 30.3 million shares available for future grant at November 30, 2012. These plans allow us to issue restricted stock awards ("RSAs"), restricted stock units ("RSUs"), performance-based share ("PBS") awards and stock options (collectively "equity awards"). Equity awards are principally granted to management level employees and members of our Boards of Directors. The plans are administered by a committee of our independent directors (the "Committee") that determines which employees are eligible to participate, the monetary value or number of shares for which equity awards are to be granted and the amounts that may be exercised or sold within a specified term. These plans allow us to fulfill our equity award obligations using shares purchased in the open market or with unissued or treasury shares. Certain equity awards provide for accelerated vesting if we have a change in control, as defined.

Our total share-based compensation expense was $39 million, $46 million and $43 million in 2012, 2011 and 2010, respectively, of which $36 million, $42 million and $40 million has been included in selling and administrative expenses and $3 million, $4 million and $3 million in cruise payroll and related expenses in 2012, 2011 and 2010, respectively.

RSAs/RSUs and PBS Awards

RSAs generally have the same rights as Carnival Corporation common stock, except for transfer restrictions and forfeiture provisions. RSAs have been granted to certain officers and non-executive board members and either have three or five-year cliff vesting or vest evenly over five years after the grant date. In addition, Carnival Corporation and Carnival plc grant RSUs that vest evenly over five years or at the end of three or five years after the grant date and accrue forfeitable dividend equivalents on each outstanding RSU, in the form of additional RSUs, based on dividends declared. The share-based compensation expense associated with RSAs/RSUs is based on the quoted market price of the Carnival Corporation or Carnival plc shares 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 estimated retirement eligibility date.

In 2012 and 2011, the Committee approved PBS awards to be granted to certain key Carnival Corporation & plc executives. The share-based compensation expense associated with these PBS awards is based on the quoted market price of the Carnival Corporation or Carnival plc shares on the date of grant and the probability of our earnings per share growth over a three-year period being achieved. These PBS awards provide an opportunity to earn from zero to 200% of the number of target shares underlying the award achieved at the end of the third year. The PBS awards will accrue forfeitable dividend equivalents based on dividends declared.

During the year ended November 30, 2012, RSA/RSU and PBS activity was as follows:

	RSAs/RSUs		PBSs	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Outstanding at November 30, 2011	3,625,966	$ 33.70	116,992	$ 45.12
Granted	1,411,296	$ 30.34	223,531	$ 31.03
Vested	(1,887,063)	$ 27.51	(22,279)	$ 31.90
Forfeited	(88,316)	$ 36.33	(4,537)	$ 41.16
Outstanding at November 30, 2012	3,061,883	$ 35.89	313,707	$ 36.08

The total grant date fair value of RSAs/ RSUs vested was $52 million, $53 million and $28 million in 2012, 2011 and 2010, respectively. As of November 30, 2012, there was $39 million of total unrecognized compensation cost related to RSAs/RSUs and PBSs. As of November 30, 2012, the total unrecognized compensation costs related to RSAs/RSUs and PBSs are expected to be recognized over a weighted-average period of 1.7 years and 2.4 years, respectively.

Stock Option Plans

In 2007 and 2008, the Committee decided to cease granting stock options to our employees and non-executive board members, respectively, and to instead grant them RSAs and RSUs. A combined summary of Carnival Corporation and Carnival plc stock option activity during the year ended November 30, 2012 related to stock options previously granted was as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (a) (in millions)
Outstanding at November 30, 2011	10,428,951	$ 45.65		
Exercised	(839,594)	$ 27.58		
Forfeited or expired	(1,461,142)	$ 46.11		
Outstanding at November 30, 2012	8,128,215	$ 47.72	1.2	$ 5
Exercisable at November 30, 2012	8,128,215	$ 47.72	1.2	$ 5

(a) The aggregate intrinsic value represents the amount by which the fair value of underlying stock exceeds the option exercise price at November 30, 2012.

As of the dates of exercise, the total intrinsic value of options exercised in 2012, 2011 and 2010 was $7 million, $18 million and $17 million, respectively. As of November 30, 2012, there is no unrecognized compensation cost as there were no unvested stock options. Our stock options will expire through 2016.

Defined Benefit Pension Plans

We have several single-employer 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. Substantially all of the remaining defined benefit plans are unfunded. In determining all of our plans' benefit obligations at November 30, 2012 and 2011, we assumed weighted-average discount rates of 3.5% and 4.5%, respectively. The net asset or net liability positions under these single-employer defined benefit pension plans are not material.

In addition, we participate in two multiemployer defined benefit pension plans in the UK, the British Merchant Navy Officers Pension Fund (registration number 10005645) ("MNOPF"), and the British Merchant Navy Ratings Pension Fund (registration number 10005646) ("MNRPF"), which are referred to as "the multiemployer plans." The MNOPF is divided into two sections, the "New Section" and the "Old Section." The multiemployer plans are maintained for the benefit of the employees of the participating employers who make contributions to the plans. However, contributions made by employers, including us, may be used to provide benefits to employees of other participating employers, and if any of the participating employers withdraw from the multiemployer plans or fail to make their required contributions, any unfunded obligations would be the responsibility of the remaining participating employers. We are contractually obligated to make all required contributions as determined by the plans' trustees. All of our multiemployer plans are closed to new membership, and the MNOPF Old Section is also closed to further benefit accrual and is fully funded. Based on the most recent actuarial review of the MNOPF New Section at March 31, 2011 and the MNRPF at March 31, 2012, it was determined that these plans were 86% and 72% funded, respectively. The multiemployer plans have implemented recovery plans, as appropriate, whereby their estimated funding deficits are to be recovered through funding contributions from participating employers.

We expense our portion of any multiemployer plan deficit as amounts are invoiced by, and become due and payable to, the trustees. In 2012 and 2011, our contributions to the MNOPF fund (and including the MNOPF Old Section for 2010) were not material and did not exceed 5% of total contributions to the fund. In 2010, we received and paid in full a special assessment invoice from the MNOPF trustee for our additional share of the MNOPF New Section deficit. Accordingly, we expensed the invoice of $41 million in cruise payroll and related expense in 2010, which exceeded 5% of total contributions to the fund. In 2012, 2011 and 2010, our contributions to the MNRPF were not material and did not exceed 5% of total contributions to the plan. It is possible that we will be required to fund and expense additional amounts for the multiemployer plans in the future, however, such amounts are not expected to be material.

Total expense for all defined benefit pension plans, including the multiemployer plans, was $45 million, $46 million and $85 million in 2012, 2011 and 2010, 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 for these plans was $22 million, $21 million and $20 million in 2012, 2011 and 2010, 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,		
	2012	2011	2010
Net income	$ 1,298	$ 1,912	$ 1,978
Interest on dilutive convertible notes	-	-	11
Net income for diluted earnings per share	$ 1,298	$ 1,912	$ 1,989
Weighted-average common and ordinary shares outstanding	778	787	788
Dilutive effect of convertible notes	-	-	14
Dilutive effect of equity plans	1	2	3
Diluted weighted-average shares outstanding	779	789	805
Basic earnings per share	$ 1.67	$ 2.43	$ 2.51
Diluted earnings per share	$ 1.67	$ 2.42	$ 2.47
Anti-dilutive stock options excluded from diluted earnings per share computations	8	9	10

NOTE 15 – Supplemental Cash Flow Information

Cash paid for interest, net of capitalized interest, was $347 million, $358 million and $361 million in 2012, 2011 and 2010, respectively. In addition, cash (paid) received, net for income taxes was $(4) million, $9 million and $(15) million in 2012, 2011 and 2010, respectively.

REPORT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

To the Boards of Directors and Shareholders of Carnival Corporation and Carnival plc:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, 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, 2012 and November 30, 2011, and the results of their operations and their cash flows for each of the three years in the period ended November 30, 2012 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of November 30, 2012, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A of the 2012 Annual Report on Form 10-K. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide 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
January 29, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements, estimates or projections contained in this 2012 Annual Report are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, outlooks, 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. We have tried, whenever possible, to identify these statements by using words like "will," "may," "could," "should," "would," "believe," "depends," "expect," "goal," "anticipate," "forecast," "future," "intend," "plan," "estimate," "target," "indicate" and similar expressions of future intent or the negative of such terms.

Forward-looking statements include those statements that may impact, among other things, the forecasting of our non-GAAP earnings per share ("EPS"); net revenue yields; booking levels; pricing; occupancy; operating, financing and tax costs, including fuel expenses; costs per available lower berth day ("ALBD"); estimates of ship depreciable lives and residual values; liquidity; goodwill and trademark fair values and outlook. 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 2012 Annual Report. These factors include, but are not limited to, the following:

- general economic and business conditions;
- increases in fuel prices;
- incidents, the spread of contagious diseases and threats thereof, adverse weather conditions or other natural disasters and other incidents affecting the health, safety, security and satisfaction of guests and crew;
- the international political climate, armed conflicts, terrorist and pirate attacks, vessel seizures, and threats thereof, and other world events affecting the safety and security of travel;
- negative publicity concerning the cruise business in general or us in particular, including any adverse environmental impacts of cruising;
- litigation, enforcement actions, fines or penalties;
- economic, market and political factors that are beyond our control, which could increase our operating, financing and other costs;
- changes in and compliance with laws and regulations relating to the protection of persons with disabilities, employment, environment, health, safety, security, tax and other regulations under which we operate;
- our ability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments on terms that are favorable or consistent with our expectations;
- increases to our repairs and maintenance expenses and refurbishment costs as our fleet ages;
- lack of continuing availability of attractive, convenient and safe port destinations;
- continuing financial viability of our travel agent distribution system, air service providers and other key vendors in our supply chain and reductions in the availability of, and increases in the pricing for, the services and products provided by these vendors;
- disruptions and other damages to our information technology and other networks and operations, and breaches in data security;
- failure to keep pace with developments in technology;
- competition from and overcapacity in the cruise ship or land-based vacation industry;
- loss of key personnel or our ability to recruit or retain qualified personnel;
- union disputes and other employee relation issues;
- disruptions in the global financial markets or other events may negatively affect the ability of our counterparties and others to perform their obligations to us;
- the continued strength of our cruise brands and our ability to implement our brand strategies;
- our international operations are subject to additional risks not generally applicable to our U.S. operations;
- geographic regions in which we try to expand our business may be slow to develop and ultimately not develop how we expect;
- our decisions to self-insure against various risks or our inability to obtain insurance for certain risks at reasonable rates;
- fluctuations in foreign currency exchange rates;
- whether our future operating cash flow will be sufficient to fund future obligations and whether we will be able to obtain financing, if necessary, in sufficient amounts and on terms that are favorable or consistent with our expectations;
- risks associated with the DLC arrangement and
- uncertainties of a foreign legal system as we are not incorporated in the U.S.

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 stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this 2012 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.

2012 Executive Overview

This past year has been the most challenging in our history as a result of the *Costa Concordia* incident. The ship incident had a profound impact on each and every employee, both shoreside and shipboard, and has driven us to reinforce our commitment to the safety of our guests and crew. We have taken steps to identify lessons learned and best practices. In addition, we have and will continue to implement improvements to our already established procedures and training programs. We are also committed to rebuilding Costa's reputation and strengthening its trust with guests and travel agents. Accordingly, Costa launched a number of initiatives, including enhancements to existing safety and security procedures, training and related processes and a major international advertising campaign that targets consumers in its key markets. Over the next few years, we expect to fully recover and continue to build on our leadership positions.

Net income for 2012 was $1.3 billion, compared to $1.9 billion for the prior year. This decrease was caused by a 2.5% decrease in constant dollar net revenue yields, higher fuel prices and the Ibero goodwill and trademark impairment charges.

The 2.5% decrease in constant dollar net revenue yields was driven by our EAA brands as a result of the direct and indirect consequences of the ship incident and the challenging economic environment in Europe. Although our North America brands achieved a slight increase in net revenue yields, they were affected by the indirect consequences of the ship incident.

Our higher fuel prices in 2012 compared to the prior year were partially offset by lower fuel consumption, which continues our multiple-year fuel consumption savings trend. Implementing a combination of fuel saving initiatives has allowed us to reduce our rate of fuel consumption by 18% over the past seven years. In 2012, constant dollar net cruise costs excluding fuel per ALBD had a slight decrease compared to the prior year. On a longer-term basis, our constant dollar net cruise costs excluding fuel per ALBD have remained flat from 2008 through 2012 despite inflationary pressures.

During 2012, we generated $3.0 billion of cash from operations and used $1.8 billion to fund net capital expenditures, leaving us with $1.2 billion of free cash flow (defined as cash from operations less net capital expenditures). All of this free cash flow was returned to shareholders through our $0.25 per share regular quarterly dividend, our $0.50 per share special dividend and by repurchasing 2.6 million of Carnival Corporation common stock. This is the second consecutive year that we returned all our free cash flow to shareholders.

We believe that adding newer, more efficient ships, as well as improving our existing fleet, will have a positive impact on our profitability. During 2012, we ordered two new cruise ships – one 4,000-passenger capacity ship for our Carnival Cruise Lines brand and one 2,660-passenger capacity ship for our Holland America Line brand. These ships will be the largest ever constructed for these two cruise brands. As of January 22, 2013, we currently have nine cruise ships scheduled to enter service between March 2013 and March 2016, two of which will enter service in 2013 (see "Note 6 – Commitments" in the accompanying consolidated financial statements). Our current intention is to have an average of two to three new cruise ships enter service annually, some of which will replace existing capacity from the possible sales of older, less efficient ships. We are strategically timing the introductions of additional ships to our brands to allow ample time for those lines to further grow their guest base and absorb the new capacity. Our rate of growth is slowing in the more established regions of North America and Western Europe. We are committed to a measured pace of newbuilds to achieve an optimal balance of supply and demand to maximize our profitability in these established regions. In addition, we believe that we have significant opportunities to grow our presence in the emerging Asian cruise region and will continue to redeploy some of our existing ships to that region.

Outlook for the 2013 First Quarter and Full Year

On December 20, 2012, we said that we expected our non-GAAP diluted EPS for the 2013 first quarter and full year would be in the ranges of $0.03 to $0.07 and $2.20 to $2.40, respectively (see "Key Performance Non-GAAP Financial Indicators"). Our guidance was based on fuel prices of $674 per metric ton and $692 per metric ton for the 2013 first quarter and full year, respectively. In addition, our guidance was based on 2013 first quarter and full year currency rates of $1.30 to the euro, $1.61 to sterling and $1.05 to the Australian dollar. The fuel and currency assumptions used in our guidance change daily and, accordingly, our forecasts change daily based on the changes in these assumptions.

We believe it is more meaningful to evaluate our earnings performance by excluding the impact of unrealized gains and losses on fuel derivatives from non-GAAP diluted EPS. Therefore, we will not include any future estimates of unrealized gains and losses on fuel derivatives in our non-GAAP EPS guidance. However, we will forecast realized gains and losses on fuel derivatives by applying current Brent prices to the derivatives that settle in the forecast period.

The above forward-looking statements involve risks, uncertainties and assumptions with respect to us. There are many factors that could cause our actual results to differ materially from those expressed above including, but not limited to, general economic and business conditions, increases in fuel prices, incidents, spread of contagious diseases, adverse weather conditions, geo-political events, negative publicity and other factors that could adversely impact our revenues, costs and expenses. You should read the above forward-looking statement together with the discussion of these and other risks under "Cautionary Note Concerning Factors That May Affect Future Results."

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, including ship improvements and ships under construction, which represent 79% of our total assets at November 30, 2012. We make several critical accounting estimates with respect to our ship accounting. First, in order to compute our ships' depreciation expense, which represented 10% of our cruise costs and expenses in 2012, we have 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 add value to our ships and have a useful life greater than one year, and depreciate those improvements over their or the ships' estimated remaining useful life, whichever is shorter, while the costs of repairs and maintenance, including minor improvement costs and dry-dock expenses, are charged to expense as incurred. Finally, when we record the retirement of a ship component that is included within the ship's cost basis, we may have to estimate the net book value of the asset being retired in order to remove it from the ship's cost basis.

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, superstructure, main electric, engines and hull. In addition, we consider, among other things, long-term vacation market conditions, competition and historical useful lives of similarly-built ships. We have estimated our ships' weighted-average useful lives at 30 years and their average residual values at 15% of our original ship cost. Further, we determine the useful life of ship improvements based on estimates of the period over which the assets will be of economic benefit to us. In determining such lives, we also consider factors, including but not limited to, physical deterioration, obsolescence, regulatory constraints and maintenance requirements.

Given the large size and complexity 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 ships. In addition, since we do not separately componentize our ships, we do not identify and track depreciation of specific original ship components. Therefore, we typically have to estimate the net book value of components that are retired, based primarily upon their replacement cost, their age and their original estimated useful lives.

If materially different conditions existed, or if we materially changed our assumptions of ship lives and residual values, our depreciation expense, loss on retirement of ship components 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 expense could increase, which would be partially offset by a decrease in depreciation expense, resulting from a reduction in capitalized costs. Our 2012 ship depreciation expense would increase by an estimated $37 million for every year we reduce our estimated average 30 year ship useful life. In addition, if our ships were estimated to have no residual value, our 2012 depreciation expense would increase by approximately $190 million.

We believe that the estimates we made for ship accounting purposes are reasonable and our methods are consistently applied in all material respects 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 they are used. In addition, we believe that the estimates we made are reasonable and our methods consistently applied in all material respects (1) in determining the average useful life and average residual values of our ships, including ship improvements; (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 retired. Finally, we believe our critical ship accounting estimates are generally comparable with those of other major cruise companies.

Asset Impairments

Impairment reviews of our cruise ships, goodwill and trademarks require us to make significant estimates to determine the fair values of these assets or cruise brands. For our cruise ships, we perform our impairment reviews, if required, at the individual cruise ship

level, which is the lowest level for which we maintain identifiable cash flows that are independent of the cash flows of other assets and liabilities. See “Note 4 – Property and Equipment” in the accompanying consolidated financial statements for a discussion of impairment charges recorded in 2012 and 2011. We believe it is more-likely-than-not (“MLTN”) that each of our cruise brands’ estimated fair values that carry goodwill at November 30, 2012 exceeded their carrying values. We also believe that it is MLTN that the estimated fair values of each of our cruise brands’ trademarks recorded at November 30, 2012 exceeded their carrying values. See “Note 11 – Fair Value Measurements, Derivative Instruments and Hedging Activities” in the accompanying consolidated financial statements for additional discussion of our goodwill and trademark impairment tests.

The determination of fair value includes numerous uncertainties, unless a comparable, viable actively-traded market exists, which is usually not the case for cruise ships, cruise brands and trademarks. Our ship fair values are typically estimated based on individual or comparable ship sale prices and other comparable ship values in inactive markets.

In performing qualitative assessments of our cruise brands that carry goodwill, qualitative factors that we consider to determine their effect on each of the cruise brands’ estimated fair values include industry and market conditions, macroeconomic conditions, changes to WACC, overall financial performance and changes in fuel. In determining the estimated fair values of cruise brands utilizing discounted future cash flow analysis for our quantitative goodwill impairment tests, if any, significant judgments are made related to forecasting future operating results, including net revenue yields, net cruise costs including fuel prices, capacity changes, including the expected deployment of vessels into, or out of, the cruise brand, WACC for comparable publicly-traded companies, adjusted for the risk attributable to the geographic region in which the cruise brand operates and terminal values. In addition, third party appraisers are sometimes used to help determine fair values of cruise brands and trademarks, and their valuation methodologies are also typically subject to uncertainties similar to those discussed above.

In addition, in performing our qualitative assessments of our cruise brands’ significant trademarks, qualitative factors that we consider to determine their effect on each of the cruise brands recorded trademarks’ estimated fair values include industry and market conditions, macroeconomic conditions, changes to the WACC, changes to the royalty rates and overall financial performance. In determining our trademark estimated fair values for our quantitative impairment tests, if any, we also use discounted future cash flow analysis, which requires some of the same significant judgments discussed above. Specifically, determining the estimated amount of royalties avoided by our ownership of the trademark is based upon forecasted cruise revenues and royalty rates that a market participant would use. The royalty rates are estimated primarily using comparable royalty agreements for similar industries.

We believe that we have made reasonable estimates and judgments in determining whether our cruise ships, goodwill and trademarks have been impaired. However, if there is a material change in the conditions or circumstances affecting fair values, or if there is a material change in assumptions used in our determination of fair values, then we may need 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, regulatory, guest and crew, and tax matters. In addition, we periodically assess the recoverability of our trade and other receivables and other counterparty credit exposures, such as contractual nonperformance by financial and other institutions with which we conduct significant business. Our credit exposure includes contingent obligations related to cash payments received directly by travel agents and tour operators for cash collected by them on cruise sales in most of Europe where we are obligated to extend credit in a like amount to these guests even if we do not receive payment from the travel agents or tour operators. 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, or MLTN for income tax matters, that we will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable or MLTN loss, if any, can be made. In assessing probable losses, we make estimates of the amount of probable insurance recoveries, if any, which are recorded as assets. We accrue a liability and establish a reserve when we believe a loss is probable or MLTN for income tax matters, and the amount of the loss can be reasonably estimated in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). Such accruals and reserves 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 non-income tax matters, historical claims experience, actuarially determined estimates of liabilities and any related insurance coverages. See “Note 7 – *Costa Concordia*,” “Note 8 – Contingencies,” “Note 9 – Income and Other Taxes” and “Note 11 – Fair Value Measurements, Derivative Instruments and Hedging Activities” in the accompanying consolidated 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 asset or 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 substantially all of our cruise revenues from the following:

- sales of passenger cruise tickets and, in some cases, the sale of air and other transportation to and from airports near our ships' home ports and cancellation fees. The cruise ticket price includes accommodations, most meals, some non-alcoholic beverages and most onboard entertainment. We also collect governmental fees and taxes from our guests, and
- sales of goods and services primarily onboard our ships not included in the cruise ticket price including, among other things, liquor and some non-alcoholic beverage sales, shore excursions, casino gaming, gift shop sales, photo sales, full service spas, communication services, cruise vacation protection programs and pre- and post-cruise land packages. These goods and services are provided either directly by us or by independent concessionaires, from which we receive either a percentage of their revenues or a fee.

We incur cruise operating costs and expenses for the following:

- the costs of passenger cruise bookings, which represent costs that are directly associated with passenger cruise ticket revenues, and include travel agent commissions, air and other transportation related costs, governmental fees and taxes that vary with guest head counts and related credit card fees,
- onboard and other cruise costs, which represent costs that are directly associated with onboard and other revenues, and include among other things, the costs of liquor and some non-alcoholic beverages, costs of tangible goods sold by us in our gift shops and from our photo sales, communication costs, costs of cruise vacation protection programs, costs of pre- and post-cruise land packages and related credit card fees. Concession revenues do not have significant associated expenses because the costs and services incurred for concession revenues are borne by our concessionaires,
- fuel costs, which include fuel delivery costs,
- payroll and related costs, which represent all costs related to our shipboard personnel, including deck and engine crew, including officers, and hotel and administrative employees,
- food costs, which include both our guest and crew food costs, and
- other ship operating costs, which include port costs that do not vary with guest head counts, repairs and maintenance, including minor improvements and dry-dock expenses, hotel costs, entertainment, freight and logistics and all other ship operating costs and expenses.

For segment information related to our North America and EAA cruise brands' revenues, expenses, operating income and other financial information, see "Note 12 – Segment Information" in the accompanying consolidated financial statements.

Statistical Information

	Years Ended November 30,		
	2012	2011	2010
Passengers carried (in thousands)	9,829	9,559	9,147
Occupancy percentage (a)	105.5%	106.2%	105.6%
Fuel consumption (metric tons in thousands)	3,354	3,395	3,319
Fuel cost per metric ton consumed	$ 710	$ 646	$ 489
Currencies			
U.S. dollar to €1	$ 1.28	$ 1.40	$ 1.33
U.S. dollar to £1	$ 1.58	$ 1.60	$ 1.55
U.S. dollar to Australian dollar	$ 1.03	$ 1.03	$ 0.91

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

2012 Compared to 2011

Revenues

Consolidated

Cruise passenger ticket revenues made up 76% of our 2012 total revenues. Cruise passenger ticket revenues decreased by $500 million, or 4.1%, to $11.7 billion in 2012 from $12.2 billion in 2011. This decrease was substantially due to a decrease in cruise ticket pricing, which accounted for $434 million, a stronger U.S. dollar against the euro and sterling, net of a weaker U.S. dollar against the Australian dollar (referred to as " the net currency impact"), which accounted for $282 million, and a slight decrease in occupancy percentage, which accounted for $82 million, partially offset by our 2.9% capacity increase in ALBDs, which accounted for $348 million (see "Key Performance Non-GAAP Financial Indicators"). Our cruise ticket pricing and occupancy were affected by the direct and indirect consequences of the ship incident and the challenging economic environment in Europe.

The remaining 24% of 2012 total revenues were substantially all comprised of onboard and other cruise revenues, which increased by $156 million, or 4.6%, to $3.5 billion in 2012 from $3.4 billion in 2011. This increase was caused by our 2.9% capacity increase in ALBDs, which accounted for $96 million, higher onboard spending by our guests, which accounted for $51 million, and the change in the accounting for our North America cruise brands and Tour and Other segments (See "Note 12 – Segment Information" in the accompanying consolidated financial statements for a further discussion). These increases were partially offset by the net currency impact, which accounted for $58 million, and a slight decrease in occupancy percentage, which accounted for $23 million. Onboard and other revenues included concession revenues of $1.1 billion in 2012, which were flat compared to 2011.

North America Brands

Cruise passenger ticket revenues made up 74% of our 2012 total revenues. Cruise passenger ticket revenues increased by $123 million, or 1.8%, to $6.9 billion in 2012 from $6.8 billion in 2011. This increase was caused by our 3.4% capacity increase in ALBDs, which accounted for $229 million, partially offset by a decrease in cruise ticket pricing, which accounted for $59 million, and a decrease in air transportation revenues from guests who purchased their tickets from us, which accounted for $39 million. Our cruise ticket pricing was affected by the indirect consequences of the ship incident.

The remaining 26% of 2012 total revenues were comprised of onboard and other cruise revenues, which increased $214 million, or 9.9%, to $2.4 billion in 2012 from $2.2 billion in 2011. This increase was substantially due to our 3.4% capacity increase in ALBDs, which accounted for $73 million, higher onboard spending by our guests, which accounted for $42 million, and the change in the accounting for our North America cruise brands and Tour and Other segments. Onboard and other revenues included concession revenues of $727 million in 2012 and $681 million in 2011.

EAA Brands

Cruise passenger ticket revenues made up 82% of our 2012 total revenues. Cruise passenger ticket revenues decreased by $621 million, or 11%, to $4.8 billion in 2012 from $5.4 billion in 2011. This decrease was caused by a decrease in cruise ticket pricing, which accounted for $354 million, the net currency impact, which accounted for $282 million, and a 2.1 percentage point decrease in occupancy, which accounted for $110 million, partially offset by our 2.0% capacity increase in ALBDs, which also accounted for $110 million. Our cruise ticket pricing and occupancy were affected by the direct and indirect consequences of the ship incident and the challenging economic environment in Europe.

The remaining 18% of 2012 total revenues were comprised of onboard and other cruise revenues, which decreased $56 million, or 5.1%, to $1.0 billion in 2012 from $1.1 billion in 2011. This decrease was caused by the net currency impact, which accounted for $58 million, and a 2.1 percentage point decrease in occupancy, which accounted for $23 million, partially offset by our 2.0% capacity increase in ALBDs, which also accounted for $23 million. Onboard and other revenues included concession revenues of $356 million in 2012 and $397 million in 2011.

Costs and Expenses

Consolidated

Operating costs and expenses of $10.3 billion in 2012 were flat compared to 2011. Operating costs and expenses in 2012 increased due to our 2.9% capacity increase in ALBDs, which accounted for $289 million, and higher fuel prices, which accounted for $214 million. These increases were offset by the net currency impact, which accounted for $172 million, a decrease in commissions, transportation and other costs primarily as a result of our lower cruise ticket pricing, the change in our UK brands' commission structure and a decrease in air transportation costs related to guests who purchased their tickets from us, which together accounted for $158 million, lower fuel consumption per ALBD, which accounted for $89 million, and a slight decrease in occupancy percentage, which accounted for $27 million. In addition, operating costs and expenses in 2012 increased as a result of *Costa Allegra*'s impairment charge and incident-related expenses, which together accounted for $51 million, and the ship incident-related expenses that were not covered by insurance, which accounted for $28 million, partially offset by Costa's excess insurance proceeds and a gain from Cunard's litigation settlement, which together accounted for $34 million, and the nonrecurrence in 2012 of $28 million of ship impairment charges recognized in 2011 related to the sale of *Costa Marina* and *Pacific Sun* (the net impact of these changes in operating costs and expenses are referred to as "the other net charges related to our EAA brands," which combined accounted for $17 million).

Selling and administrative expenses of $1.7 billion in 2012 were flat compared to 2011.

Depreciation and amortization expenses of $1.5 billion in 2012 were flat compared to 2011.

Ibero goodwill and trademark impairment charges of $173 million were recorded in 2012. See "Note 11 - Fair Value Measurements, Derivative Instruments and Hedging Activities" in the accompanying consolidated financial statements for additional discussion of these impairment charges.

Our total costs and expenses as a percentage of revenues increased to 89% in 2012 from 86% in 2011.

North America Brands

Operating costs and expenses increased $286 million, or 4.9%, to $6.1 billion in 2012 from $5.8 billion in 2011. This increase was caused by our 3.4% capacity increase in ALBDs, which accounted for $198 million, higher fuel prices, which accounted for $147 million, and the change in the accounting for our North America cruise brands and Tour and Other segments. These increases were partially offset by a decrease in commissions, transportation and other costs primarily as a result of our lower cruise ticket pricing and a decrease in air transportation costs related to guests who purchased their tickets from us, which together accounted for $46 million, and lower fuel consumption per ALBD, which accounted for $44 million.

Our total costs and expenses as a percentage of total revenues of 86% in 2012 was flat compared to 2011.

EAA Brands

Operating costs and expenses decreased $234 million, or 5.5%, to $4.0 billion in 2012 from $4.2 billion in 2011. This decrease was caused by the net currency impact, which accounted for $172 million, a decrease in commissions, transportation and other costs primarily as a result of our lower cruise ticket pricing, the change in our UK brands' commission structure and a decrease in air transportation costs related to guests who purchased their tickets from us, which together accounted for $103 million, lower fuel consumption per ALBD, which accounted for $45 million, a 2.1 percentage point decrease in occupancy percentage, which accounted for $36 million, and the other net charges related to our EAA brands, which accounted for $17 million. These decreases were partially offset by our 2.0% capacity increase in ALBDs, which accounted for $87 million, and higher fuel prices, which accounted for $67 million.

Ibero goodwill and trademark impairment charges of $173 million were recorded in 2012.

Our total costs and expenses as a percentage of total revenues increased to 93% in 2012 from 84% in 2011.

Operating Income

Our consolidated operating income decreased $613 million, or 27%, to $1.6 billion in 2012 from $2.3 billion in 2011. Our North America brands' operating income of $1.3 billion in 2012 was flat compared to 2011, and our EAA brands' operating income decreased $593 million, or 58%, to $433 million in 2012 from $1.0 billion in 2011. These changes were principally due to the reasons discussed above.

Key Performance Non-GAAP Financial Indicators

ALBDs is a standard measure of passenger capacity for the period, which we use to perform rate and capacity variance analyses to determine the main non-capacity driven factors that cause our cruise revenues and expenses to vary. ALBDs assume that each cabin we offer for sale accommodates two passengers and is computed by multiplying passenger capacity by revenue-producing ship operating days in the period.

We use net cruise revenues per ALBD ("net revenue yields"), net cruise costs per ALBD and net cruise costs excluding fuel per ALBD as significant non-GAAP financial measures of our cruise segment financial performance. These measures enable us to separate the impact of predictable capacity changes from the more unpredictable rate changes that affect our business. We believe these non-GAAP measures provide useful information to investors and expanded insight to measure our revenue and cost performance as a supplement to our U.S. GAAP consolidated financial statements.

Net revenue yields are commonly used in the cruise business to measure a company's cruise segment revenue performance and for revenue management purposes. We use "net cruise revenues" rather than "gross cruise revenues" to calculate net revenue yields. 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 net of our most significant variable costs, which are travel agent commissions, cost of air and other transportation, certain other costs that are directly associated with onboard and other revenues and credit card fees. Substantially all of our remaining cruise costs are largely fixed, except for the impact of changing prices and food expenses, once our capacity levels have been determined.

Net passenger ticket revenues reflect gross cruise revenues, net of (1) onboard and other revenues, (2) commissions, transportation and other costs and (3) onboard and other cruise costs. Net onboard and other revenues reflect gross cruise revenues, net of (1) passenger ticket revenues, (2) commissions, transportation and other costs and (3) onboard and other cruise costs. Net passenger ticket revenue yields and net onboard and other revenue yields are computed by dividing net passenger ticket revenues and net onboard and other revenues by ALBDs.

Net cruise costs per ALBD and net cruise costs excluding fuel per ALBD are the most significant measures we use to monitor our ability to control our cruise segment costs rather than gross cruise costs per ALBD. We exclude the same variable costs that are included in the calculation of net cruise revenues to calculate net cruise costs with and without fuel to avoid duplicating these variable costs in our non-GAAP financial measures.

In addition, because our EAA brands utilize the euro, sterling and Australian dollar to measure their results and financial condition, the translation of those operations to our U.S. dollar reporting currency results in decreases in reported U.S. dollar revenues and expenses if the U.S. dollar strengthens against these foreign currencies and increases in reported U.S. dollar revenues and expenses if the U.S. dollar weakens against these foreign currencies. Accordingly, we also monitor and report these non-GAAP financial measures assuming the 2012 and 2011 periods' currency exchange rates have remained constant with the 2011 and 2010 periods' rates, respectively, or on a "constant dollar basis," in order to remove the impact of changes in exchange rates on our non-U.S. dollar cruise operations. We believe that this is a useful measure since it facilitates a comparative view of the growth of our business in a fluctuating currency exchange rate environment.

We believe that the impairment charges recognized in 2012 related to Ibero's goodwill and trademarks are nonrecurring and, therefore, are not an indication of our future earnings performance. As such, we believe it is more meaningful for the impairment charges to be excluded from our net income and earnings per share and, accordingly, we present non-GAAP net income and non-GAAP EPS excluding these impairment charges.

Under U.S. GAAP, the realized and unrealized gains and losses on fuel derivatives not qualifying as fuel hedges are immediately recognized in earnings. We believe that unrealized gains and losses on fuel derivatives are not an indication of our earnings performance since they relate to future periods and may not ultimately be realized in our future earnings. Therefore, we believe it is more meaningful for the unrealized gains and losses on fuel derivatives to be excluded from our net income and EPS and, accordingly, we present a non-GAAP net income and non-GAAP EPS excluding these unrealized gains and losses.

We have not included in our earnings guidance the impact of unrealized gains and losses on fuel derivatives because these unrealized amounts involve a significant amount of uncertainty, and we do not believe they are an indication of our future earnings performance. Accordingly, our earnings guidance is presented on a non-GAAP basis only. As a result, we did not present a reconciliation between forecasted non-GAAP diluted EPS guidance and forecasted U.S. GAAP diluted EPS guidance, since we do not believe that the reconciliation information would be meaningful.

Our consolidated financial statements are prepared in accordance with U.S. GAAP. The presentation of our non-GAAP financial information is not intended to be considered in isolation or as substitute for, or superior to, the financial information prepared in accordance with U.S. GAAP. There are no specific rules for determining our non-GAAP current and constant dollar financial measures and, accordingly, they are susceptible to varying calculations, and it is possible that they may not be exactly comparable to the like-kind information presented by other companies, which is a potential risk associated with using these measures to compare us to other companies.

Consolidated gross and net revenue yields were computed by dividing the gross and net cruise revenues, without rounding, by ALBDs as follows (dollars in millions, except yields):

	Years Ended November 30,				
	2012	2012 Constant Dollar	2011	2011 Constant Dollar	2010
Passenger ticket revenues	$ 11,658	$ 11,941	$ 12,158	$ 11,901	$ 11,084
Onboard and other revenues	3,513	3,570	3,357	3,299	3,104
Gross cruise revenues	15,171	15,511	15,515	15,200	14,188
Less cruise costs					
Commissions, transportation and other	(2,292)	(2,358)	(2,461)	(2,421)	(2,272)
Onboard and other	(558)	(566)	(506)	(495)	(474)
	(2,850)	(2,924)	(2,967)	(2,916)	(2,746)
Net passenger ticket revenues	9,366	9,583	9,697	9,480	8,812
Net onboard and other revenues	2,955	3,004	2,851	2,804	2,630
Net cruise revenues	$ 12,321	$ 12,587	$ 12,548	$ 12,284	$ 11,442
ALBDs	71,975,652	71,975,652	69,970,910	69,970,910	66,545,164
Gross revenue yields	$ 210.78	$ 215.50	$ 221.74	$ 217.24	$ 213.21
% (decrease) increase vs. prior year	(4.9)%	(2.8)%	4.0%	1.9%	
Net revenue yields	$ 171.18	$ 174.88	$ 179.35	$ 175.56	$ 171.94
% (decrease) increase vs. prior year	(4.6)%	(2.5)%	4.3%	2.1%	
Net passenger ticket revenue yields	$ 130.13	$ 133.14	$ 138.60	$ 135.49	$ 132.41
% (decrease) increase vs. prior year	(6.1)%	(3.9)%	4.7%	2.3%	
Net onboard and other revenue yields	$ 41.05	$ 41.74	$ 40.75	$ 40.07	$ 39.52
% increase vs. prior year	0.7%	2.4%	3.1%	1.4%	

Consolidated gross and net cruise costs and net cruise costs excluding fuel per ALBD were computed by dividing the gross and net cruise costs and net cruise costs excluding fuel, without rounding, by ALBDs as follows (dollars in millions, except costs per ALBD):

	Years Ended November 30,				
	2012	2012 Constant Dollar	2011	2011 Constant Dollar	2010
Cruise operating expenses	$ 10,166	$ 10,338	$ 10,095	$ 9,952	$ 8,880
Cruise selling and administrative expenses	1,713	1,749	1,696	1,666	1,583
Gross cruise costs	11,879	12,087	11,791	11,618	10,463
Less cruise costs included in net cruise revenues					
Commissions, transportation and other	(2,292)	(2,358)	(2,461)	(2,421)	(2,272)
Onboard and other	(558)	(566)	(506)	(495)	(474)
Net cruise costs	9,029	9,163	8,824	8,702	7,717
Less fuel	(2,381)	(2,381)	(2,193)	(2,193)	(1,622)
Net cruise costs excluding fuel	$ 6,648	$ 6,782	$ 6,631	$ 6,509	$ 6,095
ALBDs	71,975,652	71,975,652	69,970,910	69,970,910	66,545,164
Gross cruise costs per ALBD	$ 165.04	$ 167.94	$ 168.51	$ 166.05	$ 157.23
% (decrease) increase vs. prior year	(2.1)%	(0.3)%	7.2%	5.6%	
Net cruise costs per ALBD	$ 125.44	$ 127.32	$ 126.11	$ 124.37	$ 115.96
% (decrease) increase vs. prior year	(0.5)%	1.0%	8.8%	7.3%	
Net cruise costs excluding fuel per ALBD	$ 92.36	$ 94.23	$ 94.76	$ 93.02	$ 91.59
% (decrease) increase vs. prior year	(2.5)%	(0.6)%	3.5%	1.6%	

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Non-GAAP diluted earnings per share was computed as follows (in millions, except per share data):

	Years Ended November 30,		
	2012	2011	2010
Net income – diluted			
U.S. GAAP net income	$ 1,298	$ 1,912	$ 1,989(a)
Ibero goodwill and trademark impairment charges	173	-	-
Unrealized gains on fuel derivatives, net	(6)	(1)	-
Non-GAAP net income	$ 1,465	$ 1,911	$ 1,989(a)
Weighted-average shares outstanding – diluted	779	789	805
Earnings per share – diluted			
U.S. GAAP earnings per share	$ 1.67	$ 2.42	$ 2.47
Ibero goodwill and trademark impairment charges	0.22	-	-
Unrealized gains on fuel derivatives, net	(0.01)	-	-
Non-GAAP earnings per share	$ 1.88	$ 2.42	$ 2.47

(a) For 2010, diluted net income included an add-back of interest expense on dilutive convertible notes.

Net cruise revenues decreased $227 million, or 1.8%, to $12.3 billion in 2012 from $12.5 billion in 2011. This was caused by a 2.5% decrease in constant dollar net revenue yields, which accounted for $321 million, and the net currency impact, which accounted for $267 million, partially offset by our 2.9% capacity increase in ALBDs, which accounted for $361 million. The 2.5% decrease in net revenue yields on a constant dollar basis was comprised of a 3.9% decrease in net passenger ticket revenue yields, partially offset by a 2.4% increase in net onboard and other revenue yields. The 3.9% decrease in net passenger ticket revenue yields was principally due to our EAA brands with a 7.6% yield decrease, which was affected by the direct and indirect consequences of the ship incident and the challenging economic environment in Europe. The 2.4% increase in net onboard and other revenue yields was primarily due to higher onboard spending by guests from our North America brands, partially offset by lower yields from certain of our EAA brands, driven by lower occupancy, principally at Costa. Gross cruise revenues decreased $344 million, or 2.2%, to $15.2 billion in 2012 from $15.5 billion in 2011 for largely the same reasons as discussed above.

Net cruise costs excluding fuel of $6.6 billion in 2012 were flat compared to 2011. Our 2.9% capacity increase in ALBDs, which accounted for $190 million, was offset by the net currency impact, which accounted for $135 million, and a slight decrease in constant dollar net cruise costs excluding fuel per ALBD, which accounted for $38 million.

Fuel costs increased $188 million, or 8.6%, to $2.4 billion in 2012 from $2.2 billion in 2011. This was caused by higher fuel prices, which accounted for $214 million, and a 2.9% capacity increase in ALBDs, which accounted for $63 million, partially offset by lower fuel consumption per ALBD, which accounted for $89 million.

Gross cruise costs increased $88 million, or 0.7% to $11.9 billion in 2012 from $11.8 billion in 2011 for principally the same reasons as discussed above.

2011 Compared to 2010

Revenues

Consolidated

Cruise passenger ticket revenues made up 77% of our 2011 total revenues. Cruise passenger ticket revenues increased by $1.1 billion, or 9.7%, to $12.2 billion in 2011 from $11.1 billion in 2010. This increase was substantially due to our 5.1% capacity increase in ALBDs, which accounted for $571 million, a weaker U.S. dollar against the euro, sterling and Australian dollar (referred to as “the currency impact”), which accounted for $257 million, an overall continuing recovery in cruise ticket pricing, which accounted for $155 million, and a slight increase in occupancy percentage, which accounted for $63 million. Our 2011 cruise passenger ticket pricing increase was affected by the close-in deployment changes resulting from the geo-political events in the Middle East and North Africa (“MENA”), and to a lesser extent, the earthquake and resulting nuclear disaster in Japan as well as the European debt crisis (see “Key Performance Non-GAAP Financial Indicators”).

The remaining 23% of 2011 total revenues were substantially all comprised of onboard and other cruise revenues, which increased by $253 million, or 8.1%, to $3.4 billion in 2011 from $3.1 billion in 2010. This increase was principally driven by our 5.1% capacity increase in ALBDs, which accounted for $160 million, and the currency impact, which accounted for $58 million. Onboard and other revenues included concession revenues of $1.1 billion in 2011 and $958 million in 2010.

North America Brands

Cruise passenger ticket revenues made up 76% of our 2011 total revenues. Cruise passenger ticket revenues increased by $444 million, or 7.0%, to $6.8 billion in 2011 from $6.3 billion in 2010. This increase was substantially due to a continuing recovery in cruise ticket pricing, particularly in the second half of 2011, which accounted for $186 million, our 2.8% capacity increase in ALBDs, which accounted for $176 million, and a 1.1 percentage point increase in occupancy, which accounted for $66 million.

The remaining 24% of 2011 total revenues were comprised of onboard and other cruise revenues, which increased $98 million, or 4.8%, to $2.2 billion in 2011 from $2.1 billion in 2010. This increase was primarily driven by our 2.8% capacity increase in ALBDs, which accounted for $57 million. Onboard and other revenues included concession revenues of $681 million in 2011 and $628 million in 2010.

EAA Brands

Cruise passenger ticket revenues made up 83% of our 2011 total revenues. Cruise passenger ticket revenues increased $633 million, or 13%, to $5.4 billion in 2011 from $4.8 billion in 2010. This increase was caused by our 9.0% capacity increase in ALBDs, which accounted for $431 million, and the currency impact, which accounted for $257 million. Cruise passenger ticket revenues were impacted by the close-in MENA deployment changes.

The remaining 17% of 2011 total revenues were comprised of onboard and other cruise revenues, which increased $141 million, or 15%, to $1.1 billion in 2011 from $1.0 billion in 2010. This increase was caused by our 9.0% capacity increase in ALBDs, which accounted for $87 million, and the currency impact, which accounted for $58 million. Onboard and other revenues included concession revenues of $397 million in 2011 and $330 million in 2010.

Costs and Expenses

Consolidated

Operating costs and expenses increased $1.2 billion, or 13%, to $10.3 billion in 2011 from $9.1 billion in 2010. This increase was substantially due to higher fuel prices, which accounted for $535 million, our 5.1% capacity increase in ALBDs, which accounted for $457 million, the currency impact, which accounted for $143 million, and inflationary pressures on crew travel, food, freight and other hotel operating expenses.

Selling and administrative expenses increased $103 million, or 6.4%, to $1.7 billion in 2011 from $1.6 billion in 2010.

Depreciation and amortization expense increased $106 million, or 7.5%, to $1.5 billion in 2011 from $1.4 billion in 2010.

Our total costs and expenses as a percentage of revenues increased to 86% in 2011 from 84% in 2010.

North America Brands

Operating costs and expenses increased $554 million, or 10%, to $5.8 billion in 2011 from $5.3 billion in 2010. This increase was principally due to higher fuel prices, which accounted for $328 million, and our 2.8% capacity increase in ALBDs, which accounted for $148 million.

Our total costs and expenses as a percentage of total revenues increased to 86% in 2011 from 84% in 2010.

EAA Brands

Operating costs and expenses increased $672 million, or 19%, to $4.2 billion in 2011 from $3.6 billion in 2010. This increase was caused by our 9.0% capacity increase in ALBDs, which accounted for $323 million, higher fuel prices, which accounted for $207 million, and the currency impact, which accounted for $143 million.

Selling and administrative expenses increased $71 million, or 12%, to $655 million in 2011 from $584 million in 2010. The increase was caused by our 9.0% capacity increase in ALBDs, which accounted for $53 million, and the currency impact, which accounted for $29 million.

Depreciation and amortization expense increased $74 million, or 15%, to $579 million in 2011 from $505 million in 2010. The increase was substantially due to $46 million from our 9.0% capacity increase in ALBDs principally through the addition of new ships and the currency impact, which accounted for $26 million.

Our total costs and expenses as a percentage of total revenues increased to 84% in 2011 from 81% in 2010.

Operating Income

Our consolidated operating income of $2.3 billion decreased slightly in 2011 compared to 2010. Our North America brands' operating income of $1.3 billion decreased $74 million, or 5.5%, in 2011 compared to 2010, and our EAA brands' operating income of $1.0 billion decreased $43 million, or 4.0%, in 2011 compared to 2010. These decreases were principally due to the reasons discussed above.

Key Performance Non-GAAP Financial Indicators

Net cruise revenues increased $1.1 billion, or 9.7%, to $12.5 billion in 2011 from $11.4 billion in 2010. This was caused by a 5.1% capacity increase in ALBDs, which accounted for $589 million, the currency impact, which accounted for $265 million, and a 2.1% increase in constant dollar net revenue yields, which accounted for $253 million. The 2.1% increase in net revenue yields on a constant dollar basis was comprised of a 2.3% increase in net passenger ticket revenue yields and a 1.4% increase in net onboard and other revenue yields. The 2.3% increase in net passenger ticket revenue yields was driven by the continuing recovery in pricing at our North American brands as they achieved an almost four percent net revenue yield increase while our EAA brands net revenue yields were in line with the prior year despite all of their challenges, including MENA, the earthquake and resulting nuclear disaster in Japan and the European debt crisis. Gross cruise revenues increased $1.3 billion, or 9.4%, to $15.5 billion in 2011 from $14.2 billion in 2010 for largely the same reasons as discussed above.

Net cruise costs excluding fuel increased $536 million, or 8.8%, to $6.6 billion in 2011 from $6.1 billion in 2010. This was caused by our 5.1% capacity increase in ALBDs, which accounted for $314 million, the currency impact, which accounted for $122 million, and a 1.6% increase in constant dollar net cruise costs excluding fuel per ALBD, which accounted for $100 million. The 1.6% increase in constant dollar net cruise costs excluding fuel per ALBD was principally driven by inflationary pressures on crew travel, food, freight and other hotel operating expenses.

Fuel costs increased $571 million, or 35%, to $2.2 billion in 2011 from $1.6 billion in 2010. This was caused by higher fuel prices, which accounted for $535 million, and a 5.1% capacity increase in ALBDs, which accounted for $83 million, partially offset by lower fuel consumption per ALBD, which accounted for $46 million.

Gross cruise costs increased $1.3 billion, or 13% to $11.8 billion in 2011 from $10.5 billion in 2010 for principally the same reasons as discussed above.

Liquidity, Financial Condition and Capital Resources

Our primary financial goals are to profitably grow our cruise business, while maintaining a strong balance sheet. Our ability to generate significant operating cash flows allows us to internally fund all of our capital investment program and still have a substantial amount of free cash flow, which we intend to return to shareholders in the form of dividends and opportune share buybacks. During 2012, we generated $3.0 billion of cash from operations and used $1.8 billion to fund net capital expenditures, leaving us with $1.2 billion of free cash flow. All of this free cash flow was returned to shareholders through our $0.25 per share regular quarterly dividend, our $0.50 per share special dividend and by repurchasing 2.6 million of Carnival Corporation common stock. This is the second consecutive year that we returned all our free cash flow to shareholders. Other objectives of our capital structure policy are to maintain an acceptable level of liquidity with our available cash and cash equivalents and committed financings for immediate and future liquidity needs, and a reasonable debt maturity profile that is spread out over a number of years.

Based on our historical results, projections and financial condition, we believe that our future operating cash flows and liquidity will be sufficient to fund all of our expected capital projects including shipbuilding commitments, debt service requirements, working capital needs and other firm commitments over the next several years. However, as we intend to continue to return all of our free cash flow to shareholders, we expect to issue debt in the future to supplement our committed ship financings in order to repay certain of our debt as it matures. We believe that our ability to generate significant operating cash flows and our strong balance sheet as evidenced by our investment grade credit ratings provide us with the ability in most financial credit market environments to obtain such debt financing. However, our future operating cash flows and our ability to issue debt can be adversely impacted by numerous factors outside our control including, but not limited to, those noted under "Cautionary Note Concerning Factors That May Affect Future Results." If our long-term senior unsecured credit ratings were to be downgraded or assigned a negative outlook, our access to, and cost of, debt financing may also be negatively impacted.

At November 30, 2012, we had a working capital deficit of $5.5 billion. This deficit included $3.1 billion of customer deposits, which represent the passenger revenues we collect in advance of sailing dates and, accordingly, are substantially more like deferred revenue balances rather than actual current cash liabilities. Our November 30, 2012 working capital deficit also included $1.7 billion of current debt obligations, which are substantially related to our export credit facilities, bank loans and other debt. We continue to generate substantial cash from operations and have a strong balance sheet. This strong balance sheet provides us with the ability to refinance our current debt obligations before, or as they become due in most financial credit market environments. We also have our revolving credit facility available to provide long-term rollover financing should the need arise, or if we choose to do so. After excluding customer

deposits and current debt obligations from our November 30, 2012 working capital deficit balance, our non-GAAP adjusted working capital deficit was $709 million. Our business model, along with our unsecured revolving credit facilities, allows us to operate with a working capital deficit and still meet our operating, investing and financing needs. We believe we will continue to have working capital deficits for the foreseeable future.

Sources and Uses of Cash

Our business provided $3.0 billion of net cash from operations during 2012, a decrease of $767 million, or 20%, compared to $3.8 billion in 2011. This decrease was substantially due to less cash being provided from our operating results and customer deposits.

During 2012, our expenditures for capital projects were $2.3 billion, of which $1.7 billion was spent on our ongoing new shipbuilding program, including $1.5 billion for the final delivery payments for *AIDAmar*, *Carnival Breeze* and *Costa Fascinosa*. In addition to our new shipbuilding program, we had capital expenditures of $0.4 billion for ship improvements and replacements and $0.2 billion for information technology, buildings and other assets. Furthermore, in 2012 we received $508 million of euro-denominated hull and machinery insurance proceeds for the total loss of a ship.

During 2012, we repaid a net $224 million of short-term borrowings in connection with our availability of, and needs for, cash at various times throughout the year. In addition, during 2012, we repaid $1.1 billion of scheduled long-term debt payments. Furthermore, during 2012, we borrowed $946 million of new long-term debt substantially all under two export credit facilities. Finally, we paid cash dividends of $779 million and purchased $90 million of Carnival Corporation common stock in open market transactions during 2012.

Future Commitments and Funding Sources

At November 30, 2012, our contractual cash obligations were as follows (in millions):

	Payments Due by						
	2013	2014	2015	2016	2017	Thereafter	Total
Recorded Contractual Cash Obligations							
Short-term borrowings (a)	$ 56						$ 56
Long-term debt (a)	1,678	$ 1,615	$ 1,269	$ 848	$ 593	$ 2,843	8,846
Other long-term liabilities reflected on the balance sheet (b)	90	113	79	50	65	279	676
Unrecorded Contractual Cash Obligations							
Shipbuilding (c)	1,138	1,584	1,700	1,122	-	-	5,544
Operating leases (c)	43	41	38	34	25	179	360
Port facilities and other (c)	135	127	121	113	105	678	1,279
Purchase obligations (d)	770	99	63	53	24	33	1,042
Fixed rate interest payments (e)	309	247	182	134	110	605	1,587
Floating rate interest payments (e)	28	27	22	25	24	86	212
Total Contractual Cash Obligations (f)	$ 4,247	$ 3,853	$ 3,474	$ 2,379	$ 946	$ 4,703	$ 19,602

(a) Our debt, excluding short-term borrowings, has a weighted-average maturity of 4.3 years. See “Note 5 – Debt” in the accompanying consolidated financial statements for additional information regarding these debt obligations.

(b) Represents cash outflows for certain of our long-term liabilities, including their current portion, that could be reasonably estimated. The primary outflows are for estimates of our compensation plans’ obligations, crew and guest claims, uncertain income tax position liabilities and certain deferred income taxes. Other deferred income taxes have been excluded from the table because they do not require a cash settlement in the future.

(c) Our shipbuilding contractual obligations are legal commitments and, accordingly, cannot be cancelled without cause by the shipyards or us, and such cancellation will subject the defaulting party to significant contractual liquidating damage payments. See “Note 6 – Commitments” in the accompanying consolidated financial statements for additional information regarding these contractual cash obligations.

(d) 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, either 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 their termination.

(e) Fixed rate interest payments represent cash outflows for fixed interest payments, including interest swapped from a floating rate to a fixed rate. Floating rate interest payments represent forecasted cash outflows for interest payments on floating rate debt using the November 30, 2012 forward interest rates for the remaining terms of the loans.

(f) Amounts payable in foreign currencies, which are principally the euro, sterling and Australian dollars, are based on the November 30, 2012 exchange rates.

As of November 30, 2012, our annual capital expenditures for ships under contract for construction, estimated improvements to existing ships and shoreside assets for 2013, 2014, 2015 and 2016 are expected to be $2.0 billion, $2.2 billion, $2.5 billion and $1.9 billion, respectively.

The year-over-year percentage increase in our annual capacity for 2013, 2014, 2015 and 2016 is currently expected to be 3.5%, 1.7%, 4.8% and 4.6%, respectively. These percentage increases result primarily from contracted new ships entering service and exclude any unannounced future ship orders, acquisitions, retirements, charters or sales.

In September 2007, our Boards of Directors authorized the repurchase of up to an aggregate of $1 billion of Carnival Corporation common stock and Carnival plc ordinary shares subject to certain restrictions under the Repurchase Program. The Repurchase Program does not have an expiration date and may be discontinued by our Boards of Directors at any time.

During 2012 and 2011, we repurchased 2.6 million shares and 13.5 million shares of Carnival Corporation common stock for $90 million and $413 million under the Repurchase Program, respectively. During 2010, there were no repurchases of Carnival Corporation common stock under the Repurchase Program. In addition, during 2011, we also repurchased 1.3 million ordinary shares of Carnival plc for $41 million under the Repurchase Program. During 2012 and 2010, there were no repurchases of Carnival plc ordinary shares under the Repurchase Program. At November 30, 2012, the remaining availability under the Repurchase Program was $244 million. There were 2.1 million shares of Carnival Corporation common stock repurchased for $78 million under the Repurchase Program from December 1, 2012 through January 16, 2013. On January 16, 2013, the Boards of Directors increased the remaining authorization available under the Repurchase Program back to $1 billion, which was fully available at January 22, 2013.

In addition to the Repurchase Program, the Boards of Directors have authorized the repurchase of up to 19.2 million Carnival plc ordinary shares and up to 32.8 million shares of Carnival Corporation common stock under the Stock Swap programs. Depending on market conditions and other factors, we may purchase shares of Carnival Corporation common stock and/or Carnival plc ordinary shares under the Repurchase Program and the Stock Swap programs concurrently. We use the Stock Swap programs in situations where we can obtain an economic benefit because either Carnival Corporation common stock or Carnival plc ordinary shares are trading at a price that is at a premium or discount to the price of Carnival plc ordinary shares or Carnival Corporation common stock, as the case may be. This economic benefit is used for general corporate purposes, which could include repurchasing additional stock under the Repurchase Program. Carnival plc ordinary share repurchases under both the Repurchase Program and the Stock Swap authorizations require annual shareholder approval. The existing shareholder approval is limited to a maximum of 21.5 million ordinary shares and is valid until the earlier of the conclusion of the Carnival plc 2013 annual general meeting or October 10, 2013. Finally, under the Stock Swap programs, any sales of the Carnival Corporation common stock and Carnival plc ordinary shares have been or will be registered under the Securities Act.

During 2012 and 2011, no Carnival Corporation common stock or Carnival plc ordinary shares were sold or repurchased under the Stock Swap programs. During 2010, Carnival Investments Limited sold 14.8 million shares of Carnival plc ordinary shares for total net proceeds of $545 million. Substantially all of the net proceeds of these sales were used to purchase 14.8 million shares of Carnival Corporation common stock. During 2010, no Carnival Corporation common stock was sold and no Carnival plc ordinary shares were repurchased under the Stock Swap program. At January 22, 2013, the remaining availability under the Stock Swap programs repurchase authorizations were 18.1 million Carnival plc ordinary shares and 32.8 million Carnival Corporation common stock.

At November 30, 2012, we had liquidity of $6.0 billion. Our liquidity consisted of $195 million of cash and cash equivalents, which excludes $270 million of cash used for current operations, $2.5 billion available for borrowing under our revolving credit facilities and $3.3 billion under committed ship financings. Of this $3.3 billion of committed ship financings, $0.8 billion, $1.0 billion, $1.0 billion and $0.4 billion are scheduled to be funded in 2013, 2014, 2015 and 2016, respectively. Substantially all of our revolving credit facilities are scheduled to mature in 2016. These commitments are from numerous large and well-established banks and export credit agencies, which we believe will honor their contractual agreements with us.

In December 2012, we issued $500 million of unsecured publicly-traded notes, which bear interest at 1.9% and are due in 2017. We are using the net proceeds of these notes for general corporate purposes, including the repayment of portions of debt facilities maturing in 2013.

Substantially all of our debt agreements contain financial covenants as described in "Note 5 – Debt" in the accompanying consolidated financial statements. At November 30, 2012, we believe we were in compliance with our debt covenants. In addition, based on, among other things, our forecasted operating results, financial condition and cash flows, we expect to be in compliance with our debt covenants for the foreseeable future. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated.

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 consolidated financial statements.

Quantitative and Qualitative Disclosures About Market Risk

For a discussion of our hedging strategies and market risks, see the discussion below and "Note 11 – Fair Value Measurements, Derivative Instruments and Hedging Activities" in the accompanying consolidated financial statements.

Foreign Currency Exchange Rate Risks

Operational and Investment Currency Risks

We have $235 million of foreign currency forwards that are designated as hedges of our net investments in foreign operations, which have a euro-denominated functional currency, thus partially offsetting this foreign currency exchange rate risk. Based on a 10% hypothetical change in the U.S. dollar to euro exchange rate as of November 30, 2012, we estimate that these foreign currency forwards' fair values would change by $24 million, which would be offset by a corresponding change of $24 million in the U.S. dollar value of our net investments. In addition, based on a 10% hypothetical change in the U.S. dollar to euro, sterling and Australian dollar exchange rates as of November 30, 2012, which are the functional currencies that we translate into our U.S. dollar reporting currency, we estimate that our 2013 full year December 20, 2012 non-GAAP guidance would change by $0.20 per share.

Newbuild Currency Risks

In June 2012, we entered into foreign currency zero cost collars that are designated as cash flow hedges for a portion of *Royal Princess*' euro-denominated shipyard payments. These collars mature in May 2013 at a weighted-average ceiling rate of $1.30 to the euro, or $560 million, and a weighted-average floor rate of $1.19 to the euro, or $512 million. If the spot rate is between these two rates on the date of maturity, then we would not owe or receive any payments under these collars.

In July 2012, we entered into foreign currency zero cost collars that are designated as cash flow hedges for a portion of P&O Cruises (UK) newbuild's euro-denominated shipyard payments. These collars mature in February 2015 at a weighted-average ceiling rate of £0.83 to the euro, or $294 million, and a weighted-average floor rate of £0.77 to the euro, or $272 million. If the spot rate is between these two rates on the date of maturity, then we would not owe or receive any payments under these collars.

At November 30, 2012, the estimated fair value of our outstanding foreign currency zero cost collars was a net asset of $16 million. Based on a 10% hypothetical increase or decrease in the November 30, 2012 U.S. dollar and sterling rates to euro exchange rates, we estimate the fair value of these collars would increase $60 million or decrease $40 million, respectively.

At November 30, 2012, substantially all our remaining newbuild currency exchange rate risk relates to euro-denominated newbuild construction payments for *Regal Princess* and a portion of P&O Cruises (UK)'s newbuild. These newbuild contracts have remaining commitments of $1.1 billion. The functional currency cost of each of these ships will increase or decrease based on changes in the exchange rates until the payments are made under the shipbuilding contract, or we enter into a foreign currency hedge. Based on a 10% hypothetical change in the U.S. dollar and sterling to euro exchange rates as of November 30, 2012, the unpaid cost of these ships would have a corresponding change of $111 million.

Interest Rate Risks

At November 30, 2012, we have interest rate swaps that effectively changed $269 million of EURIBOR-based floating rate euro debt to fixed rate euro debt. Based on a 10% hypothetical change in the November 30, 2012 market interest rates, the fair value of all our debt and related interest rate swaps would change by $84 million. In addition, based on a 10% hypothetical change in the November 30, 2012 market interest rates, our annual interest expense on floating rate debt, including the effect of our interest rate swaps, would change by an insignificant amount. Substantially all of our fixed rate debt can only be called or prepaid by incurring significant costs, therefore it is unlikely we will be able to take any significant steps in the short-term to mitigate our fixed rate debt exposure in the event of a significant decrease in market interest rates.

Fuel Price Risks

Our exposure to market risk for changes in fuel prices substantially all relates to the consumption of fuel on our ships. We expect to consume approximately 3.3 million metric tons of fuel in 2013. Based on a 10% hypothetical change in our December 20, 2012 guidances' forecasted average fuel price, we estimate that our 2013 fuel expense, excluding the effect of zero cost collar fuel derivatives, would change by $230 million.

We use our fuel derivatives program to mitigate a portion of our economic risk attributable to potential fuel price increases. See "Note 11 – Fair Value Measurements, Derivative Instruments and Hedging Activities" in the accompanying consolidated financial statements for additional discussion of our fuel derivatives program.

At November 30, 2012, we had fuel derivatives consisting of zero cost collars on Brent to cover a portion of our estimated fuel consumption through 2016. Based on a 10% hypothetical change in the Brent spot price used in our December 20, 2012 guidance, there would be no impact to our 2013 cash flows from realized gains and losses on our fuel derivatives as the resulting Brent price would remain within the ceiling and floor Brent prices established by these collars.

At November 30, 2012, the estimated fair value of our outstanding fuel derivative contracts was a net asset of $6 million. Based on a 10% hypothetical increase or decrease in the November 30, 2012 Brent forward price curve, we estimate the fair value of our fuel derivatives would increase $120 million or decrease $105 million, respectively.

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SELECTED FINANCIAL DATA

The selected consolidated financial data presented below for 2008 through 2012 and as of the end of each such year, except for the other statistical data, are derived from our audited consolidated financial statements and should be read in conjunction with those consolidated financial statements and the related notes.

	Years Ended November 30,				
	2012	2011	2010	2009	2008
	(dollars in millions, except per share, per ton and currency data)				
Statements of Income Data					
Revenues	$ 15,382	$ 15,793	$ 14,469	$ 13,460	$ 14,947
Operating income	$ 1,642(a)	$ 2,255	$ 2,347	$ 2,154	$ 2,729
Net income	$ 1,298(a)	$ 1,912	$ 1,978	$ 1,790	$ 2,324
Earnings per share					
Basic	$ 1.67	$ 2.43	$ 2.51	$ 2.27	$ 2.96
Diluted	$ 1.67	$ 2.42	$ 2.47	$ 2.24	$ 2.90
Non-GAAP Net Income (b)	$ 1,465	$ 1,911	$ 1,978	$ 1,790	$ 2,324
Non-GAAP earnings per share – diluted (b)	$ 1.88	$ 2.42	$ 2.47	$ 2.24	$ 2.90
Dividends declared per share	$ 1.50(c)	$ 1.00	$ 0.40	$ -	$ 1.60
Statements of Cash Flow Data					
Cash provided by operating activities	$ 2,999	$ 3,766	$ 3,818	$ 3,342	$ 3,391
Cash used in investing activities	$ 1,772(d)	$ 2,646	$ 3,501	$ 3,384	$ 3,255
Capital expenditures	$ 2,332	$ 2,696	$ 3,579	$ 3,380	$ 3,353
Cash used in financing activities	$ 1,190	$ 1,093	$ 404	$ 93	$ 315
Dividends paid	$ 779	$ 671	$ 237	$ 314	$ 1,261
Other Statistical Data					
ALBDs (in thousands)	71,976	69,971	66,545	62,106	58,943
Passengers carried (in thousands)	9,829	9,559	9,147	8,519	8,183
Occupancy percentage	105.5%	106.2%	105.6%	105.5%	105.7%
Fuel consumption (metric tons in thousands)	3,354	3,395	3,319	3,184	3,179
Fuel cost per metric ton consumed	$ 710	$ 646	$ 489	$ 363	$ 558
Currencies					
U.S. dollar to €1	$ 1.28	$ 1.40	$ 1.33	$ 1.39	$ 1.49
U.S. dollar to £1	$ 1.58	$ 1.60	$ 1.55	$ 1.56	$ 1.90
U.S. dollar to Australian dollar	$ 1.03	$ 1.03	$ 0.91	$ 0.77	$ 0.87

	As of November 30,				
	2012	2011	2010	2009	2008
	(dollars in millions)				
Balance Sheet and Other Data					
Total assets	$ 39,161	$ 38,637	$ 37,490	$ 36,835	$ 33,400
Total debt	$ 8,902	$ 9,353	$ 9,364	$ 10,047	$ 9,343
Total shareholders' equity	$ 23,929	$ 23,832	$ 23,031	$ 22,039	$ 19,137
Total debt to capital (e)	27.1%	28.2%	28.9%	31.3%	32.9%

(a) Includes $173 million of impairment charges related to Ibero's goodwill and trademarks.
(b) For a discussion of the reconciliation to U.S. GAAP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."
(c) Includes a special dividend of $0.50 per share.
(d) Net of $508 million of euro-denominated hull and machinery insurance proceeds received for the total loss of a ship.
(e) 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 American Depository Shares ("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 daily high and low stock sales price for the periods indicated on their primary exchange was as follows:

	Carnival Corporation		Carnival plc			
	Per Share		Per Ordinary Share		Per ADS	
	High	Low	High	Low	High	Low
2012						
Fourth Quarter	$ 39.40	$ 34.41	£ 25.76	£ 21.24	$ 40.78	$ 33.82
Third Quarter	$ 35.61	$ 30.65	£ 23.21	£ 20.23	$ 35.99	$ 31.03
Second Quarter	$ 33.23	$ 29.22	£ 21.18	£ 18.31	$ 33.43	$ 28.88
First Quarter	$ 35.23	$ 29.15	£ 23.14	£ 16.00	$ 35.91	$ 28.87
2011						
Fourth Quarter	$ 37.31	$ 28.52	£ 23.78	£ 18.23	$ 38.59	$ 28.85
Third Quarter	$ 38.83	$ 29.07	£ 24.83	£ 16.77	$ 40.06	$ 28.63
Second Quarter	$ 42.58	$ 36.90	£ 27.88	£ 23.42	$ 44.49	$ 38.54
First Quarter	$ 48.11	$ 40.52	£ 32.34	£ 26.04	$ 50.35	$ 41.58

As of January 22, 2013, there were 3,617 holders of record of Carnival Corporation common stock and 35,072 holders of record of Carnival plc ordinary shares and 93 holders of record of Carnival plc ADSs. The past performance of our share 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. If declared, holders of Carnival Corporation common stock and Carnival plc ADSs 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 at the U.S. dollar to sterling exchange rate quoted by the Bank of England in London at 12:00 p.m. on the next combined U.S. and UK business day that follows the quarter end.

The payment and amount of any future dividend is within the discretion of the Boards of Directors. Our dividends were and will be based on a number of factors, including our earnings, liquidity position, financial condition, tone of business, capital requirements, credit ratings and the availability and cost of obtaining new debt. We cannot be certain that Carnival Corporation and Carnival plc will continue their dividend in the future, and if so, the amount and timing of such future dividends are not determinable and may be different than prior declarations.

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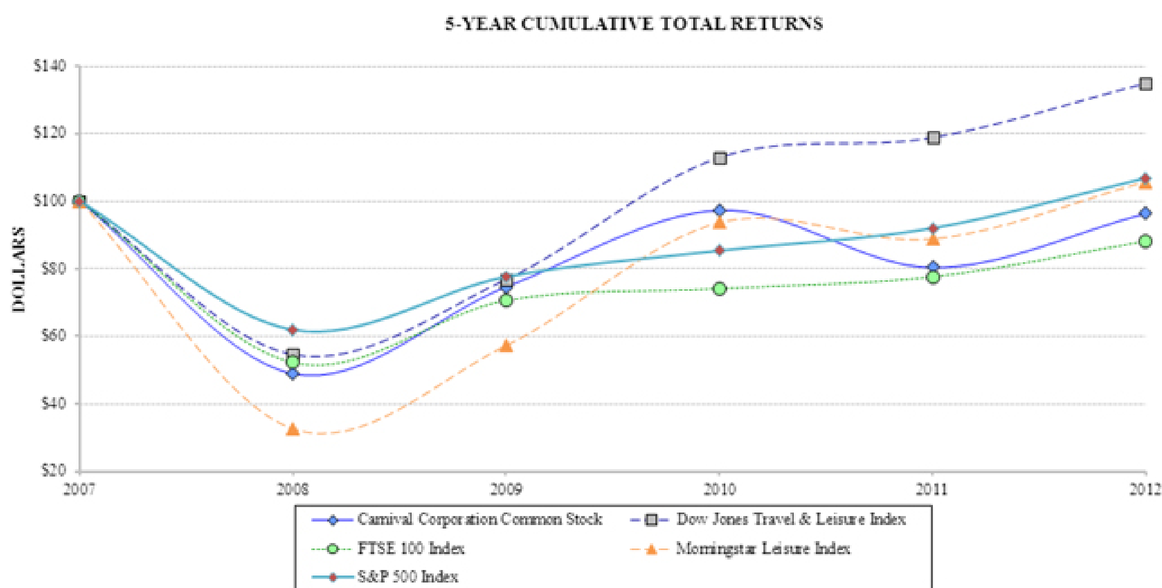
STOCK PERFORMANCE GRAPHS

Carnival Corporation

The following graph compares the Price Performance of $100 if invested in Carnival Corporation common stock with the Price Performance of $100 if invested in each of the Dow Jones U.S. Travel and Leisure Index (the "Dow Jones Travel & Leisure Index"), the FTSE 100 Index, the Morningstar Leisure/Lodging/Resorts and Casinos Blended Index (the "Morningstar Leisure Index") and the S&P 500 Index. The Morningstar Leisure Index was selected for inclusion in the performance graph for 2012 because we believe its components comprise a more appropriate comparison to Carnival Corporation. The Price Performance, as used in the Performance Graph, is calculated by assuming $100 is invested at the beginning of the period in Carnival Corporation common stock at a price equal to the market value. At the end of each year, the total value of the investment is computed by taking the number of shares owned, assuming Carnival Corporation dividends are reinvested on an annual basis, multiplied by the market price of the shares at the end of each year.



	Assumes $100 Invested on November 30, 2007 Assumes Dividends Reinvested Years Ended November 30,					
	2007	2008	2009	2010	2011	2012
Carnival Corporation Common Stock	$ 100	$ 49	$ 75	$ 97	$ 80	$ 96
Dow Jones Travel & Leisure Index	$ 100	$ 55	$ 77	$ 113	$ 119	$ 135
FTSE 100 Index	$ 100	$ 52	$ 71	$ 74	$ 78	$ 88
Morningstar Leisure Index	$ 100	$ 33	$ 57	$ 94	$ 89	$ 106
S&P 500 Index	$ 100	$ 62	$ 78	$ 85	$ 92	$ 107

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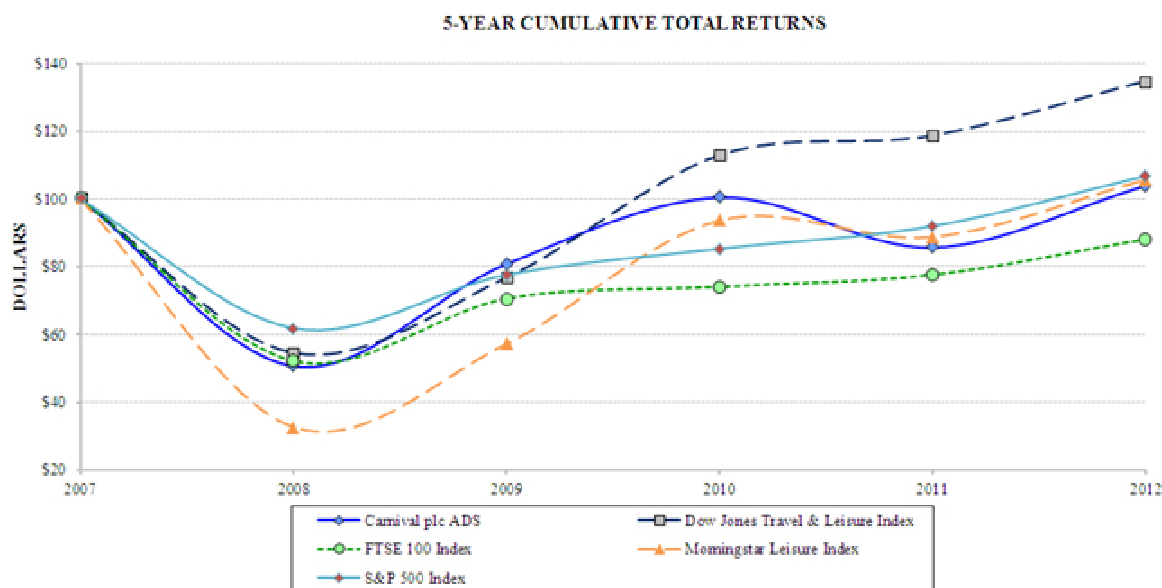
Carnival plc

The following graph compares the Price Performance of $100 invested in Carnival plc ADSs, each representing one ordinary share of Carnival plc, with the Price Performance of $100 invested in each of the indexes noted below. The Price Performance is calculated in the same manner as previously discussed.



	Assumes $100 Invested on November 30, 2007 Assumes Dividends Reinvested Years Ended November 30,											
	2007		2008		2009		2010		2011		2012	
Carnival plc ADS	$	100	$	51	$	81	$	100	$	86	$	104
Dow Jones Travel & Leisure Index	$	100	$	55	$	77	$	113	$	119	$	135
FTSE 100 Index	$	100	$	52	$	71	$	74	$	78	$	88
Morningstar Leisure Index	$	100	$	33	$	57	$	94	$	89	$	106
S&P 500 Index	$	100	$	62	$	78	$	85	$	92	$	107

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Our revenues from the sale of passenger tickets are seasonal. Historically, demand for cruises has been greatest during our third quarter, which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher ticket prices and occupancy levels and, accordingly, the largest share of our operating income is earned during this period. The seasonality of our results also increases due to ships being taken out-of-service for maintenance, which we schedule during non-peak demand periods. In addition, substantially all of Holland America Princess Alaska Tours' revenue and net income is generated from May through September in conjunction with the Alaska cruise season.

Quarterly financial results for 2012 were as follows (in millions, except per share data):

	Quarters Ended			
	February 29	May 31	August 31	November 30
Revenues	$ 3,582	$ 3,538	$ 4,684	$ 3,579
Operating (loss) income	$ (82) (a)	$ 253	$ 1,295	$ 176
Net (loss) income	$ (139) (a)	$ 14	$ 1,330	$ 93
(Loss) earnings per share				
Basic	$ (0.18)	$ 0.02	$ 1.71	$ 0.12
Diluted	$ (0.18)	$ 0.02	$ 1.71	$ 0.12
Non-GAAP net income (a)(b)(c)	$ 13	$ 159	$ 1,194	$ 98
Non-GAAP earnings per share – diluted (c)	$ 0.02	$ 0.20	$ 1.53	$ 0.13
Dividends declared per share	$ 0.25	$ 0.25	$ 0.25	$ 0.75(d)

(a) Includes $173 million of impairment charges related to Ibero's goodwill and trademarks, which is excluded from Non-GAAP net income.
(b) Excludes unrealized gains and (losses) on fuel derivatives, net of $21 million, $(145) million, $136 million and $(5) million for the February, May, August and November quarter-ends, respectively.
(c) For further discussion of the reconciliation to U.S. GAAP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."
(d) Includes a special dividend of $0.50 per share.

Quarterly financial results for 2011 were as follows (in millions, except per share data):

	Quarters Ended			
	February 28	May 31	August 31	November 30
Revenues	$ 3,419	$ 3,620	$ 5,058	$ 3,696
Operating income	$ 235	$ 279	$ 1,433	$ 308
Net income	$ 152	$ 206	$ 1,337	$ 217
Earnings per share				
Basic	$ 0.19	$ 0.26	$ 1.69	$ 0.28
Diluted	$ 0.19	$ 0.26	$ 1.69	$ 0.28
Non-GAAP net income (a)	$ 152	$ 206	$ 1,337	$ 216
Non-GAAP earnings per share – diluted (a)	$ 0.19	$ 0.26	$ 1.69	$ 0.28
Dividends declared per share	$ 0.25	$ 0.25	$ 0.25	$ 0.25

(a) For further discussion of the reconciliation to U.S. GAAP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Exhibit 21

SIGNIFICANT SUBSIDIARIES OF CARNIVAL CORPORATION AND CARNIVAL PLC (1)

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Costa Crociere S.p.A. ("Costa") (2)	Italy
HAL Antillen N.V.	Curacao
Holland America Line N.V. (3)	Curacao
Princess Bermuda Holdings Ltd.	Bermuda
Princess Cruise Lines Ltd. (4)	Bermuda
Sunshine Shipping Corporation Ltd. ("Sunshine") (5)	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 arrangement as discussed in Notes 1 and 3 to the Consolidated Financial Statements in Exhibit 13 to this Form 10-K. We have accounted for the DLC transaction under U.S. GAAP as an acquisition by Carnival Corporation of Carnival plc. Accordingly, we have determined the significant subsidiaries based upon the consolidated results of operations and financial position of Carnival Corporation & plc. All of our cruise brands are 100% owned, except as noted in (2) below.

(2) Subsidiary of Carnival plc (99.97% owned by Carnival plc).

(3) Subsidiary of HAL Antillen N.V.

(4) Subsidiary of Sunshine.

(5) 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 (File Nos. 333-106553, 333-106553-01, 333-179936 and 333-179936-01) of Carnival Corporation and Carnival plc, the Registration Statements on Form S-8 (File Nos. 333-173465, 333-125418, 333-105672, 333-87036, 333-67394, 333-60558, 333-43885 and 33-51195) of Carnival Corporation and the Registration Statements on Form S-8 (File Nos. 333-125418-01, 333-124640, 333-104609, 333-84968, 333-13794 and 333-12742) of Carnival plc, of our report dated January 29, 2013 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in the Annual Report to Shareholders, which is incorporated in this joint Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP
Miami, Florida
January 29, 2013

Exhibit 24

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, David Bernstein 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, 2012 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 on this 16th day of January, 2013.

CARNIVAL CORPORATION

/s/ Sir Jonathon Band
Sir Jonathon Band
Director

/s/ Robert H. Dickinson
Robert H. Dickinson
Director

/s/ Arnold W. Donald
Arnold W. Donald
Director

/s/ Pier Luigi Foschi
Pier Luigi Foschi
Director

/s/ Richard J. Glasier
Richard J. Glasier
Director

/s/ Debra Kelly-Ennis
Debra Kelly-Ennis
Director

/s/ Modesto A. Maidique
Modesto A. Maidique
Director

/s/ Sir John Parker
Sir John Parker
Director

/s/ Peter G. Ratcliffe
Peter G. Ratcliffe
Director

/s/ Stuart Subotnick
Stuart Subotnick
Director

/s/ Laura Weil
Laura Weil
Director

/s/ Randall J. Weisenburger
Randall J. Weisenburger
Director

CARNIVAL PLC

/s/ Sir Jonathon Band
Sir Jonathon Band
Director

/s/ Robert H. Dickinson
Robert H. Dickinson
Director

/s/ Arnold W. Donald
Arnold W. Donald
Director

/s/ Pier Luigi Foschi
Pier Luigi Foschi
Director

/s/ Richard J. Glasier
Richard J. Glasier
Director

/s/ Debra Kelly-Ennis
Debra Kelly-Ennis
Director

/s/ Modesto A. Maidique
Modesto A. Maidique
Director

/s/ Sir John Parker
Sir John Parker
Director

/s/ Peter G. Ratcliffe
Peter G. Ratcliffe
Director

/s/ Stuart Subotnick
Stuart Subotnick
Director

/s/ Laura Weil
Laura Weil
Director

/s/ Randall J. Weisenburger
Randall J. Weisenburger
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: January 29, 2013

By: /s/ Micky Arison
Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

Exhibit 31.2

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: January 29, 2013

By: /s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of
Directors and Chief Operating Officer

Exhibit 31.3

I, David Bernstein, 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: January 29, 2013

By: /s/ David Bernstein
David Bernstein
Senior Vice President
and Chief Financial Officer

Exhibit 31.4

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: January 29, 2013

By: /s/ Micky Arison
Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

Exhibit 31.5

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: January 29, 2013

By: /s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of Directors
and Chief Operating Officer

Exhibit 31.6

I, David Bernstein, 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: January 29, 2013

By: /s/ David Bernstein
David Bernstein
Senior Vice President
and Chief Financial Officer

Exhibit 32.1

In connection with the Annual Report on Form 10-K for the year ended November 30, 2012 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: January 29, 2013

By: /s/ Micky Arison
Micky Arison
Chairman of the Board of Directors and Chief Executive Officer

Exhibit 32.2

In connection with the Annual Report on Form 10-K for the year ended November 30, 2012 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: January 29, 2013

By: /s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of Directors
and Chief Operating Officer

Exhibit 32.3

In connection with the Annual Report on Form 10-K for the year ended November 30, 2012 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: January 29, 2013

By: /s/ David Bernstein
David Bernstein
Senior Vice President
and Chief Financial Officer

Exhibit 32.4

In connection with the Annual Report on Form 10-K for the year ended November 30, 2012 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: January 29, 2013

By: /s/ Micky Arison
Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

Exhibit 32.5

In connection with the Annual Report on Form 10-K for the year ended November 30, 2012 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: January 29, 2013

By: /s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of Directors
and Chief Operating Officer

Exhibit 32.6

In connection with the Annual Report on Form 10-K for the year ended November 30, 2012 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: January 29, 2013

By: /s/ David Bernstein
David Bernstein
Senior Vice President and
Chief Financial Officer