

FORM 10-K
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

(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, 2000

OR

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

For the transition period from _____ to _____
Commission file number 1-9610

CARNIVAL CORPORATION
(Exact name of registrant as specified in its charter)

Republic of Panama
(State or other jurisdiction of
incorporation or organization)

59-1562976
(I.R.S. Employer
Identification No.)

3655 N.W. 87th Avenue, Miami, Florida
(Address of principal executive offices)

33178-2428
(Zip Code)

Registrant's telephone number, including area code (305) 599-2600

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

Title of each class	Name of exchange on which registered
Common Stock (\$0.01 par value)	New York Stock Exchange, Inc.

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

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

Yes No

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

The aggregate market value of the voting stock held by non-affiliates of
the Registrant is approximately \$10,054,000,000 based upon the closing market
price on February 20, 2001 of a share of Common Stock on the New York Stock
Exchange as reported by the Wall Street Journal.

At February 20, 2001, the Registrant had outstanding 584,714,214 shares
of its Common Stock, \$.01 par value.

DOCUMENTS INCORPORATED BY REFERENCE

The information described below and contained in the Registrant's 2000
annual report to shareholders to be furnished to the Commission pursuant to
Rule 14a-3(b) of the Exchange Act is shown in Exhibit 13 and is incorporated
by reference into this Annual Report on Form 10-K.

Part and Item of the Form 10-K

Part II

Item 5(a) and (b). Market for the Registrant's Common Equity and Related
Stockholder Matters - Market Information and Holders

Item 6.	Selected Financial Data
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk
Item 8.	Financial Statements and Supplementary Data

The information described below and contained in the Registrant's 2001 definitive Proxy Statement, to be filed with the Commission is incorporated therein by reference into this Annual Report on Form 10-K.

Part and Item of the Form 10-K

Part III

Item 10.	Directors and Executive Officers of the Registrant
Item 11.	Executive Compensation
Item 12.	Security Ownership of Certain Beneficial Owners and Management
Item 13.	Certain Relationships and Related Transactions

PART I

Item 1. Business

A. General

Carnival Corporation was incorporated under the laws of the Republic of Panama in November 1974. Carnival Corporation, including its consolidated subsidiaries (referred to collectively as the "Company"), is the world's largest multiple-night cruise company based on the number of passengers carried, revenues generated and available capacity. The Company offers a broad range of cruise brands serving the contemporary cruise sector of the vacation market through Carnival Cruise Lines ("Carnival") and Costa, the premium cruise sector through Holland America Line ("Holland America") and the luxury cruise sector through Cunard Line ("Cunard"), Seabourn Cruise Line ("Seabourn") and Windstar Cruises ("Windstar") (collectively the "Wholly Owned Cruise Operations"). The Company also owns a 25% equity interest in Airtours plc ("Airtours"), an integrated leisure travel group of companies which also operates cruise ships which target the contemporary cruise sector under the brand name of Sun Cruises.

A summary of the cruise operations of the Company and Airtours is as follows:

CRUISE BRAND	NUMBER OF SHIPS	PASSENGER CAPACITY(1)	PRIMARY GEOGRAPHIC MARKET
Wholly Owned Cruise Operations:			
Carnival	15	30,020	North America
Holland America	10	13,348	North America
Costa (2)	7	9,200	Europe
Cunard	2	2,458	Worldwide
Seabourn	6	1,614	North America
Windstar	4	756	North America
	44	57,396	
Airtours:			
Sun Cruises	4	4,352	Europe
	48	61,748	

(1) In accordance with cruise industry practice, all passenger capacities indicated within this Annual Report on Form 10-K are calculated based on two passengers per cabin even though some cabins can accommodate three or four passengers.

(2) Since June 1997, the Company has owned 50% of Costa. On September 29, 2000, the Company completed the acquisition of the remaining 50% interest in Costa from Airtours. See Note 3 to the Company's Consolidated Financial Statements in Exhibit 13 to this Annual Report on Form 10-K.

The Company has signed agreements with three shipyards providing for the construction of 16 additional cruise ships. A summary of the Company's ships under contract for construction is as follows:

SHIP	EXPECTED SERVICE DATE(1)	PASSENGER CAPACITY
Carnival:		
Carnival Spirit	4/01	2,124
Carnival Pride	1/02	2,124
Carnival Legend	9/02	2,124
Carnival Conquest	12/02	2,974
Carnival Glory	8/03	2,974
Carnival Miracle	4/04	2,124
Carnival Valor	11/04	2,974
Total Carnival		17,418
Holland America:		
Newbuild	11/02	1,848
Newbuild	8/03	1,848
Newbuild	2/04	1,848
Newbuild	10/04	1,848
Newbuild	6/05	1,848
Total Holland America		9,240
Costa:		
Newbuild	7/03	2,112
Newbuild	1/04	2,720
Newbuild	12/04	2,720
Total Costa		7,552
Cunard:		
Queen Mary 2	12/03	2,620
Total Cunard		2,620
Total		36,830

(1) The expected service date is the date the ship is expected to begin revenue generating activities.

In addition to its cruise operations, the Company operated a tour business, through Holland America Line-Westours Inc. ("Holland America Tours"), which markets sightseeing tours both separately and as a part of its cruise/tour packages. Holland America Tours operated 14 hotels in Alaska and the Canadian Yukon, two luxury dayboats offering tours to the glaciers of Alaska and the Yukon River, over 300 motor coaches used for sightseeing and charters in the states of Washington and Alaska and 13 private domed rail cars which are run on the Alaska Railroad between Anchorage and Fairbanks.

B. Risk Factors

The Risk Factors noted below and elsewhere in this Annual Report on Form 10-K are important factors, among others, that could cause actual results to differ from expected or historic results. It is not possible to predict or identify all such factors. Consequently, the reader should not consider any such list to be a complete statement of all potential risks or uncertainties. See Part I, Item 4. - Special Note Regarding Forward - Looking Statements.

(1) A change of the Company's tax status under the Internal Revenue Code, as amended (the "Code"), may have adverse effects on the Company's income and its shareholders.

Carnival Corporation is a foreign corporation engaged in a trade or business in the United States ("U.S."), and its ship-owning subsidiaries are foreign corporations that, in many cases, depending upon the itineraries of their ships, receive income from sources within the U.S. Management believes, to the best of its knowledge, that, pursuant to Section 883 of the Code, Carnival Corporation's income and the income of its ship-owning subsidiaries, in each case derived from or incidental to the international operation of a ship or ships, is currently exempt from U.S. income tax. Management believes that substantially all of Carnival Corporation's income and the income of its ship-owning subsidiaries (with the exception of the U.S. source income from the transportation, hotel and tour business of Holland America Tours) is derived from or incidental to the international operation of a ship or ships within the meaning of Section 883 of the Code.

Management believes that Carnival Corporation and its ship-owning subsidiaries currently qualify for the Section 883 exemption since it and each of its subsidiaries are incorporated in a qualifying jurisdiction and

Carnival Corporation's Common Stock is primarily and regularly traded on an established securities market in the U.S. To date, however, no final U.S. Treasury regulations or other definitive interpretations of the relevant portions of Section 883 have been promulgated, although regulations have been proposed (see below for a discussion of the proposed regulations under Section 883). Such regulations or official interpretations could differ materially from management's interpretation of this Code provision and, even in the absence of such regulations or official interpretations, the Internal Revenue Service might successfully challenge such interpretation. In addition, the provisions of Section 883 are subject to change at any time by legislation. Moreover, changes could occur in the future with respect to the identity, residence, or holdings of Carnival Corporation's direct or indirect shareholders that could affect it and its subsidiaries' eligibility for the Section 883 exemption. Accordingly, there can be no assurance that Carnival Corporation and its subsidiaries are, and will in the future be, exempt from U.S. income tax on U.S.-source shipping income. If Carnival Corporation and its ship-owning subsidiaries were not entitled to the benefit of Section 883 of the Code, the Company would be subject to U.S. taxation on a portion of its income.

(2) Failure to comply with the proposed tax regulations could have a negative impact on the Company's net income and stock price.

On February 8, 2000, the U.S. Treasury Department issued proposed Treasury Regulations to Section 883 of the Code relating to income derived by foreign corporations from the international operation of ships or aircraft. The proposed regulations provide, in general, that a foreign corporation organized in a qualified foreign country and engaged in the international operation of ships or aircraft shall exclude qualified income from gross income for purposes of U.S. federal income taxation provided that the corporation can satisfy certain ownership requirements, including, among other things, that its stock is publicly traded. A publicly traded corporation will satisfy this requirement if more than 50% of its stock is owned by persons who each own less than 5% of the value of the outstanding shares of the corporation's capital stock. Management believes to its best knowledge, after due investigation, that Carnival Corporation currently qualifies as a publicly traded corporation under these proposed regulations. However, because various members of the Arison family and certain trusts established for their benefit own approximately 47% of Carnival Corporation's Common Stock, there is the potential that another shareholder could acquire 5% or more of its Common Stock which could jeopardize Carnival Corporation's qualification as a publicly traded corporation. If, in the future, Carnival Corporation were to fail to qualify as a publicly traded corporation, it would be subject to U.S. income tax on its income associated with its cruise operations in the U.S. In such event, Carnival Corporation's net income and stock price would be negatively impacted.

As a precautionary matter, Carnival Corporation amended its Second Amended and Restated Articles of Incorporation to ensure that it will continue to qualify as a publicly traded corporation under the proposed regulations. This amendment provides that no one person or group of related persons (other than certain members of the Arison family and certain trusts established for their benefit) may own (or be deemed to own by virtue of the attribution provisions of the Code) more than 4.9% of Carnival Corporation's Common Stock, whether measured by vote, value or number. Shares of Carnival Corporation's Common Stock acquired in violation of this provision will be transferred to a trust and, at the direction of its Board of Directors, sold to a person whose shareholding does not violate such provision of its Second Amended and Restated Articles of Incorporation. These transfer restrictions may also have the effect of delaying or preventing a change in Carnival Corporation's control or other transactions in which the shareholders might receive a premium for their shares of Common Stock over the then prevailing market price or which such shareholders might believe to be otherwise in their best interest.

(3) A group of principal shareholders effectively controls the Company and has the power to cause or prevent a change of control.

A group of shareholders, comprising certain members of the Arison family, including Micky Arison, the Company's chairman and chief executive officer, and trusts established for their benefit, beneficially own a total of approximately 47% of Carnival Corporation's outstanding Common Stock. As a result, this group of shareholders has the power to substantially influence the election of directors and the Company's affairs and policies, without the consent of its other shareholders. In addition, this group has the power to prevent or cause a change in control.

(4) Carnival Corporation is not a U.S. corporation and its 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 Second Amended and Restated Articles of Incorporation and By-Laws and by the corporate laws of Panama. Thus, Carnival Corporation's public shareholders may have more difficulty in protecting their interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction.

(5) Incidents involving cruise ships could adversely affect the cruise industry's and/or the Company's future sales and profitability.

The operation of cruise ships involves the risk of accidents and other incidents which may bring into question passenger safety and adversely affect future industry performance. While the Company makes passenger safety a high priority in the design and operation of its ships, accidents and other incidents involving cruise ships could adversely affect the Company's future sales and profitability.

(6) Environmental and health and safety legislation could increase operating costs.

Some environmental groups have lobbied for more stringent regulation of cruise ships. Some groups also have generated negative publicity about the cruise industry and its environmental impact. The U.S. Environmental Protection Agency is considering new laws and rules to manage cruise ship waste. Stricter environmental and health and safety regulations could increase the cost of compliance and adversely affect the cruise industry.

In addition, the grant of permits to cruise lines to enter Glacier Bay National Park in Alaska is the subject of litigation. See Part I, Item 1. Business, C. Cruise Ship Segment-Wholly Owned Cruise Operations, Governmental Regulations.

(7) Overcapacity within the cruise business could have a negative impact on the Company's net revenue yields.

Cruising capacity has grown in recent years and management expects it to continue to increase over the next five years as all of the major cruise companies are expected to introduce new ships into service. In order to utilize new capacity, the cruise industry must increase its share of the overall vacation market. Any future imbalances between cruise industry supply and demand could have a negative impact on the Company's net revenue yields, which would also have a negative impact on net income.

(8) Demand for cruises and other vacation products may not keep pace with supply and, as a result, the Company's net revenue yields may be adversely affected.

Demand for cruises and other vacation products may be affected by a number of factors. For example, the Company's sales are dependent on the underlying economic strength of the countries in which it operates. Adverse economic conditions can reduce the level of disposable income of consumers available for vacations. In addition, armed conflicts or political instability in areas where the Company's ships cruise can adversely affect demand for its cruises to those areas. Finally, adverse incidents involving cruise ships and adverse media publicity concerning the cruise industry in general can impact demand. Any reduction in demand may have a negative impact on the Company's net revenue yields, which would also have a negative impact on net income.

(9) The Company faces significant competition from both cruise lines and other vacation operators.

The Company operates in the vacation market. The Company competes for consumer disposable leisure-time dollars with both other cruise operators and a wide array of other vacation operators, including numerous land-based resorts and hotels and sightseeing destinations located throughout the world. The primary methods of competition among these operators are on the basis of pricing, product (i.e. the nature of the overall vacation experience), and itineraries/locations. The Company's principal cruise competitors include Royal Caribbean Cruise Ltd., which owns Royal Caribbean International and Celebrity Cruises, P&O Princess Cruises plc, which owns Princess Cruises, P&O Cruises and Aida Cruises, and Norwegian Cruise Line and Orient Lines, which are both owned by Star Cruises plc. In the event that the Company does not compete effectively with other cruise companies and other vacation operators, its market share could decrease and its net revenue yields could be adversely affected.

(10) Higher fuel prices could raise the Company's costs.

The cost of fuel is subject to many economic and political factors which are beyond the Company's control. An increase in fuel prices could

adversely affect the Company's financial statements because the Company may not be able to increase the prices on its cruise vacations to recover any increased costs.

(11) Conducting business internationally may result in increased costs.

The Company operates its business internationally and plans to continue to develop its international presence, especially in Europe. Operating internationally exposes the Company to a number of risks. Examples include currency fluctuations, interest rate movements, increases in duties and taxes, political uncertainty, and changes in laws and policies affecting cruising, vacation or maritime businesses or the governing operations of foreign-based companies. If the Company is unable to address these risks adequately, its financial statements could be adversely affected.

(12) Delays or faults in ship construction could reduce the Company's future profitability.

Cruise ships are large and complicated vessels and building them involves risks similar to those encountered in similar sophisticated construction projects, including delays in delivery and faulty construction. Delays or faults in ship construction may result in delays or cancellations of scheduled cruises, necessitate unscheduled repairs to and drydocking of the ship and increase the Company's shipbuilding costs and/or expenses. Industrial action, insolvency of shipyards or other events could also delay or indefinitely postpone the delivery of new ships. These events, in turn, could, to the extent they are not covered by contractual provisions or insurance, adversely affect the Company's financial results.

(13) Inability of qualified shipyards to build the Company's ships could reduce the Company's future profitability.

Management believes that there are a limited number of shipyards in the world capable of the quality construction of large passenger cruise ships. The Company currently has contracts, with three of these shipyards for the construction of 16 ships to enter service over the next five years (see Part I, Item 1. Business, C. Cruise Ship Segment - Wholly Owned Cruise Operations - Cruise Ship Construction). The Company's primary competitors also have contracts to construct new cruise ships (see Part I, Item 1. Business, C. Cruise Ship Segment - Wholly Owned Cruise Operations - Competition). If the Company elects to build additional ships in the future, which it expects to do, there is no assurance that any of these shipyards will have the available capacity to build additional new ships for the Company at the times desired by the Company or that the shipyards will agree to build additional ships at a cost acceptable to the Company. Additionally, there is no assurance that ships under contract for construction will be delivered. These events, in turn could adversely affect the Company's financial statements.

C. Cruise Ship Segment - Wholly Owned Cruise Operations

The multiple-night cruise industry, which is a small part of the overall vacation market, is a global business. Management estimates that the global cruise industry carried in excess of nine million passengers in 2000. The principal cruise sectors in the world, categorized by source of passengers, are North America, Europe, Asia/Pacific and South America. The Company sources its passengers principally from North America and, to a lesser extent, from Europe. A small percentage of the Company's passengers are sourced from Asia/Pacific and South America. See Note 10, "Segment Information," to the Company's Consolidated Financial Statements in Exhibit 13 to this Annual Report on Form 10-K for additional information regarding the Company's U.S. and foreign assets and revenues.

As previously mentioned, from June 1997 to September 29, 2000, Carnival Corporation owned a 50% direct interest in Costa and, accordingly, Costa was classified by Carnival Corporation as an affiliated cruise operation. Costa's results of operation from June 1997 to September 2000 were included in affiliated operations in the Company's statements of operations. On September 29, 2000, the remaining 50% of Costa was purchased and, therefore, the Company now owns 100% of Costa. At November 30, 2000, Costa's balance sheet has been consolidated with Carnival Corporation and its other wholly owned subsidiaries. Commencing in fiscal 2001, Costa's results of operations will be fully consolidated in the same manner as Carnival Corporation's other wholly owned subsidiaries. Accordingly, reference to the "Company" in this Annual Report on Form 10-K include Carnival Corporation and its consolidated subsidiaries, including Costa, unless Costa is specifically excluded.

North American Cruise Industry

The passenger cruise industry as it exists today began in approximately 1970. Over time, the industry has evolved from a trans-ocean carrier service

into a vacation alternative to land-based resorts and hotels and sightseeing destinations. According to Cruise Lines International Association ("CLIA"), an industry trade group, in 1970 approximately 500,000 North American sourced passengers took cruises of two consecutive nights or more. CLIA estimates that this number reached 6.66 million passengers in 2000, an average compound annual growth rate of 9.0% since 1970. Also, according to CLIA, by the end of 2000 the number of ships in service totaled 164 with an aggregate capacity of approximately 165,000 lower berths. CLIA estimates that the number of passengers sourced from North America increased from 5.89 million in 1999 to 6.66 million in 2000 or 13.1%.

CLIA estimates that the number of North American sourced cruise passengers will grow to approximately 7.4 million in 2001. CLIA projections indicate that by the end of 2001, 2002, 2003 and 2004, North America will be served by 181, 191, 199 and 206 vessels, respectively, having an aggregate capacity of approximately 187,000, 207,000, 226,000 and 241,000 lower berths, respectively. CLIA's estimates of new ship introductions are based on scheduled ship deliveries and could change. The lead-time for design, construction and delivery of a typical large cruise ship is approximately two to three years. Additionally, CLIA's estimates of capacity do not include assumptions related to unannounced ship withdrawals due to age or changes in itineraries and, accordingly, could indicate a higher percentage growth in capacity than will actually occur. Nonetheless, management believes net capacity serving North American sourced cruise passengers will increase over the next several years.

CLIA's estimate of North American sourced cruise passengers and passenger berths is as follows:

YEAR	NORTH AMERICAN CRUISE PASSENGERS(1)	NORTH AMERICAN PASSENGER BERTHS(2)
2000	6,660,000(est.)	165,000
1999	5,890,000	149,000
1998	5,432,000	138,000
1997	5,051,000	118,000
1996	4,659,000	110,000

(1) Source: CLIA estimates based on passengers carried for at least two consecutive nights for the calendar year.

(2) Information presented is as of the end of the year.

In spite of the cruise industry's growth since 1970, management believes cruises only represent approximately 2% of the applicable North American vacation market, defined as persons who travel for leisure purposes on trips of three nights or longer involving an overnight stay in a hotel. CLIA estimates that only 12% of the North American population has ever taken a cruise for at least two consecutive nights.

European Cruise Industry

The cruise industry in Europe is much smaller than the North American industry. Industry-wide European sourced cruise passengers carried in 2000 are estimated to be approximately two million as compared to approximately 6.7 million passengers sourced from North America. From 1990 to 2000, the number of cruise passengers sourced from the European market has been growing faster than its North American counterpart and, based on management's estimates, less than 1% of European travelers took a cruise in 2000. The number of cruise ships being marketed to European customers has increased in 2000 compared to 1999 and, management believes that several additional new or existing ships will be introduced into the European marketplace over the next few years.

Demographics for the European cruise market appear favorable, as Europe has a population larger than that of North America, there is a low level of market penetration by the cruise industry and European consumers tend to take longer vacations. The rate at which European vacationers take a cruise has been growing at a 15% compounded annual growth rate for the period from 1994 through 1999.

Passengers and Berths

The Company's Wholly Owned Cruise Operations, excluding Costa, had worldwide cruise passengers and passenger berths as follows:

YEAR	CRUISE PASSENGERS	PASSENGER BERTHS(1)
2000	2,669,000	48,196
1999	2,366,000	43,810
1998	2,045,000	39,466
1997	1,945,000	31,078
1996	1,764,000	30,837

(1) Information presented is as of the end of the Company's fiscal year and excludes Costa.

The Company's passenger capacity has grown from 30,837 at November 30, 1996 to 48,196 at November 30, 2000, excluding Costa. During 1997 gross capacity increased 1,316 berths due to the delivery of the Rotterdam VI which was offset by the 1,075 berth decrease due to the sale of the Rotterdam V for a total net increase of 241. During 1998, with the delivery of the Elation and the Paradise, the purchase of the Wind Surf, the acquisition of Cunard and the consolidation of Seabourn, capacity increased by 8,388 berths. In 1999 capacity increased by 4,344 berths primarily due to the delivery of the Carnival Triumph and the Volendam. During 2000 gross capacity increased by 4,386 berths, excluding the acquisition of Costa, primarily due to the delivery of the Carnival Victory, the Zaandam and the Amsterdam partially offset by the 1,214 berth decrease due to the sale of the Nieuw Amsterdam. At November 30, 2000, the acquisition of Costa added 9,200 passenger berths to the Company's Wholly Owned Cruise Operations.

Cruise Ships and Itineraries

Carnival primarily serves the contemporary sector of the North American vacation market with 15 ships (the "Carnival Ships"). All of the Carnival Ships were designed by and built for Carnival, including three of the world's largest, the Carnival Victory, the Carnival Triumph and the Carnival Destiny. Twelve of the Carnival Ships operate in the Caribbean during all or a portion of the year and two Carnival Ships call on ports on the Mexican Riviera year round. Carnival Ships also offer cruises to Alaska, Canada, New England, the Hawaiian Islands, the Bahamas and the Panama Canal.

Through its wholly owned subsidiary, HAL Antillen, N.V. ("HAL"), the Company operates ten ships primarily serving the premium sector of the North American vacation market under the Holland America name (the "Holland America Ships"). HAL also operates four sailing ships in a niche of the luxury cruise sector under the Windstar name (the "Windstar Ships").

The Holland America Ships offer premium cruises of various lengths in Alaska, the Caribbean, Panama Canal, Europe, the Hawaiian Islands, South America and other worldwide itineraries. Cruise lengths vary from seven to 99 days, with a large proportion of cruises being seven or ten days in length. Periodically, the Holland America Ships make longer cruises or operate on special itineraries in order to increase travel opportunities for its customers and strengthen its cruise offerings. For example, in 2001, Holland America offered a 99-day world cruise. The majority of the Holland America Ships operate in the Caribbean during fall to spring and in Alaska and Europe during spring to fall. In order to offer a unique destination, to compete more effectively with land based vacation alternatives, and to compete with other cruise lines more effectively while operating in the Caribbean, in December 1997 Holland America introduced into certain of its Caribbean itineraries a private island destination known as Half Moon Cay. Half Moon Cay is a 2,400-acre island owned by Holland America. Facilities were constructed on the island on 45 acres along a crescent-shaped white sand beach. The remainder of the island remains undeveloped. The facilities on Half Moon Cay include bars, shops, restrooms, a post office, a chapel and an ice cream shop, as well as a food pavilion with open-air dining shelters and a bandstand.

The four Windstar Ships currently operate in the Caribbean, Europe and Central America and offer a casual, yet luxurious, cruise experience on board these modern sail ships. These ships primarily serve a niche segment of the luxury sector of the North America vacation market.

Passengers can enjoy their voyage by "Cruising Italian Style" on board any of the seven Costa ships (the "Costa Ships"), which primarily operate in Europe during the spring to fall months and the Caribbean and South America during the fall to spring. Costa is the number one cruise line in Europe based on passengers carried and capacity and its ships primarily serve the contemporary sector of the European vacation market. The Costa Ships call on 73 European ports with 34 different itineraries and to various other ports in

the Caribbean and South America. During 2000, Costa introduced the 2,112 passenger capacity Costa Atlantica which has garnered rave reviews in Europe.

Under the Cunard brand, the Company operates two ships (the "Cunard Ships") which offer classic "Old World" cruising and recreate the golden age of ocean liner travel with a British style and essence primarily serving the luxury sector of the worldwide vacation market. Cunard's flagship, the Queen Elizabeth 2 ("QE2"), offers the only remaining scheduled transatlantic ocean liner service between the U.S. and Great Britain. Both of Cunard's ships offer cruises to worldwide destinations, with many of the cruises ranging between six and 18 days in length. The Cunard ships also offer extended cruises, such as a world cruise.

The six Seabourn ships (the "Seabourn Ships") offer a choice of three distinct styles of luxury cruises aboard intimately sized ships. Seabourn ships primarily serve the luxury sector of the North American vacation market and offer an intense focus on personalized service and quality cuisine. These ships concentrate their operations in the Caribbean and Europe with cruises in the seven to 14 day range. Periodically, the Seabourn Ships make longer cruises or operate on special itineraries and also make extended cruises to various other worldwide destinations, including South America, Australia, the South Pacific and Southeast Asia.

Summary information concerning the Company's ships is as follows.

SHIP	REGISTRY	YEAR BUILT	PAX CAP	APPROXIMATE GROSS REGISTERED TONS
Carnival:				
Carnival Victory	Panama	2000	2,758	102,000
Carnival Triumph	Bahamas	1999	2,758	102,000
Paradise	Panama	1998	2,052	70,000
Elation	Panama	1998	2,052	70,000
Carnival Destiny	Bahamas	1996	2,642	101,000
Inspiration	Bahamas	1996	2,052	70,000
Imagination	Bahamas	1995	2,052	70,000
Fascination	Bahamas	1994	2,052	70,000
Sensation	Bahamas	1993	2,052	70,000
Ecstasy	Panama	1991	2,052	70,000
Fantasy	Panama	1990	2,056	70,000
Celebration	Panama	1987	1,486	47,000
Jubilee	Bahamas	1986	1,486	47,000
Holiday	Bahamas	1985	1,448	46,000
Tropicale (1)	Panama	1982	1,022	37,000
Total Carnival Ships Capacity.....			30,020	
Holland America:				
Zaandam	Netherlands	2000	1,440	63,000
Amsterdam	Netherlands	2000	1,380	62,000
Volendam	Netherlands	1999	1,440	63,000
Rotterdam	Netherlands	1997	1,316	62,000
Veendam	Bahamas	1996	1,266	55,000
Ryndam	Netherlands	1994	1,266	55,000
Maasdam	Netherlands	1993	1,266	55,000
Statendam	Netherlands	1993	1,266	55,000
Westerdam	Netherlands	1986	1,494	54,000
Noordam	Netherlands	1984	1,214	34,000
Total Holland America Ships Capacity.....			13,348	
Costa (1):				
Costa Atlantica	Italy	2000	2,112	86,000
Costa Victoria	Italy	1996	1,928	76,000
Costa Romantica	Italy	1993	1,344	53,000
Costa Allegra	Italy	1992	806	30,000
Costa Classica	Italy	1991	1,302	53,000
Costa Marina	Italy	1990	762	25,500
Costa Riviera	Italy	1963	946	30,400
Total Costa Ships Capacity.....			9,200	
Cunard:				
Caronia	England	1973	668	24,500
QE 2	England	1969	1,790	70,000
Total Cunard Ships Capacity.....			2,458	

Seabourn:				
Seabourn Legend	Norway	1992	208	10,000
Seabourn Spirit	Norway	1989	208	10,000
Seabourn Pride	Norway	1988	208	10,000
Seabourn Sun	Bahamas	1988	758	38,000
Seabourn Goddess II	Bahamas	1985	116	4,250
Seabourn Goddess I	Bahamas	1984	116	4,250
Total Seabourn Ships Capacity.....			1,614	

Windstar Cruises:

Wind Surf	Bahamas	1990	312	14,750
Wind Spirit	Bahamas	1988	148	5,700
Wind Song	Bahamas	1987	148	5,700
Wind Star	Bahamas	1986	148	5,700
Total Windstar Ships Capacity.....			756	

Total Capacity..... 57,396

(1) In February, 2001 the Tropicale was transferred from Carnival to Costa and is scheduled to begin operating in the European market during the summer of 2001, after it undergoes a major refit.

Cruise Ship Construction

The Company has signed agreements with three shipyards providing for the construction of 16 additional cruise ships. A summary of the Company's ships under contract for construction is as follows:

SHIP	EXPECTED SERVICE DATE(1)	SHIPYARD	PAX CAP	APPROXIMATE GROSS REGISTERED TONS	ESTIMATED TOTAL COST(2)
(In millions)					
Carnival					
Carnival Spirit	4/01	Masa-Yards	2,124	88,500	\$ 375
Carnival Pride	1/02	Masa-Yards (3)	2,124	88,500	375
Carnival Legend	9/02	Masa-Yards (3)	2,124	88,500	375
Carnival Conquest	12/02	Fincantieri	2,974	110,000	500
Carnival Glory	8/03	Fincantieri	2,974	110,000	500
Carnival Miracle	4/04	Masa-Yards (3)	2,124	88,500	375
Carnival Valor	11/04	Fincantieri(3)	2,974	110,000	500
Total Carnival Ships			17,418		3,000
Holland America					
Newbuild	11/02	Fincantieri(3)	1,848	84,000	410
Newbuild	8/03	Fincantieri(3)	1,848	84,000	410
Newbuild	2/04	Fincantieri(3)	1,848	84,000	410
Newbuild	10/04	Fincantieri(3)	1,848	84,000	410
Newbuild	6/05	Fincantieri(3)	1,848	84,000	410
Total Holland America Ships			9,240		2,050
Costa					
Newbuild	7/03	Masa-Yards (4)	2,112	86,000	330
Newbuild	1/04	Fincantieri(5)	2,720	101,000	380
Newbuild	12/04	Fincantieri(5)	2,720	101,000	380
Total Costa Ships			7,552		1,090
Cunard					
Queen Mary 2	12/03	Chantiers de l'Atlantique (3)	2,620	150,000	780
Total Cunard			2,620		780
Total			36,830		\$6,920

(1) No assurance can be made that the vessels under construction will be introduced into service by the expected service date.

(2) Estimated total cost of the completed ship includes the contract price with the shipyard, design and engineering fees, capitalized interest, various owner supplied items and construction oversight costs.

(3) These construction contracts are denominated in either German marks, Italian lira or euros and have been fixed into U.S. dollars through the utilization of forward foreign currency contracts.

(4) This construction contract is denominated in German marks which has a fixed exchange rate with Costa's functional currency, which is the Italian lira. The estimated total cost has been translated into U.S. dollars using the November 30, 2000 exchange rate.

(5) These construction contracts are denominated in Italian lira and the

estimated total costs have been translated into U.S. dollars using the November 30, 2000 exchange rate.

Cruise Pricing

Each of the Company's cruise brands publishes brochures with prices for the upcoming seasons. Brochure prices vary by cruise line, by category of cabin, by ship, by season and by itinerary. Brochure prices are regularly discounted through the Company's early booking discount programs and other promotions. The cruise ticket price includes accommodations, meals and most onboard entertainment, such as the use of, or admission to, a wide variety of activities and facilities, including a fully equipped casino, nightclubs, theatrical shows, movies, parties, a discotheque, a health club and swimming pools, on each ship.

Onboard and Other Revenues

The Company derives revenues from certain onboard activities and services including casino gaming, bar sales, gift shop sales, entertainment arcades, shore tours, art auctions, photo sales, spa services and promotional advertising by merchants located in ports of call.

The casinos, which contain slot machines and gaming tables including blackjack, and in most cases craps, roulette and stud poker, are generally open only when the ships are at sea in international waters. The Company also earns revenue from the sale of alcoholic and other beverages. Onboard activities are either performed directly by the Company or by independent concessionaires, from which the Company collects a percentage of revenues.

The Company receives additional revenue from the sale to its passengers of shore tours at each ship's ports of call. They include, among other things, bus and taxi sightseeing and adventure excursions, local boat and beach parties, and nightclub and casino visits. On the Carnival, Costa, Windstar, Cunard and Seabourn Ships, such shore excursions are primarily operated by independent tour operators. On the Holland America Ships, shore excursions are operated by Holland America Tours and independent parties.

In conjunction with its cruise vacations on its ships, all of the Company's cruise brands sell pre-cruise and post-cruise land packages. Carnival packages generally include one, two or three-night vacations at nearby attractions, such as Universal Studios and Walt Disney World in Orlando, Florida, or in proximity to other vacation destinations in Central and South Florida, Galveston, Texas, New Orleans, Louisiana, Los Angeles, California and San Juan, Puerto Rico. Holland America packages outside of Alaska generally include one, two or three-night vacations, including stays in unique European port cities or near attractions in Central and South Florida. Costa's packages generally include one or two-night vacations in well-known European cities or at vacation destinations in central or south Florida. Cunard and Seabourn packages include numerous luxury and/or exotic pre and post-cruise land programs, such as world class golf programs, London and Paris luxury holidays and tours of the Galapagos Islands and the Treasures of Bangkok.

In conjunction with its Alaskan cruise vacations on its Holland America and Carnival Ships, the Company sells pre and post-cruise land packages which are more fully described in Part I, Item 1. Business, D. Tour Segment.

Passengers and Occupancy

The aggregate number of passengers carried and occupancy percentage for the Company's ships, excluding Costa, is as follows:

	YEARS ENDED NOVEMBER 30,		
	2000	1999	1998
Passengers carried	2,669,000	2,366,000	2,045,000
Occupancy percentage (1)(2)	105.4%	104.3%	106.3%

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

(2) The Company acquired a majority interest in Cunard Line Limited on May 28, 1998. Since that date Cunard Line Limited's occupancy percentages have been included in the Company's total occupancy. Cunard Line Limited's ships generally sail with lower occupancy percentages than the Company's other brands.

The actual occupancy percentage for all cruises on the Company's ships, excluding Costa, during each quarter of fiscal 1999 and 2000 was as follows:

QUARTERS ENDED	OCCUPANCY PERCENTAGE
February 28, 1999	100.9
May 31, 1999	99.9
August 31, 1999	112.3
November 30, 1999	103.6
February 29, 2000	103.4
May 31, 2000	102.3
August 31, 2000	112.4
November 30, 2000	103.4

Sales and Marketing

The Company's brands are positioned to appeal to each of the three major sectors of the vacation market (contemporary, premium and luxury). The contemporary sector is served typically by cruises that are seven days or shorter in length, are priced at per diems of \$200 or less, and feature a casual ambiance. The Company believes that the success and growth of the Carnival brand is attributable in large part to its early recognition of these sectors of the vacation market and its efforts to reach and promote the expansion of the contemporary sector. The premium sector typically is served by cruises that last for seven to 14 days or more at per diems of \$250 or higher, and appeal principally to more affluent customers. The luxury sector, which is not as large as the other sectors, is served by cruises with per diems of \$300 or higher.

During 1998, the Company created a marketing association called the "World's Leading Cruise LinesSM" for its family of six cruise brands in order to both educate the consumer about the overall breadth of the Company's cruise brands, as well as to increase the effectiveness and efficiency of marketing the brands. During 2000, the Company launched "VIP", or Vacation Interchange Privileges, a loyalty program that provides special considerations to repeat guests aboard any of these six brands. In addition, the Company partnered with Starwood Preferred guests, the world's leading hotel loyalty program, adding cruising from any of the Company's six brands to the list of award options available to their customers.

The Company's various cruise lines employ over 750 personnel, excluding reservation agents, in the sales and sales support area who, among other things, focus on motivating, training and supporting the retail travel agent community which sells substantially all of the Company's cruises. Travel agents generally receive a standard commission of 10% plus the potential of additional commissions based on sales volume. Commission rates on cruise vacations are usually higher than commission rates earned by travel agents on sales of airline tickets and hotel rooms. Moreover, since cruise vacations are substantially all-inclusive, sales of the Company's cruise vacations generally yield higher commissions to travel agents than commissions earned on selling airline tickets and hotel rooms. During fiscal 2000, no controlled group of travel agencies accounted for more than 10% of the Company's revenues.

Historically, the Company's cruise brands have been marketed primarily in North America. The Company began to globalize its cruise business by expanding into Europe through the acquisition of its interest in Airtours in April 1996, Costa in June 1997 and Cunard in May 1998. In 2000, management positioned the Company to better take advantage of this expanding market segment by acquiring the balance of Costa. This strategic acquisition solidified the Company's ownership of a cruise line that management believes is as recognizable in Southern Europe and South America as Carnival is in North America. The Company intends to leverage Costa's European leadership position by furthering the Company's ship development commitment to the Costa brand. In this way, the Company will expand Europe's largest multiple-night cruise ship fleet, which should continue to position the Company to gain a greater foothold in the growing European cruise business.

Carnival

Carnival believes that its success is due in large part to its unique brand positioning within the vacation industry. Carnival markets the Carnival Ship cruises not only as alternatives to competitors' cruises, but as vacation alternatives to land-based resorts and sightseeing destinations. Carnival seeks to attract passengers from the broad vacation market, including those who have never been on a cruise ship before and who might not

otherwise consider a cruise as a vacation alternative. Carnival's strategy has been to emphasize the cruise experience itself rather than particular destinations, as well as the advantages of a prepaid, all-inclusive vacation package. Carnival markets the Carnival Ship cruises as the "Fun Ships" experience, which includes a wide variety of shipboard activities and entertainment, such as full-scale casinos and nightclubs, an atmosphere of pampered service and high quality food.

As mentioned above, the Company markets the Carnival Ships as the "Fun Ships" and uses, among others, the themes "Carnival's Got the Fun" and "The Most Popular Cruise Line in the World!". Carnival advertises nationally directly to consumers on network and cable television and through extensive print and radio media. Carnival believes its advertising generates interest in cruise vacations generally and results in a higher degree of consumer awareness of the "Fun Ships" concept and the "Carnival" name in particular. During 2000, Carnival re-launched www.carnival.com, Carnival's consumer web site which primarily serves as a marketing and research tool for its current and potential customers.

Substantially all of Carnival's cruise bookings are made through travel agents. In fiscal 2000, Carnival took reservations from about 29,000 of approximately 49,000 travel agency locations known to the Company in the United States and Canada. Travel agents generally receive a standard commission of 10% plus the potential of additional commissions based on sales volume. In addition, Carnival markets and sells its cruises to tour operators and through travel agents located in numerous other countries, including the United Kingdom, Argentina, Germany, Mexico and Venezuela.

Carnival engages in substantial promotional efforts designed to motivate and educate retail travel agents about its "Fun Ships" cruise vacations. Carnival employs approximately 230 business development managers and 50 in-house service representatives to motivate independent travel agents and to promote its cruises as an alternative to land-based vacations or other cruise lines. Carnival believes it has one of the largest sales forces in the industry.

During 2000, Carnival forged new marketing alliances and initiatives that are meant to expand its reach to first-time and existing cruise guests. Carnival partnered with Fairfield Communities, one of the nation's leading vacation ownership operators, to introduce cruising to their customers. In addition, Carnival opened three Carnival Vacation Stores whose primary purpose is to provide Carnival cruise information to potential customers. These Carnival owned and operated stores are kiosks located in major metropolitan shopping centers in Texas.

To facilitate access and to simplify the reservation process, Carnival employs approximately 900 reservation agents primarily to take bookings from independent travel agents. Carnival's fully automated reservation system allows its reservation agents to respond quickly to book staterooms on its ships. Additionally, through Leisure Shopper, Cruise Director or Carnival's internet booking engine, travel agents and consumers have the ability to make reservations through their own computer terminals directly into Carnival's computerized reservations system.

A significant portion of Carnival's cruises are generally booked several months in advance of the sailing date. This lead-time allows Carnival to adjust its prices, if necessary, in relation to demand for available cabins, as indicated by the level of advance bookings. Carnival's SuperSaver fares are designed to encourage potential passengers to book cruise reservations earlier, which helps to more effectively manage overall net revenue yields (net revenue per available berth). Carnival's payment terms require that a passenger pay a deposit of between \$100 to \$300, depending on the cruise duration, to confirm their reservation with the balance due not later than 45 days before the sailing date for three, four and five day cruises and 70 or 75 days before the sailing date for seven-day and longer cruises.

Holland America and Windstar

The Holland America and Windstar Ships cater to the premium and luxury sectors, respectively. Management believes that the hallmarks of the Holland America experience are beautiful ships and gracious, attentive service. Holland America communicates this difference as "A Tradition of Excellence", a reference to its long-standing reputation for "world class" service and cruise itineraries.

Substantially all of Holland America's bookings are made through travel agents. In fiscal 2000, Holland America took reservations from about 23,000 of approximately 49,000 travel agency locations known to the Company in the United States and Canada. In addition, Holland America and Windstar markets and sells its cruises to tour operators and through travel agents located in numerous countries including the United Kingdom and Australia. Travel agents

generally receive a standard commission of 10% plus the potential of additional commissions based on sales volume.

Holland America has focused much of its sales effort at creating an excellent relationship with the travel agency community. This is related to its marketing philosophy that travel agents have a large impact on the consumer vacation selection process and will recommend Holland America more often because of its excellent reputation for service to both consumers and independent travel agents. Holland America solicits continuous feedback from consumers and the independent travel agents making bookings with Holland America to ensure they are receiving excellent service. In 2000, Holland America and Windstar enhanced their web sites at www.hollandamerica.com and www.windstarcruises.com, thus enriching the consumers web-based research experience.

Holland America's marketing communication strategy is primarily composed of newspaper and magazine advertising, large scale brochure distribution, direct mail solicitations to past passengers and others, network and cable television and radio spots. Holland America engages in substantial promotional efforts designed to motivate and educate retail travel agents about its products. Holland America employs approximately 54 field sales representatives, 26 inside sales representatives and 18 sales and service representatives to support the field sales force. To facilitate access to Holland America and to simplify the reservation process for the Holland America Ships, Holland America employs approximately 290 reservation agents primarily to take bookings from travel agents. Additionally, through Leisure Shopper and Cruise Director, travel agents have the ability to make reservations directly into Holland America's reservations system. Holland America's cruises generally are booked several months in advance of the sailing date.

Windstar has its own marketing and reservations staff. Field sales representatives for both Holland America and Carnival also act as field sales representatives for Windstar. Marketing efforts are devoted primarily to i) travel agent support and awareness, ii) direct mail solicitation of past passengers and iii) distribution of brochures. The marketing features the distinctive nature of the graceful, modern sail ships and the distinctive "casually elegant" experience on "intimate itineraries" (apart from the normal cruise experience). Windstar's cruise sector positioning is embodied in the phrase "180 degrees from ordinary".

Costa

Since June 1997, the Company has owned 50% of Costa. On September 29, 2000, the Company completed the acquisition of the remaining 50% interest in Costa from Airtours. See Note 3 "Acquisition," to the Company's Consolidated Financial Statements in Exhibit 13 of this Annual Report on Form 10-K.

Costa is headquartered in Genoa, Italy and is Europe's largest cruise line based on number of passengers carried and available capacity. Costa is primarily targeted to the contemporary sector with a majority of its cruises sold in Europe, primarily in Italy, France, Germany and Spain. Approximately 86% of Costa's revenues are generated by non-U.S. tour operators and travel agents. Costa has sales offices in Argentina, Brazil, England, France, Germany, Italy, Spain, Switzerland and the United States, and employs over 300 personnel in the sales and sales support area, excluding reservation agents. Costa sales offices focus much of their effort at motivating and educating travel agents. These efforts include, among other things, newspaper, television, radio and magazine advertising, direct mail solicitation and brochure distribution. In addition, through the use of the internet, at web sites specifically designed for the country and guest that Costa is targeting, the consumers are educated about cruising and Costa (www.costacruises.com). To facilitate access to Costa and to simplify the reservation process for the Costa Ships, Costa employs approximately 120 reservation agents primarily to take bookings from travel agents.

Management believes that Costa distinguishes itself from other brands by offering a distinctly Italian style of cruising. Costa believes its advertising generates interest in cruise vacations generally and results in a higher degree of awareness to "Cruising Italian Style SM". In addition, Costa is very experienced at providing cruises to guests with different nationalities and languages besides Italian, thereby enabling it to effectively market and sell its cruises throughout Europe, South America and the U.S.

Cunard and Seabourn

The Company owns 100% of Cunard Line Limited, which owns Cunard and Seabourn. Currently eight ships are operated under these two brands.

The Cunard brand currently operates two ships in the luxury cruise sector. Cunard's most visible asset is the QE2. The QE2 is the only active passenger ship of its size built specifically for navigating ocean waters and currently offering transatlantic cruises, and thus enjoys a unique standing among modern passenger ships. Since being acquired by the Company, Cunard has redefined itself as the brand that offers classic "Old World" cruising with a British essence.

The Seabourn brand currently operates six ships, offering ultra-luxury cruising with an intense focus on service and cuisine. It is the exceptionally high level of service which management believes enables Seabourn to be one of the most celebrated cruise lines in the world.

Seabourn and Cunard currently market and sell their products through their sales offices in Miami, England, Germany and Australia. Approximately 44% of Cunard Line Limited's revenues are generated by non-U.S. tour operators and travel agents. Marketing efforts are devoted primarily to i) travel agent support and awareness, ii) direct mail solicitation of past passengers, iii) targeted print media campaigns and brochure distribution and iv) the education of consumers at the Cunard and Seabourn web sites located at www.cunardline.com and www.seabourn.com.

Substantially all of Seabourn's and Cunard's bookings are made through travel agents. In fiscal 2000, Seabourn and Cunard took reservations from about 11,000 of approximately 49,000 travel agency locations known to the Company in the United States and Canada. Travel agents generally receive a standard commission of 10% plus the potential of additional commissions based on sales volume.

Cunard and Seabourn employ approximately 41 field sales representatives, 16 inside sales representatives and 28 sales and service representatives to support its field sales force. They also employ approximately 80 Cruise Sales Consultants primarily to take bookings, substantially all of which come from travel agents.

Seasonality

The Company's revenue from the sale of passenger tickets is moderately seasonally. Historically, demand for cruises has been greatest during the summer months. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - General," in Exhibit 13 of this Annual Report on Form 10-K.

Competition

The Company competes both with other cruise lines and with a wide array of other land-based vacation alternatives for the consumers' disposable leisure time dollars. The Company's cruise lines also compete, in some cases, against each other.

The Company's primary competitors in the contemporary and/or premium cruise sectors for North American sourced passengers are Royal Caribbean Cruises Ltd., which owns Royal Caribbean International and Celebrity Cruises, Princess Cruises, owned by P&O Princess Cruises plc ("P&O"), Norwegian Cruise Line and Orient Lines, both owned by Star Cruises plc, and Disney Cruise Line.

The Company's primary competitors for European sourced passengers are Royal Olympic Cruise Line and its parent, Louis Cruise Line, Festival Cruises, Mediterranean Shipping Cruises and P&O Cruises and Aida Cruises, both owned by P&O.

The Cunard, Seabourn and Windstar ships' compete for passengers primarily from North America and/or Europe and the primary unaffiliated competitors within the luxury cruise sector include Crystal Cruises, Radisson Seven Seas Cruise Line, Renaissance Cruises and Silversea Cruises, as well as the higher priced cabins on certain of the cruise lines which serve the premium sector.

As mentioned above, the Company also competes with land-based vacation alternatives throughout the world including, among others, resorts and hotels located in Las Vegas, Nevada, Orlando, Florida, various Caribbean, Bahamian and Hawaiian Island destination resorts and numerous sightseeing destinations throughout Europe.

See "Risk Factors" for an additional discussion of the Company's competition.

Governmental Regulations

The Company's ships are registered in the Bahamas, England, Italy, Netherlands, Norway or Panama, as more fully described under Part I, Item 1. Business, C. Cruise Ships and Itineraries and, accordingly, are regulated by these jurisdictions and by the International Conventions that these jurisdictions have ratified or adhere to. In addition, the directives and regulations of the European Union are applicable to some aspects of the Company's ship operations.

In addition, the International Maritime Organization (the "IMO"), which operates under the United Nations, has adopted safety standards as part of the "Safety of Life at Sea" ("SOLAS") Convention, generally applicable to all passenger ships carrying 36 or more passengers. Generally, SOLAS establishes vessel design, structural features, materials, construction and life saving equipment requirements to improve passenger safety. The current SOLAS requirements are being phased in through 2010.

In 1993, SOLAS was amended to adopt the "International Safety Management Code" (the "ISM Code"). The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code became mandatory for passenger vessel operators, such as the Company, on July 1, 1998. All of the Company's cruise operations and Airtours' Sun Cruises have obtained the required certificates demonstrating compliance with the ISM Code and are regularly inspected and controlled by the national authorities, as well as the international authorities acting under the provisions of the international agreements related to Port State Control (i.e. the process by which a nation exercises authority over foreign ships when the ships are in the waters subject to its jurisdiction).

The Company's ships that call on United States ports are subject to inspection by the United States Coast Guard for compliance with the SOLAS Convention and by the United States Public Health Service for sanitary standards. The Company's ships are also subject to similar inspections pursuant to the laws and regulations of various other countries its ships call on.

In addition to other regulations, the Company's 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 most cruise line operators to establish financial responsibility for nonperformance of transportation. The FMC's regulations require that a cruise line demonstrate its financial responsibility through a guaranty, escrow arrangement, surety bond, insurance or self-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 addition, other jurisdictions, including the United Kingdom and Germany, require the establishment of financial responsibility for passengers from their jurisdictions.

In connection with a significant portion of its Alaska cruise operations, Holland America relies on concession permits from the National Park Service, which are periodically renewed, to operate its cruise ships in Glacier Bay National Park. There can be no assurance that these permits will continue to be renewed or that regulations relating to the renewal of such permits, including preference rights, will remain unchanged in the future.

On February 23, 2001, a three judge panel of the Ninth U.S. Circuit Court of Appeals overturned a decision of the U.S. District Court for the District of Alaska and ordered the District Court to enjoin a 1996 decision by the National Park Service ("NPS") that had authorized additional cruise ship entry permits for Glacier Bay National Park. The Court of Appeals held that the NPS should have prepared an environmental impact statement prior to increasing the number of permits. As a consequence of the 1996 NPS decision, Holland America had been able to obtain additional entry permits for the 2000-2004 period. Other cruise lines had also received additional entry permits. At this time it is not clear whether the court injunction will affect the 2001 Alaska cruise season since the District Court was given discretion as to whether or not to defer issuing the injunction until after the 2001 season. In addition, the decision can still be appealed by the NPS to the full Ninth Circuit Court of Appeals and/or the U.S. Supreme Court. Holland America will also be clarifying with the NPS as to exactly how many permits may be impacted. However, most Holland America permits will not be withdrawn as a result of this decision since they were in effect prior to the 1996 NPS decision. In addition, attractive alternative destinations in Alaska can be substituted for Glacier Bay. Accordingly, management believes that if any permits are withdrawn, the impact on the Company's financial statements will not be material.

The Company believes it is in compliance with all material regulations applicable to its ships and has all the necessary licenses to conduct its business. From time to time, various other regulatory and legislative changes have been or may be proposed that could have an affect on the cruise industry in general. See "Risk Factors" for a discussion of other regulations which

impact the Company.

Financial Information

For financial information about the Company cruise and affiliated operations segments with respect to each of the three years in the period ended November 30, 2000, see Note 10, "Segment Information," to the Company's Consolidated Financial Statements in Exhibit 13 of this Annual Report on Form 10-K.

D. Tour Segment

In addition to its cruise business, the Company markets sightseeing tours both separately and as a part of cruise/tour packages under the Holland America Tours name. Tour operations are based in Alaska and Washington State. Since a substantial portion of Holland America Tours' business is derived from the sale of tour packages in Alaska during the summer tour season, tour operations are highly seasonal.

Holland America Tours

Holland America Tours is an indirect wholly owned subsidiary of HAL. The group of companies which together comprise the tour operations perform three independent yet interrelated functions. During 2000, as part of an integrated travel program to destinations in Alaska, the tour service group offered 39 different tour programs varying in length from 8 to 21 days. The transportation group and hotel group supports the tour service group by supplying facilities needed to conduct tours. Facilities include dayboats, motor coaches, rail cars and hotels.

Two luxury dayboats perform an important role in the integrated Alaska travel program offering tours to the glaciers of Alaska and the Yukon River. The Yukon Queen II cruises the Yukon River between Dawson City, Yukon Territory and Eagle, Alaska and the Ptarmigan operates on Portage Lake in Alaska. The two dayboats have a combined capacity of 304 passengers.

A fleet of over 300 motor coaches operate in Alaska and Washington. These motor coaches are used for extended trips, city sightseeing tours and charter hire. Additionally, Holland America Tours operates express motor coach service between downtown Seattle and the Seattle-Tacoma International Airport.

Thirteen private domed rail cars, which are called "McKinley Explorers", run on the Alaska Railroad between Anchorage and Fairbanks, stopping at Denali National Park.

In connection with its tour operations, Holland America Tours owns or leases motor coach maintenance shops in Seattle, Washington, and in Juneau, Fairbanks, Anchorage, Skagway and Ketchikan, Alaska. Holland America Tours also owns or leases service offices at Anchorage, Denali Park, Fairbanks, Juneau, Ketchikan and Skagway in Alaska, at Whitehorse in the Yukon Territory, in Seattle, Washington, Vancouver, British Columbia and Victoria, British Columbia.

Westmark Hotels

Holland America Tours owns and/or operated 14 hotels in Alaska and the Canadian Yukon under the name Westmark Hotels. Four of the hotels are located in Canada's Yukon Territory and offer a combined total of 585 rooms. The remaining 10 hotels, located throughout Alaska, provide a total of 1,455 rooms, bringing the total number of hotel rooms to 2,040.

The hotels play an important role in Holland America Tours tour programs during the summer months when they provide accommodations to the tour passengers. The hotels located in the larger metropolitan areas remain open during the entire year, acting during the winter season as centers for local community activities while continuing to accommodate the traveling public. Most of the Westmark hotels include dining, lounge and conference or meeting room facilities. Certain hotels have gift shops and other tourist services on the premises.

Twelve of the hotels are wholly owned by Holland America Tours subsidiaries and Westmark operates two under management agreements.

For the seven hotels that operate year-round, the occupancy percentage for fiscal 2000 was 56.9% (55.4% for fiscal 1999), and for the seven hotels that operate only during the summer months, the occupancy percentage for fiscal 2000 was 70.9% (71.4% for fiscal 1999).

Sales and Marketing

Holland America Tours has its own marketing staff devoted to i) travel agent support and awareness, ii) direct mail solicitation of past customers, iii) use of consumer magazine and newspaper advertising to develop prospects and enhance awareness and iv) distribution of brochures. Additionally, television and radio spots are used to market its tour and cruise packages. The Holland America Tours marketing message leverages the company's 54 years of Alaska tourism leadership and its extensive array of hotel and transportation assets to create a brand preference for Holland America Tours. To the prospective vacationer the company endeavors to convince them that "Holland America Tours is Alaska".

Holland America Tours are marketed both separately and as part of cruise/tour packages. Although most Holland America Tours cruise/tours include a Holland America cruise as the cruise segment, other cruise lines also market Holland America Tours as a part of their cruise/tour packages and sightseeing excursions. Tours sold separately are marketed through independent travel agents and also directly by Holland America Tours, utilizing sales desks in major hotels. General marketing for the hotels is done through various media in Alaska, Canada and the contiguous U.S. Travel agents, particularly in Alaska, are solicited, and displays are used in airports in Seattle, Washington, Portland, Oregon and various Alaskan cities. Room rates at Westmark Hotels are on the upper end of the scale for hotels in Alaska and the Canadian Yukon.

Seasonality

Holland America Tours tour revenues are highly seasonal with a large majority generated during the late spring and summer months in connection with the Alaska cruise season. Holland America Tours are conducted in Washington State and Alaska. The Alaska tours coincide to a great extent with the Alaska cruise season, May through September. Washington tours are conducted year-round although demand is greatest during the summer months. During periods in which tour demand is low Holland America Tours seeks to maximize its motor coach charter activity, such as operating charter tours to ski resorts in Washington.

Competition

Holland America Tours competes with independent tour operators and motor coach charter operators in Washington and Alaska. The primary competitors in Alaska are Princess Tours (with approximately 160 motor coaches and three hotels) and Alaska Sightseeing/Trav-Alaska (with approximately 13 motor coaches) and, commencing in 2001, Royal Caribbean Tours. The primary competitor in Washington is Gazelle (with approximately 15 motor coaches).

Westmark Hotels compete with various hotels throughout Alaska, many of which charge prices below those charged by Westmark Hotels. Dining facilities in the hotels also compete with the many restaurants in the same geographic areas.

Government Regulations

Holland America Tours motor coach operations are subject to regulation both at the federal and state levels, including primarily the U.S. Department of Transportation, the Washington Utilities and Transportation Commission, the British Columbia Motor Carrier Commission and the Alaska Department of Transportation. Certain activities of Holland America Tours involve federal properties and may require concession permits and are subject to regulation by various federal agencies, such as the National Park Service and the U.S. Forest Service.

In connection with the operation of its beverage facilities in the Westmark Hotels, Holland America Tours is required to comply with state, county and/or city ordinances regulating the sale and consumption of alcoholic beverages. Violations of these ordinances could result in fines, suspensions or revocation of such licenses and preclude the sale of any alcoholic beverages by the hotel involved.

In the operation of its hotels, Holland America Tours is required to comply with applicable building and fire codes. Changes in these codes have in the past and may in the future require expenditures to ensure continuing compliance, such as the installation of sprinkler systems.

From time to time, various other regulatory and legislative changes have been or may be proposed that could have an effect on the tour industry in general.

Financial Information

For financial information about the Company's tour segment with respect

to each of the three years in the period ended November 30, 2000, see Note 10, "Segment Information," to the Company's Consolidated Financial Statements in Exhibit 13 of this Annual Report on Form 10-K.

E. Employees

The Company's operations have approximately 5,200 full-time and 2,300 part-time/seasonal employees engaged in shoreside operations. The Company also employs approximately 1,900 officers and 24,000 crew and staff on its 44 ships. Due to the seasonality of its Alaska and Canadian operations, HAL and its subsidiaries increase their work force during the summer months, employing additional full-time and part-time personnel which have been included above. The Company has entered into agreements with unions covering certain employees in its hotel, motorcoach and ship operations. The Company considers its employee and union relations generally to be good.

F. Suppliers

The Company's largest purchases are for airfare, advertising, fuel, food and beverages and hotel and restaurant supplies and products and for ship construction. Although the Company chooses to use a limited number of suppliers for most of its food and beverages, and hotel and restaurant supplies and products, most of these purchases are available from numerous sources at competitive prices. The use of a limited number of suppliers enables the Company to, among other things, obtain volume discounts. The Company purchases fuel from a limited number of sources located at certain of its ports of call (See Management's Discussion and Analysis of Financial Condition and Results of Operations - Exposure to Bunker Fuel Prices in Exhibit 13 to this Annual Report on Form 10-K.). See Part I., Item 1., Business, B. Risk Factors - for a discussion of the limited number of qualified shipyards available to build the Company's future ships.

G. Insurance

The Company maintains insurance covering legal liabilities related to crew, passengers and other third parties on its ships in operation through The Standard Steamship Owners Protection & Indemnity Association Limited (the "SSOPIA") and Steamship Mutual Underwriting Association Ltd. (the "SMUAL") and the United Kingdom Mutual Steamship Assurance Association (Bermuda) Limited (the "UKMSAA"). The amount and terms of this insurance is governed by the rules of the foregoing protection and indemnity associations.

The Company maintains insurance on the hull and machinery of each ship in amounts equal to the approximate market value of each ship. The Company maintains war risk insurance on each ship which includes legal liability to crew and passengers, including terrorist risks for which coverage would be excluded under SSOPIA, SMUAL and UKMSAA. The coverage for hull and machinery and war risks is provided by international markets, including underwriters at Lloyds. The Company, as currently required by the FMC, maintains at all times four \$15 million performance bonds for all of the Company's ships which embark passengers in U.S. ports, to cover passenger ticket liabilities in the event of a canceled or interrupted cruise. The Company also maintains other performance bonds as required by various foreign authorities who regulate certain of the Company's operations in their jurisdictions.

The Company maintains certain levels of self-insurance for the above mentioned risks through the use of substantial deductibles. The Company does not typically carry coverage related to loss of earnings or revenues for its cruise or tour operations.

The Company also maintains various other insurance policies to protect the assets of Holland America Tours and other activities.

H. Investment in Affiliate

Airtours plc

The Company has a 25% interest in Airtours. Airtours is one of the largest air-inclusive integrated leisure travel companies in the world and its common stock is publicly traded on the London Stock Exchange. Airtours primarily provides air inclusive packaged holidays to the United Kingdom, German, Ireland, North American and Scandinavian markets. Airtours provided holidays to approximately 15 million people in fiscal 2000 and owns or operates 2,600 travel shops and 48 telesales centers, 93 hotel and resort properties, four cruise ships and 52 aircraft. The four cruise ships are operated under the Sun Cruises brand. In 1997, Airtours acquired a 50% interest in Costa which it sold to the Company in fiscal 2000. During 2000, Airtours acquired the remaining 64% of its German tour operator, FTI, which it did not already own. In addition, during 2000, Airtours acquired Travel Services International ("TSI"). TSI is a major distributor of leisure travel

products in the U.S. market with leading positions in the distribution of cruise, auto rental, alumni holidays and hotel bookings.

Seasonality

The Company's equity in the earnings of Airtours is recorded on a two-month lag basis using the equity method of accounting. Airtours' revenues are very seasonal due primarily to the nature of the European leisure travel industry. Typically, Airtours' quarters ending June 30 and September 30 experience higher revenues, with revenues in the quarter ending September 30 being their highest.

I. Trademarks

The Company owns numerous trademarks, which it believes are widely recognized throughout the world and have considerable value.

Item 2. Properties

The Company's cruise ships and private island, Half Moon Cay, are described in Section C of Item 1 under the heading Cruise Ship Segment - Cruise Ships and Itineraries. The properties associated with Holland America Tours tour operations are described in Section D of Item 1 under the heading Tour Segment.

Carnival's principal shoreside operations and the Company's corporate headquarters are located at 3655 N.W. 87th Avenue, Miami, Florida. These Company-owned facilities include approximately 456,000 square feet of office space. HAL's principal shoreside operations and its headquarters are located at 300 Elliott Avenue West in Seattle, Washington in approximately 128,000 square feet of leased office space. Costa's principal shoreside operations and its headquarters are located in Genoa, Italy in approximately 125,000 square feet of owned and leased space. Cunard Line Limited's principal shoreside operations and its headquarters are located at 6100 Blue Lagoon Drive in Miami, Florida in approximately 51,000 square feet of leased office space.

The Company's cruise ships, tour properties, shoreside operations and headquarter facilities are well maintained and in good condition.

Item 3. Legal Proceedings

Several actions (collectively the "Passenger Complaints") were filed against Carnival, one action has been filed against Holland America Tours and one action has been filed against Costa on behalf of purported classes of persons who paid port charges to Carnival, Holland America or Costa, alleging that statements made in advertising and promotional materials concerning port charges were false and misleading. The Passenger Complaints allege violations of the various state consumer protection acts and claims of fraud, conversion, breach of fiduciary duties and unjust enrichment. Plaintiffs seek compensatory damages, or alternatively, refunds of portions of port charges paid, attorneys' fees, costs, prejudgment interest, punitive damages and injunctive and declaratory relief. The status of each pending Passenger Complaint is as follows:

In 1996, four Passenger Complaints were filed against Carnival in the Circuit Court for the Eleventh Judicial Circuit in Miami-Dade County, Florida, by Michelle Hackbarth, Larry Katz, Michelle A. Sutton, Pedro Rene Mier, and others, respectively, on behalf of purported nationwide classes. In May 1998, the court consolidated all four actions. On December 21, 2000, Carnival entered into a settlement agreement for the Passenger Complaints filed against it. The settlement has been preliminarily approved by the trial court. Under the settlement agreement, Carnival would issue travel vouchers with a face value of \$25-\$55 to certain of its passengers who sailed between April 19, 1992 and June 4, 1997. The vouchers will also provide class members with a cash redemption option of up to 20% of the face value. Pursuant to the settlement, Carnival will pay the plaintiffs' legal fees, as awarded by the court, up to a specified amount. The notices to class members were mailed by Carnival on February 16, 2001. Class members have until April 10, 2001 to elect out of the class. A final settlement hearing is currently scheduled for May 2001 when it is anticipated that the court will issue final approval of the settlement. Thereafter, assuming the settlement is approved, the vouchers will be mailed.

In April 1996, a Passenger Complaint was filed against Holland America Tours in the Superior court in King County, Washington, by Francine Pickett and others on behalf of a purported nationwide class. In April 1998 Holland America Tours entered into a settlement agreement which was approved by the court. However, one member of the settlement class appealed the agreement.

In August, 2000, the Washington court of appeals refused to approve the settlement that had been reached by Holland America Tours in its Passenger Complaint and instead remanded the case to the trial court. The court of appeals ruled that the trial court had erred in refusing to certify a class.

The court of appeals then reasoned that had the trial court certified a class, the terms of the settlement would likely have been different. The court of appeals also made other rulings that could be adverse to Holland America Tours on remand. Holland America Tours has filed a petition for discretionary review by the Washington Supreme Court, the ultimate outcome of which cannot currently be determined.

In September 1996, a Passenger Complaint was filed against Costa in the Circuit Court for the Eleventh Judicial Circuit in Miami-Dade County, Florida, by Mr. & Mrs. Latman on behalf of a purported nationwide class. These proceedings, including Costa's appeal to the Florida Supreme Court of the Third District Court of Appeals's order to the trial court to certify the class, have been stayed pending the outcome of ongoing settlement negotiations.

In August 1996, Nelsons Travel Associates filed an action against Carnival and Holland America Tours on behalf of purported classes of travel agencies who had booked a cruise with Carnival or Holland America, claiming that advertising practices regarding port charges resulted in an improper commission bypass. This action alleged violations of state consumer protection laws, claims of breach of contract, negligent misrepresentation, unjust enrichment, unlawful business practices and common law fraud, and they seek unspecified compensatory damages (or alternatively, the payment of usual and customary commissions on port charges paid by passengers in excess of certain charges levied by government authorities), an accounting, attorneys' fees and costs, punitive damages and injunctive relief. On December 5, 2000, at the plaintiff's request, the court dismissed this action.

Several actions (collectively the "ADA Complaints") have been filed against Carnival, Holland America Tours, Cunard and Costa alleging that they violated the Americans with Disabilities Act of 1990 by failing to make certain of its cruise ships accessible to individuals with disabilities. The plaintiffs seek injunctive relief to require modifications to certain vessels to increase accessibility to disabled passengers and fees and costs. The California case also seeks statutory damages under California state law, which include punitive damages, attorneys' fees and costs. The status of each pending ADA Complaint is as follows:

On December 17, 1998, an ADA Complaint was filed against Carnival by Access Now, Inc. and Edward S. Resnick in the U.S. District Court for the Southern District of Florida. In January 2001, Carnival reached an agreement in principle with the plaintiffs to settle this action. Pursuant to the agreement, Carnival will make certain modifications to its existing 15 ships with an option to include future ships into the settlement agreement.

On July 27, 1998, an ADA Complaint was filed against Carnival by Bernard Walker and Christina Adams in the U.S. District Court for the Northern District of California. This proceeding concerns only one Carnival ship, the Holiday. The proceedings relating to the California ADA Complaint were consolidated for settlement purposes with the ADA Complaint described in the preceding paragraph. As a result of mediation, Carnival has entered into a settlement agreement with the plaintiffs. Carnival has agreed to certain modifications to the ship, payment of damages to the individual plaintiffs and attorneys' fees. The settlement is subject to certification of the case by the trial court as a class action proceeding and approval by the U.S. Departments of Justice and Transportation. Management believes the estimated total cost of the settlement, including modifications, will not be material to the Company's financial statements.

On August 29, 2000, an ADA Complaint was filed against Cunard by Access Now, Inc. and Edward S. Resnick in the U.S. District Court for the Southern District of Florida. Cunard filed an answer to the complaint on November 10, 2000. Given the settlement reached in the case against Carnival, the plaintiff has agreed to dismiss the ADA Complaint against Cunard without prejudice.

On August 28, 2000, Access Now, Inc. and Edward S. Resnick also filed complaints in the U.S. District Court for the Southern District of Florida against Holland America Tours and Costa. These complaints seek modifications to their vessels to increase accessibility to disabled passengers. These cases have been transferred before the same judge. Holland America Tours and Costa have filed motions to dismiss the action. The court has asked the parties for additional briefs on the issue of whether the Department of Justice and Department of Transportation should also brief the issues raised in the motions to dismiss.

Several actions as previously reported, have been filed against Carnival

and four of its officers by a purported class of persons who purchased the Company's Common Stock between February 25, 1999 and February 16, 2000 alleging that statements made the Company in public filings relating to compliance with applicable safety regulations were in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The complaints also allege violations by the individual defendants as controlling persons under Section 20(a) of the Securities Exchange Act of 1934. In November, 2000, the plaintiffs filed a consolidated amended complaint (the "Stock Purchaser Complaint"). The complaint seeks certification of a class action, an award or unspecified compensatory damages, attorneys' fees and costs and expert fees. On February 5, 2001, Carnival filed a motion to dismiss the Stock Purchaser Complaint.

On August 22, 2000, the Company received a subpoena from a grand jury sitting in the U.S. District Court for the Southern District of Florida. The subpoena requests that the Company produce documents and records concerning environmental matters. The Company continues to respond to the subpoena.

On November 22, 2000, Costa instituted arbitration proceedings in Italy to confirm the validity of its decision not to deliver its ship, the Costa Classica, to the shipyard of Cammell Laird Holdings PLC ("Cammell Laird") under an approximate \$75 million contract for the conversion and lengthening of the ship. Cammell Laird joined the arbitration proceeding on January 9, 2001 to present its counter demands. On January 9, 2001, Costa gave Cammell Laird notice of termination of the contract and Cammell Laird replied with its notice of termination of the contract on February 2, 2001. It is expected that the award of the arbitration tribunal's decision will be made within two years.

On February 23, 2001, Holland America Line, Inc. ("HAL, Inc."), a subsidiary of HAL, received a subpoena from a grand jury sitting in the U.S. District Court for the District of Alaska. The subpoena requests that HAL, Inc. produce documents and records relating to the air emissions from Holland America ships in Alaska. HAL, Inc. intends to respond to the subpoena.

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

None.

Executive Officers of the Registrant

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

The following table sets forth the name, age and title of each executive officer. Titles listed relate to positions within the Company unless otherwise noted.

NAME	AGE	POSITION
Micky Arison	51	Chairman of the Board of Directors and Chief Executive Officer
Gerald R. Cahill	49	Senior Vice President-Finance and Chief Financial Officer
Robert H. Dickinson	58	President and Chief Operating Officer of Carnival and Director
Kenneth D. Dubbin	47	Vice President-Corporate Development
Howard S. Frank	59	Vice Chairman of the Board of Directors and Chief Operating Officer
Ian J. Gaunt	49	Senior Vice President - International
A. Kirk Lanterman	69	Chairman of the Board of Directors, President, and Chief Executive Officer of Holland America Line-Westours Inc. and Director
Lowell Zemnick	57	Vice President and Treasurer

Business Experience of Officers

Micky Arison has been Chief Executive Officer since 1979 and Chairman of the Board of Directors since 1990. He was President from 1979 to May 1993 and has also been a director since June 1987. Prior to 1979, he served Carnival for successive two-year periods as sales agent, reservations manager and as Vice President in charge of passenger traffic.

Gerald R. Cahill has been Senior Vice President-Finance, Chief Financial Officer and Chief Accounting Officer since January 1998. From September 1994 to January 1998 he was Vice President-Finance. He was the Chief Financial Officer from 1988 to 1992 and the Chief Operating Officer from 1992 to 1994 of Safecard Services, Inc. From 1979 to 1988 he held financial positions at Resorts International Inc. and, prior to that, spent six years with PricewaterhouseCoopers LLP.

Robert H. Dickinson has been President and Chief Operating Officer of Carnival since May 1993. From 1979 to May 1993, he was Senior Vice President-Sales and Marketing of Carnival. He has also been a director since June 1987.

Kenneth D. Dubbin has been Vice President-Corporate Development since May 1999. From 1988 to April 1999 he was Vice President and Treasurer of Royal Caribbean Cruises Ltd.

Howard S. Frank has been Vice Chairman of the Board of Directors since October 1993, Chief Operating Officer since January 1998 and a director since 1992. From July 1989 to January 1998 he was Chief Financial Officer and Chief Accounting Officer and from July 1989 to October 1993 he was Senior Vice President-Finance. From July 1975 through June 1989 he was a partner with PricewaterhouseCoopers LLP.

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

A. Kirk Lanterman is a Certified Public Accountant and has been a director since April 1992. He has been Chairman of the Board of Directors, President and Chief Executive Officer of Holland America Line-Westours Inc. ("HALW") since August 1999. From March 1997 to August 1999, he was Chairman of the Board of Directors and Chief Executive Officer of HALW. From December 1989 to March 1997, he was President and Chief Executive Officer of HALW. From 1983 to 1989 he was President and Chief Operating Officer of HALW. From 1979 to 1983, he was President of Westours, Inc. which merged with Holland America Line in 1983.

Lowell Zemnick is a Certified Public Accountant and has been a Vice President since 1980 and Treasurer since September 1990. He was the Chief Financial Officer of Carnival from 1980 to September 1990 and was the Chief Financial Officer of Carnival Corporation from May 1987 through June 1989.

Special Note Regarding Forward-Looking Statements

Certain statements under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and elsewhere in this Annual Report on Form 10-K, in the Company's press releases, and in oral statements and presentations made by or with the approval of an authorized executive officer of the Company constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions which may impact levels of disposable income of consumers passenger revenue yields for the Company's cruise products; consumer demand for cruises, including the effects on consumer demand of armed conflicts, political instability or adverse media publicity; increases in cruise industry capacity; cruise and other vacation industry competition; changes in tax laws and regulations; the ability of the Company to implement its shipbuilding program and to continue to expand its business outside the North American market; changes in foreign currency exchange rates, food and fuel commodity prices and interest rates; delivery of new vessels on schedule and at the contracted price; weather patterns; unscheduled ship repairs and drydocking; incidents involving cruise ships; impact of pending or threatened litigation; the ability of unconsolidated affiliates to successfully implement their business strategies and changes in laws and regulations applicable to the Company.

The Company does not assume the obligation to update any forward-looking statements. One should carefully evaluate such statements in light of factors described in the Company's filings with the Securities and Exchange Commission, especially on Forms 10-K, 10-Q and 8-K, if any. In Item 1. of the Company's Annual Report on Form 10-K for the year ended November 30, 2000 and above, the Company discusses various important factors, among others, that could cause actual results to differ from expected or historic results.

The Company notes these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. One should understand that it is

not possible to predict or identify all such factors. Consequently, the reader should not consider any such list to be a complete statement of all potential risks or uncertainties.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

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 Annual Report on Form 10-K.

B. Holders

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

C. Dividends

Carnival Corporation declared cash dividends on all of its Common Stock in the amount of \$.09 per share in each of the first three quarters of fiscal 1999 and \$.105 for each subsequent quarter through and including the first quarter of fiscal 2001. Payment of future dividends on the Common Stock will depend upon, among other factors, the Company's earnings, financial condition and capital requirements. Carnival Corporation may also declare special dividends to all stockholders in the event that members of the Arison family and certain related entities are required to pay additional income taxes by reason of their ownership of the Common Stock because of an income tax audit of the Company.

The Republic of Panama does not currently have tax treaties with any other country. Under current law management believes that distributions to Carnival Corporation's U.S. shareholders are not subject to taxation under the laws of the Republic of Panama. Dividends paid by Carnival Corporation will be taxable as ordinary income for U.S. federal income tax purposes to the extent of Carnival Corporation's current or accumulated earnings and profits, but generally will not qualify for any dividends-received deduction.

The payment and amount of any dividend is within the discretion of the Board of Directors, and it is possible that the amount of any dividend may vary from the levels discussed above.

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 Annual Report on Form 10-K.

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

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

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The information required by Item 7A, Quantitative and Qualitative Disclosures About Market Risk, is shown in Exhibit 13 and is incorporated by reference into this Annual Report on Form 10-K.

Item 8. Financial Statements and Supplementary Data

The financial statements, together with the report thereon of PricewaterhouseCoopers LLP dated January 26, 2001 and the Selected Quarterly Financial Data (Unaudited), are shown in Exhibit 13 and is incorporated by reference into this Annual Report on Form 10-K.

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

None.

PART III

Items 10, 11, 12 and 13. Directors and Executive Officers of the Registrant, Executive Compensation, Security Ownership of Certain Beneficial Owners and Management, and Certain Relationships and Related Transactions

The information required by Items 10, 11, 12 and 13 is incorporated herein by reference to the Registrant's definitive Proxy Statement to be filed with the Commission not later than 120 days after the close of the fiscal year except that the information concerning the Registrant's executive officers called for by Item 401(b) of Regulation S-K is included in Part I of this Annual Report on Form 10-K.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) (1)(2) Financial Statements and Schedules:

The financial statements shown in Exhibit 13 are hereby incorporated herein by reference.

(3) Exhibits:

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

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the three months ended November 30, 2000.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Miami, and the State of Florida on this 26th day of February, 2001.

CARNIVAL CORPORATION

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

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

/s/ Micky Arison Micky Arison	Chairman of the Board of Directors and Chief Executive Officer	February 26, 2001
/s/ Howard S. Frank Howard S. Frank	Vice Chairman of the Board of Directors and Chief Operating Officer	February 26, 2001
/s/ Gerald R. Cahill Gerald R. Cahill	Senior Vice President-Finance and Chief Financial and Accounting Officer	February 26, 2001
/s/ Shari Arison Shari Arison	Director	February 26, 2001
/s/ Maks L. Birnbach Maks L. Birnbach	Director	February 26, 2001
/s/ Richard G. Capen, Jr. Richard G. Capen, Jr.	Director	February 26, 2001
/s/ Robert H. Dickinson Robert H. Dickinson	Director	February 26, 2001
/s/ Arnold W. Donald Arnold Donald	Director	February 26, 2001

/s/ James M. Dubin James M. Dubin	Director	February 26, 2001
/s/ A. Kirk Lanterman A. Kirk Lanterman	Director	February 26, 2001
/s/ Modesto A. Maidique Modesto A. Maidique	Director	February 26, 2001
/s/ Stuart Subotnick Stuart Subotnick	Director	February 26, 2001
/s/ Sherwood M. Weiser Sherwood M. Weiser	Director	February 26, 2001
/s/ Meshulam Zonis Meshulam Zonis	Director	February 26, 2001
/s/ Uzi Zucker Uzi Zucker	Director	February 26, 2001

INDEX TO EXHIBITS

Page No. in
Sequential
Numbering
System
Exhibits

3.1-Second Amended and Restated Articles of Incorporation of the Company.
(1)

3.2-Amendment to Second Amended and Restated Articles of Incorporation of
the Company. (2)

3.3-Certificate of Amendment of Articles of Incorporation of the Company.
(2a)

3.4-Form of By-laws of the Company.(3)

4.1-Agreement of the Company dated February 26, 2001 to furnish certain
debt instruments to the Securities and Exchange Commission.

4.2-Revolving Credit Agreement dated as of July 1, 1993, Amended and
Restated as of December 17, 1996, by and among Carnival Corporation,
Citibank, N.A. and various other lenders.(4)

4.3-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.(5)

10.1-Retirement and Consulting Agreement dated November 20, 2000 between
Alton Kirk Lanterman, Carnival Corporation and Holland America Line-Westours
Inc.

10.2-Executive Long-term Compensation Agreement dated January 16, 1998
between Robert H. Dickinson and Carnival Corporation. (6)

10.3-1994 Carnival Cruise Lines Key Management Incentive Plan as amended on
July 17, 2000. (7)

10.4-Amended and Restated Carnival Corporation 1992 Stock Option Plan. (8)

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. (9)

10.6-Carnival Corporation "Fun Ship" Nonqualified Savings Plan. (10)

10.7 -Amendments to The Carnival Corporation Nonqualified Retirement Plan
for Highly Compensated. (11)

10.8-Carnival Cruise Lines, Inc. Non-Qualified Retirement Plan.(12)

10.9-1993 Outside Directors' Stock Option Plan as amended on April 6, 1998.
(13)

10.10-Form of Deferred Compensation Agreement between the Company and
Meshulam Zonis.(14)

10.11-Consulting Agreement/Registration Rights Agreement dated June 14,
1991, between the Company and Ted Arison.(15)

- 10.12-First Amendment to Consulting Agreement/Registration Rights Agreement.(16)
- 10.13-Arnold W. Donald Director's Agreement
- 10.14-Meshulam Zonis Director's Agreement
- 10.15-Maks L. Birnbach Director's Agreement.(17)
- 10.16-Stuart Subotnick Director's Agreement.(18)
- 10.17-Sherwood M. Weiser Director's Agreement.(19)
- 10.18-Uzi Zucker Director's Agreement. (20)
- 10.19-James M. Dubin Director's Agreement.(21)
- 10.20-Modesto M. Maidique Director's Agreement.(22)
- 10.21-Richard G. Capen Director's Agreement.(23)
- 10.22-Shari Arison Dorsman Director's Agreement.(24)
- 10.23-Executive Long-term Compensation Agreement dated January 11, 1999, between the Company and Micky Arison. (25)
- 10.24-Executive Long-term Compensation Agreement dated January 11, 1999, between the Company and Howard S. Frank. (26)
- 10.25-HAL Antillen N.V. and subsidiaries Key Management Incentive Plan. (27)
- 10.26-1994 Transaction-Extension Agreement, dated January 18, 2000, between Carnival Corporation, Sherwood Weiser and others. (28)
- 10.27-Amended and Restated 1994 Security and Pledge Agreement, dated January 18, 2000, between Carnival Corporation and Sherwood Weiser. (29)
- 10.28-Security and Pledge Agreement, dated January 18, 2000, between Carnival Corporation and Sherwood Weiser. (30)
- 10.29-Stock Purchase Agreement, dated January 18, 2000, between Carnival Corporation, Sherwood Weiser and others. (31)
- 10.30-Carnival Corporation Supplemental Executive Retirement Plan. (32)
- 10.31 Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.
- 10.32- Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan. (33)
- 10.33- Amendment to the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.
- 10.34- Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan.
- 10.35- Retirement Agreement between the Company and Meshulam Zonis.
- 12.0-Ratio of Earnings to Fixed Charges.
- 13.0-Portions of 2000 Annual Report incorporated by reference into 2000 Annual Report on Form 10-K.
- 21-Subsidiaries of the Company.
- 23.0-Consent of PricewaterhouseCoopers LLP.

Sequential
Numbering
System
Exhibits

(1)Incorporated by reference to Exhibit No. 3 to the registrant's registration statement on Form S-3 (File No. 333-68999), filed with the Securities and Exchange Commission.

(2) Incorporated by reference to Exhibit 3.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended May 31, 1999 (Commission File No.

1-9610), filed with the Securities and Exchange Commission.

(2a) Incorporated by reference to Exhibit 3.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended May 31, 2000 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(3) Incorporated by reference to Exhibit No. 3.2 to the registrant's registration statement on Form S-1 (File No. 33-14844), filed with the Securities and Exchange Commission.

(4) Incorporated by reference to Exhibit No. 4.1 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1996 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(5) Incorporated by reference to Exhibit No. 4 to the registrant's registration statement on Form S-3 (File No. 33-53136), filed with the Securities and Exchange Commission.

(6) Incorporated by reference to Exhibit No. 10.2 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1997 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(7) Incorporated by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended August 31, 2000 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(8) Incorporated by reference to Exhibit No. 10.4 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1997 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(9) Incorporated by reference to Exhibit No. 10.5 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1998 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(10) Incorporated by reference to Exhibit No. 10.6 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1997 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(11) Incorporated by reference to Exhibit No. 10.7 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1997 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(12) Incorporated by reference to Exhibit No. 10.4 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1990 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(13) Incorporated by reference to Exhibit 10.5 to the registrant's Quarterly Report on Form 10-Q for the quarter ended May 31, 1999 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(14) Incorporated by reference to Exhibit No. 10.17 to the registrant's registration statement on Form S-1 (File No. 33-14844), filed with the Securities and Exchange Commission.

(15) Incorporated by reference to Exhibit No. 4.3 to post-effective amendment no. 1 on Form S-3 to the registrant's registration statement on Form S-1 (File No. 33-24747), filed with the Securities and Exchange Commission.

(16) Incorporated by reference to Exhibit No. 10.40 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1992 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(17) Incorporated by reference to Exhibit No. 28.1 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1990 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(18) Incorporated by reference to Exhibit No. 28.3 to the registrant's registration statement on Form S-1 (File No. 33-14844), filed with the Securities and Exchange Commission.

(19) Incorporated by reference to Exhibit No. 28.4 to the registrant's registration statement on Form S-1 (File No. 33-14844), filed with the Securities and Exchange Commission.

(20) Incorporated by reference to Exhibit No. 28.5 to the registrant's registration statement on Form S-1 (File No. 33-14844), filed with the Securities and Exchange Commission.

(21) Incorporated by reference to Exhibit No. 10.5 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1996 (Commission

File No. 1-9610), filed with the Securities and Exchange Commission.

(22) Incorporated by reference to Exhibit No. 10.6 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1996 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(23) Incorporated by reference to Exhibit No. 10.7 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1996 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(24) Incorporated by reference to Exhibit No. 10.8 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1996 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(25) Incorporated by reference to Exhibit No. 10.36 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1998 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(26) Incorporated by reference to Exhibit No. 10.37 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1998 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(27) Incorporated by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended February 28, 1999 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(28) Incorporated by reference to Exhibit No. 10.28 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1999 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(29) Incorporated by reference to Exhibit No. 10.29 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1999 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(30) Incorporated by reference to Exhibit No. 10.30 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1999 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(31) Incorporated by reference to Exhibit No. 10.31 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1999 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(32) Incorporated by reference to Exhibit No. 10.32 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1999 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

(33) Incorporated by reference to Exhibit No. 10.33 to the registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1999 (Commission File No. 1-9610), filed with the Securities and Exchange Commission.

February 26, 2001

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

RE: Carnival Corporation
Commission File No. 1-9610

Gentlemen:

Pursuant to Item 601 (b) (4) (iii) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended, Carnival Corporation (the "Company") hereby agrees 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 Annual Report on Form 10-K of the Company for its fiscal year ended November 30, 2000.

Very truly yours,

CARNIVAL CORPORATION

/s/ Arnaldo Perez

Arnaldo Perez
General Counsel

Retirement and Consulting Agreement

AGREEMENT made this 20th day of November, 2000 between CARNIVAL CORPORATION, having its principal place of business at 3655 Northwest 87th Avenue, Miami, Florida 33178, and its wholly owned subsidiary, Holland America Line - Westours, Inc., having its principal place of business at 300 Elliott Avenue West, Seattle, Washington 98119 (collectively, the "Companies") and Alton Kirk Lanterman, ("Lanterman"), residing at 714 West Galer Street, Seattle, Washington, 98119.

RECITALS:

A. Lanterman has served as Chairman or President and Chief Executive Officer of Holland America Line-Westours Inc. ("HAL") since January 1989 and has performed exemplary service during said years.

B. The Companies desire to compensate Lanterman for such exemplary service by way of retirement pay.

C. The Companies desire to retain Lanterman's consulting services following such retirement on the terms set forth in this Agreement.

IN CONSIDERATION of past services as related above and the consulting services related below, it is agreed as follows:

1. Compensation For Past Services and Consulting Services

1.1 For a period of (15) years following the date of retirement by Lanterman from active services with the Companies (the "Retirement Date"), the Companies shall pay to Lanterman, in monthly installments of \$130,414, an annual compensation of \$1,564,968.

1.2 In the event of Lanterman's death prior to the Retirement Date, or prior to the fifteenth anniversary of the Retirement Date, the unpaid balance of this total compensation (\$23,474,520) shall be paid in full to Lanterman's estate within 30 days of his death. The unpaid balance shall be its then present value calculated by utilization of an interest rate of 8.5% per year.

2. Consulting Services

Commencing on the Retirement Date and for a period of fifteen (15) years, Lanterman agrees to perform consulting services for the Companies in regard to the business operations of HAL upon the specific written request of the Companies. Such services shall be provided during normal business hours, on such dates, for such time and at such locations as shall be agreeable to Lanterman. Such services shall not require more than five (5) hours in any calendar month, unless expressly consented to by Lanterman, whose consent may be withheld for any reason, whatsoever. The Companies will reimburse Lanterman for any out-of-pocket expenses incurred by him in the performance of said services.

3. Independent Contractor

Lanterman acknowledges that commencing on the Retirement Date, he will be solely an independent contractor and consultant. He further acknowledges that he will not consider himself to be an employee of the Companies and will not be entitled to any employment rights or benefits of the Companies.

4. Confidentiality

Lanterman will keep in strictest confidence, both during the term of this Agreement and subsequent to termination of this Agreement, and will not during the term of this Agreement or thereafter disclose or divulge to any person, firm or corporation, or use directly or indirectly, for his own benefit or the benefit of others, any confidential information of the Companies, including, without limitation, any trade secrets respecting the business or affairs of the Companies which he may acquire or develop in connection with or as a result of the performance of his services hereunder.

In the event of an actual or threatened breach by Lanterman of the provisions of this paragraph, the Companies shall be entitled to injunctive relief restraining Lanterman from the breach or threatened breach as its sole remedy. The Companies hereby waive their rights for damages, whether consequential or otherwise.

5. Enforceable

The provisions of this Agreement shall be enforceable notwithstanding the existence of any claim or cause of action of Lanterman against the

Companies, or the Companies against Lanterman, whether predicated on this Agreement or otherwise.

6. Applicable Law

This Agreement shall be construed in accordance with the laws of the State of Washington, and venue for any litigation concerning an alleged breach of this Agreement shall be in King County, Washington, and the prevailing party shall be entitled to reasonable attorney's fees and costs incurred.

7. Entire Agreement

This Agreement contains the entire agreement of the parties relating to the subject matter hereof. A similar agreement of November 1999 shall become null and void upon the execution of this Agreement. Any notice to be given under this Agreement shall be sufficient if it is in writing and is sent by certified or registered mail to Lanterman or to the Companies to the attention of the President, or otherwise as directed by the Companies, from time to time, at the addresses as they appear in the opening paragraph of this Agreement.

8. Waiver

The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

IN WITNESS WHEREOF, the Companies and Lanterman have duly executed this agreement as of the day and year first above written.

CARNIVAL CORPORATION

By: /s/ Howard S. Frank
Its: Vice Chairman

HOLLAND AMERICA LINE-WESTOURS
INC.

By: /s/ Larry Calkins
Its: V.P. - Finance

/s/ Alton Kirk Lanterman
Signature

Alton Kirk Lanterman
Print Full Name

INDEMNIFICATION AGREEMENT

INDEMNIFICATION AGREEMENT, dated as of the 8th day of January, 2001, between Carnival Corporation, a Panamanian corporation (the "Company"), and Arnold W. Donald (the "Director").

The Company, in order to induce the Director to serve the Company's board of directors, wishes to indemnify the Director against certain expenses and liabilities.

Accordingly, the parties agree as follows:

In the event that the Director is made a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was director of the Company, the Company shall indemnify the Director against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding to the fullest extent and in the manner set forth in and permitted by the General Corporation Law of the Republic of Panama and any other applicable law, as from time to time in effect. Such right of indemnification shall not be deemed exclusive of any other rights to which such director or officer may be entitled apart from the foregoing provisions.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed by a duly authorized officer, as of the date first above written.

CARNIVAL CORPORATION

By: /s/Howard S. Frank
Howard S. Frank, Vice Chairman
and Chief Operating Officer

By: /s/Arnold W. Donald
Arnold W. Donald

INDEMNIFICATION AGREEMENT

INDEMNIFICATION AGREEMENT, dated as of the 8th day of January, 2001, between Carnival Corporation, a Panamanian corporation (the "Company"), and Meshulam Zonis (the "Director").

The Company, in order to induce the Director to serve the Company's board of directors, wishes to indemnify the Director against certain expenses and liabilities.

Accordingly, the parties agree as follows:

In the event that the Director is made a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was director of the Company, the Company shall indemnify the Director against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding to the fullest extent and in the manner set forth in and permitted by the General Corporation Law of the Republic of Panama and any other applicable law, as from time to time in effect. Such right of indemnification shall not be deemed exclusive of any other rights to which such director or officer may be entitled apart from the foregoing provisions.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed by a duly authorized officer, as of the date first above written.

CARNIVAL CORPORATION

By: /s/ Howard S. Frank
Howard S. Frank, Vice Chairman
and Chief Operating Officer

By: /s/ Meshulam Zonis
Meshulam Zonis

AMENDMENT TO
THE CARNIVAL CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

The Carnival Corporation Supplemental Executive Retirement Plan (the "Plan") is hereby amended, effective January 1, 2001, as follows:

(1) Section 5.1.A of the Plan is amended to read as follows:

5.1 Payment of Benefit. Subject to the approval of the Company, each Participant shall elect the form and timing of their distribution.

A. Form of Payment Except as provided in Section 3.2, a Participant or his or her Beneficiary may elect that the payment of Benefits to which a Participant or his or her Beneficiary shall be entitled under this Plan shall be made in the following forms:

1. Life with 5-Year Certain Benefit -- an annuity for the life of the Participant, but if the Participant dies within 5 years of the date distribution of Benefits began, the annuity is payable to the Participant's Beneficiary for the remainder of that 5-year period;
2. Life with 10-Year Certain Benefit -- an annuity for the life of the Participant, but if the Participant dies within 10 years of the date distribution of Benefits began, the annuity is payable to the Participant's Beneficiary for the remainder of that 10-year period;
3. Qualified Joint and Survivor Annuity -- an annuity for the life of the Participant with a survivor annuity for the life of the Participant's spouse, where the survivor annuity is either 50% or 100% of the amount payable during the joint lives of the Participant and the Participant's spouse;
4. Single cash distribution of the full amount payable - the actuarial equivalent present value of the Participant's Vested Interest payable at his Normal Retirement Date.

The value of such Benefit shall be determined using the same actuarial factors as provided for in the Retirement Plan.

A Participant may elect that payment of Benefit shall be made in one of the aforementioned forms or may elect that a portion of his Benefit be paid in one form and the remaining portion of his Benefit be paid in another.

(2) Section 5.1.B of the Plan is amended to read as follows:

B. Timing of Payment: The Participant's election shall indicate that payment shall be made (in the case of a lump sum election) or shall commence (in the case of an installment election):

1. as soon as administratively practicable following the Participant's Termination of Employment;
2. as soon as administratively practicable following the calendar year of the Participant's Termination of Employment;
3. in the month following the earlier of (A) the Participant's attainment of age 55 and 15 Years of Service, or (B) the Participant's attainment of age 65; or
4. in a specific month and year.

If a Participant has elected two forms of payment under Section 5.1A, the Participant may separately elect the timing of payment of each of those forms under this Section 5.1B.

Notwithstanding the foregoing, if a Participant elects his distribution to be made or commenced in accordance with paragraph (3) above, and such date falls before the Participant's Termination of Employment, the Participant's distribution shall be made or commenced in accordance with paragraph (1) above. Notwithstanding the foregoing, subject to the approval of the Company, a Participant may change his form and timing election

applicable to his benefit, provided that such request to change is made at least twelve (12) consecutive months prior to the date on which such distribution would have otherwise been made on or commenced. If a Participant dies before commencement of distribution of Participant's Benefits under the Plan, such Benefits shall be paid in a lump sum to the Participant's Beneficiary, using the same actuarial assumptions as in the Retirement Plan. If a Participant dies after commencement of distribution of his or her Benefits under the Plan, the Participant's Benefits shall be paid to the Participant's Beneficiary in accordance with the Participant's election.

AMENDMENT TO
THE CARNIVAL CORPORATION NONQUALIFIED RETIREMENT PLAN
FOR HIGHLY COMPENSATED EMPLOYEES

The Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees (the "Plan") is hereby amended, effective December 1, 2000, as follows:

(1) Section 2.1 of the Plan is amended to read as follows:

2.1 Participation - the Retirement Committee will determine which Employees are Eligible Employees. In any event, no Employee shall be an Eligible Employee prior to satisfying one Year of Service and attainment of age 21. Eligible Employees shall enter the Plan on the January 1 or July 1 closest to satisfaction of the one Year of Service and age requirements. Notwithstanding the foregoing, effective January 1, 1998, for purposes of Articles 2 and 3 and for determining a Participant's Benefit Accrual Years of Service and Vesting Years of Service, no individual who elected to participate in The "Fun ShipSM" Nonqualified Savings Plan shall continue active participation in the Plan.

(2) Section 7.1 of the Plan is amended to read as follows:

7.1 Preretirement Death Benefit.

(a) Upon the death of a Participant who (i) has a Vested Interest, (ii) has not yet had an Annuity Starting Date and (iii) is survived by a spouse (with whom he has been married for at least twelve months), the Participant's spouse shall be entitled to receive a Preretirement Death Benefit as defined under Section 7.2(a).

(b) Upon the death of a Participant who (i) has a Vested Interest, (ii) has not yet had an Annuity Starting Date, and (iii) is not survived by a spouse (with whom he has been married for at least twelve months), the Participant's Beneficiary shall be entitled to receive a Preretirement Death Benefit as defined under Section 7.2(b).

(3) Section 7.2 of the Plan is amended to read as follows:

7.2 Form of Preretirement Death Benefit.

(a) Subject to the following sentences, the Participant's Preretirement Death Benefit under Section 7.1(a) shall be paid to the Participant's spouse in accordance with the Participant's most recent distribution election under Section 6.1, or if no such election is in place, then in the form of an Qualified Preretirement Survivor Annuity. If the Actuarial Equivalent present value of the Participant's Preretirement Death Benefit as of the Annuity Starting Date exceeds the amount defined in Section 6.2 (the "Minimum Amount"), the Participant's spouse may elect (during the period beginning on the day the Participant dies and ending on the day distribution of benefits commences) to receive a Preretirement Death Benefit which is the Actuarial Equivalent of the full amount otherwise payable as a Qualified Preretirement Survivor Annuity in the form of a single cash distribution. If the Actuarial Equivalent present value of a Participant's Qualified Preretirement Survivor Annuity as of the Annuity Starting Date does not exceed the Minimum Amount, the method of distribution to the Participant's spouse of the Preretirement Death Benefit shall be as a single cash distribution which is the Actuarial Equivalent of the full amount payable.

(b) Single Participant Death Benefit. A Participant's Preretirement Death Benefit under Section 7.1(b) shall be paid to his Beneficiary in accordance with the Participant's most recent distribution election under Section 6.1, or if no such election is in place, in the form of single cash distribution. The single cash distribution shall be equal to the Actuarial Equivalent present value of fifty percent (50%) of a Life with 5-Year Certain Benefit payable at the Participant's Normal Retirement Date.

(4) Section 7.3 of the Plan is amended to read as follows:

7.3 Timing of Distribution; Annuity Starting Date. Notwithstanding the remainder of this Section 7.3, no distributions shall be made to the Participant's spouse prior to January 1, 1994.

(a) Distribution of a Participant's Preretirement Death Benefit under Section 7.1(a) shall commence as of the Annuity Starting Date of the Participant's spouse. The Annuity Starting Date of the Participant's spouse shall be the earliest of (a) in the case of a Participant who dies on or after his Early Retirement Date, the first day of the month coincident with or next following the Participant's death, (b) in the case of a Participant who dies after attaining age 55 with less than 15 Vesting Years of Service and the Actuarial Equivalent present value of the Participant's Preretirement Death Benefit exceeds the Minimum Amount, the first day of the month coincident with or next following the Participant's Normal Retirement Date had the Participant lived, (c) in the case of a Participant who dies before attaining age 55 but after earning 15 or more years of Vesting Years of Service and the Actuarial Equivalent present value of the Participant's Preretirement Death Benefit exceeds the Minimum Amount, the first day of the month coincident with or next following the Participant's Early Retirement Date had the Participant lived, (d) in the case of a Participant who dies before attaining age 55 with less than 15 years of service and the Actuarial Equivalent present value of the Participant's Preretirement Death Benefit exceeds the Minimum Amount, the first day of the month coincident with or next following the Participant's Normal Retirement Date had the Participant lived, or (e) in the case of a Participant who dies before his or her Early Retirement Date and the Actuarial Equivalent present value of his or her Preretirement Death Benefit does not exceed the Minimum Amount, the first day of the month coincident with or next following the Participant's death.

(b) Distribution of a Participant's Preretirement Death Benefit under Section 7.1(b) shall be paid to his Beneficiary as soon as administratively practicable following the Participant's death.

AMENDMENT TO
THE CARNIVAL CORPORATION
"FUN SHIPsm" NONQUALIFIED SAVINGS PLAN

The Carnival Corporation "Fun Shipsm" Nonqualified Savings Plan (the "Plan") is hereby amended, effective January 1, 2001, as follows unless otherwise indicated:

Section 3.1 is amended to read as follows:

3.1 Determination of Eligible Employee Status: The Retirement Committee or delegate will determine which Employees are Eligible Employees. An Employee who is determined to be an Eligible Employee shall thereafter become a Participant in accordance with Section 3.2.

Section 3.2 is amended to read as follows:

3.2 Commencement of Participation: Each Eligible Employee shall be provided an opportunity to designate the percentage of his Compensation to be deferred under Section 4.1 and to irrevocably designate the percentage or dollar amount of his annual Bonus to be deferred under Section 4.4 ("Bonus Deferral"). Any such Eligible Employee who makes such a designation shall become a Participant on the first day of the payroll period that coincides with or immediately follows the first day of the calendar quarter subsequent to the Retirement Committee's determination of Eligible Employee status under Section 3.1, provided the Eligible Employee is employed as of such date. Effective January 1, 2001, any such Eligible Employee who makes such a designation shall become a Participant on the first day of the payroll period coincident with or immediately subsequent to the Retirement Committee's determination of Eligible Employee status under Section 3.1, provided the Eligible Employee is employed as of such date. Any such designation must be made in the manner authorized by the Retirement Committee and must be accompanied by:

(a) an authorization for the Eligible Employee's Employer to make regular payroll deductions to cover the amount of such deferrals elected pursuant to Section 4.1;

(b) an irrevocable authorization to defer receipt of a percentage or a dollar amount of future Bonus amounts as elected under Section 4.4.

(c) an investment election with respect to any Employee Deferral Contributions, Bonus Deferrals, Matching Contributions or vested Profit-Sharing Contributions under Section 6.3;

(d) a designation of Beneficiary; and

(e) a designation as to the form and timing of the distribution of the vested portion of his Participant Account.

Notwithstanding the foregoing, an Eligible Employee's failure to designate a contribution percentage or a bonus deferral percentage or bonus deferral amount under the first sentence of this Section 4.2 shall not affect his status as a Participant for purposes of an allocation of a Profit-Sharing Contribution in accordance with the requirements of Section 5.3. However, such an Eligible Employee must make a designation under subsection (c), (d) and (e) above as a condition of becoming a Participant for purposes of Section 5.3 and Article 7.

Further, notwithstanding the foregoing, in advance of the December 1 preceding each Plan Year, the Committee shall designate those Employees who are, or are expected to be, participants in The Carnival Corporation "Fun ShipSM" Savings Plan for such Plan Year and who shall be an Eligible Employee under this Plan solely for purposes of making Bonus Deferrals pursuant to Section 4.4. Any such Eligible Employee shall not be eligible to authorize Employee Deferral Contributions pursuant to Section 4.1 for such Plan Year and shall not be eligible to receive an allocation of any Profit-Sharing Contribution under Section 5.3 for such Plan Year.

Section 4.2 is amended to read as follows:

4.2 Changes in Contributions: Effective January 1, 2001, a Participant may change his contribution percentage election under Section 4.1 at any time by applying to make such change in the manner prescribed by the Committee. Any change in contribution percentage election under this Section 4.2 shall become effective as of the first day of the payroll period coincident with or immediately following the date the Participant applies to make such change.

Section 6.3 is amended to read as follows:

6.3 Establishment of Investment Funds: The Retirement Committee will establish one or more Investment Funds (such as those described in Appendix A) which will be maintained for the purpose of determining the investment return to be credited to each Participant's Account. The Retirement Committee may change the number, identity or composition of the Investment Funds from time to time. Each Participant will indicate the Investment Funds based on which amounts allocated in accordance with Articles 4 and 5 are to be adjusted. Each Participant's Account will be increased or decreased by the net amount of investment earnings or losses that it would have achieved had it actually been invested in the deemed investments. The Company is not required to purchase or hold any of the deemed investments. Investment Fund elections must be made in a minimum of 1% increments and at such times and in such manner as the Retirement Committee will specify. An active or inactive Participant periodically may change his election as to his deemed investments with respect to Employee Deferral Contributions, Bonus Deferrals, Matching Contributions or Profit-Sharing Contributions in such manner as the Retirement Committee may specify (effective October 1, 2000, including telephonic or electronic notice). If a Participant fails to make an Investment Fund election, the amount in the Participant's Account will be deemed to have been invested in a money market fund or any other fund as determined by the Retirement Committee.

RETIREMENT AGREEMENT

THIS RETIREMENT AGREEMENT ("AGREEMENT") entered into as of this 29th day of December, 2000, by and between CARNIVAL CORPORATION, a corporation organized under the laws of the Republic of Panama (hereinafter called the "Corporation"), and MESHULAM ZONIS, residing in the County of Dade, State of Florida (hereinafter called the "Employee").

W I T N E S S E T H :

WHEREAS, the Corporation has derived substantial profits and benefits as a result of the Employee's employment; and

WHEREAS, the Corporation wishes to reward Employee for his full-time employment with the Corporation; and

WHEREAS, the Employee, has previously entered into an "Amended Agreement" with Carnival Cruise Lines, Inc. on July 21, 1987; and

WHEREAS, the Corporation and the Employee desire, by entering into this Agreement to supplement that Amended Agreement as it relates to certain benefits to be provided to Employee on account of his retirement from the Company;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. RESIGNATION. As of December 29, 2000, Employee hereby resigns from his position with the Corporation.

2. STOCK OPTION PLAN. Any options granted to Executive pursuant to the Amended and Restated Carnival Corporation 1992 Stock Option Plan shall become exercisable, in whole or in part, at the time or times provided when originally granted, notwithstanding Employee's termination of employment with the Corporation. Any provision of the 1992 Stock Option Plan providing for a change in the exercisability of options granted to Executive due to termination of employment shall be null and void with respect to such options.

3. MEDICAL INSURANCE. Employee and his spouse shall be eligible for the Corporation's health care program for executive employees as is currently provided, for the remainder of Employee and his spouse's life.

4. AIRLINE AND CRUISE PRIVILEGES. Employee shall have airline and cruise privileges in accordance with the policies and procedures, including appropriate tax treatment, as is currently available to senior executives of the Corporation.

5. CONSULTING SERVICES. Employee shall receive \$54,000 per year for five (5) years after his Resignation for consulting services rendered to the Corporation in his capacity as an independent contractor.

6. DEATH BENEFITS. If the Employee should die, his spouse may exercise any remaining options in accordance with the terms of the 1992 Stock Option Plan. In addition, Employee's spouse will continue to receive health benefits under the Corporation's executive health plan for the remainder of her life.

7. FORFEITURES OF BENEFITS. Notwithstanding anything herein contained to the contrary, all rights under the Agreement of the Employee, his designated beneficiary, personal representatives or any other person to receive payment thereof shall be forfeited if any of the following events shall occur:

A) the Employee shall engage in any conduct or activity which, in the sole opinion of the Corporation, is inimical to the best interests of the Corporation;

B) the Employee shall engage in competition, as more particularly described in paragraph 8 hereof; or

C) after the Employee ceases to be employed by the Corporation, he shall fail or refuse to provide advice and counsel to the Corporation as and when reasonably requested to do so.

8. In consideration of the benefits payable hereunder, the Employee shall not engage in competition with the Corporation, whether as an employee, independent contractor, more than Five Percent (5%) shareholder, partner or joint venturer, whether directly or indirectly, during the period beginning with the Employee's termination of employment and continuing until a date five (5) years after the last date at which Deferred Compensation Benefits are payable under the Amended Agreement, in the cruise line, commercial shipping or other business engaged in at that time by the Corporation, to the extent such competition does or may affect the markets or areas where the Corporation conducts business. The Employee acknowledges that, due to the highly competitive nature of the Corporation's business, even though the Employee should expend substantial time and possess a high degree of skill, the impartation of substantial knowledge from the Corporation to the Employee would render serious and irreparable injury to the Corporation in the event of competition by the Employee in the leisure vacation industry, particularly with regard to the cruise, hotel, resort and gambling areas of said industry. Accordingly, the Employee also acknowledges that cessation of these benefits may not be a sufficient remedy of the Corporation and that the Corporation shall be additionally entitled to immediate injunctive relief to prevent the further competition of the Employee.

9. If the Corporation shall find that the Employee or any other person to whom any benefit is due under this Agreement is unable to care for his

affairs because of illness or accident, any benefit due (unless a prior claim therefore shall have been made by a duly appointed guardian, committee or other legal representative) may be provided to the spouse, a child, a parent or a brother or sister, or to any person deemed by the Corporation to have incurred expenses for the Employee, or such other person otherwise entitled to payment, in such manner and proportions as the Corporation may determine. Any such payment shall be a complete discharge of the liabilities of the Corporation under this Agreement.

10. The Corporation shall have the full power and authority to interpret, construe and administer this Agreement; and the Corporation's interpretations and constructions thereof and actions thereunder, shall be binding and conclusive on all persons for all purposes. No officer or director of the Corporation shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Agreement unless such action or omission is attributable to his own willful misconduct or lack of good faith.

11. Nothing contained herein shall in any way affect or interfere with the right of the Employee to share or participate in any retirement plan of the Corporation or any profit-sharing, bonus or similar plan or benefit described in the Amended Agreement, in which he may be entitled to share or participate as an officer or employee of the Corporation.

12. **RELEASE OF CLAIMS.** In exchange for the benefits described herein, Employee does hereby waive and does hereby release, knowingly and willingly, the Corporation, its subsidiaries, successors and predecessors, its employees, agents, directors and officers, past and present, from any and all claims of any nature whatsoever Employee has arising out of Employee's employment and/or the termination of Employee's employment, known or unknown, including but not limited to any claims Employee may have under federal, state or local employment, labor, contract, tort or anti-discrimination laws, statutes and case law and specifically claims arising under the federal Age Discrimination in Employment Act, the Civil Rights Acts of 1866 and 1964, as amended, the Americans with Disabilities Act, Executive Order 11246, the Employee Retirement Income Security Act, the Family and Medical Leave Act, the Rehabilitation Act of 1973, the Fair Labor Standards Act, the Labor-Management Relations Act, the Equal Pay Act, the Worker Adjustment Retraining and Notification Act, Smokers' Right Law, and any and all other state, local or county ordinances, statutes or regulations including claims for attorneys' fees, provided, however, that this release does not apply to claims for benefits arising out of obligations expressly undertaken in this Agreement and does not apply to claims arising out of any act or omission occurring after the date Employee signs this Agreement.

Employee acknowledges and understands that this paragraph is intended to prevent Employee from making any claims against the Corporation regarding any matter or incident up to the date Employee executes this Agreement. Employee agrees and covenants not to sue and not to bring an action against the Corporation or its future parent corporations, its past, present and future divisions, subsidiaries, affiliates and related companies and their successors and assigns and all past, present and future directors, officers, employees and agents of these entities, personally and as directors, officers, employees and agents, before any court or other forum.

13. This Agreement will cause any prior written or oral commitment or understanding between the Corporation and the Employee pertaining to the benefits described herein to be and become null and void.

14. This Agreement and all interpretations, determinations and administrations shall be made on behalf of the Corporation by its Compensation Committee.

15. This Agreement shall be binding upon and inure to the benefit of the Corporation, its successors and assigns, and the Employee, his heirs, designated beneficiaries and personal representatives.

16. This Agreement shall be construed in accordance with and governed by the laws of the State of Florida.

17. The restrictive covenant contained herein, which prohibits the Employee from engaging in any business in competition with the Corporation, shall survive (a) this Agreement, (b) any Termination of the employment of the Employee, and (c) the dates on which benefits are to be paid to the Employee for a period of five (5) years from and after the later of either the date of Termination or the last payment of benefits hereunder.

18. **ACKNOWLEDGEMENTS AND CERTIFICATIONS**

Employee, acknowledges and certifies that Employee:

- (a) has read and understands all of the terms of this Agreement and does not rely on any representation or statement, written or oral, not set forth in this Agreement;
- (b) recognizes that certain of the benefits described herein may be taxable to him;
- (c) has had a reasonable period of time to consider this Agreement;
- (d) is signing this Agreement knowingly and voluntarily;
- (e) has been advised to consult with an attorney before signing this Agreement;
- (f) has the right to consider the terms of this Agreement for 21 days and if Employee takes fewer than 21 days to review this Agreement, Employee hereby waives any and all

- (g) rights to the balance of the 21-day review period; and has the right to revoke this Agreement within seven days after signing it. If Employee revokes this Agreement during this seven-day period, it becomes null and void in its entirety.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

CARNIVAL CORPORATION

By: /s/ Howard S. Frank
Howard S. Frank

Its: Vice Chairman of the Board of Directors and Chief Operating Officer

Attest: /s/ Irma M. Tharp
(CORPORATE SEAL)

Signed, sealed & delivered
in the presence of:
/s/ Dorothy A. Best
/s/ Carolyn Piper

/s/ Meshulam Zonis
MESHULAM ZONIS ("Employee")

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

	YEARS ENDED NOVEMBER 30,				
	2000	1999	1998	1997	1996
Net Income	\$ 965,458	\$1,027,240	\$835,885	\$666,050	\$566,302
Income tax expense	1,094	2,778	3,815	6,233	9,045
Income before income taxes	966,552	1,030,018	839,700	672,283	575,347
Adjustment to Earnings:					
Minority interest		14,014	11,102		
Income from affiliates in excess of dividends received	(21,362)	(60,671)	(63,059)	(46,569)	(43,224)
Earnings as adjusted	945,190	983,361	787,743	625,714	532,123
Fixed Charges:					
Interest expense	41,372	46,956	57,772	55,898	64,092
Interest portion of rent expense (1)	3,509	3,405	3,480	3,528	3,093
Capitalized interest	41,110	40,908	35,130	16,846	25,799
Total fixed charges	85,991	91,269	96,382	76,272	92,984
Fixed charges not affecting earnings:					
Capitalized interest	(41,110)	(40,908)	(35,130)	(16,846)	(25,799)
Earnings before fixed Charges	\$ 990,071	\$1,033,722	\$848,995	\$685,140	\$599,308
Ratio of earnings to fixed charges	11.5 x	11.3 x	8.8 x	9.0 x	6.4 x

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

CARNIVAL CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except par value)

ASSETS	NOVEMBER 30,	
	2000	1999
Current Assets		
Cash and cash equivalents	\$ 189,282	\$ 521,771
Accounts receivable, net	95,361	62,887
Consumable inventories	100,451	84,019
Prepaid expenses and other	164,388	122,959
Total current assets	549,482	791,636
Property and Equipment, Net	8,001,318	6,410,527
Investments in and Advances to Affiliates	437,391	586,922
Goodwill, less Accumulated Amortization of \$99,670 and \$85,272	701,385	462,340
Other Assets	141,744	34,930
	\$9,831,320	\$8,286,355

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities		
Current portion of long-term debt	\$ 248,219	\$ 206,267
Accounts payable	332,694	195,879
Accrued liabilities	302,585	262,170
Customer deposits	770,425	675,816
Dividends payable	61,371	64,781
Total current liabilities	1,715,294	1,404,913
Long-Term Debt	2,099,077	867,515
Deferred Income and Other Long-Term Liabilities	146,332	82,680
Commitments and Contingencies (Notes 2 and 9)		
Shareholders' Equity		
Common Stock; \$.01 par value; 960,000 shares authorized; 617,568 and 616,966 shares issued	6,176	6,170
Additional paid-in capital	1,772,897	1,757,408
Retained earnings	4,884,023	4,176,498
Unearned stock compensation	(12,283)	(9,945)
Accumulated other comprehensive (loss) income	(75,059)	1,116
Treasury Stock; 33,087 shares at cost	(705,137)	
Total shareholders' equity	5,870,617	5,931,247
	\$9,831,320	\$8,286,355

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

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

	YEARS ENDED NOVEMBER 30,		
	2000	1999	1998
Revenues	\$3,778,542	\$3,497,470	\$3,009,306
Costs and Expenses			
Operating expenses	2,058,342	1,862,636	1,619,377
Selling and administrative	487,403	447,235	369,469
Depreciation and amortization	287,667	243,658	200,668
	2,833,412	2,553,529	2,189,514
Operating Income Before Income From Affiliated Operations	945,130	943,941	819,792
Income From Affiliated Operations, Net	37,828	75,758	76,732
Operating Income	982,958	1,019,699	896,524

Nonoperating Income (Expense)			
Interest income	16,506	41,932	10,257
Interest expense, net of capitalized interest	(41,372)	(46,956)	(57,772)
Other income, net	8,460	29,357	1,793
Income tax expense	(1,094)	(2,778)	(3,815)
Minority interest		(14,014)	(11,102)
	(17,500)	7,541	(60,639)
Net Income	\$ 965,458	\$1,027,240	\$ 835,885
Earnings Per Share:			
Basic	\$1.61	\$1.68	\$1.40
Diluted	\$1.60	\$1.66	\$1.40

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

CARNIVAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	YEARS ENDED NOVEMBER 30,		
	2000	1999	1998
OPERATING ACTIVITIES			
Net income	\$965,458	\$1,027,240	\$835,885
Adjustments to reconcile net income to net cash provided from operating activities:			
Depreciation and amortization	287,667	243,658	200,668
Income from affiliated operations in excess of dividends received	(21,362)	(60,671)	(63,059)
Minority interest		14,014	11,102
Other	(14,689)	4,007	(8,428)
Changes in operating assets and liabilities, excluding businesses acquired and consolidated:			
(Increase) decrease in:			
Receivables	(15,132)	(3,271)	137
Consumable inventories	(8,205)	(8,570)	(3,913)
Prepaid expenses and other	(21,972)	(9,465)	(15,369)
Increase (decrease) in:			
Accounts payable	58,133	27,333	18,758
Accrued liabilities	(5,977)	58,016	42,401
Customer deposits	55,614	37,433	73,658
Net cash provided from operating activities	1,279,535	1,329,724	1,091,840
INVESTING ACTIVITIES			
Additions to property and equipment, net	(1,003,348)	(872,984)	(1,150,413)
Proceeds from sale of assets	51,350		47,028
Acquisition of consolidated subsidiaries, net	(383,640)	(54,715)	(242,868)
Other, net	43,611	17,319	25,200
Net cash used for investing activities	(1,292,027)	(910,380)	(1,321,053)
FINANCING ACTIVITIES			
Proceeds from long-term debt	1,020,091	7,772	1,404,395
Purchase of Treasury Stock	(705,137)		
Principal payments of long-term debt	(388,429)	(564,838)	(1,006,586)
Dividends paid	(254,333)	(219,179)	(178,458)
Proceeds from issuance of Common Stock, net	7,811	741,575	11,399
Other		(176)	(4,253)
Net cash (used for) provided from financing activities	(319,997)	(34,846)	226,497
Net (decrease) increase in cash and cash equivalents	(332,489)	384,498	(2,716)
Cash and cash equivalents at beginning of year	521,771	137,273	139,989
Cash and cash equivalents at end of year	\$ 189,282	\$ 521,771	\$ 137,273

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

CARNIVAL CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)

Compre- hensive income	Additional Common Stock	paid-in- capital	Retained earnings	Unearned stock compen- sation	Accumulated other comprehensive (loss)income	Treasury Stock	Total share- holders' equity
Balances at November 30, 1997, as previously reported							
\$2,972	\$ 866,097	\$2,731,213	\$(2,166)	\$ 6,982			\$3,605,098
Two-for-one stock split effective June 12, 1998							
2,972	(2,972)						
Balances at November 30, 1997, as adjusted							
5,944	863,125	2,731,213	(2,166)	6,982			3,605,098
Comprehensive income:							
Net income \$ 835,885		835,885					835,885
Changes in securities valuation allowance							
	270			270			270
Foreign currency translation adjustment							
	17,447			17,447			17,447
Total Comprehensive income							
	\$ 853,602						
Cash dividends		(187,470)					(187,470)
Issuance of stock under stock plans							
11	17,363		(4,651)				12,723
Amortization of unearned stock compensation							
			1,523				1,523
Balances at November 30, 1998							
5,955	880,488	3,379,628	(5,294)	24,699			4,285,476
Comprehensive income:							
Net income \$1,027,240		1,027,240					1,027,240
Changes in securities valuation allowance							
	(4,374)			(4,374)			(4,374)
Foreign currency translation adjustment							
	(19,209)			(19,209)			(19,209)
Total Comprehensive income							
	\$1,003,657						
Cash dividends		(230,370)					(230,370)
Issuance of stock in public offering, net							
170	725,062						725,232
Issuance of stock to acquire minority interest in Cunard Line Limited							
32	127,037						127,069
Issuance of stock under stock plans							
13	24,821		(7,326)				17,508
Amortization of unearned stock compensation							
			2,675				2,675
Balances at November 30,							

1999	6,170	1,757,408	4,176,498	(9,945)	1,116	5,931,247
Comprehensive income:						
Net income	\$ 965,458		965,458			965,458
Changes in securities valuation allowance						
	(2,232)			(2,232)		(2,232)
Foreign currency translation adjustment						
	(73,943)			(73,943)		(73,943)
Total Comprehensive income						
	\$ 889,283					
Cash dividends						
		(250,923)				(250,923)
Issuance of stock under stock plans						
6	15,489		(5,977)			9,518
Amortization of unearned stock compensation						
			3,639			3,639
Effect of Conforming Costa's fiscal year						
		(7,010)				(7,010)
Purchase of Treasury Stock						
				(705,137)		(705,137)
Balances at November 30,						
2000	\$6,176	\$1,772,897	\$4,884,023	\$(12,283)	\$(75,059)	\$(705,137)
						\$5,870,617

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

CARNIVAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL

Description of Business

Carnival Corporation, a Panamanian corporation, and its consolidated subsidiaries (referred to collectively as the "Company") operate six cruise lines under the brand names Carnival Cruise Lines ("Carnival"), Costa, Cunard Line ("Cunard"), Holland America Line ("Holland America"), Seabourn Cruise Line ("Seabourn") and Windstar Cruises ("Windstar") and a tour business, Holland America Tours. Carnival operates fifteen cruise ships primarily in the Caribbean and the Mexican Riviera. Holland America operates ten cruise ships primarily in Alaska, the Caribbean and Europe. Costa operates seven cruise ships primarily in Europe, the Caribbean and South America (see Note 3). Cunard and Seabourn operates two and six luxury cruise ships, respectively, to worldwide destinations and Windstar operates four luxury, sail-powered ships primarily in the Caribbean, Europe and Central America. Holland America Tours markets sightseeing tours both separately and as a part of its cruise/tour packages. Holland America Tours operates 14 hotels in Alaska and the Canadian Yukon, two luxury dayboats offering tours to the glaciers of Alaska and the Yukon River, over 300 motor coaches used for sightseeing and charters in the states of Washington and Alaska and in the Canadian Rockies and 13 private domed rail cars which are run on the Alaska Railroad between Anchorage and Fairbanks.

The Company has a 25% interest in Airtours plc ("Airtours"), a publicly traded air-inclusive integrated leisure travel company headquartered in England. Airtours provided holidays for approximately 15 million people in 2000 primarily from the United Kingdom, Germany, Ireland, North America and Scandinavia and owns or operates 2,600 travel shops and 48 telesales centers, 52 aircraft, four cruise ships and 93 hotel and resort properties.

Preparation of Financial Statements

The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the Company's financial statements. Actual results could differ from these estimates. All material intercompany transactions, accounts and unrealized profits and losses on transactions within the consolidated group and with affiliates have been eliminated in consolidation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Carnival Corporation consolidates subsidiaries over which it has control, as typically evidenced by a direct ownership interest of greater than 50%. For affiliates where significant influence over financial and operating policies exists, as typically evidenced by a direct ownership interest from 20% to 50%, the investment is accounted for using the equity method.

Cash and Cash Equivalents

Cash and cash equivalents include investments with original maturities of three months or less and are stated at cost. At November 30, 2000 and 1999, cash and cash equivalents included \$157 million and \$502 million of investments, respectively, primarily comprised of time deposits and investment grade commercial paper, respectively.

Consumable Inventories

Consumable inventories consist primarily of provisions, spare parts, supplies and fuel carried at the lower of cost (weighted-average) or market.

Property and Equipment

Property and equipment is stated at cost. Depreciation and amortization was computed using the straight-line method over estimated average useful lives as follows:

	Years
Ships	11-30
Buildings and improvements	10-40
Transportation equipment and other	2-20
Leasehold improvements	Shorter of lease term or related asset life

The Company reviews its long-lived assets, identifiable intangibles and goodwill and reserves for their impairment, based generally upon estimated future undiscounted cash flows, whenever events or changes in circumstances indicate the carrying amount of these assets may not be fully recoverable.

Costs associated with drydocking are capitalized as prepaid expenses and charged to operating expenses generally over one year.

The Company capitalizes interest on ships and other capital projects during the construction period.

Investments in Affiliates

In the event of the issuance of stock by an affiliate, the Company generally recognizes a gain or loss (see Note 5). At November 30, 2000 and 1999, the costs in excess of the net assets acquired of affiliates ("goodwill") was \$195 million and \$232 million, respectively. Goodwill is being amortized using the straight-line method, principally over 40 years and is recorded in "Income from Affiliated Operations, Net" in the accompanying statements of operations.

Goodwill

Goodwill of \$275 million resulting from the acquisition of HAL Antillen, N.V., the parent company of Holland America, Windstar and Holland America Tours, \$272 million resulting from the acquisitions of Cunard and Seabourn and \$254 million resulting from the fiscal 2000 acquisition of Costa, is being amortized using the straight-line method over 40 years.

Derivative Instruments

The Company utilizes derivative instruments, principally forward contracts and swaps, to enhance its ability to manage certain risks related to foreign currency exchange rates and interest rates which exist as part of its ongoing business operations.

The Company's most significant contracts to buy foreign currency are forward contracts entered into to fix the cost in U.S. dollars of certain of its foreign currency denominated shipbuilding commitments (see Note 9).

Changes in the market value and any discounts or premiums on these forward foreign currency contracts are recorded at maturity, which coincides with the dates when the related foreign currency payments are to be made, with any resulting gain or loss included in the cost of the ship.

From time to time the Company uses interest rate swap agreements to manage interest rate exposure and to achieve a desired proportion of variable and fixed rate debt. The fair value of the swaps is not reflected in the financial statements and any amounts paid or received on hedges related to debt will be included in interest expense.

In June 1998, Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" was issued. SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Pursuant to SFAS No. 133, changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. SFAS No. 133, as amended, is effective for the Company beginning December 1, 2000. Based on existing operations, the adoption of SFAS No. 133 will not have a significant impact on the Company's results of operations or cash flows, however, on December 1, 2000, the Company's assets and liabilities will each increase by approximately \$540 million. This increase in assets and liabilities primarily represents the recording of offsetting unrealized gains and losses on the Company's shipbuilding commitments and related forward foreign currency contracts, respectively.

Revenue and Expense Recognition

Guest cruise deposits represent unearned revenues and are initially recorded as customer deposit liabilities on the balance sheet when received. Customer deposits are subsequently recognized as cruise revenues, together with revenues from shipboard activities and all associated direct costs of a voyage, generally upon completion of voyages with durations of ten days or less and on a pro rata basis for voyages in excess of ten days. Revenues and expenses from tour and related services are recognized at the time the services are performed or expenses are incurred.

Advertising Costs

Substantially all of the Company's advertising costs are charged to expense as incurred, except costs which result in tangible assets, such as brochures, which are recorded as prepaid expenses and charged to expense as consumed. Advertising expense totaled \$181 million in fiscal 2000, \$178 million in fiscal 1999 and \$142 million in fiscal 1998. At November 30, 2000 and 1999, \$23 million and \$22 million, respectively, of advertising related costs were included in prepaid expenses and other in the accompanying balance sheets.

Foreign Currency Translations and Transactions

For foreign subsidiaries and affiliates using the local currency as their functional currency, assets and liabilities are translated at exchange rates in effect at the balance sheet dates. Translation adjustments resulting from this process are reported in accumulated other comprehensive income (loss) within shareholders' equity. Revenues and expenses of these foreign subsidiaries and affiliates are translated at weighted average exchange rates for the period. Exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved are included in income currently.

Income Taxes

Management believes that substantially all of the Company's income (with the exception of its United States ("U.S.") source income from the transportation, hotel and tour businesses of Holland America Tours) is exempt from U.S. federal income taxes. If the Company was found not to meet certain tests of the Internal Revenue Code, as amended, (the "Code") or if the Code were to be changed in a manner adverse to the Company, a portion of the Company's income would become subject to taxation by the U.S. at higher than normal corporate tax rates.

Additionally, certain of the Company's foreign subsidiaries are subject to foreign income taxes, however, such amounts have not been significant.

Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted average number of shares of Common Stock outstanding during each period. Diluted earnings per share is computed by dividing net income, as adjusted, by the weighted average number of shares of Common Stock, Common

Stock equivalents and other potentially dilutive securities outstanding during each period.

Stock-Based Compensation

The Company accounts for employee stock-based compensation using the intrinsic value method and discloses certain fair value pro forma information with respect to its employee stock-based compensation activities (see Note 11).

Concentrations of Credit Risk

As part of its ongoing control procedures, the Company monitors concentrations of credit risk associated with financial institutions with which it conducts business. Credit risk, including counterparty nonperformance under derivative instruments, is considered minimal as the Company only deals with large well-established financial institutions. The Company also monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. Concentrations of credit risk associated with these receivables are considered minimal due to the Company's diverse customer base and bad debts have been minimal. The Company does not normally require collateral or other security to support normal credit sales.

Accounting Changes

In fiscal 1998, Statement of Position 98-5 - "Reporting on the Costs of Start-Up Activities" ("SOP 98-5") was issued. SOP 98-5 requires that all start-up or pre-operating costs be expensed as incurred. In fiscal 1998, the Company adopted SOP 98-5 and, accordingly, expensed \$8.7 million of previously deferred start-up costs. The \$8.7 million represented the cumulative effect from the Company changing this policy, which amount was included in other nonoperating expenses in the fiscal 1998 statement of operations.

In fiscal 1999, the Company adopted SFAS No. 130, "Reporting Comprehensive Income", which is presented in the accompanying statements of shareholders' equity. Comprehensive income consists of net income and other comprehensive income, the latter includes unrealized gains and losses on available for sale securities and foreign currency translation adjustments.

In fiscal 1999, the Company adopted SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information" which superceded SFAS No. 14, "Financial Reporting for Segments of a Business Enterprise". The adoption of SFAS No. 131 did not affect the Company's results of operations or financial position but does affect the disclosure of segment information (see Note 10).

Reclassifications

Certain reclassifications have been made to the prior year amounts to conform to the current year presentation.

NOTE 3 - ACQUISITION

Since June 1997, the Company has owned 50% of Costa. On September 29, 2000, the Company completed the acquisition of the remaining 50% interest in Costa from Airtours at a cost of approximately \$510 million. Substantially all of the purchase price was funded by euro denominated borrowings of approximately \$161 million under the Company's existing \$200 million multi-currency revolver and \$342 million from a short-term bridge loan. The Company accounted for this transaction using the purchase accounting method. Goodwill derived from this transaction is being amortized using the straight-line method over 40 years.

Prior to the fiscal 2000 acquisition, the Company accounted for its 50% interest in Costa using the equity method and recorded its portion of Costa's operating results as earnings from affiliated operations on a two-month lag basis. For September, October and November, 2000, the Company continued to record its 50% interest in Costa's operating results for the months of July, August and September, 2000, respectively, using the equity method. As of November 30, 2000, the Company changed how it reports Costa's operating results from a two-month lag basis to reporting on Costa's current month's results. At that time, Costa's operating results for the months of October and November 2000 were recorded as a direct adjustment to retained earnings in the Company's November 30, 2000 consolidated balance sheet and the Company's November 30, 2000 consolidated balance sheet includes Costa's

November 30, 2000 balance sheet (see Note 5). The impact of conforming Costa's fiscal year on the Company's fiscal 2000 revenues, operating income and net income was not material. Commencing in fiscal 2001, Costa's results of operations will be consolidated on a current month basis in the same manner as the Company's other wholly-owned subsidiaries.

Had the above transaction occurred on December 1, 1998, the Company's unaudited consolidated revenues for fiscal 2000 and 1999 would have been approximately \$4.3 and \$4.1 billion, respectively. The impact on the Company's unaudited consolidated net income and earnings per share for fiscal 2000 and 1999 would have been immaterial.

The impact on the Company's assets and liabilities related to this acquisition was as follows (in millions):

Fair value of acquired assets	\$ 915,437
Debt assumed	(310,259)
Other liabilities assumed	(94,354)
Cash paid for acquisition	510,824
Cash acquired and consolidated	(130,539)
Net cash paid as reflected in the 2000 Statement of Cash Flows	\$ 380,285

NOTE 4 - PROPERTY AND EQUIPMENT

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

	November 30,	
	2000	1999
Ships	\$8,420,552	\$6,543,592
Ships under construction	320,480	506,477
	8,741,032	7,050,069
Land, buildings and improvements	279,095	235,333
Transportation equipment and other	465,536	395,008
Total property and equipment	9,485,663	7,680,410
Less accumulated depreciation and amortization	(1,484,345)	(1,269,883)
	\$8,001,318	\$6,410,527

Capitalized interest, primarily on ships under construction, amounted to \$41.1 million in fiscal 2000, \$40.9 million in fiscal 1999 and \$35.1 million in fiscal 1998. Ships under construction include progress payments for the construction of the ship, as well as design and engineering fees, capitalized interest, construction oversight costs and various owner supplied items. At November 30, 2000, property and equipment with a net book value of \$955 million was pledged as collateral pursuant to certain notes and a contingent obligation (see Notes 6 and 9).

NOTE 5 - INVESTMENTS IN AND ADVANCES TO AFFILIATES

At November 30, 2000 and 1999, the market value of the Company's investment in Airtours, based on the closing price of Airtours' common stock on the London Stock Exchange, was \$361 million and \$837 million, respectively, as compared with the carrying value of the Company's investment in Airtours of \$415 million and \$439 million, respectively. The Company is recording its interest in Airtours' consolidated results of operations on a two-month lag basis using the equity method.

In fiscal 1998, Airtours issued, in connection with acquisitions, approximately 20.7 million shares of its common stock at per share amounts in excess of the Company's carrying value per share. As a result of these transactions, in fiscal 1998, the Company recognized a net gain of \$14.8 million, which was included in other nonoperating income.

Dividends received from affiliates were \$16.5 million, \$15.1 million and \$13.7 million in fiscal 2000, 1999 and 1998, respectively.

Financial information for affiliated companies accounted for using the equity method was as follows (in thousands):

	2000(a)	1999
Current assets	\$2,270,185	\$2,310,485
Long-term assets	\$1,985,707	\$2,332,871
Current liabilities	\$1,852,595	\$1,802,385
Long-term liabilities	\$1,532,981	\$1,741,010
Shareholders' equity	\$ 870,316	\$1,099,961

(a) Excludes Costa as it was included in the Company's consolidated balance sheet at November 30, 2000.

Income Statement Data(b)	Fiscal Years Ended		
	2000	1999	1998
Revenues	\$6,669,052	\$5,963,425	\$5,282,230
Gross margin	\$1,345,593	\$1,265,614	\$1,128,305
Net income	\$ 19,770	\$ 255,146	\$ 264,936

(b) Includes Costa for all periods.

Segment information for the Company's affiliated operations was provided in accordance with SFAS No. 131 as follows (in thousands)(b):

	Fiscal Years Ended		
	2000	1999	1998
Operating income	\$ 5,114	\$359,953	\$374,560
Depreciation and amortization	\$ 152,123	\$133,302	\$100,532
Capital expenditures	\$ 650,098	\$356,267	\$184,395

(b) Includes Costa for all periods.

NOTE 6 - LONG-TERM DEBT

Long-term debt consisted of the following (in thousands):

	November 30, 2000	1999
Commercial paper	\$ 342,846	\$
\$200 million multi-currency revolving credit facility drawn in euros, bearing interest at 5.3% at November 30, 2000 (a)	160,862	
Unsecured Debentures and Notes, bearing interest at rates ranging from 5.65% to 7.7%, due through 2028	848,657	1,048,456
Unsecured euro note, bearing interest at euribor plus 0.25% (5.2% at November 30, 2000), due December 2000 (a)	338,676	
Euro notes, secured by two ships, bearing interest at euribor plus 0.5% (5.5% at November 30, 2000), due through 2008 (a)	329,994	5,000
Unsecured euro notes, bearing interest at rates ranging from euribor plus .185% to euribor plus 1.0% (5.4% to 6.1% at November 30, 2000), due 2001 and 2005 (a)	287,034	
Other	39,227	20,326
	2,347,296	1,073,782
Less portion due within one year	(248,219)	(206,267)
	\$2,099,077	\$ 867,515

(a) Euro denominated notes have been translated to U.S. dollars at the period end exchange rate.

At November 30, 2000, the outstanding commercial paper bears interest at approximately 6.6% and was due on 2001. Since the commercial paper is backed by the long-term revolving credit facilities described below, balances outstanding under the commercial paper programs were classified as long-term in the balance sheet.

The Company's commercial paper programs are supported by a \$1 billion unsecured revolving credit facility due December 2001 and a \$200 million

unsecured multi-currency revolving credit facility due January 2002. Both revolving credit facilities bear interest at *libor/euribor* plus 14 basis points ("BPS"), based on the Company's debt rating, and provide for a facility fee of six BPS on each facility. Any funds outstanding under the commercial paper programs reduce the aggregate amount available under these facilities. At November 30, 2000, the Company had \$696 million available for borrowing under these facilities. These facilities and other debt agreements contain covenants that require the Company, among other things, to maintain minimum debt service coverage and limit debt to capital ratios. At November 30, 2000, the Company was in compliance with all of its debt covenants.

The unsecured Debentures and Notes are not redeemable prior to maturity. During fiscal 2000, the Company repaid its 5.65% unsecured Notes in the amount of \$200 million.

On December 13, 2000, the Company repaid the \$338.7 million unsecured euro note from the proceeds of a five-year unsecured euro note of approximately \$250 million and another borrowing.

At November 30, 2000, the scheduled annual maturities of the Company's long-term debt was summarized as follows (in thousands):

Fiscal	
2001	\$ 248,219
2002	620,508
2003	145,403
2004	139,740
2005	280,891
Thereafter	912,535
	\$2,347,296

NOTE 7 - SHAREHOLDERS' EQUITY

The Company's Articles of Incorporation authorizes the Board of Directors, at its discretion, to issue up to 40 million shares of Preferred Stock. The Preferred Stock is issuable in series which may vary as to certain rights and preferences at the discretion of the Board of Directors and has a \$.01 par value. At November 30, 2000 and 1999, no Preferred Stock had been issued.

In December 1998, the Company issued 17 million shares of its Common Stock in a public offering and received net proceeds of approximately \$725 million. The Company issued the stock concurrent with the addition of the Company's Common Stock to the S&P 500 Composite Index.

In February 2000, the Board of Directors authorized the repurchase of up to \$1 billion of the Company's Common Stock. As of November 30, 2000, the Company had repurchased 33.1 million shares of its Common Stock at a cost of \$705.1 million.

At November 30, 2000, there were approximately 15.2 million shares of Common Stock reserved for issuance pursuant to the Company's stock option, employee stock purchase, management incentive, dividend reinvestment and restricted stock plans. During fiscal 2000, the Company declared cash dividends aggregating \$0.42 per share for the year.

The Company does not expect to incur income taxes on future distributions of undistributed earnings of foreign subsidiaries or foreign affiliates and, accordingly, no deferred income taxes have been provided for the distribution of these earnings. At November 30, 2000 and 1999, accumulated other comprehensive income (loss) within shareholders' equity included cumulative foreign currency translation adjustments which (decreased) or increased shareholders' equity by \$(67.9) million and \$6.0 million, respectively.

On February 8, 2000, the U. S. Treasury Department issued proposed Treasury Regulations to Section 883 of the Code ("Section 883") relating to income derived by foreign corporations from the international operation of ships or aircraft. The proposed regulations provide, in general, that a foreign corporation organized in a qualified foreign country and engaged in the international operation of ships or aircraft shall exclude qualified income from gross income for purposes of federal income taxation provided that the corporation can satisfy certain ownership requirements, including,

among other things, that its stock is publicly traded. A corporation's stock that is publicly traded will satisfy this requirement if more than 50% of its stock is owned by persons who each own less than 5% of the value of the outstanding shares of the corporation's stock.

To the best of the Company's knowledge it currently qualifies as a publicly traded corporation under these proposed rules and, if the proposed rules were in force, substantially all of the Company's income (with the exception of the U. S. source income from the transportation, hotel and tour business of Holland America Tours) would continue to be exempt from U. S. federal income taxes.

In order to ensure that the Company continues to be publicly traded under the proposed Section 883 regulations, the Company amended its Articles of Incorporation in April 2000 to prohibit any person, other than an existing 5% shareholder, from acquiring shares that would give such person in the aggregate more than 4.9% of the value of the outstanding shares of the Company.

NOTE 8 - FINANCIAL INSTRUMENTS

The Company estimates the fair value of financial instruments through the use of public market prices, quotes from financial institutions and other available information. Considerable judgment is required in interpreting data to develop estimates of fair value and, accordingly, amounts are not necessarily indicative of the amounts that the Company could realize in a current market exchange. Financial instruments are not held for trading or other speculative purposes.

Cash and Cash Equivalents

The carrying amounts of cash and cash equivalents approximate their fair values due to the short-term maturities of these instruments.

Other Assets

At November 30, 2000 and 1999, long-term other assets included marketable securities held in a "Rabbi Trust" for certain of the Company's non-qualified benefit plans and long-term receivables. These assets had both carrying and fair values of approximately \$135.0 million and \$28.3 million at November 30, 2000 and 1999, respectively. Fair value was estimated based on quoted market prices or expected future discounted cash flows.

Long-term Debt

At November 30, 2000 and 1999, the fair value of the Company's long-term debt, including the current portion, was approximately \$2.27 billion and \$1.02 billion, respectively, which was approximately \$76 million and \$53 million less than the carrying values on those respective dates. The difference between the fair value of the long-term debt and the carrying value was due primarily to the Company's issuance of fixed rate debt obligations at interest rates that are below market rates in existence at the measurement dates. The fair value of the Company's unsecured Debentures and Notes was estimated based on the quoted market price for the same or similar issues. The fair value of the Company's other long-term debt was estimated based on the market rates available to the Company for similar debt.

Foreign Currency Contracts

The Company enters into forward foreign currency contracts to reduce its exposures relating to exchange rate changes in foreign currency. These contracts are subject to gain or loss from changes in foreign currency rates, however, any realized gain or loss will generally be offset by gains or losses on the underlying hedged foreign currency transactions. The fair value of the Company's forward hedging instruments discussed below was estimated based on prices quoted by financial institutions for these instruments.

Several of the Company's contracts for the construction of cruise ships are denominated in either Italian lira, German marks or euros. The Company is a party to forward foreign currency contracts with a notional amount of \$3.7 billion and \$1.86 billion at November 30, 2000 and 1999, respectively, to fix the price of these ships into U.S. dollars (see Note 9). At November 30, 2000 and 1999, these forward contracts had an estimated fair value of approximately \$3.2 billion and \$1.8 billion, respectively.

Interest Rate Swaps

Costa has interest rate swap agreements in place to pay fixed interest rates in exchange for floating interest rate payments on substantially all of its debt. At November 30, 2000, these swaps had a notional amount and an estimated unrealized loss of \$766 million and \$2.8 million, respectively, and

a weighted average remaining life of approximately 2.3 years. The fair value of interest rate swap agreements was estimated based on quoted market rates for similar financial instruments. There were no interest rate swap agreements outstanding at November 30, 1999.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Ship Commitments

A description of ships under contract for construction at November 30, 2000 was as follows (in millions, except passenger capacity data):

Ship	Expected Service Date(1)	Shipyard	Passenger Capacity(2)	Estimated Total Cost(3)
Carnival				
Carnival Spirit	4/01	Masa-Yards	2,124	\$ 375
Carnival Pride	1/02	Masa-Yards (4)	2,124	375
Carnival Legend	9/02	Masa-Yards (4)	2,124	375
Carnival Conquest	12/02	Fincantieri	2,974	500
Carnival Glory	8/03	Fincantieri	2,974	500
Carnival Miracle	4/04	Masa-Yards (4)	2,124	375
Carnival Valor	11/04	Fincantieri(4)	2,974	500
Total Carnival			17,418	3,000
Holland America				
Newbuild	11/02	Fincantieri(4)	1,848	410
Newbuild	8/03	Fincantieri(4)	1,848	410
Newbuild	2/04	Fincantieri(4)	1,848	410
Newbuild	10/04	Fincantieri(4)	1,848	410
Newbuild	6/05	Fincantieri(4)	1,848	410
Total Holland America			9,240	2,050
Costa				
Newbuild	7/03	Masa-Yards (5)	2,112	330
Newbuild	1/04	Fincantieri(6)	2,720	380
Newbuild	12/04	Fincantieri(6)	2,720	380
Total Costa			7,552	1,090
Cunard				
Queen Mary 2	12/03	Chantiers de l'Atlantique(4)	2,620	780
Total Cunard			2,620	780
Total			36,830	\$6,920

(1) The expected service date is the date the ship is expected to begin revenue generating activities.

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

(3) Estimated total cost of the completed ship includes the contract price with the shipyard, design and engineering fees, capitalized interest, various owner supplied items and construction oversight costs.

(4) These construction contracts are denominated in either German marks, Italian lira or euros and have been fixed into U.S. dollars through the utilization of forward foreign currency contracts.

(5) This construction contract is denominated in German marks which has a fixed exchange rate with Costa's functional currency, which is the Italian lira. The estimated total costs has been translated into U.S. dollars using the November 30, 2000 exchange rate.

(6) These construction contracts are denominated in Italian lira. The estimated total cost has been translated into U.S. dollars using the November 30, 2000 exchange rate.

In connection with the ships under contract for construction, the Company has paid approximately \$320 million through November 30, 2000 and anticipates paying the remaining estimated total cost as follows (in millions):

2001	\$ 643
2002	1,734
2003	1,488
2004	2,389
2005	346
	\$6,600

Litigation

Several actions (collectively the "Passenger Complaints") have been filed against the Company on behalf of purported classes of persons who paid port charges to Carnival, Holland America and Costa, alleging that statements made in advertising and promotional materials concerning port charges were false and misleading. The Passenger Complaints allege violations of the various state consumer protection acts and claims of fraud, conversion, breach of fiduciary duties and unjust enrichment. Plaintiffs seek compensatory damages or, alternatively, refunds of portions of port charges paid, attorneys' fees, costs, prejudgment interest, punitive damages and injunctive and declaratory relief.

Certain of the Passenger Complaints filed against Carnival have been dismissed. The remaining actions have been consolidated into one action in Florida. Carnival recently entered into an agreement to settle this remaining action. The settlement must be approved by the trial court. Under the settlement agreement, Carnival would issue travel vouchers with a face value of \$25-\$55 depending on specified criteria, to certain of its passengers who sailed between April 1992 and June 1997. The vouchers also provide class members a cash redemption option of up to 20% of the face value which must be exercised within 60 days. Pursuant to the settlement, Carnival will pay the plaintiffs' legal fees, as awarded by the court, up to a specified amount. During the fourth quarter of fiscal 2000, the Company recorded a charge for the amount of the estimated cash redemptions and settlement costs in the amount of approximately \$21 million.

Holland America Tours has entered into a settlement agreement for the one Passenger Complaint filed against it. The settlement agreement was approved by the trial court on September 28, 1998. Under the settlement agreement, Holland America would issue travel vouchers with a face value of \$10-\$50 depending on specified criteria, to certain of its passengers who are U.S. residents and who sailed between April 1992 and April 1996, and would pay a portion of the plaintiffs' legal fees.

One member of the settlement class appealed the trial court's approval of the settlement. In August 2000, the court of appeals refused to approve the settlement and remanded the case to the trial court. Holland America Tours has filed a petition for discretionary review by the Washington Supreme Court, the ultimate outcome of which cannot currently be determined.

If the Passenger Complaint settlements are implemented as described above, the amount and timing of the travel vouchers to be redeemed for travel and the effects of the travel voucher redemption on revenues are not reasonably determinable. Accordingly, the Company will account for the non-cash redemption of the vouchers as a reduction of future revenues.

Several actions have been filed against Carnival, Holland America Tours, Cunard and Costa alleging that they violated the Americans with Disabilities Act ("ADA") by failing to make certain of their cruise ships accessible to individuals with disabilities (collectively the "ADA Complaints"). Plaintiffs seek injunctive relief and fees and costs. Certain of the plaintiffs also seek statutory damages, including punitive damages. On January 19, 2001, Carnival reached an agreement in principle with the plaintiffs to settle its major ADA Complaint. Pursuant to the agreement, Carnival will make certain modifications to its existing 15 ships. Management believes that the estimated total cost of the modifications will not be material to the Company's financial statements. The remaining actions are in progress and are proceeding.

Several actions filed against the Company and four of its officers on behalf of a purported class of purchasers of Common Stock of the Company were consolidated into one action in Florida (the "Stock Purchase Complaint"). The plaintiffs are claiming that statements made by the Company in public filings violate federal securities laws and seek unspecified compensatory damages, attorneys' fees and costs and expert fees. This action is in progress and is proceeding.

It is not now possible to determine the ultimate outcome of the pending Passenger, ADA and Stock Purchase Complaints, if such claims should proceed to trial. Management believes that the Company and these officers, as applicable, have meritorious defenses to these claims and, accordingly, the

parties intend to vigorously defend against all such claims.

In August 2000, the Company received a grand jury subpoena requesting that the Company produce documents and records concerning environmental matters. The Company continues to respond to the subpoena.

Costa has instituted arbitration proceedings in Italy to confirm the validity of its decision not to deliver its ship, the Costa Classica, to the shipyard of Cammell Laird Holdings PLC ("Cammell Laird") under an approximate \$75 million contract for the conversion and lengthening of the ship. Consequently, Costa has given notice of termination of the contract. It is expected that the arbitration tribunal's decision will be made within two years. In the event that an award is given in favor of Cammell Laird the amount of damages which Costa will have to pay, if any, is not currently determinable. In addition, it is not currently possible to determine the ultimate outcome of this matter, however, management believes that the arbitration proceeding will result in a favorable outcome for the Company.

In the normal course of business, various other claims and lawsuits have been filed or are pending against the Company. The majority of these claims and lawsuits are covered by insurance. Management believes the outcome of any such suits, which are not covered by insurance, would not have a material adverse effect on the Company's financial statements.

Contingent Obligations

The Company has certain contingent obligations, including letters of credit, to participants in lease out and lease back type transactions for three ships which, at November 30, 2000, totaled approximately \$775 million.

Only in the remote event of nonperformance by certain major financial institutions, all of which have long-term credit ratings of AAA or AA, would the Company be required to make any payments under these contingent obligations. After 18-21 years, as applicable, the Company has the right to exercise purchase options that would terminate these transactions. As a result of these three transactions, the Company has received a total of approximately \$67 million (net) which was recorded as deferred income on the balance sheets and is being amortized to nonoperating income over approximately 18-21 years.

Operating Leases

Rent expense for all operating leases, primarily for office and warehouse space, for fiscal 2000, 1999 and 1998 was approximately \$10 million each year. At November 30, 2000, minimum annual rentals for all operating leases, with initial or remaining terms in excess of one year, were as follows (in thousands):

Fiscal	
2001	\$ 8,500
2002	7,300
2003	6,000
2004	5,700
2005	5,700
Thereafter	26,800
	\$60,000

Other

At November 30, 2000, the Company had a commitment through 2013, cancelable under certain remote circumstances, to pay a minimum amount for its annual usage of certain port facilities as follows (in thousands):

Fiscal	
2001	\$ 9,400
2002	9,300
2003	11,500
2004	11,500
2005	12,500
Thereafter	113,500
	\$167,700

NOTE 10 - SEGMENT INFORMATION

The Company's cruise segment included five cruise brands (six, including Costa, as of November 30, 2000) which have been aggregated as a single operating segment based on the similarity of their economic and other characteristics. Cruise revenues are comprised of sales of passenger cruise tickets, including, in some cases, air transportation to and from the cruise ships, and revenues from certain onboard activities and other related services. The tour segment represents the operations of Holland America Tours.

The significant accounting policies of the segments are the same as those described in Note 1 - "Summary of Significant Accounting Policies." Cruise revenues included intersegment revenues which primarily represent billings to the tour segment for the cruise portion of a tour when a cruise is sold as a part of a tour package. In addition, cruise and tour operating expenses included a cost allocation of certain corporate expenses. Information for the cruise and tour segments for fiscal 2000, 1999 and 1998 was as follows (in thousands):

	Revenues	Operating income (loss)	Depreciation and amortization	Capital expenditures	Segment assets
2000					
Cruise	\$3,578,372	\$ 961,806	\$276,483	\$ 972,270	\$9,093,646(a)
Tour	259,662	7,664	10,825	30,129	199,722
Affiliated Operations		37,828(a)			437,391
Reconciling items (b)	(59,492)	(24,340)	359	949	100,561
	\$3,778,542	\$ 982,958	\$287,667	\$1,003,348	\$9,831,320
1999					
Cruise	\$3,286,701	\$ 947,452	\$232,942	\$ 837,126	\$6,938,411
Tour	271,828	10,403	10,716	24,416	185,591
Affiliated operations		75,758(a)			586,922
Reconciling items (b)	(61,059)	(13,914)		11,442	575,431
	\$3,497,470	\$1,019,699	\$243,658	\$ 872,984	\$8,286,355
1998					
Cruise	\$2,797,856	\$822,242	\$189,345	\$1,113,191	\$6,327,599
Tour	274,491	9,248	9,491	28,480	174,140
Affiliated operations		76,732(a)			546,693
Reconciling items (b)	(63,041)	(11,698)	1,832	8,742	130,891
	\$3,009,306	\$896,524	\$200,668	\$1,150,413	\$7,179,323

(a) The November 30, 2000 cruise segment assets included Costa, while Costa's results of operations were presented in the affiliated operations segment for all periods (see Notes 3 and 5).

(b) Revenues consisted of intersegment revenues. Operating loss represented corporate expenses not allocated to segments. Capital expenditures represented corporate capital expenditures. Segment assets included cash, cash equivalents, short-term investments and other corporate assets.

See Note 5 for affiliated operations segment information which were not included in the Company's consolidated operations.

Foreign revenues for the Company's cruise brands, excluding Costa, represent sales generated from outside the U.S. primarily by foreign tour operators and foreign travel agencies. The majority of these foreign revenues are from Canada, United Kingdom, Germany and Australia. Foreign assets represent assets which are located outside of the U.S. and included, among other things, all of the Company's ships. Revenues and year-end asset information by geographic area was as follows (in thousands):

Revenues			
United States	\$3,180,667	\$2,934,492	\$2,545,709
Foreign	597,875	562,978	463,597
	\$3,778,542	\$3,497,470	\$3,009,306
Assets			
United States	\$ 680,897	\$1,063,963	\$ 643,509
Foreign	9,150,423	7,222,392	6,535,814
	\$9,831,320	\$8,286,355	\$7,179,323

NOTE 11 - BENEFIT PLANS

Stock Option Plans

The Company has stock option plans for certain employees and members of the Board of Directors. The plans are administered by a committee of three directors of the Company (the "Committee") which determines who is eligible to participate, the number of shares for which options are to be granted and the amounts that may be exercised within a specified term. The option exercise price is generally established by the Committee at 100% of the fair market value of the Common Stock on the date the option is granted. Substantially all options granted during fiscal 2000, 1999 and 1998 were granted at an exercise price per share equal to the fair market value of the Company's Common Stock on the date of grant. Employee options generally have vested evenly over five years and have a ten year term and director options have vested immediately and have a five or ten year term. At November 30, 2000, options for 1,338,781 shares were available for future grants. A summary of the status of options in the stock option plans was as follows:

	Weighted Average Exercise Price Per Share			Number of Options Years Ended November 30,		
	2000	1999	1998	2000	1999	1998
Outstanding options- beginning of year	\$22.70	\$14.95	\$11.88	6,517,168	5,987,574	5,502,580
Options granted	\$35.92	\$44.54	\$27.34	2,910,575	1,641,400	1,157,344
Options exercised	\$13.43	\$11.01	\$10.53	(244,850)	(956,706)	(652,350)
Options canceled	\$35.91	\$26.55	\$22.86	(342,100)	(155,100)	(20,000)
Outstanding options- end of year	\$26.80	\$22.70	\$14.95	8,840,793	6,517,168	5,987,574
Options exercisable - end of year	\$15.82	\$12.64	\$10.91	4,042,452	3,601,993	3,405,630

Information with respect to stock options outstanding and stock options exercisable at November 30, 2000 was as follows:

Exercise Price Range	Options Outstanding			Options Exercisable	
	Shares	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
\$ 1.94-\$ 2.25	37,480	(1)	\$ 2.06	37,480	\$ 2.06
\$ 6.94-\$10.31	244,900	1.9	\$ 7.51	244,900	\$ 7.51
\$10.59-\$15.00	2,767,700	4.4	\$11.30	2,743,700	\$11.28
\$16.28-\$21.91	1,457,469	8.2	\$19.54	337,938	\$19.37
\$24.63-\$26.41	840,694	7.1	\$26.39	305,854	\$26.41
\$34.03-\$41.34	234,000	8.1	\$36.49	61,600	\$37.32
\$43.56-\$48.56	3,258,550	8.7	\$44.35	310,980	\$45.56
Total	8,840,793	6.9	\$26.80	4,042,452	\$15.82

(1) These stock options do not have an expiration date.

Pursuant to SFAS No. 123, the Company has elected to use the intrinsic

value method of accounting for employee stock-based compensation awards. Accordingly, the Company has not recognized compensation expense for its noncompensatory employee stock option awards. The Company's pro forma net income and earnings per share for fiscal 2000, 1999 and 1998 had the Company elected to adopt the fair value approach (which charges earnings for the estimated fair value of stock options) of SFAS No. 123 would not be materially different from reported net income and earnings per share.

The weighted average fair values of the Company's options granted during fiscal 2000, 1999 and 1998 were \$13.31, \$15.15 and \$7.61 per share, respectively, at the dates of grant. The fair values of options were estimated using the Black-Scholes option pricing model with the following weighted average assumptions for fiscal 2000, 1999 and 1998, respectively; expected dividend yields of 1.17%, 0.80%, and 1.62%; expected volatility of 28.9%, 26.3%, and 20.5%; risk free interest rates of 6.4%, 4.8% and 5.3%; and expected option life of six years for all periods.

Restricted Stock Plans

The Company has restricted stock plans under which three key employees are granted restricted shares of the Company's Common Stock. Shares are awarded in the name of each of the participants, who have all the rights of other Common Stock shareholders, subject to certain restriction and forfeiture provisions. During fiscal 2000, 1999 and 1998, 150,000 shares of Common Stock were issued each year which were valued at \$5.5 million, \$6.8 million and \$4.4 million, respectively. Unearned stock compensation was recorded in stockholders' equity at the date of award based on the quoted market price of the shares on the date of grant and is amortized to expense over the vesting period. As of November 30, 2000 and 1999 there were 313,094 shares and 263,765 shares, respectively, issued under the plans which remain to be vested.

Management Incentive Plans

Most shoreside managerial employees of the Company participate in management incentive plans. Certain of the participating employees receive a portion of their incentive compensation award in Common Stock of the Company, instead of the entire amount being paid in cash. During fiscal 2000, 1999 and 1998, 35,820, 49,734 and 61,214 shares of Common Stock with a quoted market value of \$1.7 million, \$1.7 million and \$1.6 million, respectively, were issued under these plans.

Defined Benefit Pension Plans

The Company has two defined benefit pension plans (qualified and non-qualified) that are available to certain full-time Carnival and corporate shoreside employees who were employed with the Company prior to January 1, 1998. These plans were closed to new participants on January 1, 1998. In addition, the Company has two non-qualified defined benefit plans. One of these plans was established in fiscal 1999 and is available to Carnival's shipboard employees and the other was established in fiscal 2000 and is available to two executive officers of the Company. The Company's funding policy for the qualified defined benefit plan is to annually contribute at least the minimum amount required under the applicable labor regulations. The non-qualified plans are unfunded. Pension expense for the defined benefit pension plans was \$5.2 million, \$3.6 million and \$1.9 million for fiscal 2000, 1999 and 1998, respectively.

Defined Contribution Plans

The Company has various defined contribution plans, available to substantially all U.S. and Canadian employees, and certain United Kingdom and Carnival shipboard employees. The Company contributes to these plans based on employee contributions, salary levels and length of service. Total expense relating to these plans in fiscal 2000, 1999 and 1998 was \$6.8 million, \$6.1 million and \$5.3 million, respectively.

Employee Stock Purchase Plan

The Company has an Employee Stock Purchase Plan which is authorized to issue up to 4,000,000 shares of Common Stock to substantially all employees of the Company. The purchase price is derived from a formula based on 85% of the fair market value of the Common Stock during the six-month purchase period, as defined. During fiscal 2000, 1999 and 1998, the Company issued 171,886, 144,911 and 175,971 shares, respectively, at a weighted average share price of \$26.36, \$36.67 and \$24.45, respectively, under this plan.

NOTE 12 - EARNINGS PER SHARE

Earnings per share were computed as follows (in thousands, except per

share data):

	Years Ended November 30,		
	2000	1999	1998
Basic:			
Net income	\$965,458	\$1,027,240	\$835,885
Average common shares outstanding	599,665	612,484	595,037
Earnings per share	\$1.61	\$1.68	\$1.40
Diluted:			
Net income	\$965,458	\$1,027,240	\$835,885
Effect on net income of assumed issuance of affiliate securities		(3,299)	
Net income available assuming dilution	\$965,458	\$1,023,941	\$835,885
Average common shares outstanding	599,665	612,484	595,037
Effect of dilutive securities - shares issuable under various stock option plans	2,247	3,516	3,411
Average shares outstanding assuming dilution	601,912	616,000	598,448
Earnings per share	\$1.60	\$1.66	\$1.40

NOTE 13 - SUPPLEMENTAL CASH FLOW INFORMATION

	YEARS ENDED NOVEMBER 30,		
	2000	1999	1998
	(in thousands)		
Cash paid (received) for:			
Interest (net of amount capitalized)	\$40,431	\$ 49,836	\$ 54,572
Income taxes	\$ (800)	\$ 3,841	\$ 5,144
Noncash investing and financing activities:			
Common Stock issued for acquisition of Cunard Line Limited minority interest		\$127,069	
Common Stock issued under various stock plans	\$ 7,250	\$ 8,991	\$ 5,975
Note received upon the sale of the Nieuw Amsterdam	\$84,500		

NOTE 14 - RECENT ACCOUNTING PRONOUNCEMENTS

In December 1999, the Securities and Exchange Commission (SEC) released Staff Accounting Bulletin (SAB) 101, Revenue Recognition in Financial Statements to provide guidance on the recognition, presentation and disclosure of revenues in financial statements. In June 2000, the SEC issued SAB 101B, which delays the Company's implementation date of SAB 101 until not later than September 1, 2001. The Company has completed its review and believes that its current revenue recognition policies are in conformity, in all material respects, with this SAB and does not expect that its adoption will have a material impact on its financial statements.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of
Carnival Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, cash flows and shareholders' equity present fairly, in all material respects, the financial position of Carnival Corporation and its subsidiaries at November 30, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended November 30, 2000 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance

about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/PRICEWATERHOUSECOOPERS LLP
PricewaterhouseCoopers LLP

Miami, Florida
January 26, 2001

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

RESULTS OF OPERATIONS

The Company earns its cruise revenues primarily from (i) the sale of passenger cruise tickets, which includes accommodations, meals and most onboard activities, (ii) the sale of air transportation to and from the cruise ships and (iii) the sale of goods and services on board its cruise ships, such as casino gaming, bar sales, gift shop sales and other related services. The Company also derives revenues from the tour and related operations of Holland America Tours.

For segment information related to the Company's revenues, operating income and other financial information see Note 10 in the accompanying financial statements. Operations data expressed as a percentage of total revenues and selected statistical information for the periods indicated was as follows:

	YEARS ENDED NOVEMBER 30,		
	2000	1999	1998
Revenues	100%	100%	100%
Costs and Expenses			
Operating expenses	54	53	54
Selling and administrative	13	13	12
Depreciation and amortization	8	7	7
Operating Income Before Income From Affiliated Operations	25	27	27
Income From Affiliated Operations, Net	1	2	3
Operating Income	26	29	30
Nonoperating Expense			(2)
Net Income	26%	29%	28%
Selected Statistical Information (in thousands):			
Passengers carried	2,669	2,366	2,045
Passenger cruise days (1)	16,750	14,947	13,009
Occupancy percentage (2)	105.4%	104.3%	106.3%

(1) A passenger cruise day is one passenger sailing for a period of one day. For example, one passenger sailing on a one week cruise is seven passenger cruise days.

(2) The Company acquired a majority interest in Cunard Line Limited on May 28, 1998. Since that date, Cunard's revenues and operating results have been included in the Company's operating results. Cunard's ships generally sail with lower occupancy percentages than the Company's other brands.

GENERAL

The Company's cruise, tour and affiliated operations experience varying degrees of seasonality. The Company's revenue from the sale of passenger tickets for its cruise operations is moderately seasonal. Historically, demand for cruises has been greatest during the summer months. The Company's tour revenues are highly seasonal with a vast majority of tour revenues generated during the late spring and summer months in conjunction with the Alaska cruise season. Airtours, the Company's 25% owned equity affiliate, has revenues which are very seasonal due primarily to the nature of the European leisure travel industry. Typically, Airtours' quarters ending June 30 and September 30 experience higher revenues, with revenues in the quarter ending September 30 being the highest.

Through fiscal 2000, the Company recorded its share of Airtours and Costa's operating results in earnings from affiliated operations on a two-month lag basis. Beginning in fiscal 2001, all of Costa's results of operations will be consolidated into the Company's financial statements on a current month basis, thus eliminating the two-month lag in reporting Costa's results of operations. This change in the timing of reporting periods, as well as Costa's greater seasonality, will increase the seasonality of the Company's quarterly results of operations, most significantly between the Company's third and fourth fiscal quarters. Costa's seasonally strong summer results of operations will be recorded in the Company's third quarter in fiscal 2001 versus in the fourth quarter in fiscal 2000. See Note 3 in the accompanying financial statements.

Average passenger capacity for the Company's cruise brands, excluding Costa, is expected to increase approximately 9.7% during fiscal 2001 as compared to fiscal 2000. This increase is primarily a result of the introduction into service of the Carnival Victory in August 2000, and Holland America's Zaandam and Amsterdam in May 2000 and October 2000, respectively, and the expected introduction into service of the Carnival Spirit in April 2001, partially offset by the withdrawal from service of Holland America's Nieuw Amsterdam in October 2000. The consolidation of Costa in fiscal 2001 will increase the Company's consolidated capacity by an additional 20.7%, although the impact on the Company's net income will be much less, as a majority of Costa's net income was included in affiliated operations in prior years.

The year over year percentage increase in the Company's average passenger capacity resulting from the delivery of ships currently under contract for construction for fiscal 2002 and 2003 is expected to approximate 7.1% and 14.0%, respectively.

FISCAL 2000 ("2000") COMPARED TO FISCAL 1999 ("1999")

Revenues

Revenues increased \$281 million, or 8% in 2000 compared to 1999, entirely due to an 8.9% increase in cruise revenues. The cruise revenue change resulted from an increase of approximately 10.8% in passenger capacity and a 1.2% increase in occupancy rates, partially offset by a 3.2% decrease in gross revenue per passenger cruise day. The increase in passenger capacity resulted primarily from the introduction into service of the Carnival Triumph and Carnival Victory in July 1999 and August 2000, respectively, and Holland America's Volendam and Zaandam in November 1999 and May 2000, respectively. This capacity increase was partially offset by several ships being out of service for unscheduled drydocks, including several due to manufacturer's design flaws, and the sale of the Nieuw Amsterdam in October 2000. The decrease in gross revenue per passenger cruise day was primarily due to pressure on cruise ticket prices throughout the year, with the exception of the Millennium cruises. This pressure on cruise ticket pricing was caused by a number of factors including, but not limited to, relatively softer demand and a fall-off in pre- and post Millennium bookings. Also, when a passenger elects to provide his or her own transportation, rather than purchasing air transportation from the Company, both the Company's cruise revenues and operating expenses decrease by approximately the same amount. During 2000, there was a reduction in the percentage of passengers electing to use the Company's air program and, accordingly, this caused a reduction in gross revenue per passenger cruise day, as well as a reduction in operating expenses.

Costs and Expenses

Operating expenses increased \$195.7 million, or 10.5% in 2000 compared

to 1999. Cruise operating costs increased by \$201.2 million, or 11.8%, to \$1.9 billion in 2000 from \$1.7 billion in 1999. Cruise operating costs increased in 2000 primarily due to additional costs associated with the increased passenger capacity, increases in fuel costs, and increases in operational costs primarily related to the Company's Millennium cruises and port costs. Commencing in the fourth quarter of 1999, the Company began to incur significantly higher fuel costs due to a very large increase in the price of bunker fuel which continued to increase as the year progressed. The increases in the price of fuel increased the Company's consolidated operating expenses by approximately \$51 million for 2000 compared to 1999. Cruise operating costs as a percentage of cruise revenues were 53.4% and 52% in 2000 and 1999, respectively.

Selling and administrative expenses increased \$40.2 million, or 9.0% to \$487.4 million in 2000 from \$447.2 million in 1999, primarily due to an increase in payroll and related costs. Selling and administrative expenses as a percentage of revenues were 12.9% and 12.8% during 2000 and 1999, respectively.

Depreciation and amortization increased by \$44.0 million, or 18.1% to \$287.7 million in 2000 from \$243.7 million in 1999, primarily due to the additional depreciation associated with the increase in the size of the fleet and ship refurbishment expenditures.

Affiliated Operations

During 2000, the Company recorded \$37.8 million of income from affiliated operations as compared with \$75.8 million of income in 1999. The Company's portion of Airtours' losses in 2000 was \$41.2 million as compared to income of \$36.2 million in 1999. The Company recorded income of \$76.7 million and \$39.9 million during 2000 and 1999, respectively, related to its interest in Costa. The Company's results from affiliated operations included net nonrecurring charges totaling \$5 million, consisting of a \$43 million charge for the Company's equity interest in restructuring and other nonrecurring net charges recorded by Airtours, partially offset by a \$38 million income tax benefit resulting from Costa's change in tax status upon registration of its ships within the Italian International Ship Registry and the reversal of certain Costa tax liabilities.

See the "General" section for a discussion of Airtours' and Costa's seasonality. See Notes 3 and 5 in the accompanying financial statements for more information regarding the acquisition of Costa and the Company's affiliated operations.

Nonoperating Income (Expense)

Interest income decreased \$25.4 million in 2000 to \$16.5 million from \$41.9 million in 1999 due primarily to lower average investment balances primarily resulting from the purchase of Treasury Stock, partially offset by higher interest rates.

Gross interest expense (excluding capitalized interest) decreased slightly to \$82.5 million in 2000 from \$87.9 million in 1999 primarily as a result of lower average outstanding debt balances, partially offset by a higher weighted average borrowing cost.

Other income in 2000 of \$8.5 million primarily includes \$21.4 million of compensation received from the shipyard, net of certain related expenses, a \$10.6 million gain on a forward foreign currency contract purchased to fix the acquisition price of Costa, partially offset by, among other things, a \$21 million port litigation charge (see Note 9 in the accompanying financial statements). The payments from the shipyard represent reimbursements for expenses incurred and lost profits due to ship construction or design issues which caused either delays in ship delivery or drydocks to correct the problems.

FISCAL 1999 ("1999") COMPARED TO FISCAL 1998 ("1998")

Revenues

Revenues increased \$488 million, or 16.2% in 1999 compared to 1998, entirely due to a 17.5% increase in cruise revenues. The cruise revenue change resulted from an increase of approximately 17.2% in passenger capacity and a 2.6% increase in gross revenue per passenger cruise day, partially offset by a 2.3% decrease in occupancy rates. The increase in passenger capacity resulted from the acquisition of Cunard Line Limited in late May 1998, which increased 1999 capacity by 5.6%, and the balance of the increase resulted primarily from the introduction into service of Carnival's Elation and Paradise in March and November 1998, respectively, and the Carnival

Triumph in July 1999, as well as Carnival's Ecstasy being in service throughout 1999. Both the increase in gross revenue per passenger cruise day and the decrease in occupancy rates was primarily due to Cunard Line Limited's higher gross revenue per passenger cruise day and lower occupancy rates than the Company's other brands and, to a lesser extent, an increase in gross revenue per passenger cruise day for the Carnival and Holland America brands.

As a result of the 1999 military conflict in the Balkans, the second half of the Company's 1999 Mediterranean cruise revenues were negatively impacted. Although management lessened this impact by, among other things, changing the itineraries of certain of its Mediterranean cruises, offering additional incentives and increasing advertising expenditures, the 1999 Mediterranean cruise results were still lower than originally expected.

Costs and Expenses

Operating expenses increased \$243.3 million, or 15.0% in 1999 compared to 1998. Cruise operating costs increased by \$250.2 million, or 17.1%, to \$1.71 billion in 1999 from \$1.46 billion in 1998. Cruise operating costs increased in 1999 primarily due to additional costs associated with the increased passenger capacity and increases in airfare and fuel costs. Airfare costs increased primarily due to a higher rate per air passenger partially offset by a lower percentage of passengers electing the Company's air program. Commencing in the fourth quarter of 1999, the Company began to incur significantly higher fuel costs due to a very large increase in the price of bunker fuel. Cruise operating costs as a percentage of cruise revenues were 52% and 52.1% in 1999 and 1998, respectively.

Selling and administrative expenses increased \$77.8 million, or 21.0% to \$447.2 million in 1999 from \$369.5 million in 1998, primarily due to an increase in advertising and payroll and related costs. Selling and administrative expenses as a percentage of revenues were 12.8% and 12.3% during 1999 and 1998, respectively.

Cunard Line Limited's cruise operating costs and selling and administrative expenses as a percentage of revenues are higher than the Company's other brands. Accordingly, the Company's expense ratios are higher in 1999 due to the inclusion of Cunard Line Limited's expenses since the third quarter of 1998.

Depreciation and amortization increased by \$43.0 million, or 21.4%, to \$243.7 million in 1999 from \$200.7 million in 1998 primarily due to the additional depreciation associated with the increase in the size of the fleet and the acquisition and consolidation of Cunard and Seabourn.

Affiliated Operations

During 1999, the Company recorded \$75.8 million of income from affiliated operations as compared with \$76.7 million of income in 1998. The Company's portion of Airtours' income decreased \$3.2 million in 1999, or 8.1%, to \$36.2 million in 1998. The Company recorded income of \$39.9 million during both 1999 and 1998 related to its interest in Costa.

Nonoperating Income (Expense)

Interest income increased \$31.7 million in 1999 to \$41.9 million from \$10.3 million in 1998 due primarily to higher average investment balances resulting from the investment of proceeds received by the Company upon the sale of its Common Stock in December 1998 (see Note 7 in the accompanying financial statements).

Gross interest expense (excluding capitalized interest) decreased slightly to \$87.9 million in 1999 from \$92.9 million in 1998 primarily as a result of lower average outstanding debt balances. Capitalized interest increased \$5.8 million during 1999 as compared with 1998 due primarily to higher levels of investments in ship construction projects.

Other income in 1999 of \$29.4 million primarily relates to \$21.4 million of compensation received from the shipyard related to the late deliveries of the Volendam and Carnival Triumph, net of certain related expenses, collection of \$4.5 million of insurance proceeds, recognition of \$2.3 million of ship lease transaction income and \$13.6 million of other nonrecurring gains. In addition, other income was partially reduced for, among other things, an \$8.8 million expense for the writedown of the Company's investment in Wyndham International common stock and \$3.2 million of expenses related to the small engine room fire on the Carnival ship Tropicale.

Minority interest was \$14.0 million in 1999 compared with \$11.1 million in 1998 which represents the minority shareholders' interest in Cunard Line Limited's net income. On November 15, 1999, the Company acquired the

remaining minority interest in Cunard at which point no further Cunard minority interest expense will be recorded by the Company.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

The Company's business provided approximately \$1.3 billion of net cash from operations during fiscal 2000 and fiscal 1999.

During fiscal 2000, the Company's net expenditures for capital projects were approximately \$1 billion, of which \$885 million was spent in connection with its ongoing shipbuilding program. The shipbuilding expenditures included the final payments on the Carnival Victory and Holland America's Zaandam, which were delivered to the Company in July and April 2000, respectively. The nonshipbuilding capital expenditures consisted primarily of ship refurbishments, information technology assets, tour assets, and other.

During fiscal 2000, the Company had net borrowings of \$342.8 million under its commercial paper programs and made principal payments related to other debt totaling \$210.7 million pursuant to various notes payable, including \$200 million for the payment of unsecured 5.65% Notes in October 2000. Also on September 29, 2000, the Company incurred approximately \$510 million in debt related to the acquisition of the remaining 50% interest of Costa. In addition, the Company consolidated approximately \$620 million of Costa debt which is included in the November 30, 2000 balance sheet (see Note 3 in the accompanying financial statements). Finally, the Company paid cash dividends of \$254.3 million in fiscal 2000.

In February 2000, the Company's Board of Directors authorized the repurchase of up to \$1 billion of the Company's Common Stock. During fiscal 2000, the Company repurchased 33.1 million shares of its Common Stock at a cost of \$705.1 million. Given the Company's recent purchase of Costa and management's desire to maintain a strong balance sheet and strong liquidity, the Company does not anticipate repurchasing additional shares of its Common Stock in the near future.

Future Commitments and Funding Sources

As of November 30, 2000, the Company had contracts for the delivery of sixteen new ships over the next five years. The Company's remaining obligations related to these ships under contract for construction is to pay approximately \$643 million during fiscal 2001 and approximately \$6.0 billion thereafter.

At November 30, 2000, the Company had \$2.3 billion of long-term debt of which \$248.2 million is due in fiscal 2001, substantially all of which is Costa debt. See Notes 6 and 9 in the accompanying financial statements for more information regarding the Company's debts and commitments.

As a normal part of the Company's business, depending on market conditions, pricing and the Company's overall growth strategy, the Company considers opportunities to enter into contracts for the building of additional ships and also considers potential acquisitions and strategic alliances.

The Company expects that future cash from operations will be the Company's principal funding source for capital projects, debt service requirements, dividend payments and working capital. In addition, as of November 30, 2000, the Company had \$189.3 million of cash and cash equivalents and \$696 million available for borrowing under its revolving credit facilities.

To the extent that the Company is required to or chooses to fund future cash requirements from sources other than as discussed above, management believes that it will be able to secure such financing from banks or through the offering of debt and/or equity securities in the public or private markets. In that regard, management expects to refinance approximately \$285 million of the Company's Costa acquisition debt in the first half of 2001, as well as \$220 million of Costa's debt which is due in November 2001.

OTHER MATTERS

Market Risks

The Company is principally exposed to market risks from fluctuations in foreign currency exchange rates, bunker fuel prices, interest rates and equity and food commodity prices. The Company seeks to minimize these risks through its regular operating and financing activities, its long-term

investment and debt portfolio strategies and, when considered appropriate, through the use of derivative financial instruments. The Company's policy is to not use financial instruments for trading or other speculative purposes.

Exposure to Foreign Currency Exchange Rates

The Company's primary foreign currency exchange risk was related to its outstanding commitments under ship construction contracts denominated in a foreign currency. These commitments are affected by fluctuations in the value of the U.S. dollar as compared to certain European currencies. Foreign currency forward contracts are generally used to manage this risk (see Notes 2 and 9 in the accompanying financial statements). Accordingly, increases and decreases in the fair value of these foreign currency forward contracts offset changes in the U.S. dollar value of the net underlying foreign currency denominated ship construction commitments, thus resulting in the elimination of such risk.

At November 30, 2000, the Company's foreign currency forward contracts which hedge its shipbuilding activities had notional amounts and maturity dates of \$397 million, \$816 million, \$1.0 billion, \$1.2 billion and \$291 million in 2001, 2002, 2003, 2004 and 2005, respectively. The fair value of these contracts was \$3.2 billion at November 30, 2000. Based upon a 10% strengthening or weakening of the U.S. dollar compared to the euro, assuming no changes in comparative interest rates, the estimated fair value of these contracts would decrease or increase by \$320 million which would be offset by a decrease or increase of \$320 million in the U.S. dollar value of the related foreign currency ship construction commitments resulting in no net dollar impact to the Company.

The cost of shipbuilding orders which the Company may place in the future may be affected by foreign currency exchange rate fluctuations. Should the U.S. dollar weaken relative to the euro, future orders for new ship construction in European shipyards may be at higher prices relative to the U.S. dollar.

Additionally, the Company's investments in foreign subsidiaries and affiliates subjects it to foreign currency exchange rate risk. Management considers its investments in foreign subsidiaries and affiliates to be denominated in relatively stable currencies and/or of a long-term nature and, accordingly, does not typically manage its related foreign currency exchange rate risk through the use of derivative financial instruments. However, in paying the Costa acquisition price, management utilized debt denominated in the functional currency of Costa to reduce a portion of this risk.

Finally, the Company sells certain of its cruises and incurs certain cruise-related expenses in foreign currencies which subjects the Company to foreign currency exchange risk. The Company does not expect that the impact of fluctuations in the foreign currency exchange rate on its foreign currency denominated cruise revenues and expenses to materially affect its results of operations due primarily to the natural hedges which are expected to exist within the Company's operations and the relative stability of the foreign currencies. However, management will continue to monitor such items to determine if any actions, such as the issuance of additional foreign currency denominated debt or other financial instruments, would be warranted to reduce such risk.

Exposure to Bunker Fuel Prices

Cruise ship expenses are impacted by changes in bunker fuel prices. Bunker fuel consumed over the past three fiscal years ranged from approximately 2.2 percent in fiscal 1998 to 4.0 percent in fiscal 2000 of the Company's gross cruise revenues. The Company endeavors to acquire bunker fuel at the lowest possible prevailing prices given, among other things, its substantial buying power and ability to refuel certain of its ships at ports which offer competitive price advantages.

The Company has typically not used financial instruments to hedge its exposure to the bunker fuel price market risk. However, in fiscal 2000, the Company entered into fuel swap agreements intended to hedge this price risk for a minor portion of its fiscal 2001 consumption. Management is continuing to monitor this market risk, and may, in the future, decide to increase its use of financial instruments to reduce this risk.

Based upon a 10% hypothetical increase or decrease in the November 30, 2000 bunker fuel price, the Company estimates that its fiscal 2001 bunker fuel cost would increase or decrease by approximately \$17 million compared to fiscal 2000.

Exposure to Interest Rates

In order to limit its exposure to interest rate fluctuations, the Company

has entered into a substantial amount of fixed rate debt instruments. Also, its Costa subsidiary currently utilizes variable to fixed interest rate swap agreements to fix substantially all of its interest costs over the short-term. The differential in interest rates to be paid or received under these swap agreements will be recognized in income as part of interest expense over the life of the contracts. The Company continuously evaluates its debt portfolio, including interest rate swap agreements, and makes periodic adjustments to the mix of floating rate and fixed rate debt based on its view of interest rate movements.

At November 30, 2000, the Company's long-term debt had a carrying value of \$2.35 billion. The Company also had interest rate swaps on debt with a notional amount of \$766 million and a weighted average remaining life of approximately 2.3 years. The fair value of this debt at November 30, 2000 was \$2.27 billion. Based upon a hypothetical 10% decrease or increase in the period end market interest rate, the fair value of this liability would increase or decrease by approximately \$42 million.

This hypothetical amount is determined by considering the impact of the hypothetical interest rates on the Company's existing debt and interest rate swaps. This analysis does not consider the effects of the changes in the level of overall economic activity that could exist in such environments. Furthermore, since substantially all of the Company's fixed rate debt cannot be prepaid and a large portion of its variable rate debt is subject to interest rate swaps which effectively fix the interest rate in the short-term, it is most likely management would be unable to take any significant steps in the short-term to mitigate its exposure in the event of a significant decrease in market interest rates.

Exposure to Equity and Food Commodity Prices

The Company has equity price risk related to its investment in Airtours and commodity price risk related to its food purchases. The Company does not typically manage these risks through the use of derivative financial instruments since it considers its investment in Airtours to be of a long-term nature and does not expect changes in food commodity prices to be material. However, management will continue to monitor these risks to determine if any actions would be necessary to reduce such risks.

Euro Conversion

On January 1, 1999, certain member countries of the European Union established fixed conversion rates between their existing currencies ("legacy currencies") and one common currency - the euro. The euro trades on currency exchanges and may be used in business transactions. Beginning in January 2002, new euro-denominated bills and coins will be used, and legacy currencies will be withdrawn from circulation. The Company's operating subsidiaries affected by the euro conversion have developed plans to address the systems and business issues affected by the euro currency conversion. These issues include, among others, (i) the need to adapt computer and other business systems and equipment to accommodate euro-denominated transactions, and (ii) the competitive impact of cross-border price transparency, which may affect pricing strategies. The Company does not expect this conversion to have a material impact on its financial statements.

SELECTED FINANCIAL DATA

The selected financial data presented below for the fiscal years 1996 through 2000 and as of the end of each such fiscal year are derived from the financial statements of the Company and should be read in conjunction with such financial statements and the related notes.

	2000	Years Ended November 30,			
		1999	1998	1997	1996
		(in thousands, except per share data)			
Income Statement and Other					
Data:					
Revenues	\$3,778,542	\$3,497,470	\$3,009,306	\$2,447,468	\$2,212,572
Operating income					
before income from					
affiliated operations	\$ 945,130	\$ 943,941	\$ 819,792	\$ 660,979	\$ 551,461
Operating income	\$ 982,958	\$1,019,699	\$ 896,524	\$ 714,070	\$ 597,428
Net income	\$ 965,458	\$1,027,240	\$ 835,885	\$ 666,050	\$ 566,302
Earnings per share (1):					
Basic	\$ 1.61	\$ 1.68	\$ 1.40	\$ 1.12	\$.98
Diluted	\$ 1.60	\$ 1.66	\$ 1.40	\$ 1.12	\$.96

Dividends declared per share (1)	\$.420	\$.375	\$.315	\$.240	\$.190
Passenger cruise days	16,750	14,947	13,009	11,908	10,583
Occupancy percentage (2)	105.4%	104.3%	106.3%	108.3%	107.6%

	2000	1999	As of November 30, 1998	1997	1996
	(in thousands)				
Balance Sheet Data:					
Total assets	\$9,831,320	\$8,286,355	\$7,179,323	\$5,426,775	\$5,101,888
Long-term debt	\$2,099,077	\$ 867,515	\$1,563,014	\$1,015,294	\$1,316,632
Total shareholders' equity	\$5,870,617	\$5,931,247	\$4,285,476	\$3,605,098	\$3,030,884

(1) All per share amounts have been adjusted to reflect a two-for-one stock split effective June 12, 1998.

(2) In accordance with cruise industry practice, occupancy percentage is calculated based upon two passengers per cabin even though some cabins can accommodate three or four passengers. The percentages in excess of 100% indicate that more than two passengers occupied some cabins.

MARKET PRICE FOR COMMON STOCK

The Company's Common Stock is traded on the New York Stock Exchange. The high and low Common Stock sales prices for the periods indicated were as follows:

	High	Low
Fiscal 2000:		
First Quarter	\$50.563	\$27.625
Second Quarter	\$28.813	\$21.875
Third Quarter	\$27.313	\$18.625
Fourth Quarter	\$25.750	\$19.688
Fiscal 1999:		
First Quarter	\$49.125	\$34.875
Second Quarter	\$53.500	\$38.500
Third Quarter	\$50.500	\$39.750
Fourth Quarter	\$51.875	\$38.125

As of January 25, 2001, there were approximately 4,763 holders of record of the Company's Common Stock. While no tax treaty currently exists between the Republic of Panama and the U. S., under current law, the Company believes that distributions to its shareholders are not subject to taxation under the laws of the Republic of Panama.

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Quarterly financial results for fiscal 2000 were as follows:

	Quarters Ended			
	February 29, (in thousands, except per share data)	May 31,	August 31,	November 30,
Revenues	\$824,878	\$875,127	\$1,228,211	\$850,326
Gross profit	\$359,438	\$378,006	\$ 613,487	\$369,269
Operating income before income from affiliated operations	\$170,955	\$188,891	\$ 418,910	\$166,374
Operating income	\$159,518	\$194,419	\$ 420,458	\$208,563
Net income	\$171,517(1)	\$203,956(1)(2)	\$ 396,190	\$193,795(3)
Earnings per share:				
Basic	\$.28	\$.34	\$.67	\$.33(3)

Diluted	\$.28	\$.34	\$.67	\$.33(3)
Dividends declared per share	\$.105	\$.105	\$.105	\$.105

(1) Includes \$8.5 million and \$6.6 million in the February 29 and May 31 quarters, respectively, of net compensation received from the shipyard relating to the delayed delivery of Holland America Line's Zaandam.

(2) Includes \$13.1 million of nonrecurring gains related to the reversal of certain of Costa's tax liabilities.

(3) Includes nonrecurring charges totaling \$24 million, or \$.04 per share, consisting of (a) a \$42 million charge for the Company's equity interest in restructuring and other nonrecurring charges recorded by Airtours and (b) a \$21 million port litigation charge, partially offset by (c) a \$12 million gain on a forward foreign currency contract purchased to hedge the acquisition price of Costa and (d) a \$27 million deferred income tax benefit resulting from Costa's change in tax status upon registration of its ships within the Italian International Ship Registry. In addition, includes approximately \$7 million of net compensation received from a shipyard for reimbursements related to Holland America Line's Rotterdam VI.

Quarterly financial results for fiscal 1999 were as follows:

	Quarters Ended			
	February 28, (in thousands, except per share data)	May 31,	August 31,	November 30,
Revenues	\$748,258	\$796,149	\$1,161,821	\$791,242
Gross profit	\$332,155	\$363,723	\$ 589,408	\$349,548
Operating income before income from affiliated operations	\$163,481	\$199,295	\$ 416,408	\$164,757
Operating income	\$157,564	\$198,113	\$ 427,184	\$236,838
Net income	\$157,761	\$203,342	\$ 415,093(1)	\$251,044(1)
Earnings per share:				
Basic	\$.26	\$.33	\$.68	\$.41
Diluted	\$.26	\$.33	\$.67	\$.40
Dividends declared per share	\$.09	\$.09	\$.09	\$.105

(1) Includes \$5.1 million and \$15.1 million in the August 31 and November 30 quarters, respectively, of net compensation received from the shipyard related to the delayed delivery of the Carnival Triumph and Holland America Line's Volendam, respectively.

FORWARD-LOOKING STATEMENTS

Certain statements in the Shareholders' Letter and under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this 2000 Annual Report constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions which may impact levels of disposable income of consumers and the passenger revenue yields for the Company's cruise products; consumer demand for cruises, including the effects on consumer demand of armed conflicts, political instability or adverse media publicity; increases in cruise industry capacity; cruise and other vacation industry competition; changes in tax laws and regulations; the ability of the Company to implement its shipbuilding program and to continue to expand its business outside the North American market; changes in foreign currency exchange rates, food and fuel commodity prices and interest rates; delivery of new ships on schedule and at the contracted price; weather patterns; unscheduled ship repairs and drydocking; incidents involving cruise ships; impact of pending or threatened litigation; the ability of unconsolidated affiliates to successfully implement their business strategies and changes in laws and regulations applicable to the Company.

LIST OF SUBSIDIARIES AND AFFILIATES OF CARNIVAL CORPORATION

Name of Subsidiary	Jurisdiction of Incorporation or Organization
(14) Airtours plc (25.11% interest)	United Kingdom
(9) Alaska Overland, Inc.	Alaska
(5) Alaska Travel Center, Inc.	Washington
(8) Anchorage Hotel Associates	California
CRC Holding, Inc.	Florida
Carnival Barbados Ltd.	Barbados
(20) Carnival Celebration, Inc.	Texas
(21) Carnival Cruise Terminals Mexico, S.A. de C.V.	Mexico
Carnival Investments Limited	Bahamas
(15) Carnival Investments (UK) Limited	United Kingdom
(15) Carnival Operations (UK) Limited	United Kingdom
(16) Carnival Services (UK) Limited	United Kingdom
Carnival (UK) plc	United Kingdom
CC US. Ventures, Inc.	Delaware
(23) Compagnie Francaise de Croisieres, S.A.	France
Celebration Cruises Inc.	Liberia
(10) Costa Crociere S.p.A.	Italy
(23) Costa Cruceros, S.A.	Argentina
(23) Costa Cruceros, S.L.	Spain
(23) Costa Cruise Lines, N.V.	Netherlands Antilles
(23) Costa Cruise Lines (UK) Limited	United Kingdom
(23) Costa Cruzieros Agencia Maritima E Turismo, Ltda.	Brazil
(24) Costa Finance, S.A.	Luxembourg
(25) Costa International, B.V.	Amsterdam
(26) Costa Kreuzfahrten, GmbH	Germany
(26) Costa Kreuzfahrten GmbH	Switzerland
(13) Cozumel Cruise Terminal, S.A. de C.V.	Mexico
Crowne Plaza Holdings, Inc.	Florida
(26) Cruise Ships Catering & Services International, N.V.	Netherlands Antilles
(27) Cruise Ships Catering & Services, S.A.M.	Morocco
(28) Cruise Ships Catering & Services Caribbean, N.V.	Netherlands Antilles
(13) Cruise Terminal Services, S.A. de C.V.	Mexico
(18) Cunard Celtic Hotel Services Limited	Hong Kong
(19) Cunard Celtic Limited	Hong Kong
(12) Cunard Fleet Management Services Limited	Bahamas
Cunard Line Limited	Bermuda
(12) Cunard Line Limited AS	Norway
(12) Cunard Seabourn Air Limited	United Kingdom
(17) Cunard Seabourn Limited (UK)	United Kingdom
(28) European Cruise Shops Limited	Barbados
(5) Evergreen Trails, Inc.	Washington
(25) Family Cruises of Italy, S.r.l.	Italy
Futura Cruises Inc.	Panama
Gemward Limited	Ireland
(22) Gibs, Inc.	Delaware
Golden Falcon International S.A.	Panama
HAL Antillen N.V.	Netherlands Antilles
(1) HAL Beheer B.V.	Netherlands
(1) HAL Buitenland B.V.	Netherlands
(1) HAL Cruises Limited	Bahamas
(1) HAL Marine N.V.	Netherlands Antilles
(1) HAL Maritime Ltd.	Netherlands Antilles
(1) HAL Nautical N.V.	Netherlands Antilles
(31) HAL Nederland N.V.	Netherlands Antilles
(5) Holland America Line Paymaster Corporation	Washington
(1) HAL Properties Limited	Bahamas
(1) HAL Services B.V.	Holland
(3) Holland America Line Inc.	Delaware
(1) Holland America Line N.V.	Netherlands Antilles
(4) Holland America Line-Westours Inc.	Washington
(3)(30) Il Ponte S.p.A.	Italy
(5) Leisure Corporation	Alaska
(26) Milestone, N.V.	Netherlands Antilles
(25) Nuova Darsena, S.r.l.	Italy
(29) Operadora Catalina, S.A.	Dominican Republic
(23) Prestige Cruises, N.V.	Netherlands Antilles
(29) Prestige Cruises Management, S.A.M.	Monaco
(3) Quattro Mari S.r.l.	Italy
(16) Sea Vacations Limited	United Kingdom
(11) Sea Vacations UK Limited	United Kingdom

(6)	Trailways Tours, Inc.	Washington
	Trident Insurance Company Limited	Bermuda
	Triumph Bre, S. de R.L.	Panama
	Utopia Cruises Inc.	Panama
(5)(7)	Westmark Hotels of Canada Limited	Canada
(5)	Westmark Hotels, Inc.	Alaska
(8)	Westmark Kodiak Inc.	Alaska
(8)	Westmark Third Avenue Inc.	Alaska
(5)	Westours Motor Coaches, Inc.	Alaska
(5)	White Pass & Yukon Motorcoaches Inc.	Alaska
(2)	Wind Spirit Limited	Bahamas
(2)	Wind Star Limited	Bahamas
(1)	Wind Surf Limited	Bahamas
(1)	Windstar Netherlands, B.V.	Netherlands Antilles
(1)	Windstar Sail Cruises Limited	Bahamas
(5)	Worldwide Shore Services Inc.	Washington
(28)	Zerbone Catering of Italy, N.V.	Netherlands Antilles

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- (1) Subsidiary of HAL Antillen N.V.
 - (2) Subsidiary of Windstar Sail Cruises Limited
 - (3) Subsidiary of HAL Buitenland B.V.
 - (4) Subsidiary of Holland America Line Inc.
 - (5) Subsidiary of Holland America Line-Westours Inc.
 - (6) Subsidiary of Evergreen Trails, Inc.
 - (7) Holland America Line-Westours Inc. owns all of the common stock and noncumulative redeemable preferred stock, while Westmark Hotels, Inc. owns all of the redeemable preferred Class B stock and the redeemable preferred Class C stock
 - (8) Subsidiary of Westmark Hotels, Inc.
 - (9) Subsidiary of Westours Motor Coaches, Inc.
 - (10) Subsidiary of Il Ponte S.p.A.
 - (11) Subsidiary of Sea Vacations Limited
 - (12) Subsidiary of Cunard Line Limited
 - (13) Subsidiary of Carnival Cruise Terminals Mexico, S.A. de C.V.
 - (14) Airtours plc is an affiliate of Carnival Investments (UK) Limited
 - (15) Subsidiary of Carnival (UK) plc
 - (16) Subsidiary of Carnival Operations (UK) Limited
 - (17) Subsidiary of Cunard Seabourn Air Limited
 - (18) Subsidiary of Cunard Celtic Limited
 - (19) Subsidiary of Cunard Fleet Management Services Limited
 - (20) Subsidiary of Carnival Barbados Ltd.
 - (21) Subsidiary of Carnival Investments (UK) Limited
 - (22) Subsidiary of CC U.S. Ventures, Inc.
 - (23) Subsidiary of Costa International, B.V.
 - (24) Subsidiary of HAL Buitenland B.V. and Carnival Corporation
 - (25) Subsidiary of Costa Crociere, S.p.A.
 - (26) Subsidiary of Costa International, B.V.
 - (27) Subsidiary of Cruise Ships Catering & Services International, N.V.
 - (28) Subsidiary of Cruise Ships Catering & Services, S.A.M.
 - (29) Subsidiary of Prestige Cruises, N.V.
 - (30) Subsidiary of Quattro Mari S.r.l.
 - (31) Subsidiary of Wind Surf Limited

Consent of Independent Certified Public Accountants

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-3 (No. 33-63563, No. 333-43269, No. 333-68999 and No. 333-72729) and Registration Statements on Forms S-8 (No. 33-45287, No. 33-45288, No. 33-51195, No. 33-53099 and No. 333-43885) and Registration Statement on Form S-1 (No. 33-14844) of Carnival Corporation of our report dated January 26, 2001 relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K.

/s/PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP
Miami, Florida
February 26, 2001