

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

FORM 8-K

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

Date of Report (date of earliest event reported) April 8, 2020



Carnival Corporation
(Exact name of registrant as specified in its charter)

Carnival plc
(Exact name of registrant as specified in its charter)

Republic of Panama
(State or other jurisdiction of incorporation)

England and Wales
(State or other jurisdiction of incorporation)

001-9610
(Commission File Number)

001-15136
(Commission File Number)

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

98-0357772
(I.R.S. Employer Identification No.)

**3655 N.W. 87th Avenue
Miami, Florida 33178-2428**
(Address of principal executive offices)
(Zip code)

**Carnival House, 100 Harbour Parade,
Southampton SO15 1ST, United Kingdom**
(Address of principal executive offices)
(Zip code)

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

011 44 23 8065 5000
(Registrant's telephone number, including area code)

None
(Former name or former address, if changed since last report.)

None
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock (\$0.01 par value) | CCL | New York Stock Exchange, Inc. |
| Ordinary Shares each represented by American Depositary Shares (\$1.66 par value), Special Voting Share, GBP 1.00 par value and Trust Shares of beneficial interest in the P&O Princess Special Voting Trust | CUK | New York Stock Exchange, Inc. |
| 1.625% Senior Notes due 2021 | CCL21 | New York Stock Exchange LLC |
| 1.875% Senior Notes due 2022 | CUK22 | New York Stock Exchange LLC |
| 1.000% Senior Notes due 2029 | CUK29 | New York Stock Exchange LLC |

Indicate by check mark whether the registrants are emerging growth companies as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2) of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Indenture

On April 8, 2020, Carnival Corporation (together with Carnival plc, the “Company,” “we,” “us,” or “our”) closed its previously announced private offering (the “Notes Offering”) of \$4.00 billion aggregate principal amount of its 11.500% First-Priority Senior Secured Notes due 2023 (the “Secured Notes”). The Secured Notes were issued pursuant to an Indenture, dated as of April 8, 2020 (the “Indenture”), among Carnival Corporation, Carnival plc, the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee and security agent.

The Secured Notes mature on April 1, 2023 unless earlier redeemed or repurchased. No sinking fund is provided for the Secured Notes. Cash interest on the Secured Notes will accrue from April 8, 2020 and is payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2020, at a rate of 11.500% per year.

The Secured Notes are fully and unconditionally guaranteed, jointly and severally, on a first-priority senior secured basis by Carnival plc and certain of Carnival Corporation’s and Carnival plc’s subsidiaries that own or operate the Company’s vessels and material intellectual property. In the future, each of Carnival Corporation’s and Carnival plc’s subsidiaries (other than immaterial subsidiaries) that becomes an issuer, borrower, obligor or guarantor under certain other indebtedness of Carnival Corporation, Carnival plc or any other guarantor, including, in each case, indebtedness in an aggregate principal amount in excess of \$250 million, will guarantee the Secured Notes.

The Secured Notes and the related guarantees are secured by first-priority security interests in the collateral, which generally includes (i) shares of capital stock of each subsidiary guarantor, subject to customary limitations; (ii) 86 of the vessels currently owned or operated by Carnival Corporation, Carnival plc and the other guarantors including assignments of insurance claims and earnings in respect of such vessels; (iii) the material intellectual property currently owned or controlled by Carnival Corporation, Carnival plc and the other guarantors; (iv) other assets of Carnival Corporation, Carnival plc and the other guarantors consisting of inventory, trade receivables, intangibles, computer software and casino equipment, in each case associated with the vessels being mortgaged; and (v) other assets on which Carnival Corporation, Carnival plc and the other guarantors may elect from time to time to grant a lien securing the Secured Notes (clauses (i) through (v), collectively, the “Collateral”), subject to permitted liens and certain exclusions and release provisions as further described in the Indenture and the related security documents.

Prior to January 1, 2023, Carnival Corporation may redeem the Secured Notes at its option, in whole at any time or in part from time to time, upon giving not less than 10 nor more than 60 days’ notice, at a redemption price equal to 100% of the principal amount of the Secured Notes redeemed, plus a “make-whole” premium and accrued and unpaid interest. On or after January 1, 2023, Carnival Corporation may redeem the Secured Notes at its option, in whole at any time or in part from time to time, upon giving not less than 10 nor more than 60 days’ notice, at a redemption price equal to 100% of the principal amount of the Secured Notes redeemed, plus accrued and unpaid interest. Carnival Corporation may also redeem the Secured Notes, in whole but not in part, at any time, upon giving not less than 10 nor more than 60 days’ prior written notice to the holders of the Secured Notes, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to, but not including, the redemption date, if Carnival Corporation or any guarantor would have to pay any additional amounts on the Secured Notes due to a change in tax laws, regulations or rulings or a change in the official application, administration or interpretation of such laws, regulations or rulings, which in each case is announced and becomes effective after April 1, 2020.

The Indenture contains covenants that limit the ability of Carnival Corporation, Carnival plc and their restricted subsidiaries to, among other things: (i) incur additional indebtedness or issue certain preferred shares; (ii) make dividend payments on or make other distributions in respect of their capital stock or make other restricted payments; (iii) make certain investments; (iv) sell certain assets; (v) create liens on assets; (vi) consolidate, merge, sell or otherwise dispose of all or substantially all of their assets; and (vii) enter into certain transactions with their affiliates. These covenants are subject to a number of important limitations and exceptions. Additionally, upon the

occurrence of specified change of control triggering events, Carnival Corporation shall offer to repurchase the Secured Notes at 101% of the principal amount, plus accrued and unpaid interest, if any, to, but not including, the purchase date.

The Indenture sets forth certain events of default after which the Secured Notes may be declared immediately due and payable and sets forth certain types of bankruptcy or insolvency events of default involving Carnival Corporation, Carnival plc, any of our or Carnival plc's significant subsidiaries or any group of our or Carnival plc's subsidiaries that, taken together, would constitute a significant subsidiary after which the Secured Notes become automatically due and payable.

The obligations of Carnival Corporation under the Indenture and the Secured Notes issued thereunder will be secured by first-priority security interests in the Collateral for the benefit of the secured parties under the Indenture, pursuant to collateral agreements, pledge agreements, charge agreements and collateral assignments to be entered into on or after April 8, 2020 under the laws of the United States and certain other jurisdictions, which security interests will be perfected on or after April 8, 2020 in accordance with the agreed security principles described in the Indenture. Those security interests are subject to an intercreditor agreement governing the rights and priorities of the secured parties under the Indenture and the holders of certain other indebtedness outstanding on April 8, 2020 or incurred in the future.

The Secured Notes were offered only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), or to non-U.S. investors in reliance on Regulation S under the Securities Act. The Secured Notes were not, and will not be, registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state laws.

The description of the Indenture and the Secured Notes above is qualified in its entirety by reference to the text of the Indenture and the form of Note attached thereto, which will be filed with the next periodic report of Carnival Corporation.

Escrow Agreement

Carnival Corporation and U.S. Bank National Association, as escrow agent (the "Escrow Agent"), entered into an Escrow Agreement, dated as of April 8, 2020 (the "Escrow Agreement"), under which Carnival Corporation deposited the net proceeds from the Notes Offering into a segregated escrow account. The escrow account and all funds and other assets in such escrow account with the Escrow Agent, were pledged as security for the benefit of the holders of the Secured Notes pending their release.

On October 8, 2020 (the "Escrow Longstop Date"), or if there is an event of bankruptcy, insolvency or court protection with respect to Carnival Corporation on or prior to the Escrow Longstop Date (the date of any such event being the "Special Termination Date"), the net proceeds of the Notes Offering remaining in the escrow account at such time will be used, together with available funds, to redeem an aggregate face amount of Secured Notes equal to the principal amount of Secured Notes, whose net proceeds are equal to such remaining net proceeds in a special mandatory redemption at a redemption price equal to 100% of the issue price thereof, plus accrued and unpaid interest, if any.

The Escrow Agent shall release net proceeds with respect to \$1.0 billion aggregate principal amount of Secured Notes to Carnival Corporation (the "First Release") when the perfected collateral loan-to-value ratio (the "Perfected Collateral Loan-to-Value Ratio") does not exceed 25% after giving effect to the First Release. The Escrow Agent shall release an additional amount of net proceeds with respect to \$1.0 billion aggregate principal amount of Secured Notes to Carnival Corporation (the "Second Release") when the Perfected Collateral Loan-to-Value Ratio, taking into account the First Release and the Second Release, does not exceed 25%. Furthermore, the Escrow Agent shall release an additional amount of net proceeds with respect to \$1.0 billion aggregate principal amount of Secured Notes to Carnival Corporation (the "Third Release") when the Perfected Collateral Loan-to-Value Ratio, taking into account the First Release, the Second Release and the Third Release, does not exceed 25%. Finally, the Escrow Agent shall release all remaining net proceeds of the Secured Notes then held in escrow to

Carnival Corporation (the “Final Release”) when the Perfected Collateral Loan-to-Value Ratio, taking into account the First Release, the Second Release, the Third Release and the Final Release, does not exceed 25%. The First Release, the Second Release, the Third Release and the Final Release may take place simultaneously.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information required by Item 2.03 relating to the Secured Notes and the Indenture is contained in Item 1.01 of this Current Report on Form 8-K and is incorporated herein by reference.

Additionally, the initial purchasers of Carnival Corporation’s previously reported private offering of 5.75% Convertible Senior Notes due 2023 (the “Convertible Notes”) fully exercised their option (the “Convertible Notes Option”) to purchase an additional \$62.5 million aggregate principal amount of the Convertible Notes. The offering of the additional Convertible Notes closed on April 8, 2020.

Item 3.02 Unregistered Sale of Equity Securities.

As described above, the initial purchasers of the Convertible Notes fully exercised the Convertible Notes Option. For more information on the Convertible Notes, please refer to Carnival Corporation’s Current Report on Form 8-K filed with the Securities and Exchange Commission on April 6, 2020.

Item 8.01 Other Events.

On April 8, 2020, the Company issued a press release announcing (a) the closing of the Notes Offering and (b) the exercise and closing of the Convertible Notes Option. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated by reference herein.

Cautionary Note Concerning Factors That May Affect Future Results

Carnival Corporation and Carnival plc and their respective subsidiaries are referred to collectively in this this Current Report on Form 8-K, including Exhibit 99.1 (collectively, this “document”), as “Carnival Corporation & plc,” “our,” “us” and “we.” Some of the statements, estimates or projections contained in this document are “forward-looking statements” that involve risks, uncertainties and assumptions with respect to us, including some statements concerning the financing transactions described herein, future results, operations, outlooks, plans, goals, growth, reputation, cash flows, liquidity and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts are statements that could be deemed forward-looking. These statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and the beliefs and assumptions of our management. We have tried, whenever possible, to identify these statements by using words like “will,” “may,” “could,” “should,” “would,” “believe,” “depends,” “expect,” “goal,” “anticipate,” “forecast,” “project,” “future,” “intend,” “plan,” “estimate,” “target,” “indicate,” “outlook,” and similar expressions of future intent or the negative of such terms.

Forward-looking statements include those statements that relate to our outlook and financial position including, but not limited to, statements regarding:

- Net revenue yields
 - Booking levels
 - Pricing and occupancy
 - Interest, tax and fuel expenses
 - Net cruise costs, excluding fuel per available lower berth day
 - Estimates of ship depreciable lives and residual values
 - Goodwill, ship and trademark fair values
 - Liquidity
-

- Currency exchange rates
- Adjusted earnings per share

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by our forward-looking statements. This note contains important cautionary statements of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 outbreak. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are unknown. These factors include, but are not limited to, the following:

- COVID-19 has had, and will continue to have, a materially adverse impact on our financial condition and operations, which impacts our ability to obtain acceptable financing to fund any resulting shortfalls in cash from operations. The current, and uncertain future, impact of the COVID-19 outbreak, including its effect on the ability or desire of people to travel (including on cruises), will continue to impact our results, operations, outlooks, plans, goals, growth, reputation, cash flows, liquidity, and stock price
- World events impacting the ability or desire of people to travel may lead to a decline in demand for cruises
- Incidents concerning our ships, guests or the cruise vacation industry as well as adverse weather conditions and other natural disasters may impact the satisfaction of our guests and crew and lead to reputational damage
- Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-corruption, economic sanctions, trade protection and tax may lead to litigation, enforcement actions, fines, penalties, and reputational damage
- Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks and failure to keep pace with developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and lead to reputational damage
- Ability to recruit, develop and retain qualified shipboard personnel who live away from home for extended periods of time may adversely impact our business operations, guest services and satisfaction
- Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs
- Fluctuations in foreign currency exchange rates may adversely impact our financial results
- Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options
- Geographic regions in which we try to expand our business may be slow to develop or ultimately not develop how we expect
- Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests. The ordering of the risk factors set forth above is not intended to reflect our indication of priority or likelihood.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this document, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 99.1 | Press release of Carnival Corporation and Carnival plc dated April 8, 2020 (relating to the Notes Offering) |
| 104 | Exhibit 104 Cover page from this Current Report on Form 8-K, formatted in Inline XBRL (included as Exhibit 101). |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each of the registrants has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CARNIVAL CORPORATION

By: /s/ David Bernstein
Name: David Bernstein
Title: Chief Financial Officer and Chief Accounting Officer

Date: April 8, 2020

CARNIVAL PLC

By: /s/ David Bernstein
Name: David Bernstein
Title: Chief Financial Officer and Chief Accounting Officer

Date: April 8, 2020

Carnival Corporation & plc Announces Closing of 11.500% First-Priority Senior Secured Notes due 2023 and Exercise of Option for 5.75% Convertible Senior Notes due 2023

MIAMI, April 8, 2020 /PRNewswire/ -- Carnival Corporation & plc (NYSE/LSE: CCL; NYSE: CUK), the world's largest leisure travel company, today announced that Carnival Corporation (the "Corporation") has closed its private offering of \$4.00 billion aggregate principal amount of 11.500% First-Priority Senior Secured Notes due 2023 (the "Secured Notes"). The Corporation also announced today that the initial purchasers of the Corporation's previously announced private offering of 5.75% Convertible Senior Notes due 2023 (the "Convertible Notes") fully exercised the remainder of their option to purchase an additional \$62.5 million aggregate principal amount of the Convertible Notes. The offering of the additional Convertible Notes closed today. The Corporation expects to use the net proceeds from the offering of the Secured Notes and the offering of the Convertible Notes for general corporate purposes.

The Secured Notes were offered only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act, and outside the United States, only to non-U.S. investors pursuant to Regulation S. The Convertible Notes were offered only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act. The Secured Notes, the Convertible Notes and the shares of common stock issuable upon conversion of the Convertible Notes, if any, will not be registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state laws.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the Secured Notes, the Convertible Notes or any other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such an offer, solicitation or sale would be unlawful.

About Carnival Corporation & plc

Carnival Corporation & plc is the world's largest leisure travel company with a portfolio of nine of the world's leading cruise lines. With operations in North America, Australia, Europe and Asia, its portfolio features Carnival Cruise Line, Princess Cruises, Holland America Line, Seabourn, P&O Cruises (Australia), Costa Cruises, AIDA Cruises, P&O Cruises (UK) and Cunard.

Cautionary Note Concerning Factors That May Affect Future Results

Carnival Corporation and Carnival plc and their respective subsidiaries are referred to collectively in this press release as "Carnival Corporation & plc," "our," "us" and "we." Some of the statements, estimates or projections contained in this document are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning the financing transactions described herein, future results, operations, outlooks, plans, goals, growth, reputation, cash flows, liquidity and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts are statements that could be deemed forward-looking. These statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and the beliefs and assumptions of our management. We have tried, whenever possible, to identify these statements by using words like "will," "may," "could," "should," "would," "believe," "depends," "expect," "goal," "anticipate," "forecast," "project," "future," "intend," "plan," "estimate," "target," "indicate," "outlook," and similar expressions of future intent or the negative of such terms.

Forward-looking statements include those statements that relate to our outlook and financial position including, but not limited to, statements regarding:

- Net revenue yield
- Booking levels
- Pricing and occupancy
- Interest, tax and fuel expenses
- Currency exchange rates
- Net cruise costs, excluding fuel per available lower berth day
- Estimates of ship depreciable lives and residual values
- Goodwill, ship and trademark fair values
- Liquidity
- Adjusted earnings per share

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by our forward-looking statements. This note contains important cautionary statements of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 outbreak. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are unknown. These factors include, but are not limited to, the following:

- COVID-19 has had, and will continue to have, a materially adverse impact on our financial condition and operations, which impacts our ability to obtain acceptable financing to fund any resulting shortfalls in cash from operations. The current, and uncertain future, impact of the COVID-19 outbreak, including its effect on the ability or desire of people to travel (including on cruises), will continue to impact our results, operations, outlooks, plans, goals, growth, reputation, cash flows, liquidity, and stock price
- World events impacting the ability or desire of people to travel may lead to a decline in demand for cruises
- Incidents concerning our ships, guests or the cruise vacation industry as well as adverse weather conditions and other natural disasters may impact the satisfaction of our guests and crew and lead to reputational damage
- Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-corruption, economic sanctions, trade protection and tax may lead to litigation, enforcement actions, fines, penalties, and reputational damage
- Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks and failure to keep pace with developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and lead to reputational damage
- Ability to recruit, develop and retain qualified shipboard personnel who live away from home for extended periods of time may adversely impact our business operations, guest services and satisfaction
- Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs
- Fluctuations in foreign currency exchange rates may adversely impact our financial results
- Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options
- Geographic regions in which we try to expand our business may be slow to develop or ultimately not develop how we expect
- Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests

The ordering of the risk factors set forth above is not intended to reflect our indication of priority or likelihood.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this document, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

SOURCE Carnival Corporation & plc

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