

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended May 31, 2005

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

Commission file number: 1-15136

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

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

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

England and Wales
(State or other jurisdiction of incorporation or organization)

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

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

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

Carnival House, 5 Gainsford Street,
London SE1 2NE, United Kingdom
(Address of principal executive offices)
(Zip Code)

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

011 44 20 7940 5381
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report.)

None
(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrants are accelerated filers (as defined in Rule 12b-2 of the Exchange Act). Yes No

At July 5, 2005 Carnival Corporation had outstanding 634,702,407 shares of Common Stock, \$.01 par value.

At July 5, 2005, Carnival plc had outstanding 212,231,096 Ordinary Shares \$1.66 stated value, one Special Voting Share, GBP 1.00 par value and 634,702,407 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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

Six Months Ended May 31,		Three Months Ended May 31,	
2005	2004	2005	2004
-----	-----	-----	-----

Revenues

Cruise				
Passenger tickets	\$ 3,740	\$ 3,218	\$ 1,899	\$ 1,691
Onboard and other	1,116	973	570	526
Other	59	45	50	36
	-----	-----	-----	-----
	4,915	4,236	2,519	2,253
	-----	-----	-----	-----
Costs and Expenses				
Operating				
Cruise				
Commissions, transportation and other	814	760	383	376
Onboard and other	191	178	95	97
Payroll and related	558	486	284	249
Food	305	264	151	137
Other ship operating	972	814	515	434
Other	54	43	42	33
	-----	-----	-----	-----
Total	2,894	2,545	1,470	1,326
Selling and administrative	675	638	342	322
Depreciation and amortization	446	388	225	200
	-----	-----	-----	-----
	4,015	3,571	2,037	1,848
	-----	-----	-----	-----
Operating Income	900	665	482	405
	-----	-----	-----	-----
Nonoperating (Expense) Income				
Interest income	9	9	6	4
Interest expense, net of capitalized interest	(168)	(136)	(82)	(70)
Other income (expense), net	10	(7)	3	(7)
	-----	-----	-----	-----
	(149)	(134)	(73)	(73)
	-----	-----	-----	-----
Income Before Income Taxes	751	531	409	332
Income Tax Benefit, Net	2	4		
	-----	-----	-----	-----
Net Income	\$ 753	\$ 535	\$ 409	\$ 332
	=====	=====	=====	=====
Earnings Per Share				
Basic	\$ 0.94	\$ 0.67	\$ 0.51	\$ 0.41
	=====	=====	=====	=====
Diluted	\$ 0.91	\$ 0.66	\$ 0.49	\$ 0.40
	=====	=====	=====	=====
Dividends Per Share	\$ 0.35	\$ 0.25	\$ 0.20	\$ 0.125
	=====	=====	=====	=====

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in millions, except par/stated values)

ASSETS	May 31, 2005 ----	November 30, 2004 ----
Current Assets		
Cash and cash equivalents	\$ 721	\$ 643
Short-term investments	303	17
Accounts receivable, net	418	409
Inventories	253	240
Prepaid expenses and other	404	419
	-----	-----
Total current assets	2,099	1,728
	-----	-----
Property and Equipment, Net	21,249	20,823
Goodwill	3,259	3,321
Trademarks	1,288	1,306
Other Assets	411	458
	-----	-----
	\$ 28,306	\$ 27,636
	=====	=====
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	\$ 278	\$ 381
Current portion of long-term debt	1,169	681
Convertible debt subject to current put option		600
Accounts payable	647	631
Accrued liabilities and other	719	868
Customer deposits	2,585	1,873
	-----	-----
Total current liabilities	5,398	5,034
	-----	-----
Long-Term Debt	6,305	6,291
Other Long-Term Liabilities and Deferred Income	543	551
Contingencies (Note 4)		
Shareholders' Equity		
Common stock of Carnival Corporation; \$.01 par value; 1,960 shares authorized; 635 shares at 2005 and 634 shares at 2004 issued	6	6
Ordinary shares of Carnival plc; \$1.66 stated value; 226 shares authorized; 212 shares at 2005 and 2004 issued	353	353
Additional paid-in capital	7,356	7,311
Retained earnings	9,092	8,623
Unearned stock compensation	(17)	(16)
Accumulated other comprehensive income	358	541
Treasury stock; 1 share of Carnival Corporation at 2005 and 42 shares of Carnival plc at 2005 and 2004 at cost	(1,088)	(1,058)
	-----	-----
Total shareholders' equity	16,060	15,760
	-----	-----
	\$ 28,306	\$ 27,636
	=====	=====

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

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

	Six Months Ended May 31, 2005 ----	2004 ----
OPERATING ACTIVITIES		
Net income	\$ 753	\$ 535
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	446	388
Accretion of original issue discount	11	11
Other	10	12
Changes in operating assets and liabilities		
Increase in		
Receivables	(97)	(18)
Inventories	(15)	(42)
Prepaid expenses and other	(77)	(49)
Increase (decrease) in		
Accounts payable	33	64
Accrued and other liabilities	(33)	64
Customer deposits	730	742
	-----	-----
Net cash provided by operating activities	1,761	1,707
	-----	-----
INVESTING ACTIVITIES		
Additions to property and equipment	(1,109)	(2,648)
Sales of short-term investments	270	749
Purchases of short-term investments	(556)	(290)
Proceeds from retirement of property and equipment		77
Other, net	2	(12)
	-----	-----
Net cash used in investing activities	(1,393)	(2,124)
	-----	-----
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	823	842
Principal repayments of long-term debt	(786)	(624)
(Payments) proceeds from short-term borrowings, net	(89)	153
Dividends paid	(241)	(199)
Proceeds from exercise of stock options	37	97
Purchase of treasury stock	(30)	
Other	(1)	(4)
	-----	-----
Net cash (used in) provided by financing activities	(287)	265
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(3)	(15)
	-----	-----
Net increase (decrease) in cash and cash equivalents	78	(167)
Cash and cash equivalents at beginning of period	643	610
	-----	-----
Cash and cash equivalents at end of period	\$ 721	\$ 443
	=====	=====

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

CARNIVAL CORPORATION & PLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - Basis of Presentation

Carnival Corporation is incorporated in Panama, and Carnival plc is incorporated in England and Wales. Together with their consolidated subsidiaries they are referred to collectively in these consolidated financial statements and elsewhere in this joint Quarterly Report on Form 10-Q as "Carnival Corporation & plc," "our," "us," and "we."

Carnival Corporation and Carnival plc (formerly known as P&O Princess Cruises plc or "P&O Princess") completed a dual listed company ("DLC") transaction (the "DLC transaction") in 2003. The DLC transaction combined the businesses of Carnival Corporation and Carnival plc through a number of contracts and through amendments to Carnival Corporation's articles of incorporation and by-laws and to Carnival plc's memorandum of association and articles of association. The two companies have retained their separate legal identities, however, they operate as if they were a single economic enterprise.

The accompanying consolidated balance sheet at May 31, 2005, the consolidated statements of operations for the six and three months ended May 31, 2005 and 2004 and the consolidated statements of cash flows for the six months ended May 31, 2005 and 2004 are unaudited and, in the opinion of our management, contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation. Our interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes included in the Carnival Corporation & plc 2004 joint Annual Report on Form 10-K. Our operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire year.

Reclassifications have been made to prior period amounts to conform to the current period presentation, including reflecting the gross purchases and sales of variable rate securities as investing activities in the Consolidated Statements of Cash Flows in fiscal 2004.

NOTE 2 - Stock-Based Compensation

Pursuant to Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," as amended, we elected to use the intrinsic value method of accounting for our employee and director stock-based compensation awards instead of the fair value method. Accordingly, we have not recognized compensation expense for our noncompensatory employee and director stock option awards. Our pro forma net income and pro forma earnings per share, had we elected to adopt the fair value approach of SFAS No. 123, which charges earnings for the estimated fair value of stock options, would have been as follows (in millions, except per share amounts):

	Six Months Ended May 31,		Three Months Ended May 31,	
	2005	2004	2005	2004
Net income, as reported	\$ 753	\$ 535	\$ 409	\$ 332
Stock-based compensation expense included in net income, as reported	6	6	3	4
Total stock-based compensation expense determined under the fair value-based method for all awards	(35)	(30)	(18)	(12)
Pro forma net income for basic earnings per share	724	511	394	324
Interest on dilutive convertible notes	25	25	12	12
Pro forma net income for diluted earnings per share	\$ 749	\$ 536	\$ 406	\$ 336
Earnings per share				
Basic				
As reported	\$ 0.94	\$ 0.67	\$ 0.51	\$ 0.41
Pro forma	\$ 0.90	\$ 0.64	\$ 0.49	\$ 0.40
Diluted				
As reported	\$ 0.91	\$ 0.66	\$ 0.49	\$ 0.40
Pro forma	\$ 0.88	\$ 0.63	\$ 0.48	\$ 0.40

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (revised 2004), "Share-Based Payment Statement 123(R)," which will require us to recognize compensation costs in our financial statements in an amount equal to the fair value of share-based payments granted to employees and directors. This statement is effective for us in the first quarter of fiscal 2006. We have not yet determined which of the alternative transition methods we will use upon adoption of this new statement. However, based on preliminary estimates, if we were to elect to adopt this statement on December 1, 2005, our additional full year 2006 share-based compensation expense is estimated to be in the range of approximately \$65 million to \$70 million.

NOTE 3 - Debt

In January 2005, we paid the final installment of \$110 million on our capitalized lease obligations and in May 2005, we paid \$100 million on our 7.05% fixed rate notes.

In February 2005, Carnival plc extended its 600 million euro (\$751 million U.S. dollars at the May 31, 2005 exchange rate) unsecured multi-currency revolving credit facility for 364 days, and reduced this facility's commitment fee on the undrawn portion from nine basis points ("BPS") to 7.5 BPS. Accordingly, this facility now expires in March 2006.

In March 2005, Carnival plc entered into a five-year unsecured multi-currency term loan facility, bearing interest at euribor/libor plus 32.5 BPS. Under this facility, we borrowed 368 million euro (\$460 million U.S. dollars at the May 31, 2005 exchange rate) to repay a 368 million euro note, which bore interest at euribor plus 60 BPS, prior to its October 2008 maturity date. We also borrowed 165 million sterling under this facility (\$300 million U.S. dollars at the May 31, 2005 exchange rate), which we used to pay a portion of P&O Cruises' Arcadia purchase price. Finally, we entered into interest rate swap agreements to fix the interest rates on these euro and sterling borrowings at 3.50% and 5.40%, respectively.

At November 30, 2004, our 2% convertible notes were classified as a current liability, since the noteholders had the right to require us to repurchase them on April 15, 2005, however, substantially all of the noteholders did not exercise their rights. Accordingly, at May 31, 2005, we classified our 2% convertible notes as long-term debt, since the next date that the noteholders can require us to repurchase them is on April 15, 2008.

NOTE 4 - Contingencies

Litigation

On March 7, 2005, a lawsuit was filed against Carnival Corporation in the U.S. District Court for the Southern District of Florida on behalf of some current and former crew members alleging that Carnival Cruise Lines failed to pay the plaintiffs for overtime. The suit seeks payment of (i) the overtime wages alleged to be owed, (ii) penalty wages under U.S. law and (iii) interest. We are not yet able to estimate the impact of this claim, and the ultimate outcome of this matter cannot be determined at this time. However, we believe that we have meritorious defenses and we intend to vigorously defend against this action.

In 2002, two actions (collectively, the "Facsimile Complaints") were filed against Carnival Corporation on behalf of purported classes of persons who received unsolicited advertisements via facsimile, alleging that Carnival Corporation and other defendants distributed unsolicited advertisements via facsimile in contravention of the U.S. Telephone Consumer Protection Act. The plaintiffs seek to enjoin the sending of unsolicited facsimile advertisements and statutory damages. The advertisements referred to in the Facsimile Complaints that reference a Carnival Cruise Lines product were not sent by Carnival Corporation, but rather were distributed by a professional faxing company at the behest of third party travel agencies. We do not advertise directly to the traveling public through the use of facsimile transmission. The ultimate outcomes of the Facsimile Complaints cannot be determined at this time. However, we believe that we have meritorious defenses and we intend to vigorously defend against these actions.

Costa Cruises 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 a 79 million euro denominated contract for the conversion and lengthening of the ship in November 2000. Costa also gave notice of termination of the contract in January 2001. It is expected that the arbitration tribunal's decision will be made in late 2005 at the earliest. In the event that an award is given in favor of Cammell Laird, the amount of damages, which Costa would have to pay, if any, is not currently determinable. The ultimate outcome of this matter cannot be determined at this time.

In April 2003, Festival Crociere S.p.A. ("Festival") commenced an action against the European Commission (the "Commission") in the Court of First Instance of the European Communities in Luxembourg seeking to annul the Commission's antitrust approval of the DLC transaction (the "Festival Action"). We have been granted leave to intervene in the Festival Action and filed a Statement in Intervention with the court. Festival was declared bankrupt in May 2004 and Festival did not submit observations on our Statement in Intervention. A date for an oral hearing will be set in due course, unless Festival withdraws its action. A successful third party challenge of an unconditional Commission clearance decision would be unprecedented, and based on a review of the law and the factual circumstances of the DLC transaction, as well as the Commission's approval decision in relation to the DLC transaction, we believe that the Festival Action will not have a material adverse effect on the companies or the DLC transaction. However, the ultimate outcome of this matter cannot be determined at this time.

In the normal course of our business, various other claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability, net of any insurance recoverables, is typically limited to our self-insurance retention levels. However, the ultimate outcome of these claims and lawsuits cannot be determined at this time.

Contingent Obligations

At May 31, 2005, Carnival Corporation had contingent obligations totaling approximately \$1.1 billion to participants in lease out and lease back type

transactions for three of its ships. At the inception of the leases, the entire amount of the contingent obligations was paid by Carnival Corporation to major financial institutions to enable them to directly pay these obligations. Accordingly, these obligations were considered extinguished, and neither the funds nor the contingent obligations have been included on our balance sheets. Carnival Corporation would only be required to make any payments under these contingent obligations in the remote event of nonperformance by these financial institutions, all of which have long-term credit ratings of AAA, AA+ or AA. In addition, Carnival Corporation obtained a direct guarantee from another AA+ rated financial institution for \$299 million of the above noted contingent obligations, thereby further reducing the already remote exposure to this portion of the contingent obligations. If the major financial institutions' credit ratings fall below AA-, Carnival Corporation would be required to move a majority of the funds from these financial institutions to other highly-rated financial institutions. If Carnival Corporation's credit rating falls below BBB, it would be required to provide a standby letter of credit for \$85 million, or alternatively provide mortgages in the aggregate amount of \$85 million on two of its ships.

In the unlikely event that Carnival Corporation were to terminate the three lease agreements early or default on its obligations, it would, as of May 31, 2005, have to pay a total of \$171 million in stipulated damages. As of May 31, 2005, \$179 million of standby letters of credit have been issued by a major financial institution in order to provide further security for the payment of these contingent stipulated damages. Between 2017 and 2022, we have the right to exercise options that would terminate these transactions at no cost to us.

Some of the debt agreements that we enter into include indemnification provisions that obligate us to make payments to the counterparty if certain events occur. These contingencies generally relate to changes in taxes, changes in laws that increase lender capital costs and other similar costs. The indemnification clauses are often standard contractual terms and were entered into in the normal course of business. There are no stated or notional amounts included in the indemnification clauses and we are not able to estimate the maximum potential amount of future payments, if any, under these indemnification clauses. We have not been required to make any material payments under such indemnification clauses in the past and, under current circumstances, we do not believe a request for material future indemnification payments is probable.

NOTE 5 - Comprehensive Income

Comprehensive income was as follows (in millions):

	Six Months Ended May 31,		Three Months Ended May 31,	
	2005	2004	2005	2004
	----	----	----	----
Net income	\$ 753	\$ 535	\$ 409	\$ 332
Items included in accumulated other comprehensive income				
Foreign currency translation adjustment	(177)	175	(174)	(33)
Changes related to cash flow derivative hedges	(6)	(8)	(17)	5
	-----	-----	-----	-----
Total comprehensive income	\$ 570	\$ 702	\$ 218	\$ 304
	=====	=====	=====	=====

NOTE 6 - Segment Information

Our cruise segment included all of our cruise brands, which have been aggregated as a single reportable segment based on the similarity of their economic and other characteristics, including products and services they provide. Our other segment primarily represents the transportation, hotel and tour operations of Holland America Tours and Princess Tours, and the business to business travel agency operations of P&O Travel Ltd.

Selected segment information for our cruise and other segments was as follows (in millions):

Six Months Ended May 31,					
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
2005					
Cruise	\$4,856	\$2,840	\$647	\$430	\$939
Other	74	69	28	16	(39)
Intersegment elimination	(15)	(15)			
	\$4,915	\$2,894	\$675	\$446	\$900
2004					
Cruise	\$4,191	\$2,502	\$610	\$377	\$702
Other	54	52	28	11	(37)
Intersegment elimination	(9)	(9)			
	\$4,236	\$2,545	\$638	\$388	\$665
Three Months Ended May 31,					
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
2005					
Cruise	\$2,469	\$1,428	\$325	\$217	\$499
Other	61	53	17	8	(17)
Intersegment elimination	(11)	(11)			
	\$2,519	\$1,470	\$342	\$225	\$482
2004					
Cruise	\$2,217	\$1,293	\$308	\$195	\$421
Other	43	40	14	5	(16)
Intersegment elimination	(7)	(7)			
	\$2,253	\$1,326	\$322	\$200	\$405

Note 7 - Merchant Navy Officers Pension Fund ("MNOFF")

P&O Cruises, Princess Cruises and Cunard Line participate in an industry-wide British MNOFF, which is a defined benefit multiemployer pension plan that is available to certain of their shipboard British officers. The MNOFF is divided into two sections, the "New Section" and the "Old Section," each of which covers a different group of participants, with the Old Section closed to further benefit accrual and the New Section only closed to new membership.

As of March 31, 2003, the date of the most recent formal actuarial valuation prepared by the MNOFF's actuary, the New Section of the MNOFF was estimated to have a fund deficit of approximately 200 million sterling, or \$380 million, assuming a 7.7% discount rate. At November 30, 2004, our external actuary informally updated the March 31, 2003 valuation and estimated that the New Section deficit was approximately 760 million sterling, or \$1.44 billion, assuming a 5.2% discount rate. The amount of the fund deficit could vary considerably if different assumptions and/or estimates were used in its calculation. Substantially all of any MNOFF fund deficit liability which we may have relates to P&O Cruises and Princess obligations, which existed prior to the DLC transaction.

Despite a recent court ruling regarding the allocation of the deficit to participating employers, there are still a number of uncertainties remaining as to our portion of the fund's ultimate deficit. Therefore, we will record as expense our portion of any deficit as amounts are invoiced by the fund's trustee. We expect to receive the first invoice during the quarter ended August 31, 2005. In accordance with the court ruling and other factors, and assuming all of the other participating employers are able to pay their share of the MNOFF deficit, we believe our share of the ultimate deficit could be in the range of \$25 million to \$90 million.

NOTE 8 - Earnings Per Share

Our basic and diluted earnings per share were computed as follows (in millions, except per share data):

	Six Months Ended May 31,		Three Months Ended May 31,	
	2005	2004	2005	2004
Net income	\$ 753	\$ 535	\$ 409	\$ 332
Interest on dilutive convertible notes	25	25	12	12
Net income for diluted earnings per share	\$ 778	\$ 560	\$ 421	\$ 344
Weighted-average common and ordinary shares outstanding	805	801	805	803
Dilutive effect of convertible notes	44	43	44	43
Dilutive effect of stock plans	6	5	5	4
Diluted weighted-average shares outstanding	855	849	854	850
Basic earnings per share	\$0.94	\$0.67	\$0.51	\$0.41
Diluted earnings per share	\$0.91	\$0.66	\$0.49	\$0.40

Options to purchase 2.2 million (5.1 million in 2004) and 2.2 million (5.1 million in 2004) shares for the six and three months ended May 31, 2005 and 2004, respectively, were excluded from our diluted earnings per share computation since the effect of including them was anti-dilutive.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this joint Quarterly Report on Form 10-Q are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, outlook, plans, goals and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can find many, but not all, of these statements by looking for words like "will," "may," "believes," "expects," "anticipates," "forecast," "future," "intends," "plans," and "estimates" and for similar expressions.

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in this joint Quarterly Report on Form 10-Q. Forward-looking statements include those statements which may impact the forecasting of our earnings per share, net revenue yields, booking levels, pricing, occupancy, operating, financing and/or tax costs, costs per available lower berth day ("ALBD"), estimates of ship depreciable lives and residual values, outlook or business prospects. These factors include, but are not limited to, the following:

- - risks associated with the DLC structure, including the uncertainty of its tax status;
- - general economic and business conditions, which may impact levels of disposable income of consumers and net revenue yields for our cruise brands;
- - conditions in the cruise and land-based vacation industries, including competition from other cruise ship operators and providers of other vacation alternatives and increases in capacity offered by cruise ship and land-based vacation alternatives;
- - risks associated with operating internationally;
- - the international political and economic climate, armed conflicts, terrorist attacks and threats thereof, availability of air service, other world events and adverse publicity, and their impact on the demand for cruises;
- - accidents and other incidents affecting the health, safety, security and vacation satisfaction of passengers, including machinery and equipment failures, which could cause the alteration of itineraries or cancellation of a cruise or series of cruises;
- - changing public and consumer tastes and preferences, which may, among other things, adversely impact the demand for cruises;
- - our ability to implement our shipbuilding programs and brand strategies and to continue to expand our business worldwide;
- - our ability to attract and retain qualified shipboard crew and maintain good relations with employee unions;
- - our ability to obtain financing on terms that are favorable or consistent with our expectations;
- - the impact of changes in operating and financing costs, including changes in foreign currency and interest rates and fuel, food, payroll, insurance and security costs;
- - changes in the tax, environmental, health, safety, security and other regulatory regimes under which we operate;
- - continued availability of attractive port destinations;
- - our ability to successfully implement cost improvement plans and to integrate business acquisitions;
- - continuing financial viability of our travel agent distribution system and air service providers; and
- - unusual weather patterns or natural disasters, such as hurricanes and earthquakes.

In April 2005, the U.S. State Department announced details of the proposed "Western Hemisphere Travel Initiative." When the proposed rules are enacted, U.S.

citizens will be required to carry a passport for travel to or from certain countries/areas that were previously exempt. The proposed implementation is as follows:

- On December 31, 2005, a passport would be required for all air and sea travel to or from the Caribbean, Bermuda, Central and South America.
- On December 31, 2006, a passport would be required for all air and sea travel to or from Mexico and Canada, including Alaska cruises, which stop in Canada.
- On December 31, 2007, a passport would be required for all air, sea and land border crossings.

Since many cruise customers visiting these destinations may not currently have passports, it is likely that this will have some negative effect on our bookings and net revenue yields when the regulations take effect. There are a number of factors that could influence the ultimate impact of these regulations, such as customer travel patterns, customer price sensitivity and the cost and effectiveness of mitigating programs we and others might establish. However, although no assurance can be given, we do not believe that these regulations will ultimately have a material adverse effect on our operating results, as a significant portion of our revenues are derived from cruises to destinations other than those mentioned above, a substantial portion of our U.S. citizen customers already have passports and we expect a large number of U.S. citizen travelers who do not have passports will obtain them.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant listing rules, we expressly disclaim any obligation to disseminate, after the date of this joint Quarterly Report on Form 10-Q, 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.

Key Performance Indicators and Critical Accounting Estimates

We use net cruise revenues per ALBD ("net revenue yields") and net cruise costs per ALBD as significant non-GAAP financial measures of our cruise segment financial performance. We believe that net revenue yields are commonly used in the cruise industry to measure a company's cruise segment revenue performance. This measure is also used for revenue management purposes. In calculating net revenue yields, we use "net cruise revenues" rather than "gross cruise revenues." We believe that net cruise revenues is a more meaningful measure in determining revenue yield than gross cruise revenues because it reflects the cruise revenues earned by us net of our most significant variable costs, which are travel agent commissions, cost of air transportation and certain other variable direct costs associated with onboard revenues. Substantially all of our remaining cruise costs are largely fixed once our ship capacity levels have been determined.

Net cruise costs per ALBD is the most significant measure we use to monitor our ability to control our cruise segment costs rather than gross cruise costs per ALBD. In calculating net cruise costs, we exclude the same variable costs as described above, which are included in the calculation of net cruise revenues. This is done to avoid duplicating these variable costs in these two non-GAAP financial measures.

In addition, because a significant portion of our operations utilize the euro or sterling to measure their results and financial condition, the translation of those operations to our U.S. dollar reporting currency results in increases in reported U.S. dollar revenues and expenses if the U.S. dollar weakens against these foreign currencies, and decreases in reported U.S. dollar revenues and expenses if the U.S. dollar strengthens against these foreign currencies. Accordingly, we also monitor our two non-GAAP financial measures assuming the 2005 exchange rates have remained constant with the 2004 comparable period rates, or on a "constant dollar basis," in order to remove the impact of changes in exchange rates on our non-U.S. cruise operations. We believe that this is a useful measure indicating the actual growth of our operations in a fluctuating exchange rate environment. On a constant dollar basis, net cruise revenues and net cruise costs would be \$1.96 billion and \$1.25

billion for the three month period ended May 31, 2005, and \$3.80 billion and \$2.44 billion for the six month period ended May 31, 2005, respectively.

For a discussion of our critical accounting estimates, see "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is included in Carnival Corporation & plc's 2004 joint Annual Report on Form 10-K.

Outlook for Remainder of Fiscal 2005

On June 16, 2005, we indicated that we expected diluted earnings per share for the third quarter of 2005 would be in the range of \$1.33 to \$1.35 and \$2.70 for the full year 2005.

We have not changed our June 16 third quarter and full year guidance, as we have not yet updated our internal operating forecast. However, in our June 16 release, we noted that we based our guidance for the last half of 2005 on assumed average fuel prices of \$270 per ton (derived from the forward fuel curve) and currency exchange rates of \$1.23 to the euro and \$1.83 to sterling. The current forward curve for fuel, as of July 5, 2005, indicates average prices of approximately \$280 per ton for the last half of 2005, which is 35% higher than average prices for last year's comparable period. In addition, the current currency exchange rates are approximately \$1.19 to the euro and \$1.76 to sterling. If actual fuel prices for the last half of 2005 ultimately turn out to average \$280 per ton and actual currency exchange rates for the last half of 2005 ultimately turn out to be \$1.19 to the euro and \$1.76 to sterling, then our diluted earnings per share would be reduced by \$0.02 and \$0.03 for the third quarter and full year 2005, respectively.

The year-over-year percentage increase in our ALBD capacity, resulting from new ships entering service, is 5.5% and 8.9% in the third and fourth quarters of 2005, respectively, as compared to the same quarters in 2004.

Seasonality

Our revenue from the sale of passenger tickets is seasonal. Historically, demand for cruises has been greatest during our third fiscal quarter, which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher net revenue yields and, accordingly, the largest share of our net income is earned during this period. Substantially all of Holland America Tours' and Princess Tours' revenues and net income are generated from May through September in conjunction with the Alaska cruise season.

Selected Information and Non-GAAP Financial Measures

Selected information was as follows:

	Six Months Ended May 31,		Three Months Ended May 31,	
	2005	2004	2005	2004
Passengers carried (in thousands)	3,306	2,913	1,687	1,566
Occupancy percentage	104.3%	102.4%	104.8%	102.8%

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

	Six Months Ended May 31,		Three Months Ended May 31,	
	2005	2004	2005	2004
(in millions, except ALBDs and yields)				
Cruise revenues				
Passenger tickets	\$ 3,740	\$ 3,218	\$ 1,899	\$ 1,691
Onboard and other	1,116	973	570	526
Gross cruise revenues	4,856	4,191	2,469	2,217
Less cruise costs				
Commissions, transportation and other	(814)	(760)	(383)	(376)
Onboard and other	(191)	(178)	(95)	(97)
Net cruise revenues	\$ 3,851	\$ 3,253	\$ 1,991	\$ 1,744
ALBDs	23,298,274	21,183,100	11,711,830	11,120,445
Gross revenue yields	\$ 208.45	\$ 197.88	\$ 210.82	\$ 199.37
Net revenue yields	\$ 165.32	\$ 153.60	\$ 170.01	\$ 156.81

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

	Six Months Ended May 31,		Three Months Ended May 31,	
	2005	2004	2005	2004
(in millions, except ALBDs and costs per ALBD)				
Cruise operating expenses	\$ 2,840	\$ 2,502	\$ 1,428	\$ 1,293
Cruise selling and administrative expenses	647	610	325	308
Gross cruise costs	3,487	3,112	1,753	1,601
Less cruise costs included in net cruise revenues				
Commissions, transportation and other	(814)	(760)	(383)	(376)
Onboard and other	(191)	(178)	(95)	(97)
Net cruise costs	\$ 2,482	\$ 2,174	\$ 1,275	\$ 1,128
ALBDs	23,298,274	21,183,100	11,711,830	11,120,445
Gross cruise costs per ALBD	\$ 149.67	\$ 146.92	\$ 149.73	\$ 144.03

Net cruise costs per ALBD

\$ 106.54
=====

\$ 102.64
=====

\$ 108.92
=====

\$ 101.47
=====

Six Months Ended May 31, 2005 ("2005") Compared to the Six Months Ended May 31, 2004 ("2004")

Revenues

Net cruise revenues increased \$598 million, or 18.4%, to \$3.85 billion in 2005 from \$3.25 billion in 2004. The 10.0% increase in ALBDs between 2004 and 2005 accounted for \$325 million of the increase, and the remaining \$273 million was from increased net revenue yields, which increased 7.6% in 2005 compared to 2004 (gross revenue yields increased by 5.3%). Net revenue yields increased in 2005 primarily from higher cruise ticket prices, a 1.9% increase in occupancy, higher onboard revenues and the weaker U.S. dollar relative to the euro and sterling. Net revenue yields as measured on a constant dollar basis, increased 6.2% in 2005. Gross cruise revenues increased \$665 million, or 15.9%, in 2005 to \$4.86 billion from \$4.19 billion in 2004 primarily for the same reasons net cruise revenues increased. Both ALBD and revenue yields were reduced by the combined impact of the cancellation of P&O Cruises Aurora's 2005 world cruise and P&O Cruises Australia's Pacific Sky cruises, both caused by mechanical difficulties.

Onboard and other revenues included concession revenues of \$139 million in 2005 and \$120 million in 2004. Onboard and other revenues increased in 2005 compared to 2004 primarily because of the 10.0% increase in ALBDs and increased passenger spending on our ships.

Costs and Expenses

Net cruise costs increased \$308 million, or 14.2%, to \$2.48 billion in 2005 from \$2.17 billion in 2004. The 10.0% increase in ALBDs between 2004 and 2005 accounted for \$217 million of the increase, and the remaining \$91 million was from increased net cruise costs per ALBD, which increased 3.8% in 2005 compared to 2004 (gross cruise costs per ALBD increased 1.9%). Net cruise costs per ALBD increased primarily due to a 23% increase in 2005 fuel prices, higher dry-dock amortization expense and a weaker U.S. dollar relative to the euro and the sterling in 2005. This increase was partially offset by the non-recurrence in 2005 of promotional costs related to the introduction of Cunard's Queen Mary 2 in 2004, reduced costs in 2005 from the relocation of Cunard's shoreside operations and economies of scale in 2005 associated with the 10.0% ALBD increase. Net cruise costs per ALBD as measured on a constant dollar basis compared to 2004 increased 2.2% in 2005, and were flat, excluding fuel costs. Gross cruise costs increased \$375 million, or 12.1%, in 2005 to \$3.49 billion from \$3.11 billion in 2004, which was a lower percentage increase than net cruise costs primarily because of the lower proportion of passengers who purchased air transportation from us in 2005.

Depreciation and amortization expense increased by \$58 million, or 14.9%, to \$446 million in 2005 from \$388 million in 2004 largely due to the 10.0% increase in ALBDs through the addition of new ships, ship improvement expenditures and the impact of a weaker U.S. dollar.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, increased \$25 million to \$169 million in 2005 from \$144 million in 2004. This increase was primarily due to higher average borrowing rates.

Other income in 2005 included \$7 million from the settlement of litigation associated with the DLC transaction.

Three Months Ended May 31, 2005 ("2005") Compared to the Three Months Ended May 31, 2004 ("2004")

Revenues

Net cruise revenues increased \$247 million, or 14.2%, to \$1.99 billion in 2005 from \$1.74 billion in 2004. The 5.3% increase in ALBDs between 2004 and 2005 accounted for \$93 million of the increase, and the remaining \$154 million was from increased net revenue yields, which increased 8.4% in 2005 compared to 2004 (gross revenue yields increased by 5.7%). Net revenue yields increased in 2005 primarily from higher cruise ticket prices, a 1.9% increase in occupancy and the weaker U.S. dollar relative to the euro and sterling. Net revenue yields as measured on a constant dollar basis increased 6.8% in 2005. Gross cruise revenues increased \$252 million, or 11.4%, in 2005 to \$2.47 billion from \$2.22 billion in 2004 primarily for the same reasons net cruise revenues increased. Both ALBD and revenue yields were reduced by the combined impact of the cancellation of P&O Cruises Aurora's 2005 world cruise and P&O Cruises Australia's Pacific Sky cruises, both caused by mechanical difficulties.

Onboard and other revenues included concession revenues of \$70 million in 2005 and \$64 million in 2004. Onboard and other revenues increased in 2005 compared to 2004 primarily because of the 5.3% increase in ALBDs and increased passenger spending on our ships.

Costs and Expenses

Net cruise costs increased \$147 million, or 13.0%, to \$1.28 billion in 2005 from \$1.13 billion in 2004. The 5.3% increase in ALBDs between 2004 and 2005 accounted for \$60 million of the increase, and the remaining \$87 million was from increased net cruise costs per ALBD, which increased 7.3% in 2005 compared to 2004 (gross cruise costs per ALBD increased 4.0%). Net cruise costs per ALBD increased primarily due to a 35% increase in 2005 fuel prices, higher dry-dock amortization expense and a weaker U.S. dollar relative to the euro and the sterling in 2005. This increase was partially offset by the reduced costs in 2005 from the relocation of Cunard's shoreside operations and economies of scale in 2005 associated with the 5.3% ALBD increase. Net cruise costs per ALBD as measured on a constant dollar basis compared to 2004 increased 5.4% in 2005, but only increased 2.2%, excluding fuel costs. Gross cruise costs increased \$152 million, or 9.5%, in 2005 to \$1.75 billion from \$1.60 billion in 2004, which was a lower percentage increase than net cruise costs primarily because of the lower proportion of passengers who purchased air transportation from us in 2005.

Depreciation and amortization expense increased by \$25 million, or 12.5%, to \$225 million in 2005 from \$200 million in 2004 largely due to the 5.3% increase in ALBDs through the addition of new ships, ship improvement expenditures and the impact of a weaker U.S. dollar.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, increased \$8 million to \$81 million in 2005 from \$73 million in 2004. The increase was primarily due to a \$12 million increase in interest expense from higher average borrowing rates and was partially offset by a \$4 million decrease in interest expense due to lower average borrowings that resulted from our debt repayments.

Liquidity and Capital Resources

Sources and Uses of Cash

Our business provided \$1.76 billion of net cash from operations during the six months ended May 31, 2005, an increase of \$54 million over \$1.71 billion in 2004. We continue to generate substantial cash from operations and remain in a strong financial position.

During the six months ended May 31, 2005, our net expenditures for capital projects were \$1.11 billion, of which \$850 million was spent for our ongoing new shipbuilding program, including the final delivery payments for the Carnival Valor and P&O Cruises Arcadia. The remaining capital expenditures consisted primarily of \$189 million for ship improvements and refurbishments, and \$68 million for Alaska tour assets, cruise port facility developments and information technology assets. During the six months ended May 31, 2004, our net expenditures for capital projects were \$2.65 billion primarily because we took delivery of six new ships.

During the six months ended May 31, 2005 we borrowed \$823 million, of which a portion was used to pay a portion of Arcadia's purchase price. During the same six month period we made \$786 million of debt repayments, which included the final payment on our capitalized lease obligations of \$110 million and the \$100 million repayment of our 7.05% fixed rate notes. In addition, we refinanced \$487 million of euro debt to reduce our borrowing rate. We also paid cash dividends of \$241 million in the first six months of fiscal 2005 and purchased \$30 million of treasury stock. Finally, in the second quarter 2005 we increased our dividends by 33% from \$0.15 per share to \$0.20 per share.

Future Commitments and Funding Sources

Our contractual cash obligations remained generally unchanged at May 31, 2005 compared to November 30, 2004, except for changes to our debt as noted above, and changes to our ship construction commitments as follows:

- We made the final payments of approximately \$770 million related to the Carnival Valor and P&O Cruises' Arcadia, which were delivered in December 2004 and March 2005, respectively.
- In January 2005, Costa Cruises entered into a new ship construction contract with Fincantieri for a 3,000 passenger ship, which has an estimated all-in cost of 475 million euros and is expected to enter service in June 2007.

During 2004, the Boards of Directors authorized the repurchase of up to an aggregate of \$1 billion of Carnival Corporation common stock and/or Carnival plc ordinary shares commencing in 2005 subject to certain repurchase restrictions on Carnival plc shares. Through July 5, 2005 \$30 million of repurchases had been made.

At May 31, 2005, we had liquidity of \$3.50 billion, which consisted of \$1.02 billion of cash, cash equivalents and short-term investments and \$2.48 billion available for borrowing under our revolving credit facilities. Our revolving credit facilities mature in March 2006 through June 2006. A key to our access to liquidity is the maintenance of our strong credit ratings.

Based primarily on our historical results, current financial condition and future forecasts, we believe that our existing liquidity and cash flow from future operations will be sufficient to fund most of our expected capital projects, debt service requirements, dividend payments, working capital and other firm commitments. However, our forecasted cash flow from future operations, as well as our credit ratings, may be adversely affected by various factors, including, but not limited to, those factors noted under "Cautionary Note Concerning Factors That May Affect Future Results." To the extent that we are required, or choose, to fund future cash requirements, including our future shipbuilding commitments, from sources other than as discussed above, we believe that we 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. No assurance can be given that our future operating cash flow will be sufficient to fund future obligations or that we will be able to obtain additional financing, if necessary.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements, including guarantee contracts, retained or contingent interests, certain derivative instruments and variable interest entities, that either have, or are reasonably likely to have, a current or future material effect on our financial statements.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms.

Our Chief Executive Officer, Chief Operating Officer and Chief Financial and Accounting Officer have evaluated our disclosure controls and procedures and have concluded, as of May 31, 2005, that they were effective as described above.

Changes in Internal Control over Financial Reporting

In the spring of 2005, Holland America Line, Holland America Tours and Windstar Cruises began using the reservation system that had been utilized effectively for a number of years at Princess Cruises, P&O Cruises and P&O Cruises Australia. Similarly, AIDA Cruises began using the reservation system that had been utilized effectively for a number of years at Costa Cruises. Holland America Line, Holland America Tours and Windstar Cruises are using the system for bookings taken on cruises for April 2006 and thereafter, whereas AIDA Cruises is using the system for bookings taken on cruises for its winter 2006 season and thereafter. These implementations utilize substantially all of the same system controls that already exist at the other cruise brands that are using these reservation systems. The primary processes affected are cash applications and customer deposits, and the controls within these processes have not materially changed from the controls in the prior processes, even though different reservation systems are being used.

There have been no other changes in our internal control over financial reporting during our quarter ended May 31, 2005 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there is only reasonable assurance that our controls will succeed in achieving their goals under all potential future conditions.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

In February 2001, Holland America Line-USA, Inc., our wholly-owned subsidiary, received a grand jury subpoena requesting that it produce documents and records relating to the air emissions from Holland America Line ships in Alaska. Records were produced and no further action has occurred since 2002.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the quarter ended May 31, 2005, purchases by Carnival Corporation of Carnival Corporation's equity securities that are registered by it pursuant to Section 12 of the Exchange Act were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(a)
-----	-----	-----	-----	-----
(in millions, except number of shares and price per share)				
March 1, 2005 through March 31, 2005				\$ 1,000
April 1, 2005 through April 30, 2005				\$ 1,000
May 1, 2005 through May 31, 2005	625,500	\$48.48	625,500	\$ 970
	-----		-----	
Total	625,500	\$48.48	625,500	
	=====		=====	

(a) Under a share repurchase program authorized by our Boards of Directors in October 2004, which commenced in 2005, we are authorized to repurchase up to an aggregate of \$1 billion of Carnival Corporation common stock and/or Carnival plc ordinary shares, subject to certain restrictions on the Carnival plc shares. The repurchase program does not have an expiration date. All shares were repurchased pursuant to this publicly announced program.

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

The annual meetings of shareholders of Carnival Corporation and Carnival plc were held on April 13, 2005 (the "Annual Meetings"). On all matters which came before the Annual Meetings, holders of Carnival Corporation common stock and Carnival plc ordinary shares were entitled to one vote for each share held. Proxies for 736,916,937 shares entitled to vote were received in connection with the Annual Meetings.

The matters which were submitted to Carnival Corporation's and Carnival plc's shareholders for approval at the Annual Meetings and the tabulation of the votes with respect to each such matter were as follows:

Director Elections

Resolution/Proposal	For	Against/ Withheld(a)	Abstained
To re-elect Micky Arison as a director of Carnival Corporation and Carnival plc	712,325,448	19,388,022	5,203,467
To re-elect Ambassador Richard G. Capen, Jr. as a director of Carnival Corporation and Carnival plc	720,492,255	12,578,150	3,846,532

To re-elect Robert H. Dickinson as a director of Carnival Corporation and Carnival plc	723,334,688	13,403,510	178,738
To re-elect Arnold W. Donald as a director of Carnival Corporation and Carnival plc	721,417,466	12,581,658	2,917,813
To re-elect Pier Luigi Foschi as a director of Carnival Corporation and Carnival plc	719,543,575	14,721,511	2,651,851
To re-elect Howard S. Frank as a director of Carnival Corporation and Carnival plc	722,367,155	13,408,775	1,141,006
To elect Richard J. Glasier as a director of Carnival Corporation and Carnival plc	724,935,598	9,076,035	2,905,303
To re-elect Baroness Hogg as a director of Carnival Corporation and Carnival plc	730,823,438	5,776,260	317,239
To re-elect A. Kirk Lanterman as a director of Carnival Corporation and Carnival plc	710,986,424	23,386,233	2,544,279
To re-elect Modesto A. Maidique as a director of Carnival Corporation and Carnival plc	718,812,120	14,382,644	3,722,172
To re-elect John P. McNulty as a director of Carnival Corporation and Carnival plc	723,863,224	10,025,839	3,027,874
To re-elect Sir John Parker as a director of Carnival Corporation and Carnival plc	730,011,547	6,572,682	332,707
To re-elect Peter Ratcliffe as a director of Carnival Corporation and Carnival plc	723,077,125	12,194,579	1,645,233
To re-elect Stuart Subotnick as a director of Carnival Corporation and Carnival plc	719,617,500	13,649,414	3,650,023
To re-elect Uzi Zucker as a director of Carnival Corporation and Carnival plc	714,149,576	18,484,467	4,282,893

(a) A vote "Withheld" by a shareholder of Carnival Corporation is deemed to be a vote against the resolutions electing/re-electing directors.

Other Matters

Resolution/Proposal	For	Against	Abstained/ Withheld(b)	Broker Non-Votes
To approve the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan	619,195,107	51,443,549	29,612,832	36,665,446
To approve the Carnival plc 2005 Employee Share Plan	661,441,167	34,979,661	3,846,950	36,649,156
To approve the Carnival plc 2005 Employee Stock Purchase Plan	695,537,508	1,308,349	3,421,921	36,649,156
To appoint the UK firm of PricewaterhouseCoopers LLP as independent auditors of Carnival plc and to ratify the selection of the U.S. firm of PricewaterhouseCoopers LLP as independent registered certified public accounting firm of Carnival Corporation	730,580,228	3,053,216	3,283,490	
To authorize the audit committee of the board of directors of Carnival plc to agree the remuneration of the independent auditors	732,911,815	609,969	3,395,151	
To receive the UK accounts of Carnival plc and the reports of the directors and the auditors of Carnival plc for the financial year ended November 30, 2004	719,157,867	4,971,858	12,787,210	
To approve the director's remuneration report of Carnival plc	718,107,402	14,004,890	4,804,004	
To approve the limits on the authority to allot shares by Carnival plc	726,508,107	6,915,951	3,492,238	
To approve the disapplication of pre-emption rights for Carnival plc shares	728,066,361	5,278,464	3,555,271	
To approve a general authority for Carnival plc to buy back Carnival plc ordinary shares	733,204,969	302,200	3,409,765	

(b) An "Abstained" vote by a shareholder of Carnival Corporation means "Withheld" for this purpose (a vote neither for or against the resolution).

Item 5. Other Information.

I. Adoption of Carnival Cruise Lines Management Incentive Plan (the "Plan")

On July 5, 2005, the Compensation Committee of Carnival Corporation approved the Plan effective beginning with the 2005 fiscal year. The Plan is designed to focus the attention of Carnival Cruise Lines ("CCL") management on achieving outstanding performance results as reflected in profitability and other key measures, including return on invested capital.

The President, Senior Vice Presidents and Vice Presidents of CCL are eligible to participate in the Plan.

The total amount payable under the Plan for each plan year (the "Bonus Pool") shall be 1.75% (the "Bonus Funding Percentage") of adjusted net income (the "Earnings"). Earnings will be equal to net income of CCL calculated in accordance with U.S. generally accepted accounting principles consistently applied, excluding net interest expense and accrued expenses related to the Plan, less a capital charge of 10% of CCL's average invested capital (the "Capital Charge") to incentivize management to improve returns on invested capital.

Pursuant to the terms of the Plan, the Compensation Committee has the discretion, to increase the potential Bonus Pool by up to 20% based on performance in other areas (the "Funding Modifiers"). The Compensation Committee has approved Funding Modifiers for the 2005 plan year which may increase the potential Bonus Pool by up to 20% if CCL is successful in reducing its controllable costs per available lower berth day.

Any changes to the Bonus Funding Percentage and Capital Charge for a plan year as well as any Funding Modifiers will be determined by the Committee within 90 days of the commencement of each plan year.

Under the terms of the Plan, each participant is assigned a specific number of points (the "Points"). The Points may be adjusted based on the participant's evaluated performance for such year (the "Weighted Points") or for other circumstances. Each participant shall receive a cash award equal to the product of his or her Weighted Points multiplied by the "Point Value." The Point Value shall be equal to (i) the amount of the Bonus Pool, divided by (ii) the aggregate Points awarded to participants for each plan year. The Point Value will not be known until after the end of each fiscal year.

The Compensation Committee may amend the Plan from time to time in such respects as the Compensation Committee may deem advisable. The Plan will be effective until terminated by the Compensation Committee, with the Compensation Committee reserving the right to modify how the Bonus Pool is calculated.

II. Participation in the Plan by a Named Executive Officer

Robert H. Dickinson, the President and Chief Executive Officer of CCL and a member of the boards of directors of Carnival Corporation and Carnival plc, participates in the Plan.

Item 6. Exhibits.

- 3.1 Third Amended and Restated Articles of Incorporation of Carnival Corporation, incorporated by reference to Exhibit No. 3.1 to the joint

Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.

- 3.2 Amended and Restated By-laws of Carnival Corporation, incorporated by reference to Exhibit No. 3.2 to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.
- 3.3 Articles of Association of Carnival plc, incorporated by reference to Exhibit No. 3.3 to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.
- 3.4 Memorandum of Association of Carnival plc, incorporated by reference to Exhibit No. 3.4 to the joint Current Report on Form 8-K of Carnival Corporation and Carnival plc filed on April 17, 2003.
- 10.1 Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.
- 10.2 Carnival plc 2005 Employee Share Plan.
- 12 Ratio of Earnings to Fixed Charges.
- 31.1 Certification of Chief Executive Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Operating Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.3 Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.4 Certification of Chief Executive Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.5 Certification of Chief Operating Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.6 Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of Chief Executive Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Chief Operating Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.3 Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.4 Certification of Chief Executive Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- 32.5 Certification of Chief Operating Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.6 Certification of Executive Vice President and Chief Financial and Accounting Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

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

CARNIVAL CORPORATION

CARNIVAL PLC

By:/s/ Micky Arison

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

By:/s/ Micky Arison

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

By:/s/ Howard S. Frank

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

By:/s/ Howard S. Frank

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

By:/s/ Gerald R. Cahill

Gerald R. Cahill
Executive Vice President
and Chief Financial and
Accounting Officer

By:/s/ Gerald R. Cahill

Gerald R. Cahill
Executive Vice President
and Chief Financial and
Accounting Officer

Dated: July 7, 2005

Dated: July 7, 2005

CARNIVAL CORPORATION
 AMENDED AND RESTATED
 2001 OUTSIDE DIRECTOR STOCK PLAN

(Adopted by the Board of Directors on February 16, 2001 and approved by the shareholders on April 17, 2001, effective as of January 1, 2001, amended by the Board of Directors on October 8, 2001, further amended by the Board of Directors on July 19, 2004 and, further amended and restated by the Board of Directors on January 18, 2005)

1. Purpose.

The purpose of the Plan is to promote the interests of the Combined Group by strengthening the Combined Group's ability to attract and retain the services of experienced and knowledgeable non-executive directors and by encouraging such directors to acquire an increased proprietary interest in the Combined Group and more closely align the interests of such directors with those of the Combined Group's shareholders.

The Plan provides for granting of Options, Restricted Stock Awards, and Restricted Stock Unit Awards.

2. Definitions.

The following definitions shall be applicable throughout the Plan.

(a) "Affiliate" means (i) any entity that directly or indirectly is controlled by, controls or is under common control with the Company or Carnival plc, and (ii) to the extent provided by the Committee, any entity in which the Company or Carnival plc has a significant equity interest.

(b) "Award" means, individually or collectively, any Option, Restricted Stock Award or Restricted Stock Unit Award.

(c) "Award Agreement" means a Stock Option Agreement, Restricted Stock agreement or Restricted Stock Unit agreement.

(d) "Board" means the Board of Directors of the Company.

(e) "Carnival plc" means the entity previously known as P&O Princess Cruises plc, a public limited company incorporated under the laws of England and Wales, and any successor thereto.

(f) "Code" means the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

(g) "Committee" means the Compensation Committee of the Board.

(h) "Common Stock" means the common stock, par value \$0.01 per share, of the Company and any stock into which such common stock may be converted or into which it may be exchanged.

(i) "Combined Group" means the Company and Carnival plc and any successor thereto.

(j) "Company" means Carnival Corporation, a corporation organized under the laws of the Republic of Panama, and any successor thereto.

(k) "Date of Grant" means the date on which the granting of an Award is authorized, or such other date as may be specified in such authorization or, if there is no such date, the date indicated on the applicable Award Agreement.

(l) "Disability" means a condition that would entitle a Participant to receive benefits under the long-term disability plan of a member of the Combined Group or an Affiliate, as if such Participant were eligible to participate in such plan whether or not any such plan is applicable to such Participant, the existence of such condition to be reasonably determined by the Board.

(m) "Effective Date" means January 1, 2001.

(n) "Eligible Director" shall have the meaning assigned to it in Section 6.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(p) "Fair Market Value", on a given date, means (i) if the Shares are listed on a national securities exchange, the average of the highest and lowest sale prices reported as having occurred on the primary exchange with which the Shares are listed and traded on such date, or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported; (ii) if the Shares are not listed on any national securities exchange but is quoted in the Nasdaq National Market ("Nasdaq") on a last sale basis, the average between the high bid price and low ask price reported on the date prior to such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or (iii) if the Shares are not listed on a national securities exchange nor quoted in the Nasdaq on a last sale basis, the amount determined by the Committee to be the fair market value based upon a good faith attempt to value the Shares accurately and computed in accordance with applicable regulations of the Internal Revenue Service.

(q) "Mature Shares" means Shares owned by a Participant which are not subject to any pledge or security interest and have either been held by the Participant for six months, previously acquired by the Participant on the open market or meet such other requirements as the Committee may determine are necessary in order to avoid an accounting earnings charge on account of the use of such Shares to pay the Option Price or satisfy any applicable withholding obligation in respect of an Option.

(r) "Option" means an Award granted under Section 8.

(s) "Option Price" means the exercise price for an Option as described in Section 8(a).

(t) "Pairing Agreement" means the Pairing Agreement, dated April 17, 2003, among the Company, The Law Debenture Trust Corporation (Cayman) Limited, as trustee of the Carnival plc Special Voting Trust, and Sun Trust Bank, as transfer agent, as it may be amended from time to time.

(u) "Participant" means each Eligible Director receiving an Award pursuant to the Plan.

(v) "Plan" means this Carnival Corporation Amended and Restated 2001 Outside Director Stock Plan.

(w) "Restricted Period" means, with respect to any Share of Restricted Stock or any Restricted Stock Unit, the period of time during which such Award is subject to restrictions set forth in Section 9 and the applicable Award Agreement.

(x) "Restricted Stock" means Shares issued or transferred to a Participant subject to forfeiture and the other restrictions set forth in Section 9 and the applicable Award Agreement.

(y) "Restricted Stock Award" means an Award of Restricted Stock granted under Section 9.

(z) "Restricted Stock Unit" means a hypothetical investment equivalent to one Share granted in connection with an Award made under Section 9.

(aa) "Restricted Stock Unit Award" means an Award of Restricted Stock Units granted under Section 9.

(bb) "Securities Act" means the Securities Act of 1933, as amended.

(cc) "Share" means the aggregate of one share of Common Stock and one Trust Share.

(dd) "Stock Option Agreement" means any agreement between the Company and a Participant who has been granted an Option pursuant to Section 8 which defines the rights and obligations of the parties thereto.

(ee) "Subsidiary" means any subsidiary of the Company as defined in Section 424(f) of the Code.

(ff) "Trust Share" has the meaning assigned to it in the Pairing Agreement.

(gg) "Vested Unit" has the meaning assigned to it in Section 9(d).

3. Effective Date, Duration and Shareholder Approval.

(a) The Plan is effective as of the Effective Date, and the Plan was approved by shareholders at a meeting held on April 17, 2001 in a manner intended to comply with the shareholder approval requirements of the New York Stock Exchange. This amendment and restatement shall be effective as of January 18, 2005, subject to approval by the Company's shareholders in a manner intended to comply with the shareholder approval requirements of the New York Stock Exchange. The validity of any and all Awards granted after January 18, 2005 to Participants are contingent upon approval of the January 18, 2005 amendment and restatement of the Plan by the shareholders of the Company in a manner intended to comply with the shareholder approval requirements of the New York Stock Exchange.

(b) The expiration date of the Plan, on and after which no Awards may be granted hereunder, shall be January 1, 2011; provided, however, that the administration of the Plan shall continue in effect until all matters relating to Awards previously granted have been settled.

4. Administration.

(a) The Plan shall be administered by the Committee. A majority of the Committee will constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by all members of the Committee without a meeting, will be acts of the Committee.

(b) Subject to the express provisions of the Plan, the Committee shall have plenary authority to interpret the Plan, to prescribe, amend and rescind the rules and regulations relating to it and to make all other determinations deemed necessary and advisable for the administration of the Plan. No member of the Committee shall be liable for anything done or omitted to be done by him or by any other member of the Committee in connection with the Plan, except for his own willful misconduct or gross negligence. All decisions which are made by the Committee with respect to interpretation of the terms of the Plan and with respect to any questions or disputes arising under the Plan shall be final and binding on the Company and the participants, their heirs or beneficiaries. The Committee shall not be empowered to take any action, whether or not otherwise authorized under the Plan, which would result in any Eligible Director failing to qualify as a "disinterested person."

5. Shares Subject to Awards.

(a) Subject to the adjustment provisions of Section 10(e), the aggregate number of Shares in respect of which Awards may be granted under the Plan shall not exceed 1,000,000.

(b) Shares shall be deemed to have been used in settlement of Awards whether or not they are actually delivered. In the event any Award shall be surrendered, terminate, expire, be forfeited or be cancelled for any reason whatsoever without the Participant having benefited therefrom, the number of Shares no longer subject thereto shall thereupon be released and shall thereafter be available for new Awards under the Plan. For purposes of the foregoing sentence, a Participant shall not be deemed to have received any "benefit" in the case of

forfeited Restricted Stock Awards by reason of having enjoyed voting rights and dividend rights prior to the date of forfeiture.

(c) Shares delivered by the Company in settlement of Awards may be authorized and unissued Shares or Shares held in the treasury of the Company or purchased on the open market or by private purchase.

(d) There shall be reserved at all times for sale under the Plan a number of Shares, of either authorized and unissued Shares, Shares held in the Company's treasury, or both, equal to the maximum number of shares in respect of which Awards may be granted under the Plan.

6. Participation in Plan. Each member of the Company's Board of Directors who is not otherwise an employee of the Company or any Affiliate or subsidiary of the Company within the meaning of the Employee Retirement Income Security Act of 1974 (an "Eligible Director") shall be eligible to participate in the Plan. A director who is an employee and who retires or resigns from employment with the Company and/or its Affiliates, but remains an Eligible Director of the Company, shall become eligible to participate in the Plan in accordance with Section 7, effective as of the first annual meeting of shareholders held after his termination of employment.

7. Annual Award Grants. Each Eligible Director shall receive upon initial election to office by the shareholders and thereafter annually on the date of the Company's annual meeting of shareholders at which such Eligible Director is re-elected to office, or on any other date properly approved pursuant to this Section 7, an Award representing 10,000 "points." An Option shall represent one point; and each Share of Restricted Stock or a Restricted Stock Unit shall represent four points. An Award may be composed of Options, Restricted Stock, Restricted Stock Units or a combination thereof, at the discretion of the Committee which discretion shall be exercised not later than the Date of Grant of such Award. The Board may authorize a Date of Grant other than the date of the Company's annual meeting of shareholders, provided, that Awards granted to each Participant do not exceed 10,000 points in any given calendar year.

8. Terms of Options.

(a) Option Price. The Option Price per Share for each Option shall be the Fair Market Value at the Date of Grant.

(b) Vesting. Subject to Section 8(e), Options shall vest and become exercisable in five equal annual installments commencing on the first anniversary of the Date of Grant.

(c) Duration of Options. Subject to Section 8(e), each Option granted hereunder shall be exercisable for a period of ten years from the Date of Grant.

(d) Manner of Exercise and Form of Payment.

(i) An Option granted under the Plan shall be deemed exercised when the person entitled to exercise the Option (a) delivers written notice to the Company at its principal business office, directed to the attention of its Secretary, of the decision to exercise, specifying the number of shares with respect to which the option is exercised and the price per share designated in the Stock Option Agreement, (b) concurrently tenders to the Company full payment for the Shares to be purchased pursuant to such exercise, and (c) complies with such other reasonable requirements as the Committee establishes pursuant to Section 8 of the Plan.

(ii) Full payment for Shares purchased by the Participant shall be made at the time of any exercise, in whole or in part, of an Option, and certificates for such Shares shall be delivered to the Participant as soon thereafter as is reasonably possible. No Shares shall be transferred to the Participant until full payment therefor has been made and the Participant shall have none of the rights of a shareholder with respect to any Shares subject to an Option until a certificate for such shares shall have been issued and delivered to the Participant. Such payment shall be made in cash or by check or by money order payable to the Company, in each case payable in U.S. currency. In the Committee's discretion, such payment may be made by delivery of Mature Shares having a Fair Market Value (determined as of the date of the Option is so exercised in whole or in part), that,

when added to the value of any cash, check or money order satisfying the foregoing requirements, will equal the aggregate purchase price.

(e) Termination of Board Membership.

(i) Death or Disability. Upon a Participant's ceasing to be a member of the Board due to death or Disability, all unvested Options shall immediately vest and become exercisable and all vested Options shall continue to be exercisable by the Participant or his estate, as applicable, until the earlier to occur of (i) the original expiration date of such Option, and (ii) one year from such cessation.

(ii) Other Termination. Except as provided in the proviso to this Section, upon a Participant's ceasing to be a member of the Board for any reason other than death or Disability, all unvested Options shall continue to vest in accordance with their initial terms, and all vested Options shall continue to be exercisable until the original expiration date of such Option; provided, however, that if the Participant ceases to be a member of the Board prior to serving in such capacity for one year, all of such Participant's Options shall immediately expire upon such termination.

9. Restricted Stock and Restricted Stock Units.

(a) Awards of Restricted Stock and Restricted Stock Units.

(i) Each Participant granted a Restricted Stock Award shall execute and deliver to the Company a Restricted Stock agreement with respect to the Restricted Stock setting forth the restrictions and other terms and conditions applicable to such Restricted Stock including the Restricted Period set forth in Section 9(c). If the Committee determines that the Restricted Stock shall be held in escrow rather than delivered to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to the Company (A) an escrow agreement satisfactory to the Committee and (B) the appropriate blank stock powers with respect to the Restricted Stock covered by such agreement. If a Participant shall fail to execute an agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and stock powers, the Award shall be null and void. Subject to the restrictions set forth in Section 9(b) and Section 9(c), the Participant generally shall have the rights and privileges of a stockholder as to such Restricted Stock, including the right to vote such Restricted Stock. At the discretion of the Committee, cash dividends and stock dividends with respect to the Restricted Stock may be either currently paid to the Participant or withheld by the Company for the Participant's account, and interest may be credited on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Committee. To the extent applicable, the cash dividends or stock dividends so withheld by the Committee and attributable to any particular share of Restricted Stock (and earnings thereon, if applicable) shall be distributed to the Participant upon the release of restrictions on such share and, if such share is forfeited, the Participant shall have no right to such cash dividends, stock dividends or earnings.

(ii) Upon the grant of an Award of Restricted Stock, the Committee shall cause a stock certificate registered in the name of the Participant to be issued and, if it so determines, deposited together with the stock powers with an escrow agent designated by the Committee. If an escrow arrangement is used, the Committee may cause the escrow agent to issue to the Participant a receipt evidencing any stock certificate held by it registered in the name of the Participant.

(iii) The terms and conditions of a grant of Restricted Stock Units shall be reflected in a written Restricted Stock Unit agreement. No Shares shall be issued at the time an Award of Restricted Stock Units is made, and the Company will not be required to set aside a fund for the payment of any such Award. At the discretion of the Committee, each Restricted Stock Unit (representing one Share) awarded to a Participant may be credited with cash and stock dividends paid by the Company in respect of one Share ("Dividend Equivalents"). At the discretion of the Committee, Dividend Equivalents may be either currently paid to the Participant or withheld by the Company for the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents withheld at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's account and attributable to any particular Restricted Stock Unit (and earnings thereon, if applicable) shall be distributed to the Participant upon settlement of such Restricted Stock Unit and, if such Restricted Stock Unit is forfeited, the Participant shall have no right to such Dividend Equivalents.

(b) Restrictions; Forfeiture.

(i) Restricted Stock awarded to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period, and to such other terms and conditions as may be set forth in the applicable Restricted Stock agreement: (A) if an escrow arrangement is used, the Participant shall not be entitled to delivery of the stock certificate; and (B) the Shares shall be subject to the restrictions on transferability set forth in the applicable Restricted Stock agreement. Restricted Stock awarded to a Participant who has not been a member of the Board for at least one year at the time of such award shall be forfeited, and the applicable stock certificates returned to the Company, if the Participant ceases to be a member of the Board for any reason other than death or Disability prior to the one-year anniversary of his or her initial election to the Board. In the event of such a forfeiture, all rights of the Participant to such Restricted Stock, and as a shareholder in respect thereof, shall terminate without further obligation on the part of the Company.

(ii) Restricted Stock Units awarded to any Participant who has not been a member of the Board for at least one year at the time of such award shall be forfeited, and all rights of the Participant to in respect thereof, shall terminate without further obligation on the part of the Company if the Participant ceases to be a member of the Board for any reason other than death or Disability prior to the one-year anniversary of his or her initial election to the Board. Restricted Stock Units shall be subject to such other terms and conditions as may be set forth in the applicable Restricted Stock Unit agreement.

(iii) The Committee shall have the authority to remove any or all of the restrictions on the Restricted Stock and Restricted Stock Units whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the date of the Restricted Stock Award or Restricted Stock Unit Award, such action is appropriate.

(c) Restricted Period. The Restricted Period of Restricted Stock Awards and Restricted Stock Unit Awards granted to any Participant shall commence on the Date of Grant and shall expire as to twenty percent (20%) of the Restricted Stock or Restricted Stock Units, as applicable, subject thereto on each of the first, second, third, fourth and fifth anniversaries of the Date of Grant whether or not such Participant continues to be a member of the Board; provided, however, that upon a Participant's ceasing to be a member of the Board due to death or Disability, the Restricted Period shall expire as to one hundred percent (100%) of the Shares subject thereto.

(d) Delivery of Restricted Stock and Settlement of Restricted Stock Units.

(i) Upon the expiration of the Restricted Period with respect to any Shares covered by an Award of Restricted Stock which has not been forfeited in accordance with the second sentence of Section 9(b)(i), the restrictions set forth in this Section 9 and the Restricted Stock agreement shall be of no further force or effect with respect to shares of Restricted Stock which have not then been forfeited. If an escrow arrangement is used, upon such expiration, the Company shall deliver to the Participant, or his beneficiary, without charge, the stock certificate evidencing the shares of Restricted Stock with respect to which the Restricted Period has expired (to the nearest full share) and any cash dividends or stock dividends credited to the Participant's account with respect to such Restricted Stock and the interest thereon, if any.

(ii) Upon the expiration of the Restricted Period with respect to any Restricted Stock Units covered by a Restricted Stock Unit Award which has not been forfeited in accordance with Section 9(b)(ii), the Company shall deliver to the Participant, or his beneficiary, without charge, one Share for each Restricted Stock Unit with respect to which the Restricted Period has expired ("Vested Unit") and cash equal to any Dividend Equivalents credited with respect to each such Vested Unit in accordance with Section 9(a)(iii) hereof and the interest thereon, if any; provided, however, that, if explicitly provided in the applicable Restricted Stock Unit agreement, the Committee may, in its sole discretion, elect to pay cash or part cash and part Shares in lieu of delivering only Shares for Vested Units. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of the Shares as of the date on which the Restricted Period lapsed with respect to such Vested Unit.

(e) Stock Restrictions. Each certificate representing Restricted Stock awarded under the Plan shall bear a legend substantially in the form of the following until the lapse of all restrictions with respect to the Shares subject to the Award as well as any other information the Company deems appropriate:

Transfer of this certificate and the shares represented hereby is restricted pursuant to the terms of the Carnival Corporation Amended and Restated 2001 Outside Director Stock Plan and a Restricted Stock Agreement, dated as of _____, between Carnival Corporation and _____. Copies of such Plan and Agreement are on file at the offices of Carnival Corporation.

Stop transfer orders shall be entered with the Company's transfer agent and registrar against the transfer of legended securities.

10. General.

(a) Nontransferability of Awards. No Award or any right evidenced thereby shall be transferable in any manner other than by will or the laws of descent and distribution, and, during the lifetime of a Participant, only the Participant (or the Participant's court-appointed legal representative) may exercise an Option. In the Committee's discretion, an Award may be transferred pursuant to a "qualified domestic relations order," as defined in section 414(p) of the Code or any similar domestic relations order enforceable in the jurisdiction in which such Participant resides.

(b) Rights of Participant. Neither the Participant nor the Participant's executor or administrator shall have any of the rights of a shareholder of the Company with respect to the Shares subject to an Option until certificates for such Shares shall actually have been issued upon the due exercise of such Option. No adjustment shall be made for any regular cash dividend for which the record date is prior to the date of such due exercise and full payment for such Shares has been made therefor.

(c) Right To Terminate Relationship. Nothing in the Plan or in any Award shall confer upon any Participant the right to continue to serve as a director of the Company.

(d) Nonalienation of Benefits. No right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same shall be void. To the extent permitted by applicable law, no right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities or torts of the person entitled to such benefits.

(e) Adjustment Upon Changes in Capitalization, etc.

(i) Awards granted under the Plan, any Award Agreements, and the maximum number of Shares subject to all Awards stated in Section 5(a) shall be subject to adjustment or substitution, as determined by the Committee in its sole discretion, as to the number, price or kind of a share of stock or other consideration subject to such Awards or as otherwise determined by the Committee to be equitable in the event of any stock split, stock dividend, stock change, reclassification, an unpairing of the shares of Common Stock from the Trust Shares, recapitalization or combination of shares which changes the character or amount of Shares (x) in the case of Options, prior to exercise of any portion of an Option theretofore granted under the Plan, such that such option, to the extent that it shall not have been exercised, shall entitle the Participant (or the Participant's executor or administrator) upon its exercise to receive in substitution therefor such number and kind of shares as the Participant would have been entitled to receive if the Participant had actually owned the Shares subject to such Option at the time of the occurrence of such change; provided, however, that if the change is of such a nature that the Participant, upon exercise of the Option, would receive property other than shares of stock the Committee shall make an appropriate adjustment in the Option to provide that the Participant (or the Participant's executor or administrator) shall acquire upon exercise only shares of stock of such number and kind as the Committee, in its sole judgment, shall deem equitable; and, provided further, that any such adjustment shall be made so as to conform to the requirements of section 424(a) of the Code; and (y) in the case of Restricted Stock and Restricted Stock Units, occurring after the Date of Grant of any such Awards.

(ii) In the event that any transaction (other than a change specified in the preceding paragraph) described in section 424(a) of the Code affects the Shares subject to any unexercised Option or subject to any Award with respect to which the Restricted Period has not expired, the Board of Directors of the surviving or acquiring corporation shall make such similar adjustment as is permissible and appropriate. If any such change or transaction shall occur, the number and kind of Shares for which Awards may thereafter be granted under the Plan shall be adjusted to give effect thereto.

(f) Purchase for Investment. Whether or not the Options and Shares covered by the Plan have been registered under the Securities Act of 1933, each person exercising an Option under the Plan may be required by the Company to give a representation in writing that such person is acquiring such Shares for investment and not with a view to, or for sale in connection with, the distribution of any part thereof. The Company will endorse any necessary legend referring to the foregoing restriction upon the certificate or certificates representing any Shares issued or transferred to the Participant upon the exercise of any Option granted under the Plan.

(g) Form of Agreements with Participants. Each Award granted pursuant to the Plan shall be in writing and shall have such form, terms and provisions, not inconsistent with the provisions of the Plan, as the Committee shall provide for such Award. Each Participant shall be notified promptly of such grant, and an Award shall be promptly executed and delivered by the Company and the Participant.

(h) Termination and Amendment of Plan and Awards.

(i) Unless the Plan shall theretofore have been terminated as hereinafter provided, Awards may be granted under the Plan at any time, and from time to time, prior to the tenth anniversary of the Effective Date, on which date the Plan will expire, except as to Awards then outstanding under the Plan. Such Awards shall remain in effect until they have been exercised, have expired or have been canceled.

(ii) The Board, without further approval of the Company's shareholders, may terminate, modify or amend this Plan at any time and from time to time in such respects as the Board may deem advisable, subject to any shareholder or regulatory approval required by law or the New York Stock Exchange; provided, that any such amendment shall comply with the applicable requirements for exemption (to the extent necessary) under Rule 16b-3 under the Exchange Act.

(iii) No termination, modification or amendment of the Plan, without the consent of the Participant, may adversely affect the rights of such person with respect to such Award. With the consent of the Participant and subject to the terms and conditions of the Plan, the Committee may amend outstanding Award agreements with any Participant.

(iv) Notwithstanding the above, without shareholder approval, the Committee may not take any action that results in the "repricing" of any Option granted under the Plan. For purposes of this Section 10(h)(iv), a "repricing" means any of the following (or any other action that has the same effect of any of the following): (a) amending or modifying the terms of an Option after the Date of Grant in a manner that reduces the Option Price of such Option; (b) any other action that would either (A) be reportable on the Company's proxy statement as Options which have been "repriced" (as such term is used in Item 402 of Regulation S-K promulgated under the Exchange Act) or (B) results in an Option being considered repriced under generally accepted accounting principles; or (c) canceling an Option at time when its Option Price is equal to or less than the Fair Market Value of the Shares subject to the Option, in exchange for another Option, Restricted Stock Award, Restricted Stock Unit Award, or any other equity-based award. A cancellation and exchange described in clause (c) of the preceding sentence will be considered a "repricing" regardless of whether (A) the Option, Restricted Stock Award, Restricted Stock Unit Award, or other equity-based award is delivered simultaneously with the cancellation of the Option, (B) it is reportable as a repricing in the Company's proxy statement or under generally accepted accounting principles, or (C) the cancellation of the Option was voluntary on the part of the Participant.

(i) Government and Other Regulations. The obligation of the Company with respect to Awards granted under the Plan shall be subject to all applicable laws, rules and regulations and such approvals by any governmental agency as may be required, including, without limitation, the effectiveness of any registration statement required under the Securities Act, the rules and regulations of any securities exchange on which the Shares may be listed.

(j) Withholding. A Participant may be required to pay to a member of the Combined Group or any Affiliate, and each member of the Combined Group or any Affiliate shall have the right and is hereby authorized to withhold from any Shares or other property deliverable under any Award or from any compensation or other amounts owing to a Participant the amount (in cash, Shares or other property) of any required tax withholding in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(k) Separability. If any of the terms or provision of the Plan conflict with the requirements of Rule 16b-3 under the Exchange Act, then such terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of Rule 16b-3.

(l) Governing Law. The Plan shall be governed by and construed in accordance with the internal laws of the State of Florida without regard to the principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Florida.

CARNIVAL PLC 2005 EMPLOYEE SHARE PLAN

(As adopted by the board of directors of Carnival plc on 18 January 2005 and to be approved by shareholders of Carnival plc in general meeting on 13 April 2005)

1. PURPOSE

The purpose of the Plan is to provide a means through which each member of the plc Group may attract able persons to enter and remain in the employ of members of the plc Group and to provide a means whereby employees and executive directors of each member of the plc Group can acquire and maintain Share ownership, or be paid incentive compensation measured by reference to the value of Shares, thereby strengthening their commitment to the welfare of the members of the plc Group and promoting an identity of interest between shareholders and these persons. It is intended that the Plan will be an employees' share scheme within the meaning of section 743 of the Companies Act 1985.

The Plan provides for the granting of Options (Incentive Share Options, Nonqualified Share Options, Unapproved Options and Approved Options), Restricted Shares and Restricted Share Units to eligible employees. Inland Revenue Approved Options may be granted under an Appendix to the Plan approved by the Inland Revenue.

2. DEFINITIONS

The following definitions shall be applicable throughout the Plan;

ADRs means American Depositary Receipts evidencing American Depositary Shares deposited by the Company with a depositary pursuant to a depositary agreement;

Affiliate means:

(a) any entity that directly or indirectly is Controlled by, Controls or is under common Control with the Company or Carnival Corporation; and

(b) to the extent provided by the Committee, any entity in which the Company or Carnival Corporation has a significant equity interest.

Approved Option means an Option granted under an Inland Revenue approved share plan contained in the Appendix to this Plan;

Award means, individually or collectively, any Incentive Share Option, Nonqualified Share Option, Unapproved Option, Approved Option, Restricted Share Award or Restricted Share Unit Award;

Award Agreement means a Share Option Agreement, Restricted Share Agreement or Restricted Share Unit Agreement;

Board means the board of directors of the Company;

Capital Reorganisation means any variation in the share capital or reserves of the Company (including, without limitation, by way of capitalisation issue, rights issue, sub-division, consolidation, or reduction);

Carnival Corporation means Carnival Corporation, a corporation organised under the laws of the Republic of Panama;

Cause means a member of the plc Group having a right to terminate a Participant's employment summarily either in accordance with the terms of the Participant's contract of employment with that member or otherwise at common law including without limitation:

(a) the determination by the Committee that the Participant has ceased to perform his duties to a member of the plc Group (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to his employer;

(b) the Committee's determination that the Participant has engaged or is about to engage in wilful misconduct or conduct which causes or may reasonably be expected to cause substantial damage to a member of the plc Group;

(c) the Participant having been convicted of, or pleaded guilty to, an offence involving as a material element fraud or dishonesty; or

(d) the failure of the Participant to follow the lawful instructions of the Board or any of his superiors;

Change of Control means the occurrence of any of the following:

- (a) a person (either alone or together with any person acting in concert with him) obtaining Control of the Company as a result of a general offer or otherwise for the whole of the share capital of the Company (other than those shares which are already owned by him and/or any person acting in concert with him);
- (b) a person (either alone or together with any person acting in concert with him) acquiring 50% or more (on a fully diluted basis) of either:
 - (i) the then outstanding Shares taking into account as outstanding for this purpose such Shares as are issuable upon the exercise of options or warrants, the conversion of convertible shares or debt and the exercise of any similar right to acquire such Shares (the "Outstanding Shares"); or
 - (ii) the combined voting power of the then outstanding voting shares or securities of the Company entitled to vote generally in the election of directors (the Outstanding Company Voting Securities);

provided, however, that for purposes of this Plan, the following acquisitions shall not constitute a Change of Control:

- (A) any acquisition by the Company or any Affiliate,
- (B) any acquisition by any employee benefit plan sponsored or maintained by the Company or any Affiliate,
- (C) any acquisition by Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses or lineal descendants, any trust established for the benefit of any of the aforementioned Arison family members, or any person directly or indirectly controlling, controlled by or under common control with any of the aforementioned Arison family members or any trust established for the benefit of any of the aforementioned Arison family members or any charitable trust or non-profit entity established by any person or entity described in this sub-paragraph (C); or
- (D) any acquisition by any person which falls within the proviso to paragraph (e) below or sub-paragraphs (i), (ii) and (iii) of paragraph (h) below;

and for the purposes of this Plan an event falling within sub-paragraphs (a) or (b) of this definition shall be referred to as an Acquisition;

- (c) individuals who, on the date this Plan is approved by shareholders in general meeting, constitute the board of directors of the Company (the Incumbent Directors) ceasing for any reason to constitute at least a majority of the board, provided that any person who becomes a director subsequently and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the board (either by a specific vote of the directors or by approval of the proxy statement or annual report and accounts of the Company in which such person is nominated for election by shareholders, without written objection to such nomination) shall be an Incumbent Director; and for the purposes of this Plan an event falling within this sub-paragraph (c) shall be referred to as a Board Change;
- (d) a person becoming bound or entitled to give notice under sections 428 to 430F of the Companies Act 1985 to acquire Shares (a Compulsory Acquisition Procedure);
- (e) a Court directing that a meeting of the holders of Shares be convened pursuant to section 425 of the Companies Act 1985 for the purposes of considering a scheme of arrangement of the Company or its amalgamation with any other company or companies and the scheme of arrangement being approved by the shareholders' meeting or sanctioned by the Court (as the Committee may determine) (the Relevant Condition) provided, however, that the Committee may determine that the scheme of arrangement shall not constitute a Change of Control if the purpose and effect of the scheme of arrangement is to create a new holding company for the Company, such company having substantially the same shareholders with the same proportionate shareholdings as the Company had immediately prior to the scheme of arrangement, and for the purposes of this Plan an event falling within this sub-paragraph (e) shall be referred to as a Scheme of Arrangement;
- (f) notice being duly given of a resolution for the voluntary winding-up of the Company (a Voluntary Winding Up);
- (g) the sale, transfer or other disposition of all or substantially all of the business or assets of the Company (a Sale); or
- (h) the completion of a reorganization, recapitalization, merger, consolidation, share exchange or similar form of corporate transaction involving the Company that requires the approval of the Company's shareholders, whether for such transaction or the issuance of securities in the transaction (a Business Combination), unless immediately following such Business Combination:
 - (i) more than 50% of the total voting power of:
 - (A) the company or body corporate resulting from such Business Combination (the Surviving Company); or
 - (B) if applicable, the ultimate parent company or body corporate that directly or indirectly has beneficial ownership of sufficient voting securities eligible to elect a majority of the directors of the Surviving Company (the Parent Company), is represented by the Outstanding Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which the Outstanding Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of the Company's Voting Securities among the holders thereof immediately prior to the Business Combination,
 - (ii) no person, is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Company (or, if there is no Parent Company, the Surviving Company); and
 - (iii) at least a majority of the members of the board of directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the completion of the Business

Combination were members of the board of directors of the Company at the time of the board's approval of the execution of the initial agreement providing for such Business Combination

and for the purposes of this Plan a transaction falling within this sub-paragraph (h) shall be referred to as a Corporate Transaction;

Code means the United States Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section;

Combined Group means the plc Group and Carnival Corporation and any subsidiary of Carnival Corporation as that term is defined in section 736 of the Companies Act 1985;

Committee means the Compensation Committee of the board of directors. Unless the Board determines otherwise, each member of the Committee shall, at the time he takes any action with respect to an Award under the Plan, be an Eligible Director. However, the mere fact that a Committee member shall fail to qualify as an Eligible Director shall not invalidate any Award which is otherwise validly granted under the Plan;

Company means Carnival plc, a company incorporated under the laws of England and Wales;

Control has the meaning given to it by section 840 of ICTA;

Date of Grant means the date on which the granting of an Award is authorized, or such other date as may be specified in such authorization or, if there is no such date, the date indicated on the applicable Award Agreement;

Dealing Day means any day on which the London Stock Exchange is open for the transaction of business;

Effective Date means the date on which the Plan is approved by the Company's shareholders in general meeting;

Eligible Director means a person who is a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, or a person meeting any similar requirement under any successor rule or regulation;

Employee means any employee (including an executive director) of a member of the plc Group whose terms of service require him to devote substantially the whole of his working time to the affairs of a member of the Combined Group;

Employee Share Plan means any share option plan or other employees' share incentive plan established by the Company including the P&O Princess Cruises Deferred Bonus & Co-Investment Matching Plan;

Exchange Act means the U.S. Securities Exchange Act of 1934, as amended;

Fair Market Value means, on a given date:

- (a) for so long as the Shares are traded on the London Stock Exchange, the closing middle market quotation for a Share as derived from the Daily Official List of the London Stock Exchange for that day; or
- (b) subject to (a) above, its market value determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and in the case of any Award under which Shares are to be issued, the nominal value of a Share;

ICTA means the United Kingdom Income and Corporation Taxes Act 1988;

ITEPA means the United Kingdom Income Tax (Earnings and Pensions) Act 2003;

Incentive Share Option means an Option granted by the Committee to a US Participant under the Plan which is designated by the Committee as an incentive stock option as described in Section 422 of the Code and which otherwise meets the requirements set forth herein;

the London Stock Exchange means London Stock Exchange plc or any successor body thereto;

Nonqualified Share Option means an Option granted by the Committee to a US Participant under the Plan, which is not designated by the Committee as an Incentive Share Option;

Option means an Award granted under Section 7 being either an Incentive Share Option, a Nonqualified Share Option, an Unapproved Option or an Approved Option;

Option Holder means any individual who holds a subsisting Option (including, where the context permits, the legal personal representatives of a deceased Option Holder);

Option Period means such period commencing on the Date of Grant and not exceeding ten years, as the Committee may determine under Section 7.6 in respect of an Option or portions of an Option;

Option Price means the exercise price of an Option as described in Section 7.3;

Participant means an Employee who has been selected by the Committee to participate in the Plan and to receive an Award;

Performance Goals means the performance objectives which may be established by the Committee for the purpose of determining whether, and to what extent, Awards will vest or be subject to a Restricted Period.

Plan means this Carnival plc 2005 Employee Share Plan, as amended from time to time;

the plc Group means the Company and the Subsidiaries and member of the Group shall be construed accordingly;

Registered Holder means any person or persons nominated by the Committee to hold Restricted Shares on behalf of a Participant;

Relevant Period means in the case of:

- (a) an Acquisition, the period of three months from the date of completion of the acquisitions and if the acquisitions occur as a result of an offer which is made subject to conditions, the period of three months from the date when the offer becomes or is declared unconditional in all respects;
- (b) a Board Change, the period of three months from the date that the relevant majority no longer subsists;
- (c) a Compulsory Acquisition Procedure, the period of 30 days from the date on which a notice of compulsory acquisition is first issued;
- (d) a Scheme of Arrangement, the period between the date of the Court's direction and twelve noon on the day immediately preceding the date for which the shareholders' meeting is convened or such longer period up to the date on which the Court sanctions the Scheme of Arrangement as the Committee may determine;
- (e) a Voluntary Winding Up, the period of two months from the date the resolution;
- (f) a Sale, the period of three months from the date of completion of the relevant transaction; and
- (g) a Corporate Transaction, the period of three months from the date of completion of the relevant transaction;

Restricted Period means, with respect to any Restricted Shares or any Restricted Share Unit, the period of time determined by the Committee during which such Award is subject to the restrictions set forth in Section 9 (unless foreshortened pursuant to the rules of this Plan);

Restricted Shares means Shares issued or transferred to a Participant subject to forfeiture and the other restrictions set forth in Section 9;

Restricted Share Award means an Award of Restricted Shares granted under Section 9;

Restricted Share Unit means a hypothetical investment equivalent to one Share granted in connection with an Award made under Section 9;

Restricted Share Unit Award means an Award of Restricted Share Units granted under Section 9;

Retirement means the cessation of a Participant's employment with a member of the plc Group on or after the earlier of:

(a) age 65 with at least five years of service with a member of the plc Group;
or

(b) age 55 with at least 15 years of service with a member of the plc Group;

Retirement Age means age 55 for the purposes of paragraph 35A of Schedule 4 to ITEPA;

Securities Act means the Securities Act of 1933, as amended;

Shares means fully paid and irredeemable ordinary shares in the capital of the Company or shares representing those shares following any Capital Reorganisation;

Share Option Agreement means any agreement between the Company and a Participant who has been granted an Option pursuant to Section 7 which evidences the grant of an Option and in the case of an Option granted by way of a share option certificate, shall mean the share option certificate;

Subsidiary means any subsidiary of the Company, as defined in Section 736 of the Companies Act 1985, of which the Company has Control;

UKLA means the United Kingdom Listing Authority;

Unapproved Option means an Option granted to a Participant other than a US Participant under the Plan which is not designated by the Committee as an Approved Option; and

Vested Unit shall have the meaning assigned to it in Section 9.12.

3. EFFECTIVE DATE, DURATION AND SHAREHOLDER APPROVAL

3.1 The Plan is effective as of the Effective Date, and the Plan was approved by shareholders at a general meeting held on 13 April 2005 in a manner intended to comply with the shareholder approval requirements of Sections 422(b)(1) of the Code and the New York Stock Exchange.

3.2 The expiration date of the Plan, on and after which no Awards may be granted hereunder, shall be the tenth anniversary of the Effective Date; provided, however, that the administration of the Plan shall continue in effect until all matters relating to Awards previously granted have been settled.

4. ADMINISTRATION

4.1 The Committee shall administer the Plan.

4.2 Subject to the provisions of the Plan and applicable law, the Committee shall have the power, in addition to other express powers and authorizations conferred on the Committee by the Plan, to:

- (a) designate Participants;
- (b) determine the type or types of Awards to be granted to a Participant;
- (c) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards;
- (d) determine the terms and conditions of any Awards;
- (e) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or cancelled, forfeited or suspended and the method or methods by which Awards may be settled, exercised, cancelled, forfeited or suspended;
- (f) determine whether, to what extent, and under what circumstances the delivery of cash, Shares, other securities, other Awards, other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee;
- (g) interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan;
- (h) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and
- (i) make any other determination and take any other action specified under the Plan or that the Committee deems necessary or desirable for the administration of the Plan.

4.3 Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or any documents evidencing Awards shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all parties, including, without limitation, each member of the Combined Group, any Participant, any holder or beneficiary of any Award, and any shareholder.

5. GRANT OF AWARDS; SHARES SUBJECT TO THE PLAN

5.1 The Committee may, from time to time, grant Awards of Options, Restricted Shares or Restricted Share Units to one or more Employees provided that no Award to subscribe for Shares shall be granted to the extent that the aggregate number of Shares that could be issued pursuant to that Award and any other Awards granted at the same time when added to the number of Shares that:

- (a) could be issued on the exercise of any other subsisting share options or awards granted during the preceding ten years under the Plan or any other Employee Share Plan; and
- (b) have been issued on the exercise of any share options or awards granted during the preceding ten years under the Plan or any other Employee Share Plan; and
- (c) have been issued during the preceding ten years under any Employee Share Plan or any profit sharing or other employee share incentive plan established by the Company;

would exceed 10% of the ordinary share capital of the Company for the time being in issue.

5.2 Shares delivered by or on behalf of the Company in settlement of Awards may be authorized and unissued Shares or Shares held in the treasury of the Company or purchased on the open market or by private purchase.

5.3 Any member of the plc Group may provide money to the trustees of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for those purposes, to the extent not prohibited by section 151 of the Companies Act 1985.

6. ELIGIBILITY

Participation shall be limited to Employees who have received written notification from the Committee, or from a person designated by the Committee, that they have been selected to participate in the Plan.

7. TERMS OF OPTIONS

7.1 The Committee is authorized to grant one or more Approved Options, Unapproved Options, Incentive Share Options or Nonqualified Share Options to any Employee. Each Option so granted shall be subject to the conditions set forth in this Section 7, or to such other conditions consistent with this Plan as may be reflected in the applicable Share Option Agreement.

Option Price

7.2 The Option Price per Share for each Option shall be set by the Committee at the Date of Grant but shall not be less than the Fair Market Value of a Share on the Date of Grant and, if the Shares are to be issued, the nominal value of a Share.

Manner of Exercise and Form of Payment

7.3 No Shares shall be delivered pursuant to any exercise of an Option until payment in full of the Option Price therefor is received by the Company or the Participant has made arrangements acceptable to the Company for the payment of the Option Price. Options which have become exercisable may be exercised by delivery of written notice of exercise to the Company accompanied by payment of, or an undertaking to pay, the aggregate Option Price. The Option Price shall be payable in cash.

Conditions of Grant

7.4 An Option may be granted subject to such conditions for payment of taxation, employees' National Insurance contributions and employer's National Insurance contributions liability as the Committee may determine (including without limitation the right to sell on an Option Holder's behalf sufficient Shares to satisfy any taxation or National Insurance contributions) and if any condition is imposed relating to the assumption, payment or reimbursement by the Option Holder of employer's National Insurance contributions liability, such conditions shall comply with any applicable legislation or regulations and the Company shall be entitled to waive in whole or in part the Option Holder's obligation in respect of such liability.

Vesting, Option Period and Expiration

7.5 Subject to Sections 8 and 13, Options shall vest and become exercisable in such manner and on such date or dates as the Committee may determine at the Date of Grant and set out in a vesting schedule (a Vesting Schedule) in the applicable Share Option Agreement or share option certificate. The Committee may determine that an Option may vest in full on one date only or may vest partially as to different portions on different dates so that an Option may have one Option Period or a number of Option Periods applying to determine when each portion shall vest. Subject to Sections 8 and 13 Options shall lapse on the earlier of:

- (a) the expiry of the Option Period; and
- (b) the Option Holder being declared bankrupt or entering into any general composition with or for the benefit of his creditors including a voluntary arrangement under the Insolvency Act 1986;

provided, however, that notwithstanding any vesting dates set by the Committee, the Committee may, in its sole discretion, accelerate the exercisability of any Option, which acceleration shall not affect the terms and conditions of such Option provided for in this Plan other than with respect to exercisability. If an Option is exercisable in instalments, such instalments or portions thereof which vest and become exercisable shall remain exercisable until the Option lapses but subject to any earlier lapse provisions under Sections 8 and 13.

Performance Goals

7.6 The Committee shall determine prior to the Date of Grant whether any Performance Goals shall apply to the vesting of an Option and if so these shall be set out in the applicable Share Option Agreement or share option certificate.

Other Terms and Conditions

7.7 Each Option granted under the Plan shall be evidenced by a Share Option Agreement or a share option certificate. Immediately prior to the granting of any Options, the Committee may, in its absolute discretion, enter into a deed poll recording its intention to be bound by the share option certificates to be issued to the Option Holder in respect of such Option. Except as specifically provided otherwise in a Share Option Agreement or a share option certificate, each Option granted under the Plan shall be subject to the following terms and conditions:

- (a) each Option or portion thereof that is exercisable shall be exercisable for the full amount or for any part thereof;
- (b) each Share acquired through the exercise of an Option shall be treated as fully paid up at the time of issue or transfer. Each Option shall cease to be exercisable, as to any Share, when the Participant acquires the Share or when the Option lapses;
- (c) subject to Sections 11.9 and 11.10, Options shall not be transferable by the Participant except by will or the laws of inheritance and shall be exercisable during the Participant's lifetime only by him;
- (d) each Option shall vest and become exercisable by the Participant in accordance with the Vesting Schedule established by the Committee and set forth in the Share Option Agreement;
- (e) at the time of any exercise of an Option, a Participant must take whatever action is reasonably required by the Committee to ensure compliance with applicable securities laws; and
- (f) each Participant awarded an Incentive Share Option under the Plan shall notify the Company in writing immediately after the date he makes a disqualifying disposition of any Shares acquired pursuant to the exercise of such Incentive Share Option. A disqualifying disposition is any disposition (including any sale) of such Shares before the later of (i) two years after the Date of Grant of the Incentive Share Option or (ii) one year after the date the Participant acquired the Shares by exercising the Incentive Share Option.

Incentive Share Option Grants to 10% Shareholders

7.8 Notwithstanding anything to the contrary in this Section 7, if an Incentive Share Option is granted to a Participant who owns shares representing more than ten percent of the voting power of all classes of shares of the Company or of a Subsidiary or a parent of the Company, the Option Period shall not exceed five years from the Date of Grant of such Option and the Option Price shall be at least 110 percent of the Fair Market Value (on the Date of Grant) of the Shares subject to the Option.

Time of Grant

7.9 The Committee shall not grant Options at any time when it would be prohibited from doing so by the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing code).

\$100,000 Per Year Limitation for Incentive Share Options

7.10 To the extent the aggregate Fair Market Value (determined as of the Date of Grant) of Shares for which Incentive Share Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company) exceeds \$100,000, such excess Incentive Share Options shall be treated as Nonqualified Share Options.

8. EXERCISE AND LAPSE OF OPTIONS - CESSATION OF EMPLOYMENT

8.1 Save as otherwise provided in these rules, an Option shall lapse automatically on the Option Holder ceasing to be an employee of the plc Group (whether lawfully or unlawfully).

8.2 Where an Option Holder ceases to be an employee of the plc Group before the end of the Option Period by reason of his employment with a member of the plc Group being terminated by a member of the plc Group without Cause or by the Participant for any reason other than Retirement, the Option shall lapse on the earlier of:

- (a) the last day of the Option Period; and
- (b) the date that is three months after the date of such termination;

provided, however, that any Participant whose employment with a member of the plc Group is terminated and who is subsequently re-hired or re-engaged by a member of the plc Group prior to the lapse of the Option shall not be treated as if his employment had terminated.

In the event of a termination described in this Section 8.2, the Option shall remain exercisable by the Participant until its lapse only to the extent the Option was exercisable at the time of such termination.

8.3 Where an Option Holder ceases to be an employee of the plc Group before the end of the Option Period by reason of his death or his disability (as determined by the Committee) while still in the employment of a member of the plc Group, or he dies following a cessation of employment described in this Section 8.2, the Option shall lapse on the earlier of:

- (a) the last day of the Option Period; and
- (b) the date that is one year after the date of such death or cessation on account of disability of the Participant, as applicable.

In such event, the Option shall remain exercisable by the Participant or his or her personal representatives or beneficiaries determined in accordance with Section 11, as applicable, until its lapse only to the extent the Option was exercisable by the Participant at the time of such event.

8.4 Where the Participant ceases to be an employee of a member of the plc Group by reason of Retirement prior to the end of the Option Period, the Option shall:

- (a) lapse at the end of the Option Period; and
- (b) continue vesting in accordance with the Vesting Schedule set forth in the share option certificate or Share Option Agreement (as applicable), without regard to any requirement that the Participant remain employed with a member of the plc Group as a condition to vesting.

8.5 For the avoidance of doubt, an Option exercisable under Sections 8.2 to 8.4 may lapse at an earlier date by virtue of Section 13 and may not be exercised after the expiry of the Option Period.

8.6 For the purposes of Sections 8.1 to 8.5 a female Option Holder shall not be treated as ceasing to be an employee of a member of the plc Group if absent from work wholly or partly because of pregnancy or confinement until she ceases to be entitled to exercise any statutory or contractual right to return to work.

8.7 Where any exercise of an Option under Sections 8.2 to 8.5 would be prohibited by law or the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing rules) the period during which the Option Holder may exercise his Options shall be extended by an additional period equal to the length of the period of prohibition but not beyond the expiry of the Option Period.

9. RESTRICTED SHARE AWARDS AND RESTRICTED SHARE UNIT AWARDS

Awards of Restricted Shares and Restricted Share Unit Awards

9.1 The Committee shall have the authority:

- (a) to grant Restricted Share Awards and Restricted Share Unit Awards to Employees;
- (b) to issue or transfer Restricted Shares to Registered Holders on behalf of Participants; and
- (c) to establish terms, conditions and restrictions applicable to such Restricted Shares and Restricted Share Units, including the Restricted Period, which may differ with respect to each Participant, the time or times at which Restricted Shares or Restricted Share Units shall become vested and the number of Shares or units to be covered by each grant and whether the Award shall be subject to Performance Goals.

No Restricted Share Awards or Restricted Share Unit Awards shall be granted at any time when the Committee is prohibited from doing so by the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing rules).

9.2 The Committee may require a Participant granted a Restricted Share Award to execute and deliver to the Company a Restricted Share Agreement with respect to the Restricted Shares setting forth the restrictions applicable to such Restricted Shares. The Committee shall determine whether:

- (a) the Restricted Shares shall be held in escrow rather than delivered to the Participant pending the release of the applicable restrictions, in which case the Committee may require the Participant to additionally execute and deliver to the Company an escrow agreement satisfactory to the Company; or
- (b) the Restricted Shares shall be registered in the name of the nominated Registered Holder during the Restricted Period; or
- (c) other arrangements shall apply to the holding of Restricted Shares during the Restricted Period, the terms of such arrangements being consistent with the terms of this Plan.

9.3 If an escrow arrangement is used, the Committee shall cause a share certificate registered in the name of the Participant to be issued and, if it so determines, deposited together with the share powers with any escrow agent designated by the Committee. The Committee may cause the escrow agent to issue to a Participant a receipt evidencing any share certificate held by it registered in the name of the Participant.

9.4 If a nominated Registered Holder is used, the Committee shall cause a share certificate registered in the name of the Participant to be issued and, if it so determines, deposited together with the share powers with any Registered Holder nominated by the Committee. The Participant shall not be entitled to delivery of the share certificate until the Restricted Period has expired and the Registered Holder shall retain custody of such shares during the Restricted Period.

9.5 Subject to the restrictions set forth in Section 9.7 to 9.9, the Participant generally shall have the rights and privileges of a beneficial owner as to such Restricted Shares, including the right to direct the Registered Holder how

to vote such Restricted Shares. At the discretion of the Committee, cash dividends and share dividends with respect to the Restricted Shares may be either currently paid to the Participant or withheld by the Company or the Registered Holder for the Participant's account, and interest may be credited on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Committee. The cash dividends or share dividends so withheld by the Committee and attributable to any particular Restricted Shares (and earnings thereon, if applicable) shall be distributed to the Participant upon the release of restrictions on such Restricted Shares and, if such Restricted Share is forfeited, the Participant shall have no right to such cash or share dividends.

9.6 The terms and conditions of a grant of a Restricted Share Unit Award will be reflected in a written Restricted Share Unit Award Agreement. The Committee may determine that a Restricted Share Unit Award be granted in the form of a nil cost option or a conditional or contingent right to acquire shares. Where a Restricted Share Unit Award is granted in the form of a nil cost option, any reference to the Restricted Period expiring in respect of Restricted Share Units shall be construed as meaning that a Participant may call for the Restricted Share Units within the period determined by the Committee. A Participant shall not have any beneficial interest in any Shares during the Restricted Period as a result of being granted a Restricted Stock Unit Award. The Company will not be required to set aside a fund for the payment of any such Award. At the discretion of the Committee, each Restricted Share Unit (representing one Share) awarded to a Participant may be credited with cash and share dividends paid in respect of one Share (Dividend Equivalents). At the discretion of the Committee, Dividend Equivalents may be either currently paid to the Participant or withheld by the Company for the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents withheld at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's account and attributable to any particular Restricted Share Unit (and earnings thereon, if applicable) shall be distributed to the Participant upon settlement of such Restricted Share Unit and, if such Restricted Share Unit is forfeited, the Participant shall have no right to such Dividend Equivalents.

Restrictions

9.7 Restricted Shares comprised in a Restricted Share Award granted to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, and to such other terms and conditions as may be set forth in the applicable Restricted Share Award Agreement:

- (a) the Participant shall not be entitled to delivery of the share certificate;
- (b) the Restricted Shares shall be subject to the restrictions on transferability set forth in the Restricted Share Award Agreement; and
- (c) the Restricted Shares shall be subject to forfeiture to the extent provided in the Rules and the applicable Restricted Share Agreement and, to the extent such Restricted Shares are forfeited, the share certificates shall be returned to the Company, and all rights of the Participant to such Restricted Shares and as a shareholder shall terminate without further obligation on the part of the Company.

9.8 Restricted Share Units awarded to any Participant shall be subject to:

- (a) forfeiture until the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, to the extent provided in these Rules and the applicable Restricted Share Unit Agreement, and to the extent such Restricted Share Units are forfeited, all rights of the Participant to such Restricted Share Units shall terminate without further obligation on the part of the Company; and
- (b) such other terms and conditions as may be set forth in the applicable Restricted Share Unit Agreement.

9.9 The Committee shall have the authority to remove any or all of the restrictions on the Restricted Shares and Restricted Share Units whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the date of the Restricted Share Award or Restricted Share Unit Award, such action is appropriate.

Restricted Period

9.10 The Restricted Period applicable to Restricted Shares and Restricted Share Units comprised in an Award shall commence on the Date of Grant and shall expire from time to time as to that part of the Restricted Shares and Restricted Share Units indicated in a schedule (the Vesting Schedule) established by the Committee in the applicable Restricted Share Agreement or Restricted Share Unit Agreement.

Delivery of Restricted Shares and Settlement of Restricted Share Units

9.11 Upon the expiration of the Restricted Period with respect to any Restricted Shares covered by a Restricted Share Award and the attainment of any other vesting criteria established by the Committee, the restrictions set forth in Section 9.7 to 9.9 and the Restricted Share Agreement shall be of no further force or effect with respect to the Restricted Shares which have not then been forfeited. The Company shall deliver or procure the delivery to the Participant, or his beneficiary, without charge, the share certificate evidencing the Restricted Shares which have not then been forfeited and with respect to which the Restricted Period has expired and any other vesting criteria established by the Committee has been attained (to the nearest full share) and any cash dividends or share dividends credited to the Participant's account with respect to such Restricted Shares and the interest thereon, if any.

9.12 Upon the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, with respect to any Restricted Share Units covered by a Restricted Share Unit Award, the Company shall determine whether the Award shall be settled in Shares or cash. If the Committee determines that the Award shall be settled in Shares, the Company shall procure the delivery to the Participant, or his beneficiary, without charge, one Share for each Restricted Share Unit which has not then been forfeited and with respect to which the Restricted Period has expired and any other such vesting criteria are attained (Vested Unit). If the Committee has elected to pay cash (or part cash and part Shares) for Vested Units, the amount of such payment shall be equal to the Fair Market Value of the Shares as of the date on which the Restricted Period lapsed with respect to such Vested Unit.

Conditions of Grant

9.13 Restricted Share Awards and Restricted Share Unit Awards may be granted subject to such conditions for payment of tax and employees' National Insurance contributions and employer's National Insurance contributions as the Committee may determine, including that, with respect to Awards of Restricted Shares which qualify as employment related restricted securities under Chapter 2 of Part VII of ITEPA, any member of the plc Group may require a Participant to enter into an election under section 430 or section 431 of ITEPA.

10. FORFEITURE

Restricted Shares

10.1 Save as otherwise provided in these rules and unless otherwise stated in the applicable Restricted Share Award Agreement, Restricted Shares shall be forfeited automatically on the Participant ceasing to be an employee of the plc Group (whether lawfully or unlawfully) before the end of the Restricted Period.

10.2 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of Retirement, the Restricted Shares shall not be forfeited and the restrictions attaching to the Restricted Shares shall continue and shall lapse in accordance with the terms of the Restricted Share Award provided, however, that the Committee may in its discretion determine that some or all of the Restricted Shares may be released early.

10.3 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of his death while still in the employment of a member of the plc Group, or he dies following a cessation of employment described in Section 10.2 the Restricted Shares shall not be forfeited and the Restricted Period shall expire forthwith and the restrictions shall lapse.

Restricted Share Units

10.4 Save as otherwise provided in these rules and unless otherwise stated in the applicable Restricted Share Unit Award Agreement, Restricted Share Units shall be forfeited automatically on the Participant ceasing to be an employee of the plc Group (whether lawfully or unlawfully) before the end of the Restricted Period.

10.5 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of Retirement, the Restricted Share Units shall not be forfeited and the restrictions attaching to the Restricted Share Units shall continue and shall lapse in accordance with the terms of the Restricted Share Unit Award provided, however, that the Committee may in its discretion determine that some or all of the Restricted Share Units may be released early.

10.6 Where a Participant ceases to be an employee of the plc Group before the end of the Restricted Period by reason of his death while still in the employment of a member of the plc Group, or he dies following a cessation of employment described in Section 10.2 the Restricted Share Units shall not be forfeited and the Restricted Period shall expire forthwith and the restrictions shall lapse.

10.7 For the avoidance of doubt, an Award that is retained under this Section 10 may lapse at an earlier date by virtue of Section 13.

10.8 For the purposes of Sections 10.1 to 10.6 a female Participant shall not be treated as ceasing to be an employee of a member of the plc Group if absent from work wholly or partly because of pregnancy or confinement until she ceases to be entitled to exercise any statutory or contractual right to return to work.

10.9 Where any release or exercise of an Award under this Section 10 would be prohibited by law or the Model Code for Securities Transactions by Directors of Listed Companies (or the Company's dealing rules) the period during which the Restricted Shares or Restricted Share Units may be released to a Participant shall be extended by an additional period equal to the length of the period of prohibition.

11. GENERAL

Additional Provisions of an Award

11.1 Awards granted to a Participant under the Plan also may be subject to such other provisions (whether or not applicable to Awards granted to any other Participant) as the Committee determines appropriate including, without limitation, provisions to assist the Participant in financing the acquisition of Shares upon the exercise of Options (provided that the Committee determines that providing such financing does not violate the Sarbanes-Oxley Act of 2002 and applicable UK law), provisions for the forfeiture of or restrictions on resale or other disposition of Shares acquired under any Award, provisions giving the Company the right to repurchase Shares acquired under any Award in the event the Participant elects to dispose of such Shares, provisions allowing the Participant to elect to defer the receipt of Shares upon the exercise of Awards for a specified period or until a specified event, and provisions to comply with US Federal and state securities laws and US Federal and state tax withholding requirements. Any such provisions shall be reflected in the applicable Award Agreement.

Privileges of Share Ownership

11.2 Except as otherwise specifically provided in the Plan, no person shall be entitled to the privileges of ownership in respect of Shares which are subject to Awards hereunder until such Shares have been issued or transferred to that person.

Government and Other Regulations

11.3 The obligation of the Company to issue Shares upon the exercise of Options or otherwise settle Awards in Shares shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required.

Tax Withholding

11.4 A Participant may be required to pay to a member of the Combined Group, and each member of the Combined Group shall have the right and is hereby authorized to withhold from any Shares or other property deliverable under any Award or from any compensation or other amounts owing to a Participant the amount (in cash, Shares or other property) of any required tax withholding and payroll taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

11.5 Without limiting the generality of clause 11.4 above, the Committee may, in its sole discretion, permit a Participant to satisfy, in whole or in part, the foregoing withholding liability (but no more than the minimum required withholding liability if using method (b) or (c) of this subsection) by:

- (a) payment in cash;
- (b) delivery of Shares owned by the Participant with a Fair Market Value equal to such withholding liability;
- (c) having the Company withhold from the number of Shares otherwise issuable pursuant to the exercise of the Award a number of Shares with a Fair Market Value equal to such withholding liability; or
- (d) authorising the Company to arrange the sale of sufficient Shares to generate proceeds sufficient to discharge any withholding liability.

Claim to Awards and Employment Rights

11.6 The rights and obligations of an Employee under the terms and conditions of his office or employment shall not be affected by his participation in the Plan or any right he may have to participate in the Plan. An individual who participates in the Plan waives all and any rights to compensation and damages in consequence of the termination of his office or employment with any company for any reason whatsoever (whether lawfully or unlawfully) insofar as those rights arise, or may arise, from his ceasing to have rights under or his entitlement to an Award under the Plan as a result of such termination or from the loss or diminution in value of such rights or entitlements. In the event of conflict between the terms of this Section 11.6 and the Employee's terms of employment, this Section will take precedence.

Governing Law

11.7 The Plan shall be governed by, and construed in accordance with, the laws of England. All disputes arising out of or in connection with the rules shall be subject to the exclusive jurisdiction of the courts of England and Wales.

Funding

11.8 No provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

Nontransferability

11.9 Each Award shall be exercisable only by a Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or personal representative. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or

by the laws of inheritance and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against each member of the plc Group.

11.10 Notwithstanding the foregoing, the Committee may, in its sole discretion, permit Awards other than Incentive Share Options to be transferred by a Participant, without consideration, subject to such rules as the Committee may adopt consistent with any applicable Award Agreement to preserve the purposes of the Plan, to:

- (a) any person who is a spouse or child or step child under the age of 18 of the Participant (an Immediate Family Member);
- (b) a trust solely for the benefit of the Participant and his or her Immediate Family Members;
- (c) a partnership or limited liability company whose only partners or shareholders are the Participant and his Immediate Family Members;

(each transferee described in clauses (a), (b) and (c) above is hereinafter referred to as a Permitted Transferee); provided that the Participant gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Participant in writing that such a transfer would comply with the requirements of the Plan.

11.11 The terms of any Award transferred in accordance with Section 11.10 shall apply to the Permitted Transferee and any reference in the Plan, or in any applicable Award Agreement or share option certificate, to a Participant shall be deemed to refer to the Permitted Transferee, except that:

- (a) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of inheritance;
- (b) Permitted Transferees shall not be entitled to exercise a transferred Nonqualified Share Option unless there shall be in effect a registration statement on an appropriate form covering the Shares to be acquired pursuant to the exercise of such Nonqualified Share Option if the Committee determines, consistent with any applicable Share Option Agreement, that such a registration statement is necessary or appropriate,
- (c) the Committee or any member of the plc Group shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise; and
- (d) the consequences of a Participant no longer being employed by, or in the services of, a member of the plc Group under the terms of the Plan and the applicable Award Agreement or share option certificate shall continue to be applied with respect to the Participant, including, without limitation, that a Nonqualified Share Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Share Option Agreement.

Relationship to Other Benefits

11.12 No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of a member of the Combined Group except as otherwise specifically provided in such other plan.

Expenses

11.13 The expenses of administering the Plan shall be borne by the plc Group.

Gender and Number

11.14 Where the context admits, masculine pronouns and other words of masculine gender shall refer to both men and women, words in the singular shall include the plural and words in the plural shall include the singular.

Termination of Employment

11.15 For all purposes herein, a person who transfers from employment with a member of the plc Group to employment or service with a member of the Combined Group shall not be deemed to have terminated employment or service with a member of the plc Group.

Titles and Headings

11.16 The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

Severability

11.17 If any provision of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or Award, such provision shall be stricken as to such jurisdiction, person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

12. CHANGES IN CAPITAL STRUCTURE

12.1 In the event of any:

- (a) Capital Reorganisation;
- (b) Corporate Transaction; or
- (c) the implementation by the Company of a demerger, or the payment by the Company of a dividend in specie or a super dividend or other transaction or any change in applicable laws or any change in circumstances which in the opinion of the Committee (acting fairly and reasonably and taking into account any criteria it may consider to be relevant) would materially affect (whether by increasing or reducing) the current or future value of an Award

the number or type of shares subject to an Award and the Option Price per Share may be adjusted or the Awards may be subject to substitution in such manner as the Committee may determine is fair and reasonable, PROVIDED THAT:

- (i) in respect of an Award under which Shares are to be transferred, prior notification shall be given to the person holding the Shares to which the Award relates;
- (ii) no adjustment shall be made pursuant to this Section which would decrease the aggregate Option Price of any Option; and
- (iii) except as provided in this sub-paragraph (iii), no adjustment may have the effect of reducing the Option Price of any Option to less than the nominal value of a Share. Where an Option subsists over both issued and unissued Shares, any such adjustment may only be made if the reduction of the Option Price of Options over both issued and unissued Shares can be made to the same extent. Any adjustment to the Option Price of Options over unissued Shares shall only be made if and to the extent that the Committee shall be authorised to capitalise from the reserves of the Company a

sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercisable exceeds the adjusted Option Price. The Company may apply such sum in paying up such amount on such Shares and so that, on exercise of any Option in respect of which such reduction shall have been made, the Company shall capitalise such sum (if any) and apply the same in paying up such amount as aforesaid; and

- (iv) any adjustment in Incentive Stock Options under this Section 12 shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code, and any adjustments under this Section 12 shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act.

12.2 Notwithstanding the above, in the event of any of the following:

- (a) the Company is merged or consolidated with another company or body corporate and, in connection therewith, consideration is received by shareholders of the Company in a form other than shares or other equity interests of the surviving entity;
- (b) a Sale;
- (c) the reorganization or liquidation of the Company; or
- (d) the Company enters into a written agreement to undergo an event described in sub-paragraphs (a), (b) or (c) above,

then the Committee may, in its discretion and upon at least 10 days advance notice to the affected persons, cancel any outstanding Awards and cause the holders thereof to be paid, in cash or shares, or any combination thereof, the value of such Awards based upon the price per share of the shares or other consideration received or to be received by shareholders of the Company in the event.

12.3 The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

13. EFFECT OF CHANGE OF CONTROL

13.1 In the event of a Change of Control which is not a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Option Period may not have commenced nor the Performance Goals been satisfied, an Option shall forthwith vest and become exercisable with respect to 100 per cent of the Shares subject to such Option. An Option Holder may exercise his Options during the Relevant Period. Failing any permitted exercise the Options shall without prejudice to the operation of Section 13.7, cease to be exercisable and shall automatically lapse upon the expiry of the Relevant Period, and if more than one Relevant Period is running concurrently, the Option shall cease to be exercisable and lapse upon the expiry of whichever of those periods is the first to expire.

13.2 In the event of a Change of Control which is a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Option Period may not have commenced nor the Performance Goals been satisfied, an Option shall forthwith vest and become exercisable with respect to 100 per cent of the Shares subject to such Option conditionally upon satisfaction of the Relevant Condition. An Option Holder may exercise his Options during the Relevant Period. Failing any permitted exercise the Options shall cease to be exercisable between the last date upon which permitted exercises may occur and the first date when it can be determined whether or not the Relevant Condition is satisfied. If the Relevant Condition is not satisfied the Options shall continue subject to the terms of this Plan. If the Relevant Condition is satisfied the Options shall, without prejudice to the operation of Section 13.7, lapse automatically on the date upon which the scheme of arrangement is sanctioned by the Court.

13.3 In the event of a Change of Control which is not a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Restricted Period may not have expired nor any Performance Goals been satisfied, the Restricted Period shall forthwith expire with respect to 100 per cent of the Shares comprised in a Restricted Stock Award or a Restricted Stock Unit Award. The Restricted Period shall expire immediately upon the commencement of the Relevant Period and the Company shall satisfy its obligations under Section 9.11 and 9.12 of this Plan in respect of the Restricted Share Awards and Restricted Share Unit Awards within 30 days thereof at the end of which period, without prejudice to the operation of Section 13.7, the Awards shall lapse.

13.4 In the event of a Change of Control which is a Scheme of Arrangement, notwithstanding any provision of the Plan to the contrary and notwithstanding that the Restricted Period may not have expired nor any Performance Goals been satisfied, the Restricted Period shall expire with respect to 100 per cent of the Shares comprised in a Restricted Stock Award or a Restricted Stock Unit Award conditionally upon satisfaction of the Relevant Condition. If the Relevant Condition is not satisfied the Restricted Period shall not expire and the Restricted Share Awards and Restricted Share Unit Awards shall continue subject to the terms of this Plan. If the Relevant Condition is satisfied the Restricted Period shall expire on the date upon which the scheme of arrangement is sanctioned by the Court and the Company shall satisfy its obligations under Section 9.11 and 9.12 of this Plan in respect of the Restricted Share Awards and Restricted Share Unit Awards within 30 days thereof at the end of which period, without prejudice to the operation of Section 13.7, the Awards shall lapse.

Cancellation of Awards

13.5 In the event of a Change of Control, the Committee may in its discretion and upon at least 10 days' advance notice to the affected persons, cancel any outstanding Award and pay to the holders thereof, in cash or shares, or any combination thereof, the value of such Awards based upon the price per Share received or to be received by other shareholders of the Company in the event.

Demerger

13.6 If the Committee becomes aware that the Company is or is expected to be affected by any demerger, dividend in specie, super-dividend or other transaction which, in the opinion of the Committee, would materially affect (whether by increasing or reducing) the current or future value of any Awards, the Committee (acting fairly and reasonably and taking into account criteria it may consider to be relevant) may, in its absolute discretion, allow Options to be exercised (whether or not the Option Period has commenced) and the Restricted Period to expire in respect of Restricted Shares and Restricted Share Units, in each case in respect of such number of Shares as the Committee may determine in its discretion. The Committee shall specify the period in which such Options shall be exercisable and whether such Options shall lapse at the end of the specified period. The Committee shall notify any Participant who is affected by the discretion exercised under this Section.

Roll-over of Awards

13.7 In the event of a Change of Control the Committee may, in its absolute discretion, with the consent of any acquiring company determine that:

- (a) Options shall not be exercisable and that the Restricted Period shall not expire in respect of Restricted Shares and Restricted Share Units but that Participants shall be required within the Relevant Period to release any outstanding Awards (whether vested or unvested) in consideration for the grant of equivalent Awards over shares or restricted shares or restricted share units in the capital of the acquiring company or any company which Controls such acquiring company, on such terms as the Committee may determine; or
- (b) Participants may at any time within the Relevant Period by agreement with the acquiring company, release any outstanding Awards (whether vested or unvested) in consideration for the grant of equivalent Awards over shares or restricted shares or restricted share units in the capital of the acquiring company or any company which Controls such acquiring company, on such terms as the Committee may determine.

14. NON EXCLUSIVITY OF THE PLAN

Neither the adoption of this Plan by the Committee nor the submission of this Plan to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Committee to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of share options otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

15. AMENDMENTS AND TERMINATION

15.1 The Committee may at any time discontinue the grant of further Awards.

15.2 The Committee may amend any of the provisions of the Plan in any way it thinks fit, provided that:

- (a) the Committee shall not make any amendment that would materially prejudice the interests of existing Participants except with the prior consent or sanction of Participants who, if they exercised their Options in full or the Restricted Period in respect of their Award expired, would thereby become entitled to not less than three-quarters of all the Shares which would fall to be allotted, transferred or released upon exercise in full of all outstanding Options and expiry of the Restricted Period; and
- (b) no amendment to the advantage of Employees or may be made to:
 - (i) the definition of Employee in Section 2;
 - (ii) the limitations on the number of Shares subject to the Plan;
 - (iii) the basis for determining an Executive's entitlement to Shares under the Plan;
 - (iv) the terms of Shares to be provided under the Plan;
 - (v) the adjustment provisions of Section 12 of the Plan;

without the prior approval of the Company in general meeting except in the case of minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Employees or any member of the Combined Group; and

- (c) without prejudice to any provision of the Plan which provides for the lapse of an Option, the Committee may not cancel an Option unless the Option Holder agrees in writing to such cancellation.

15.3 Notwithstanding any other provision of the Plan, the Committee may establish appendices to the Plan for the purpose of granting Approved Options to Employees who are primarily liable to tax in the United Kingdom and Awards to Employees who are or may become primarily liable to tax outside the United Kingdom on their remuneration, subject to such modifications as may be necessary or desirable to take account of overseas tax, exchange control or securities laws provided that any shares made available under such appendices shall count towards the limit set out in Section 5.1.

15.4 Benefits under the Plan shall not be pensionable.

APPENDIX 1

United States Part of the Plan

For any Employee whose remuneration is (or, at the time of Option exercise, is expected wholly to be) subject to taxation in the United States of America and to whom the Committee wishes to grant Options under this Plan which will be treated as Incentive Stock Options, the following provisions shall apply:

- (A) All the provisions of the Plan shall apply to the grant of Options subject to the modifications contained in the following paragraphs.
- (B) The number of Shares issued or transferred pursuant to the exercise of Incentive Share Options shall not, in aggregate, exceed 3.5 million Shares. The number of Shares available for issuance pursuant to the preceding sentence shall not exceed the limit in Section 5.1 and shall be subject to appropriate adjustment on the occurrence of any event described in Section 12.
- (C) The term "disability" in Section 8.3 shall have the meaning given by Section 22(e)(3) of the Code.

CARNIVAL CORPORATION & PLC
 Ratio of Earnings to Fixed Charges
 (in millions, except ratios)

	Six Months Ended May 31,	
	2005	2004
	-----	-----
Net income	\$ 753	\$ 535
Income tax benefit, net	(2)	(4)
	-----	-----
Income before income taxes	751	531
	-----	-----
Fixed charges		
Interest expense, net	168	136
Interest portion of rent expense(a)	8	9
Capitalized interest	10	17
	-----	-----
Total fixed charges	186	162
	-----	-----
Fixed charges not affecting earnings		
Capitalized interest	(10)	(17)
	-----	-----
Earnings before fixed charges	\$ 927	\$ 676
	=====	=====
Ratio of earnings to fixed charges	5.0x	4.2x
	=====	=====

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

I, Micky Arison, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 7, 2005

By: /s/ Micky Arison

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

I, Howard S. Frank, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 7, 2005

By: /s/ Howard S. Frank

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

I, Gerald R. Cahill, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 7, 2005

By: /s/ Gerald R. Cahill

 Gerald R. Cahill
 Executive Vice President and Chief
 Financial and Accounting Officer

I, Micky Arison, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 7, 2005

By: /s/ Micky Arison

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

I, Howard S. Frank, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 7, 2005

By: /s/ Howard S. Frank

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

I, Gerald R. Cahill, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 7, 2005

By: /s/ Gerald R. Cahill

 Gerald R. Cahill
 Executive Vice President and Chief
 Financial and Accounting Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended May 31, 2005 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: July 7, 2005

By: /s/ Micky Arison

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

In connection with the Quarterly Report on Form 10-Q for the quarter ended May 31, 2005 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: July 7, 2005

By: /s/ Howard S. Frank

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

In connection with the Quarterly Report on Form 10-Q for the quarter ended May 31, 2005 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: July 7, 2005

By: /s/ Gerald R. Cahill

Gerald R. Cahill
Executive Vice President and Chief
Financial and Accounting Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended May 31, 2005 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: July 7, 2005

By: /s/ Micky Arison

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

In connection with the Quarterly Report on Form 10-Q for the quarter ended May 31, 2005 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: July 7, 2005

By: /s/ Howard S. Frank

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

In connection with the Quarterly Report on Form 10-Q for the quarter ended May 31, 2005 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: July 7, 2005

By: /s/ Gerald R. Cahill

Gerald R. Cahill
Executive Vice President and Chief
Financial and Accounting Officer