July 1, 2011

RELEASE OF CARNIVAL CORPORATION & PLC QUARTERLY REPORT ON FORM 10-Q AND CARNIVAL PLC GROUP HALF-YEARLY FINANCIAL REPORT

Carnival Corporation & plc announced its second quarter and six month results of operations in its earnings release issued on June 21, 2011. Carnival Corporation & plc is hereby announcing that today it has filed its joint Quarterly Report on Form 10-Q ("Form 10-Q") with the U.S. Securities and Exchange Commission ("SEC") containing the Carnival Corporation & plc 2011 second quarter and six month interim financial statements, which reported results are unchanged from those previously announced on June 21, 2011.

The information included in the attached Schedules A, B and C is extracted from the Form 10-Q and has been prepared in accordance with SEC rules and regulations. Schedules A and B contain the unaudited consolidated financial statements for Carnival Corporation & plc as of and for the three and six months ended May 31, 2011, together with management's discussion and analysis of financial condition and results of operations. These Carnival Corporation & plc consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Within the Carnival Corporation and Carnival plc dual listed company arrangement the Directors consider the most appropriate presentation of Carnival plc's results and financial position is by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation & plc. Schedule C contains information on Carnival Corporation and Carnival plc's sales and purchases of their equity securities and use of proceeds from such sales.

In addition, the Directors are today presenting in the attached Schedule D the unaudited interim financial information for the Carnival plc Group as of and for the six months ended May 31, 2011. The Carnival plc Group financial information excludes the consolidated results of Carnival Corporation and is prepared under International Financial Reporting Standards as adopted by the European Union. All these schedules are presented together as Carnival plc's Group half-yearly financial report, in accordance with the requirements of the UK Disclosure and Transparency Rules.

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The Form 10-Q, including the portions extracted for this announcement, is available for viewing on the SEC website at www.sec.gov under Carnival Corporation or Carnival plc or the Carnival Corporation & plc website at www.carnivalcorp.com or www.carnivalplc.com. A copy of the Form 10-Q has been submitted to the National Storage Mechanism and will shortly be available for inspection at www.Hemscott.com/nsm.do. Additional information can be obtained via Carnival Corporation & plc's websites listed above or by writing to Carnival plc at Carnival House, 5 Gainsford Street, London SE1 2NE, United Kingdom.

Carnival Corporation & plc is the largest cruise vacation group in the world, with a portfolio of cruise brands in North America, Europe, Australia and Asia, comprised of Carnival Cruise Lines, Holland America Line, Princess Cruises, Seabourn, AIDA Cruises, Costa Cruises, Cunard, Ibero Cruises, P&O Cruises (UK) and P&O Cruises (Australia).

Together, these brands operate 101 ships totaling approximately 200,000 lower berths with 7 new ships scheduled to be delivered between May, 2012 and February, 2015. Carnival Corporation & plc also operates Holland America Princess Alaska Tours, the leading tour company in Alaska and the Canadian Yukon. Traded on both the New York and London Stock Exchanges, Carnival Corporation & plc is the only group in the world to be included in both the S&P 500 and the FTSE 100 indices.

SCHEDULE A

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

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements, estimates or projections contained in this "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, outlooks, plans, goals and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We have tried, whenever possible, to identify these statements by using words like "will," "may," "could," "should," "would," "believe," "expect," "anticipate," "forecast," "future," "intend," "plan," "estimate" and similar expressions of future intent or the negative of such terms.

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 that may impact, among other things, the forecasting of our earnings per share, net revenue yields, booking levels, pricing, occupancy, operating, financing and tax costs, fuel expenses, costs per available lower berth day ("ALBDs"), estimates of ship depreciable lives and residual values, liquidity, goodwill and trademark fair values and outlook. These factors include, but are not limited to, the following:

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

- union disputes and other employee relation issues;
- lack of continuing availability of attractive, convenient and safe port destinations; and
- risks associated with the DLC arrangement.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this 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.

Outlook for the Remainder of Fiscal 2011

On June 21, 2011, we said that we expected our fully diluted earnings per share for the 2011 full year and third quarter would be in the ranges of $2.40 to $2.50 and $1.60 to $1.64, respectively. Our guidance was based on fuel prices of $639 per metric ton and $670 per metric ton for the 2011 full year and third quarter, respectively. In addition, this guidance was based on 2011 full year and third quarter currency rates of $1.41 and $1.43 to the euro, $1.61 and $1.62 to the sterling and $1.04 and $1.06 to the Australian dollar, respectively. The fuel and currency assumptions used in our guidance change daily and, accordingly, our forecasts change daily based on the changes in these assumptions.

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

Critical Accounting Estimates

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 2010 joint Annual Report on Form 10-K.

Seasonality and Expected Capacity Growth

Our revenues from the sale of passenger tickets are seasonal. Historically, demand for cruises has been greatest during our third fiscal quarter, which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher net revenue yields (see "Key Performance Non-GAAP Financial Indicators") and, accordingly, the largest share of our operating income is earned during this period. The seasonality of our results also increases due to ships being taken out of service for maintenance, which we schedule during non-peak demand periods. In addition, substantially all of Holland America Princess Alaska Tours' revenue and net income is generated from May through September in conjunction with the Alaska cruise season. The seasonality of our results will continue to increase as we expand our Europe, Australia & Asia ("EAA") brands, which tend to be more seasonal than our North America brands. Finally, our North America brands have recently been trending towards an increasing level of seasonality.

The year-over-year percentage increase in our ALBD capacity for the third and fourth quarters of fiscal 2011 is currently expected to be 4.8% and 5.8%, respectively. The year-over-year percentage increase in our annual ALBD capacity for fiscal 2011, 2012 and 2013 is currently expected to be 5.2%, 5.3% and 3.6%, respectively. The above percentage increases result primarily from contracted new ships entering service and exclude any unannounced future ship orders, acquisitions, retirements, charters and sales.

Selected Cruise and Other Information

Selected cruise and other information was as follows:

	Three Months Ended May 31,		Six Months Ended May 31,	
	2011	2010	2011	2010
Passengers carried (in thousands)	2,330	2,222	4,515	4,271
Occupancy percentage (a)	104.5%	103.8%	104.8%	103.7%
Fuel consumption (metric tons in thousands)	861	835	1,689	1,635
Fuel cost per metric tons consumed	$ 673	$ 498	$ 609	$ 497
Currencies				
U.S. dollar to €1	$ 1.43	$ 1.32	$ 1.38	$ 1.36
U.S. dollar to £1	$ 1.63	$ 1.50	$ 1.60	$ 1.55
U.S. dollar to Australian dollar	$ 1.05	$ 0.91	$ 1.02	$ 0.90

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

Three Months Ended May 31, 2011 ("2011") Compared to the Three Months Ended May 31, 2010 ("2010")

Revenues

Consolidated

Approximately 77% of 2011 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues increased by $279 million, or 11.2%, to $2.8 billion in 2011 from $2.5 billion in 2010. This increase was caused by our 5.0% capacity increase in ALBDs, which accounted for $125 million, a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $101 million, and a continuing recovery in overall cruise ticket pricing, which accounted for $58 million. Our cruise ticket pricing increase was affected by the impacts of the geo-political events in the Middle East and North Africa ("MENA"), and to a lesser extent, the earthquake and nuclear disaster in Japan. These events resulted in deployment changes we made to avoid calling on ports in those areas (see "Key Performance Non-GAAP Financial Indicators").

The remaining 23% of 2011 total revenues is substantially all comprised of onboard and other cruise revenues, which increased by $80 million, or 10.9%, to $817 million in 2011 from $737 million in 2010. This increase was substantially all caused by our 5.0% capacity increase in ALBDs, which accounted for $37 million, a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $23 million, and higher onboard spending from our guests. Onboard and other revenues included concession revenues of $254 million in 2011 and $218 million in 2010.

North America Brands

Approximately 74% of 2011 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues increased by $99 million, or 6.9%, to $1.5 billion in 2011 from $1.4 billion in 2010. Substantially all of this increase was due to the continuing recovery in overall cruise ticket pricing, which accounted for $51 million, and our 2.9% capacity increase in ALBDs, which accounted for $41 million. The cruise ticket pricing for our Caribbean itineraries during the 2011 second quarter improved, as expected, over the more difficult 2011 first quarter Caribbean season, which was impacted by higher industry capacity being deployed during the winter season.

The remaining 26% of 2011 total revenues is comprised of onboard and other cruise revenues, which increased by $29 million, or 5.9%, to $527 million in 2011 from $498 million in 2010. The increase was substantially all due to our 2.9% capacity increase in ALBDs, which accounted for $14 million, and higher onboard spending from our guests. Onboard and other revenues included concession revenues of $160 million in 2011 and $145 million in 2010.

EAA Brands

Approximately 82% of 2011 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues increased $181 million, or 17.1%, to $1.2 billion in 2011 from $1.1 billion in 2010. This increase was caused by a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $101 million, and our 8.6% capacity increase in ALBDs, which accounted for $91 million. Our cruise ticket pricing was affected by the impacts of the geo-political events in MENA, and to a lesser extent, the earthquake and nuclear disaster in Japan (each of these events resulted in deployment changes). Our EAA brand itineraries cruise ticket pricing outside of Europe showed improvement, particularly in the Caribbean and other areas.

The remaining 18% of 2011 total revenues is comprised of onboard and other cruise revenues, which increased $49 million, or 22.3%, to $267 million in 2011 from $219 million in 2010. This increase was substantially all due to a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $23 million, our 8.6% capacity increase in ALBDs, which accounted for $19 million, and higher onboard spending from our guests, partially offset by lower shore excursion revenues due to the MENA deployment changes. Onboard and other revenues included concession revenues of $94 million in 2011 and $73 million in 2010.

Costs and Expenses

Consolidated

Operating costs and expenses increased $356 million, or 16.4%, to $2.5 billion in 2011 from $2.2 billion in 2010. Substantially all of this increase was due to $151 million of higher fuel prices, our 5.0% capacity increase in ALBDs, which accounted for $106 million, a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $65 million, and inflationary pressures on crew travel, food and other hotel operating expenses.

Selling and administrative expenses increased $36 million, or 8.9%, to $440 million in 2011 from $404 million in 2010. The majority of the increase was due to our 5.0% capacity increase in ALBDs, which accounted for $20 million.

Depreciation and amortization expense increased $31 million, or 8.9%, to $380 million in 2011 from $349 million in 2010. The majority of the increase was due to our 5.0% capacity increase in ALBDs principally through the addition of new ships, which accounted for $17 million.

Our total costs and expenses as a percentage of revenues increased to 92.3% in 2011 from 89.3% in 2010.

North America Brands

Operating costs and expenses increased $181 million, or 14.3%, to $1.4 billion in 2011 from $1.3 billion in 2010. This increase was driven by higher fuel prices, which accounted for $90 million, and our 2.9% capacity increase in ALBDs, which accounted for $36 million.

Selling and administrative expenses increased $11 million, or 4.8%, to $238 million in 2011 from $227 million in 2010.

Depreciation and amortization expense increased $8 million, or 3.8%, to $216 million in 2011 from $208 million in 2010.

Our total costs and expenses as a percentage of total revenues increased to 92.1% in 2011 from 87.8% in 2010.

EAA Brands

Operating costs and expenses increased $180 million, or 20.6%, to $1.1 billion in 2011 from $872 million in 2010. The increase was caused by our 8.6% capacity increase in ALBDs, which accounted for $75 million, a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $65 million, and higher fuel prices, which accounted for $62 million.

Selling and administrative expenses increased $24 million, or 16.4%, to $170 million in 2011 from $146 million in 2010. The increase was caused by a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $13 million, and our 8.6% capacity increase in ALBDs, which also accounted for $13 million.

Depreciation and amortization expense increased $21 million, or 16.8%, to $146 million in 2011 from $125 million in 2010 caused by a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $12 million, and $11 million from our 8.6% capacity increase in ALBDs principally through the addition of new ships.

Our total costs and expenses as a percentage of total revenues increased to 90.6% in 2011 from 89.3% in 2010.

Operating Income

Our consolidated operating income decreased $70 million, or 20.1%, to $279 million in 2011 from $349 million in 2010. Our North America brands’ operating income decreased $72 million, or 30.5%, to $164 million in 2011 from $236 million in 2010, and our EAA brands’ operating income increased $5 million, or 3.6%, to $142 million in 2011 from $137 million in 2010. These decreases and increases were primarily due to the reasons discussed above.

Nonoperating (Expense) Income

The majority of the $15 million increase in other income to $13 million in 2011 from other expense of $2 million in 2010 was due to foreign currency transaction gains.

Key Performance Non-GAAP Financial Indicators

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

We use net cruise revenues per ALBD (“net revenue yields”), net cruise costs per ALBD and net cruise costs excluding fuel per ALBD as significant non-GAAP financial measures of our cruise segment financial performance. These measures enable us to separate the impact of predictable capacity changes from the more unpredictable rate changes that affect our business. We believe these non-GAAP measures provide an expanded insight to measure our revenue and cost performance in addition to the standard U.S. GAAP-based financial measures.

Net revenue yields are commonly used in the cruise industry to measure a company’s cruise segment revenue performance and for revenue management purposes. We use “net cruise revenues” rather than “gross cruise revenues” to calculate net revenue yields. We believe that net cruise revenues is a more meaningful measure in determining revenue yield than gross cruise revenues because it reflects the cruise revenues earned net of our most significant variable costs, which are travel agent commissions, cost of air and other transportation, certain other costs that are directly associated with onboard and other revenues and credit card fees. Substantially all of our remaining cruise costs are largely fixed, except for the impact of changing prices, once our ship capacity levels have been determined.

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

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

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

There are no specific rules for determining our non-GAAP current and constant dollar financial measures and, accordingly, it is possible that they may not be exactly comparable to the like-kind information presented by other cruise companies, which is a potential risk associated with using these measures to compare us to other cruise companies.

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

	Three Months Ended May 31,		
	2011	2011 Constant Dollar	2010
Passenger ticket revenues	$ 2,778	$ 2,678	$ 2,499
Onboard and other revenues	817	794	737
Gross cruise revenues	3,595	3,472	3,236
Less cruise costs			
Commissions, transportation and other	(562)	(542)	(512)
Onboard and other	(121)	(116)	(106)
	(683)	(658)	(618)
Net passenger ticket revenues	2,216	2,136	1,987
Net onboard and other revenues	696	678	631
Net cruise revenues	$ 2,912	$ 2,814	$ 2,618
ALBDs	17,402,349	17,402,349	16,575,242
Gross revenue yields	$ 206.60	$ 199.49	$ 195.22
% increase vs. 2010	5.8%	2.2%	
Net revenue yields	$ 167.39	$ 161.67	$ 157.97
% increase vs. 2010	6.0%	2.3%	
Net passenger ticket revenue yields	$ 127.37	$ 122.74	$ 119.89
% increase vs. 2010	6.2%	2.4%	
Net onboard and other revenue yields	$ 40.03	$ 38.94	$ 38.07
% increase vs. 2010	5.1%	2.3%	

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

	Three Months Ended May 31,		
	2011	2011 Constant Dollar	2010
Cruise operating expenses	$ 2,494	$ 2,429	$ 2,133
Cruise selling and administrative expenses	434	421	396
Gross cruise costs	2,928	2,850	2,529
Less cruise costs included in net cruise revenues			
Commissions, transportation and other	(562)	(542)	(512)
Onboard and other	(121)	(116)	(106)
Net cruise costs	2,245	2,192	1,911
Less fuel	(579)	(579)	(416)
Net cruise costs excluding fuel	$ 1,666	$ 1,613	$ 1,495
ALBDs	17,402,349	17,402,349	16,575,242
Gross cruise costs per ALBD	$ 168.28	$ 163.77	$ 152.55
% increase vs. 2010	10.3%	7.4%	
Net cruise costs per ALBD	$ 129.07	$ 125.95	$ 115.29
% increase vs. 2010	11.9%	9.2%	
Net cruise costs excluding fuel per ALBD	$ 95.75	$ 92.64	$ 90.22
% increase vs. 2010	6.1%	2.7%	

Net cruise revenues increased $294 million, or 11.2%, to $2.9 billion in 2011 from $2.6 billion in 2010. This was caused by a 5.0% capacity increase in ALBDs, which accounted for $131 million, a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $100 million, and a 2.3% increase in constant dollar net revenue yields, which accounted for $65 million. The 2.3% increase in net revenue yields on a constant dollar basis was comprised of a 2.4% increase in net passenger ticket revenue yields and a 2.3% increase in net onboard and other revenue yields. The 2.4% increase in net passenger ticket revenue yields was driven by stronger North America brand yields and slightly higher EAA brand yields were impacted by the geo-political events in MENA, and to a lesser extent, the earthquake and nuclear disaster in Japan (each of these events resulted in deployment changes). Net onboard and other revenue yields increased 2.3% on a constant dollar basis primarily due to higher onboard spending by guests from our North America brands, partially offset by lower shore excursion revenues from our EAA brands due to the MENA deployment changes. Gross cruise revenues increased $359 million, or 11.1%, to $3.6 billion in 2011 from $3.2 billion in 2010 for principally the same reasons as discussed above.

Net cruise costs excluding fuel increased $171 million, or 11.4%, to $1.7 billion in 2011 from $1.5 billion in 2010. This was caused by a 5.0% capacity increase in ALBDs, which accounted for $75 million, a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $54 million, a 2.7% increase in constant dollar net cruise costs excluding fuel per ALBD, which accounted for $42 million and was driven by inflationary pressures on crew travel, food, and other hotel operating expenses.

Fuel costs increased $163 million, or 39.2%, to $579 million in 2011 from $416 million in 2010. This was caused by higher fuel prices, which accounted for $151 million, and a 5.0% capacity increase in ALBDs, which accounted for $21 million, and was partially offset by lower fuel consumption per ALBD.

Gross cruise costs increased $399 million, or 15.8%, to $2.9 billion in 2011 from $2.5 billion in 2010 for principally the same reasons as discussed above.

Six Months Ended May 31, 2011 ("2011") Compared to the Six Months Ended May 31, 2010 ("2010")

Revenues

Consolidated

Approximately 77% of 2011 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues increased by $490 million, or 9.9%, to $5.4 billion in 2011 from $4.9 billion in 2010. Substantially all of this increase was due to our 5.0% capacity increase in ALBDs, which accounted for $247 million, a continuing recovery in overall cruise ticket pricing, which accounted for $138 million, and a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $64 million. Our cruise ticket pricing increase was affected by the impacts of the geo-political events in MENA, and to a lesser extent, the earthquake and resulting nuclear disaster in Japan. These events resulted in deployment changes we made to avoid calling on ports in those areas (see "Key Performance Non-GAAP Financial Indicators").

The remaining 23% of 2011 total revenues is substantially all comprised of onboard and other cruise revenues, which increased by $108 million, or 7.4%, to $1.6 billion in 2011 from $1.5 billion in 2010. This increase was principally driven by our 5.0% capacity increase in ALBDs, which accounted for $73 million, and a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $18 million. Onboard and other revenues included concession revenues of $476 million in 2011 and $429 million in 2010.

North America Brands

Approximately 74% of 2011 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues increased by $134 million, or 4.7%, to $3.0 billion in 2011 from $2.8 billion in 2010. This increase was substantially all due to our 2.3% capacity increase in ALBDs, which accounted for $65 million, and a continuing recovery in overall cruise ticket pricing, which accounted for $55 million. Our cruise ticket pricing increase was impacted by higher industry capacity being deployed in the Caribbean during the winter season.

The remaining 26% of 2011 total revenues is comprised of onboard and other cruise revenues, which increased by $28 million, or 2.8%, to $1.0 billion in 2011 from $991 million in 2010. This increase was principally due to our 2.3% capacity increase in ALBDs. Onboard and other revenues included concession revenues of $296 million in 2011 and $285 million in 2010.

EAA Brands

Approximately 83% of 2011 total revenues are comprised of cruise passenger ticket revenues. Cruise passenger ticket revenues increased $356 million, or 17.0%, to $2.5 billion in 2011 from $2.1 billion in 2010. This increase was principally due to our 9.6% capacity increase in ALBDs, which accounted for $202 million, and higher cruise ticket pricing, which accounted for $76 million. Substantially all of the cruise ticket pricing increase was achieved in our 2011 first quarter South America season, which rebounded from last year's challenging season that was impacted by significant increases in industry capacity. Our cruise ticket pricing was affected by the impacts of the geo-political events in MENA, and to a lesser extent, the earthquake and nuclear disaster in Japan (each of these events resulted in deployment changes).

The remaining 17% of 2011 total revenues is comprised of onboard and other cruise revenues, which increased $79 million, or 18.1%, to $513 million in 2011 from $434 million in 2010. The increase was principally due to our 9.6% capacity increase in ALBDs, which accounted for $42 million, and slightly higher onboard spending from our guests, partially offset by lower shore excursion revenues due to the MENA deployment changes. Onboard and other revenues included concession revenues of $180 million in 2011 and $144 million in 2010.

Costs and Expenses

Consolidated

Operating costs and expenses increased $569 million, or 13.1%, to $4.9 billion in 2011 from $4.3 billion in 2010. The increase was principally due to our 5.0% capacity increase in ALBDs, which accounted for $215 million, higher fuel prices, which accounted for $190 million, the nonrecurrence of the gain recognized in other ship operating costs in 2010 from the sale of P&O Cruises (UK)'s *Artemis*, which accounted for $44 million, and inflationary pressures on crew travel, food and other hotel operating expenses.

Selling and administrative expenses increased $62 million, or 7.8%, to $862 million in 2011 from $800 million in 2010. This increase was primarily driven by our 5.0% capacity increase in ALBDs, which accounted for $39 million.

Depreciation and amortization expense increased $53 million, or 7.6%, to $747 million in 2011 from $694 million in 2010 primarily driven by $34 million from our 5.0% capacity increase in ALBDs principally through the addition of new ships.

Our total costs and expenses as a percentage of revenues increased to 92.7% in 2011 from 90.6% in 2010.

North America Brands

Operating costs and expenses increased $237 million, or 9.3%, to $2.8 billion in 2011 from $2.5 billion in 2010. This increase was primarily driven by higher fuel prices, which accounted for $112 million, and our 2.3% capacity increase in ALBDs, which accounted for $58 million.

Selling and administrative expenses increased $20 million, or 4.4%, to $472 million in 2011 from $452 million in 2010.

Depreciation and amortization expense increased $15 million, or 3.6%, to $429 million in 2011 from $414 million in 2010.

Our total costs and expenses as a percentage of total revenues increased to 92.1% in 2011 from 88.9% in 2010.

EAA Brands

Operating costs and expenses increased $348 million, or 19.7%, to $2.1 billion in 2011 from $1.8 billion in 2010. The increase was principally due to our 9.6% capacity increase in ALBDs, which accounted for $169 million, higher fuel prices, which accounted for $77 million, and the nonrecurrence of the gain recognized in 2010 from the sale of *Artemis*, which accounted for $44 million.

Selling and administrative expenses increased $39 million, or 13.6%, to $326 million in 2011 from $287 million in 2010. The increase was primarily driven by our 9.6% capacity increase in ALBDs.

Depreciation and amortization expense increased $32 million, or 12.9%, to $281 million in 2011 from $249 million in 2010. The increase was primarily due to our 9.6% capacity increase in ALBDs principally through the addition of new ships.

Our total costs and expenses as a percentage of total revenues increased to 91.5% in 2011 from 90.7% in 2010.

Operating Income

Our consolidated operating income decreased $90 million, or 14.9%, to $514 million in 2011 from $604 million in 2010. Our North America brands' operating income decreased $110 million, or 25.9%, to $315 million in 2011 from $425 million in 2010, and our EAA brands' operating income increased $16 million, or 6.8%, to $253 million in 2011 from $237 million in 2010. These decreases and increases were primarily due to the reasons discussed above.

Nonoperating (Expense) Income

About half of the $24 million increase in other income to $19 million in 2011 from other expense of $5 million in 2010 was due to foreign currency transaction gains.

Income Taxes

Income taxes changed $19 million to an income tax expense of $3 million in 2011 from an income tax benefit of $16 million in 2010. This change was substantially all due to the benefits received from an Italian investment incentive law, which allowed AIDA and Costa Cruises to receive an $18 million income tax benefit in 2010 substantially all related to two of their newbuilds delivered in 2010.

Key Performance Non-GAAP Financial Indicators

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

	Six Months Ended May 31,		
	2011	2011 Constant Dollar	2010
Passenger ticket revenues	$ 5,430	$ 5,366	$ 4,940
Onboard and other revenues	1,574	1,556	1,466
Gross cruise revenues	7,004	6,922	6,406
Less cruise costs			
Commissions, transportation and other	(1,226)	(1,221)	(1,092)
Onboard and other	(241)	(237)	(219)
	(1,467)	(1,458)	(1,311)
Net passenger ticket revenues	4,204	4,145	3,848
Net onboard and other revenues	1,333	1,319	1,247
Net cruise revenues	$ 5,537	$ 5,464	$ 5,095
ALBDs	34,089,059	34,089,059	32,465,324
Gross revenue yields	$ 205.47	$ 203.07	$ 197.31
% increase vs. 2010	4.1%	2.9%	
Net revenue yields	$ 162.44	$ 160.30	$ 156.91
% increase vs. 2010	3.5%	2.2%	
Net passenger ticket revenue yields	$ 123.33	$ 121.60	$ 118.51
% increase vs. 2010	4.1%	2.6%	
Net onboard and other revenue yields	$ 39.12	$ 38.70	$ 38.40
% increase vs. 2010	1.9%	0.8%	

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

	Six Months Ended May 31,		
	2011	2011 Constant Dollar	2010
Cruise operating expenses	$ 4,880	$ 4,843	$ 4,300
Cruise selling and administrative expenses	850	841	785
Gross cruise costs	5,730	5,684	5,085
Less cruise costs included in net cruise revenues			
Commissions, transportation and other	(1,226)	(1,221)	(1,092)
Onboard and other	(241)	(237)	(219)
Net cruise costs	4,263	4,226	3,774
Less fuel	(1,029)	(1,029)	(813)
Net cruise costs excluding fuel	$ 3,234	$ 3,197	$ 2,961
ALBDs	34,089,059	34,089,059	32,465,324
Gross cruise costs per ALBD	$ 168.10	$ 166.73	$ 156.64
% increase vs. 2010	7.3%	6.4%	
Net cruise costs per ALBD	$ 125.07	$ 123.96	$ 116.25
% increase vs. 2010	7.6%	6.6%	
Net cruise costs excluding fuel per ALBD	$ 94.87	$ 93.76	$ 91.21
% increase vs. 2010	4.0%	2.8%	

Net cruise revenues increased $442 million, or 8.7%, to $5.5 billion in 2011 from $5.1 billion in 2010. This was caused by a 5.0% capacity increase in ALBDs, which accounted for $255 million, a 2.2% increase in constant dollar net revenue yields, which accounted for $116 million, and a weaker U.S. dollar against the euro, sterling and Australian dollar, which accounted for $71 million. The 2.2% increase in net revenue yields on a constant dollar basis was comprised of a 2.6% increase in net passenger ticket revenue yields and a 0.8% increase in net onboard and other revenue yields. The 2.6% increase in net passenger ticket revenue yields was driven by stronger EAA brand yields as a result of yield improvements in South America, which rebounded from last year's challenging season. The 2.6% increase in net passenger ticket revenue yields was impacted by the geo-political events in MENA and the earthquake and nuclear disaster in Japan (each of these events resulted in deployment changes), and slightly weaker North America brand yields in Caribbean itineraries as a result of higher industry capacity being deployed in the Caribbean during the winter season. Net onboard and other revenue yields increased primarily due to our 5.0% capacity increase in ALBDs and higher onboard spending from our guests, partially offset by lower shore excursion revenues from our EAA brands due to the MENA deployment changes and the nonrecurrence of minimum concessionaire guarantee payments and a litigation settlement that were recognized in 2010. Gross cruise revenues increased $598 million, or 9.3%, to $7.0 billion in 2011 from $6.4 billion in 2010 for principally the same reasons as discussed above.

Net cruise costs excluding fuel increased $273 million, or 9.2%, to $3.2 billion in 2011 from $3.0 billion in 2010. This was primarily driven by our 5.0% capacity increase in ALBDs, which accounted for $148 million, and a 2.8% increase in constant dollar net cruise costs excluding fuel per ALBD, which accounted for $87 million. The majority of the 2.8% increase in constant dollar net cruise costs excluding fuel per ALBD was due to the $44 million gain recognized in 2010 from the sale of *Artemis*. On a constant dollar basis, net cruise costs excluding fuel and the *Artemis* gain per ALBD were up 1.3% compared to 2010 and were driven by inflationary pressures on crew travel, food and other hotel operating expenses.

Fuel costs increased $216 million, or 26.6%, to $1.0 billion in 2011 from $813 million in 2010. This was caused by higher fuel prices, which accounted for $190 million, and a 5.0% capacity increase in ALBDs, which accounted for $41 million, partially offset by lower fuel consumption per ALBD.

Gross cruise costs increased $645 million, or 12.7%, to $5.7 billion in 2011 from $5.1 billion in 2010 for principally the same reasons as discussed above.

Liquidity, Financial Condition and Capital Resources

As discussed under Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2010 joint Annual Report on Form 10-K, we believe maintenance of a strong balance sheet, which enhances our financial flexibility and allows us to return free cash flow to shareholders, is the primary objective of our capital structure policy. Our current intention is to have an average of two to three new cruise ships enter service annually in 2012 and beyond. Since we have slowed down the pace of our newbuilding program, we currently believe this will lead to increasing free cash flows in 2012 and beyond. Other objectives of our capital structure policy are to maintain an acceptable level of liquidity with our available cash and cash equivalents and committed financings for immediate and future liquidity needs, and a reasonable debt maturity profile that is spread out over a number of years.

We continue to generate substantial cash from operations and have investment grade credit ratings, which provide us with the ability in most financial credit market environments to obtain debt funding, as required. If our long-term credit rating were to be downgraded or assigned a negative outlook, our access to, and cost of, financing may be negatively impacted. Based on our historical results, current forecast and financial condition, we believe that our existing liquidity and cash flow from future operations will be sufficient to fund all of our expected capital projects (including shipbuilding commitments), debt service requirements, working capital needs and other firm commitments over the next several years. Our forecasted cash flow from operations and access to the capital markets can be adversely impacted by numerous factors outside our control including, but not limited to, those noted under "Cautionary Note Concerning Factors That May Affect Future Results." Although we do not believe we will be required to obtain additional new financings during the remainder of 2011, we may choose to do so if favorable opportunities arise.

At November 30, 2010, the U.S. dollar was $1.56 to sterling, $1.32 to the euro and $0.96 to the Australian dollar. Had these November 30, 2010 currency exchange rates been used to translate our May 31, 2011 non-U.S. dollar functional currency operations' assets and liabilities instead of the May 31, 2011 U.S. dollar exchange rates of $1.65 to sterling, $1.43 to the euro and $1.07 to the Australian dollar, our total assets and liabilities would have been lower by $1.2 billion and $415 million, respectively.

Sources and Uses of Cash

Our business provided $1.8 billion of net cash from operations during the six months ended May 31, 2011 and 2010. Customer deposits and cash provided by our results of operations increased during the six months ended May 31, 2011 compared to the same period in fiscal 2010, but this increase was offset by more cash being used for our other working capital needs.

At May 31, 2011, we had a working capital deficit of $5.0 billion. This deficit included $3.7 billion of customer deposits, which represent the passenger revenues we collect in advance of sailing dates and, accordingly, are substantially more like deferred revenue transactions rather than actual current cash liabilities. We use our long-term ship assets to realize a portion of this deferred revenue in addition to consuming current assets. In addition, our May 31, 2011 working capital deficit included $1.2 billion of current debt obligations, which included $267 million outstanding under our commercial paper programs and $897 million outstanding under our export credit facilities, bank loans and other debt. We continue to generate substantial cash from operations and have a strong balance sheet. This strong balance sheet provides us with the ability to meet our current debt obligations as they become due in most financial credit market environments. We also have our principal revolver available to provide long-term rollover financing should the need arise, or we choose to do so. After excluding customer deposits and current debt obligations from our May 31, 2011 working capital deficit balance, our non-GAAP adjusted working capital deficit is only $190 million. Our business model allows us to operate with an adjusted working capital deficit and, accordingly, we believe we will continue to have an adjusted working capital deficit for the foreseeable future.

During the six months ended May 31, 2011, our expenditures for capital projects were $1.6 billion, of which $1.4 billion was spent on our ongoing new shipbuilding program, including $1.2 billion for the final delivery payments for *AIDAsol, Carnival Magic* and *Seabourn Quest*. In addition to our new shipbuilding program, we had capital expenditures of $156 million for ship improvements and replacements and $91 million for buildings, information technology and other assets.

During the six months ended May 31, 2011, we repaid a net $471 million of short-term borrowings in connection with our availability of, and needs for, cash at various times throughout the period. Also, during the six months ended May 31, 2011, we repaid $320 million of other long-term debt principally for scheduled payments on export credit facilities. In addition, during the six months ended May 31, 2011, we borrowed $990 million of new other long-term debt under two export credit facilities. Finally, we paid cash dividends of $277 million during the six months ended May 31, 2011.

Future Commitments and Funding Sources

Our contractual cash obligations as of May 31, 2011 have changed compared to November 30, 2010, primarily as a result of our debt repayments and ship delivery and progress payments as noted above under “Sources and Uses of Cash,” as well as entering into a 3,611-passenger capacity newbuild contract for P&O Cruises (UK) with the Fincantieri shipyard. At May 31, 2011, the newbuild has an all-in euro-denominated aggregate cost of approximately $800 million (€155,000 per lower berth or an all-in aggregate cost of €560 million) and is expected to be delivered in February 2015.

At May 31, 2011, we had liquidity of $5.6 billion. Our liquidity consisted of $257 million of cash and cash equivalents, excluding cash on hand of $300 million used for current operations, $2.4 billion available for borrowing under our revolving credit facilities, net of commercial paper borrowings, and $2.9 billion under committed ship financings. Of this $2.9 billion of committed ship financings, $467 million, $978 million, $921 million and $579 million are scheduled to be funded in the second-half of fiscal 2011 and in fiscal 2012, 2013 and 2014, respectively. Substantially all of our revolving credit facilities are scheduled to mature in 2016. We rely on, and have banking relationships with, numerous large, well-established banks, which we believe will assist us in accessing multiple sources of funding in the event that some lenders are unwilling or unable to lend to us. However, we believe that our revolving credit facilities and committed financings will be honored as required pursuant to their contractual terms.

Substantially all of our debt agreements contain financial covenants as described in Note 5 to the consolidated financial statements, which is included within Exhibit 13 to our 2010 joint Annual Report on Form 10-K. At May 31, 2011, we believe we were in compliance with all of our debt covenants. In addition, based on our forecasted operating results, financial condition and cash flows, we expect to be in compliance with our debt covenants over the next several years. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated.

Off-Balance Sheet Arrangements

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

Quantitative and Qualitative Disclosures About Market Risk.

At May 31, 2011, 56%, 41% and 3% (60%, 37% and 3% at November 30, 2010) of our debt was U.S. dollar, euro and sterling-denominated, respectively, including the effect of foreign currency forwards.

For a further discussion of our market risks, see Note 7 in the accompanying consolidated financial statements and Management’s Discussion and Analysis of Financial Condition and Results of Operations within Exhibit 13 to our joint 2010 Annual Report on Form 10-K.

SCHEDULE B

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

	Three Months Ended May 31,		Six Months Ended May 31,	
	2011	**2010**	**2011**	**2010**
Revenues				
Cruise				
Passenger tickets	$ 2,778	$ 2,499	$5,430	$4,940
Onboard and other	817	737	1,574	1,466
Tour and other	25	31	35	39
	3,620	3,267	7,039	6,445
Costs and Expenses				
Operating				
Cruise				
Commissions, transportation and other	562	512	1,226	1,092
Onboard and other	121	106	241	219
Payroll and related	435	383	846	774
Fuel	579	416	1,029	813
Food	241	212	472	424
Other ship operating	556	504	1,066	978
Tour and other	27	32	36	47
Total	2,521	2,165	4,916	4,347
Selling and administrative	440	404	862	800
Depreciation and amortization	380	349	747	694
	3,341	2,918	6,525	5,841
Operating Income	279	349	514	604
Nonoperating (Expense) Income				
Interest income	3	3	5	7
Interest expense, net of capitalized interest	(91)	(99)	(177)	(195)
Other income (expense), net	13	(2)	19	(5)
	(75)	(98)	(153)	(193)
Income Before Income Taxes	204	251	361	411
Income Tax Benefit (Expense), Net	2	1	(3)	16
Net Income	$ 206	$ 252	$ 358	$ 427
Earnings Per Share				
Basic	$ 0.26	$ 0.32	$ 0.45	$ 0.54
Diluted	$ 0.26	$ 0.32	$ 0.45	$ 0.54
Dividends Declared Per Share	$ 0.25	$ 0.10	$ 0.50	$ 0.20

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

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

	May 31, 2011	November 30, 2010
ASSETS		
Current Assets		
Cash and cash equivalents	$ 557	$ 429
Trade and other receivables, net	360	248
Inventories	365	320
Prepaid expenses and other	217	247
Total current assets	1,499	1,244
Property and Equipment, Net	32,822	30,967
Goodwill	3,424	3,320
Other Intangibles	1,396	1,320
Other Assets	622	639
	$39,763	$ 37,490
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	$ 274	$ 740
Current portion of long-term debt	890	613
Accounts payable	552	503
Accrued liabilities and other	1,137	1,094
Customer deposits	3,668	2,805
Total current liabilities	6,521	5,755
Long-Term Debt	8,678	8,011
Other Long-Term Liabilities and Deferred Income	712	693
Contingencies (Note 3)		
Shareholders' Equity		
Common stock of Carnival Corporation, $0.01 par value; 1,960 shares authorized; 647 shares at 2011 and 646 shares at 2010 issued	6	6
Ordinary shares of Carnival plc, $1.66 par value; 215 shares at 2011 and 214 shares at 2010 issued	357	355
Additional paid-in capital	8,155	8,094
Retained earnings	17,186	17,224
Accumulated other comprehensive income (loss)	542	(254)
Treasury stock, 39 shares at 2011 and 2010 of Carnival Corporation and 31 shares at 2011 and 2010 of Carnival plc, at cost	(2,394)	(2,394)
Total shareholders' equity	23,852	23,031
	$39,763	$ 37,490

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,	
	2011	2010
OPERATING ACTIVITIES		
Net income	$ 358	$ 427
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	747	694
Share-based compensation	29	23
Other	10	(24)
Changes in operating assets and liabilities		
Receivables	(121)	(122)
Inventories	(35)	2
Prepaid expenses and other	32	3
Accounts payable	26	31
Accrued and other liabilities	(52)	(5)
Customer deposits	807	765
Net cash provided by operating activities	1,801	1,794
INVESTING ACTIVITIES		
Additions to property and equipment	(1,622)	(2,168)
Other, net	(3)	74
Net cash used in investing activities	(1,625)	(2,094)
FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings, net	(471)	702
Principal repayments of revolvers	(13)	(323)
Proceeds from revolvers	8	89
Principal repayments of other long-term debt	(320)	(796)
Proceeds from issuance of other long-term debt	990	806
Dividends paid	(277)	(79)
Purchases of treasury stock	-	(305)
Sales of treasury stock	-	317
Other, net	24	14
Net cash (used in) provided by financing activities	(59)	425
Effect of exchange rate changes on cash and cash equivalents	11	(69)
Net increase in cash and cash equivalents	128	56
Cash and cash equivalents at beginning of period	429	538
Cash and cash equivalents at end of period	$ 557	$ 594

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

The accompanying consolidated financial statements include the accounts of Carnival Corporation and Carnival plc and their respective subsidiaries. Together with their consolidated subsidiaries, they are referred to collectively in these consolidated financial statements and elsewhere in this joint Quarterly Report on Form 10-Q as "Carnival Corporation & plc," "our," "us," and "we."

The accompanying Consolidated Balance Sheet at May 31, 2011 and the Consolidated Statements of Income for the three and six months ended May 31, 2011 and 2010 and the Consolidated Statements of Cash Flows for the six months ended May 31, 2011 and 2010 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 2010 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.

During the fourth quarter of 2010, we changed the classification of our port costs that vary with guest head counts to a gross presentation from a net presentation, which resulted in an increase in passenger ticket revenues and commissions, transportation and other costs. This change had no impact on our operating or net income. We adjusted the three and six months ended May 31, 2010 to conform to this new classification. The amounts included on a gross basis in passenger ticket revenues and commissions, transportation and other costs were $95 million and $72 million and $203 million and $155 million for the three and six months ended May 31, 2011 and 2010, respectively.

NOTE 2 – Debt

At May 31, 2011, unsecured short-term borrowings consisted of $267 million of commercial paper and $7 million of euro-denominated bank loans with an aggregate weighted-average interest rate of 0.3%.

In January 2011, the collateral for $313 million of fixed rate export credit facilities was released and, accordingly, this debt is no longer secured.

In March 2011, we borrowed $407 million under an unsecured euro-denominated export credit facility, the proceeds of which were used to pay for a portion of *AIDAsol's* purchase price. This facility bears interest at EURIBOR plus a margin of 20 basis points ("bps") and is due in semi-annual installments through March 2023.

In April 2011, we borrowed $583 million under an unsecured export credit facility, the proceeds of which were used to pay for a portion of *Carnival Magic's* purchase price. This facility bears interest at LIBOR plus a margin of 160 bps and is due in semi-annual installments through April 2023.

In May 2011, we cancelled one of our other revolving credit facilities in the amount of $212 million.

In May 2011, concurrently with the early termination of our existing multi-currency revolving credit facility for $2.0 billion (comprised of $1.2 billion, €400 million and £200 million), Carnival Corporation, Carnival plc and certain of Carnival plc's subsidiaries entered into a five-year multi-currency revolving credit facility for $2.5 billion (comprised of $1.6 billion, €450 million and £150 million) (the "Facility"). The Facility currently bears interest at LIBOR/EURIBOR plus a margin of 65 bps. The margin will vary based on changes to Carnival Corporation's and Carnival plc's long-term credit rating. We are required to pay a commitment fee of 35% of the margin per annum on any undrawn portion. If more than one-third or if more than two-thirds of the Facility is drawn, we will incur an additional 15 bps or 30 bps utilization fee, respectively, on the total amount outstanding. At May 31, 2011, $2.4 billion was available under our Facility and other of our revolving credit facilities, net of outstanding commercial paper.

In June 2011, we repaid $300 million of an unsecured floating rate export credit facility that was borrowed to pay for a portion of *Queen Elizabeth's* purchase price prior to its maturity dates through 2022.

In June 2011, we repaid $140 million of an unsecured floating rate euro-denominated bank loan prior to its 2014 maturity date.

NOTE 3 – Contingencies

Litigation

In the normal course of our business, various claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability, net of any insurance recoverables, is typically limited to our self-insurance retention levels. However, management believes the ultimate outcome of these claims and lawsuits that are not covered by insurance will not have a material adverse impact on our consolidated financial statements.

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

In April 2011, Carnival Corporation and certain participants voluntarily unwound $87 million of one of its LILO contingent liability transactions. Accordingly, at May 31, 2011 Carnival Corporation had estimated contingent obligations totaling $418 million, excluding termination payments as discussed below, to participants in LILO transactions for two of its ships. At the inception of these leases, the aggregate of the net present value of these obligations was paid by Carnival Corporation to a group of major financial institutions, who agreed to act as payment undertakers and directly pay these obligations. As a result, these contingent obligations are considered extinguished, and neither the funds nor the contingent obligations have been included in our accompanying Consolidated Balance Sheets.

In the event that Carnival Corporation were to default on its contingent obligations and assuming performance by all other participants, we estimate that we would, as of May 31, 2011, be responsible for a termination payment of $60 million. In 2017, we have the right to exercise options that would terminate these two LILO transactions at no cost to us.

In certain cases, if the credit ratings of the financial institutions who are directly paying the contingent obligations fall below AA-, then Carnival Corporation will be required to replace these financial institutions with other financial institutions whose credit ratings are at least AA or meet other specified credit requirements. In such circumstances we would incur additional costs, although we estimate that they would be immaterial to our consolidated financial statements. All of the financial institution payment undertakers subject to this AA- credit rating threshold have credit ratings of AAA. If Carnival Corporation's credit rating, which is BBB+, falls below BBB, it will be required to provide a standby letter of credit for $46 million, or, alternatively, provide mortgages for this aggregate amount on these two ships.

Contingent Obligations – Indemnifications

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 and changes in laws that increase lender capital costs and other similar costs. The indemnification clauses are often standard contractual terms and were entered into in the normal course of business. There are no stated or notional amounts included in the indemnification clauses, and we are not able to estimate the maximum potential amount of future payments, if any, under these indemnification clauses. We have not been required to make any material payments under such indemnification clauses in the past and, under current circumstances, we do not believe a request for material future indemnification payments is probable.

NOTE 4 – Comprehensive Income (Loss)

Comprehensive income (loss) was as follows (in millions):

	Three Months Ended May 31,		Six Months Ended May 31,	
	2011	2010	2011	2010
Net income	$ 206	$ 252	$ 358	$ 427
Items included in other comprehensive income (loss)				
Foreign currency translation adjustment	352	(690)	707	(1,391)
Other	49	(66)	89	(100)
Other comprehensive income (loss)	401	(756)	796	(1,491)
Total comprehensive income (loss)	$ 607	$ (504)	$1,154	$(1,064)

NOTE 5 – Segment Information

During the fourth quarter of 2010, we began to separate our cruise brand operating segments into three reportable cruise segments in order to provide a better understanding of our business' performance. These three reportable cruise segments are comprised of our (1) North America cruise brands, (2) Europe, Australia & Asia ("EAA") cruise brands and (3) Cruise Support. All information for the three and six months ended May 31, 2010 has been restated to conform to this new cruise segment presentation. There were no changes made to our Tour and Other segment.

Our North America cruise segment includes Carnival Cruise Lines, Holland America Line, Princess Cruises ("Princess") and Seabourn. Our EAA cruise segment includes AIDA Cruises ("AIDA"), Costa Cruises, Cunard, Ibero Cruises ("Ibero"), P&O Cruises (UK) and P&O Cruises (Australia). These individual cruise brand operating segments have been aggregated into two reportable segments based on the similarity of their economic and other characteristics, including the products and services they provide. Our Cruise Support segment represents certain of our port and related facilities and other corporate-wide services that are provided for the benefit of our cruise brands. Our Tour and Other segment represents the hotel, tour and transportation operations of Holland America Princess Alaska Tours and our two owned ships that we charter to an unaffiliated entity.

Selected information for our Cruise and Tour and Other segments was as follows (in millions):

	Three Months Ended May 31,				
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
2011					
North America Cruise Brands	$ 2,063	$ 1,445	$ 238	$ 216	$ 164
EAA Cruise Brands	1,510	1,052	170	146	142
Cruise Support	22	(3)	26	8	(9)
Tour and Other	35	37	6	10	(18)
Intersegment elimination	(10)	(10)	-	-	-
	$ 3,620	$ 2,521	$ 440	$ 380	$ 279
2010					
North America Cruise Brands	$ 1,935	$ 1,264	$ 227	$ 208	$ 236
EAA Cruise Brands	1,280	872	146	125	137
Cruise Support	21	(3)	23	6	(5)
Tour and Other	45	46	8	10	(19)
Intersegment elimination	(14)	(14)	-	-	-
	$ 3,267	$ 2,165	$ 404	$ 349	$ 349

	Six Months Ended May 31,				
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
2011					
North America Cruise Brands	$ 3,991	$ 2,775	$ 472	$ 429	$ 315
EAA Cruise Brands	2,971	2,111	326	281	253
Cruise Support	42	(6)	52	15	(19)
Tour and Other	45	46	12	22	(35)
Intersegment elimination	(10)	(10)	-	-	-
	$ 7,039	$ 4,916	$ 862	$ 747	$ 514
2010					
North America Cruise Brands	$ 3,829	$ 2,538	$ 452	$ 414	$ 425
EAA Cruise Brands	2,536	1,763	287	249	237
Cruise Support	41	(1)	46	13	(17)
Tour and Other	54	62	15	18	(41)
Intersegment elimination	(15)	(15)	-	-	-
	$ 6,445	$ 4,347	$ 800	$ 694	$ 604

NOTE 6 – Earnings Per Share

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

	Three Months Ended May 31,		Six Months Ended May 31,	
	2011	2010	2011	2010
Net income	$ 206	$ 252	$ 358	$ 427
Interest on dilutive convertible notes	-	3	-	6
Net income for diluted earnings per share	$ 206	$ 255	$ 358	$ 433
Weighted-average common and ordinary shares outstanding	791	788	791	788
Dilutive effect of convertible notes	-	15	-	15
Dilutive effect of equity plans	2	3	2	3
Diluted weighted-average shares outstanding	793	806	793	806
Basic earnings per share	$ 0.26	$ 0.32	$ 0.45	$ 0.54
Diluted earnings per share	$ 0.26	$ 0.32	$ 0.45	$ 0.54
Anti-dilutive stock options excluded from diluted earnings per share computations	8.9	8.8	8.5	8.9

NOTE 7 – Fair Value Measurements, Derivative Instruments and Hedging Activities

Fair Value Measurements

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

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

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

The fair value measurement of a financial asset or financial liability must reflect the nonperformance risk of the counterparty and us. Therefore, the impact of our counterparty's creditworthiness was considered when in an asset position, and our creditworthiness was considered when in a liability position in the fair value measurement of our financial instruments. Creditworthiness did not have a material impact on the fair values of our financial instruments at May 31, 2011 and November 30, 2010. Both the counterparties and we are expected to continue to perform under the contractual terms of the instruments.

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

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

	May 31, 2011		November 30, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents (a)	$ 532	$ 532	$ 404	$ 404
Long-term other assets (b)	$ 104	$ 97	$ 191	$ 178
Fixed rate debt (c)	$(6,648)	$(6,972)	$(6,689)	$(7,076)
Floating rate debt (c)	$(3,194)	$(3,141)	$(2,669)	$(2,630)
Other	$ -	$ -	$ (6)	$ (7)

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

(b) At May 31, 2011 and November 30, 2010, substantially all of our long-term other assets were comprised of notes and other receivables. The fair values of notes and other receivables were based on estimated future cash flows discounted at appropriate market interest rates.

(c) The net difference between the fair value of our fixed rate debt and its carrying value was due to the market interest rates in existence at May 31, 2011 and November 30, 2010 being lower than the fixed interest rates on these debt obligations, including the impact of changes in our credit ratings, if any. The net difference between the fair value of our floating rate debt and its carrying value was due to the market interest rates in existence at May 31, 2011 and November 30, 2010 being higher than the floating interest rates on these debt obligations, including the impact of changes in our credit ratings, if any. The fair values of our publicly-traded notes were based on their quoted market prices in active markets. The fair values of our other debt were estimated based on appropriate market interest rates being applied to this debt.

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

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

	May 31, 2011		November 30, 2010	
	Level 1	Level 2	Level 1	Level 2
Cash equivalents (a)	$ 25	$ -	$ 25	$ -
Marketable securities held in rabbi trusts (b)	$ 114	$ 19	$ 105	$ 21
Derivatives				
Ship foreign currency options (c)	$ -	$ -	$ -	$ 8
Net investment hedges (d)	$ -	$ (7)	$ -	$ 12
Interest rate swaps (e)	$ -	$ 4	$ -	$ 1

(a) Cash equivalents are comprised of money market funds.
(b) Level 1 and 2 marketable securities are held in rabbi trusts and are primarily comprised of frequently-priced mutual funds invested in common stocks and other investments, respectively. Their use is restricted to funding certain deferred compensation and non-qualified U.S. pension plans.
(c) At November 30, 2010, we had foreign currency options totaling $785 million that were designated as foreign currency cash flow hedges for certain of our euro-denominated shipbuilding contracts. These foreign currency options matured through May 2011.
(d) At May 31, 2011 and November 30, 2010, we have foreign currency forwards totaling $216 million and $352 million, respectively, that are designated as hedges of our net investments in foreign operations, which have a euro-denominated functional currency and were principally entered into to convert U.S. dollar-denominated debt into euro debt. These foreign currency forwards mature through July 2017.
(e) We have both U.S. dollar and sterling interest rate swaps designated as fair value hedges whereby we receive fixed interest rate payments in exchange for making floating interest rate payments. At May 31, 2011 and November 30, 2010, these interest rate swap agreements effectively changed $530 million and $512 million, respectively, of fixed rate debt to U.S. dollar LIBOR or GBP LIBOR-based floating rate debt. In addition, we have euro interest rate swaps designated as cash flow hedges whereby we receive floating interest rate payments in exchange for making fixed interest rate payments. At May 31, 2011 and November 30, 2010, these interest rate swap agreements effectively changed $344 million and $333 million, respectively, of EURIBOR-based floating rate euro debt to fixed rate debt. These interest rate swaps mature through February 2022.

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

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

The carrying amount of our goodwill has been allocated to our North America and EAA cruise brands as follows (in millions):

	North America Cruise Brands	EAA Cruise Brands	Total
Balance at November 30, 2010	$ 1,898	$ 1,422	$ 3,320
Foreign currency translation adjustment	-	104	104
Balance at May 31, 2011	$ 1,898	$ 1,526	$ 3,424

As of July 31, 2010, we performed our annual goodwill impairment reviews by comparing the estimated fair value of the cruise brand to the carrying value of the net assets allocated to that cruise brand. All of our cruise brands carry goodwill, except for Ocean Village, which was dissolved in November 2010, and Seabourn. No goodwill was considered to be impaired because the estimated fair value of each cruise brand exceeded its respective carrying value and, accordingly, we did not proceed to step two of the impairment analysis.

In determining the estimated cruise brand fair values, we considered both their (a) discounted future cash flow analysis and (b) market multiples of comparable publicly-traded companies. The principal assumptions used in our cash flow analysis related to forecasting future operating results, including net revenue yields, net cruise costs including fuel prices, capacity changes, including the expected deployment of vessels into, or out of, the cruise brand, weighted-average cost of capital for comparable publicly-traded companies, adjusted for the risk attributable to the cruise brand including the geographic region in which it operates, that ranged from 10% to 12%, and terminal values, which are all considered level 3 inputs.

We believe the estimated fair value for each of our cruise brands that carry goodwill significantly exceeds the carrying value of their allocated net assets, except for Ibero. At July 31, 2010, Ibero’s estimated fair value only exceeded its carrying value by 24%, or $141 million. We performed a sensitivity analysis to identify the magnitude of the changes to Ibero’s principal discounted cash flow assumptions that would eliminate this excess. Based on this analysis, relatively minor changes to these assumptions would lead to an Ibero impairment.

Given the weakness of the Spanish economy and its impact on the vacation industry, it is possible that Ibero’s goodwill, which was $152 million at July 31, 2010, could become impaired in the future if the Spanish vacation industry does not recover enough to enable Ibero to increase its cruise pricing. The recoverability of Ibero’s goodwill is not without doubt because it is difficult to predict the timing of the resurgence of the Spanish economy and its vacation industry.

The carrying amount of our intangible assets not subject to amortization, which represents trademarks, has been allocated to our North America and EAA cruise brands as follows (in millions):

	North America Cruise Brands	EAA Cruise Brands	Total
Balance at November 30, 2010	$ 927	$ 384	$ 1,311
Foreign currency translation adjustment	-	29	29
Balance at May 31, 2011	$ 927	$ 413	$ 1,340

As of July 31, 2010, we also performed our annual trademark impairment reviews by comparing the estimated fair values of our trademarks to their carrying values. The cruise brands that have trademark amounts recorded are AIDA, Ibero, P&O Cruises (Australia), P&O Cruises (UK) and Princess. The estimated fair value for each of our trademarks significantly exceeded its respective carrying value and, therefore, none of our trademarks were impaired. We estimated fair values based upon a discounted future cash flow analysis, which estimated the amount of royalties that we are relieved from having to pay for use of the associated trademarks, based upon forecasted cruise revenues and royalty rates that a market participant would forecast. The royalty rates are estimated primarily using comparable royalty agreements for similar industries.

There have not been any events or circumstances subsequent to July 31, 2010, which we believe would require us to perform interim goodwill or trademark impairment reviews.

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

At May 31, 2011 and November 30, 2010, our intangible assets subject to amortization are immaterial to our consolidated financial statements.

Derivative Instruments and Hedging Activities

We utilize derivative and nonderivative financial instruments, such as foreign currency forwards, options and swaps, foreign currency debt obligations and foreign currency cash balances, to manage our exposure to fluctuations in certain foreign currency exchange rates, and interest rate swaps to manage our interest rate exposure in order to achieve a desired proportion of fixed and floating rate debt. Our policy is to not use any financial instruments for trading or other speculative purposes.

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

We classify the fair values of all our derivative contracts and the fair values of our hedged firm commitments as either current or long-term, which are included in prepaid expenses and other assets and accrued and other liabilities, depending on whether the maturity date of the derivative contract is within or beyond one year from the balance sheet date. The cash flows from derivatives treated as hedges are classified in our accompanying Consolidated Statements of Cash Flows in the same category as the item being hedged.

The effective portions of our net foreign currency derivative gains and (losses) on cash flow hedges recognized in other comprehensive income (loss) in the three and six months ended May 31, 2011 and 2010 totaled $45 million ($(61) million in 2010) and $82 million ($(98) million in 2010), respectively.

The effective portions of our net foreign currency derivative (losses) and gains on net investment hedges recognized in other comprehensive income (loss) in the three and six months ended May 31, 2011 and 2010 totaled $(5) million ($39 million in 2010) and $(24) million ($86 million in 2010), respectively.

There are no amounts excluded from the assessment of hedge effectiveness, and there are no credit risk related contingent features in our derivative agreements. The amount of estimated cash flow hedges' unrealized gains and losses which are expected to be reclassified to earnings in the next twelve months is not significant. We have not provided additional disclosures of the impact that derivative instruments and hedging activities have on our consolidated financial statements as of May 31, 2011 and November 30, 2010 and for the three and six months ended May 31, 2011 and 2010 where such impacts are not significant.

Foreign Currency Exchange Rate Risks

Overall Strategy

We manage our exposure to fluctuations in foreign currency exchange rates through our normal operating and financing activities, including netting certain exposures to take advantage of any natural offsets and, when considered appropriate, through the use of derivative and nonderivative financial instruments. Our primary focus is to manage the economic risks faced by our operations, which are the ultimate foreign currency exchange risks that would be realized by us if we exchanged one currency for another, and not accounting risks. Accordingly, we do not currently hedge accounting risks with derivative financial instruments. The financial impacts of the hedging instruments we do employ generally offset the changes in the underlying exposures being hedged.

Operational and Investment Currency Risks

The growth of our European and Australian cruise brands subjects us to an increasing level of foreign currency translation risk related to the euro, sterling and Australian dollar because these brands generate significant revenues and incur significant expenses in euro, sterling or the Australian dollar. Accordingly, exchange rate fluctuations of the euro, sterling and Australian dollar against the U.S. dollar will affect our reported financial results since the reporting currency for our consolidated financial statements is the U.S. dollar. Any weakening of the U.S. dollar against these foreign currencies has the financial statement effect of increasing the U.S. dollar values reported for cruise revenues and cruise expenses in our accompanying Consolidated Statements of Income. Strengthening of the U.S. dollar has the opposite effect.

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

We consider our investments in foreign operations to be denominated in relatively stable currencies and of a long-term nature. We partially address our net investment currency exposures by denominating a portion of our debt and other obligations, including the effect of foreign currency forwards, in our foreign operations' functional currencies, generally the euro or sterling. As of May 31, 2011 and November 30, 2010, we have designated $3.1 billion and $3.0 billion of our euro and sterling debt and other obligations, respectively, which debt matures through 2021, as nonderivative hedges of our net investments in foreign operations. Accordingly, we have included $(36) million and $183 million of cumulative foreign currency transaction (losses) and gains in the cumulative translation adjustment component of AOCI at May 31, 2011 and November 30, 2010, respectively, which offsets a portion of the gains and losses recorded in AOCI upon translating our foreign operations' net assets into U.S. dollars. During the three and six months ended May 31, 2011 and 2010, we recognized foreign currency transaction (losses) and gains of $(110) million ($124 million in 2010) and $(220) million ($428 million in 2010), respectively, in the cumulative translation adjustment component of AOCI.

Newbuild Currency Risks

At May 31, 2011, 42% of our newbuild passenger capacity under euro-denominated contracts are exposed to currency risk, which is comprised of two Princess and one P&O Cruises (UK) newbuilds expected to be delivered in May 2013, May 2014 and February 2015. In the past, we have used foreign currency derivative contracts and nonderivative financial instruments to manage foreign currency exchange rate risk for some of these types of ship construction contracts. At May 31, 2011, none of our newbuild passenger capacity under contract that is exposed to currency risk is hedged. At May 31, 2011, 58% of our newbuild passenger capacity under contract is for our European and North American cruise brands that do not have significant currency risk because all of these ships are contracted for in euros or U.S. dollars, which are the functional currencies of these brands, or the non-functional currency new ship progress payments have already been made.

Our decisions regarding whether or not to hedge a non-functional currency ship commitment for our cruise brands are made on a case-by-case basis, taking into consideration the amount and duration of the exposure, market volatility, exchange rate correlation, economic trends, our overall expected net cash flows by currency and other offsetting risks.

The cost of shipbuilding orders that we may place in the future for our cruise brands that generate their cash flows in a currency that is different than the shipyard's operating currency, which is generally the euro, is expected to be affected by foreign currency exchange rate fluctuations. Given the movement in the U.S. dollar and sterling relative to the euro over the past several years, the U.S. dollar and sterling cost to order new cruise ships has been volatile. If the U.S. dollar or sterling declines against the euro, this may affect our desire to order future new cruise ships for U.S. dollar or sterling functional currency brands.

Interest Rate Risks

We manage our exposure to fluctuations in interest rates through our investment and debt portfolio management strategies. These strategies include purchasing high quality short-term investments with floating interest rates, and evaluating our debt portfolio to make periodic adjustments to the mix of fixed and floating rate debt through the use of interest rate swaps and the issuance of new debt or the early retirement of existing debt. At May 31, 2011, 66% and 34% (69% and 31% at November 30, 2010) of our debt bore fixed and floating interest rates, respectively, including the effect of interest rate swaps.

Fuel Price Risks

We do not use financial instruments to hedge our exposure to fuel price risks.

Concentrations of Credit Risk

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. Our maximum exposure under foreign currency derivative contracts and interest rate swap agreements that are in-the-money is the replacement cost, which includes the value of the contracts, in the event of nonperformance by the counterparties to the contracts, all of which are currently our lending banks. We seek to minimize credit risk exposure, including counterparty nonperformance primarily associated with our cash equivalents, investments, committed financing facilities, contingent obligations, derivative instruments, insurance contracts and new ship progress payment guarantees, by normally conducting business with large, well-established financial institutions and insurance companies, and by diversifying our counterparties. In addition, we have guidelines regarding credit ratings and investment maturities that we follow to help safeguard liquidity and minimize risk. We normally do require collateral and/or guarantees to support notes receivable on significant asset sales, long-term ship charters and new ship progress payments to shipyards. We currently believe the risk of nonperformance by any of our significant counterparties is remote.

We also monitor the creditworthiness of travel agencies and tour operators in Europe and credit card providers to which we extend credit in the normal course of our business. Concentrations of credit risk associated with these receivables are considered minimal, primarily due to their short maturities and the large number of unrelated accounts within our customer base. We have experienced only minimal credit losses on our trade receivables. We do not normally require collateral or other security to support normal credit sales.

Finally, if the shipyard with which we have contracts to build our ships is unable to perform, we will be required to perform for any foreign currency derivatives that we may enter into related to these shipbuilding contracts. Accordingly, if the shipyard is unable to perform, we may have to discontinue accounting for these derivatives as hedges. However, based on the shipyards we typically contract with, we believe that the risk of shipyard nonperformance will be remote.

SCHEDULE C

Unregistered Sales of Equity Securities and Use of Proceeds.

A. Repurchase Authorizations

In June 2006, the Boards of Directors authorized the repurchase of up to an aggregate of $1 billion of Carnival Corporation common stock and Carnival plc ordinary shares subject to certain restrictions. On September 19, 2007, the Boards of Directors increased the remaining $578 million general repurchase authorization back to $1 billion (the “Repurchase Program”). The Repurchase Program does not have an expiration date and may be discontinued by our Boards of Directors at any time. During the six months ended May 31, 2011, there were no repurchases of Carnival Corporation common stock or Carnival plc ordinary shares under the Repurchase Program.

In addition to the Repurchase Program, the Boards of Directors have authorized the repurchase of up to 19.2 million Carnival plc ordinary shares and up to 31.5 million shares of Carnival Corporation common stock under the “Stock Swap” programs described below.

At July 1, 2011, the remaining availability under the Repurchase Program was $787 million and the remaining availability under the “Stock Swap” program repurchase authorizations were 18.1 million Carnival plc ordinary shares and 31.5 million Carnival Corporation shares. Carnival plc ordinary share repurchases under both the Repurchase Program and the “Stock Swap” authorizations require annual shareholder approval. The existing shareholder approval is limited to a maximum of 21.4 million ordinary shares and is valid until the earlier of the conclusion of the Carnival plc 2012 annual general meeting, or October 12, 2012.

B. “Stock Swap” Programs

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

In the event Carnival Corporation common stock trades at a premium to Carnival plc ordinary shares, we may elect to issue and sell Carnival Corporation common stock through a sales agent, and use the sale proceeds to repurchase Carnival plc ordinary shares in the UK market on at least an equivalent basis. Carnival Corporation may issue and sell up to 19.2 million of its common stock in the U.S. market, which shares are to be sold from time to time at prevailing market prices in ordinary brokers’ transactions. Any sales of Carnival Corporation shares have been or will be registered under the Securities Act.

In the event Carnival Corporation common stock trades at a discount to Carnival plc ordinary shares, we may elect to sell existing ordinary shares of Carnival plc, with such sales made by Carnival Corporation or Carnival Investments Limited, a subsidiary of Carnival Corporation, and with a sales agent, from time to time in “at the market” transactions, and use the sale proceeds to repurchase Carnival Corporation common stock in the U.S. market on at least an equivalent basis. Carnival Corporation or Carnival Investments Limited may sell up to 31.5 million Carnival plc ordinary shares in the UK market, which shares are to be sold from time to time at prevailing market prices in ordinary brokers’ transactions. Any sales of Carnival plc shares have been or will be registered under the Securities Act.

During the six months ended May 31, 2011, no Carnival Corporation common stock or Carnival plc ordinary shares were sold or repurchased under the “Stock Swap” programs.

SCHEDULE D

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
CONDENSED GROUP STATEMENTS OF INCOME (UNAUDITED)
(in millions, except per share data)

	Six Months Ended May 31, 2011	Six Months Ended May 31, 2010
Revenues		
Cruise		
Passenger tickets	$ 2,647	$ 2,266
Onboard and other	573	491
Tour and other	39	44
	3,259	2,801
Costs and Expenses		
Operating		
Cruise		
Commissions, transportation and other	723	645
Onboard and other	110	90
Payroll and related	339	292
Fuel	422	319
Food	181	156
Other ship operating	536	482
Tour and other	42	56
Total	2,353	2,040
Selling and administrative	341	306
Depreciation and amortisation	319	279
	3,013	2,625
Operating Income	246	176
Nonoperating (Expense) Income		
Interest income	4	4
Interest expense, net of capitalised interest	(86)	(82)
Other income (expense), net	5	(10)
	(77)	(88)
Income Before Income Taxes	169	88
Income Tax (Expense) Benefit, Net	(1)	36
Net Income	$ 168	$ 124
Earnings Per Share		
Basic	$ 0.78	$ 0.58
Diluted	$ 0.78	$ 0.58
Weighted-Average Shares Outstanding		
Basic	214	213
Diluted	215	214

The accompanying notes are an integral part of this interim financial information. This interim financial information only presents the Carnival plc consolidated IFRS interim financial information and, accordingly, does not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation & plc, which are included within the attached Schedule B (see note 1). For information, set out below is the U.S. GAAP consolidated earnings per share included within the Carnival Corporation & plc consolidated financial statements for the six months ended May 31, 2011 and 2010:

	2011	2010
DLC Basic earnings per share	$ 0.45	$ 0.54
DLC Diluted earnings per share	$ 0.45	$ 0.54

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
CONDENSED GROUP STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(in millions)

	Six Months Ended May 31, 2011	Six Months Ended May 31, 2010
Net Income	$ 168	$ 124
Items Included in Other Comprehensive Income (Loss)		
Foreign currency translation adjustment	908	(1,800)
Net (losses) gains on hedges of net investments in foreign operations	(209)	372
Net losses on cash flow derivative hedges	-	(18)
Net Other Comprehensive Income (Loss)	699	(1,446)
Total Comprehensive Income (Loss)	$ 867	$ (1,322)

The accompanying notes are an integral part of this interim financial information. This interim financial information only presents the Carnival plc consolidated IFRS interim financial information and, accordingly, does not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation & plc, which are included within the attached Schedule B (see note 1).

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
CONDENSED GROUP BALANCE SHEETS (UNAUDITED)
(in millions)

	May 31, 2011	November 30, 2010
ASSETS		
Current Assets		
Cash and cash equivalents	$ 457	$ 328
Trade and other receivables, net	255	177
Inventories, net	150	136
Prepaid expenses and other	76	82
Total current assets	938	723
Property and Equipment, Net	14,561	13,278
Intangibles	956	874
Other Assets	224	226
	$ 16,679	$ 15,101
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	$ 111	$ 400
Current portion of long-term debt	210	174
Amount owed to the Carnival Corporation group	2,164	1,442
Accounts payable	338	312
Accrued liabilities and other	401	444
Customer deposits	1,332	1,125
Total current liabilities	4,556	3,897
Long-Term Debt	3,204	3,096
Other Long-Term Liabilities	195	188
Shareholders' Equity		
Share capital	357	355
Share premium	135	107
Retained earning	6,712	6,637
Other reserves	1,520	821
Total shareholders' equity	8,724	7,920
	$ 16,679	$ 15,101

The accompanying notes are an integral part of this interim financial information. This interim financial information only presents the Carnival plc consolidated IFRS interim financial information and, accordingly, does not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation & plc, which are included within the attached Schedule B (see note 1).

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
CONDENSED GROUP STATEMENTS OF CASH FLOWS (UNAUDITED)
(in millions)

	Six Months Ended May 31,	
	2011	**2010**
OPERATING ACTIVITIES		
Income before income taxes	$ 169	$ 88
Adjustments to reconcile income before taxes to net cash provided by operating activities		
Depreciation and amortisation	319	279
Share-based compensation	6	6
Other	1	14
Changes in operating assets and liabilities		
Receivables	(130)	(63)
Inventories	(4)	-
Prepaid expenses and other	52	88
Accounts payable	21	63
Accrued and other liabilities	45	52
Customer deposits	151	181
Cash provided by operations before interest and taxes	630	708
Interest received	3	4
Interest paid	(55)	(70)
Income taxes refunded, net	23	6
Net cash provided by operating activities	601	648
INVESTING ACTIVITIES		
Additions to property and equipment	(595)	(1,705)
Other, net	(23)	12
Net cash used in investing activities	(618)	(1,693)
FINANCING ACTIVITIES		
Changes in loans with the Carnival Corporation group and Group companies	548	654
(Repayments of) proceeds from short-term borrowings, net	(294)	544
Principal repayments of revolvers	(13)	(323)
Proceeds from revolvers	8	89
Principal repayments of other long-term debt	(76)	(166)
Proceeds from issuance of other long-term debt	-	389
Dividends paid	(64)	(17)
Other, net	27	2
Net cash provided by financing activities	136	1,172
Effect of exchange rate changes on cash and cash equivalents	10	(62)
Net increase in cash and cash equivalents	129	65
Cash and cash equivalents at beginning of period	328	431
Cash and cash equivalents at end of period	$ 457	$ 496

The accompanying notes are an integral part of this interim financial information. This interim financial information only presents the Carnival plc consolidated IFRS interim financial information and, accordingly, does not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation & plc, which are included within the attached Schedule B (see note 1).

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
CONDENSED GROUP STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(in millions)

	Share capital	Share premium	Retained earnings	Other reserves: Translation reserve	Other reserves: Cash flow hedges	Other reserves: Merger reserve	Other reserves: Total	Total shareholders' Equity
2011								
Balances at November 30, 2010	$ 355	$ 107	$ 6,637	$ (685)	$ 3	$ 1,503	$ 821	$ 7,920
Net income	-	-	168	-	-	-	-	168
Foreign currency translation adjustment	-	-	-	908	-	-	908	908
Net losses on hedges of net investments in foreign operations	-	-	-	(209)	-	-	(209)	(209)
Cash dividends declared	-	-	(100)	-	-	-	-	(100)
Other	2	28	7	-	-	-	-	37
Balances at May 31, 2011	$ 357	$ 135	$ 6,712	$ 14	$ 3	$ 1,503	$ 1,520	$ 8,724
2010								
Balances at November 30, 2009	$ 354	$ 104	$ 5,744	$ 59	$ 18	$ 1,503	$ 1,580	$ 7,782
Net income	-	-	124	-	-	-	-	124
Foreign currency translation adjustment	-	-	-	(1,800)	-	-	(1,800)	(1,800)
Net gains on hedges of net investments in foreign operations	-	-	-	372	-	-	372	372
Net losses on cash flow derivative hedges	-	-	-	-	(18)	-	(18)	(18)
Cash dividends declared	-	-	(35)	-	-	-	-	(35)
Other	1	(2)	4	5	-	-	5	8
Balances at May 31, 2010	$ 355	$ 102	$ 5,837	$ (1,364)	$ -	$ 1,503	$ 139	$ 6,433

The accompanying notes are an integral part of this interim financial information. This interim financial information only presents the Carnival plc consolidated IFRS interim financial information and, accordingly, does not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation & plc, which are included within the attached Schedule B (see note 1).

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
NOTES TO INTERIM FINANCIAL INFORMATION (UNAUDITED)

NOTE 1 - Basis of Preparation

The condensed consolidated interim financial information has been prepared on the basis of the accounting policies and methods of computation adopted and disclosed in Carnival plc's and subsidiaries' ("Group's") consolidated statutory financial statements for the year ended November 30, 2010, and was approved by the Board of Directors on June 29, 2011. This interim financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority ("FSA") and with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union ("IAS 34"). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended November 30, 2010 which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). Certain amounts in prior periods have been reclassified to conform to current period presentation.

Carnival plc was incorporated in England and Wales in 2000 and its headquarters is located at 5 Gainsford Street, London SE1 2NE, UK (registration number 4039524). The Group's interim financial information is presented in U.S. dollars, as this is its presentation currency. During the fourth quarter of 2010, the Group changed the classification of its port costs that vary with guest head counts to a gross presentation from a net presentation, which resulted in an increase in passenger ticket revenues and commissions, transportation and other costs. This change had no impact on the Group's operating or net income. The Group adjusted the six months ended May 31, 2010 to conform to this new classification. The amount reclassified and now included on a gross basis in passenger ticket revenues and commissions, transportation and other costs was $52 million for the six months ended May 31, 2010.

Carnival Corporation and Carnival plc operate as a Dual Listed Company ("DLC"), known as Carnival Corporation & plc, whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation's Articles of Incorporation and By-Laws and Carnival plc's Articles of Association. The two companies operate the largest cruise business in the world as if it was a single economic enterprise, but each has retained its separate legal identity. Each company's shares are publicly traded; on the New York Stock Exchange ("NYSE") for Carnival Corporation and the London Stock Exchange for Carnival plc. In addition, Carnival plc American Depository Shares are traded on the NYSE. The contracts governing the DLC arrangement provide that Carnival Corporation and Carnival plc each continue to have separate boards of directors, but the boards and senior executive management of both companies are identical. Under the contracts governing the DLC, the Carnival Corporation & plc consolidated earnings accrue equally to each unit of Carnival Corporation common stock and each Carnival plc ordinary share.

The Group IFRS interim financial information is required to satisfy reporting requirements of the UKLA. However, the Directors consider that within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is by reference to the U.S. generally accepted accounting principles ("U.S. GAAP") consolidated interim financial statements of Carnival Corporation & plc, on the basis that all significant financial and operating decisions affecting the DLC companies are made on the basis of U.S. GAAP information and consequences. Accordingly, the Carnival Corporation & plc U.S. GAAP consolidated interim financial statements and related management commentary for the three and six months ended May 31, 2011 have been included in Schedules A and B to this announcement, including the impact of seasonality on its business, and are incorporated into the Carnival plc Group half-yearly financial report as additional disclosures.

The condensed half-yearly financial information has been prepared on a going concern basis. The Directors of the Group have a reasonable expectation that, on the basis of current financial projections and borrowing facilities available, the Group is well positioned to meet its commitments and obligations for the next 12 months from the date of this report and will remain in operational existence for the foreseeable future.

The preparation of the Group interim financial information in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported and disclosed amounts in this interim financial information. The estimates and underlying assumptions are based on historical experience and various other factors that we believe to be reasonable under the circumstances, and form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 2 - Status of Financial Information

The condensed consolidated IFRS interim financial information of the Group for the six months ended May 31, 2011 has not been audited or reviewed by the auditors.

The condensed consolidated IFRS interim financial information of the Group does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended November 30, 2010 were approved by the Board of Directors on February 17, 2011 and delivered to the Registrar of Companies. The report of the auditors on those accounts was (i) unqualified, (ii) did not contain an emphasis of matter paragraph, and (iii) did not contain any statement under section 498 of the Companies Act 2006.

NOTE 3 - Segment Information

IFRS 8 "Operating Segments" requires that an entity's operating segments are reported on the same basis as the internally reported information that is provided to the chief operating decision maker ("CODM"). The CODM has been identified as the Chairman of the Board of Directors and Chief Executive Officer of the Group, who is also the CODM of Carnival Corporation & plc.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is by reference to the U.S. GAAP consolidated interim financial statements of Carnival Corporation & plc. Accordingly, decisions to allocate resources and assess performance for Carnival plc are taken by the CODM upon review of the U.S. GAAP segment results across all of Carnival Corporation & plc's cruise brands and other segments. These Carnival Corporation & plc segments consist of (1) North America cruise brands, (2) Europe, Australia & Asia cruise brands ("EAA"), (3) Cruise Support and (4) Tour and Other. Substantially all of the Group's results are included within the EAA cruise brand segment.

The Carnival Corporation & plc North America cruise segment includes Carnival Cruise Lines, Holland America Line, Princess Cruises ("Princess") and Seabourn. The Carnival Corporation & plc EAA cruise segment includes AIDA Cruises, Costa Cruises, Cunard, Ibero Cruises ("Ibero"), P&O Cruises (UK) and P&O Cruises (Australia). These individual cruise brand operating segments have been aggregated into two reportable segments based on the similarity of their economic and other characteristics, including the products and services they provide. The Carnival Corporation & plc Cruise Support segment represents certain of its port and related facilities and other corporate-wide services that are provided for the benefit of its cruise brands. The Carnival Corporation & plc Tour and Other segment represents the hotel, tour and transportation operations of Holland America Princess Alaska Tours and two of the group's owned ships that it charters to an unaffiliated entity. The significant accounting policies of these segments are the same as those described in Note 2 of the Carnival Corporation & plc annual financial statements.

Selected information for the Carnival Corporation & plc segments and the reconciliation to the corresponding Carnival plc amounts as of and for the six months ended May 31 was as follows (in millions):

	Six Months Ended May 31,				
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortisation	Operating income (loss)
2011					
North America Cruise Brands	$ 3,991	$ 2,775	$ 472	$ 429	$ 315
EAA Cruise Brands	2,971	2,111	326	281	253
Cruise Support	42	(6)	52	15	(19)
Tour and Other	45	46	12	22	(35)
Intersegment elimination	(10)	(10)	-	-	-
Carnival Corporation & plc – U.S. GAAP	7,039	4,916	862	747	514
Carnival Corporation, U.S. GAAP vs. IFRS differences and eliminations (a)	(3,780)	(2,563)	(521)	(428)	(268)
Carnival plc – IFRS	$ 3,259	$ 2,353	$ 341	$ 319	$ 246
2010					
North America Cruise Brands	$ 3,829	$ 2,538	$ 452	$ 414	$ 425
EAA Cruise Brands	2,536	1,763	287	249	237
Cruise Support	41	(1)	46	13	(17)
Tour and Other	54	62	15	18	(41)
Intersegment elimination	(15)	(15)	-	-	-
Carnival Corporation & plc – U.S. GAAP	6,445	4,347	800	694	604
Carnival Corporation, U.S. GAAP vs. IFRS differences and eliminations (a)	(3,644)	(2,307)	(494)	(415)	(428)
Carnival plc – IFRS	$ 2,801	$ 2,040	$ 306	$ 279	$ 176

(a) Carnival Corporation consists primarily of cruise brands that do not form part of the Group, however, these brands are included in Carnival Corporation & plc and thus represent substantially all of the reconciling items. These Carnival Corporation cruise brands are Carnival Cruise Lines, Princess, Holland America Line and Seabourn. The U.S. GAAP vs. IFRS accounting differences principally relate to differences in the carrying value of ships and related depreciation expenses and are not material to the Group's financial information.

NOTE 4 - Debt

At May 31, 2011, unsecured short-term borrowings consisted of $104 million of commercial paper and $7 million of euro-denominated bank loans with an aggregate weighted-average interest rate of 0.4%.

In May 2011, the Group cancelled one of the Group's revolving credit facilities in the amount of $212 million.

In May 2011, concurrently with the early termination of its existing multi-currency revolving credit facility for $2.0 billion (comprised of $1.2 billion, €400 million and £200 million), the Group, Carnival Corporation, and certain of the Group's subsidiaries entered into a five-year multi-currency revolving credit facility for $2.5 billion (comprised of $1.6 billion, €450 million and £150 million) (the "Facility"). The Facility currently bears interest at LIBOR/EURIBOR plus a margin of 65 basis points ("bps"). The margin will vary based on changes to Carnival Corporation's and Carnival plc's long-term credit rating. The Group is required to pay a commitment fee of 35% of the margin per annum on any undrawn portion. If more than one-third or if more than two-thirds of the Facility is drawn, the Group will incur an additional 15 bps or 30 bps utilization fee, respectively, on the total amount outstanding. At May 31, 2011, $2.4 billion was available under the Facility and other of the Group's revolving credit facilities, net of outstanding commercial paper.

In June 2011, the Group repaid $140 million of an unsecured floating rate euro-denominated bank loan prior to its 2014 maturity date.

At May 31, 2011, the Group's debt increased $191 million as a result of the change in currency exchange rates of the U.S. dollar to the euro and sterling at May 31, 2011 compared to November 30, 2010.

NOTE 5 - Dividends

In 2011, the Boards of Directors decided to declare quarterly dividends for the 2011 first and second quarters at $0.25 per share.

NOTE 6 - Property and Equipment

During the six months ended May 31, 2011, the Group took delivery of a new ship, the 2,194-passenger capacity *AIDAsol,* and made stage payments for ships under construction.

In May 2011, P&O Cruises (UK) purchased the 710-passenger capacity *Royal Princess* for $107 million from Princess, a related party, and renamed her *Adonia*. Also in May 2011, P&O Cruises (UK) entered into a 3,611-passenger capacity newbuild contract with the Fincantieri shipyard. At May 31, 2011, the newbuild has an all-in euro-denominated aggregate cost of approximately $800 million (€155,000 per lower berth or an all-in aggregate cost of €560 million) and is expected to be delivered in February 2015.

At May 31, 2011, the Group's property and equipment increased $1.2 billion as a result of the change in currency exchange rates of the U.S. dollar to the euro, sterling and Australian dollar at May 31, 2011 compared to November 30, 2010.

In June 2011, the Group took delivery of the 2,984-passenger capacity *Costa Favolosa.*

NOTE 7 - Ship Commitments

Ship capital commitments include contract payments to the shipyards, design and engineering fees, construction oversight costs, various owner supplied items and capitalised interest. At May 31, 2011, the Group's future cruise ship commitments, aggregated based on the ship delivery date are expected to be $600 million in the second-half of 2011, $1.2 billion in 2012, $440 million in 2013 and $800 million in 2015.

NOTE 8 - Related Parties

Except for the transfer of *Royal Princess* as described in Note 6, there have been no changes in the six months ended May 31, 2011 to the related party transactions described in the Group IFRS financial statements for the year ended November 30, 2010 that could have a material effect on the financial position or results of operations of the Group.

As a consequence of the above noted transaction and the normal trading activities between the two sides of the DLC, the net balance payable by the Group to the Carnival Corporation group increased from $1.4 billion at November 30, 2010 to $2.2 billion at May 31, 2011. Of the total Group liability to the Carnival Corporation group at May 31, 2011, $1.5 billion is euro-denominated, repayable on demand and bears interest, and the remaining balance of $656 million is non-interest bearing and is also repayable on demand.

At May 31, 2011, Carnival Corporation owned a total of 1,115,450 shares, or 0.5% of Carnival plc's ordinary shares, which are non-voting. At May 31, 2011, Carnival Investments Limited owned 30,375,744 shares, or 14.1% of Carnival plc's ordinary shares, which are also non-voting. In the six months ended May 31, 2011, Carnival Corporation and Carnival Investment Limited did not waive their rights to dividends from their Carnival plc ordinary shares. During the six months ended May 31, 2011, no Carnival Corporation common stock or Carnival plc ordinary shares were sold or repurchased under the "Stock Swap" program.

Key Management Personnel

During the six months ended May 31, 2011, there were no material transactions or balances between the Group and its key management personnel or members of their close family, other than in respect of remuneration, which is not material to the Group.

NOTE 9 - Principal Risks and Uncertainties

The principal risks and uncertainties affecting the business activities of the Group are summarised in Schedule A and remain the same as those at November 30, 2010. Item 1A, "Risk Factors", of the Carnival Corporation & plc joint Annual Report on Form 10-K for the year ended November 30, 2010 includes a detailed explanation of the principal risks and uncertainties that could affect the Group.

NOTE 10 – New Standards, Amendments and Interpretations to Published Standards That Are Not Yet Effective

At May 31, 2011, certain new standards, amendments and interpretations to published standards had been published that will be mandatory for future accounting periods, but which have not been early adopted in this financial information. These are set out below as follows:

- Improvements to IFRSs 2010, effective for annual periods beginning after January 1, 2011;
- Amendment to IAS 1, "Presentation of Financial Statements" effective for annual periods beginning on or after July 1, 2012; and
- Amendment to IAS 19, "Employee Benefits," effective for periods beginning on or after January 1, 2013.

Management does not believe the adoption of these new standards, amendments and interpretations will have a material impact on the Group's results and financial position.

NOTE 11 - Intangibles

Given the weakness of the Spanish economy and its impact on the vacation industry, it is possible that Ibero's goodwill could become impaired in the future if the Spanish vacation industry does not recover enough to enable Ibero to increase its cruise pricing. The recoverability of Ibero's goodwill is not without doubt because it is difficult to predict the timing of the resurgence of the Spanish economy and its vacation industry. The status of the Ibero operation will continue to be periodically monitored. At May 31, 2011, Ibero's goodwill balance was $166 million. As disclosed in the Group's November 30, 2010 financial statements, a relatively minor change to the assumptions used in the Ibero annual July 31, 2010 impairment test would lead to an Ibero impairment.

There have not been any events or circumstances subsequent to July 31, 2010, which we believe would require us to perform interim goodwill or trademark impairment reviews.

NOTE 12 - Seasonality

The Group's revenues from the sale of passenger tickets are seasonal. Historically, demand for cruises has been greatest during the Group's 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 the Group's operating income is earned during this period. The seasonality of the Group's results also increased due to ships being taken out of service for maintenance, which it schedules during non-peak demand periods. In addition, substantially all of Holland America Princess Alaska Tours' revenue and net income is generated from May through September in conjunction with the Alaska cruise season.

NOTE 13 – Merchant Navy Ratings Pension Fund ("MNRPF")

Since the formation of the DLC, the Group has continued to account for its potential share of the underlying assets and liabilities of the MNRPF on a voluntary contribution basis. In November 2006, the Group ceased making voluntary contributions. During the six months ended May 31, 2011, the UK Court of Appeal issued a ruling that may cause the Group to make future contributions to the MNRPF. In June 2011, an appeal to this ruling was filed and, accordingly, the ultimate outcome of this matter is currently unknown.

NOTE 14 - Responsibility Statement

The Directors confirm that to the best of their knowledge the condensed consolidated interim financial statements included as Schedule D to this release has been prepared in accordance with IAS 34 as adopted by the European Union, and that the half-yearly financial report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The Directors of Carnival plc are listed in the Carnival Corporation & plc Annual Report for the year ended November 30, 2010. A list of current directors is maintained and is available for inspection on the Group's website at www.carnivalplc.com.

By order of the Board

Micky Arison	Howard S. Frank
Chairman	Vice Chairman
July 1, 2011	July 1, 2011