

REGISTRATION STATEMENT NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CARNIVAL CORPORATION

(Exact name of registrant as specified in its charter)

REPUBLIC OF PANAMA
(State or other jurisdiction of
incorporation or organization)

4400
(Primary Standard Industrial
Classification Code Number)

59-1562976
(I.R.S. Employer
Identification Number)

3655 N.W. 87TH AVENUE
MIAMI, FLORIDA 33178-2428
(305) 599-2600

(Address, including zip code, and telephone number, including area code, of
registrant's principal executive office)

ARNALDO PEREZ, ESQ.
GENERAL COUNSEL
CARNIVAL CORPORATION
3655 N.W. 87TH AVENUE
MIAMI, FLORIDA 33178-2428
(305) 599-2600

(Name, address, including zip code, and telephone number, including area code,
of agent for service)

WITH COPIES TO:

JOHN C. KENNEDY, ESQ.
PAUL, WEISS, RIFKIND, WHARTON & GARRISON
1285 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019-6064
(212) 373-3000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:

From time to time after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant
to dividend or interest reinvestment plans, please check the following box. / /

If any of the securities being registered on this form are to be offered on a
delayed or continuous basis pursuant to Rule 415 of the Securities Act of 1933,
other than securities offered only in connection with dividend or interest
reinvestment plans, check the following box. /X/

If this Form is filed to register additional securities for an offering pursuant
to Rule 462(b) under the Securities Act, check the following box and list the
Securities Act registration statement number of the earlier effective
registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under
the Securities Act, check the following box and list the Securities Act
registration statement number of the earlier effective registration statement
for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434,
please check the following box. / /

CALCULATION OF THE REGISTRATION FEE

PROPOSED MAXIMUM PRICE OF EACH CLASS OF SECURITIES REGISTERED	PROPOSED MAXIMUM AMOUNT TO BE OFFERING	TITLE
Yield Option-TM- Notes due 2021.....	1,051,175,000	47.566%
500,001,900	119,501	Common
Stock.....	17,446,000	(2) (3) -0-(3) -0-(3)

(-TM-) Trademark of Merrill Lynch & Co., Inc.

- (1) The LYONs were issued at an original price of \$475.66 per \$1,000 principal amount at maturity, which represents an aggregate initial issue price of \$500,001,900 and an aggregate principal amount at maturity of \$1,051,175,000.
- (2) Includes the shares of common stock initially issuable upon conversion of the LYONs at the rate of 16.5964 shares of common stock per \$1,000 principal amount at maturity of LYONs. Pursuant to Rule 416 under the Securities Act, such number of shares of common stock registered hereby shall also include an indeterminate number of additional shares of common stock that may be issued from time to time upon conversion of the LYONs by reason of adjustment of the conversion price or upon repurchase or redemption, in each case in certain circumstances outlined in the prospectus. See "Description of LYONs--Conversion Rights."
- (3) Pursuant to Rule 457(i) under the Securities Act, there is no filing fee with respect to the shares of common stock issuable upon the conversion of the LYONs because no additional consideration will be received in connection with the exercise of the conversion privilege.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THE SELLING SECURITYHOLDERS IDENTIFIED IN THIS PROSPECTUS MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED NOVEMBER 29, 2001

CARNIVAL CORPORATION

\$1,051,175,000 LIQUID YIELD OPTION-TM- NOTES DUE 2021
 (ZERO COUPON--SENIOR)
 17,446,000 SHARES OF COMMON STOCK

This prospectus relates to \$1,051,175,000 aggregate principal amount at maturity of our Liquid Yield Option-TM- Notes due 2021 (the "LYONs") held by certain selling securityholders. The LYONs may be sold from time to time by or on behalf of the selling securityholders named in this prospectus or in supplements to this prospectus.

This prospectus also relates to 17,446,000 shares of our common stock issuable upon conversion of the LYONs held by certain selling securityholders, plus such additional indeterminate number of shares as may become issuable upon conversion of the LYONs by reason of adjustment to the conversion price in certain circumstances.

The selling securityholders may sell all or a portion of the LYONs in market transactions, negotiated transactions or otherwise and at prices which will be

determined by the prevailing market price for the LYONs or in negotiated transactions. The selling securityholders may also sell all or a portion of the shares of common stock from time to time on the New York Stock Exchange, in negotiated transactions or otherwise, and at prices which will be determined by the prevailing market price for the shares or in negotiated transactions. The selling securityholders will receive all of the proceeds from the sale of the LYONs and the common stock. We will not receive any proceeds from the sale of LYONs or common stock by the selling securityholders.

Our common stock is traded on the New York Stock Exchange under the symbol CCL. On November 28, 2001, the last reported sales price of our common stock was \$25.47 per share. There is no public market for the LYONs, and we do not intend to apply for listing of them or any securities exchange or to seek approval for quotation of them through any automated quotation system.

WE URGE YOU TO CAREFULLY READ THE "RISK FACTORS" SECTION BEGINNING ON PAGE 11, WHERE WE DESCRIBE SPECIFIC RISKS ASSOCIATED WITH THESE SECURITIES, BEFORE YOU MAKE YOUR INVESTMENT DECISION.

Neither the Securities and Exchange Commission, nor any state securities commission, has approved or disapproved of these LYONs or common stock or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

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(-TM-) Trademark of Merrill Lynch & Co., Inc.

The date of this prospectus is November , 2001.

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WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, and file reports, proxy statements and other information with the SEC. We have also filed with the SEC a registration statement on Form S-3 to register the LYONs and the underlying common stock. This prospectus, which forms part of the registration statement, does not contain all of the information included in that registration statement. For further information about Carnival Corporation and the securities offered in this prospectus, you should refer to the registration statement and its exhibits. You may read and copy any document we file with the SEC at the SEC's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of these reports, proxy statements and

information may be obtained at prescribed rates from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. In addition, the SEC maintains a web site that contains reports, proxy statements and other information regarding registrants, such as us, that file electronically with the SEC. The address of this web site is <http://www.sec.gov>.

You should only rely on the information contained in this prospectus and incorporated by reference therein.

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INCORPORATION OF DOCUMENTS BY REFERENCE

We are incorporating by reference into this prospectus the documents listed below and any other filings made by us with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering:

- Our Annual Report on Form 10-K for the fiscal year ended November 30, 2000.
- Our Quarterly Reports on Form 10-Q for the fiscal quarters ended February 28, 2001, May 31, 2001 and August 31, 2001.
- Our Current Reports on Form 8-K filed on December 21, 2000, February 26, 2001, April 27, 2001, June 29, 2001, September 21, 2001, October 19, 2001, October 23, 2001, October 25, 2001 and October 29, 2001 with the SEC.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other document subsequently filed with the SEC which is or is deemed to be incorporated by reference in this prospectus modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide without charge to you, upon your written or oral request a copy of any or all of the documents incorporated by reference in this prospectus, not including the exhibits to these documents, unless such exhibits are specifically incorporated by reference in these documents. Requests for such copies should be directed to Investor Relations, Carnival Corporation, 3655 N.W. 87th Avenue, Miami, Florida 33178-2428. Except as provided above, no other information, including information on our web site, is incorporated by reference into this prospectus.

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SUMMARY

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION INCLUDED ELSEWHERE OR INCORPORATED BY REFERENCE INTO THIS PROSPECTUS. BECAUSE THIS IS A SUMMARY, IT MAY NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ THE ENTIRE PROSPECTUS, AS WELL AS THE INFORMATION INCORPORATED BY REFERENCE, BEFORE MAKING AN INVESTMENT DECISION. SOME OF THE STATEMENTS IN THIS "SUMMARY" ARE FORWARD-LOOKING STATEMENTS. PLEASE SEE "SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS" FOR MORE INFORMATION REGARDING THESE STATEMENTS. IN THIS PROSPECTUS, UNLESS OTHERWISE STATED OR THE CONTEXT OTHERWISE REQUIRES, THE TERMS "WE," "US" AND "OUR" REFER TO CARNIVAL CORPORATION, A PANAMANIAN CORPORATION, AND ITS CONSOLIDATED SUBSIDIARIES.

CARNIVAL CORPORATION

We are the world's largest multiple-night cruise company based on the number of passengers carried, revenues generated and available capacity. We offer a broad range of cruise products, serving the contemporary cruise market through Carnival Cruise Lines and Costa Cruises, the premium market through Holland America Line and the luxury market through Cunard Line, Seabourn Cruise Line and Windstar Cruises. In total, we own and operate 42 cruise ships with an aggregate capacity of 58,342 passengers based on two passengers per cabin. The fifteen Carnival Cruise Lines ships have an aggregate capacity of 31,122 passengers with itineraries primarily in the Caribbean and the Mexican Riviera. The seven Costa ships have an aggregate capacity of 9,276 passengers with itineraries primarily in Europe, the Caribbean and South America. The ten Holland America ships have an aggregate capacity of 13,348 passengers, with itineraries primarily in the Caribbean, Europe and Alaska. Windstar operates four luxury, sail-powered ships with an aggregate capacity of 756 passengers, primarily in the Caribbean, Europe and Central America. The four Seabourn ships have an aggregate capacity of 1,382 passengers and the two Cunard ships have an aggregate capacity of 2,458 passengers, each with worldwide itineraries.

We have signed agreements with three shipyards providing for the construction of additional cruise ships as set forth in the following table:

EXPECTED SERVICE SHIP DATE (1)	ESTIMATED PASSENGER CAPACITY (2)	TOTAL COST (\$ MILLIONS) (3)	SHIPYARD
----- CARNIVAL CRUISE LINES			
Carnival			
Pride.....	1/02		
Masa-Yards (4)	2,124	\$ 375	
Carnival			
Legend.....	8/02		
Masa-Yards (4)	2,124	375	
Carnival			
Conquest.....	12/02		
Fincantieri	2,974	500	
Carnival			
Glory.....	8/03		
Fincantieri	2,974	500	
Carnival			
Miracle.....	4/04		
Masa-Yards (4)	2,124	375	
Carnival			
Valor.....	11/04		
Fincantieri (4)	2,974	500	---
----- TOTAL CARNIVAL			
CRUISE LINES...	15,294	2,625	
----- HOLLAND AMERICA			
LINE			
Zuiderdam.....	11/02		
Fincantieri (4)	1,848		
	410		
Oosterdam.....	7/03		
Fincantieri (4)	1,848		
	410		
Newbuild.....	2/04		
Fincantieri (4)	1,848		
	410		
Newbuild.....	10/04		
Fincantieri (4)	1,848		
	410		
Newbuild.....	6/05		
Fincantieri (4)	1,848		
	410		
----- TOTAL			
HOLLAND AMERICA LINE....	9,240	2,050	-----

EXPECTED SERVICE SHIP DATE (1)	ESTIMATED PASSENGER CAPACITY (2)	TOTAL COST (\$ MILLIONS) (3)	SHIPYARD
----- COSTA CRUISES			
Costa			
Mediterranea.....	7/03		
Masa-Yards (5)	2,114	340	
Costa			
Fortuna.....	1/04		
Fincantieri (6)	2,720	395	
Costa			
Magica.....	12/04		
Fincantieri (6)	2,720		
	395		
----- TOTAL COSTA			
CRUISES.....	7,554		
1,130			
----- CUNARD			
LINE Queen Mary			
2.....	12/03		
Chantiers de	2,620	780	
l'Atlantique (4)			-----
- TOTAL CUNARD			
LINE.....	2,620	780	-

TOTAL.....
34,708 \$6,585 =====

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- (1) The expected service date is the date the ship is currently expected to begin revenue generating activities.
 - (2) In accordance with cruise industry practice, passenger capacity is calculated based on two passengers per cabin even though some cabins can accommodate three or four passengers.
 - (3) Estimated total cost of the completed ship includes the contract price with the shipyard, design and engineering fees, capitalized interest, various owner supplied items and construction oversight costs.
 - (4) These construction contracts are denominated in either German marks, Italian lira or euros and have been fixed into U.S. dollars through the utilization of forward foreign currency contracts.
 - (5) This construction contract is denominated in German marks which has a fixed exchange rate with Costa's functional currency, which is the Italian lira. The estimated total cost has been translated into U.S. dollars using the August 31, 2001 exchange rate.
 - (6) These construction contracts are denominated in Italian lira, and the estimated total costs have been translated into U.S. dollars using the August 31, 2001 exchange rate.

In connection with the ships under contract for construction, we have paid approximately \$547 million through August 31, 2001, and we anticipate paying approximately \$940 million during the twelve months ending August 31, 2002 and approximately \$5.1 billion thereafter.

We also operate a tour business through Holland America Tours, which markets sightseeing tours both separately and as part of its cruise/tour packages. Holland America Tours operates 12 hotels in Alaska and the Canadian Yukon, two luxury dayboats offering tours to the glaciers of Alaska and the Yukon River, over 300 motor coaches used for sightseeing and charters in the states of Washington and Alaska and 13 private domed rail cars which are run on the Alaska railroad between Anchorage and Fairbanks.

We were incorporated under the laws of the Republic of Panama in November 1974. Our executive offices are located at 3655 N.W. 87th Avenue, Miami, Florida 33178-2428, telephone number (305) 599-2600.

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SECURITIES BEING OFFERED

This prospectus covers the sale of \$1,051,175,000 aggregate principal amount at maturity of LYONs and 17,446,000 shares of our common stock, plus an indeterminate number of additional shares of common stock that may be issued from time to time upon conversion of the LYONs by reason of adjustment to the conversion price or upon repurchase or redemption, in each case in certain circumstances described in this prospectus.

We issued and sold \$840,940,000 aggregate principal amount at maturity of LYONs, on October 24, 2001, in a private offering to Merrill Lynch & Co., as the initial purchaser. On October 26, 2001, upon exercise of its overallotment option by Merrill Lynch & Co., we issued and sold to Merrill Lynch & Co., as the initial purchaser, an additional \$210,235,000 aggregate principal amount at maturity of LYONs. These LYONs were simultaneously resold by the initial purchaser in transactions exempt from registration requirements of the Securities Act to persons reasonably believed by the initial purchaser to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act).

The shares of common stock may be offered by the selling securityholders following the conversion of the LYONs.

TERMS OF THE LYONs

LYONs..... \$1,051,175,000 aggregate principal amount at maturity of LYONs due 2021. We do not pay interest on the LYONs prior to maturity. Each LYON was issued at a price of \$475.66 per LYON (plus accrued original issue discount, if any) and has a principal amount at maturity of \$1,000.

Maturity of LYONS..... October 24, 2021.

Yield to Maturity of LYONS..... 3.75% per year (computed on a semi-annual bond equivalent basis) calculated from October 24, 2001.

Original Issue Discount..... The LYONS were issued at an issue price significantly below the principal amount at maturity of the LYONS. The difference between the issue price and the principal amount at maturity of a LYON is referred to as original issue discount. This original issue discount accrues daily at a rate of 3.75% per year beginning on October 24, 2001, calculated on a semi-annual bond equivalent basis, using a 360-day year comprised of twelve 30-day months. You should be aware that although we do not pay interest on the LYONS, United States holders must include original issue discount, as it accrues, in their gross income for United States federal income tax purposes. See "Certain Panamanian and United States Federal Income Tax Considerations--United States--United States Holders--Original Issue Discount."

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Conversion Rights..... For each LYON surrendered for conversion, if specified conditions are satisfied, a holder will receive 16.5964 shares of our common stock. Upon conversion, we will have the right to deliver, in lieu of our common stock, cash or a combination of cash and common stock. If we elect to pay holders cash for their LYONS, the payment will be based on the average sale price of our common stock for the five consecutive trading days immediately following either:

- the date of our notice of our election to deliver cash, which we must give within two business days after receiving a conversion notice, unless we have earlier given notice of redemption as described in this prospectus; or
- the conversion date, if we have given notice of redemption specifying that we intend to deliver cash upon conversion thereafter.

The conversion rate may be adjusted for certain reasons specified in the indenture but will not be adjusted for accrued original issue discount. Upon conversion, a holder will not receive any cash payment representing accrued original issue discount. Instead, accrued original issue discount will be deemed paid by the shares of common stock received by the holder on conversion. See "Description of LYONS--Conversion Rights."

Commencing after February 28, 2002, holders may surrender LYONS for conversion into shares of common stock in any fiscal quarter (and only during such fiscal quarter), if the closing sale price of our common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is more than 110% of the accreted conversion price per share of common stock on the last day of such preceding fiscal quarter. Our fiscal quarters end on the last day of February, May, August and November. The "accreted conversion price" per share as of any day will equal the issue price of a LYON plus the accrued original discount to that day, with that sum divided by the number of shares of common stock issuable upon conversion of a LYON.

LYONS or portions of LYONS in integral multiples of \$1,000 principal amount at maturity called for redemption may be surrendered for conversion until the close of business on the redemption date, even if the LYONS are not otherwise convertible. In addition, if we make a significant distribution to our shareholders or if we are a party to certain consolidations, mergers or binding share exchanges, LYONS may be surrendered for conversion as provided in "Description of LYONS--Conversion Rights." The ability to surrender LYONS for conversion will expire at the close of business on the business day immediately preceding

Ranking.....	The LYONS are unsecured and unsubordinated obligations and rank equal in right of payment to all our existing and future unsecured and unsubordinated indebtedness. However, the LYONS are effectively subordinated to all existing and future obligations of our subsidiaries. As of August 31, 2001, we had approximately \$2.66 billion of total indebtedness outstanding, which included approximately \$1.21 billion of indebtedness of our consolidated subsidiaries. See "Capitalization."
Sinking Fund.....	None.
Redemption of LYONS at Our Option.....	We may redeem all or a portion of the LYONS at any time on or after October 24, 2008 at the redemption prices set forth in this prospectus under the caption, "Description of LYONS--Redemption of LYONS at our Option." Holders may convert their LYONS after they are called for redemption at any time prior to the close of business on the redemption date. Our notice of redemption will inform the holders of our election to deliver shares of our common stock or to pay cash or a combination of cash and common stock. See "Description of LYONS--Redemption of LYONS at Our Option."
Purchase of LYONS by Us at the Option of Holder.....	<p>Holders may require us to purchase all or a portion of their LYONS on the following dates at the following prices:</p> <ul style="list-style-type: none">- On October 24, 2006 for a price equal to \$572.76 per LYON,- On October 24, 2008 for a price equal to \$616.94 per LYON,- On October 24, 2011 for a price equal to \$689.68 per LYON, and- On October 24, 2016 for a price equal to \$830.47 per LYON. <p>We may choose to pay the purchase price in cash, shares of common stock or a combination of cash and shares of common stock. After receiving notice of such choice, you may withdraw your election. We may also add additional purchase dates on which holders may require us to purchase all or a portion of their LYONS. See "Description of the LYONS--Purchase of LYONS by Us at the Option of the Holder."</p>
Change in Control.....	Upon a change in control (as defined in the indenture governing the LYONS) of our company occurring at any time on or before October 24, 2008, each holder may require us to purchase all or a portion of such holder's LYONS for cash at a price equal to 100% of the issue price of the LYONS to be purchased plus accrued original issue discount to, but excluding, the date of purchase. See "Description of LYONS--Change in Control Permits Purchase of LYONS by Us at the Option of the Holder."
Ownership Limitation on LYONS.....	In order to permit us to retain our status as a publicly traded corporation under the proposed Treasury regulations to Section 883 of the Code, LYONS generally may not be transferred if the transfer would result in ownership, including LYONS and other convertible securities on an as-converted basis, by one person or group of related persons by virtue of the attribution provisions of the Code, of more than 4.9% of our common stock. See "Description of LYONS--Ownership Limitation on LYONS."

Use of Proceeds..... The selling securityholders will receive all of the proceeds

from the sale of the securities sold under this prospectus. We will not receive any of the proceeds from sales by the selling securityholders of the offered securities.

DTC Eligibility..... The LYONS were issued in book-entry form and are represented by one or more permanent global certificates deposited with a custodian for and registered in the name of a nominee of DTC in New York, New York. Beneficial interests in any such securities are shown on, and transfers are effected only through, records maintained by DTC and its direct and indirect participants, and any such interest may not be exchanged for certificated securities, except in limited circumstances. See "Description of LYONS--Book-Entry System."

Shelf Registration Statement... Under the registration rights agreement, dated October 24, 2001, between Merrill Lynch & Co. and us, we have agreed to use commercially reasonable efforts to cause a shelf registration statement to become effective within 180 days after the date of original issuance of the LYONS. We are required to keep such shelf registration statement effective until the earlier of (i) the sale pursuant to the shelf registration statement of all of the LYONS and the shares of common stock issuable upon conversion of the LYONS, which together we refer to as "registrable securities," and (ii) the expiration of the holding period applicable to such securities held by non-affiliates of ours under Rule 144(k) under the Securities Act, or any successor provision and (iii) the second anniversary of the effective date of the shelf registration statement, subject to certain permitted exceptions. See "Description of LYONS--Registration Rights."

We are permitted to suspend the use of this prospectus under certain circumstances. We agreed to pay predetermined liquidated damages to selling securityholders if this prospectus is unavailable for periods in excess to those described elsewhere in this prospectus. Purchasers of the registrable securities offered by means of this prospectus will not have any rights under the registration rights agreement, although once sold under this registration statement the registrable securities should be freely tradable except by purchasers who are our "affiliates" or are "underwriters" of the registrable securities for purposes of the Securities Act.

Trading Symbol for our Common Stock..... Our common stock is traded on the New York Stock Exchange under the symbol "CCL."

RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING SPECIFIC RISK FACTORS AS WELL AS THE OTHER INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS BEFORE DECIDING TO INVEST IN THE LYONS AND OUR COMMON STOCK. SOME STATEMENTS IN THIS SECTION ARE "FORWARD-LOOKING STATEMENTS." FOR A DISCUSSION OF THOSE STATEMENTS AND OF OTHER FACTORS FOR INVESTORS TO CONSIDER, SEE "SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS."

RISKS RELATED TO OUR BUSINESS

DEMAND FOR CRUISES CAN BE AND HAS BEEN AFFECTED BY MANY FACTORS THAT ARE OUTSIDE OUR CONTROL, INCLUDING THE ONGOING EFFECTS OF THE SEPTEMBER 11, 2001 TERRORIST INCIDENTS; AND OUR OPERATING RESULTS AND REVENUES DEPEND IN LARGE PART ON DEMAND FOR CRUISES.

Demand for cruises may be affected by a number of factors. For example, our sales are dependent on the underlying economic strength of the countries in which we operate. Adverse economic conditions can reduce the level of disposable income of consumers available for vacations. In addition, armed conflicts or political instability in areas where our ships cruise can adversely affect demand for our cruises to those areas. Also, acts of terrorism can have an adverse effect on tourism, travel and the availability of air service and other forms of transportation. In particular, the recent terrorist attacks and subsequent actions have impacted negatively our revenues and operating results since September 11, 2001. Given the uncertainty regarding the future impact of these events on tourism and travel, we are unable to quantify their long-term impact on our future operations at this time.

Finally, adverse incidents involving cruise ships and adverse media publicity concerning the cruise industry in general can impact demand. The operation of cruise ships involves the risk of accidents and other incidents which may bring into question passenger safety and adversely affect future industry performance. While we make passenger safety a high priority in the design and operation of our ships, accidents and other incidents involving cruise ships could adversely affect our future sales and profitability. Any reduction in demand may have a negative impact on our net revenue yields, which would also have a negative impact on our net income.

OVERCAPACITY WITHIN THE CRUISE BUSINESS COULD HAVE A NEGATIVE IMPACT ON OUR NET REVENUE YIELDS.

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

ENVIRONMENTAL AND HEALTH AND SAFETY LEGISLATION COULD INCREASE OPERATING COSTS.

Some environmental groups have lobbied for more stringent regulation of cruise ships. Some groups also have generated negative publicity about the cruise industry and its environmental impact. As a result, governmental authorities around the world may enact new environmental and health and safety legislation. For instance, the United States Environmental Protection Agency is considering new laws and rules to manage cruise ship waste. Stricter environmental and health and safety regulations could increase the cost of compliance and adversely affect the cruise industry.

WE FACE SIGNIFICANT COMPETITION FROM BOTH CRUISE LINES AND OTHER VACATION OPERATORS.

We operate in the vacation market. We compete for consumer disposable leisure-time dollars with both other cruise operators and a wide array of vacation operators, including numerous land destinations and timeshare vacation operators located throughout the world. These operators attempt to obtain a competitive advantage by lowering prices and by improving their products by offering

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different vacation experiences, itineraries and locations. Since September 11, 2001, the major cruise lines, including our own, have announced the movement of some of their vessels from European to North American ports. The redeployment of such vessels may result in increased competition among the cruise lines with respect to Caribbean, Mexican Riviera and Alaska cruises. Our principal competitors include Royal Caribbean Cruise Ltd., which owns Royal Caribbean International and Celebrity Cruises, P&O Princess Cruises plc, which owns Princess Cruises, P&O Cruises and Aida Cruises, and Norwegian Cruise Line and Orient Lines, which are both owned by Star Cruises plc. On November 20, 2001, Royal Caribbean Cruise Ltd. and P&O Princess Cruises plc announced their intention to combine their businesses, subject to shareholder and regulatory approvals. In the event that we do not compete effectively with other cruise companies and other vacation operators, our market share could decrease and our net revenue yields could be adversely affected.

OUR OPERATING COSTS ARE SUBJECT TO MANY ECONOMIC AND POLITICAL FACTORS THAT ARE BEYOND OUR CONTROL.

Some of our operating costs, including fuel costs, insurance premiums and security costs, are subject to increases because of economic or political instability. Since September 11, 2001, our insurance costs have increased, and we have also incurred additional expense due to heightened security for our operations. Additional political instability or terrorist incidents could result in further increases to operating costs. Increases in operating costs could adversely affect our operating results because we may not be able to increase the prices on our cruise vacations to recover these increased costs.

CONDUCTING BUSINESS INTERNATIONALLY MAY RESULT IN INCREASED COSTS.

We operate our business internationally, and we plan to continue to develop our international presence, especially in Europe. Operating internationally exposes us to a number of risks. Examples include currency fluctuations, interest rate movements, increases in duties and taxes, political uncertainty, and changes in laws and policies affecting cruising, vacation or maritime businesses or the governing operations of foreign-based companies. If we are unable to address these risks adequately, our financial results could be adversely affected.

DELAYS OR FAULTS IN SHIP CONSTRUCTION COULD REDUCE OUR PROFITABILITY.

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

THE INABILITY OF QUALIFIED SHIPYARDS TO BUILD OUR SHIPS COULD REDUCE OUR FUTURE PROFITABILITY.

We believe that there are a limited number of shipyards in the world capable of the quality construction of large passenger cruise ships. We currently have contracts with three of these shipyards for the construction of 15 ships to enter service over the next four years. Our primary competitors also have contracts to construct new cruise ships. If we elect to build additional ships in the future, which we expect to do, there is no assurance that any of these shipyards will have the available capacity to build additional new ships for us at the times desired by us or that the shipyards will agree to build additional ships at a cost acceptable to us. Additionally, there is no assurance that ships under contract for construction will be delivered. These events, in turn, could adversely affect our financial results.

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RISKS RELATING TO OUR CORPORATE STRUCTURE

ANY CHANGE OF OUR TAX STATUS UNDER THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), COULD HAVE AN ADVERSE EFFECT ON OUR NET INCOME AND SHAREHOLDERS.

We are a foreign corporation engaged in a trade or business in the United States, and our ship-owning subsidiaries are foreign corporations that, in many cases, depending upon the itineraries of their ships, receive income from sources within the United States. To the best of our knowledge, we believe that, under Section 883 of the Code and applicable income tax treaties, our income and the income of our ship-owning subsidiaries, in each case derived from or incidental to the international operation of a ship or ships, is currently exempt from United States federal income tax. We believe that substantially all of our income, and the income of our ship-owning subsidiaries, with the exception of the United States source income from the transportation, hotel and tour business of Holland America Tours, is derived from or incidental to the international operation of a ship or ships within the meaning of Section 883 and applicable income tax treaties.

We believe that we and many of our ship-owning subsidiaries currently qualify for the Section 883 exemption since each of us is incorporated in qualifying jurisdictions and our common stock is primarily and regularly traded on an established securities market in the United States. To date, however, no final Treasury regulations or other definitive interpretations of the relevant portions of Section 883 have been promulgated, although regulations have been proposed. See the risk factor immediately below for a discussion of the proposed regulations under Section 883. Those regulations or official interpretations could differ materially from our interpretation of this Code provision and, even in the absence of differing regulations or official interpretations, the Internal Revenue Service might successfully challenge our interpretation. In addition, the provisions of Section 883 are subject to change at any time by legislation. Moreover, changes could occur in the future with respect to the identity, residence, or holdings of our direct or indirect shareholders that could affect our and our subsidiaries' eligibility for the Section 883 exemption. Accordingly, it is possible that we and our subsidiaries will not be exempt from United States federal income tax on United States-source shipping income. If we and our ship-owning subsidiaries were not entitled to the benefit of Section 883, we would be subject to United States federal income taxation on a portion of our income, which would reduce our net income.

We believe that the income of some of our ship-owning subsidiaries currently qualifies for exemption from United States federal income tax under bilateral income tax treaties. These treaties may be cancelled by either country or replaced with a new agreement that treats shipping income differently than under the agreements currently in force. If these subsidiaries do not qualify for benefits under the existing treaties or the existing treaties are cancelled or materially modified in a manner adverse to our interests and the subsidiaries do not qualify for the Section 883 exemption, the ship-owning subsidiaries would be subject to United States federal income taxation on a portion of their income, which would reduce our net income.

FAILURE TO COMPLY WITH THE PROPOSED TREASURY REGULATIONS COULD HAVE A NEGATIVE IMPACT ON OUR NET INCOME AND STOCK PRICE. ALSO, IN ORDER TO COMPLY WITH PROPOSED TREASURY REGULATIONS, YOUR ABILITY TO ACQUIRE OR TRANSFER OUR COMMON STOCK AND THE LYONS IS RESTRICTED.

On February 8, 2000, the United States Treasury Department issued proposed Treasury regulations to Section 883 of the Code, relating to income derived by foreign corporations from the international operation of ships and aircraft. The proposed regulations provide, in general, that a corporation organized in a qualified foreign country and engaged in the international operation of ships or aircraft shall exclude qualified income from gross income for purposes of United States federal income taxation provided that the corporation can satisfy certain ownership requirements, including, among other things, that its stock is publicly traded. A publicly traded corporation will satisfy this requirement if more than 50% of its stock is owned by persons who each own less than 5% of the value of the

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outstanding shares of the corporation's capital stock. To the best of our knowledge, after due investigation, we believe that we currently qualify as a publicly traded corporation under these proposed regulations. However, because various members of the Arison family and certain trusts established for their benefit currently own approximately 47% of our common stock, there is the potential that another shareholder could acquire 5% or more of our common stock, which could jeopardize our qualification as a publicly traded corporation. If, in the future, we were to fail to qualify as a publicly traded corporation, we would be subject to United States federal income tax on our income associated with our cruise operations in the United States. In such event, our net income and stock price would be negatively impacted.

As a precautionary matter, we amended our second amended and restated articles of incorporation to ensure that we will continue to qualify as a publicly traded corporation under the proposed regulations. This amendment provides that no one person or group of related persons, other than certain members of the Arison family and certain trusts established for their benefit, may own or be deemed to own by virtue of the attribution provisions of the Code more than 4.9% of our common stock, whether measured by vote, value or number of shares. Any shares of our common stock acquired in violation of this provision will be transferred to a trust and, at the direction of our board of directors, sold to a person whose shareholding does not violate that provision. No profit for the purported transferee may be realized from any such sale. In addition, under specified circumstances, the trust may transfer the common stock at a loss to the purported transferee. Because the LYONS are convertible into common stock, the transfer of the LYONS will be subject to similar restrictions. See "Description of LYONS--Ownership Limitation on LYONS." These transfer restrictions may also have the effect of delaying or preventing a change in our control or other transactions in which the shareholders might receive a premium for their shares of our common stock over the then prevailing market price or which the shareholders might believe to be otherwise in their best interest.

A GROUP OF PRINCIPAL SHAREHOLDERS EFFECTIVELY CONTROLS US AND HAS THE POWER TO CAUSE OR PREVENT A CHANGE OF CONTROL.

A group of shareholders comprising certain members of the Arison family, including Micky Arison, our chairman and chief executive officer, and trusts established for their benefit, beneficially own, as of the date of this prospectus, a total of approximately 47% of our outstanding common stock. As a result, this group of shareholders has the power to substantially influence the election of directors and our affairs and policies without the consent of our other shareholders. In addition, this group has the power to prevent or cause a change in control.

WE ARE NOT A UNITED STATES CORPORATION, AND OUR SHAREHOLDERS MAY BE SUBJECT TO THE UNCERTAINTIES OF A FOREIGN LEGAL SYSTEM IN PROTECTING THEIR INTERESTS.

Our corporate affairs are governed by our second amended and restated articles of incorporation and by-laws and by the corporate laws of Panama. Thus, our public shareholders may have more difficulty in protecting their interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction.

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RISKS RELATING TO THE LYONS AND OUR COMMON STOCK

AN ACTIVE TRADING MARKET FOR THE LYONS MAY NOT DEVELOP.

The LYONS are a new issue of securities for which there is currently no

public market and no active trading market might ever develop. If the LYONS are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the price of our shares of common stock, our performance and other factors. In addition, we do not know whether an active trading market will develop for the LYONS. To the extent that an active trading market does not develop, the liquidity and trading prices for the LYONS may be harmed.

WE MAY NOT HAVE THE ABILITY TO RAISE THE FUNDS NECESSARY TO FINANCE THE CHANGE IN CONTROL REPURCHASE OPTION OR THE REPURCHASE AT THE OPTION OF THE HOLDER PROVISION IN THE LYONS.

Upon the occurrence of specific kinds of change in control events occurring on or before October 24, 2008, and on the 2006, 2008, 2011 and 2016 purchase dates, we may be required to repurchase all outstanding LYONS. However, it is possible that we will not have sufficient funds at such time to make the required repurchase of LYONS in cash or that restrictions in our debt instruments will not allow such repurchases. See "Description of LYONS--Purchase of LYONS by Us at the Option of the Holder" and "--Change in Control Permits Purchase of LYONS by Us at the Option of the Holder."

THE HOLDERS OF OUR COMMON STOCK MAY EXPERIENCE A DILUTION IN THE VALUE OF THEIR EQUITY INTEREST AS A RESULT OF THE ISSUANCE AND SALE OF ADDITIONAL SHARES OF OUR COMMON STOCK.

A substantial number of shares of our common stock were issued by us in private transactions not involving a public offering and are therefore treated as "restricted securities" for purposes of Rule 144 under the Securities Act or are held by our affiliates and, therefore, treated as "restricted securities" or "control securities." Some members of the Arison family and related entities beneficially own approximately 47% of our outstanding common stock. No predictions can be made as to the effect, if any, that the issuance and availability for future market sales of shares of our common stock will have on the market price of our common stock prevailing from time to time. Sales of substantial amounts of our common stock (including shares issued upon the exercise of stock options), or the perception that such sales could occur, could materially adversely affect the prevailing market price for our common stock and could impair our future ability to raise capital through an offering of equity securities.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. We have tried, wherever possible, to identify such statements by using words such as "anticipate," "assume," "believe," "expect," "intend," "plan" and words and terms of similar substance in connection with any discussion of future operating or financial performance. These forward-looking statements, including those which may impact the forecasting of our net revenue yields, involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following:

- general economic and business conditions which may impact levels of disposable income of consumers and the net revenue yields for our cruise products;
 - consumer demand for cruises;
 - effects on consumer demand of armed conflicts, political instability, terrorism, the availability of air service and adverse media publicity;
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- increases in cruise industry capacity;
 - cruise and other vacation industry competition;
 - continued availability of attractive port destinations;
 - changes in tax laws and regulations;
 - our ability to implement our shipbuilding program and to continue to expand our business outside the North American market;
 - our ability to attract and retain shipboard crew;
 - changes in foreign currency rates, security expenses, food, fuel, insurance and commodity prices and interest rates;

8.8x 9.0x
 6.4x 7.7x
 9.5x

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock is traded on the New York Stock Exchange under the symbol "CCL". The intra-day high and low of our common stock sales prices for the periods indicated were as follows:

HIGH	LOW	FISCAL 1999		First
Quarter.....				
	\$49.125	\$34.875	Second	
Quarter.....				
	\$53.500	\$38.500	Third	
Quarter.....				
	\$50.500	\$39.750	Fourth	
Quarter.....				
	\$51.875	\$38.125	FISCAL 2000	First
Quarter.....				
	\$51.250	\$27.250	Second	
Quarter.....				
	\$29.063	\$21.188	Third	
Quarter.....				
	\$27.500	\$18.313	Fourth	
Quarter.....				
	\$25.875	\$19.563	FISCAL 2001	First
Quarter.....				
	\$34.938	\$21.938	Second	
Quarter.....				
	\$33.400	\$23.600	Third	
Quarter.....				
	\$33.740	\$25.890	Fourth Quarter (through November	
			28, 2001).....	\$31.450 \$16.950

As of November 28, 2001, there were approximately 4,594 holders of record of our common stock.

We declared cash dividends on all of our common stock in the amount of \$.09 per share in each of the first three quarters of fiscal 1999 and \$.105 for each subsequent quarter through and including the fourth quarter of fiscal 2001. Payment of future dividends on the common stock will depend upon, among other factors, our earnings, financial condition and capital requirements. We may also declare special dividends to all shareholders in the event that members of the Arison family and certain related entities, as a result of any future income tax audit, are required to pay additional income taxes by reason of their ownership of our common stock.

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The Republic of Panama does not currently have tax treaties with any other country. Under current law, we believe that distributions to our shareholders, other than residents of Panama or other business entities conducting business in Panama, are not subject to taxation under the laws of the Republic of Panama. Dividends that we pay to United States citizens, residents, corporations and to foreign corporations doing business in the United States, to the extent treated as "effectively connected" income, will be taxable as ordinary income for United States federal income tax purposes to the extent of our current or accumulated earnings and profits, but generally will not qualify for any dividends-received deduction.

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

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SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data presented below for the fiscal years ended November 30, 2000, 1999, 1998, 1997 and 1996, and as of the end of each such fiscal year, are derived from our audited financial statements and should be read in conjunction with those financial statements and the related notes. The selected financial data presented below for the nine month periods ended August 31, 2001 and 2000, are derived from our unaudited financial statements and should be read in conjunction with those financial statements and related notes.

NINE MONTHS ENDED AUGUST 31,

YEARS ENDED NOVEMBER 30, ----

----- 2001
2000 2000 1999 1998 1997 1996

----- (IN
THOUSANDS, EXCEPT PER SHARE
DATA) INCOME STATEMENT AND
OTHER DATA (3):

Revenues.....					
	\$3,576,649	\$2,928,216			
	\$3,778,542	\$3,497,470			
	\$3,009,306	\$2,447,468			
\$2,212,572 Operating income before income from affiliated operations.....					
	816,218	778,756	945,130		
	943,941	819,792	660,979		
551,461 Operating income.....				772,194	
	774,395	982,958	1,019,699		
896,524 714,070 597,428 Net income.....					
	809,888 (4)	771,663	965,458		
	1,027,240	835,885	666,050		
566,302 Earnings per share (1):					
Basic.....					
\$ 1.39 \$ 1.28 \$ 1.61 \$ 1.68 \$					
1.40 \$ 1.12 \$ 0.98					
Diluted.....					
1.38 1.27 1.60 1.66 1.40 1.12					
0.96 Dividends declared per share					
(1).....					
0.315 0.315 0.420 0.375 0.315					
0.240 0.190 Capital expenditures.....					
	713,328	882,460	1,003,348		
	872,984	1,150,413	497,657		
901,905 Available lower berth days....	15,500	11,808	15,888		
	14,336	12,237	10,992	9,838	
Occupancy percentage (2).....		107.0%	106.1%		
	105.4%	104.3%	106.3%	108.3%	
		107.6%			

AS OF AUGUST 31, AS OF
NOVEMBER 30, -----

----- 2001 (3)
2000 2000 (3) 1999
1998 1997 1996 -----

---- (IN THOUSANDS)
BALANCE SHEET DATA:
Total

assets.....					
	\$11,275,806	\$8,592,170			
	\$9,831,320	\$8,286,355			
	\$7,179,323	\$5,426,775			
\$5,101,888 Long-term debt (excluding portion due within one year).....					
	2,478,482	1,475,831			
	2,099,077	867,515			
	1,563,014	1,015,294			
1,316,632 Total shareholders' equity... 6,546,416					
	5,769,186	5,870,617			

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- (1) All per share amounts have been adjusted as of such date to reflect a two-for-one stock split effective June 12, 1998.
 - (2) In accordance with cruise industry practice, occupancy percentage is calculated based upon two passengers per cabin even though some cabins can accommodate three or four passengers. The percentages in excess of 100% indicate that more than two passengers occupied some cabins.
 - (3) Since June 1997, we owned 50% of Costa. On September 29, 2000, we completed the acquisition of the remaining 50% interest in Costa. We accounted for this transaction using the purchase accounting method. Prior to the fiscal 2000 acquisition, we accounted for our 50% interest in Costa using the equity method. Commencing in fiscal 2001, Costa's results of operations have been consolidated on a current month basis in the same manner as our other wholly-owned subsidiaries. Our November 30, 2000 and August 31, 2001 consolidated balance sheets include Costa's balance sheet. See Note 3 to our financial statements for the year ended November 30, 2000, which are incorporated by reference in this prospectus.
 - (4) Our net income for the nine months ended August 31, 2001 includes an impairment loss of approximately \$101 million and a nonoperating net gain of approximately \$100 million from the sale of our investment in Airtours plc. See Notes 8 and 9 to our financial statements for the nine months ended August 31, 2001, which are incorporated by reference in this prospectus.

CAPITALIZATION

The following table sets forth our capitalization as of August 31, 2001 and as adjusted as of such date to give effect to the LYONS and the application of the gross proceeds of that offering. See "Use of Proceeds."

AS OF AUGUST 31, 2001 -----		
ACTUAL AS ADJUSTED -----	(in	
	thousands, except per share data)	
Long-term debt (1): LYONS		
net of discount.....	\$ --	
\$ 500,000 2% convertible senior debentures due		
2021.....	600,000	600,000
Unsecured debentures and notes, bearing interest at rates ranging		
from 6.15% to 7.7%, due through 2028.....	848,749	848,749
848,749 Euro note, secured by one ship, bearing interest at		
euribor plus 0.5% (4.8% at August 31, 2001), due through		
2008.....	128,554	128,554
Unsecured euro notes, bearing		
interest at rates ranging from euribor plus 0.19% to		
euribor plus 1.0% (4.7% to 5.4% at August 31, 2001), due		
2001, 2005 and 2006 (2).....	780,743	621,039
Unsecured euro notes, bearing interest at 5.57%, due in		
2006.....		
	272,074	272,074
Other.....		
30,210 30,210 -----	Total long-term	
debt.....	2,660,330	
3,000,626 Less portion due within one		
year.....	(181,848)	(22,144)
-----	Total long-term debt (excluding portion due	
within one		
year).....		
2,478,482 2,978,482 -----	Shareholders'	
equity: Common stock; \$.01 par value; 960,000 shares		
authorized; 620,006 shares		
issued.....	6,200	6,200
Additional paid-in		
capital.....	1,805,050	1,805,050
1,805,050 Retained		
earnings.....		
5,501,532 5,501,532 Unearned stock		
compensation.....	(13,590)	(13,590)
(13,590) Accumulated other comprehensive		
loss.....	(25,139)	(25,139)
Treasury		
stock; 33,848 shares at cost.....		
(727,637) (727,637) -----	Total	
shareholders' equity.....		
6,546,416 6,546,416 -----	Total	
capitalization (excluding portion of long-term debt due		

within one year)..... \$
 9,024,898 \$ 9,524,898 =====

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- (1) All borrowings are in U.S. dollars unless otherwise noted. Euro denominated notes have been translated to U.S. dollars at August 31, 2001 exchange rate.
 - (2) In May 2001, we entered into a five-year \$235 million unsecured euro denominated revolving credit facility, of which \$207 million was available at August 31, 2001. We intend to refinance a \$70 million unsecured euro note, due in 2001, with proceeds from this revolver and, accordingly, have classified this \$70 million of outstanding debt as long-term at August 31, 2001.

USE OF PROCEEDS

The selling securityholders will receive all of the proceeds from the sale of the securities sold under this prospectus. We will not receive any of the proceeds from sales by the selling securityholders of the offered securities.

SELLING SECURITYHOLDERS

The following table provides, as of November 28, 2001, the name of each selling securityholder, the principal amount at maturity of the LYONS held by such selling securityholder, the number of shares of common stock owned by such securityholder prior to its purchase of the LYONS and the common stock issuable upon conversion of the LYONS (based upon the initial conversion price). This information has been obtained from the selling securityholders. Selling securityholders representing an amount of up to an additional \$817,138,000 aggregate principal amount at maturity of the LYONS will be added to the table prior to or after the effectiveness of the registration statement of which this prospectus is a part.

(2) PRINCIPAL AMOUNT AT MATURITY OF (3)	(4)	(5) LYONS PERCENT OF COMMON STOCK COMMON STOCK (1) BENEFICIALLY TOTAL ISSUABLE UPON OWNED PRIOR TO SELLING OWNED AND OUTSTANDING CONVERSION OF CONVERSION OF SECURITYHOLDER OFFERED LYONS THE LYONS LYONS*	-	-----

BNP Paribas Equity Strategies SNC.....	\$ 5,500,000	0.52%	91,281	
241,406 First Union Securities, Inc.....	39,400,000	3.75%	653,908	0
Global Bermuda Limited Partnership.....	3,300,000	0.31%	54,769	-- HBK
Master Fund L.P.....	9,000,000	0.86%	149,370	7,200
Highbridge International LLC.....	26,500,000	2.52%	439,811	-- J.P. Morgan Securities Inc.....
2,050,000	0.20%	34,023	187,218	
Lakeshore International, Ltd.....	13,200,000	1.26%	219,076	-- MLQA Convertible Securities Arbitrage Ltd.....
52,500,000	4.99%	871,325	--	Shepherd Investments International, Ltd.....
58,087,000	5.53%	964,050	--	St. Albans Partners Ltd.....
10,000,000	1.00%	165,966	--	Triborough Partners QP, LLC.....
2,500,000	0.24%	41,491	--	Yield Strategies

* Assuming the sale of all LYONS and common stock issuable upon conversion of the LYONS, selling securityholders will not hold any LYONS and will hold the number of our common stock set forth in column (5) "Common Stock Owned Prior to Conversion of LYONS". At that time, no selling securityholder will hold more than 1% of our outstanding common stock.

Except as described below, none of the selling securityholders listed above has, or within the past three years had, any position, office or any material relationship with us or any of our affiliates. Because the selling securityholders may offer all or some portion of the above-referenced securities under this prospectus or otherwise, no estimate can be given as to the amount of percentage that will be held by the selling securityholders upon termination of any sale. In addition, the selling securityholders identified above may have sold, transferred or otherwise disposed of all or a portion of such securities since October 24, 2001, in transactions exempt from the registration requirements of the Securities Act.

Generally, only selling securityholders identified in the foregoing table who beneficially own the securities set forth opposite their respective names in columns (2) and (5) may sell offered securities under the registration statement of which this prospectus forms a part. We may from time to time include additional selling securityholders in supplements to this prospectus.

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PLAN OF DISTRIBUTION

The LYONS and underlying common stock, which we will refer to as offered securities, are being registered to permit the resale of such securities by the holders of them from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling securityholders of the LYONS and common stock. We will bear the fees and expenses incurred in connection with our obligation to register the LYONS and underlying common stock. These fees and expenses include registration and filing fees, printing and duplication expenses, fee and disbursement of our counsel. However, the selling securityholders will pay all underwriting discounts and selling commissions, if any, and their own legal expenses.

The selling securityholders may sell the LYONS and common stock from time to time, at market prices prevailing at the time of sale, at prices related to market prices, at fixed prices, prices subject to change or at negotiated prices, by a variety of methods including the following:

- in market transactions;
- in privately negotiated transactions;
- through broker-dealers, which may act as agents or principals;
- in a block trade in which a broker-dealer will attempt to sell a block of securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- if we agree to it prior to the distribution, through one or more underwriters on a firm commitment or best-efforts basis;
- directly to one or more purchasers;
- through agents;
- in any combination of the above; or
- by any other legally available means.

In effecting sales, brokers or dealers engaged by the selling securityholders may arrange for other brokers or dealers to participate. Broker-dealer transactions may include:

- purchases of the LYONS and common stock by a broker-dealer as principal and resales of them by the broker-dealer for its account pursuant to this prospectus;
- ordinary brokerage transactions; or
- transactions in which the broker-dealer solicits purchasers.

- If a material arrangement with any underwriter, broker, dealer or other agent is entered into for the sale of any LYONS and common stock through a secondary distribution or a purchase by a broker or dealer, or if other material changes are made in the plan of distribution of the LYONS and common stock, a prospectus supplement will be filed, if necessary, under the Securities Act disclosing the material terms and conditions of such arrangement. The underwriter or underwriters with respect to an underwritten offering of LYONS and common stock and the other material terms and conditions of the underwriting will be set forth in a prospectus supplement relating to such offering and, if an underwriting syndicate is used, the managing underwriter or underwriters will be set forth on the cover of the prospectus supplement. In connection with the sale of LYONS and common stock, underwriters will receive compensation in the form of underwriting discounts or commissions and may also receive commissions from purchasers of LYONS and underlying common stock for whom they may act as agent. Underwriters may sell to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agent.

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In addition, any securities covered by this prospectus which can be sold under Rule 144 under the Securities Act may be sold under Rule 144 rather than in a registered offering contemplated by this prospectus.

The selling securityholders and any underwriters, broker-dealers or agents participating in the distribution of the securities may be deemed to be "underwriters" within the meaning of the Securities Act, and any profit on the sale of the LYONS and/or common stock by the selling securityholders and any commissions received by any such underwriters, broker-dealers or agents may be deemed to be underwriting commissions under the Securities Act.

The selling securityholders and any other person participating in the distribution will be subject to applicable provisions of the Exchange Act and the rules and regulations under the Exchange Act, including without limitation, Regulation M, which may limit the timing of purchases and sales of any of the LYONS and common stock by the selling securityholders and any other relevant person. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of the LYONS and common stock to engage in market-making activities with respect to the particular LYONS and common stock being distributed. All of the above may affect the marketability of the LYONS and common stock and the ability of any person or entity to engage in market-making activities with respect to the LYONS and common stock.

Under the securities laws of certain states, the LYONS and underlying common stock may be sold in those states only through registered or licensed brokers or dealers. In addition, in certain states the LYONS and common stock may not be sold unless the LYONS and common stock have been registered or qualified for sale in the state or an exemption from registration or qualification is available and is complied with.

We have agreed to indemnify the selling securityholders against certain civil liabilities, including certain liabilities arising under the Securities Act, and the selling securityholders will be entitled to contribution from us in connection with those liabilities. The selling securityholders will indemnify us against certain civil liabilities, including liabilities arising under the Securities Act, and will be entitled to contribution from the selling securityholders in connection with those liabilities.

We are permitted to suspend the use of this prospectus under certain circumstances relating to pending corporate developments, public filings with the SEC and similar events for a period not to exceed 60 days in any three-month period and not to exceed an aggregate of 90 days in any 12-month period. However, if the duration of such suspension exceeds any of the periods above-mentioned, we have agreed to pay liquidated damages. Please refer to the section entitled "Description of LYONS--Registration Rights."

The outstanding common stock is listed for trading on the New York Stock Exchange under the symbol "CCL." We do not intend to apply for listing of the LYONS on any securities exchange or for quotation through the National Association of Securities Dealers Automated Quotation System. Accordingly, we cannot assure you about the development of liquidity or any trading market for the LYONS. Please refer to the section entitled "Risk Factors."

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DESCRIPTION OF LYONS

We have issued the LYONS pursuant to the indenture dated as of April 25,

2001, between us and US Bank Trust National Association, as trustee, as supplemented by a second supplemental indenture dated October 24, 2001, governing the LYONS. We refer to the indenture, as so supplemented, as the "indenture."

The following summary does not purport to be complete, and is subject to, and is qualified in its entirety by reference to, all of the provisions of the LYONS and the indenture. We urge you to read the indenture and the form of the LYONS, which you may obtain from us upon request. As used in this description, all references to "our company," "we," "us" or "our" mean Carnival Corporation, excluding, unless otherwise expressly stated or the context otherwise requires, its subsidiaries.

GENERAL

The LYONS were limited to \$1,051,175,000 aggregate principal amount at maturity. The LYONS mature on October 24, 2021. The principal amount at maturity of each LYON is \$1,000. The LYONS will be payable at the office of the paying agent, which initially will be an office or agency of the trustee, or an office or agency maintained by us for such purpose, in the Borough of Manhattan, The City of New York.

The LYONS were offered at a substantial discount from their principal amount at maturity. We do not make periodic payments of interest on the LYONS. Each LYON was issued at an issue price of \$475.66 per LYON. However, the LYONS accrue original issue discount while they remain outstanding. Original issue discount is the difference between the issue price and the principal amount at maturity of a LYON. Original issue discount is calculated on a semi-annual bond equivalent basis at the yield to maturity of the LYONS, using a 360-day year comprised of twelve 30-day months. The issue date for the LYONS and the commencement date for the accrual of original issue discount is October 24, 2001.

Maturity, conversion, purchase by us at the option of a holder or redemption of a LYON at our option will cause original issue discount to cease to accrue on such LYON. We may not reissue a LYON that has matured or been converted, purchased by us at your option, redeemed or otherwise cancelled, except for registration of transfer, exchange or replacement of such LYON.

LYONS may be presented for conversion at the office of the conversion agent, and for exchange or registration of transfer at the office of the registrar, each such agent initially being the trustee. We do not charge a service fee for any registration of transfer or exchange of the LYONS.

RANKING OF LYONS

The LYONS are unsecured and unsubordinated obligations. The LYONS rank equal in right of payment to all of our existing and future unsecured and unsubordinated indebtedness. However, the LYONS are effectively subordinated to all existing and future obligations of our subsidiaries.

As of August 31, 2001, we had approximately \$2.66 billion of total indebtedness outstanding, which included approximately \$1.21 billion of indebtedness of our consolidated subsidiaries. See "Capitalization."

CONVERSION RIGHTS

Holder may surrender LYONS for conversion into shares of our common stock only if at least one of the conditions described below is satisfied. The initial conversion rate is 16.5964 shares of common stock per \$1,000 principal amount at maturity of LYONS, subject to adjustment upon the occurrence of certain events described below. A holder of a LYON otherwise entitled to a fractional share will receive cash in an amount equal to the value of such fractional share based on the sale price, as defined below,

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on the trading day immediately preceding the conversion date. Upon a conversion, we will have the right to deliver cash or a combination of cash and common stock, as described below.

CONVERSION RIGHTS BASED ON COMMON STOCK PRICE. Commencing after February 28, 2002, holders may surrender LYONS for conversion into shares of our common stock in any fiscal quarter (and only during such fiscal quarter), if the closing sale price of our common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is more than 110% of the accreted conversion price per share of common stock on the last day of such preceding fiscal quarter (the "conversion trigger price"). Our fiscal quarters end on the last day of February, May, August and November. The "accreted conversion price" per share as of any day will equal the sum of the issue price of a LYON plus the accrued original issue

discount to that day, with that sum divided by the number of shares of common stock issuable upon a conversion of a LYON.

"Trading Day" means a day during which trading in securities generally occurs on the New York Stock Exchange or, if the common stock is not listed on the New York Stock Exchange, on the principal other national or regional securities exchange on which the common stock is then listed or, if the common stock is not listed on a national or regional securities exchange, on the National Association of Securities Dealers Automated Quotation System or, if the common stock is not quoted on the National Association of Securities Dealers Automated Quotation System, on the principal other market on which the common stock is then traded.

The table below shows the conversion trigger price per share of our common stock for each of the first 20 fiscal quarters. These prices reflect the accreted conversion price per share of common stock multiplied by 110%. The conversion trigger price for the fourth fiscal quarter of 2021 beginning September 1 is \$65.92, assuming no adjustment to the conversion rate.

(2) PRICE FISCAL QUARTER*	(1) CONVERSION PRICE	(1) ACCRETED PRICE (1) X 110%	TRIGGER	CONVERSION
-----	-----	-----	-----	-----
			2002	Second
Quarter.....	\$29.04	\$31.94	Third	
Quarter.....	29.31	32.24	Fourth	
Quarter.....	29.58	32.54	2003	First
Quarter.....	29.86	32.85	Second	
Quarter.....	30.14	33.15	Third	
Quarter.....	30.42	33.46	Fourth	
Quarter.....	30.70	33.77	2004	First
Quarter.....	30.99	34.09	Second	
Quarter.....	31.28	34.41	Third	
Quarter.....	31.57	34.73	Fourth	
Quarter.....	31.87	35.05	2005	First
Quarter.....	32.16	35.38	Second	
Quarter.....	32.46	35.71	Third	
Quarter.....	32.77	36.04	Fourth	
Quarter.....	33.07	36.38		

(2) PRICE FISCAL QUARTER*	(1) CONVERSION PRICE	(1) ACCRETED PRICE (1) X 110%	TRIGGER	CONVERSION
-----	-----	-----	-----	-----
			2006	First
Quarter.....	33.38	36.72	Second	
Quarter.....	33.69	37.06	Third	
Quarter.....	34.01	37.41	Fourth	
Quarter.....	34.32	37.76	2007	First
Quarter.....	34.64	38.11		

* This table assumes no events have occurred that would require an adjustment to the conversion rate. Our fiscal quarters end on the last days of February, May, August and November.

CONVERSION RIGHTS UPON NOTICE OF REDEMPTION. A holder may surrender for conversion a LYON called for redemption at any time prior to the close of business on the redemption date, even if it is not otherwise convertible at such

time. A LYON for which a holder has delivered a purchase notice or a change in control purchase notice as described below requiring us to purchase the LYON may be surrendered for conversion only if such notice is withdrawn in accordance with the indenture.

CONVERSION RIGHTS UPON OCCURRENCE OF CERTAIN CORPORATE TRANSACTIONS. If we are party to a consolidation, merger or binding share exchange pursuant to which our shares of common stock would be converted into cash, securities or other property, the LYONS may be surrendered for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual date of such transaction and, at the effective time, the right to convert LYONS into shares of common stock will be changed into a right to convert it into the kind and amount of cash, securities or other property of our company or another person which the holder would have received if the holder had converted the holder's LYONS immediately prior to the transaction. If such transaction also constitutes a change in control, the holder will be able to require us to purchase all or a portion of such holder's LYONS as described under "--Change in Control Permits Purchase of LYONS by Us at the Option of the Holder."

In the event we elect to make a distribution described in the third or fourth bullet of the paragraph under the caption, "--Conversion Rights--Conversion Rate Adjustment" below describing adjustments to the conversion rate which, in the case of the fourth bullet, has a per share value equal to more than 7.5% of the sale price of our shares of common stock on the day preceding the declaration date for such distribution, we will be required to give notice to the holders of the LYONS at least 20 days prior to the ex-dividend date for such distribution and, upon the giving of such notice, the LYONS may be surrendered for conversion at any time until the close of business on the business day prior to the ex-dividend date or until we announce that such distribution will not take place.

Notwithstanding anything to the contrary, no LYONS may be surrendered for conversion pursuant to the first paragraph under this caption, and no corporate transaction requiring an adjustment to the conversion price will be deemed to have occurred by reason of the completion of a merger, consolidation or other transaction effected with one of our affiliates for the purpose of:

- changing our jurisdiction of organization; or
- effecting a corporate reorganization, including, without limitation, the implementation of a holding company structure.

DELIVERY OF COMMON STOCK. On conversion of a LYON, a holder will not receive any cash payment of interest representing accrued original issue discount. Our delivery to the holder of the full number

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of shares of common stock into which the LYON is convertible, together with any cash payment for such holder's fractional shares, will be deemed:

- to satisfy our obligation to pay the principal amount at maturity of the LYON; and
- to satisfy our obligation to pay accrued original issue discount attributable to the period from the issue date through the conversion date.

As a result, accrued original issue discount is deemed to be paid in full rather than cancelled, extinguished or forfeited.

A certificate for the number of full shares of common stock into which any LYONS are converted, together with any cash payment for fractional shares, will be delivered through the conversion agent as soon as practicable following the conversion date. For a discussion of the tax treatment of a holder receiving shares of common stock upon conversion, see "Certain Panamanian and United States Federal Income Tax Considerations."

In lieu of delivery of shares of our common stock upon notice of conversion of any LYONS (for all or any portion of the LYONS), we may elect to pay holders surrendering LYONS an amount in cash per LYON (or a portion of a LYON) equal to the average sale price of our common stock for the five consecutive trading days immediately following either (a) the date of our notice of our election to deliver cash as described below if we have not given notice of redemption, or (b) the conversion date, in the case of conversion following our notice of redemption specifying that we intend to deliver cash upon conversion, in either case multiplied by the conversion rate in effect on that date. We will inform the holders through the trustee no later than two business days following the conversion date of our election to deliver shares of our common stock or to pay cash in lieu of delivery of the shares, unless we have already informed holders

of our election in connection with our optional redemption of the LYONs as described under "--Redemption of LYONs at Our Option." If we elect to deliver all of such payment in shares of our common stock, the shares will be delivered through the conversion agent no later than the fifth business day following the conversion date. If we elect to pay all or a portion of such payment in cash, the payment, including any delivery of our common stock, will be made to holders surrendering LYONs no later than the tenth business day following the applicable conversion date. If an event of default, as described under "--Events of Default; Waiver and Notice" below (other than a default in a cash payment upon conversion of the LYONs), has occurred and is continuing, we may not pay cash upon conversion of any LYONs or portion of a LYON (other than cash for fractional shares).

To convert a LYON into shares of common stock, a holder must:

- complete and manually sign the conversion notice on the back of the LYON or complete and manually sign a facsimile of the conversion notice and deliver the conversion notice to the conversion agent;
- surrender the LYON to the conversion agent;
- if required by the conversion agent, furnish appropriate endorsements and transfer documents; and
- if required, pay all transfer or similar taxes.

Pursuant to the indenture, the date on which all of the foregoing requirements have been satisfied is the conversion date.

CONVERSION RATE ADJUSTMENT. The conversion rate will be adjusted for:

- dividends or distributions on our shares of common stock payable in shares of common stock or other capital stock of our company;
- subdivisions, combinations or certain reclassifications of shares of our common stock;

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- distributions to all holders of shares of common stock of certain rights to purchase shares of common stock for a period expiring within 60 days at less than the sale price at the time; and
- distributions to all holders of our shares of common stock of our assets (including shares of capital stock, of or similar equity interests in, a subsidiary or other business unit of ours) or debt securities or certain rights to purchase our securities (excluding cash dividends or other cash distributions from current or retained earnings other than, with respect to any consecutive 12-month period, the amount, if any, by which the aggregate amount of all cash dividends on the common stock occurring during such 12-month period exceeds on a per share basis 7.5% of the sale price of the shares of common stock on the day preceding the date of declaration of such dividend or other distribution).

In the event that we pay a dividend or make a distribution on shares of our common stock consisting of capital stock of, or similar equity interests in, a subsidiary or other business unit of ours, the conversion rate will be adjusted based on the market value of the securities so distributed relative to the market value of our common stock, in each case based on the average sale prices of those securities for the 10 trading days commencing on and including the fifth trading day after the date on which "ex-dividend trading" commences for such dividend or distribution on the New York Stock Exchange or such other national or regional exchange or market on which the securities are then listed or quoted.

No adjustment to the conversion rate or the ability of a holder of a LYON to convert will be made if we provide that holders of LYONs will participate in the transaction without conversion or in certain other cases.

The indenture permits us to increase the conversion rate from time to time.

In the event of:

- a taxable distribution to holders of shares of common stock which results in an adjustment of the conversion rate; or
- an increase in the conversion rate at our discretion,

the holders of the LYONs may, in certain circumstances, be deemed to have received a distribution subject to federal income tax as a dividend. See

"Certain Panamanian and United States Federal Income Tax Considerations."

Upon determination that LYON holders are or will be entitled to convert their LYONS into shares of common stock in accordance with the foregoing provisions, we will issue a press release and publish such information on our website on the World Wide Web.

REDEMPTION OF LYONS AT OUR OPTION

Prior to October 24, 2008, the LYONS will not be redeemable at our option. Beginning on October 24, 2008, we may redeem the LYONS at any time as a whole, or from time to time in part. We will give not less than 30 days nor more than 60 days notice of redemption by mail to holders of the LYONS. The notice of redemption will inform the holders of our election to deliver shares of our common stock or to pay cash or a combination of cash and common stock.

The table below shows the redemption prices of a LYON on October 24, 2008, at each October 24 thereafter prior to maturity and at stated maturity on October 24, 2021. The redemption price equals the original issue price plus accrued original issue discount to the redemption date. The redemption price of a LYON redeemed between such dates would include an additional amount reflecting the additional original issue discount accrued since the immediately preceding date in the table.

(1) LYON	(2) ISSUE PRICE	(3) ISSUE DISCOUNT	ACCRUED ORIGINAL REDEMPTION PRICE	REDEMPTION DATE
October 24,				
2008	\$475.66	\$141.28	\$ 616.94	October 24,
2009	475.66	164.63	640.29	October 24,
2010	475.66	188.87	664.53	October 24,
2011	475.66	214.02	689.68	October 24,
2012	475.66	240.13	715.79	October 24,
2013	475.66	267.22	742.88	October 24,
2014	475.66	295.34	771.00	October 24,
2015	475.66	324.52	800.18	October 24,
2016	475.66	354.81	830.47	October 24,
2017	475.66	386.24	861.90	October 24,
2018	475.66	418.87	894.53	October 24,
2019	475.66	452.73	928.39	October 24,
2020	475.66	487.87	963.53	At stated
maturity	475.66	524.34	1,000.00	

If we decide to redeem fewer than all of the outstanding LYONS, the trustee will select the LYONS to be redeemed in principal amounts at maturity of \$1,000 or integral multiples of \$1,000. In this case, the trustee may select the LYONS by lot, pro rata, or by another method the trustee considers fair and appropriate.

If the trustee selects a portion of your LYONS for partial redemption and you convert a portion of your LYONS, the converted portion will be deemed to be the portion selected for redemption.

PURCHASE OF LYONS BY US AT THE OPTION OF THE HOLDER

You have the right to require us to purchase your LYONS on any October 24 occurring in the years 2006, 2008, 2011 and 2016. We will be required to purchase any outstanding LYON for which a written purchase notice has been properly delivered by the holder to the paying agent and not withdrawn, subject to certain additional conditions. We may also add additional dates on which you may require us to purchase all or a portion of your LYONS. However, we cannot assure you that we will add any purchase dates. You may submit your LYONS for

purchase to the paying agent at any time from the opening of business on the date that is 20 business days prior to the purchase date until the close of business on the purchase date. Also, our ability to satisfy our purchase obligations may be affected by the factors described in "Risk Factors" under the heading "We may not have the ability to raise the funds necessary to finance the change in control repurchase option or the repurchase at the option of the holder provision in the LYONs."

The purchase price of a LYON will be:

- \$572.76 per LYON on October 24, 2006;
- \$616.94 per LYON on October 24, 2008;
- \$689.68 per LYON on October 24, 2011; and
- \$830.47 per LYON on October 24, 2016.

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The purchase prices shown above are equal to the issue price plus accrued original discount to the purchase date. We may, at our option, elect to pay the purchase price in cash or shares of common stock, or any combination thereof. For a discussion of the tax treatment of a holder receiving cash, shares of common stock or any combination thereof, see "Certain Panamanian and United States Federal Income Tax Considerations."

We will be required to give notice on a date not less than 20 business days prior to the purchase date to all holders at their addresses shown in the register of the registrar, and to beneficial owners as required by applicable law, stating among other things:

- whether we will pay the purchase price of the LYONs in cash or shares of common stock or any combination thereof, and specifying the percentages of each;
- if we elect to pay in shares of common stock, the method of calculating the market price of the common stock; and
- the procedures that holders must follow to require us to purchase their LYONs.

Your purchase notice electing to require us to purchase your LYONs must state:

- if certificated LYONs have been issued, the LYONs certificate numbers, or if not, such information as may be required under appropriate DTC procedures;
- the portion of the principal amount of LYONs to be purchased, in integral multiples of \$1,000 principal amount at maturity;
- that we are to purchase the LYONs pursuant to the applicable provisions of the LYONs and the indenture; and
- in the event we elect, pursuant to the notice that we are required to give, to pay the purchase price in shares of common stock, in whole or in part, but the purchase price is ultimately to be paid to you entirely in cash because any of the conditions to payment of the purchase price or portion of the purchase price in shares of common stock is not satisfied prior to the close of business on the purchase date, as described below, whether you elect:
 1. to withdraw the purchase notice as to some or all of the LYONs to which it relates; or
 2. to receive cash in respect of the entire purchase price for all LYONs or portions of the LYONs subject to such purchase notice.

If you fail to indicate your choice with respect to the election described in the final bullet point above, you will be deemed to have elected to receive cash in respect of the entire purchase price for all LYONs subject to the purchase notice in these circumstances. For a discussion of the tax treatment of a holder receiving cash instead of shares of common stock, see "Certain Panamanian and United States Federal Income Tax Considerations."

You may withdraw any purchase notice by a written notice of withdrawal delivered to the paying agent prior to the close of business on the purchase date. The notice of withdrawal must state:

- the principal amount at maturity of the withdrawn LYONs;

- if certificated LYONS have been issued, the certificate numbers of the withdrawn LYONS, or if not, such information as may be required under appropriate DTC procedures; and
- the principal amount at maturity, if any, of LYONS that remain subject to your purchase notice.

If we elect to pay the purchase price, in whole or in part, in shares of common stock, the number of shares to be delivered by us will be equal to the portion of the purchase price to be paid in shares of common stock divided by the market price of one share of common stock. We will pay cash based

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on the market price for all fractional shares in the event we elect to deliver shares of common stock in payment, in whole or in part, of the purchase price.

The "market price" means the average of the sale prices of the common stock for the five trading day period ending on the third business day (if the third business day prior to the purchase date is a trading day or, if not, then on the last trading day prior to the third business day) prior to the purchase date, appropriately adjusted to take into account the occurrence, during the period commencing on the first of such trading days during such five trading day period and ending on such purchase date, of certain events with respect to the common stock that would result in an adjustment of the conversion rate.

The "sale price" of the common stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date as reported in composite transactions for the principal United States securities exchange on which the common stock is traded or, if the common stock is not listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers Automated Quotation System or by the National Quotation Bureau Incorporated.

Because the market price of the common stock is determined prior to the purchase date, holders of LYONS exercising the purchase right bear the market risk with respect to the value of the common stock to be received from the date such market price is determined to the purchase date. We may pay the purchase price or any portion of the purchase price in shares of common stock only if the information necessary to calculate the market price is published in a daily newspaper of national circulation or is otherwise readily publicly available.

Upon determination of the actual number of shares of common stock to be issued for each \$1,000 principal amount at maturity of LYONS in accordance with the foregoing provisions, we will publish such information on our Web site on the World Wide Web or through such other public medium as we may use at that time.

Our right to purchase LYONS, in whole or in part, with shares of common stock is subject to our satisfying various conditions, including:

- the listing of such shares of common stock on the principal United States securities exchange on which the common stock is then listed or, if not so listed, on Nasdaq;
- the registration of the shares of common stock under the Securities Act and the Exchange Act, if required; and
- any necessary qualification or registration under applicable state securities law or the availability of an exemption from such qualification and registration.

If such conditions are not satisfied with respect to a holder prior to the close of business on the purchase date, we will pay the purchase price of the LYONS of the holder entirely in cash. See "Certain Panamanian and United States Federal Income Tax Considerations." We may not change the form or components or percentages of components of consideration to be paid for the LYONS once we have given the notice that we are required to give to holders of LYONS, except as described in the first sentence of this paragraph.

Our ability to purchase LYONS with cash may be limited by the terms of our then existing borrowing agreements. The indenture prohibits us from purchasing LYONS for cash in connection with your purchase right if any event of default under the indenture has occurred and is continuing, except a default in the payment of the purchase price with respect to the LYONS.

You must either effect book-entry transfer or deliver the LYONS to be purchased, together with necessary endorsements, to the office of the paying

receive payment of the purchase price. You will receive payment in cash on the later of the purchase date or the time of book-entry transfer or the delivery of your LYONS. If the paying agent holds money or securities sufficient to pay the purchase price of the LYON on the business day following the purchase date, then, immediately after the purchase date:

- your LYONS will cease to be outstanding;
- original issue discount will cease to accrue; and
- all other rights of the holder will terminate.

This will be the case whether or not book-entry transfer of your LYONS is made and whether or not your LYONS are delivered to the paying agent.

We will comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act that may be applicable at the time. We will file Schedule TO or any other schedule under the Exchange Act required in connection with any offer by us to purchase the LYONS at your option.

CHANGE IN CONTROL PERMITS PURCHASE OF LYONS BY US AT THE OPTION OF THE HOLDER

In the event of a change in control, which occurs on or before October 24, 2008, you will have the right, at your option, subject to the terms and conditions of the indenture, to require us to purchase for cash any or all of your LYONS in integral multiples of \$1,000 principal amount at maturity. We will purchase the LYONS at a price equal to 100% of the issue price of the LYONS to be purchased plus accrued original issue discount to, but excluding, the change in control purchase date.

We will be required to purchase the LYONS as of the date that is 35 business days after the occurrence of such change in control (a "change in control purchase date").

A change of control occurs in the following situations:

- any person or group, other than our subsidiaries, any of our or their employee benefit plans or permitted holders, after the first issuance of LYONS files a Schedule TO or a Schedule 13D (or any successors to those Schedules) stating that it has become and actually is the beneficial owner of our voting stock representing more than 50% of the total voting power of all of our classes of voting stock entitled to vote generally in the election of the members of our board of directors; or
- permitted holders file a Schedule TO or a Schedule 13D (or any successors to those Schedules) stating that they have become and actually are beneficial owners of our voting stock representing more than 80%, in the aggregate, of the voting power of all of our classes of voting stock entitled to vote generally in the election of the members of our board of directors; or
- we consolidate with or merge with or into another person (other than a subsidiary), we sell, convey, transfer or lease our properties and assets substantially as an entirety to any person (other than a subsidiary), or any person (other than a subsidiary) consolidates with or merges with or into our company, and our outstanding common stock is reclassified into, exchanged for or converted into the right to receive any other property or security, provided that none of these circumstances will be a change in control if the persons that beneficially own our voting stock immediately prior to a transaction beneficially own, in substantially the same proportion, shares with a majority of the total voting power of all outstanding voting securities of the surviving or transferee person that are entitled to vote generally in the election of that person's board of directors.

For purposes of this provision, a "permitted holder" means each of Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses, children or lineal descendants of Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses, any trust established for the

benefit of any Arison family member mentioned in this paragraph, or any "person" (as such term is used in Section 13(d) or 14(d) of the Exchange Act), directly or indirectly, controlling, controlled by or under common control with any Arison family member mentioned in this paragraph or any trust established for the benefit of any such Arison family member or any charitable trust or

non-profit entity established by a permitted holder.

Notwithstanding anything to the contrary, the completion of a merger, consolidation or other transaction effected with one of our affiliates for the purpose of:

- changing our jurisdiction of organization; or
- effecting a corporate reorganization, including, without limitation, the implementation of a holding company structure

shall not be deemed to be a "change of control."

Within 15 business days after the occurrence of a change in control, we are obligated to mail to the trustee and to all holders of LYONS at their addresses shown in the register of the registrar and to beneficial owners as required by applicable law a notice regarding the change in control, stating, among other things:

- the events causing a change in control;
- the date of such change in control;
- the last date on which the purchase right may be exercised;
- the change in control purchase price;
- the change in control purchase date;
- the name and address of the paying agent and the conversion agent;
- the conversion rate and any adjustments to the conversion rate;
- that LYONS with respect to which a change in control purchase notice is given by the holder may be converted only if the change in control purchase notice has been withdrawn in accordance with the terms of the LYONS and the indenture; and
- the procedures that holders must follow to exercise these rights.

To exercise this right, you must deliver a written notice to the paying agent prior to the close of business on the business day immediately before the change in control purchase date. The required purchase notice upon a change in control must state:

- if certificated LYONS have been issued, the LYON certificate numbers, or if not, must comply with appropriate DTC procedures;
- the portion of the principal amount of LYONS to be purchased, in integral multiples of \$1,000 principal amount at maturity; and
- that we are to purchase such LYONS pursuant to the applicable provisions of the LYONS and the indenture.

You may withdraw any change in control purchase notice by a written notice of withdrawal delivered to the paying agent prior to the close of business on the business day before the change in control purchase date. The notice of withdrawal must state:

- the principal amount at maturity of the withdrawn LYONS, in integral multiples of \$1,000 principal amount at maturity;

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- if certificated LYONS have been issued, the certificate numbers of the withdrawn LYONS, or if not, must comply with appropriate DTC procedures; and
- the principal amount at maturity, if any, of LYONS that remain subject to your change in control purchase notice.

A holder must either effect book-entry transfer or deliver the LYONS to be purchased, together with necessary endorsements, to the office of the paying agent after delivery of the change in control purchase notice to receive payment of the change in control purchase price. You will receive payment in cash on the change in control purchase date or the time of book-entry transfer or the delivery of your LYONS. If the paying agent holds money or securities sufficient to pay the change in control purchase price of your LYONS on the business day following the change in control purchase date, then, immediately after the change in control purchase date:

- your LYONS will cease to be outstanding;
- original issue discount will cease to accrue; and
- all other rights of the holder will terminate.

This will be the case whether or not book-entry transfer of your LYONS is made or whether or not your LYONS is delivered to the paying agent.

We will comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act that may be applicable at the time. We will file Schedule TO or any other schedule under the Exchange Act required in connection with any offer by us to purchase the LYONS at your option.

The change in control purchase feature of the LYONS may in certain circumstances make more difficult or discourage a takeover of us. The change in control purchase feature, however, is not the result of our knowledge of any specific effort:

- to accumulate shares of common stock;
- to obtain control of us by means of a merger, tender offer, solicitation or otherwise; or
- by management to adopt a series of anti-takeover provisions.

Instead, the terms of the change in control purchase feature resulted from negotiations between Merrill Lynch and us.

We could, in the future, enter into certain transactions, including certain recapitalizations, that would not constitute a change in control with respect to the change in control purchase feature of the LYONS but that would increase the amount of our (or our subsidiaries') outstanding indebtedness.

No LYONS may be purchased by us at the option of holders upon a change in control if there has occurred and is continuing an event of default with respect to the LYONS, other than a default in the payment of the change in control purchase price with respect to the LYONS.

For purposes of defining a change of control:

- the term "person" and the term "group" have the meanings given by Sections 13(d) and 14(d) of the Exchange Act or any successor provisions;
- the term "group" includes any group acting for the purpose of acquiring, holding or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act or any successor provision; and
- the term "beneficial owner" is determined in accordance with Rules 13d-3 and 13d-5 under the Exchange Act or any successor provision, except that a person will be deemed to have beneficial

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ownership of all shares that person has the right to acquire irrespective of whether that right is exercisable immediately or only after the passage of time.

CONSOLIDATION, MERGER, SALE OR CONVEYANCE

The indenture provides that we may not consolidate with or merge into any other entity or convey or transfer our properties and assets substantially as an entirety to any entity, unless:

- the successor or transferee entity is a corporation, limited liability company trust or partnership organized under the laws of the United States or any State of the United States or the District of Columbia or the Republic of Panama or any other country recognized by the United States and all political subdivisions of such countries;
- the successor or transferee entity, if other than us, expressly assumes by a supplemental indenture executed and delivered to the trustee, in form reasonably satisfactory to the trustee, the due and punctual payment of the principal of, any premium on and any interest or accrued original issue discount on, all the outstanding LYONS and the performance of every covenant in the indenture to be performed or observed by us and provides for conversion rights in accordance with applicable provisions of the indenture;
- immediately after giving effect to the transaction, no Event of Default, as defined in the indenture, and no event which, after notice or lapse of

time or both, would become an Event of Default, has happened and is continuing; and

- we have delivered to the trustee an officers' certificate and an opinion of counsel, each in the form required by the indenture and stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with the foregoing provisions relating to such transaction.

In case of any such consolidation, merger, conveyance or transfer, the successor entity will succeed to and be substituted for us as obligor on the LYONS, with the same effect as if it had been named in the indenture as our company.

EVENTS OF DEFAULT; WAIVER AND NOTICE

An event of default is defined in the indenture as:

(a) default for 30 days in payment of any Liquidated Damages under the registration rights agreement described below;

(b) default in payment of principal of or any premium on the LYONS at maturity, redemption price, purchase price or change in control purchase price, when the same becomes due and payable;

(c) default in the payment (after any applicable grace period) of any indebtedness for money borrowed by our company or a Subsidiary in excess of \$50 million in aggregate principal amount (excluding such indebtedness of any Subsidiary other than a Significant Subsidiary, all the indebtedness of which Subsidiary is nonrecourse to our company or any other Subsidiary) or default on such indebtedness that results in the acceleration of such indebtedness prior to its express maturity, if such indebtedness is not discharged, or such acceleration is not annulled, by the end of a period of 30 days after written notice to us by the trustee or to us and the trustee by the holders of at least 25% in principal amount at maturity of the outstanding LYONS;

(d) default by us in the performance of any other covenant contained in the indenture for the benefit of the LYONS that has not been remedied by the end of a period of 60 days after notice is given as specified in the indenture; and

(e) certain events of bankruptcy, insolvency and reorganization of our company or a Significant Subsidiary.

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When we refer to a "Significant Subsidiary," we mean any Subsidiary, the Net Worth of which represents more than 10% of the Consolidated Net Worth of our company and our Subsidiaries. The terms "Subsidiary," "Net Worth" and "Consolidated Net Worth" are defined in the indenture.

The indenture provides that:

- if an event of default described in clause (a), (b), (c) or (d) above has occurred and is continuing, either the trustee or the holders of not less than 25% in aggregate principal amount at maturity of the LYONS may declare the accreted principal amount (the original issue price of the LYONS plus accrued original issue discount thereon through the date of such declaration) of the LYONS then outstanding to be due and payable immediately;
- upon certain conditions such declarations may be annulled and past defaults (except for defaults in the payment of principal of, any premium on or interest on, the LYONS and in compliance with certain covenants) may be waived by the holders of a majority in aggregate principal amount at maturity of the LYONS then outstanding.
- if an event of default described in clause (e) occurs and is continuing, then the accreted principal amount of all LYONS issued under the indenture and then outstanding shall become and be due and payable immediately, without any declaration or other act by the trustee or any other holder.

In case of default in payment of the accreted principal amount of the LYONS, whether at the stated maturity or upon acceleration or redemption, from and after the maturity date, the LYONS will bear interest, payable upon demand of their beneficial owners, at the rate of 3.75% per year, to the extent that payment of any interest is legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the LYONS to the date payment of that amount has been made or duly provided for.

Under the indenture, the trustee must give to the holders of LYONS notice of all uncured defaults known to it with respect to the LYONS within 90 days after

such a default occurs (the term default to include the events specified above without notice or grace periods); provided that, except in the case of default in the payment of principal of, any premium on, any of the LYONS, the trustee will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interests of the holders of the LYONS.

No holder of any LYONS may institute any action under the indenture unless:

- such holder has given the trustee written notice of a continuing event of default with respect to the LYONS;
- the holders of not less than 25% in aggregate principal amount at maturity of the LYONS then outstanding have requested the trustee to institute proceedings in respect of such event of default;
- such holder or holders have offered the trustee such reasonable indemnity as the trustee may require;
- the trustee has failed to institute an action for 60 days thereafter; and
- no inconsistent direction has been given to the trustee during such 60-day period by the holders of a majority in aggregate principal amount at maturity of LYONS.

The holders of a majority in aggregate principal amount at maturity of the LYONS affected and then outstanding will have the right, subject to certain limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the LYONS. The indenture provides that, if an event of default occurs and is continuing, the trustee, in exercising its rights and powers under the indenture, will be

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required to use the degree of care of a prudent man in the conduct of his own affairs. The indenture further provides that the trustee shall not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the indenture unless it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is reasonably assured to it.

We must furnish to the trustee within 120 days after the end of each fiscal year a statement of our company signed by one of the officers of our company to the effect that a review of our activities during such year and of our performance under the indenture and the terms of the LYONS has been made, and, to the knowledge of the signatories based on such review, we have complied with all conditions and covenants of the indenture or, if we are in default, specifying such default.

For the purposes of determining whether the holders of the requisite principal amount at maturity of LYONS have taken any action herein described, the principal amount of LYONS will be deemed to be the portion of such principal amount that would be due and payable at the time of the taking of such action upon a declaration of acceleration of maturity thereof.

MODIFICATION OF THE INDENTURE

We and the trustee may, without the consent of the holders of the debt securities issued under the indenture, enter into supplemental indentures for, among others, one or more of the following purposes:

- to evidence the succession of another corporation to our company, and the assumption by such successor of our obligations under the indenture and the LYONS;
- to add covenants of our company, or surrender any rights of our company, or add any rights for the benefit of the holders of LYONS;
- to cure any ambiguity, omission, defect or inconsistency in such indenture;
- to establish the form or terms of any other series of debt securities, including any subordinated securities;
- to evidence and provide for the acceptance of any successor trustee with respect to the LYONS or one or more other series of debt securities or to facilitate the administration of the trusts thereunder by one or more trustees in accordance with such indenture; and
- to provide any additional events of default.

With certain exceptions, the indenture or the rights of the holders of the LYONS may be modified by us and the trustee with the consent of the holders of a majority in aggregate principal amount at maturity of the LYONS then outstanding, but no such modification may be made without the consent of the holder of each outstanding LYON affected thereby that would:

- change the maturity of any payment of principal of, or any premium on, any LYONS, or reduce the principal amount at maturity or the rate of accrual of original issue discount of any LYON, or change any place of payment where, or the coin or currency in which, any LYON or any premium is payable, or impair the right to institute suit for the enforcement of any such payment on or after the maturity thereof (or, in the case of redemption or repayment, on or after the redemption date or the repayment date, as the case may be) or adversely affect the conversion or repurchase provisions in the indenture;
- reduce the percentage in principal amount at maturity of the outstanding LYONS, the consent of whose holders is required for any such modification, or the consent of whose holders is required for any waiver of compliance with certain provisions of the indenture or certain defaults thereunder and their consequences provided for in the indenture; or

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- modify any of the provisions of certain sections of the indenture, including the provisions summarized in this paragraph, except to increase any such percentage or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding LYON affected thereby.

DISCHARGE OF THE INDENTURE

We may satisfy and discharge our obligations under the indenture by delivering to the trustee for cancellation all outstanding LYONS or by depositing with the trustee, the paying agent or the conversion agent, if applicable, after the LYONS have become due and payable, whether at stated maturity, or any redemption date, or any purchase date, or a change in control purchase date, or upon conversion or otherwise, cash or common stock (as applicable under the terms of the indenture) sufficient to pay all of the outstanding LYONS and paying all other sums payable under the indenture by our company.

OWNERSHIP LIMITATION ON LYONS

In order to permit us to retain our status as a publicly traded corporation under the proposed Treasury regulations to Section 883 of the Code, LYONS may not be transferred if the transfer would result in ownership by one person or group of related persons by virtue of the attribution provisions of the Code, other than certain members of the Arison family and certain trusts established for their benefit, of more than 4.9% of our common stock, whether measured by vote, value or number of shares. The calculation of a holder's stockholdings assumes the conversion of the LYONS and other convertible securities issued by us held by that person or group. See "Description of Capital Stock--Common Stock--Transfer Restrictions" for a discussion of the attribution provisions. If a person attempts to acquire LYONS in violation of the 4.9% ownership limitation, the putative transfer to that person would be void, and the intended transferee would acquire no rights to the LYONS. For purposes of this 4.9% limitation, a "transfer" will include any sale, transfer, gift, assignment, devise or other disposition, whether voluntary or involuntary, whether of record, constructively or beneficially, and whether by operation of law or otherwise.

If a prohibited transfer of LYONS results in the ownership of LYONS and shares of common stock by any shareholder in violation of the 4.9% limit or would cause us to be subject to United States federal shipping or aircraft income tax, those LYONS the ownership of which is in excess of the 4.9% limit or would cause us to be subject to United States federal shipping or aircraft income tax will automatically be designated as "excess LYONS."

Our board of directors may waive the 4.9% limit or transfer restrictions in any specific instance if evidence satisfactory to our board of directors and our tax counsel is presented that such ownership will not jeopardize our status as exempt from United States income taxation on gross income from the international operation of a ship or ships, within the meaning of Section 883 of the Code. The board of directors may also terminate the limit and transfer restrictions generally at any time for any reason.

Excess LYONS will be transferred to a trust. The trustee of the trust will be appointed by us and will be independent of us and the purported holder of the excess LYONS. The beneficiary of such trust will be one or more charitable organizations selected by the trustee of such trust. The trust will be deemed to

own the LYONS for the beneficiary of such trust on the day prior to the date of the putative violative transfer.

At the direction of our board of the directors, the trustee of such trust will transfer the excess LYONS held in trust to a person or persons (including us) whose ownership of such excess LYONS will not violate the 4.9% limit or otherwise cause us to become subject to United States shipping income tax within 180 days after the later of the transfer or other event that resulted in such excess LYONS or we become aware of such transfer or event. If such a transfer is made, the interest of the charitable beneficiary will terminate, the designation of such shares as excess LYONS will cease and the prohibited holder of the excess LYONS will receive the payment that reflects a price per LYON for such excess

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LYONS equal to the lesser of (i) the price received by the trustee of such trust for the sale or other disposition of the LYONS held in trust, and (ii) the price paid by the prohibited transferee for the LYONS, or, if the prohibited transferee did not give value for such LYONS, the market price of the LYONS on the date of the event that resulted in the excess LYONS. A prohibited transferee or holder of the excess LYONS will not be permitted to receive an amount that reflects any appreciation in the excess LYONS during the period that such excess LYONS were outstanding. Any amount received in excess of the amount permitted to be received by the prohibited transferee or holder of the excess LYONS must be turned over to the charitable beneficiary of the trust.

If the foregoing restrictions are determined to be void or invalid by virtue of any legal decision, statute, rule or regulation, then the intended transferee or holder of any excess LYONS may be deemed, at our option, to have acted as an agent on our behalf in acquiring or holding such excess LYONS and to hold such excess LYONS on our behalf.

We have the right to purchase any excess LYONS held by the trust for a period of 90 days from the later of (i) the date the transfer or other event resulting in excess LYONS has occurred and (ii) the date the board of directors determines in good faith that a transfer or other event resulting in excess LYONS has occurred. The price per excess LYON to be paid by us will be equal to the lesser of (i) the price per LYON paid in the transaction that created such excess LYONS (or, in the case of certain other events, the market price per LYON for the excess LYONS on the date of such event), or (ii) the lowest market price for the excess LYONS at any time after their designation as excess LYONS and prior to the date we accept such offer.

GOVERNING LAW

The indenture and the LYONS are governed by and construed in accordance with the laws of the State of New York.

BOOK-ENTRY SYSTEM

The LYONS that were sold to qualified institutional buyers are evidenced by global securities, which were deposited with, or on behalf of, DTC and registered in the name of Cede & Co. as DTC's nominee. Except as set forth below, the global securities may be transferred, in whole or in part, only to another DTC nominee or to a successor of DTC or its nominee.

After a sale of LYONS under this shelf registration statement, LYONS that were held as beneficial interests in the global securities with DTC will remain as beneficial interests in the global securities.

Persons may hold their interests in the global securities directly through DTC if they are participants in DTC, or indirectly through organizations that are participants in DTC. Transfers between participants will be effected in accordance with DTC rules and will be settled in clearing house funds.

Persons who are not DTC participants may own interests in the global securities only through DTC participants or certain banks, brokers, dealers, trust companies and other parties that clear through or maintain a custodial relationship with a DTC participant. So long as Cede & Co., as the nominee of DTC, is the registered owner of the global securities, we will consider Cede & Co. for all purposes to be the sole holder of the global securities. Except as provided in this section or as described in "Exchange of Beneficial Interests in the Global Securities for Certificated LYONS," owners of beneficial interests in the global securities will not have certificates registered in their names, will not receive physical delivery of certificates in definitive registered form, and will not be considered the holders of the LYONS.

We will pay interest on and the redemption price or repurchase price of the global securities to Cede & Co., as the registered owner, by wire transfer of immediately available funds on each interest payment, redemption or repurchase

date. We and the trustee have no responsibility or liability for any

aspect of the records relating to or payments made on account of beneficial ownership interests in the global securities.

DTC has informed us that its practice is to credit participants' accounts on the payment date with payments in amounts proportionate to their beneficial interests in the global securities, unless it has reason to believe that it will not receive payment. Only the DTC participants are responsible for payments to owners of beneficial interests held through them.

Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, a person having a beneficial interest in the principal amount at maturity represented by the global securities may be unable to pledge its interest to persons or entities that do not participate in the DTC system, due to the lack of a physical certificate evidencing its interest.

We are not responsible for the performance by DTC or its participants or indirect participants of their obligations. The trustee is also not responsible for such performance. DTC has advised us that it will take any action permitted to be taken by a holder of LYONS, only at the direction of one or more participants with an interest in a global security, and only with respect to the principal amount at maturity as to which the participants have given it a direction.

DTC has advised us that it is a limited purpose trust company organized under the laws of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered under the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes to the accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations such as the initial purchasers of the debentures. Certain participants (or their representatives), together with other entities, own DTC. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through, or maintain a custodial relationship with, a participant, either directly or indirectly.

Although DTC has agreed to the foregoing procedures to facilitate transfers of interests in global securities among participants, it has no obligation to perform or continue to perform these procedures. These procedures may be discontinued at any time.

EXCHANGE OF BENEFICIAL INTERESTS IN THE GLOBAL SECURITY FOR CERTIFICATED LYONS

A global security is exchangeable for definitive convertible LYONS in registered certificated form if DTC notifies us that it is unwilling or unable to continue as depository for the global security and we fail to appoint a successor depository within 90 days or if we, at any time and in our sole discretion, decide not to have the LYONS represented by global securities.

REGISTRATION RIGHTS

The summary herein of certain provisions of the registration rights agreement is subject to, and is qualified in its entirety by reference to, all the provisions of the registration rights agreement, which is incorporated by reference into the registration statement of which this prospectus forms a part. We entered into a registration rights agreement with Merrill Lynch pursuant to which we agreed to file with the SEC, at our expense and for the benefit of the holders, a shelf registration statement covering resale of the LYONS and the shares of common stock issuable upon conversion of the LYONS, as soon as practicable, but in any event within 90 days after the date of original issuance of the LYONS. We will use reasonable best efforts to cause the shelf registration statement to become effective as promptly as practicable but in any event within 180 days of such date of original issuance, and to keep the shelf registration statement effective until the earlier of (i) the transfer pursuant to Rule 144 under the Securities Act or the sale pursuant to the shelf registration statement of all the securities registered thereunder, (ii) the expiration of the holding period applicable to such securities held by persons that

are not affiliates of ours under Rule 144(k) under the Securities Act or any successor provision and (iii) the second anniversary of the effective date of

the registration statement, subject to certain permitted exceptions. We are permitted to suspend the use of this prospectus under certain circumstances relating to pending corporate developments, public filings with the SEC and similar events for a period not to exceed 60 days in any three-month period and not to exceed an aggregate of 90 days in any 12-month period. We agreed to pay predetermined liquidated damages as described herein ("Liquidated Damages") to holders of transfer restricted LYONs and holders of transfer restricted common stock issued upon conversion of the LYONs, if a shelf registration statement is not timely filed or made effective or if the prospectus is unavailable for the periods in excess of those permitted above. Such Liquidated Damages shall accrue until such failure to file or become effective or unavailability is cured, (i) in respect of any LYONs at a rate per year equal to 0.25% for the first 90 day period after the occurrence of such event and 0.50% thereafter of the applicable principal amount (as defined below) thereof and, (ii) in respect of any shares of common stock issued upon conversion, at a rate per year equal to 0.25% for the first 90 day period and 0.50% thereafter of the then applicable conversion price (as defined below). So long as the failure to file or become effective or unavailability continues, we will pay Liquidated Damages in cash on April 24 and October 24 of each year to the holder of record of the transfer restricted LYONs or shares of common stock on the immediately preceding April 10 or October 10. When such registration default is cured, accrued and unpaid Liquidated Damages will be paid in cash to the record holder as of the date of such cure.

A holder who sells LYONs or shares of common stock issued upon conversion of the LYONs pursuant to the shelf registration statement must complete and deliver to us a notice and questionnaire, at least 10 business days prior to any distribution of the securities so offered. A holder generally is required to be named as a selling securityholder in the prospectus or in any supplements to such prospectus, at the time of effectiveness, deliver a prospectus to purchasers and be bound by the provisions of the registration rights agreement that are applicable to such holder, including the indemnification provisions, and will be subject to certain civil liability provisions under the Securities Act. If the holder of offered securities is not a named selling securityholder in this prospectus at the time of effectiveness of the shelf registration statement, we will prepare and file, if required, as promptly as practicable after the receipt of such holder's questionnaire, amendments to the shelf registration statement and/or supplements to the prospectus as are necessary to permit such holder to deliver this prospectus, including any supplements, to purchasers of the offered securities, subject to our right to suspend the use of this prospectus as described above. We will pay all of our expenses relating to the shelf registration statement, provide copies of such prospectus to each holder that has notified us of its acquisition of LYONs or shares of common stock issued upon conversion of the LYONs, notify each such holder when the shelf registration statement has become effective and take certain other actions as are required to permit, subject to the foregoing, unrestricted resales of the LYONs and the shares of common stock issued upon conversion of the LYONs.

The term "applicable principal amount" means, as of any date of determination, with respect to each \$1,000 principal amount at maturity of LYONs, the sum of the initial issue price of such LYONs, \$475.66 per \$1,000 principal amount at maturity, plus accrued original issue discount with respect to such LYONs through such date of determination.

The term "applicable conversion price" means, as of any date of determination, the applicable principal amount of each LYON as of such date of determination divided by the conversion rate in effect as of such date of determination or, if no LYONs are then outstanding, the conversion rate that would be in effect were LYONs then outstanding.

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DESCRIPTION OF CAPITAL STOCK

GENERAL

Our authorized capital stock consists of 960,000,000 shares of common stock and 40,000,000 shares of preferred stock. On November 28, 2001, there were 586,171,547 shares of common stock and no shares of preferred stock outstanding. The following description is qualified in all respects by reference to our second amended and restated articles of incorporation.

COMMON STOCK

VOTING. Holders of common stock vote as a single class on all matters submitted to a vote of the shareholders, with each share of common stock entitled to one vote. In the annual election of directors, the holders of common stock are not entitled to vote cumulatively.

DIVIDENDS. The holders of the common stock are entitled to receive such dividends, if any, as may be declared by our board of directors in its discretion out of funds legally available to be paid as dividends. Panamanian

law permits the payment of dividends to the extent of our retained earnings.

TRANSFER RESTRICTIONS. On February 8, 2000, the United States Treasury Department issued proposed Treasury regulations to Section 883 of the Code relating to income derived by foreign corporations from the international operation of a ship or ships (which includes certain cruise ship and aircraft income). The proposed regulations provide, in general, that a foreign corporation organized in a qualified foreign country and engaged in the international operation of ships and aircraft shall exclude such income from gross income for purposes of federal income taxation provided that the corporation can satisfy certain ownership requirements, including, among other things, that its stock be publicly traded. A corporation's stock that is otherwise publicly traded will fail to satisfy this requirement if it is closely held, i.e., that 50% or more of its stock is owned by persons who each own 5% or more of the value of the outstanding shares of the corporation's stock.

To the best of our knowledge, after due investigation, we currently qualify as a publicly traded corporation under the proposed regulations. However, because certain members of the Arison family and certain trusts established for their benefit own approximately 47% of our common stock, there is the potential that another shareholder could acquire 5% or more of our common stock which could jeopardize our qualification as a publicly traded corporation. If we in the future were to fail to qualify as a publicly traded corporation, we would be subject to United States income tax on income associated with our cruise operations in the United States. As a precautionary matter, in 2000, we amended our articles of incorporation to ensure that we will continue to qualify as a publicly traded corporation under the proposed regulations.

Our articles have been amended to provide that no one person or group of related persons, other than certain members of the Arison family and certain trusts established for their benefit, may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 4.9% of our common stock, whether measured by vote, value or number. In addition, the articles generally restrict the transfer of any shares of our common stock if such transfer would cause us to be subject to United States shipping income tax. In general, the attribution rules under the Code applicable in determining whether a person is a 5% shareholder under the proposed regulations attribute stock:

- among specified members of the same family,
- to shareholders owning 50% or more of a corporation from that corporation,
- among corporations that are members of the same controlled group,
- among grantors, beneficiaries and fiduciaries of trusts, and
- to partners of a partnership from that partnership.

For purposes of this 4.9% limit, a "transfer" will include any sale, transfer, gift, assignment, devise or other disposition, whether voluntary or involuntary, whether of record, constructively or beneficially, and whether by operation of law or otherwise. The 4.9% limit will not apply to certain members of the

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Arison family and certain trusts established for their benefit. These shareholders will be permitted to transfer their shares of our common stock without complying with the limit so long as transfer does not cause us to be subject to United States income tax on shipping operations.

Our second amended and restated articles of incorporation provide that the board of directors may waive the 4.9% limit or transfer restrictions (in any specific instance) if evidence satisfactory to our board of directors and our tax counsel is presented that such ownership will not jeopardize our status as exempt from United States income taxation on gross income from the international operation of a ship or ships, within the meaning of Section 883 of the Code. The board of directors may also terminate the limit and transfer restrictions generally at any time for any reason.

If a purported transfer or other event (including owning shares of common stock in excess of the 4.9% limit on the effective date of the proposed amendment) results in the ownership of common stock by any shareholder in violation of the 4.9% limit (or causes us to be subject to United States income tax on shipping operations), such shares of common stock in excess of the 4.9% limit or which would cause us to be subject to United States shipping income tax will automatically be designated as "excess shares" to the extent necessary to ensure that the purported transfer or other event does not result in ownership of common stock in violation of the 4.9% limit (or causes us to become subject to United States income tax on shipping operations) and any proposed transfer that would result in such an event would be void. Any purported transferee or

other purported holder of excess shares will be required to give us written notice of a purported transfer or other event that would result in excess shares. The purported transferee or holders of such excess shares shall have no rights in such excess shares, other than a right to the payments described below.

Excess shares will not be treasury stock but rather will continue to be issued and outstanding shares of our common stock. While outstanding, excess shares will be transferred to a trust. The trustee of such trust will be appointed by us and will be independent of us and the purported holder of the excess shares. The beneficiary of such trust will be one or more charitable organizations selected by the trustee. The trustee will be entitled to vote the excess shares on behalf of the beneficiary. If, after the purported transfer or other event resulting in excess shares and prior to the discovery by us of such transfer or other event, dividends or distributions are paid with respect to such excess shares, such dividends or distributions will be repaid to the trustee upon demand for payment to the charitable beneficiary. All dividends received or other income declared by the trust will be paid to the charitable beneficiary. Upon our liquidation, dissolution or winding up, the purported transferee or other purported holder will receive a payment that reflects a price per share for such excess shares generally equal to the lesser of (i) in the case of excess shares resulting from a purported transfer, the price per share paid in the transaction that created such excess shares (or, in the case of certain other events, the market price per share for the excess shares on the date of such event), or (ii) in the case of excess shares resulting from an event other than a purported transfer, the market price for the excess shares on the date of such event.

At the direction of the board of the directors, the trustee will transfer the excess shares held in trust to a person or persons (including us) whose ownership of such excess shares will not violate the 4.9% limit or otherwise cause us to become subject to United States shipping income tax within 180 days after the later of the transfer or other event that resulted in such excess shares or we become aware of such transfer or event. If such a transfer is made, the interest of the charitable beneficiary will terminate, the designation of such shares as excess shares will cease and the purported holder of the excess shares will receive the payment described below. The purported transferee or holder of the excess shares will receive a payment that reflects a price per share for such excess shares equal to the lesser of (i) the price per share received by the trustee and (ii) the price per share such purported transferee or holder paid in the purported transfer that resulted in the excess shares (or, if the purported transferee or holder did not give value for such excess shares (through a gift, devise or other event) a price per share equal to the market price on the date of the purported transfer or other event that resulted in the excess shares). A purported transferee or holder of the excess shares will not be

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permitted to receive an amount that reflects any appreciation in the excess shares during the period that such excess shares were outstanding. Any amount received in excess of the amount permitted to be received by the purported transferee or holder of the excess shares must be turned over to the charitable beneficiary of the trust.

If the foregoing restrictions are determined to be void or invalid by virtue of any legal decision, statute, rule or regulation, then the intended transferee or holder of any excess shares may be deemed, at our option, to have acted as an agent on our behalf in acquiring or holding such excess shares and to hold such excess shares on our behalf.

We will have the right to purchase any excess shares held by the trust for a period of 90 days from the later of (i) the date the transfer or other event resulting in excess shares has occurred and (ii) the date the board of directors determines in good faith that a transfer or other event resulting in excess shares has occurred. The price per excess share to be paid by us will be equal to the lesser of (i) the price per share paid in the transaction that created such excess shares (or, in the case of certain other events, the market price per share for the excess shares on the date of such event), or (ii) the lowest market price for the excess shares at any time after their designation as excess shares and prior to the date we accept such offer.

These provisions in our second amended and restated articles of incorporation could have the effect of delaying, deferring or preventing a change in our control or other transaction in which our shareholders might receive a premium for their shares of common stock over the then-prevailing market price or which such holders might believe to be otherwise in their best interests. To the extent that the proposed regulations are either not adopted or are adopted in form which, in the opinion of our board of directors, does not require the proposed amendment to ensure that we will maintain its income tax exemption for its shipping income, our board of directors may determine, in its

sole discretion, to terminate the 4.9% limit and the transfer restrictions in the amendment.

TRANSFER AGENT AND REGISTRAR. The transfer agent and registrar for our common stock is First Union National Bank.

OTHER PROVISIONS. Upon liquidation or dissolution, the holders of shares of common stock are entitled to receive on a proportionate basis all of our assets remaining for distribution to common stockholders. The common stock has no preemptive or other subscription rights and there are no other conversion rights or redemption or sinking fund provisions with respect to the shares. All shares of common stock that are currently outstanding are fully paid for and may not be assessed.

Neither Panamanian law nor our by-laws limit the right of non-resident or foreign owners to hold or vote shares of the common stock. While no tax treaty currently exists between the Republic of Panama and the United States, under current law we believe that distributions to our shareholders other than residents of Panama or other business entities conducting business in Panama, are not subject to taxation under the laws of the Republic of Panama.

Under Panamanian law, our directors may vote by proxy.

PREFERRED STOCK

Our board of directors may issue, without further authorization from our stockholders, up to 40,000,000 shares of preferred stock in one or more series. Our board of directors may determine, at the time of creating each series, the distinctive designation of, and the number of shares in, the series, its dividend rate, the number of votes, if any, allocated to each share of the series, the price and terms on which the shares may be redeemed, the terms of any applicable sinking fund, the amount payable upon liquidation, dissolution or winding up, the conversion rights, if any, and any other rights, preferences and priorities of the shares as our board of directors may be permitted to fix under the laws of the Republic of Panama in effect at the time the series is created. The issuance of preferred stock could adversely affect the voting power of holders of common stock and could delay, defer or prevent a change in control.

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CERTAIN PANAMANIAN AND UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

PANAMA

Under current Panamanian law, because we conduct all of our operations outside of Panama, no Panamanian taxes or withholding will be imposed on payments to holders of our securities.

UNITED STATES

GENERAL. This is a summary of certain United States federal income tax considerations relevant to holders of LYONS. This summary is based upon the Internal Revenue Code of 1986, as amended, Treasury regulations, IRS rulings and judicial decisions now in effect, all of which are subject to change (possibly with retroactive effect) or different interpretations. There can be no assurance that the IRS will not challenge one or more of the conclusions described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the United States federal income tax consequences of acquiring or holding LYONS.

This summary does not purport to deal with all aspects of United States federal income taxation that may be relevant to a holder, such as persons subject to the alternative minimum tax provisions of the Code. Also, it does not purport to deal with persons in special tax situations, such as insurance companies, tax-exempt organizations, mutual funds, retirement plans, financial institutions, dealers in securities or foreign currency, United States expatriates, persons that hold the LYONS as part of a "straddle" or as a "hedge" against currency risk or in connection with a conversion or another integrated transaction for tax purposes, and persons that have functional currency other than the United States dollar.

This summary also does not discuss the tax consequences arising under the laws of any state, local or foreign jurisdiction. In addition, this summary is limited to original purchasers of LYONS who acquire LYONS at their issue price within the meaning of Section 1273 of the Code and who will hold the LYONS and common stock into which the LYONS may be converted as "capital assets" within the meaning of Section 1221 of the Code. The "issue price" of the LYONS will equal the first price at which a substantial amount of the LYONS are sold for cash to the public, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers.

Persons considering the purchase, ownership, conversion or other disposition of LYONs should consult their own tax advisors regarding the United States federal income tax consequences and the consequences arising under the laws of any state, local or foreign taxing jurisdiction.

While the following does not purport to discuss all tax matters relating to the LYONs, and assuming the LYONs will be treated as indebtedness, the following are the material federal income tax consequences of the LYONs, subject to the qualifications described above.

The term "United States holder" means a beneficial owner of LYONs or common stock into which LYONs have been converted that is, for United States federal income tax purposes:

- a citizen or resident of the United States;
- a corporation or other entity that has elected to be treated as a corporation, created or organized in or under the laws of the United States or any political subdivision thereof;
- an estate, the income of which is subject to United States federal income tax regardless of its source; or
- a trust if a court within the United States is able to exercise primary jurisdiction over its administration and one or more United States persons have authority to control all of its substantial decisions or if the trust has otherwise elected to be a United States person in accordance with applicable Treasury regulations.

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The term "non-United States holder" means a beneficial owner, other than a partnership, of LYONs or common stock into which LYONs have been converted that is not a United States holder for United States federal income tax purposes.

If a partnership, including for this purpose any entity treated as a partnership for United States tax purposes, is a beneficial owner of LYONs or common stock into which LYONs have been converted, the treatment of a partner in the partnership will generally depend upon the status of the partner and upon the activities of the partnership. A holder of LYONs that is a partnership, and partners in such a partnership, should consult their tax advisors about the United States federal income tax consequences of holding and disposing of LYONs and common stock into which LYONs have been converted.

UNITED STATES HOLDERS

ORIGINAL ISSUE DISCOUNT. The LYONs are being issued at a substantial discount from their principal amount at maturity. For United States federal income tax purposes, the difference between the issue price and the stated principal amount at maturity of each LYON constitutes original issue discount. United States holders of the LYONs will be required to include original issue discount in income periodically over the term of the LYONs before receipt of the cash or other payment attributable to such income.

A United States holder of a LYON must include in gross income for United States federal income tax purposes the sum of the daily portions of original issue discount with respect to the LYON for each day during the taxable year or portion of a taxable year on which such holder holds the LYON. The daily portion is determined by allocating to each day of an accrual period a pro rata portion of an amount equal to the adjusted issue price of the LYON at the beginning of the accrual period multiplied by the yield to maturity of the LYON. The accrual period of a LYON may be of any length and may vary in length over the term of the LYON, provided that each accrual period is no longer than one year. The adjusted issue price of the LYON at the start of any accrual period is the issue price of the LYON increased by the accrued original issue discount for each prior accrual period. Under these rules, United States holders will have to include in gross income increasingly greater amounts of original issue discount in each successive accrual period. Any amount included in income as original issue discount will increase a United States holder's tax basis in the LYON.

We will be required to furnish annually to the IRS and to certain noncorporate United States holders information regarding the amount of the original issue discount attributable to that year. For this purpose, we will use a six-month accrual period which ends on the day in each calendar year corresponding to the maturity day of the LYON or the date six months before such maturity date.

DISPOSITION OR CONVERSION. Except as described below, gain or loss upon a sale or other disposition of a LYON will generally be capital gain or loss, which will be long-term if the LYON is held for more than one year. Net capital

gains of a non-corporate United States holder are, under certain circumstances, taxed at lower rates than items of ordinary income. In the case of a non-corporate United States holder, long-term capital gains are generally taxed at a maximum 20% federal tax rate. Net capital gains of a corporate United States holder are taxed at the same rates as ordinary income, with a maximum federal rate of 35%. The deductibility of capital losses is subject to limitations.

A conversion of a LYON into common stock, and the use of common stock to repurchase a LYON, whether at the option of the holder or us, will not be a taxable event except with respect to cash received in lieu of a fractional share. The United States holder's obligation to include in gross income the daily portions of original issue discount with respect to a LYON will terminate prospectively on the date of conversion. The United States holder's basis in the common stock received for a LYON will be the same as the United States holder's basis in the LYON at the time of conversion or exchange, exclusive of any tax basis allocable to a fractional share.

If a United States holder elects to exercise its option to tender a LYON to us and the purchase price is paid in a combination of shares of common stock and cash (other than cash received in lieu of

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a fractional share), gain (but not loss) realized by the United States holder will be recognized, but only to the extent such gain does not exceed that cash. Generally, that gain will be capital gain and will be long-term if the holding period for that LYON is more than one year. A United States holder's tax basis in the common stock received in the exchange will equal the United States holder's tax basis in the LYON tendered to us, exclusive of any tax basis allocable to a fractional share interest as described below, decreased by the amount of cash (other than cash received in lieu of a fractional share), if any, received in exchange and increased by the amount of any gain recognized by the United States holder on the exchange (other than gain with respect to a fractional share).

If a United States holder elects to exercise its option to tender a LYON to us and we deliver cash in satisfaction of the purchase price, the United States holder will recognize gain or loss, measured by the difference between the amount of the cash and the United States holder's basis in the tendered LYON. Gain or loss recognized by the United States holder will generally be capital gain or loss, which gain or loss will be long-term if the holding period for such LYON is more than one year.

Cash received in lieu of a fractional share of common stock upon conversion of a LYON or upon a put of a LYON to us on a purchase date should be treated as a payment in exchange for the fractional share. Accordingly, the receipt of cash in lieu of a fractional share of common stock should generally result in capital gain or loss, if any, measured by the difference between the cash received for the fractional share and the holder's basis in the fractional share.

Gain or loss upon a sale or other disposition of the common stock received upon conversion of a LYON or in satisfaction of the purchase price of a LYON put to us generally will be capital gain or loss (which gain or loss will be long-term if the holding period for such common stock is more than one year). The holding period for common stock received in exchange will include the holding period for the LYON tendered to us in exchange for the common stock. However, the holding period for common stock attributable to accrued original issue discount may commence on the day following the conversion or purchase date.

DIVIDENDS. If a United States holder receives common stock, in general, distributions on the common stock that are paid out of our current or accumulated earnings and profits (as defined for United States federal income tax purposes) will constitute taxable dividends and will be includible in income by a holder in accordance with that holder's method of accounting for United States federal income tax purposes.

CONSTRUCTIVE DIVIDEND. If at any time we make a distribution of property to our stockholders that would be taxable to the stockholders as a dividend for United States federal income tax purposes and, in accordance with the anti-dilution provisions of the LYONS, the conversion rate of the LYONS is increased (or if the conversion rate is increased at our discretion), the increase may be deemed to be the payment of a taxable dividend to holders of the LYONS.

For example, an increase in the conversion rate in the event of distributions of evidences of indebtedness or our assets or an increase in the event of an extraordinary cash dividend will generally result in deemed dividend treatment to holders of the LYONS, but generally an increase in the event of stock dividends or the distribution of rights to subscribe for common stock will

not. See "Description of LYONs--Conversion Rights."

BACKUP WITHHOLDING AND INFORMATION REPORTING. Information reporting will apply to payments of interest (including accruals of original issue discount) or dividends, if any, made by us on, or the proceeds of the sale or other disposition of, the LYONs or shares of common stock with respect to certain non-corporate United States holders, and backup withholding may apply unless the recipient United States holder of such payment supplies a taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise establishes an exemption from backup withholding. Any amount withheld under the backup withholding rules will be allowable as a credit against the United States holder's United States federal income tax, provided that the required information is provided to the IRS.

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NON-UNITED STATES HOLDERS

ORIGINAL ISSUE DISCOUNT AND DISPOSITION. In general and subject to the discussion below under "--Backup Withholding and Information Reporting," a non-United States holder will not be subject to United States federal income or withholding tax with respect to original issue discount with respect to LYONs or gain upon the disposition of LYONs or shares of common stock, unless:

- the income or gain is "United States trade or business income," which means income or gain that is effectively connected with the conduct by the non-United States holder of a trade or business, or, in the case of a treaty resident, attributable to a permanent establishment or a fixed base, in the United States, or
- such non-United States holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met.

United States trade or business income of a non-United States holder will generally be subject to regular United States income tax in the same manner as if it were realized by a United States holder. Non-United States holders that realize United States trade or business income with respect to the LYONs or shares of common stock should consult their tax advisers as to the treatment of such income or gain. In addition, United States trade or business income of a non-United States holder that is a non-United States corporation may be subject to a branch profits tax at a rate of 30%, or such lower rate provided by an applicable income tax treaty.

BACKUP WITHHOLDING AND INFORMATION REPORTING. If the LYONs, or shares of common stock into which LYONs have been converted, are held by a non-United States holder through a non-United States, and non-United States related, broker or financial institution, information reporting and backup withholding generally would not be required. Information reporting, and possibly backup withholding, may apply if the LYONs or shares of common stock are held by a non-United States holder through a United States, or United States related, broker or financial institution and the non-United States holder fails to provide appropriate information. Non-United States holders should consult their tax advisers.

EXPERTS

The financial statements incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended November 30, 2000 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent certified public accountants, given on the authority of said firm as experts in auditing and accounting.

LEGAL MATTERS

The validity of the offered LYONs has been passed upon by Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York. The validity of the shares of the offered common stock has been passed upon by Tapia Linares y Alfaro, Panama City, Republic of Panama.

James M. Dubin, a partner of Paul, Weiss, Rifkind, Wharton & Garrison and one of our directors, is the sole stockholder of three corporations which act as trustees or protectors of various trusts established for the benefit of members of the Arison family. In this capacity, Mr. Dubin has shared voting or dispositive rights for approximately 24.9% of our outstanding common stock. Paul, Weiss, Rifkind, Wharton & Garrison also serves as counsel to Micky Arison, our chairman and chief executive officer, Shari Arison, one of our directors, and other Arison family members and trusts.

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ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the various expenses payable in connection with the issuance and distribution of the debentures and underlying common stock being registered hereby, other than underwriting discounts and commissions (which will be described in the applicable prospectus supplement). All the amounts shown are estimates, except the SEC registration fee. All of such expenses are being borne by us.

SEC Registration Fee.....	\$119,501
New York Stock Exchange Listing Fee.....	\$
Accounting Fees and Expenses.....	\$
Legal Fees and Expenses.....	\$
Printing and Engraving Expenses.....	\$

Total.....	\$

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Our second amended and restated articles of incorporation and by-laws provide, subject to the requirements set forth therein, that with respect to any person who was or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, we shall indemnify such person by reason of the fact that he is or was one of our director or an officer, and may indemnify such person by reason of the fact that he is or was one of our employees or agents or is or was serving at our request as a director, officer, employee or agent in another corporation, partnership, joint venture, trust or other enterprise, in either case against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to our best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. We have entered into indemnity agreements with Shari Arison, Maks L. Birnbach, Richard G. Capen, Jr., Arnold W. Donald, James M. Dubin, Modesto Maidique, Stuart Subotnick, Sherwood M. Weiser, Meshulam Zonis and Uzi Zucker providing essentially the same indemnities as are described in the our second amended and restated articles of incorporation.

Under a registration rights agreement among us and certain irrevocable trusts (the "Trusts"), the Trusts have agreed to indemnify us, our directors and officers and each person who controls us within the meaning of the Exchange Act, against certain liabilities. Under a registration agreement between us and selling holders of our 2% convertible senior debentures due 2021, these selling holders have agreed to indemnify us, our directors and officers and each person who controls us within the meaning of the Exchange Act against certain liabilities. Finally, under a registration agreement between us and the selling securityholders, the selling securityholders have agreed to indemnify us, our directors and officers and each person who controls us within the meaning of the Exchange Act against certain liabilities.

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ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

4.1 Second Amended and Restated Articles of Incorporation of the Registrant (incorporated by reference to Exhibit No. 3 to the Registrant's registration statement on Form S-3, File No. 333-68999, filed with the Securities and Exchange Commission).

4.2 Amendment to Second Amended and Restated Articles of Incorporation of the Registrant (incorporated by reference to Exhibit

3.1 to the Registrant's quarterly report on Form 10-Q for the quarter ended May 31, 1999, filed with the Securities and Exchange Commission).

4.3 Certificate of Amendment of Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's quarterly report on Form 10-Q for the quarter ended May 31, 2000, filed with the Securities and Exchange Commission).

4.4 Form of By-laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's registration statement on Form S-1, File No. 33-14844, filed with the Securities and Exchange Commission).

4.5 Indenture, dated as of April 25, 2001, between Carnival Corporation and U.S. Bank Trust National Association, as trustee, relating to unsecured and unsubordinated debt securities (incorporated by reference to Exhibit No. 4.5 to the Registrant's registration statement on Form S-3, File No. 333-62950, filed with the Securities Exchange Commission).

4.6 Second Supplemental Indenture, dated as of October 24, 2001, between Carnival Corporation and U.S. Bank Trust National Association, as trustee, creating a series of securities designated Liquid Yield Option-TM-Notes due 2021 (Zero Coupon--Senior).

4.7 Registration Rights Agreement, dated as of October 24, 2001, between Carnival Corporation and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated.

5.1 Opinion of Paul, Weiss, Rifkind, Wharton & Garrison.

5.2 Opinion of Tapia Linares y Alfaro.

12.1 Ratios of Earnings to Fixed Charges (incorporated by reference to Exhibit 12 to the Registrant's quarterly report on Form 10-Q for the quarter ended August 31, 2001, filed with the Securities and Exchange Commission).

12.2 Ratios of Earnings to Fixed Charges (incorporated by reference to Exhibit 12 to the Registrant's annual report on Form 10-K for the fiscal year ended November 30, 2000, filed with the Securities and Exchange Commission).

23.1 Consent of PricewaterhouseCoopers LLP. 23.2 Consent of Paul, Weiss, Rifkind, Wharton & Garrison (included in Exhibit 5.1). 23.3 Consent of Tapia Linares y Alfaro (included in Exhibit 5.2). 24 Power of Attorney.

25.1 Statement of Eligibility under the Trust Indenture Act of 1939 on Form T-1 of U.S Bank Trust National Association to act as Trustee under the Indenture, dated as of April 25, 2001, as supplemented by the Second Supplemental Indenture, dated as of October 24, 2001 (incorporated by reference to Exhibit No. 25.1 to the Registrant's registration statement on Form S-3 File No. 333-62950, filed with the Securities Exchange Commission).

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ITEM 17. UNDERTAKINGS

The Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of

the estimated maximum offering range may be reflected in the form of a prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

- (iii) to include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement; provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement;
- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;
- (4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and
- (5) To file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act of 1939 in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Trust Indenture Act of 1939.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be filed on its behalf by the undersigned, thereunto duly authorized, in the City of Miami, State of Florida, on the 29th day of November, 2001.

CARNIVAL CORPORATION

By: /s/ Micky Arison

Name: Micky Arison
Title: Chairman of the Board, Chief Executive
Officer and Director

KNOW TO ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Micky Arison, Howard S. Frank and Gerald R.

Cahill, such person's true and lawful attorney-in-fact and agents, with full power of substitution and revocation for such person and in such person's name, place and stead, in any and all capacities to sign any and all amendments (including post-effective amendments) to this Registration Statement or any registration statement filed pursuant to Rule 462 under the Securities Act of 1933, and to file the same with all exhibits thereto, and the other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agents, and each of them, full power and authority to do and perform each and every act and things requisite and necessary to be done, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all said attorney-in-fact and agents, or any of them, or their and his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE
TITLE DATE

/s/ MICKY
ARISON
Chairman
of the
Board,
Chief
November
29, 2001 -

Executive
Officer
and
Director
Micky
Arison
(Principal
Executive
Officer)

/s/ HOWARD
S. FRANK
Vice
Chairman
of the
Board,
Chief
November
29, 2001 -

Operating
Officer
and
Director
Howard S.
Frank /s/
GERALD R.
CAHILL
Senior
Vice
President-
-Finance
and
November
29, 2001 -

Chief
Financial
and
Accounting
Gerald R.
Cahill

Officer
 /s/ SHARI
 ARISON
 Director
 November
 29, 2001 -

 Shari
 Arison /s/
 MAKS L.
 BIRNBACH
 Director
 November
 29, 2001 -

 ----- Maks
 L.
 Birnbach
 Director
 November
 29, 2001 -

 Richard G.
 Capen, Jr.

SIGNATURE
 TITLE
 DATE ---

 - /s/
 ROBERT
 H.
 DICKINSON
 Director
 November
 29, 2001

 Robert
 H.
 Dickinson
 /s/
 ARNOLD
 W.
 DONALD
 Director
 November
 29, 2001

 Arnold
 W.
 Donald
 /s/
 JAMES M.
 DUBIN
 Director
 November
 29, 2001

James M.
Dubin
/s/ A.
KIRK
LANTERMAN
Director
November
29, 2001

---- A.
Kirk
Lanterman
Director
November
29, 2001

Modesto
A.
Maidique
/s/
STUART
SUBOTNICK
Director
November
29, 2001

Stuart
Subotnick
/s/
SHERWOOD
M.
WEISER
Director
November
29, 2001

Sherwood
M.
Weiser
Director
November
29, 2001

Meshulam
Zonis
Director
November
29, 2001

---- Uzi
Zucker

4.1 Second Amended and Restated Articles of Incorporation of the Registrant (incorporated by reference to Exhibit No. 3 to the Registrant's registration statement on Form S-3, File No. 333-68999, filed with the Securities and Exchange Commission).

4.2 Amendment to Second Amended and Restated Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's quarterly report on Form 10-Q for the quarter ended May 31, 1999, filed with the Securities and Exchange Commission).

4.3 Certificate of Amendment of Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's quarterly report on Form 10-Q for the quarter ended May 31, 2000, filed with the Securities and Exchange Commission).

4.4 Form of By-laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's registration statement on Form S-1, File No. 33-14844, filed with the Securities and Exchange Commission).

4.5 Indenture, dated as of April 25, 2001, between Carnival Corporation and U.S. Bank Trust National Association, as trustee, relating to unsecured and unsubordinated debt securities (incorporated by reference to Exhibit No. 4.5 to the Registrant's registration statement on Form S-3, File No. 333-62950, filed with the Securities Exchange Commission).

4.6 Second Supplemental Indenture, dated as of October 24, 2001, between Carnival Corporation and U.S. Bank Trust National

Association, as trustee, creating a series of securities designated Liquid Yield Option-TM-Notes due 2021 (Zero Coupon--Senior). 4.7 Registration Rights Agreement, dated as of October 24, 2001, between Carnival Corporation and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated.

5.1 Opinion of Paul, Weiss, Rifkind, Wharton & Garrison.

5.2 Opinion of Tapia Linares y Alfaro.

12.1 Ratios of Earnings to Fixed Charges (incorporated by reference to Exhibit 12 to the Registrant's quarterly report on Form 10-Q for the quarter ended August 31, 2001, filed with the Securities and Exchange Commission).

12.2 Ratios of Earnings to Fixed Charges (incorporated by reference to Exhibit 12 to the Registrant's annual report on Form 10-K for the fiscal year ended November 30, 2000, filed with the Securities and Exchange Commission).

23.1 Consent of PricewaterhouseCoopers LLP. 23.2 Consent of Paul, Weiss, Rifkind, Wharton & Garrison (included in Exhibit 5.1). 23.3 Consent of Tapia Linares y Alfaro (included in Exhibit 5.2).

24 Power of Attorney.

25.1 Statement of Eligibility under the Trust Indenture Act of 1939 on Form T-1 of U.S Bank Trust National Association to act as Trustee under the Indenture, dated as of April 25, 2001, as supplemented by the Second Supplemental Indenture, dated as of October 24, 2001 (incorporated by reference to Exhibit No. 25.1 to the Registrant's registration statement on Form S-3 File No. 333-62950, filed with the Securities Exchange Commission).

CARNIVAL CORPORATION
and
U.S. BANK TRUST NATIONAL ASSOCIATION,
As Trustee

SECOND SUPPLEMENTAL INDENTURE

Dated as of October 24, 2001

Supplemental to Indenture

Dated as of April 25, 2001

Creating a series of Securities
designated

Liquid Yield OptionTM Notes due 2021

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CARNIVAL CORPORATION

SECOND SUPPLEMENTAL INDENTURE

THIS SECOND SUPPLEMENTAL INDENTURE, dated as of October 24, 2001, between Carnival Corporation, a corporation organized and existing under the laws of the Republic of Panama (the "Company"), and U.S. Bank Trust National Association, a national banking association organized and existing under the laws of the United States of America (the "Trustee").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of April 25, 2001 (the "Indenture"), providing for the issuance from time to time of its debentures, notes, bonds or other evidences of indebtedness (hereinafter called "Securities") in one or more fully registered series;

WHEREAS, Section 9.1(7) of the Indenture provides that the Company and the Trustee may from time to time enter into one or more indentures supplemental thereto to establish the form or terms of Securities of a new series;

WHEREAS, Section 3.1 of the Indenture provides that the Company may enter into supplemental indentures to establish the terms and provisions of a series of Securities issued pursuant to the Indenture;

WHEREAS, on April 25, 2001, the Company issued its 2% Convertible Senior Debentures due 2021 under a First Supplemental Indenture dated as of April 25, 2001;

WHEREAS, the Company desires to issue Liquid Yield Option™ Notes due 2021 (the "LYONS"), a new series of Security, the issuance of which was authorized by resolution of the Board of Directors of the Company, dated October (, 2001;

WHEREAS, the Company, pursuant to the foregoing authority, proposes in and by this Second Supplemental Indenture (the "Second Supplemental Indenture") to supplement and amend in certain respects the Indenture insofar as it will apply only to the LYONS (and not to any other series); and

WHEREAS, all things necessary have been done to make the LYONS, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, and to make this Second Supplemental Indenture a valid agreement of the Company, in accordance with their and its terms.

NOW THEREFORE:

In consideration of the premises provided for herein, the Company and the Trustee mutually covenant and agree for the equal and proportionate benefit of all Holders of the LYONS as follows:

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Definitions.

For all purposes of the Indenture and this Second Supplemental Indenture relating to the series of Securities created hereby, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Article have the meanings assigned to them in this Article. Each capitalized term that is used in this Second Supplemental Indenture but not defined herein shall have the meaning specified in the Indenture.

"Accreted Conversion Price" has the meaning specified in Section 402.

"Accreted Principal Amount" with respect to any given date, means the Issue Price of the LYONS plus accrued Original Issue Discount thereon through such date.

"Agent Members" has the meaning specified in Section 201.

"Applicable Procedures" means, with respect to any transfer or exchange of beneficial ownership interests in a Global Security, the rules and procedures of the Depository that are applicable to such transfer or exchange.

"Beneficial Owner" has the meaning specified in Section 701(a).

"Capital Stock" or "capital stock" of any Person means any and all shares, interests, partnership interests, participations, rights or other equivalents (however designated) of equity interests (however designated) issued by that Person.

"Certificated Security" means a Security that is in substantially the form attached hereto as Annex A.

"Change in Control" has the meaning specified in Section 701.

"Change in Control Purchase Date" has the meaning specified in Section 701.

"Change in Control Purchase Notice" has the meaning specified in Section 701.

"Change in Control Purchase Price" has the meaning specified in Section 701.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Common Stock" means the common stock, par value \$0.01 per share, of the Company as it exists on the date of this Second Supplemental Indenture or any other shares of Capital Stock of the Company into which such common stock is reclassified or changed.

"Company Notice Date" has the meaning specified in Section 603.

"Consolidated Net Worth" means, at any time, the Net Worth of the Company and its Subsidiaries on a consolidated basis determined in accordance with GAAP.

"Conversion Agent" shall be the agent specified in Section 201.

"Conversion Date" has the meaning specified in Section 405.

"Conversion Rate" has the meaning specified in Section 401.

"Depository" has the meaning specified in Section 201(a).

"Determination Date" has the meaning specified in Section 409(d)(1).

"DTC" has the meaning specified in Section 201(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute.

"Expiration Date" has the meaning specified in Section 409(d)(2).

"Expiration Time" has the meaning specified in Section 409(d)(2).

"Excess LYONS" has the meaning specified in Section 214.

"GAAP" means generally accepted accounting principles as in effect on the date of this Second Supplemental Indenture in the United States.

"Global Security" means a permanent Global Security that is in substantially the form attached hereto as Annex A and that includes the information and schedule called for by footnotes 1, 3 and 4 thereof and which is deposited with the Depository or the Securities Custodian and registered in the name of the Depository or its nominee.

"Indenture" has the meaning specified in the recitals.

"Institutional Accredited Investors" has the meaning specified

in Section 201(b).

"Issue Date" of any LYON means the date on which the LYON was originally issued or deemed issued as set forth on the face of the LYON.

"Issue Price" means \$476.66 per \$1,000 principal amount at Stated Maturity of LYONS.

"Liquidated Damages" shall have the meaning set forth in the Registration Rights Agreement.

"LYONS" has the meaning specified in the recitals.

"Market Price" has the meaning specified in Section 604.

"Net Worth" means, at any time with respect to the Company or a Subsidiary thereof, the net worth of the Company or such Subsidiary, as the case may be, determined in accordance with GAAP.

"NYSE" has the meaning specified in Section 409(e).

"Original Issue Discount" with respect to any Outstanding LYON, means the difference between the Issue Price and the Principal Amount at Maturity of such LYON.

"Outstanding", when used with respect to Securities or Securities of any series, means, as of the date of determination, all such Securities theretofore authenticated and delivered under this Indenture, except:

Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

Securities for whose payment, repurchase or redemption money or Common Stock in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

Securities which have been cancelled pursuant to Section 3.9 of the Indenture or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company; and

Securities converted into Common Stock pursuant to the terms of the Indenture or such Securities;

provided, however, that in determining whether the Holders of the requisite Principal Amount at Maturity of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

"Permitted Holders" has the meaning specified in Section 701(a).

"Principal Amount at Maturity" of any LYON means the principal amount at maturity as set forth on the face of the LYON.

"Purchased Shares" has the meaning specified in Section 409(d)(2).

"purchases" has the meaning specified in Section 409(d)(3).

"QIB" has the meaning specified in Section 201(a).

"Redemption Price" has the meaning specified in Section 501.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of October 24, 2001, between the Company and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated.

"Repurchase Date" has the meaning specified in Section 601.

"Repurchase Notice" has the meaning specified in Section 601.

"Repurchase Price" has the meaning specified in Section 601.

"Restricted Certificated Security" means a Certificated Security which is a Transfer Restricted Security.

"Restricted Global Security" means a Global Security that is a Transfer Restricted Security.

"Rule 144" means Rule 144 under the Securities Act or any successor to such Rule.

"Rule 144A" means Rule 144A under the Securities Act or any successor to such Rule.

"Sale Price" has the meaning specified in Section 604.

"Securities" has the meaning specified in the preamble of this Second Supplemental Indenture.

"Securities Act" means the Securities Act of 1933, as amended, or any successor statute.

"Securities Custodian" means the Trustee, as custodian with respect to the Securities in global form, or any successor thereto.

"Significant Subsidiary" means any Subsidiary, the Net Worth of which represents more than 10% of the Consolidated Net Worth of the Company and its Subsidiaries.

"Second Supplemental Indenture" has the meanings specified in the recitals.

"tender offer" has the meaning specified in Section 409(d)(3).

"tendered shares" has the meaning specified in Section 409(d)(3).

"Trading Day" means a day during which trading in securities generally occurs on the New York Stock Exchange or, if the Common Stock is not listed on the New York Stock Exchange, on the principal other national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not listed on a national or regional securities exchange, on the National Association of Securities Dealers Automated Quotation System or, if the Common Stock is not quoted on the National Association of Securities Dealers Automated Quotation System, on the other principal market on which the Common Stock is then traded.

"Transfer Certificate" has the meaning specified in Section 202(b)(1).

"Transfer Restricted Securities" has the meaning specified in Section 202(f)(1).

"Trigger Event" has the meaning specified in Section 409(c).

"Triggering Distribution" has the meaning specified in Section 409(d)(1).

"Unrestricted Certificated Security" means a Certificated Security which is not a Transfer Restricted Security.

"Unrestricted Global Security" means a Global Security which is not a Transfer Restricted Security.

"Voting Stock" means any class or classes of Capital Stock

pursuant to which the holders thereof under ordinary circumstances have the power to vote in the

election of the board of directors, managers or trustees of any Person (or other Persons performing similar functions), irrespective of whether or not, at the time, Capital Stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency.

__THE LYONS

Designation of LYONS; Establishment of Form.

There shall be a series of Securities designated _ Liquid Yield Option"! Notes due 2021_ of the Company, and the form thereof shall be substantially as set forth in Annex A hereto, which is incorporated into and shall be deemed a part of this Second Supplemental Indenture, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers of the Company executing such LYONS, as evidenced by their execution of the LYONS.

Restricted Global Securities. All of the LYONS are initially being offered and sold to qualified institutional buyers as defined in Rule 144A (collectively, "QIBs" or individually a "QIB") in reliance on Rule 144A under the Securities Act and shall be issued initially in the form of one or more Restricted Global Securities, which shall be deposited on behalf of the purchasers of the LYONS represented thereby with the Trustee, at its Corporate Trust Office, as Securities Custodian for the depository, The Depository Trust Company ("DTC") (such depository, or any successor thereto, being hereinafter referred to as the "Depository"), and registered in the name of its nominee, Cede & Co., duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate Principal Amount at Maturity of a Restricted Global Security may from time to time be increased or decreased by adjustments made on the records of the Securities Custodian as hereinafter provided, subject in each case to compliance with the Applicable Procedures.

Institutional Accredited Investor Securities. Except as provided in this Section 201 or Section 202, owners of beneficial interests in Global Securities will not be entitled to receive physical delivery of Certificated Securities. Securities offered and sold within the United States to institutional accredited investors as defined in Rule 501(a)(1), (2), (3) and (7) under the Securities Act ("Institutional Accredited Investors") shall be issued, initially in the form of Certificated Securities, duly executed by the Company and authenticated by the Trustee as hereinafter provided.

Global Securities in General. Each Global Security shall represent such of the Outstanding LYONS as shall be specified therein and each shall provide that it shall represent the aggregate Principal Amount at Maturity of Outstanding LYONS from time to time endorsed thereon and that the aggregate Principal Amount at Maturity of Outstanding LYONS represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, redemptions, purchases or conversions of such

LYONS. Any endorsement of a Global Security to reflect the amount of any increase or decrease in the Principal Amount at Maturity of Outstanding LYONS represented thereby shall be made by the Securities Custodian in accordance with the standing instructions and procedures existing between the Depository and the Securities Custodian.

Neither any members of, or participants in, the Depository ("Agent Members") nor any other Persons on whose behalf Agent Members may act shall have rights under this Indenture with respect to any Global Security held in the name of the Depository or any nominee thereof, or under the Global Security, and the Depository (including, for this purpose, its nominee) may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner and Holder of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall (A) prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or (B) impair, as between the Depository, its Agent Members and any other Person on whose behalf an Agent Member may act, the operation of customary practices governing the exercise of the rights of a Holder of any LYON.

Certificated Securities. Certificated Securities shall be issued only under the limited circumstances provided in Sections 201(b), 202(a)(1) and 202(b) hereof.

Paying Agent and Conversion Agent. The Company shall maintain an office or agency where LYONs may be presented for purchase or payment ("Paying Agent") and an office or agency where LYONs may be presented for conversion ("Conversion Agent"). The Company may have one or more additional paying agents and one or more additional conversion agents.

The Company shall enter into an appropriate agency agreement with any Paying Agent or Conversion Agent (other than the Trustee). The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of any such agent. If the Company fails to maintain a Paying Agent or Conversion Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 6.7 of the Indenture. The Company or any Subsidiary or an Affiliate of either of them may act as Paying Agent or Conversion Agent.

The Company initially appoints the Trustee as Conversion Agent and Paying Agent in connection with the LYONs.

Transfer and Exchange.

Transfer and Exchange of Global Securities.

Except as provided in Section 202(b), Certificated Securities shall be issued in exchange for interests in the Global Securities only if (x) the Depository notifies the Company that it is unwilling or unable to continue as depository for the Global Securities or if it at any time ceases to be a "clearing agency" registered under the

Exchange Act if so required by applicable law or regulation and a successor depository is not appointed by the Company within 90 days, or (y) at any time, the Company so determines, in its sole discretion. In either case, the Company shall execute, and the Trustee shall, upon receipt of a Company Order (which the Company agrees to deliver promptly), authenticate and deliver Certificated Securities in an aggregate Principal Amount at Maturity equal to the Principal Amount at Maturity of such Global Securities in exchange therefor. Only Restricted Certificated Securities shall be issued in exchange for beneficial interests in Restricted Global Securities, and only Unrestricted Certificated Securities shall be issued in exchange for beneficial interests in Unrestricted Global Securities. Certificated Securities issued in exchange for beneficial interests in Global Securities shall be registered in such names and shall be in such authorized denominations as the Depository, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver or cause to be delivered such Certificated Securities to the persons in whose names such Securities are so registered. Such exchange shall be effected in accordance with the Applicable Procedures. Nothing herein shall require the Trustee to communicate directly with beneficial owners, and the Trustee shall in connection with any transfers hereunder be entitled to rely on instructions received through the registered Holder.

In the event that Certificated Securities are issued in exchange for beneficial interests in Global Securities in accordance with the foregoing paragraph and, thereafter, the events or conditions specified in this Section 202(a)(1) which required such exchange shall have ceased to exist, the Company shall mail notice to the Trustee and to the Holders stating that Holders may exchange Certificated Securities for interests in Global Securities by complying with the procedures set forth in this Indenture and briefly describing such procedures and the events or circumstances requiring that such notice be given.

Notwithstanding any other provisions of this Second Supplemental Indenture other than the provisions set forth in Section 202(a)(1) hereof, a Global Security may not be transferred, except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository. Nothing in this Section 202(a)(2) shall prohibit or render ineffective any transfer of a beneficial interest in a Global Security effected in accordance with the other provisions of this Section 202.

Restrictions on Transfer of a Beneficial Interest in a Global Security for a Certificated Security. A beneficial interest in a Global Security may not be exchanged for a Certificated Security except upon satisfaction of the requirements set forth below. Upon receipt by the Trustee of a request in the form satisfactory to the Trustee from the Depository or its nominee on behalf of a person having a beneficial interest in a Global Security to register the

transfer of all or a portion of such beneficial interest in accordance with Applicable Procedures for a Certificated Security, together with:

in the case of a request to register the transfer of a beneficial interest in a Restricted Global Security, a certificate (a "Transfer Certificate"), in substantially the form set forth in Exhibit B_1, and a certification in substantially the form set forth in Exhibit B_2, that such beneficial interest in the Restricted Global Security is being transferred to an Institutional Accredited Investor;

written instructions to the Trustee to make, or direct the Security Registrar to make, an adjustment on its books and records with respect to such Global Security to reflect a decrease in the aggregate Principal Amount at Maturity of the LYONs represented by the Global Security, such instructions to contain information regarding the Depository account to be credited with such decrease; and

if the Company or the Trustee so requests, a customary opinion of counsel, certificates and other information reasonably acceptable to them as to the compliance with the restrictions set forth in the legend described in Section 202(f)(1),

then the Trustee shall cause, or direct the Security Registrar to cause, in accordance with the standing instructions and procedures existing between the Depository and the Security Registrar, the aggregate Principal Amount at Maturity of LYONs represented by the Global Security to be decreased by the aggregate Principal Amount at Maturity of the Certificated Security to be issued, shall authenticate and deliver such Certificated Security and shall debit or cause to be debited to the account of the Person specified in such instructions a beneficial interest in the Global Security equal to the Principal Amount at Maturity of the Certificated Security so issued.

Transfer and Exchange of Certificated Securities. When Certificated Securities are presented by a Holder to a Security Registrar with a request:

to register the transfer of the Certificated Securities to a person who will take delivery thereof in the form of Certificated Securities only; or

to exchange such Certificated Securities for an equal Principal Amount at Maturity of Certificated Securities of other authorized denominations,

such Security Registrar shall register the transfer or make the exchange as requested; provided, however, that the Certificated Securities presented or surrendered for register of transfer or exchange:

shall be duly endorsed or accompanied by a written instrument of transfer in accordance with the fifth paragraph of Section 3.5 of the Indenture; and

in the case of a Restricted Certificated Security, such request shall be accompanied by the following additional information and documents, as applicable:

if such Restricted Certificated Security is being delivered to the Security Registrar by a Holder for registration in the name of such Holder, without transfer, or such Restricted Certificated Security is being transferred to the Company or a Subsidiary

of the Company, a certification to that effect from such Holder (in substantially the form set forth in the Transfer Certificate);

if such Restricted Certificated Security is being transferred to a person the Holder reasonably believes is a QIB in accordance with Rule 144A or pursuant to an effective registration statement under the Securities Act, a certification to that effect from such Holder (in substantially the form set forth in the Transfer Certificate);

if such Restricted Certificated Security is being transferred to an Institutional Accredited Investor, a certification to that effect from such Holder (in substantially the form set forth in the Transfer Certificate), a certification from the Institutional Accredited Investor to whom such Restricted Certificated Security is being transferred in substantially the form set forth in Exhibit B_2, and, if the Company or such Security Registrar so requests, a

customary opinion of counsel, certificates and other information reasonably acceptable to them as to the compliance with the restrictions set forth in the legend described in Section 202(f)(1); or

if such Restricted Certificated Security is being transferred (i) pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 or (ii) pursuant to an exemption from the registration requirements of the Securities Act (other than pursuant to Rule 144A or Rule 144) and as a result of which, in the case of a Security transferred pursuant to this clause (ii), such Security shall cease to be a "restricted security" within the meaning of Rule 144, a certification to that effect from the Holder (in substantially the form set forth in the Transfer Certificate) and, if the Company or such Security Registrar so requests, a customary opinion of counsel, certificates and other information reasonably acceptable to the Company and such Security Registrar to the effect that such transfer is in compliance with the Securities Act.

Transfer of a Beneficial Interest in a Restricted Global Security for a Beneficial Interest in an Unrestricted Global Security. Any person having a beneficial interest in a Restricted Global Security may upon request, subject to the Applicable Procedures, transfer such beneficial interest to a person who is required or permitted to take delivery thereof in the form of an Unrestricted Global Security. Upon receipt by the Trustee of written instructions or such other form of instructions as is customary for the Depository, from the Depository or its nominee on behalf of any person having a beneficial interest in a Restricted Global Security and the following additional information and documents in such form as is customary for the Depository from the Depository or its nominee on behalf of the person having such beneficial interest in the Restricted Global Security (all of which may be submitted by facsimile or electronically):

if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certification to that effect from the transferor (in substantially the form set forth in the Transfer Certificate); or

if such beneficial interest is being transferred (i) pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 or (ii) pursuant to an exemption from the registration requirements of the Securities Act

(other than pursuant to Rule 144A or Rule 144) and as a result of which, in the case of a Security transferred pursuant to this clause (ii), such Security shall cease to be a "restricted security" within the meaning of Rule 144, a certification to that effect from the transferor (in substantially the form set forth in the Transfer Certificate) and, if the Company or the Trustee so requests, a customary opinion of counsel, certificates and other information reasonably acceptable to the Company and the Trustee to the effect that such transfer is in compliance with the Securities Act,

the Trustee, as a Security Registrar and Securities Custodian, shall reduce or cause to be reduced the aggregate Principal Amount at Maturity of the Restricted Global Security by the appropriate Principal Amount at Maturity and shall increase or cause to be increased the aggregate Principal Amount at Maturity of the Unrestricted Global Security by a like Principal Amount at Maturity. Such transfer shall otherwise be effected in accordance with the Applicable Procedures. If no Unrestricted Global Security is then outstanding, the Company shall execute and the Trustee shall, upon receipt of a Company Order (which the Company agrees to deliver promptly), authenticate and deliver an Unrestricted Global Security.

Transfers of Certificated Securities for Beneficial Interest in Global Securities. If Certificated Securities are presented by a Holder to a Security Registrar with a request:

to register the transfer of such Certificated Securities to a person who will take delivery thereof in the form of a beneficial interest in a Global Security, which request shall specify whether such Global Security will be a Restricted Global Security or an Unrestricted Global Security; or

to exchange such Certificated Securities for an equal Principal Amount at Maturity of beneficial interests in a Global Security, which beneficial interests will be owned by the Holder transferring such Certificated Securities (provided that in the case of such an exchange, Restricted Certificated Securities may be exchanged only for Restricted Global Securities and Unrestricted Certificated Securities may be exchanged only for Unrestricted Global Securities),

the Security Registrar shall register the transfer or make the

exchange as requested by canceling such Certificated Security and causing, or directing the Securities Custodian to cause, the aggregate Principal Amount at Maturity of the applicable Global Security to be increased accordingly and, if no such Global Security is then outstanding, the Company shall issue and the Trustee shall authenticate and deliver a new Global Security; provided, however, that the Certificated Securities presented or surrendered for registration of transfer or exchange:

shall be duly endorsed or accompanied by a written instrument of transfer in accordance with the fifth paragraph of Section 3.5 of the Indenture;

in the case of a Restricted Certificated Security to be transferred for a beneficial interest in an Unrestricted Global Security, such request shall be accompanied by the following additional information and documents, as applicable:

if such Restricted Certificated Security is being transferred pursuant to an effective registration statement under the Securities Act, a certification to that effect from such Holder (in substantially the form set forth in the Transfer Certificate); or

if such Restricted Certificated Security is being transferred pursuant to (i) an exemption from the registration requirements of the Securities Act in accordance with Rule 144 or (ii) pursuant to an exemption from the registration requirements of the Securities Act (other than pursuant to Rule 144A or Rule 144) and as a result of which, in the case of a Security transferred pursuant to this clause (ii), such Security shall cease to be a "restricted security" within the meaning of Rule 144, a certification to that effect from such Holder (in substantially the form set forth in the Transfer Certificate), and, if the Company or the Security Registrar so requests, a customary opinion of counsel, certificates and other information reasonably acceptable to the Company and the Trustee to the effect that such transfer is in compliance with the Securities Act;

in the case of a Restricted Certificated Security to be transferred or exchanged for a beneficial interest in a Restricted Global Security, such request shall be accompanied by a certification from such Holder (in substantially the form set forth in the Transfer Certificate) to the effect that such Restricted Certificated Security is being transferred to a person the Holder reasonably believes is a QIB (which, in the case of an exchange, shall be such Holder) in accordance with Rule 144A; and

in the case of an Unrestricted Certificated Security to be transferred or exchanged for a beneficial interest in an Unrestricted Global Security, such request need not be accompanied by any additional information or documents.

Legends.

Except as permitted by the following paragraphs (2) and (3), each Global Security and Certificated Security (and all Securities issued in exchange therefor or upon registration of transfer or replacement thereof and any Common Stock issuable upon conversion thereof) shall bear a legend in substantially the form called for by footnote 2 to Annex A hereto (each, a "Transfer Restricted Security") for so long as such Security or Common Stock issuable upon conversion thereof is required by this Indenture to bear such legend. Each Transfer Restricted Security shall have attached thereto a Transfer Certificate in substantially the form set forth in Exhibit B_1 hereto.

Upon any sale or transfer of a Transfer Restricted Security (x) pursuant to Rule 144, (y) pursuant to an effective registration statement under the Securities Act or (z) pursuant to any other available exemption (other than Rule 144A) from the registration requirements of the Securities Act and as a result of which, in the case of a Security transferred pursuant to this clause (z), such Security shall cease to be a "restricted security" within the meaning of Rule 144:

in the case of any Restricted Certificated Security, any Security Registrar shall permit the Holder thereof to exchange such Restricted Certificated Security for an Unrestricted Certificated Security, or (under the circumstances described in Section 202(e) hereof) to transfer such Restricted Certificated Security to a transferee who shall take such Security in the form of a beneficial interest in an Unrestricted Global Security, and in each case shall rescind any restriction on the transfer of such Security; provided,

however, that the Holder of such Restricted Certificated Security shall, in connection with such exchange or transfer, comply with the other applicable provisions of this Section 202; and

in the case of any beneficial interest in a Restricted Global Security, the Trustee shall permit the beneficial owner thereof to transfer such beneficial interest to a transferee who shall take such interest in the form of a beneficial interest in an Unrestricted Global Security and shall rescind any restriction on transfer of such beneficial interest; provided, however, that such Unrestricted Global Security shall continue to be subject to the provisions of Section 202(a)(2) hereof, and provided further, however, that the owner of such beneficial interest shall, in connection with such transfer, comply with the other applicable provisions of this Section 202.

Upon the exchange, registration of transfer or replacement of Securities not bearing the legend described in paragraph (1) above, the Company shall execute, and the Trustee shall authenticate and deliver, Securities that do not bear such legend and which do not have a Transfer Certificate attached thereto.

Transfers to the Company. Nothing in this Second Supplemental Indenture or in the transfer of any Securities (including beneficial interests in Global Securities) to the Company or any of its Subsidiaries, which Securities shall thereupon be canceled in accordance Section 3.9 of the Indenture.

Additional OID Legend. Any Restricted Certificated Security shall bear the legend required by Treas. Reg. Section 1.1275-3(b).

Amount.

The Trustee shall authenticate and deliver LYONS for original issue in an aggregate Principal Amount at Maturity of up to \$1,051,175,000 upon a Company Order for the authentication and delivery of LYONS, without any further action by the Company. The aggregate Principal Amount at Maturity of LYONS that may be authenticated and delivered under the Indenture may not exceed the amount set forth in the foregoing sentence, except for LYONS authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other LYONS pursuant to Section 202 of this Second Supplemental Indenture or Sections 2.5, 3.4, 3.5, 3.6 or 11.7 of the Indenture.

The Company may not issue new LYONS to replace LYONS that it has paid or delivered to the Trustee for cancellation or that any Holder has converted pursuant to Article Four hereof.

Original Issue Discount.

The LYONS shall be issued at a discount from their Principal Amount at Maturity and will not bear interest. Outstanding LYONS shall accrue Original Issue Discount, calculated on a semi-annual bond equivalent basis at 3.75% per annum from October 24, 2001, using a 360-day year comprised of twelve 30-day months. Original Issue Discount shall cease to accrue at the Stated Maturity, or such earlier date as determined pursuant to Section 208, 209 or 211 of this Second Supplemental Indenture. Upon any such earlier date specified in the previous sentence, the Holders of any LYONS shall be entitled to payment of Original Issue Discount and other amounts hereunder, as provided in Section 309 of this Second Supplemental Indenture.

Liquidated Damages.

Liquidated Damages with respect to the LYONS shall be payable in accordance with the provisions and in the amounts set forth in the Registration Rights Agreement.

Denominations.

Each LYON shall be in fully registered form without coupons in the denominations of \$1,000 of Principal Amount at Maturity or any integral multiple thereof.

Place of Payment.

The Place of Payment for the LYONS and the place or places where the LYONS may be surrendered for registration of transfer, exchange, repurchase, redemption or conversion and where notices may be given to the Company in respect of the LYONS is at the office of the Trustee in New York, New York and at the agency of the Trustee maintained for that purpose at the office of the Trustee; provided, however, that payment of interest may be made at the option of the Company by check mailed to the address of the Person entitled

thereto as such address shall appear in the Security Register (as defined in the Indenture).

Redemption.

There shall be no sinking fund for the retirement of the LYONs.

The Company, at its option, may redeem the LYONs on or after October 24, 2008 in accordance with the provisions and at the Redemption Price set forth under the captions "Optional Redemption" and "Notice of Redemption" in the LYONs and in accordance with the provisions of the Indenture and this Second Supplemental Indenture, including, without limitation, Article Five hereof.

Conversion.

The LYONs shall be convertible in accordance with the provisions and at the Conversion Rate set forth under the caption "Conversion" in the LYONs and in accordance with the provisions of the Indenture and this Second Supplemental Indenture, including, without limitation, Article Four hereof.

Stated Maturity.

The date on which the principal of the LYONs is due and payable, unless earlier converted, accelerated, redeemed or repurchased pursuant to the Indenture or this Second Supplemental Indenture, shall be October 24, 2021.

Repurchase.

The LYONs shall be repurchased by the Company, at the option of the Holder in accordance with the provisions and at the Repurchase Price set forth under the caption "Repurchase by the Company at the Option of the Holder" in the LYONs and in accordance with the provisions of the Indenture and this Second Supplemental Indenture, including, without limitation, Article Six hereof.

The LYONs shall be purchased by the Company in accordance with the provisions and at the Change in Control Purchase Price set forth under the caption "Purchase of Securities at Option of Holder Upon a Change in Control" in the LYONs and in accordance with the provisions of this Second Supplemental Indenture, including, without limitation, Article Seven hereof.

Discharge of Liability on LYONs.

The LYONs may be discharged by the Company in accordance with the provisions of Article IV of the Indenture, as amended by Section 305 hereof.

Other Terms of LYONs.

Without limiting the foregoing provisions of this Article, the terms of the LYONs shall be as set forth in the form of the LYONs set forth in Annex A hereto and as provided in the Indenture.

Ownership Limitation on LYONs

For purposes of this Section 214, the following terms shall have the following meanings:

"Beneficial Ownership" shall mean ownership of Shares (including Shares deemed to be held as a result of ownership of the LYONs) by a Person who would be treated as an owner of such Shares directly, indirectly or constructively through the application of Section 267(b) of the Code, as modified in any way by Section 883 of the Code and the regulations promulgated thereunder. The terms "Beneficial Owner", "Beneficially Owns" and "Beneficially Owned" shall have correlative meanings.

"Charitable Beneficiary" shall mean the organization or organizations described in Section 170(c)(2) and 501(c)(3) of the Code selected by the Excess LYONs Trustee.

"Code" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

"Excess LYONS" shall mean LYONS resulting from an event described in Section 214(c) hereof.

"Excess LYONS Trust" shall mean the trust created pursuant to this Section 214.

"Excess LYONS Trustee" shall mean a Person, who shall be unaffiliated with the Company, any Purported Beneficial Transferee and any Purported Record Transferee, appointed by the Company as the trustee of the Excess LYONS Trust.

"Existing Holders" shall mean (i) any member of the group of Persons that jointly filed Amendment No. 2 to the Third Amended and Restated Schedule 13D with the United States Securities and Exchange Commission on January 19, 2001 with respect to the beneficial ownership of shares of Common Stock; and (ii) any Permitted Transferee.

"Market Price" of the LYONS on any date shall mean the average of the Closing Price for the five (5) consecutive trading days ending on such date, or if such date is not a trading date, the five consecutive trading days preceding such date. The "Closing Price" on any date shall mean (i) the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system if the LYONS are listed or admitted to trading on the New York Stock Exchange, or (ii) if the LYONS are not listed or admitted to trading on the New York Stock Exchange, the last sale price, regular way, or in case no such sale takes place on such day, the average of the closing bid and asked prices, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the LYONS are listed or admitted to trading, or (iii) if the LYONS are not listed or admitted to trading on any national securities exchange, the last quoted price, or if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or, if such system is no longer in use, the principal other automated quotations system that may then be in use, or (iv) if the LYONS are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the LYONS selected by the Company. Such Market Price shall be expressed as a percentage price per \$1,000 of Principal Amount at Maturity of the LYONS.

"Ownership Limit" shall mean, in the case of a Person other than an Existing Holder, Beneficial Ownership of more than four and nine-tenths percent (4.9%),

by value, vote or number, of the Shares. The Ownership Limit shall not apply to any Existing Holder.

"Permitted Transfer" shall mean a Transfer by an Existing Holder to any Person which does not result in the Company losing its exemption from taxation on gross income derived from the international operation of a ship or ships within the meaning of Section 883 of the Code. Any such transferee is herein referred to as a "Permitted Transferee."

"Person" shall mean a person as defined by Section 7701(a) of the Code.

"Purported Beneficial Holder" shall mean, with respect to any event (other than a purported Transfer, but including holding Shares or LYONS in excess of the Ownership Limitation) which results in Excess LYONS, the Person for whom the Purported Record Holder held LYONS that, pursuant to Section 214(c) hereof, became Excess LYONS upon the occurrence of such event.

"Purported Beneficial Transferee" shall mean, with respect to any purported Transfer which results in Excess LYONS, the purported beneficial transferee for whom the Purported Record Transferee would have acquired LYONS if such Transfer had been valid under Section 214(b) hereof.

"Purported Record Holder" shall mean, with respect to any event (other than a purported Transfer, but including holding Shares or LYONS in excess of the Ownership Limitation) which results in Excess LYONS, the record holder of the LYONS that, pursuant to Section 214(c) hereof, became Excess LYONS upon the occurrence of such event.

"Purported Record Transferee" shall mean, with respect to any purported Transfer which results in Excess LYONS, the record holder of the LYONS if such Transfer had been valid under Section 214(b) hereof.

"Restriction Termination Date" shall mean such date as may be determined by the Company in its sole discretion (and for any reason) as the date on which the ownership and transfer restrictions set forth in this Section 214 should cease to apply.

"Shares" shall mean shares of the Company as may be authorized and issued from time to time pursuant to its Articles of Incorporation. For purposes of determining a Person's Beneficial Ownership of any Shares, the conversion of the LYONS and any other convertible securities held by such Person shall be deemed effected and any option, warrant or similar instrument held by such Person shall be deemed exercised.

"Transfer" shall mean any sale, transfer, gift, hypothecation, pledge, assignment, devise or other disposition of the Shares or the LYONS (including (i) the granting of any option or interest similar to an option (including an option to acquire an

option or any series of such options) or entering into any agreement for the sale, transfer or other disposition of the LYONS or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for the LYONS or Shares, whether voluntary or involuntary, whether of record, constructively or beneficially and whether by operation of law or otherwise. For purposes of this definition, whether securities or rights are convertible or exchangeable for the LYONS or Shares shall be determined in accordance with Sections 267(b) and 883 of the Code.

Except as provided in Section 214(i) hereof, until the Restriction Termination Date: (1) no Person (other than an Existing Holder) shall Beneficially Own Shares and/or LYONS representing Shares in excess of the Ownership Limit; (2) any Transfer that, if effective, would result in any Person (other than an Existing Holder) Beneficially Owning Shares and/or LYONS representing Shares in excess of the Ownership Limit shall be void ab initio as to the Transfer of that amount of the LYONS representing Shares which would be otherwise Beneficially Owned by such Person in excess of the Ownership Limit, and the intended transferee shall acquire no rights in such LYONS in excess of the Ownership Limit; and (3) any Transfer of the LYONS that, if effective, would result in the Company being "closely held" within the meaning of Section 883 of the Code and the regulations promulgated thereunder shall be void ab initio as to the Transfer of that amount of such LYONS which would cause the Company to be "closely held" within the meaning of Section 883 of the Code and the regulations promulgated thereunder and the intended transferee shall acquire no rights in such LYONS.

(1) If, notwithstanding the other provisions contained in this Second Supplemental Indenture, at any time until the Restriction Termination Date, there is a purported Transfer or other event such that any Person (other than an Existing Holder) would Beneficially Own Shares and/or LYONS representing Shares in excess of the Ownership Limit, then, except as otherwise provided in Section 214(i) hereof, such LYONS representing Shares which would be in excess of the Ownership Limit, shall automatically be designated as Excess LYONS, as further described below. The designation of such LYONS as Excess LYONS shall be effective as of the close of business on the business day prior to the date of the Transfer or other event. If, after designation of such LYONS owned directly by a Person as Excess LYONS, such Person still owns LYONS representing Shares in excess of the applicable Ownership Limit, LYONS representing Shares Beneficially Owned by such Person constructively in excess of the Ownership Limit shall be designated as Excess LYONS until such Person does not Beneficially Own Shares and/or LYONS representing Shares in excess of the applicable Ownership Limit. Where such Person owns LYONS constructively through one or more Persons and the LYONS as held by such other Persons must be designated as Excess LYONS, the designation of LYONS held by such other Persons as Excess LYONS shall be pro rata.

(2) If, notwithstanding the other provisions contained in this Second Supplemental Indenture, at any time until the Restriction Termination Date, there is a purported Transfer or other event which, if effective, would cause the Company to

become "closely held" within the meaning of Section 883 of the Code and regulations promulgated thereunder, then, except as otherwise provided in Section 214(i) hereof, the LYONS being Transferred or which are otherwise affected by such event and which, in either case, would cause, when taken together with all LYONS and Shares, the Company to be "closely held" within the meaning of Section 883 of the Code and the regulations promulgated thereunder shall automatically be designated as Excess LYONS. The designation of such LYONS as Excess LYONS shall be effective as of the close of business on the business day prior to the date of the Transfer or other event. If, after designation of

such LYONs owned directly by a Person as Excess LYONs, such Person still owns LYONs representing Shares in excess of the applicable Ownership Limit, LYONs representing Shares Beneficially Owned by such Person constructively in excess of the Ownership Limit shall be designated as Excess LYONs until such Person does not own Shares and/or LYONs or in excess of the applicable Ownership Limit. Where such Person owns LYONs constructively through one or more Persons and the LYONs held by such other Persons must be designated as Excess LYONs, the designation of LYONs held by such other Persons as Excess LYONs shall be pro rata.

If the Company shall at any time determine in good faith that a purported Transfer or other event has taken place in violation of Section 214(b) hereof or that a Person intends to acquire or has attempted to acquire LYONs representing Beneficial Ownership of Shares in violation of Section 214(b) hereof, the Company may take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including, but not limited to, refusing to give effect to such Transfer or other event on the books of the Company and the Trustee, instituting proceedings to enjoin such Transfer or other event or transaction, provided, however, that any Transfers or attempted Transfers (or, in the case of events other than a Transfer, Beneficial Ownership) in violation of Section 214(b) hereof shall be void ab initio and automatically result in the designation and treatment described in Section 214(c) hereof, irrespective of any action (or non-action) by the Company.

Any Person who acquires or attempts to acquire LYONs in violation of Section 214(b) hereof, or any Person who is a purported transferee such that Excess LYONs result under Section 214(c) hereof, shall immediately give written notice to the Company of such Transfer, attempted Transfer or other event and shall provide to the Company such other information as the Company may request in order to determine the effect, if any, of such Transfer or attempted Transfer or other event on the Company's status as qualifying for exemption from taxation on gross income from the international operation of a ship or ships within the meaning of Section 883 of the Code.

Prior to the Restriction Termination Date: (1) every Person who holds LYONs and/or Shares representing Beneficial Ownership of three percent (3%) or more, by vote, value or number, or such lower percentages as required pursuant to regulations under the Code, of the outstanding Shares (including any LYONs deemed to be converted into Shares) shall promptly after becoming such a three percent (3%) Beneficial Owner, give written notice to the Company stating the name and address of such Beneficial Owner, the general ownership structure of such Beneficial Owner, the number of shares

of each class of Shares and/or the amount of LYONs Beneficially Owned, and a description of how such Shares or LYONs are held and (2) each Person who is a Beneficial Owner of Shares (including LYONs deemed to be converted into Shares) or LYONs and each Person (including the holder of record) who is holding Shares or LYONs for a Beneficial Owner shall provide on demand to the Company such information as the Company may request from time to time in order to determine the Company's status as exempt from taxation on gross income from the international operation of a ship or ships within the meaning of Section 883 of the Code and to ensure compliance with the Ownership Limit.

Nothing contained in this Second Supplemental Indenture shall limit the ability of the Company to take such other action as it deems necessary or advisable to protect the interests of the Company by preservation of the Company's status as exempt from taxation on gross income from the international operation of a ship or ships within the meaning of Section 883 of the Code and to ensure compliance with the Ownership Limit.

Reserved.

The Company upon receipt of a ruling from the Internal Revenue Service or an opinion of tax counsel, satisfactory to it in its sole and absolute discretion, in each case to the effect that the Company's status as exempt from taxation on gross income from the international operation of a ship or ships within the meaning of Section 883 of the Code will not be jeopardized, may exempt a Person (or may generally exempt any class of Persons) from the Ownership Limit if the Company, in its sole discretion, ascertains that such Person's (or Persons') Beneficial Ownership of Shares and/or LYONs will not jeopardize the Company's status as exempt from taxation on gross income from the international operation of a ship or ships within the meaning of Section 883 of the Code. The Company may require representations and undertakings from such Person or Persons as are necessary to make such determination.

Prior to the Restriction Termination Date, each certificate for the LYONs shall bear the following legend:

THIS SECURITY IS SUBJECT TO LIMITATIONS ON OWNERSHIP CONTAINED

IN THE INDENTURE, IN ORDER TO PERMIT THE COMPANY TO RETAIN ITS STATUS AS A PUBLICLY TRADED CORPORATION UNDER PROPOSED TREASURY REGULATIONS UNDER SECTION 883 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

Upon any purported Transfer or other event that results in Excess LYONS pursuant to Section 214(b) or (c) hereof, such Excess LYONS shall be deemed to have been transferred to the Excess LYONS Trustee, as trustee of the Excess LYONS Trust, for the benefit of the Charitable Beneficiary effective as of the close of business on the business day prior to the date of the Transfer or other event. The Purported Record Transferee or Purported Record Holder shall have no rights in

such Excess LYONS. The Purported Beneficial Transferee or Purported Beneficial Holder shall have no rights in such Excess LYONS except as provided in subsection (m). The Excess LYONS Trustee may resign at any time so long as the Company shall have appointed a successor trustee. The Excess LYONS Trustee shall, from time to time, designate one or more charitable organization or organizations as the Charitable Beneficiary.

Excess LYONS shall be entitled to the same interest or distributions as determined as if the designation of Excess LYONS had not occurred. Any interest or distributions paid prior to the discovery by the Company that the LYONS have been designated as Excess LYONS shall be repaid to the Excess LYONS Trust upon demand. Otherwise, any interest or distributions on the Excess LYONS shall be paid to the Excess LYONS Trust. All interest or distributions received or other income earned by the Excess LYONS Trust shall be paid over to the Charitable Beneficiary.

Excess LYONS shall be transferable only as provided in this subsection (m). At the direction of the Company, the Excess LYONS Trustee shall transfer the Excess LYONS held in the Excess LYONS Trust to a Person or Persons (including, without limitation, the Company under subsection (n) below) whose ownership of such LYONS shall not violate the Ownership Limit or otherwise cause the Company to become "closely held" within the meaning of Section 883 of the Code within 180 days after the later of (i) the date of the Transfer or other event which resulted in Excess LYONS and (ii) the date the Company determines in good faith that a Transfer or other event resulting in Excess LYONS has occurred, if the Company does not receive a notice of such Transfer or other event pursuant to Section 214(e) hereof. If such a transfer is made, the interest of the Charitable Beneficiary shall terminate, the designation of such LYONS as Excess LYONS shall thereupon cease and a payment shall be made to the Purported Beneficial Transferee, Purported Beneficial Holder and/or the Charitable Beneficiary as described below. If the Excess LYONS resulted from a purported Transfer, the Purported Beneficial Transferee shall receive a payment from the Excess LYONS Trustee that reflects a price for such Excess LYONS equal to the lesser of (A) the price received by the Excess LYONS Trustee and (B)(x) the price such Purported Beneficial Transferee paid for the LYONS in the purported Transfer that resulted in the Excess LYONS, or (y) if the Purported Beneficial Transferee did not give value for such Excess LYONS (through a gift, devise or other similar event) a price equal to the product of (1) the Market Price of such LYONS on the date of the purported Transfer that resulted in the Excess LYONS and (2) the aggregate Principal Amount at Maturity of such Excess LYONS. If the Excess LYONS resulted from an event other than a purported Transfer, the Purported Beneficial Holder shall receive a payment from the Excess LYONS Trustee that reflects a price for Excess LYONS equal to the lesser of (A) the price received by the Excess LYONS Trustee and (B) the product of (1) the Market Price of such LYONS on the date of the event that resulted in Excess LYONS and (2) the aggregate Principal Amount at Maturity of such Excess LYONS. Prior to any transfer of any interest in the Excess LYON Trust, the Company must have waived in writing its purchase rights, if any, under Section 214(n) hereof. Any funds received by the Excess LYONS Trustee in excess of the funds payable to the Purported Beneficial Holder or the Purported Beneficial Transferor shall be paid to the Charitable Beneficiary. The Company shall pay the costs and expenses of the Excess LYONS Trustee.

Notwithstanding the foregoing, if the provisions of this subsection (m) are determined to be void or invalid by virtue of any legal decision, statute, rule or regulation, then the Purported Beneficial Transferee or Purported Beneficial Holder of Excess LYONS may be deemed, at the option of the Company, to have acted as an agent on behalf of the Company, in acquiring or holding such Excess LYONS and to hold such Excess LYONS on behalf of the Company.

Excess LYONS shall be deemed to have been offered for sale by the Excess LYONS Trustee to the Company, or its designee, at a price equal to (i) in the case of Excess LYONS resulting from a purported Transfer, the lesser

of (A) the price of the LYONS in the transaction that created such Excess LYONS (or, in the case of devise, gift or other similar event, the Market Price of the LYONS on the date of such devise, gift or other similar event), or (B) the product of (1) the lowest Market Price of the LYONS which resulted in the Excess LYONS at any time after the date such LYONS were designated as Excess LYONS and prior to the date the Company, or its designee, accepts such offer and (2) the aggregate Principal Amount at Maturity of such Excess LYONS or (ii) in the case of Excess LYONS resulting from an event other than a purported Transfer, the lesser of (A) the product of (1) the Market Price of the LYONS on the date of such event and (2) the aggregate Principal Amount at Maturity of such Excess LYONS or (B) the product of (1) the lowest Market Price for LYONS at any time from the date of the event resulting in such Excess LYONS and prior to the date the Company, or its designee, accepts such offer and (2) the aggregate Principal Amount at Maturity of such Excess LYONS. The Company shall have the right to accept such offer for a period of ninety (90) days after the later of (i) the date of the Transfer or other event which resulted in such Excess LYONS and (ii) the date the Company determines in good faith that a Transfer or other event resulting in Excess LYONS has occurred, if the Company does not receive a notice of such Transfer or other event pursuant to Section 214(e) hereof.

The Company is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Section 214. No delay or failure on the part of the Company in exercising any right hereunder shall operate as a waiver of any right of the Company, except to the extent specifically waived in writing.

The Trustee of the LYONS shall have no responsibility to monitor the ownership of the LYONS.

The Trustee shall have no responsibility to monitor the ownership of the LYONS.

Payments of Additional Amounts.

Sections 10.5 and 11.8 of the Indenture shall apply to the LYONS.

AMENDMENTS TO THE INDENTURE

Provisions Applicable Only to LYONS.

The Provisions contained herein shall apply to the LYONS only and not to any other series of Security issued under the Indenture and any covenants provided herein are expressly being included solely for the benefit of the LYONS and not for the benefit of any other series of Security issued under the Indenture. These amendments shall be effective for so long as there remain any LYONS Outstanding.

Registration, Registration of Transfer and Exchange.

The Indenture is hereby amended, subject to Section 301 hereof and with respect to the LYONS only, by replacing the seventh paragraph of Section 3.5 with the following paragraph:

The Company shall not be required (i) to issue, register the transfer of or exchange the Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of that series selected for redemption and ending at the close of business on the day of such mailing, (ii) to register the transfer of or exchange any LYON so selected for redemption in whole or in part, except the unredeemed portion of any LYON being redeemed in part, or (iii) to exchange or register a transfer of any LYON or portions thereof in respect of which a Change in Control Purchase Notice or Repurchase Notice has been delivered and not withdrawn by the Holder thereof (except, in the case of the purchase or repurchase of a LYON in part, the portion not to be purchased).

Reserved.

Payment of Original Issue Discount.

The Indenture is hereby amended, subject to Section 301 hereof and with respect to the LYONS only, by inserting the following paragraph before the final paragraph in Section 3.7 of the Indenture:

On conversion of a Holder's LYONS, such Holder shall not receive any cash payment of accrued Original Issue Discount. The Company's delivery to a Holder of the full number of shares of Common Stock into which a LYON is convertible, together with any cash payment for such Holder's fractional

shares, or cash or a combination of cash and Common Stock in lieu thereof, shall be deemed to satisfy the Company's obligation to pay all accrued Original Issue Discount.

Discharge of Liability on Securities.

When (i) the Company delivers to the Trustee or any Paying Agent all Outstanding LYONs (other than LYONs replaced pursuant to Section 3.6 of the Indenture) for cancellation or (ii) all Outstanding LYONs have become due and payable and the Company deposits with the Trustee or any Paying Agent cash or, if expressly permitted by the terms of the LYONs, Common Stock sufficient to pay all amounts due and owing on all Outstanding LYONs (other than LYONs replaced pursuant to Section 3.6), and if in either case the Company pays all other sums payable hereunder by

the Company, then this Second Supplemental Indenture shall, subject to Section 6.7 of the Indenture, cease to be of further effect, except for the indemnification of the Trustee, which shall survive. The Trustee shall join in the execution of a document prepared by the Company acknowledging satisfaction and discharge of this Second Supplemental Indenture on demand of the Company accompanied by an Officers' Certificate and Opinion of Counsel and at the reasonable cost and expense of the Company.

Repayment to the Company.

The Trustee and the Paying Agent shall return to the Company upon written request any money or securities held by them for the payment of any amount with respect to the LYONs that remains unclaimed for two years, subject to applicable unclaimed property law. After return to the Company, Holders entitled to the money or securities must look to the Company for payment as general creditors unless an applicable abandoned property law designates another person and the Trustee and the Paying Agent shall have no further liability to the Holders of LYONs with respect to such money or securities for that period commencing after the return thereof.

Events of Default.

The Indenture is hereby amended, subject to Section 301 hereof and with respect to the LYONs only, by replacing Section 5.1 with the following paragraph:

"Event of Default", wherever used herein, means with respect to the LYONs any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

default in the payment of any Liquidated Damages pursuant to the Registration Rights Agreement, and continuance of such default for a period of 30 days; or

default in the payment of the principal amount at Maturity, the Redemption Price, the Repurchase Price, or the Change in Control Purchase Price, as the case may be, in respect of the LYONs when the same become due and payable; or

a default under any bonds, debentures, notes or other evidences of indebtedness for money borrowed by the Company or a Subsidiary or under any mortgages, indentures or instruments under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Company or a Subsidiary, whether such indebtedness now exists or shall hereafter be created, which indebtedness, individually or in the aggregate, is in excess of \$50,000,000 principal amount (excluding any such indebtedness of any Subsidiary other than a Significant Subsidiary, all the indebtedness of which Subsidiary is nonrecourse to the Company or any other Subsidiary), which default shall constitute a failure to pay any portion of the principal of or interest on such indebtedness when due and payable after the expiration of

any applicable grace or cure period with respect thereto or shall have resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such indebtedness having been discharged, or such acceleration having been rescinded or annulled, within a period of 30 days after there shall have been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in Principal Amount at Maturity of the Outstanding LYONs a written notice specifying such default and requiring

the Company to cause such indebtedness to be discharged or cause such acceleration to be rescinded or annulled and stating that such notice is a "Notice of Default" hereunder; or

default by the Company in the performance, or breach, of any covenant or warranty of the Company in the Indenture or this Second Supplemental Indenture for the benefit of the LYONs (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section 5.01 specifically dealt with), and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in Principal Amount at Maturity of the Outstanding LYONs a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company or a Significant Subsidiary in an involuntary case or proceeding under any applicable Federal, State or foreign bankruptcy, insolvency, reorganization or other similar law (each, a "Bankruptcy Law") or (B) a decree or order adjudging the Company or a Significant Subsidiary a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or a Significant Subsidiary under any applicable Federal, State or foreign law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or a Significant Subsidiary or of any substantial part of their respective properties, or ordering the winding up or liquidation of the affairs of the Company or a Significant Subsidiary, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

the commencement by the Company or a Significant Subsidiary of a voluntary case or proceeding under any applicable Bankruptcy Law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by either the Company or a Significant Subsidiary to the entry of a decree or order for relief in respect of the Company or a Significant Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against either the Company or a Significant Subsidiary, or the filing by either the Company or a Significant Subsidiary of a petition or answer or consent seeking reorganization or relief under any applicable Federal, State or foreign law, or the consent by either the Company or a Significant Subsidiary to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator,

assignee, trustee, sequestrator or other similar official of the Company or a Significant Subsidiary or of any substantial part of their respective properties, or the making by either the Company or a Significant Subsidiary of an assignment for the benefit of creditors, or the admission by either the Company or a Significant Subsidiary in writing of an inability to pay the debts of either the Company or a Significant Subsidiary generally as they become due, or the taking of corporate action by the Company or a Significant Subsidiary in furtherance of any such action.

Upon the occurrence of a default in payment of the Accreted Principal Amount, (whether upon acceleration pursuant to Section 5.2 of the Indenture, upon the date set for payment of the Redemption Price, the Change in Control Purchase Price, the Repurchase Price or upon the Stated Maturity of the LYON), from and after such date the LYONs shall bear interest at the rate of 3.75% per annum on the unpaid amount due and payable on such date, compounded on a semi-annual basis (based on a 360-day year of 12 30-day months) to the extent that payment of any interest is legally enforceable, payable upon demand of the Holder or beneficial Holder of any such LYON, in accordance with the terms of the LYONs, to the date that payment of such amount has been made or provided for upon the terms set forth herein.

Acceleration of Maturity; Rescission and Annulment.

The Indenture is hereby amended, subject to Section 301 hereof and with respect to the LYONs only, by replacing Section 5.2 with the following paragraphs:

If an Event of Default under clauses (1), (2), (3) or (4) of the definition of Event of Default in Section 307 above, with respect to LYONs at the time Outstanding, occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in Principal Amount at Maturity of the Outstanding LYONs may declare the Accreted Principal Amount of all of the LYONs to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration, such

Accreted Principal Amount shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to LYONS has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in Principal Amount at Maturity of the Outstanding LYONS, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

the Company has paid or deposited with the Trustee a sum sufficient to pay:

the Accreted Principal Amount to the date of such payment or deposit;

to the extent that payment of such interest is enforceable under applicable law, interest on the Accreted Principal Amount to the date of such payment or deposit, at

the rate borne by the LYONS during the period of such default in accordance with the last paragraph of Section 307 of this Second Supplemental Indenture; and

all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

and

all Events of Default with respect to the LYONS, other than the non-payment of the Accreted Principal Amount of the LYONS which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 5.13 of the Indenture.

No such waiver or rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

If an Event of Default described in clauses (5) and (6) of the definition of Event of Default in Section 307 above, with respect to LYONS at the time Outstanding, occurs and is continuing, then the Accreted Principal Amount of the Outstanding LYONS shall become due and payable immediately, without any declaration or other act by the Trustee or any Holder.

Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Second Supplemental Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 3.7 of the Indenture) interest on such Security on the Stated Maturity or Maturities expressed in such Security (or in the case of redemption, to receive the Redemption Price on the Redemption Date, in the case of a repurchase, to receive the Repurchase Price on the Repurchase Date, or in the case of a Change in Control, to receive the Change in Control Purchase Price on the Change in Control Purchase Date) and to institute suit for the enforcement of any such payment on or after such respective dates, and such rights shall not be impaired without the consent of such Holder.

Reports by Company.

The Company shall: (1) provide to the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Company is not required to file information, documents or reports pursuant to either of said Sections, then it shall provide to the Trustee and file with the Commission, in accordance with

rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

file with the Trustee and the Commission, in accordance with

rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

transmit by mail to all Securityholders, as their names and addresses appear in the Security Register, within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

If at any time while any of the Securities are "restricted securities" within the meaning of Rule 144, the Company is no longer subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company shall prepare and shall furnish to any Holder, any beneficial owner of Securities and any prospective purchaser of Securities designated by a Holder or a beneficial owner of Securities, promptly upon request, the information required pursuant to Rule 144A(d)(4) (or any successor thereto) under the Securities Act in connection with the offer, sale or transfer of Securities.

Consolidation, Merger and Sale.

Section 8.1 of the Indenture is, with respect to the LYONS only, hereby amended and restated in its entirety to read as follows:

The Company shall not consolidate with or merge into any other entity or convey or transfer its properties and assets substantially as an entirety to any entity, unless:

the successor or transferee entity is a corporation, limited liability company, trust or partnership organized under the laws of the United States or any State of the United States or the District of Columbia or the Republic of Panama or any other country recognized by the United States and all political subdivisions of such countries;

the successor or transferee entity, if other than the Company, expressly assumes by a supplemental indenture executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the due and punctual payment of the principal of, any premium on and any interest or accrued Original Issue Discount on, all the Outstanding LYONS and the performance of every covenant in the Indenture (as supplemented by this Second Supplemental Indenture) to be performed or observed by

the Company and provides for conversion rights in accordance with applicable provisions of the Indenture and this Second Supplemental Indenture;

immediately after giving the effect to the transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default, has occurred and is continuing; and

the Company has delivered to the Trustee an officers' certificate and an opinion of counsel, each in the form required by the Indenture and this Second Supplemental Indenture, stating that such consolidation, merger, conveyance or transfer with the foregoing provisions relating to such transaction.

In case of any such consolidation, merger, conveyance or transfer, the successor entity shall succeed to and be substituted for the Company as obligor under the Indenture (as supplemented hereby), with the same effect as if it had been named in the Indenture (as supplemented hereby) as the Company.

Supplemental Indentures Without Consent of Holders.

Section 9.1 of the Indenture is hereby amended, subject to Section 301 hereof and with respect to the LYONS only, by inserting the following paragraph:

to add any rights for the benefit of Holders of LYONS; and
to provide any additional events of default.

Supplemental Indenture with Consent of Holder.

Section 9.2 of the Indenture is, with respect to the LYONS only, hereby amended and restated in its entirety to read as follows:

With the consent of the Holders of not less than a majority in

Principal Amount at Maturity of the Outstanding LYONs, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act of 1939 as in force at the date of execution thereof) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of LYONs; provided, however, that no such supplemental indenture shall (i) change the Maturity of any payment of principal of, or any premium on, or Original Issue Discount on, any LYON, or reduce the Principal Amount at Maturity thereof or the rate of accrual of Original Issue Discount or any premium thereon, or change the place of payment where, or the coin or currency in which any LYON or any premium or Original Issue Discount thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Maturity thereof (or, in the case of redemption or repayment, on or after the redemption date or the repayment date, as the case may be),

(ii) adversely affect the conversion rights of the Holders under Article Four of the Second Supplemental Indenture or the right of Holders to require the Company to repurchase the LYONs under Articles Six and Seven of the Second Supplemental Indenture, (iii) reduce the percentage in aggregate Principal Amount at Maturity of the Outstanding LYONs, the consent of whose holders is required for any such modification, or the consent of whose holders is required for any waiver of compliance with the provisions of the Indenture or the Second Supplemental Indenture or for any waiver of an Event of Default; or (iv) modify this Section 9.2, except to increase any percentages required for approval or to provide that certain other provisions of the Indenture or the Second Supplemental Indenture cannot be modified or waived without the consent of the Holder of each Outstanding LYON affected thereby.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities or such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

Upon the request of the Company accompanied by a copy of a Board Resolution authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture. It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Maintenance of Office or Agency.

The first paragraph of Section 10.2 of the Indenture is hereby amended, subject to Section 301 hereof and with respect to the LYONs only, by changing the first sentence thereof to read in its entirety as follows:

The Company shall maintain in each Place of Payment for the LYONs an office or agency where the LYONs may be presented or surrendered for payment, where the LYONs may be surrendered for registration of transfer or exchange, where the LYONs may be surrendered for conversion and where notices and demands to or upon the Company in respect of the LYONs and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

Redemption.

Section 11.4 of the Indenture is hereby amended, subject to Section 301 hereof and with respect to the LYONs only, by deleting the word "and" at the end of paragraph (5) thereof, replacing the period at the end of paragraph (6) thereof with ", and" and by inserting the following paragraph:

the election of the Company (which, subject to the provisions of Article Four of the Second Supplemental Indenture, shall be irrevocable) to deliver shares of Common Stock or to pay cash or a combination of cash and

Common Stock in lieu of delivery of such shares with respect to any LYONs.

Section 11.2 of the Indenture shall be modified by deleting the number "45" in the second sentence thereof and replacing it with the number "30".

Conversion Arrangement on Call for Redemption.

In connection with LYONs, the Company may arrange for the purchase and conversion of any LYONs called for redemption by an agreement with one or more investment bankers or other purchasers to purchase such LYONs by paying to a Paying Agent (other than the Company or any of its Affiliates) in trust for the Holders, on or before 11:00 A.M. New York City time on the Redemption Date, an amount that, together with any amounts deposited with such Paying Agent by the Company for the redemption of such LYONs, is not less than the Redemption Price of such LYONs. Notwithstanding anything to the contrary contained in this Article, the obligation of the Company to pay the Redemption Price of such LYONs shall be deemed to be satisfied and discharged to the extent such amount is so paid by such purchasers; provided, however, that nothing in this Section 316 shall relieve the Company of its obligation to pay the Redemption Price of LYONs called for redemption. If such an agreement is entered into, any LYONs called for redemption and not surrendered for conversion by the Holders thereof prior to the relevant Redemption Date may, at the option of the Company upon written notice to the Trustee, be deemed, to the fullest extent permitted by law, acquired by such purchasers from such Holders and (notwithstanding anything to the contrary contained in Article Four hereof) surrendered by such purchasers for conversion, all as of immediately prior to the close of business on the Business Day immediately prior to the Redemption Date, subject to payment of the above amount as aforesaid. The Paying Agent shall hold and pay to the Holders whose LYONs are selected for redemption any such amount paid to it for purchase in the same manner as it would money deposited with it by the Company for the redemption of LYONs. Without the Paying Agent's prior written consent, no arrangement between the Company and such purchasers for the purchase and conversion of any LYONs shall increase or otherwise affect any of the powers, duties, responsibilities or obligations of the Paying Agent as set forth in this Indenture, and the Company agrees to indemnify the Paying Agent from, and hold it harmless against, any loss, liability or expense arising out of or in connection with any such arrangement for the purchase and conversion of any LYONs between the Company and such purchasers, including the costs and expenses incurred by the Paying Agent in the defense of any claim or liability reasonably incurred without negligence or bad faith on its part arising out of or in connection with the exercise or performance of

any of its powers, duties, responsibilities or obligations under this Indenture, in accordance with the indemnity provisions applicable to the Trustee set forth herein.

Optional Redemption or Assumption of Securities under Certain Circumstances.

The LYONs may be redeemed in accordance with Section 11.8 of the Indenture which is hereby amended, subject to Section 301 hereof and with respect to the LYONs only, by adding the following subsection:

In the event that the LYONs are called for redemption pursuant to the terms of this Section, the Holders of LYONs shall have all rights, including rights to conversion and to the receipt of Original Issue Discount upon conversion, which such Holders would have had if the LYONs had been called for redemption by the Company pursuant to Article Five hereof.

CONVERSION

Conversion Rights.

LYONs shall be convertible in accordance with their terms and in accordance with this Article.

The initial conversion rate (the "Conversion Rate") is 16.5964 shares of Common Stock per \$1,000 Principal Amount at Maturity of LYONs, subject to adjustment upon the occurrence of certain events described in this Article. A Holder of a LYON otherwise entitled to a fractional share shall receive cash in an amount equal to the value of such fractional share based on the Sale Price on the trading day immediately preceding the Conversion Date. Upon a conversion, the Company may deliver cash or a combination of cash and Common Stock in lieu of Common Stock, as described in Section 405.

A Holder of LYONs is not entitled to any rights of a holder of Common Stock until such Holder has converted its LYONs to Common Stock, and only

to the extent such LYONS are deemed to have been converted into Common Stock pursuant to this Article.

Upon determination that Holders are or will be entitled to convert their LYONS pursuant to this Article Four, the Company shall publish such determination at the Company's Web site on the World Wide Web or through such other public medium as the Company may use at that time.

Conversion Rights Based on Common Stock Price.

Commencing after February 28, 2002, a Holder of a LYON may convert the such LYON into shares of Common Stock in any fiscal quarter (and only during such fiscal quarter), if the closing sale price of the Common Stock for at least 20 Trading Days

in a period of 30 consecutive Trading Days ending on the last Trading Day of the immediately preceding fiscal quarter is more than 110% of the Accreted Conversion Price (as defined below) that is in effect on such last day of such preceding fiscal quarter.

The "Accreted Conversion Price", as of any date of determination, shall equal (x) the sum of the Issue Price per \$1,000 Principal Amount at Maturity of a LYON plus accrued Original Issue Discount thereon computed to, but not including, such date divided by (y) the Conversion Rate as of such date.

Conversion Rights Upon Notice of Redemption.

A Holder of a LYON may surrender for conversion a LYON called for redemption under Article Five hereof at any time prior to the close of business on the Redemption Date, even if it is not otherwise convertible at such time. A LYON for which a Holder has delivered a Repurchase Notice as described in Section 601 or a Change in Control Purchase Notice as described in Section 701 requiring the Company to purchase such LYONS may be surrendered for conversion only if such Repurchase Notice or Change of Control Purchase Notice is withdrawn in accordance with this Second Supplemental Indenture.

In case a LYON or portion thereof is called for redemption pursuant to Article Eleven of the Indenture and/or Article Five hereof, such conversion right shall terminate at the close of business on the Business Day immediately preceding the Redemption Date for such LYON or such earlier date as the Holder presents such LYON for redemption (unless the Company defaults in making the payment of the Redemption Price when due, in which case the conversion right shall terminate at the close of business on the date such default is cured and such Redemption Price is paid).

Conversion Rights Upon Occurrence of Certain Corporate Transactions.

If the Corporation is a party to a consolidation, merger or binding share exchange pursuant to which the shares of Common Stock would be converted into cash, securities or other property, any LYON may be surrendered for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual date of such transaction and, at the effective time of the transaction, the right to convert a LYON into shares of Common Stock shall be changed into a right to convert such LYON into the kind and amount of cash, securities or other property of the Company or another person which the Holder would have received if the Holder had converted such LYON immediately prior to the transaction. Notwithstanding anything to the contrary, no LYONS may be surrendered for conversion pursuant to this Section 404 by reason of the completion of a merger, consolidation or other transaction effected with one of the Company's Affiliates for the purpose of (i) changing the Company's jurisdiction of organization or (ii) effecting a corporate reorganization, including, without limitation, the implementation of a holding company structure.

Conversion Procedures.

To convert a LYON, a Holder must (a) complete and manually sign the conversion notice or a facsimile of the Conversion Notice on the back of the LYON and deliver such notice to a Conversion Agent, (b) surrender the LYON to a Conversion Agent, (c) furnish appropriate endorsements and transfer documents if required by the Security Registrar or a Conversion Agent, and (d) pay any transfer or similar tax, if required. The date on which the Holder satisfies all of those requirements is the "Conversion Date." Within two Business Days following the Conversion Date, the Company shall deliver to the

Holder, through the Conversion Agent, written notice of whether such LYONs shall be converted into Common Stock or paid in cash or a combination of cash and Common Stock, unless the Company shall have delivered to such Holder notice of redemption pursuant to Section 11.4 of the Indenture and the Conversion Date occurs before the Redemption Date set forth in such notice. If the Company shall have notified the Holder that all of such LYONs shall be converted into Common Stock, the Company shall deliver to the Holder through the Conversion Agent, as soon as practicable but in any event no later than the fifth Business Day following the Conversion Date, a certificate for the number of whole shares of Common Stock issuable upon the conversion and cash in lieu of any fractional shares pursuant to Section 406. Except as otherwise provided in this Article Four, if the Company shall have notified the Holder that all or a portion of such LYON shall be paid in cash, the Company shall deliver to the Holder surrendering such LYON the amount of cash payable with respect to such LYON no later than the tenth Business Day following such Conversion Date, together with a certificate for the number of full shares of Common Stock deliverable upon the conversion and cash in lieu of any fractional share determined pursuant to Section 406 hereof. Except as otherwise provided in this Article Four, the Company may not change its election with respect to the consideration to be delivered upon conversion of a LYON once the Company has notified the Holder in accordance with this paragraph. Anything herein to the contrary notwithstanding, in the case of Global Securities, conversion notices may be delivered and such LYONs may be surrendered for conversion in accordance with the Applicable Procedures of the Depositary as in effect from time to time. The Person in whose name the Common Stock certificate is registered shall be deemed to be a shareholder of record on the Conversion Date; provided, however, that no surrender of a LYON on any date when the stock transfer books of the Company are closed shall be effective to constitute the Person or Persons entitled to receive the shares of Common Stock upon such conversion as the record holder or holders of such shares of Common Stock on such date, but such surrender shall be effective to constitute the Person or Persons entitled to receive such shares of Common Stock as the record holder or holders thereof for all purposes at the close of business on the next succeeding day on which such stock transfer books are open; provided further, however, that such conversion shall be at the Conversion Rate in effect on the date that such LYON shall have been surrendered for conversion, as if the stock transfer books of the Company had not been closed. Upon conversion of a LYON, such Person shall no longer be a Holder of such LYON.

No payment or adjustment shall be made for dividends on, or other distributions with respect to, any Common Stock except as provided in this Article. On conversion of a LYON, except as provided below in the case of certain LYONs or

portions thereof called for redemption described in Section 304 hereof, that portion of accrued Original Issue Discount attributable to the period from the Issue Date through the Conversion Date of such LYON shall not be cancelled, extinguished or forfeited, but rather shall be deemed to be paid in full to the Holder thereof through delivery of the Common Stock (together with the cash payment, if any, in lieu of fractional shares), or cash or a combination of cash and Common Stock in lieu thereof, in exchange for the LYON being converted pursuant to the provisions hereof, and the fair market value of such shares of Common Stock (together with any such cash payment in lieu of fractional shares), or cash or a combination of cash and Common Stock in lieu thereof, shall be treated as issued, to the extent thereof, first in exchange for accrued Original Issue Discount through the Conversion Date and the balance, if any, of such fair market value of such Common Stock (and any such cash payment), or cash in lieu thereof, shall be treated as issued in exchange for the Issue Price of the LYON being converted pursuant to the provisions hereof.

If a Holder converts more than one LYON at the same time, the number of shares of Common Stock issuable upon the conversion shall be based on the aggregate Principal Amount at Maturity of LYONs converted.

Upon surrender of LYON that is converted in part, the Company shall execute, and the Trustee shall authenticate and deliver to the Holder a new LYON equal in Principal Amount at Maturity to the Principal Amount at Maturity of the unconverted portion of the LYON surrendered.

The Holders' rights to convert LYONs into Common Stock are subject to the Company's right to elect instead to pay each such Holder the amount of cash set forth in the next succeeding sentence (or an equivalent amount in a combination of cash and shares of Common Stock), in lieu of delivering such Common Stock; provided, however, that if an Event of Default (other than a default in a cash payment upon conversion of the LYONs) shall have occurred and be continuing, the Company shall deliver Common Stock in accordance with this Article, whether or not the Company has delivered a notice pursuant to Section 11.4 of the Indenture or Section 405 hereof to the effect that the Debentures would be paid in cash or a combination of cash and Common Stock. The

amount of cash to be paid pursuant to Section 405 hereof for each \$1,000 of Principal Amount at Maturity of a LYON (or portion thereof) upon conversion shall be equal to the average Sale Price of the Common Stock for the five consecutive trading days immediately following (i) the date of the Company's notice of its election to deliver cash upon conversion, if the Company has not given a notice of redemption pursuant to Section 11.4 of the Indenture, or (ii) the Conversion Date, in the case of a conversion following such a notice of redemption specifying an intent to deliver cash upon conversion, in either case multiplied by the Conversion Rate (or appropriate fraction of such Conversion Rate) in effect on such Conversion Date.

Fractional Shares.

The Company shall not issue a fractional share of Common Stock upon conversion of a LYON. Instead, the Company shall deliver cash for the current market

value of the fractional share. The current market value of a fractional share of Common Stock shall be determined, to the nearest 1/1,000th of a share, by multiplying the Sale Price on the Trading Day immediately prior to the Conversion Date, of a full share of Common Stock by the fractional amount and rounding the product to the nearest whole cent.

Taxes on Conversion.

If a Holder converts a LYON, the Company shall pay any documentary, stamp or similar issue or transfer tax due on the issue of shares of Common Stock upon such conversion. However, the Holder shall pay any such tax which is due because the Holder requests the shares to be issued in a name other than the Holder's name. The Conversion Agent may refuse to deliver the certificate representing the Common Stock being issued in a name other than the Holder's name until the Conversion Agent receives a sum sufficient to pay any tax which will be due because the shares are to be issued in a name other than the Holder's name. Nothing herein shall preclude any tax withholding required by law or regulation.

Company to Provide Common Stock.

The Company shall, prior to issuance of any LYONS under this Article, and from time to time as may be necessary, reserve, out of its authorized but unissued Common Stock, a sufficient number of shares of Common Stock to permit the conversion of all LYONS Outstanding into shares of Common Stock. All shares of Common Stock delivered upon conversion of the LYONS shall be newly issued shares, shall be duly authorized, validly issued, fully paid and nonassessable and shall be free from preemptive rights and free of any lien or adverse claim.

The Company will endeavor promptly to comply with all federal and state securities laws regulating the registration of the offer and delivery of shares of Common Stock to a converting Holder upon conversion of LYONS, if any, and will list or cause to have quoted such shares of Common Stock on each national securities exchange or on the Nasdaq National Market or other over-the-counter market or such other market on which the Common Stock are then listed or quoted.

Adjustment of Conversion Rate.

The Conversion Rate shall be adjusted from time to time by the Company as follows:

In case the Company (i) pays a dividend on its Common Stock in shares of Common Stock, (ii) makes a distribution on its Common Stock in shares of Common Stock, (iii) subdivides its outstanding Common Stock into a greater number of shares, or (iv) combines its outstanding Common Stock into a smaller number of shares, the Conversion Rate in effect immediately prior thereto shall be adjusted so that the Holder of any LYON thereafter surrendered for conversion shall be entitled to receive that number of shares of Common Stock which it would have owned had such LYON been

converted immediately prior to the happening of such event. An adjustment made pursuant to this subsection (a) shall become effective immediately after the record date in the case of a dividend or distribution and shall become effective immediately after the effective date in the case of subdivision or combination.

In case the Company issues rights or warrants to all or substantially all holders of its Common Stock entitling them (for a period commencing no earlier than the record date described below and expiring not more

than 60 days after such record date) to subscribe for or purchase shares of Common Stock (or securities convertible into Common Stock) at a price per share (or having a conversion price per share) less than the current market price per share of Common Stock (as determined in accordance with subsection (e) of this Section 409) on the record date for the determination of shareholders entitled to receive such rights or warrants, the Conversion Rate in effect immediately prior thereto shall be adjusted so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to such record date by a fraction of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of additional shares of Common Stock offered (or into which the convertible securities so offered are convertible), and of which the denominator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares which the aggregate offering price of the total number of shares of Common Stock so offered (or the aggregate conversion price of the convertible securities so offered, which shall be determined by multiplying the number of shares of Common Stock issuable upon conversion of such convertible securities by the conversion price per share of Common Stock pursuant to the terms of such convertible securities) would purchase at the current market price per share (as determined in accordance with subsection (e) of this Section 409) of Common Stock on such record date. Such adjustment shall be made successively whenever any such rights or warrants are issued, and shall become effective immediately after such record date. If at the end of the period during which such rights or warrants are exercisable not all rights or warrants shall have been exercised, the adjusted Conversion Rate shall be immediately readjusted to what it would have been based upon the number of additional shares of Common Stock actually issued (or the number of shares of Common Stock issuable upon conversion of convertible securities actually issued).

In case the Company distributes to all or substantially all holders of its Common Stock any shares of capital stock (other than dividends or distributions of Common Stock on Common Stock to which Section 409(a) applies) of the Company, evidences of indebtedness or other assets (including securities of any Person other than the Company, but excluding all-cash distributions or any rights or warrants referred to in Section 409(b)), then in each such case the Conversion Rate shall be adjusted so that the same shall equal the rate determined by multiplying the current Conversion Rate by a fraction of which the numerator shall be the current market price per share (as

determined in accordance with subsection (e) of this Section 409) of the Common Stock on the record date mentioned below, and of which the denominator shall be the current market price per share (as determined in accordance with subsection (e) of this Section 409) of the Common Stock on such record date less the fair market value on such record date (as determined by the Board of Directors, whose determination shall be conclusive evidence of such fair market value and which shall be evidenced by an Officers' Certificate delivered to the Trustee) of the portion of the capital stock, evidences of indebtedness or other non-cash assets so distributed applicable to one share of Common Stock (determined on the basis of the number of shares of Common Stock outstanding on the record date). Such adjustment shall be made successively whenever any such distribution is made and shall become effective immediately after the record date for the determination of shareholders entitled to receive such distribution.

In the event that the Company implements a shareholder rights plan, such rights plan shall provide, subject to customary exceptions and limitations, that upon conversion of the LYONs the Holders will receive, in addition to the Common Stock issuable upon such conversion, the rights issued under such rights plan (notwithstanding the occurrence of an event causing such rights to separate from the Common Stock at or prior to the time of conversion). Any distribution of rights or warrants pursuant to a shareholder rights plan complying with the requirements set forth in the immediately preceding sentence of this paragraph shall not constitute a distribution of rights or warrants for the purposes of this Section 409(c) or any other provision of this Section 409.

Rights or warrants distributed by the Company to all holders of Common Stock entitling the holders thereof to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Trigger Event"): (i) are deemed to be transferred with such shares of Common Stock; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of Common Stock, shall be deemed not to have been distributed for purposes of this Section 409(c) or any other provision of this Section 409(c) (and no adjustment to the Conversion Rate under this Section 409(c) or any other provision of this Section 409 will be required) until the occurrence of the earliest Trigger Event. If such right or warrant is subject to subsequent events, upon the occurrence of which such right or warrant shall become exercisable to purchase different securities, evidences of indebtedness or other assets or entitle the holder to purchase a different number or amount of the foregoing or to purchase any of the foregoing at a different purchase

price, then the occurrence of each such event shall be deemed to be the date of issuance and record date with respect to a new right or warrant (and a termination or expiration of the existing right or warrant without exercise by the holder thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto, that resulted in an adjustment to the Conversion Rate under this Section 409(c), (1) in the case of any such rights or warrants which shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such

redemption or repurchase, and (2) in the case of such rights or warrants all of which shall have expired or been terminated without exercise, the Conversion Rate shall be readjusted as if such rights and warrants had never been issued.

(1) In case the Company, by dividend or otherwise, at any time distributes (a "Triggering Distribution") to all or substantially all holders of its Common Stock all-cash distributions in an aggregate amount that, together with the aggregate amount of (A) any cash and the fair market value (as determined by the Board of Directors, whose determination shall be conclusive evidence thereof and which shall be evidenced by an Officers' Certificate delivered to the Trustee) of any other consideration payable in respect of any tender offer by the Company or a Subsidiary of the Company for Common Stock consummated within the 12 months preceding the date of payment of the Triggering Distribution and in respect of which no Conversion Rate adjustment pursuant to this Section 409 has been made and (B) all other cash distributions to all or substantially all holders of its Common Stock made within the 12 months preceding the date of payment of the Triggering Distribution and in respect of which no Conversion Rate adjustment pursuant to this Section 409 has been made, exceeds an amount equal to 7.5% of the product of the current market price per share of Common Stock (as determined in accordance with subsection (e) of this Section 409) on the Business Day (the "Determination Date") immediately preceding the day on which such Triggering Distribution is declared by the Company multiplied by the number of shares of Common Stock outstanding on the Determination Date (excluding shares held in the treasury of the Company), the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying such Conversion Rate in effect immediately prior to the Determination Date by a fraction of which the numerator shall be such current market price per share of Common Stock (as determined in accordance with subsection (e) of this Section 409) on the Determination Date, and the denominator shall be the current market price per share of Common Stock (as determined in accordance with subsection (e) of this Section 409) on the Determination Date less the sum of the aggregate amount of cash and the aggregate fair market value (determined as aforesaid) of any such other consideration so distributed, paid or payable within such 12 months (including, without limitation, the Triggering Distribution) applicable to one share of Common Stock (determined on the basis of the number of shares of Common Stock outstanding on the Determination Date), such increase to become effective immediately prior to the opening of business on the day following the date on which the Triggering Distribution is paid.

(2) In case any tender offer made by the Company or any of its Subsidiaries for Common Stock expires and such tender offer (as amended upon the expiration thereof) involves the payment of aggregate consideration in an amount (determined as the sum of the aggregate amount of cash consideration and the aggregate fair market value (as determined by the Board of Directors, whose determination shall be conclusive evidence thereof and which shall

be evidenced by an Officers' Certificate delivered to the Trustee thereof) of any other consideration) that, together with the aggregate amount of (A) any cash and the fair market value (as determined by the Board of Directors, whose determination shall be conclusive evidence thereof and which shall be evidenced by an Officers' Certificate delivered to the Trustee) of any other consideration payable in respect of any other tender offers by the Company or any Subsidiary of the Company for Common Stock consummated within the 12 months preceding the date of the Expiration Date (as defined below) and in respect of which no Conversion Rate adjustment pursuant to this Section 409 has been made and (B) all cash distributions to all or substantially all holders of its Common Stock made within the 12 months preceding the Expiration Date and in respect of which no Conversion Rate adjustment pursuant to this Section 409 has been made, exceeds an amount equal to 7.5% of the product of the current market price per share of Common Stock (as determined in accordance with subsection (e) of this

Section 409) as of the last date (the "Expiration Date") tenders could have been made pursuant to such tender offer (as it may be amended) (the last time at which such tenders could have been made on the Expiration Date is hereinafter sometimes called the "Expiration Time") multiplied by the number of shares of Common Stock outstanding (including tendered shares but excluding any shares held in the treasury of the Company) at the Expiration Time, then, immediately prior to the opening of business on the day after the Expiration Date, the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to close of business on the Expiration Date by a fraction of which the numerator shall be the sum of (x) the aggregate consideration (determined as aforesaid) payable to stockholders based on the acceptance (up to any maximum specified in the terms of the tender offer) of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares") and (y) the product of the number of shares of Common Stock outstanding (less any Purchased Shares and excluding any shares held in the treasury of the Company) at the Expiration Time and the current market price per share of Common Stock (as determined in accordance with subsection (e) of this Section 409) on the Trading Day next succeeding the Expiration Date, and the denominator shall be the product of the number of shares of Common Stock outstanding (including tendered shares but excluding any shares held in the treasury of the Company) at the Expiration Time multiplied by the current market price per share of Common Stock (as determined in accordance with subsection (e) of this Section 409) on the Trading Day next succeeding the Expiration Date, such increase to become effective immediately prior to the opening of business on the day following the Expiration Date. In the event that the Company is obligated to purchase shares pursuant to any such tender offer, but the Company is permanently prevented by applicable law from effecting any or all such purchases or any or all such purchases are rescinded, the Conversion Rate shall again be adjusted to be the Conversion Rate which would have been in effect based upon the number of shares actually purchased. If the application of this Section 409(d)(2) to any tender offer would result in a decrease in the Conversion Rate, no adjustment shall be made for such tender offer under this Section 409(d)(2).

(3) For purposes of this Section 409(d), the term "tender offer" shall mean and include both tender offers and exchange offers, all references to "purchases" of shares in tender offers (and all similar references) shall mean and include both the purchase of shares in tender offers and the acquisition of shares pursuant to exchange

offers, and all references to "tendered shares" (and all similar references) shall mean and include shares tendered in both tender offers and exchange offers.

For the purpose of any computation under subsections (b), (c) and (d) of this Section 409 the current market price per share of Common Stock on any date shall be deemed to be the average of the daily closing prices for the 10 consecutive Trading Days commencing five Trading Days before (i) the Determination Date or the Expiration Date, as the case may be, with respect to distributions or tender offers under subsection (d) of this Section 409 or (ii) the record date with respect to distributions, issuances or other events requiring such computation under subsection (b) or (c) of this Section 409. The closing price for each day shall be the last reported sales price or, in case no such reported sale takes place on such date, the average of the reported closing bid and asked prices in either case on the New York Stock Exchange (the "NYSE") or, if the Common Stock is not listed or admitted to trading on the NYSE, on the principal national securities exchange on which the Common Stock are listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, the last reported sales price of the Common Stock as quoted on Nasdaq (the term "Nasdaq" shall include, without limitation, the Nasdaq National Market) or, in case no reported sales takes place, the average of the closing bid and asked prices as quoted on Nasdaq or any comparable system or, if the Common Stock is not quoted on Nasdaq or any comparable system, the closing sales price or, in case no reported sale takes place, the average of the closing bid and asked prices, as furnished by any two members of the National Association of Securities Dealers, Inc. selected from time to time by the Company for that purpose. If no such prices are available, the current market price per share shall be the fair value of a share of Common Stock as determined by the Board of Directors (which shall be evidenced by an Officers' Certificate delivered to the Trustee).

In any case in which this Section 409 requires that an adjustment be made following a record date or a Determination Date or Expiration Date, as the case may be, established for purposes of this Section 409, the Company may elect to defer (but only until five Business Days following the filing by the Company with the Trustee of the certificate described in Section 412) issuing to the Holder of any LYON converted after such record date or Determination Date or Expiration Date the shares of Common Stock and other

capital stock of the Company issuable upon such conversion over and above the shares of Common Stock and other capital stock of the Company issuable upon such conversion only on the basis of the Conversion Rate prior to adjustment; and, in lieu of the shares the issuance of which is so deferred, the Company shall issue or cause its transfer agents to issue due bills or other appropriate evidence prepared by the Company of the right to receive such shares. If any distribution in respect of which an adjustment to the Conversion Rate is required to be made as of the record date or Determination Date or Expiration Date therefor is not thereafter made or paid by the Company for any reason, the Conversion Rate shall be readjusted to the Conversion Rate which would then be in effect if such record date had not been fixed or such effective date or Determination Date or Expiration Date had not occurred.

Upon the election by the Company to make a distribution as described in paragraphs (b), (c) and (d) of this Section 409, which in the case of paragraph (d) has a per share value equal to more than 15% of the Sale Price of shares of Common Stock on the Trading Day preceding the declaration date for such distribution, the Company shall give notice to Holders of the LYONS not less than 20 days prior to the ex-dividend date for such distribution. Upon giving such notice, Holders may surrender the LYONS for conversion pursuant to this Article Four at any time until the close of business on the Business Day prior to the ex-dividend date or until the Company publicly announces that such distribution will not be given effect.

No Adjustment.

No adjustment in the Conversion Rate shall be required unless the adjustment would require an increase or decrease of at least 1% in the Conversion Rate as last adjusted; provided, however, that any adjustments which by reason of this Section 410 are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Article shall be made to the nearest cent or to the nearest 1/1000th of a share, as the case may be.

Except pursuant to Section 414, no adjustment in the Conversion Rate will be made by reason of the completion of a merger, consolidation or other transaction effected with one of the Company's Affiliates for the purpose of (1) changing the jurisdiction of organization of the Company or (2) effecting a corporate reorganization including, without limitation, the implementation of a holding company structure.

No adjustment need be made for issuances of Common Stock pursuant to a Company plan for reinvestment of dividends or interest or for a change in the par value or a change to no par value of the Common Stock.

To the extent that the LYONS become convertible into the right to receive cash, no adjustment need be made thereafter as to the cash. Interest shall not accrue on the cash.

Adjustment for Tax Purposes.

The Company shall be entitled to make such adjustments in the Conversion Rate, in addition to those required by Section 409, as in its discretion shall determine to be advisable in order that any stock dividends, subdivisions of shares, distributions of rights to purchase stock or securities or distributions of securities convertible into or exchangeable for stock hereafter made by the Company to its stockholders shall not be taxable.

Notice of Adjustment.

Whenever the Conversion Rate is adjusted, the Company shall promptly mail to Holders a notice of the adjustment and file with the Trustee an Officers'

Certificate specifying the adjusted Conversion Rate, and briefly stating the facts requiring the adjustment and the manner of computing it.

Notice of Certain Transactions.

In the event that:

the Company takes any action which would require an adjustment in the Conversion Rate,

the Company takes any action that requires a supplemental indenture pursuant to Section 414, or

there is a dissolution or liquidation of the Company,

the Company shall mail to Holders and file with the Trustee a notice stating the proposed record or effective date, as the case may be. The Company shall mail the notice at least fifteen days before such date. Failure to mail such notice or any defect therein shall not affect the validity of any transaction referred to in clause (1), (2) or (3) of this Section 413.

Effect of Reclassification, Consolidation, Merger _or Sale on Conversion Privilege.

If any of the following shall occur, namely: (a) any reclassification or change of shares of Common Stock issuable upon conversion of the LYONs (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination); (b) any cons party consolidating with another entity or merging with or into another entity other than a merger in which the Company is the continuing corporation and which does not result in any reclassification of, or change (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination) in, Outstanding shares of Common Stock; or (c) any sale or conveyance of all or substantially all of the property and assets of the Company to any Person, then the Company, or such successor, purchasing or transferee corporation, as the case may be, shall, as a condition precedent to such reclassification, change, consolidation, merger, sale or conveyance, execute and deliver to the Trustee a supplemental indenture providing that the Holder of each LYON then Outstanding shall have the right to convert such LYON into the kind and amount of shares of stock and other securities and property (including cash) receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock deliverable upon conversion of such LYON immediately prior to such reclassification, change, consolidation, merger, sale or conveyance. Such supplemental indenture shall provide for adjustments of the Conversion Rate which shall be as nearly equivalent as may be practicable to the adjustments of the Conversion Rate provided for in this Article. If, in the case of any such consolidation, merger, sale or conveyance, the stock or other securities and property (including cash) receivable thereupon by a holder of Common Stock include shares of

stock or other securities and property of a Person other than the successor, purchasing or transferee corporation, as the case may be, in such consolidation, merger, sale or conveyance, then such supplemental indenture shall also be executed by such other Person and shall contain such additional provisions to protect the interests of the Holders of the LYONs as the Board of Directors shall reasonably consider necessary by reason of the foregoing. The provisions of this Section 414 shall similarly apply to successive reclassifications, changes, consolidations, mergers, sales or conveyances.

In the event the Company shall execute a supplemental indenture pursuant to this Section 414, the Company shall promptly file with the Trustee (x) an Officers' Certificate briefly stating the reasons therefor, the kind or amount of shares of stock or other securities or property (including cash) receivable by Holders of the LYONs upon the conversion of their LYONs after any such reclassification, change, consolidation, merger, sale or conveyance, any adjustment to be made with respect thereto and that all conditions precedent have been complied with and (y) an Opinion of Counsel that all conditions precedent have been complied with, and shall promptly mail notice thereof to all Holders.

Trustee's Disclaimer.

The Trustee shall have no duty to determine when an adjustment under this Article should be made, how it should be made or what such adjustment should be, but may accept as conclusive evidence of that fact or the correctness of any such adjustment, and shall be protected in relying upon, an Officers' Certificate including the Officers' Certificate with respect thereto which the Company is obligated to file with the Trustee pursuant to Section 412. The Trustee makes no representation as to the validity or value of any securities or assets issued upon conversion of LYONs, and the Trustee shall not be responsible for the Company's failure to comply with any provisions of this Article.

The Trustee shall not be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture executed pursuant to Section 414, but may accept as conclusive evidence of the correctness thereof, and shall be fully protected in relying upon, the Officers' Certificate with respect thereto which the Company is obligated to file with the Trustee pursuant to Section 414.

Voluntary Increase.

The Company from time to time may increase the Conversion Rate by any amount for any period of time if the period is at least 20 days or such longer period as may be required by law and if the increase is irrevocable during the period.

___REDEMPTION OF LYONS AT THE OPTION OF THE COMPANY

General.

Beginning on October 24, 2008, the Company may redeem the LYONS at any time as a whole, or from time to time in part, pursuant to the terms and conditions under the caption "Redemption at the Option of the Holder" in the LYONS, at the redemption price specified therein (the "Redemption Price") and otherwise in accordance with Article 11 of the Indenture and Section 315 of this Second Supplemental Indenture.

___REPURCHASE OF LYONS AT OPTION OF THE HOLDER

General.

The Company shall be required to repurchase LYONS in accordance with this Article Six.

LYONS shall be purchased by the Company pursuant to the terms and conditions under the caption "Repurchase by the Company at the Option of the Holder" in the LYONS on any October 24 occurring in the years 2006, 2008, 2011 and 2016 (each, a "Repurchase Date"), at the repurchase price specified therein (each, a "Repurchase Price"), at the option of the Holder thereof, upon:

delivery to the Paying Agent, by the Holder of a written notice of purchase (a "Repurchase Notice") at any time from the opening of business on the date that is at least 20 Business Days prior to a Repurchase Date until the close of business on such Repurchase Date stating:

if Certificated Security has been issued, the certificate number of the LYON which the Holder will deliver to be repurchased or if not, such information as may be required under appropriate DTC Procedures,

the portion of the Principal Amount at Maturity of the LYON which the Holder will deliver to be repurchased, which portion must be \$1,000 or an integral multiple thereof,

that such LYON shall be purchased as of the Repurchase Date pursuant to the terms and conditions specified under the paragraph "Repurchase by the Company at the Option of the Holder" of the LYONS and in the Indenture, as supplemented by this Second Supplemental Indenture,

in the event that the Company elects, pursuant to Section 602 hereof, to pay the Repurchase Price to be paid as of such Repurchase Date, in whole or in part, in Common Stock but such portion of the Repurchase Price shall ultimately be payable to such Holder entirely in cash because any of the conditions to payment of the Repurchase Price in Common Stock is not satisfied prior to the close of business on such Repurchase Date, as set forth in Section 603 hereof, whether such Holder elects (i) to withdraw such Repurchase Notice as to some or all of the LYONS to which such Repurchase Notice relates (stating the Principal Amount at Maturity and certificate numbers of the LYONS as to which such withdrawal shall relate), or (ii) to receive cash in respect of the entire

Repurchase Price for all LYONS (or portions thereof) to which such Repurchase Price relates, and

delivery of such LYONS to the Paying Agent prior to, on or after the Repurchase Date (together with all necessary endorsements) at the offices of the Paying Agent, such delivery being a condition to receipt by the Holder of the Repurchase Price therefor; provided, however, that such Repurchase Price shall be so paid pursuant to this Article only if the LYONS so delivered to the Paying Agent conform in all respects to the description thereof in the related Repurchase Notice.

If a Holder, in such Holder's Repurchase Notice and in any written notice of withdrawal delivered by such Holder pursuant to the terms of Section 609 hereof, fails to indicate such Holder's choice with respect to the election set forth in clause (D) of Section 601(1), such Holder shall be deemed to have elected to receive cash in respect of the Repurchase Price for all LYONS

subject to the Repurchase Notice in the circumstances set forth in such clause (D).

The Company shall purchase from the Holder thereof, pursuant to this Article, a portion of a LYON if the Principal Amount at Maturity of such portion is \$1,000 or an integral multiple of \$1,000. Provisions of this Indenture that apply to the purchase of all of a LYON also apply to the purchase of such portion of such LYON.

Any purchase by the Company contemplated pursuant to the provisions of this Article shall be consummated by the delivery of the consideration to be received by the Holder (if any) promptly following the later of the Repurchase Date and the time of delivery of the LYON.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Repurchase Notice contemplated by this Section 601 shall have the right to withdraw such Repurchase Notice at any time prior to the close of business on the Repurchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 609.

The Paying Agent shall promptly notify the Company of the receipt by it of any Repurchase Notice or written notice of withdrawal thereof.

The Company may, at its option, specify additional dates on which Holders will have the right to require it to repurchase LYONS upon written notice to the Trustee and the Holders. Such notice shall specify the additional dates upon which the Company shall be required to repurchase the LYONS at the option of the Holders and shall be delivered to the Trustee and the Holders no less than 25 Business Days prior to the earliest repurchase date specified in such notice.

The Company's Right to Elect Manner of Payment of Repurchase Price.

The Repurchase Price of LYONS in respect of which a Repurchase Notice pursuant to Section 601 hereof has been given, or a specified percentage thereof, will be

paid by the Company, at the election of the Company, in cash or Common Stock or in any combination of cash and Common Stock, subject to the conditions set forth in Section 602 and 603 hereof. The Company shall designate, in the Company Notice delivered pursuant to Section 605 hereof, whether the Company will purchase the LYONS for cash or Common Stock, or, if a combination thereof, the percentages of the Repurchase Price of LYONS in respect of which it will pay in cash and Common Stock; provided, however, that the Company will pay cash for fractional interests in Common Stock. For purposes of determining the existence of potential fractional interests, all LYONS subject to purchase by the Company held by a Holder shall be considered together (no matter how many separate certificates are to be presented). Each Holder whose LYONS are purchased pursuant to this Article shall receive the same percentage of cash or Common Stock in payment of the Repurchase Price for such LYONS, except (i) as provided in Section 604 hereof with regard to the payment of cash in lieu of fractional Common Stock and (ii) in the event that the Company is unable to purchase the LYONS of a Holder or Holders for Common Stock because any necessary qualifications or registrations of the Common Stock under applicable state securities laws cannot be obtained, the Company may purchase the LYONS of such Holder or Holders for cash. The Company may not change its election with respect to the consideration (or components or percentages of components thereof) to be paid once the Company has given its Company Notice to Holders except pursuant to this Section 602 hereof or pursuant to Section 604 hereof in the event of a failure to satisfy, prior to the close of business on the Repurchase Date, any condition to the payment of the Repurchase Price, in whole or in part, in Common Stock.

At least three Business Days before the Company Notice Date (as defined in Section 603 of this Second Supplemental Indenture), the Company shall deliver an Officers' Certificate to the Trustee specifying:

- (i) the manner of payment selected by the Company,
- (ii) the information required by Section 605,

(iii) if the Company elects to pay the Repurchase Price, or a specified percentage thereof, in Common Stock, that the conditions to such manner of payment set forth in Section 604 hereof have been or will be complied with, and

(iv) whether the Company desires the Trustee to give the Company Notice required by Section 605 hereof.

Purchase with Cash.

On each Repurchase Date, at the option of the Company, the Repurchase Price of LYONS in respect of which a Repurchase Notice pursuant to Section 601 has been given, or a specified percentage thereof, may be paid by the Company with cash equal to the aggregate Repurchase Price of such LYONS. If the Company elects to purchase LYONS with cash, the Company Notice, as provided in Section 605, shall be

sent to Holders (and to beneficial owners as required by applicable law) not less than 20 Business Days prior to such Purchase Date (the "Company Notice Date").

Payment by Issuance of Common Stock.

On each Repurchase Date, at the option of the Company, the Repurchase Price of LYONS in respect of which a Repurchase Notice pursuant to Section 601 has been given, or a specified percentage thereof, may be paid by the Company by the issuance of a number of shares of Common Stock equal to the quotient obtained by dividing (i) the amount of cash to which the Holders would have been entitled had the Company elected to pay all or such specified percentage, as the case may be, of the Repurchase Price of such LYONS in cash by (ii) the Market Price of a share of Common Stock, subject to the next succeeding paragraph.

The Company shall not issue a fractional share of Common Stock in payment of the Repurchase Price. Instead the Company shall pay cash for the current market value of the fractional share. The current market value of a fraction of a share of Common Stock shall be determined by multiplying the Market Price by such fraction and rounding the product to the nearest whole cent with one half cent being rounded upwards. It is understood that if a Holder elects to have more than one LYON repurchased, the number of shares of Common Stock shall be based on the aggregate amount of LYONS to be repurchased.

If the Company elects to purchase the LYONS by the issuance of Common Stock, the Company Notice, as provided in Section 605, shall be sent to the Holders (and to beneficial owners as required by applicable law) not later than the Company Notice Date.

The Company's right to exercise its election to purchase the LYONS pursuant to this Article through the issuance of Common Stock shall be conditioned upon:

(i) the Company's not having given its Company Notice of an election to pay entirely in cash and its giving of timely Company Notice of election to purchase all or a specified percentage of the LYONS with Common Stock as provided herein;

(ii) the listing of shares of Common Stock to be issued in respect of the payment of the Repurchase Price on the principal United States securities exchange on which the Common Stock is then listed;

(iii) the registration of the shares of Common Stock to be issued in respect of the payment of the Repurchase Price under the Securities Act or the Exchange Act, in each case, if required for the initial issuance thereof;

(iv) any necessary qualification or registration under applicable state securities laws or the availability of an exemption from such qualification and registration; and

(v) the receipt by the Trustee of an Officers' Certificate and an Opinion of Counsel each stating that (A) the terms of the issuance of the Common Stock are in conformity in all material respects with this Second Supplemental Indenture and (B) the Common Stock to be issued by the Company in payment of the Repurchase Price in respect of LYONS has been duly authorized and, when issued and delivered pursuant to the terms of this Second Supplemental Indenture in payment of the Repurchase Price in respect of the LYONS, will be validly issued, fully paid and non-assessable and, to the best of such counsel's knowledge, free from preemptive rights, and, in the case of such Officer's Certificate, stating that conditions (i), (ii) (iii) and (iv) above and the condition set forth in the second succeeding sentence have been satisfied and, in the case of such Opinion of Counsel, stating that conditions (ii) and (iii) above have been satisfied.

Such Officers' Certificate shall also set forth the number of shares of Common Stock to be issued for each \$1,000 Principal Amount at Maturity of LYONs and the Sale Price of a share of Common Stock on each trading day during the period commencing on the first trading day of the period during which the Market Price is calculated and ending three Business Days prior to the applicable Repurchase Date. The Company shall pay the Repurchase Price (or any portion thereof) in Common Stock only if the information necessary to calculate the Market Price is published in The Wall Street Journal or another daily newspaper of national circulation or is otherwise readily publicly available. If the foregoing conditions are not satisfied with respect to a Holder or Holders prior to the close of business on the Repurchase Date and the Company has elected to repurchase the LYONs pursuant to this Article through the issuance of Common Stock, the Company shall pay, without further notice, the entire Repurchase Price of the LYONs of such Holder or Holders in cash.

The "Market Price" means the average of the Sale Prices of the Common Stock for the five Trading Day period ending on the third Business Day (if the third Business Day prior to the applicable Repurchase Date is a Trading Day, or if not, then on the last Trading Day prior to the third Business Day), prior to the applicable Repurchase Date appropriately adjusted to take into account the occurrence, during the period commencing on the first of such Trading Days during such five Trading Day period and ending on such Repurchase Date, of any event described in Section 409; subject, however, to the conditions set forth in Sections 409(f) and 410.

The "Sale Price" of the Common Stock on any date means the closing per share sale price (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and average ask prices) on such date as reported in the composite transactions for the principal United States securities exchange on which the Common Stock is traded or, if the Common Stock is not listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers Automated Quotation System or by the National Quotation Bureau Incorporated.

Notice of Election.

The Company's notice (the "Company Notice") of election to repurchase with cash or Common Stock or any combination thereof shall be sent to the Holders in the manner provided in Section 206 of the Indenture at the Company Notice Date. Such Company Notice shall state the manner of payment elected and shall contain the following information:

In the event the Company has elected to pay the Repurchase Price (or a specified percentage thereof) with Common Stock, the Company Notice shall:

state that each Holder will receive Common Stock with a Market Price equal to such specified percentage of the Repurchase Price of the LYONs held by such Holder (except any cash amount to be paid in lieu of fractional shares);

set forth the method of calculating the Market Price of the Common Stock; and

state that because the Market Price of Common Stock will be determined prior to the Repurchase Date, Holders will bear the market risk with respect to the value of the Common Stock to be received from the date such Market Price is determined to the Repurchase Date.

In any case, each Company Notice shall include a form of Repurchase Notice to be completed by a Holder and shall state:

the Repurchase Price and the Conversion Rate;

the name and address of the Paying Agent and the Conversion Agent;

that LYONs as to which a Repurchase Notice has been given may be converted pursuant to Article Four hereof only if the applicable Repurchase Notice has been withdrawn in accordance with the terms of this Indenture;

that LYONs must be surrendered to the Paying Agent to collect payment of the Purchase Price;

that the Repurchase Price for any LYON as to which a Repurchase Notice has been given and not withdrawn will be paid promptly following the later of the Repurchase Date and the time of surrender of such

LYON as described in (D);

the procedures the Holder must follow to exercise repurchase rights under this Article and a brief description of those rights;

briefly, the conversion rights of the LYONs; and

the procedures for withdrawing a Repurchase Notice (including, without limitation, for a conditional withdrawal pursuant to the terms of Section 601 or 609).

If any of the LYONs is in the form of a Global Security, then the Company shall modify the Company Notice to the extent necessary to accord with the procedures of the Depository applicable to the repurchase of Global Securities.

At the Company's request, the Trustee shall give such Company Notice in the Company's name and at the Company's expense; provided, however, that, in all cases, the text of such Company Notice shall be prepared by the Company.

Upon determination of the actual number of shares of Common Stock to be issued for each \$1,000 Principal Amount at Maturity of LYONs, the Company will publish such determination at the Company's Web site on the World Wide Web or through such other public medium as the Company may use at that time.

Common Stock Delivered Upon Purchase.

All Common Stock delivered upon purchase of the LYONs shall be newly issued shares or treasury shares, shall be duly authorized, validly issued, fully paid and nonassessable and shall be free from preemptive rights and free of any lien or adverse claim.

Procedure upon Repurchase.

As soon as practicable after the Repurchase Date, the Company shall deliver to each Holder entitled to receive Common Stock through the Paying Agent, a certificate for the number of full shares of Common Stock issuable in payment of the Repurchase Price and cash in lieu of any fractional shares of Common Stock. The Person in whose name the certificate for Common Stock is registered shall be treated as a holder of record of Common Stock on the Business Day following the Repurchase Date. Subject to Section 604, no payment or adjustment will be made for dividends on the Common Stock the record date for which occurred on or prior to the Repurchase Date.

Taxes.

If a Holder of a LYON is paid in Common Stock, the Company shall pay any documentary, stamp or similar issue or transfer tax due on such issue of Common Stock. However, the Holder shall pay any such tax which is due because the Holder requests the Common Stock to be issued in a name other than the Holder's name. The Paying Agent may refuse to deliver the certificates representing the shares of Common Stock being issued in a name other than the Holder's name until the Paying Agent receives a sum sufficient to pay any tax which will be due because the shares of Common Stock are to be issued in a name other than the Holder's name.

Effect of Repurchase Notice.

Upon receipt by the Paying Agent of the Repurchase Notice specified in Section 605, the Holder of the LYON in respect of which such Repurchase Notice was given shall (unless such Repurchase Notice is withdrawn as specified in the following

two paragraphs) thereafter be entitled to receive solely the Repurchase Price with respect to such LYON. Such Repurchase Price shall be paid to such Holder, subject to receipt of funds and/or Common Stock by the Paying Agent, promptly following the later of (x) the Repurchase Date with respect to such LYON (provided the conditions in Section 601 have been satisfied) and (y) the time of delivery of such LYON to the Paying Agent by the Holder thereof in the manner required by Section 601. LYONs in respect of which a Repurchase Notice has been given by the Holder thereof may not be converted pursuant to Article Four hereof on or after the date of the delivery of such Repurchase Notice unless such Repurchase Notice has first been validly withdrawn as specified in the following two paragraphs.

A Repurchase Notice may be withdrawn by means of a written notice of withdrawal delivered to the office of the Paying Agent in accordance with the Repurchase Notice at any time prior to the close of business on the applicable Repurchase Date specifying:

if Certificated Securities have been issued, the certificate number of the LYON in respect of which such notice of withdrawal is being submitted, or if not, such information as may be required under appropriate procedures of the Depository;

the Principal Amount at Maturity of the LYON with respect to which such notice of withdrawal is being submitted; and

the Principal Amount at Maturity, if any, of such LYON which remains subject to the original Repurchase Notice and which has been or will be delivered for purchase by the Company.

A written notice of withdrawal of a Repurchase Notice may be in the form set forth in the preceding paragraph or may be in the form of (i) a conditional withdrawal contained in a Repurchase Notice pursuant to the terms of Section 601(1)(D) or (ii) a conditional withdrawal containing the information set forth in Section 601(1)(D) and the preceding paragraph and contained in a written notice of withdrawal delivered to the Paying Agent as set forth in the preceding paragraph.

There shall be no purchase of any LYONS pursuant to this Article (other than through the issuance of Common Stock in payment of the Repurchase Price, including cash in lieu of fractional shares) if there has occurred (prior to, on or after, as the case may be, the giving, by the Holders of such LYONS, of the required Repurchase Notice) and is continuing an Event of Default (other than a default in the payment of the Repurchase Price with respect to such LYONS). The Paying Agent will promptly return to the respective Holders thereof any LYONS (x) with respect to which a Repurchase Notice has been withdrawn in compliance with this Indenture, or (y) held by it during the continuance of an Event of Default (other than a default in the payment of the Repurchase Price with respect to such LYONS) in which case, upon such return, the Repurchase Notice with respect thereto shall be deemed to have been withdrawn.

Deposit of Repurchase Price.

Prior to 11:00 a.m. (New York City time) on the Business Day following the Repurchase Date, the Company shall deposit with the Trustee or with the Paying Agent an amount of money (in immediately available funds if deposited on such Business Day) and/or Common Stock, if permitted hereunder, sufficient to pay the aggregate Repurchase Price of all of the LYONS or portions thereof which are to be purchased as of the Repurchase Date. The manner in which the deposit required by this Section 610 is made by the Company shall be at the option of the Company, provided, however, that such deposit shall be made in a manner such that the Trustee or a Paying Agent shall have immediately available funds on the Repurchase Date.

If a Paying Agent holds, in accordance with the terms hereof, money and/or Common Stock sufficient to pay the Repurchase Price of any LYON for which a Repurchase Notice has been tendered and not withdrawn in accordance with this Indenture then, immediately after Repurchase Date, such LYON will cease to be Outstanding, Original Issue Discount shall cease to accrue thereon, and the rights of the Holder in respect thereof shall terminate (other than the right to receive the Repurchase Price as aforesaid).

Securities Repurchased in Part.

Any LYON which is to be purchased only in part shall be surrendered at the office of the Paying Agent (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company or the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such LYON, without service charge except for any taxes to be paid by the Holder in the event a LYON is registered under a new name, a new LYON, of any authorized denomination as requested by such Holder in aggregate Principal Amount at Maturity equal to, and in exchange for, the portion of the Principal Amount at Maturity of the LYON so surrendered which is not purchased.

Compliance with Securities Laws Upon Purchase of _Securities.

In connection with any offer to purchase or purchase of LYONS

under this Article (provided that such offer or purchase constitutes an "issuer tender offer" for purposes of Rule 13e_4 (which term, as used herein, includes any successor provision thereto) under the Exchange Act at the time of such offer or purchase), the Company shall (i) comply with Rule 13e_4 under the Exchange Act, (ii) file the related Schedule TO (or any successor schedule, form or report), if required, under the Exchange Act, and (iii) otherwise comply with all applicable Federal and state securities laws so as to permit the rights and obligations under Article Six to be exercised in the time and in the manner specified in this Article.

Repayment to the Company.

The Trustee and the Paying Agent shall return to the Company any cash or Common Stock that remain unclaimed

for two years, subject to applicable unclaimed property law, together with interest or dividends, if any, thereon held by them for the payment of the Repurchase Price, provided, however, that to the extent that the aggregate amount of cash or Common Stock deposited by the Company pursuant to Section 610 exceeds the aggregate Repurchase Price of the LYONS or portions thereof which the Company is obligated to purchase as of the Repurchase Date, then promptly after the Business Day following the Repurchase Date, the Trustee shall return any such excess to the Company together with interest or dividends, if any, thereon. Thereafter, any Holder entitled to payment must look to the Company for payment as general creditors, unless an applicable abandoned property law designates another Person.

Conversion Arrangement on Repurchase.

Any LYONS required to be repurchased under this Article, unless surrendered for conversion before the close of business on the Repurchase Date, may be deemed to be purchased from the Holders of such LYONS for an amount in cash not less than the Repurchase Price, by one or more investment bankers or other purchasers who may agree with the Company to purchase such LYONS from the Holders, to convert them into Common Stock of the Company and to make payment for such LYONS to the Trustee in trust for such Holders.

__PURCHASE OF LYONS AT OPTION OF THE HOLDER UPON CHANGE IN

CONTROL

Right to Require Repurchase.

If at any time on or before October 24, 2008, while LYONS remain Outstanding, a Change in Control occurs, LYONS shall be purchased by the Company in integral multiples of \$1,000 Principal Amount at Maturity at the option of the Holders thereof as of the date that is 35 Business Days after the occurrence of the Change in Control (the "Change in Control Purchase Date") subject to satisfaction by or on behalf of any Holder of the requirements set forth in subsection (c) of this Section 701. The purchase price of such LYONS (the "Change in Control Purchase Price") shall be equal to 100% of the Issue Price of the LYONS to be purchased plus accrued Original Issue Discount, to but excluding, the Change in Control Purchase Date.

A "Change in Control" shall be deemed to have occurred at such time after the date hereof as (a) any Person or any Persons acting together in a manner which would constitute a "group" for purposes of Section 13(d) of the Exchange Act, or any successor provision thereto, together with any Affiliates thereof (but in each case excluding Subsidiaries, any employee benefit plans of the Company or its Subsidiaries or any Permitted Holders), after the first issuance of LYONS files a Schedule TO or a Schedule

13D (or any successors to those forms) stating that it or they has or have become and actually is or are Beneficial Owners, directly or indirectly, of Capital Stock of the Company, entitling such Person or Persons and its or their Affiliates to exercise more than 50% of the total voting power of all classes of the Company's Capital Stock entitled to vote generally in the election of the Company's directors or (b) any of the Permitted Holders, after the first issuance of LYONS, file a Schedule TO or a Schedule 13D (or any successors to those forms) stating that they have become and actually are Beneficial Owners of the Company's Capital Stock representing more than 80%, in the aggregate, of the voting power entitled to vote generally in the election of the Company's directors or (c) the Company consolidates with or merges into any other Person (other than a Subsidiary), or any other Person (other than a Subsidiary) consolidates with or merges into the Company, or the Company sells, conveys, transfers or leases its properties and assets substantially as an entirety to any Person other than a Subsidiary, and, in the case of any such transaction the outstanding Common Stock is reclassified into, exchanged for or converted into

the right to receive any other property or security, unless the stockholders of the Company immediately before such transaction, own, directly or indirectly, immediately following such transaction, at least a majority of the combined voting power of the outstanding voting securities of the Person resulting from such transaction or the Person acquiring such properties and assets, entitled to vote generally on the election of such resulting or acquiring Person's directors, in substantially the same proportion as their ownership of the Common Stock immediately before such transaction, provided, however, that a Change in Control shall not be deemed to have occurred upon the completion of a merger, consolidation or other transaction effected with any Affiliates of the Company for the purpose of (x) changing the Company's jurisdiction of organization, or (y) effecting a corporate reorganization of the Company, including, without limitation, the implementation of a holding company structure.

The term "Beneficial Owner" shall be determined in accordance with Rules 13d_3 and 13d_5 promulgated by the Securities and Exchange Commission under the Exchange Act or any successor provision thereto, except that a Person shall be deemed to have "beneficial ownership" of all shares that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time.

The term "Permitted Holder" shall mean each of Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses, children or lineal descendants of Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses, any trust established for the benefit of any Arison family member mentioned in this paragraph, or any "person" (as such term is used in Section 13(d) or 14(d) of the Exchange Act), directly or indirectly, controlling, controlled by or under common control with any Arison family member mentioned in this paragraph or any trust established for the benefit of any such Arison family member or any charitable trust or non-profit entity established by a Permitted Holder.

Within 15 Business Days after the occurrence of a Change in Control, the Company shall mail a written notice of the Change in Control to the Trustee and to each Holder. The notice shall include the form of a Change in Control Purchase Notice to be completed by the Holder and shall state:

(1) the date of such Change in Control and, briefly, the events causing such Change in Control;

(2) the date by which the Change in Control Purchase Notice pursuant to this Section 701 must be given;

(3) the Change in Control Purchase Date;

(4) the Change in Control Purchase Price that will be accrued and payable with respect to the LYONs as of the Change in Control Purchase Date;

(5) briefly, the conversion rights of the LYONs;

(6) the name and address of each Paying Agent and Conversion Agent;

(7) the Conversion Rate and any adjustments thereto;

(8) that LYONs as to which a Change in Control Purchase Notice has been given may be converted into Common Stock pursuant to Article Four only to the extent that the Change in Control Purchase Notice has been withdrawn in accordance with the terms of this Indenture;

(9) the procedures that the Holder must follow to exercise rights under this Section 701;

(10) the procedures for withdrawing a Change in Control Purchase Notice, including a form of notice of withdrawal; and

(11) that the Holder must satisfy the requirements set forth in the LYONs in order to convert the LYONs.

If any of the LYONs is in the form of a Global Security, then the Company shall modify such notice to the extent necessary to accord with the procedures of the Depository applicable to the repurchase of Global Securities.

A Holder may exercise its rights specified in subsection (a) of this Section 701 upon delivery of a written notice (which shall be in substantially the form included as an attachment to the LYONs and which may be delivered by letter, overnight courier, hand delivery, facsimile transmission or in any other written form and, in the case of Global Securities, may be

delivered electronically or by other means in accordance with the Depository's customary procedures) of the exercise of such rights (a "Change in Control Purchase Notice") to any Paying Agent at any time prior to the close of business on the Business Day next preceding the Change in Control Purchase Date.

The delivery of such LYON to any Paying Agent (together with all necessary endorsements) at the office of such Paying Agent shall be a condition to the receipt by the Holder of the Change in Control Purchase Price.

The Company shall purchase from the Holder thereof, pursuant to this Section 701, a portion of a LYON if the Principal Amount at Maturity of such portion is \$1,000 or an integral multiple of \$1,000. Provisions of this Indenture that apply to the purchase of all of a LYON pursuant to Sections 701 through 706 also apply to the purchase of such portion of such LYON.

Any purchase by the Company contemplated pursuant to the provisions of this Section 701 shall be consummated by the delivery of the consideration to be received by the Holder promptly following the later of the Change in Control Purchase Date and the time of delivery of the LYON to the Paying Agent in accordance with this Section 701.

Notwithstanding anything herein to the contrary, any Holder delivering to a Paying Agent the Change in Control Purchase Notice contemplated by this subsection (c) shall have the right to withdraw such Change in Control Purchase Notice in whole or as to a portion thereof that is with respect to a Principal Amount at Maturity of LYONs of \$1,000 or an integral multiple thereof at any time prior to the close of business on the Business Day next preceding the Change in Control Purchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 702.

A Paying Agent shall promptly notify the Company of the receipt by it of any Change in Control Purchase Notice or written withdrawal thereof.

Anything herein to the contrary notwithstanding, in the case of Global Securities, any Change in Control Purchase Notice may be delivered or withdrawn and such LYONs may be surrendered or delivered for purchase in accordance with the applicable procedures of the Depository as in effect from time to time.

Effect of Change in Control Purchase Notice.

Upon receipt by any Paying Agent of the Change in Control Purchase Notice specified in Section 701(c), the Holder of the LYON in respect of which such Change in Control Purchase Notice was given shall (unless such Change in Control Purchase Notice is withdrawn as specified below) thereafter be entitled to receive the Change in Control Purchase Price with respect to such LYON. Such Change in Control Purchase Price shall be paid to such Holder promptly following the later of (a) the Change in Control Purchase Date with respect to such LYON (provided the conditions in Section 701(c) have been satisfied) and (b) the time of delivery of such LYON to a Paying Agent by the Holder thereof in the manner required by Section 701(c). LYONs in respect of which a Change in Control Purchase Notice has been given by the Holder thereof may not be converted into Common Stock on or after the date of the delivery of such Change in Control Purchase Notice unless such Change in Control Purchase Notice has first been validly withdrawn as specified in the following paragraph.

A Change in Control Purchase Notice may be withdrawn by means of a written notice of withdrawal delivered to the office of the Paying Agent in accordance with the Change in Control Purchase Notice at any time prior to the close of business on the applicable Change in Control Purchase Date specifying:

(1) if a Certificated Security has been issued, the certificate number of the LYONs in respect of which such notice of withdrawal is being submitted, or if not, such information as required by the Depository;

(2) the Principal Amount at Maturity, in integral multiples of \$1,000, of the LYONs with respect to which such notice of withdrawal is being submitted; and

(3) the Principal Amount at Maturity, if any, of such LYONs which remain subject to the original Change in Control Purchase Notice and which has been or will be delivered for purchase by the Company.

There shall be no purchase of any LYONs pursuant to this

Article if there has occurred (prior to, on or after, as the case may be, the giving, by the Holders of such LYONS, of the required Change in Control Purchase Notice) and is continuing an Event of Default (other than a default in the payment of the Change in Control Purchase Price with respect to such LYONS). The Paying Agent will promptly return to the respective Holders thereof any LYONS (x) with respect to which a Change in Control Purchase Notice has been withdrawn in compliance with this Indenture, or (y) held by it during the continuance of an Event of Default (other than a default in the payment of the Change in Control Purchase Price with respect to such LYONS) in which case, upon such return, the Change in Control Purchase Notice with respect thereto shall be deemed to have been withdrawn.

Deposit of Change in Control Purchase Price.

On or before 11:00 a.m. New York City time on the Change in Control Purchase Date, the Company shall deposit with the Trustee or with a Paying Agent (other than the Company or an Affiliate of the Company) an amount of money (in immediately available funds if deposited on such Business Day) sufficient to pay the aggregate Change in Control Purchase Price of all the LYONS or portions thereof that are to be purchased as of such Change in Control Purchase Date. The manner in which the deposit required by this Section 703 is made by the Company shall be at the option of the Company, provided, however, that such deposit shall be made in a manner such that the Trustee or a Paying Agent shall have immediately available funds on the Change in Control Purchase Date.

If a Paying Agent holds, in accordance with the terms hereof, money sufficient to pay the Change in Control Purchase Price of any LYON for which a Change in Control Purchase Notice has been tendered and not withdrawn in accordance with this Indenture then, on the Change in Control Purchase Date, such LYON will cease to be Outstanding, Original Issue Discount will cease to accrue, and the rights of the Holder in respect thereof shall terminate. The Company shall publicly announce the Principal Amount at Maturity of LYONS purchased as a result of such Change in Control on or as soon as practicable after the Change in Control Purchase Date.

Securities Purchased In Part.

Any LYON that is to be purchased only in part shall be surrendered at the office of a Paying Agent and promptly after the Change in Control Purchase Date the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such LYON, without service charge (other than amounts to be paid in respect of

applicable transfer taxes), a new LYON or LYONS, of such authorized denomination or denominations in integral multiples of \$1,000 as may be requested by such Holder, in aggregate Principal Amount at Maturity equal to, and in exchange for, the portion of the Principal Amount at Maturity of the LYON so surrendered that is not purchased.

Compliance With Securities Laws Upon Purchase of _Securities.

In connection with any offer to purchase or purchase of LYONS under this Article (provided that such offer or purchase constitutes an "issuer tender offer" for purposes of Rule 13e_4 (which term, as used herein, includes any successor provision thereto) under the Exchange Act at the time of such offer or purchase), the Company shall (i) comply with Rule 13e_4 under the Exchange Act, (ii) file the related Schedule T0 (or any successor schedule, form or report), if required, under the Exchange Act, and (iii) otherwise comply with all applicable Federal and state securities laws so as to permit the rights and obligations under this Article to be exercised in the time and in the manner specified in this Article.

Repayment to the Company.

The Trustee and the Paying Agent shall return to the Company any cash or Common Stock that remains unclaimed for two years, subject to applicable unclaimed property law, together with interest or dividends, if any, thereon held by them for the payment of the Change in Control Purchase Price; provided, however, that to the extent Stock deposited by the Company pursuant to Section 703 exceeds the aggregate Change in Control Purchase Price of the LYONS or portions thereof which the Company is obligated to purchase as of the Change in Control Purchase Date, then on the Business Day following the Repurchase Date, the Trustee shall return any such excess to the Company together with interest or dividends, if any, thereon. Thereafter, any Holder entitled to payment must look to the Company for payment as general creditors, unless an applicable abandoned property law designates another Person.

__MISCELLANEOUS PROVISIONS

Integral Part.

This Second Supplemental Indenture constitutes an integral part of the Indenture with respect to the LYONS only.

General Definitions.

For all purposes of this Second Supplemental Indenture:

capitalized terms used herein without definition shall have the meanings specified in the Indenture; and

the terms "herein", "hereof", "hereunder" and other words of similar import refer to this Second Supplemental Indenture.

Adoption, Ratification and Confirmation.

The Indenture, as supplemented and amended by this Second Supplemental Indenture, is in all respects hereby adopted, ratified and confirmed, and this Second Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided. The provisions of this Second Supplemental Indenture shall, subject to the terms hereof, supersede the provisions of the Indenture to the extent the Indenture is inconsistent herewith.

Counterparts.

This Second Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed an original; and all such counterparts shall together constitute but one and the same instrument.

Governing Law.

THIS SECOND SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW RULES OF SAID STATE.

Conflict of Any Provision of Indenture with Trust Indenture Act of 1939.

If and to the extent that any provision of this Second Supplemental Indenture limits, qualifies or conflicts with a provision required under the terms of the Trust Indenture Act of 1939, as amended, such Trust Indenture Act provision shall control.

Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Severability of Provisions.

In case any provision in this Second Supplemental Indenture or in the LYONS shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Successors and Assigns.

All covenants and agreements in this Second Supplemental Indenture by the parties hereto shall bind their respective successors and assigns and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Benefit of Supplemental Indenture.

Nothing in this Second Supplemental Indenture, express or implied, shall give to any Person, other than the parties hereto, any Security Registrar, any Paying Agent, any Conversion Agent and their successors hereunder, and the Holders of the LYONS, any benefit or any legal or equitable right, remedy or claim under this Second Supplemental Indenture.

Acceptance by Trustee.

The Trustee accepts the amendments to the Indenture effected by this Second Supplemental Indenture and agrees to execute the trusts created by the Indenture as hereby amended, but only upon the terms and conditions set forth in this Second Supplemental Indenture and the Indenture. Without limiting the generality of the foregoing, the Trustee assumes no responsibility for the correctness of the recitals contained herein, which shall be taken as the statements of the Company and except as provided in the Indenture the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity or execution or sufficiency of this Second Supplemental Indenture and the Trustee makes no representation with respect thereto.

Amendment to Indenture.

Section 3.3 of the Indenture is hereby amended with respect to all series of Securities issued under the Indenture by replacing the first and second sentences thereof with the following: "The Securities shall be signed on behalf of the Company by any one of the following: Its Chairman of the Board, its President, its Chief Executive Officer, any Senior Vice President, any Vice President or any Secretary. Such signature upon the Securities may be the manual or facsimile signature of the present or any future such authorized officer and may be imprinted or otherwise reproduced on the Securities."

Section 1.1 of the Indenture is hereby amended with respect to all series of Securities issued under the Indenture by replacing the paragraph below the heading "Company Request; Company Order" with the following: "The term "Company Request" or "Company Order" shall mean a written request or order signed in the name of the Company by its Chairman of the Board, its President, its Chief Executive Officer, any Senior Vice President, any Vice President or any Secretary, and delivered to the Trustee.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed and attested as of the day and year first written above.

CARNIVAL CORPORATION

By:

U.S. BANK TRUST NATIONAL ASSOCIATION

By:

ANNEX A

GLOBAL SECURITY

[FORM OF FACE OF SECURITY]

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.]_

THIS SECURITY AND THE SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY, THE SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN OR THEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE

ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS

OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A ("RULE 144A") THEREUNDER.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") ON WHICH THIS SECURITY IS SALEABLE PURSUANT TO RULE 144(K) UNDER THE SECURITIES ACT ONLY (A) TO CARNIVAL CORPORATION (THE "COMPANY", OR THE "ISSUER") OR ANY SUBSIDIARY THEREOF, (B) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHICH NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (A)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL "ACCREDITED INVESTOR," FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (D) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE._

THIS SECURITY IS SUBJECT TO LIMITATIONS ON OWNERSHIP CONTAINED IN THE INDENTURE, IN ORDER TO PERMIT THE COMPANY TO RETAIN ITS STATUS AS A PUBLICLY TRADED CORPORATION UNDER PROPOSED TREASURY REGULATIONS UNDER SECTION 883 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

[FORM OF FACE OF SECURITY]

CARNIVAL CORPORATION

Liquid Yield Option"! Notes due 2021_(Zero Coupon _ Senior)

Issue Date: October 24, 2001 Principal Amount at Maturity:

\$ _____ CUSIP: _____ Registered: No. R_

Carnival Corporation, a corporation organized and existing under the laws of the Republic of Panama (herein called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of _____ DOLLARS (\$ _____) on October 24, 2021, [or such greater or lesser amount as is indicated in the Schedule of Exchanges of Securities on the other side of this LYON]._

This Security shall not bear interest. Original Issue Discount shall accrue as specified on the reverse side of this Security. This LYON is convertible as specified on the reverse side of this LYON.

Payment of any amounts in respect of this LYON will be made at the office or agency of the Company maintained for that purpose in The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company, payment of interest, if any, may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

Reference is hereby made to the further provisions of this LYON set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been

executed by the Trustee referred to on the reverse hereof by manual signature, this LYON shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: October 24, 2001

CARNIVAL CORPORATION

By: _____ Name: _____ Title: _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

U.S. Bank Trust National Association, as Trustee

____ Authorized Signature

Date of Authentication: October 24, 2001

[FORM OF REVERSE SIDE OF SECURITY]

CARNIVAL CORPORATION

Liquid Yield Option"! Notes due 2021_(Zero Coupon _ Senior)

This Security is one of a duly authorized issue of senior securities of the Company (herein called the _ Securities_), issued and to be issued in one or more series under an Indenture, dated as of April 25, 2001, as amended by the Second Supplemental Indenture thereto, dated as of October 24, 2001 (as so amended, herein called the "Indenture"), between the Company and U.S. Bank Trust National Association, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof (herein called the "LYONs"), limited in aggregate principal amount at Stated Maturity (the "Principal Amount at Maturity") to \$1,051,175,000 created pursuant to the Indenture as supplemented by the Second Supplemental Indenture. Capitalized terms used and not otherwise defined in this LYON are used as defined in the Indenture.

The LYONs are general unsecured and unsubordinated obligations of the Company. The Indenture does not limit other indebtedness of the Company, secured or unsecured.

Interest on Overdue Amounts

Except as provided in this paragraph, this LYON shall not bear interest. If the principal amount at Maturity hereof or any portion of such principal amount at Maturity is not paid when due (whether upon acceleration pursuant to Section 5.2 of the Indenture, upon the date set for payment of the Redemption Price as described under "Optional Redemption", upon the date set for payment of the Change in Control Purchase Price pursuant to "Purchase of LYONs at Option of Holder Upon a Change in Control", upon the date set for payment of the Repurchase Price under "Repurchase by the Company at the Option of the Holder" or upon the Stated Maturity of this LYON), then in each such case the overdue amount shall, to the extent permitted by law, bear interest at the rate of 3.75% per annum (computed on a semi-annual bond equivalent basis based

on a 360-day year of twelve 30-day months), which interest shall accrue from the date such overdue amount was originally due to the date payment of such amount has been made or duly provided for. All such interest shall be payable as set forth in the Indenture.

Method of Payment

Payments in respect of the Accreted Principal Amount of the LYONs shall be made by the Company in immediately available funds.

Paying Agent, Conversion Agent and Security Registrar.

Initially, the Trustee shall act as Paying Agent, Conversion Agent and Security Registrar. The Company may appoint and change any Paying Agent, Conversion Agent, Security Registrar or co-registrar without notice, other than notice to the Trustee, except that the Company shall maintain at least one Paying Agent in the State of New York, City of New York, Borough of Manhattan, which shall initially be an office or agency of the Trustee. The Company or any of its Subsidiaries or any of their Affiliates may act as Paying Agent, Conversion Agent, Security Registrar or co-registrar.

Optional Redemption

No sinking fund is provided for the LYONS. At any time on or after October 24, 2008, the LYONS are redeemable at any time as a whole, or from time to time in part, at the option of the Company in accordance with the Indenture at a redemption price (the "Redemption Price") equal to the Issue Price of such LYONS plus any accrued Original Issue Discount to, but excluding, the Redemption Date.

If the Company redeems less than all of the outstanding LYONS, the Trustee will select the LYONS to be redeemed (i) by lot; (ii) pro rata; or (iii) by another method the Trustee considers fair and appropriate. If the Trustee selects a portion of a Holder's LYONS for partial redemption and the Holder converts a portion of the same LYONS, the converted portion shall be deemed to be from the portion selected for redemption.

Notice of Redemption

Notice of optional redemption by the Company will be mailed by first-class mail at least 30 days but not more than 60 days before the Redemption Date to each Holder of LYONS to be redeemed at its registered address. LYONS in denominations larger than \$1,000 Principal Amount at Maturity may be redeemed in part, but only in whole multiples of \$1,000. On and after the Redemption Date, subject to the deposit with the Paying Agent of funds sufficient to pay the Redemption Price for such LYONS, all Original Issue Discount shall cease to accrue on such LYONS or portions thereof called for redemption in such notice.

Purchase of LYONS at Option of Holder Upon a Change in Control

At the option of the Holder and subject to the terms and conditions of the Indenture, the Company shall purchase all or any part specified by the Holder in such Holder's Change in Control Purchase Notice (so long as the principal amount at Stated Maturity of such part is \$1,000 or an integral multiple of \$1,000 in excess thereof) of the LYONS held by such Holder on the date that is 35 Business Days after the occurrence of a Change in Control, at a purchase price (the "Change in Control Purchase Price") equal to the Issue Price of the LYONS to be purchased plus Original Issue Discount accrued thereon to, but excluding, the Change in Control Purchase Date.

The Holder shall have the right to withdraw any Change in Control Purchase Notice (in whole or in a portion thereof that is \$1,000 Principal Amount at Maturity or an integral multiple of \$1,000 in excess thereof) at any time prior to the close of business on the Business Day prior to the Change in Control Purchase Date by delivering a written notice of withdrawal to the Paying Agent in accordance with the terms of the Indenture.

If cash sufficient to pay the Change in Control Purchase Price of all LYONS or portions thereof to be purchased as of the Change in Control Purchase Date, is deposited with the Paying Agent on the Business Day following the Change in Control Purchase Date, all Original Issue Discount shall cease to accrue on such LYONS (or portions thereof) immediately after such Change in Control Purchase Date, and the Holder thereof shall have no other rights as such (other than the right to receive the Change in Control Purchase Price upon surrender of such LYON).

Conversion

Subject to the provisions of the Indenture, the Holder of a LYON may convert the LYON into Common Stock on a Conversion Date in any fiscal quarter (and only during such fiscal quarter) if the closing sale price of the Common Stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is more than 110% of the Accreted Conversion Price per share of Common Stock on the last trading day of such preceding fiscal quarter^{87a}.

The "Accreted Conversion Price", as of any date of

determination, shall equal (x) the sum of the Issue Price per \$1,000 Principal Amount at Maturity of a LYON plus accrued Original Issue Discount thereon computed to, but not including, such date divided by (y) the Conversion Rate as of such date.

Subject to the provisions of the Indenture, a Holder may convert into Common Stock a LYON or portion of a LYON which has been called for redemption by the Company, even if the LYON, or any portion thereof is not subject to conversion by the Holder, but such LYONS may be surrendered for conversion until the close of business on the second Business Day immediately preceding the Redemption Date.

Subject to the provisions of the Indenture, in the event the Company is a party to a consolidation, merger or binding share exchange pursuant to which the

Common Stock would be converted into cash, securities or other property as set forth in Section 404 of the Second Supplemental Indenture, the LYONS may be surrendered for conversion at any time from and after the date which is 15 days prior to the date of the anticipated effective time of such transaction announced by the Company until 15 days after the actual effective date of such transaction, and at the effective time of such transaction the right to convert a LYON into Common Stock will be deemed to have changed into a right to convert it into the kind and amount of cash, securities or other property which the holder would have received if the holder had converted its LYON immediately prior to the transaction.

Subject to the provisions of the Indenture, upon the election by the Company to make a distribution as described in paragraphs (b), (c) and (d) of Section 409 of the Indenture, which in the case of paragraph (d) of such Section has a per share value equal to more than 15% of the Sale Price of shares of Common Stock on the Trading Day preceding the declaration date for such distribution, the Company shall give notice to Holders of the LYONS not less than 20 days prior to the ex-dividend date for such distribution. Upon giving such notice, Holders may surrender the LYONS for conversion at any time until the close of business of the Business Day prior to the ex-dividend date or until the Company publicly announces that such distribution will not be given effect.

A LYON in respect of which a Holder has delivered a Purchase Notice or Change in Control Purchase Notice exercising the option of such Holder to require the Company to purchase such LYON may be converted only if such notice of exercise is withdrawn in accordance with the terms of the Indenture. The initial Conversion Rate is 16.5964 shares of Common Stock per \$1,000 Principal Amount at Maturity of LYONS, subject to adjustment upon the occurrence of certain events described in the Indenture.

A Holder's right to convert the LYONS into Common Stock of the Company is also subject to the Company's right to elect to pay such Holder the amount of cash set forth in the next succeeding sentence (or an equivalent amount in a combination of cash and shares of Common Stock), in lieu of delivering all or part of such Common Stock; provided, however, that if such payment of cash is not permitted pursuant to the provisions of the Indenture, the Company shall deliver Common Stock (and cash in lieu of fractional shares of Common Stock) in accordance with the Indenture, whether or not the Company has delivered a notice pursuant to the Indenture to the effect that the LYONS will be paid in cash. The amount of cash to be paid for each \$1,000 Principal Amount at Maturity of a LYON shall be equal to the average Sale Price of a share of Common Stock of the Company for the five consecutive Trading Days immediately following (i) the date of the Company's notice of its election to deliver cash upon conversion, if the Company has not given a notice of redemption pursuant to the Indenture, or (ii) the Conversion Date, in the case of a conversion following such a notice of redemption specifying an intent to deliver cash or a combination of cash and Common Stock upon conversion, in either case multiplied by the Conversion Rate in effect on such Conversion Date. If the Company shall elect to make such payment wholly in shares of Common Stock, then such shares shall be delivered through the Conversion Agent to Holders surrendering LYONS as promptly as practicable but in any event no later than the

fifth Business Day following the Conversion Date. If, however, the Company elects to make any portion of such payment in cash, then the payment, including any delivery of shares of Common Stock, shall be made to Holders surrendering LYONS no later than the tenth Business Day following the Conversion Date.

The Company may not pay cash in lieu of delivering all or part of such shares of Common Stock upon the conversion of any LYON pursuant to the terms of the Indenture (other than cash in lieu of fractional shares) if there has occurred (prior to, on or after, as the case may be, the Conversion Date or

the date on which the Company delivers its notice specifying whether each Conversion shall be converted into shares of Common Stock or cash) and is continuing an Event of Default (other than a default in such payment on such LYONs).

A Holder may convert a portion of a LYON if the Principal Amount at Maturity of such portion is \$1,000 or an integral multiple of \$1,000. No payment or adjustment shall be made for dividends on the Common Stock except as provided in the Indenture. On conversion of a LYON, except as otherwise provided in the Second Supplemental Indenture, accrued Original Issue Discount attributable to the period from the Issue Date through the Conversion Date with respect to the converted LYON shall not be cancelled, extinguished or forfeited, but rather shall be deemed to be paid in full to the Holder thereof through delivery of the Common Stock (together with the cash payment, if any, in lieu of fractional shares), or cash in lieu thereof, in exchange for the LYON being converted pursuant to the provisions hereof, and the fair market value of such shares of Common Stock (together with any such cash payment in lieu of fractional shares), or cash in lieu thereof, shall be treated as issued in exchange for the Issue Price of the LYON being converted pursuant to the provisions hereof.

No fractional shares will be issued upon conversion; in lieu thereof, an amount will be paid in cash based upon the Sale Price of the Common Stock on the Trading Day immediately prior to the Conversion Date.

To convert a LYON, a Holder must (a) complete and manually sign the conversion notice set forth below and deliver such notice to a Conversion Agent, (b) surrender the LYON to the Conversion Agent, (c) furnish appropriate endorsements and transfer documents (including any certification that may be required under applicable law) if required by the Conversion Agent, and (d) pay any transfer or similar tax, if required.

Repurchase by the Company at the Option of the Holder

Subject to the terms and conditions of the Indenture, the Company shall become obligated to purchase, at the option of the Holder, the LYONs held by such Holder on the following Repurchase Dates and at the following Repurchase Prices per \$1,000 Principal Amount at Maturity of such LYONs, upon delivery of a Repurchase Notice containing the information set forth in the Indenture, at any time from the opening of business on the date that is at least 20 Business Days prior to such Repurchase Date

until the close of business on such Repurchase Date and upon delivery of the LYONs to the Paying Agent by the Holder as set forth in the Indenture.

Repurchase Date	Repurchase Price
October 24, 2006	\$572.76
October 24, 2008	\$616.94
October 24, 2011	\$689.68
October 24, 2016	\$830.47

The Repurchase Price may be paid, at the option of the Company, in cash or by the issuance of Common Stock (as provided in the Indenture), or in any combination thereof.

Holders have the right to withdraw any Repurchase Notice by delivering to the Paying Agent a written notice of withdrawal prior to the close of business on the Repurchase Date in accordance with the provisions of the Indenture.

If cash (and/or securities if permitted under the Indenture) sufficient to pay the Repurchase Price of all LYONs or portions thereof to be purchased as of the Repurchase Date, is deposited with the Paying Agent on the Business Day following the Repurchase Date, immediately after such Repurchase Date, such LYON shall cease to be Outstanding, Original Issue Discount shall cease to accrue thereon, and the Holder thereof shall have no other rights as such (other than the right to receive the Repurchase Price upon surrender of

such LYON).

Conversion Arrangement on Call for Redemption

Any LYONs called for redemption, unless surrendered for conversion before the close of business on the Redemption Date, may be deemed to be purchased from the Holders of such LYONs at an amount not less than the Redemption Price by one or more investment bankers or other purchasers who may agree with the Company to purchase such LYONs from the Holders, to convert them into Common Stock of the Company and to make payment for such LYONs to the Paying Agent in trust for such Holders.

Transfer

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this LYON is registrable in the Security Register, upon surrender of this LYON for registration or transfer at the office or agency in a Place of Payment for the LYONs, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new LYONs, of any authorized denominations and for the same aggregate Principal Amount

at Maturity, executed by the Company and authenticated and delivered by the Trustee, will be issued to the designated transferee or transferees.

The LYONs are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations set forth therein and on the face of this LYON, LYONs are exchangeable for a like aggregate Principal Amount at Maturity of LYONs of a different authorized denomination as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this LYON for registration of transfer, the Company, the Trustee or any agent of the Company or the Trustee may treat the Person in whose name this LYON is registered as the owner hereof for all purposes, whether or not this LYON be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

Ownership Limitation on LYONs

In order to permit the Company to retain its status as a publicly traded corporation under the proposed Treasury regulations to Section 883 of the Internal Revenue Code of 1986, as amended (the "Code"), LYONs generally may not be transferred if the transfer would result in the ownership, including LYONs and other convertible securities of the Company on an as-converted basis, by one Person or a group of related Persons by virtue of the attribution provisions of the Code, of more than 4.9% of the outstanding Common Stock of the Company.

Amendment, Supplement and Waiver

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the LYONs under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in Principal Amount at Maturity of the LYONs at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in Principal Amount at Maturity of the LYONs at the time Outstanding, on behalf of the Holders of all LYONs, to waive compliance by the Company with certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this LYON shall be conclusive and binding upon such Holder and upon all future Holders of this LYON and of any LYON issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this LYON.

Successor Corporation

When a successor corporation assumes all the obligations of its predecessor under the LYONs and the Indenture in accordance with the terms and conditions of the Indenture, the predecessor corporation will (except in

certain circumstances specified in the Indenture) be released from those obligations.

Defaults and Remedies

Under the Indenture, Events of Default include (i) default in the payment of any Liquidated Damages and continuance of such default for a period of 30 days; (ii) default in payment of the Principal Amount at Maturity, Redemption Price, Repurchase Price or Change in Control Purchase Price, as the case may be, in respect of the LYONs when the same becomes due and payable; (iii) failure by the Company to comply with other agreements in the Indenture for the benefit of the LYONs, subject to notice and lapse of time; (iv) default under any bond, debenture, note or other evidence of indebtedness for money borrowed of the Company or any Subsidiary having an aggregate outstanding principal amount in excess of \$50,000,000 (excluding such indebtedness of any Subsidiary other than a Significant Subsidiary, all the indebtedness of which is nonrecourse to the Company or any other Subsidiary), which default shall be with respect to payment or shall have resulted in such indebtedness being accelerated, without such indebtedness being discharged or such acceleration having been rescinded or annulled, subject to notice and passage of time; and (v) certain events of bankruptcy, insolvency or reorganization of the Company or any Significant Subsidiary. If an Event of Default with respect to LYONs shall occur and be continuing, the Accreted Principal Amount through the acceleration date may be declared due and payable in the manner and with the effect provided in the Indenture. If an Event of Default occurs as a result of certain events of bankruptcy, insolvency or reorganization of the Company, the Accreted Principal Amount on the LYONs Outstanding shall become due and payable immediately without any declaration or other act on the part of the Trustee or any Holder, all as and to the extent provided in the Indenture.

Indenture

The Company issued the LYONs under an Indenture dated as of April 25, 2001, as supplemented and amended by a Second Supplemental Indenture dated as of October 24, 2001 (as amended, the "Indenture"), among the Company and the Trustee. The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Securities themselves and the Trust Indenture Act of 1939, as in effect from time to time (the "TIA"). Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Securities are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of those terms.

No Recourse Against Others

No recourse shall be had for the payment of the principal of or the interest, if any, on this LYON, for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any

incorporator, shareholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment of penalty or otherwise, all such liability being, by acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

Authentication

This LYON shall not be valid until the Trustee or an authenticating agent manually signs the certificate of authentication on the other side of this LYON.

Indenture to Control; Governing Law

In the case of any conflict between the provisions of this LYON and the Indenture, the provisions of the Indenture shall control.

THE INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW RULES OF SAID STATE.

Abbreviations and Definitions

Customary abbreviations may be used in the name of the Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common),

CUST (= Custodian) and U/G/M/A (= Uniform Gifts to Minors

Act).

All terms defined in the Indenture and used in this LYON but not specifically defined herein are defined in the Indenture and are used herein as so defined.

CONVERSION NOTICE

To convert this LYON into Common Stock of the Company, check the box: (

To convert only part of this LYON, state the Principal Amount at Maturity to be converted (must be \$1,000 or a multiple of \$1,000): \$_____.

If you want the stock certificate made out in another person's name, fill in the form below:

_ (Insert other person's soc. sec. or tax I.D. no.)

_ (Print or type other person's name, address and zip code)

Your Signature:_____ Date:

(Sign exactly as your name appears on the other side of this LYON)

Signature guaranteed by:_____

By:

OPTION OF HOLDER TO ELECT PURCHASE ON CHANGE IN CONTROL

If you want to elect to have this LYON purchased, in whole or in part, by the Company pursuant to Section 701 of the Indenture, check the following box: (

If you want to have only part of this LYON purchased by the Company pursuant to Section 701 of the Indenture, state the Principal Amount at Maturity you want to be purchased (must be \$1,000 or a multiple of \$1,000): \$_____.

Signature guaranteed by:_____

By:

SCHEDULE OF EXCHANGES OF SECURITIES

The following exchanges, redemptions, repurchases or conversions of a part of this Global Security have been made:

Date of Transaction_Amount of Decrease in_Principal Amount at Maturity of this_Global Security_Amount of Increase in_Principal Amount at Maturity of the_Global Security_____

Exhibit B-1

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR REGISTRATION OF TRANSFER OF RESTRICTED SECURITIES

Re: Liquid Yield Option Notes" due 2021 (the _ LYONS_) of Carnival Corporation

This certificate relates to \$_____ Principal Amount at Maturity of Securities owned in (check applicable box)

(book-entry or

(definitive form

by _____ (the "Transferor").

The Transferor has requested a Security Registrar or the Trustee to exchange or register the transfer of such LYONS.

In connection with such request and in respect of each such Security, the Transferor does hereby certify that the Transferor is familiar with transfer restrictions relating to the LYONS as provided in Section 202 of the Second Supplemental Indenture dated as of October 24, 2001 (the "Indenture"), between Carnival Corporation and US Bank Trust National Association, as trustee.

In connection with any transfer of any of the LYONS evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act after the later of the date of original issuance of the Securities and the last date, if any, on which such LYONS were owned by the Company or any Affiliate of the Company, the undersigned confirms that such LYONS are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) to the Company or a subsidiary of the Company; or (2) pursuant to an effective registration statement under the Securities Act of 1933; or (3) to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or (4) to an institutional accredited investor, defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act; or (5) pursuant to another available exemption from registration under the Securities Act of 1933. Unless one of the boxes is checked, the Trustee will refuse to register any of the LYONS evidenced by this certificate in the name of any person other than the registered holder thereof, provided, however, that if box (4) or (5) is checked, the Trustee may require, prior to registering any such transfer of the LYONS, such legal opinions, certifications and other information as the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the LYONS Act of 1933, such as the exemption provided by Rule 144 under such Act.

Signature

Signature Guarantee:

Signature must be guaranteed

Signature

TO BE COMPLETED BY PURCHASER IF (3) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this LYON for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____
executive officer

NOTICE: To be executed by an

EXHIBIT B-2

Form of Letter to be Delivered by Accredited Investors

Carnival Corporation_3655 N.W. 87th Avenue,_Miami, Florida
33178-2428 _Attention: Corporate Secretary

US Bank Trust National Association, as Security Registrar_100
Wall Street, 16th floor_New York, NY 10005_Attention: Corporate Trust
Administration

__Dear Sirs:

We are delivering this letter in connection with the proposed transfer of \$_____ Principal Amount at Maturity of the Liquid Yield Option "I" Notes due 2021 (the _ LYONS_) of Carnival Corporation (the _ Company_), which are convertible into shares of Common Stock of the Company.

We hereby confirm that:

(i) we are an _ accredited investor_ within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), or an entity in which all of the equity owners are "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act (an "Institutional Accredited Investor");

(ii) the purchase of LYONS by us is for our own account or for the account of one or more other Institutional Accredited Investors or as fiduciary for the account of one or more trusts, each of which is an "accredited investor" within the meaning of Rule 501(a)(7) under the Securities Act and for each of which we exercise sole investment discretion or (B) we are a "bank," within the meaning of Section 3(a)(2) of the Securities Act, or a "savings and loan association" or other institution described in Section 3(a)(5)(A) of the Securities Act that is acquiring Debentures as fiduciary for the account of one or more institutions for which we exercise sole investment discretion;

(iii) we will acquire LYONS having a minimum aggregate Principal Amount at Maturity of not less than \$100,000 for our own account or for any separate account for which we are acting;

(iv) we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of purchasing LYONS; and

(v) we are not acquiring LYONS with a view to distribution thereof or with any present intention of offering or selling LYONS or the Common Stock deliverable upon conversion thereof, except as permitted below; provided that the disposition of our property and property of any accounts for which we are acting as fiduciary shall remain at all times within our control.

We understand that the LYONS were originally offered and sold in a transaction not ed States within the meaning of the Securities Act and that the LYONS and the shares of Common Stock (the "Securities") issuable upon conversion thereof have not been registered under the Securities Act, and we agree, on our own behalf and on behalf of each account for which we acquire any LYONS, that if in the future we decide to resell or otherwise transfer such LYONS prior to the date on which the LYONS are transferable pursuant to Rule 144(k) under the Securities Act, such LYONS may be resold or otherwise transferred only (i) to the Company or any subsidiary thereof, or (ii) for as long as the Debentures are eligible for resale pursuant to Rule 144A, to a person we reasonably believe to be a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) that purchases for its own account or for the account of such a qualified institutional buyer to which notice is given that the transfer is being made in reliance on Rule 144A, or (iii) to an Institutional Accredited Investor that is acquiring the LYONS for its own account, or for the account of such an Institutional Accredited Investor for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act, or (iv) pursuant to another available exemption from registration under the Securities Act (if applicable), or (v) pursuant to a registration statement which has been declared effective under the Securities Act and, in each case, in accordance with any applicable securities laws of any State of the United States or any other applicable jurisdiction and in accordance with the legends set forth on the Securities. We further agree to provide any person purchasing any of the LYONS other than pursuant to clause (v) above from us a notice advising such purchaser that resales of such securities are restricted as stated herein. We understand that the trustee or the transfer agent, as the case may be, for the Securities will not be required to accept for registration of transfer any LYONS pursuant to (iii) or (iv) above except upon presentation of evidence satisfactory to the Company and the trustee that the foregoing restrictions on transfer have been complied with. We further understand that any LYONS will be in the form of definitive physical certificates and that such certificates will bear a legend reflecting the substance of this paragraph other than certificates representing LYONS transferred pursuant to clause (v) above.

We acknowledge that the Company, others, the Trustee, the Security Registrar and you will rely upon our confirmations, acknowledgments and agreements set

forth herein, and we agree to notify you promptly in writing if any of our representations or warranties herein ceases to be accurate and complete.

THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

_(Name of Purchaser)

By: _ Name: _ Title:_

Address:

TM Trademark of Merrill Lynch & Co., Inc.

_ These paragraphs should be included only if the Security is a Global Security.

_ [These paragraphs to be included only if the Security is a Transfer Restricted Security.]

_ [To be included only if the Security is a Global Security.]

_ The Signature must be guaranteed by an institution which is a member of one of the following recognized signature guaranty programs: (i) the Securities Transfer Agent Medallion Program (STAMP); (ii) the New York Stock Exchange Medallion Program (MSP); (iii) the Stock Exchange Medallion Program (SEMP); or (iv) such other guaranty program acceptable to the Trustee.

_ The Signature must be guaranteed by an institution which is a member of one of the following recognized signature guaranty programs: (i) the Securities Transfer Agent Medallion Program (STAMP); (ii) the New York Stock Exchange Medallion Program (MSP); (iii) the Stock Exchange Medallion Program (SEMP); or (iv) such other guaranty program acceptable to the Trustee.

_ This schedule should be included only if the Security is a Global Security.

_ This certificate should only be included if this Security is a Transfer Restricted Security.

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made and entered into as of October 24, 2001, by and between CARNIVAL CORPORATION, a corporation organized and existing pursuant to the laws of the Republic of Panama (the "Company") and MERRILL LYNCH & CO., MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (the "Initial Purchaser").

This Agreement is made pursuant to the Purchase Agreement, dated October 19, 2001 (the "Purchase Agreement"), between the Company, as issuer of the Liquid Yield OptionTM Notes due 2021 (the "LYONs"), and the Initial Purchaser, which provides for, among other things, the sale by the Company to the Initial Purchaser of the aggregate principal amount at maturity of LYONs specified therein. In order to induce the Initial Purchaser to enter into the Purchase Agreement, the Company has agreed to provide the registration rights set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Purchase Agreement.

The Company agrees with the Initial Purchaser, (i) for its benefit as Initial Purchaser and (ii) for the benefit of the beneficial owners (including the Initial Purchaser) from time to time of the LYONs, and the beneficial owners from time to time of the Underlying Common Stock (as defined herein) issued upon conversion of, if any, (each of the foregoing a "Holder" and together the "Holders"), as follows:

SECTION 1. DEFINITIONS. Capitalized terms used herein without definition shall have their respective meanings set forth in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" With respect to any specified person, an "affiliate," as defined in Rule 144, of such person.

"Applicable Conversion Price" The Applicable Conversion Price, as of any date of determination, means the Applicable Principal Amount per \$1,000 principal amount at maturity of LYONs as of such date of determination divided by the Conversion Rate in effect as of such date of determination or, if no LYONs are then outstanding, the Conversion Rate that would be in effect were LYONs then outstanding.

"Applicable Principal Amount" The Applicable Principal Amount, as of any date of determination, means with respect to each \$1,000 principal amount at maturity of LYONs, the sum of the Issue Price (as defined in the Indenture) of such LYONs plus accrued Original Issue Discount (as defined in the Indenture) with respect to such LYONs through such date of determination.

"Business Day" Each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in The City of New York are authorized or obligated by law or executive order to close.

"Common Stock" The Common Stock, \$0.01 par value, of the Company and any other shares of common stock as may constitute "Common Stock" for purposes of the Indenture, including the Underlying Common Stock.

"Company" See the first paragraph hereof.

"Conversion Rate" Conversion Rate shall have the meaning assigned to such term in the Indenture.

"Damages Accrual Period" See Section 2(e) hereof.

"Damages Payment Date" Each April 24 and October 24.

"Deferral Notice" See Section 3(h) hereof.

"Deferral Period" See Section 3(h) hereof.

"Effectiveness Deadline Date" See Section 2(a) hereof.

"Effectiveness Period" The period of two years from the Issue Date or such shorter period ending on the date that all Registrable Securities have ceased to be Registrable Securities.

"Event" See Section 2(e) hereof.

"Event Date" See Section 2(e) hereof.

"Event Termination Date" See Section 2(e) hereof.

"Exchange Act" The Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Filing Deadline Date" See Section 2(a) hereof.

"Holder" See the third paragraph hereof.

"Indenture" The Indenture, dated as of April 25, 2001, between the Company and U.S. Bank Trust National Association, as trustee, as amended and supplemented by the Second Supplemental Indenture, dated as of October 24, 2001, pursuant to which the LYONs are being issued.

"Initial Purchaser" See the first paragraph of this Agreement.

"Initial Shelf Registration Statement" See Section 2(a) hereof.

"Issue Date" means October 24, 2001.

"Liquidated Damages Amount" See Section 2(e) hereof.

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"LYONs" See the second paragraph hereof.

"Material Event" See Section 3(h) hereof.

"Notice and Questionnaire" A written notice delivered to the Company containing substantially the information called for by the Selling Securityholder Notice and Questionnaire attached as Annex A to the Offering Memorandum of the Company, dated October 19, 2001, relating to the LYONs.

"Notice Holder" On any date, any Holder that has delivered a Notice and Questionnaire to the Company on or prior to such date.

"Prospectus" The prospectus included in any Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 415 promulgated under the Securities Act), as amended or supplemented by any amendment or prospectus supplement, including post-effective amendments, and all materials incorporated by reference in such Prospectus.

"Purchase Agreement" See the second paragraph hereof.

"Record Date" With respect to any Damages Payment Date relating to any LYON or Underlying Common Stock as to which any Liquidated Damages Amount has accrued, (i) the 14th day immediately preceding such Damages Payment Date if the Damages Accrual Period has not ended, or (ii) the date of the end Damages Accrual Period.

"Record Holder" With respect to any Damages Payment Date relating to any LYON or Underlying Common Stock as to which any Liquidated Damages Amount has accrued, the registered holder of such LYON or Underlying Common Stock, as the case may be, on the Record Date.

"Registrable Securities" The Securities, until such securities have been converted or exchanged and, at all times subsequent to any such conversion or exchange, any securities into or for which such securities have been converted or exchanged, and any security issued with respect thereto upon any stock dividend, split, merger or similar event until, in the case of any such security, the earliest of (i) its effective registration under the Securities Act and resale in accordance with the Registration Statement covering it, (ii) expiration of the holding period that would be applicable thereto under Rule 144(k) were it not held by an Affiliate of the Company or (iii) its sale to the public pursuant to Rule 144.

"Registration Expenses" See Section 5 hereof.

"Registration Statement" Any registration statement of the Company that covers any of the Registrable Securities pursuant to the provisions

of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits, and all materials incorporated by reference in such registration statement.

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"Restricted Securities" As this term is defined in Rule 144.

"Rule 144" Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

"Rule 144A" Rule 144A under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

"SEC" The Securities and Exchange Commission.

"Securities" Collectively means the LYONs and the Underlying Common Stock.

"Securities Act" The Securities Act of 1933, as amended, and the rules and regulations promulgated by the SEC thereunder.

"Shelf Registration Statement" See Section 2(a) hereof.

"Subsequent Shelf Registration Statement" See Section 2(b) hereof.

"TIA" The Trust Indenture Act of 1939, as amended.

"Trustee" U.S. Bank Trust Company (or any successor entity), the Trustee under the Indenture.

"Underlying Common Stock" The Common Stock into which the LYONs are convertible or issued upon any such conversion.

SECTION 2. SHELF REGISTRATION.

(a) The Company shall prepare and file or cause to be prepared and filed with the SEC no later than a date which is ninety (90) days after the Issue Date (the "Filing Deadline Date") a Registration Statement for an offering to be made on a delayed or continuous basis pursuant to Rule 415 of the Securities Act (a "Shelf Registration Statement") registering the resale from time to time by Holders thereof of all of the Registrable Securities (the "Initial Shelf Registration Statement"). The Initial Shelf Registration Statement shall be on Form S-3 or another appropriate form permitting registration of such Registrable Securities for resale by such Holders in accordance with the methods of distribution reasonably elected by the Holders and set forth in the Initial Shelf Registration Statement; provided, that in no event will such method(s) of distribution take the form of an underwritten offering of the Registrable Securities without the prior agreement of the Company. The Company shall use reasonable best efforts to cause the Initial Shelf Registration Statement to be declared effective under the Securities Act by the date (the "Effectiveness Deadline Date") that is one hundred and eighty (180) days after the Issue Date, and to keep the Initial Shelf Registration Statement (or any Subsequent Shelf Registration Statement) continuously effective under the Securities Act until the expiration of the Effectiveness Period subject to the rights of the Company under Section 3(h) to create a Deferral Period. At the time the Initial Shelf Registration Statement is declared effective, each Holder that became a Notice Holder on or prior to the date 10 Business Days prior to such time of effectiveness shall be named as a selling securityholder in the Initial Shelf Registration

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Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of Registrable Securities in accordance with applicable law under ordinary circumstances, subject to compliance with blue sky laws. The Company shall not permit any of its securityholders (other than the Holders of Registrable Securities) to include any of the Company's securities in the Shelf Registration Statement.

(b) If the Initial Shelf Registration Statement or any Subsequent Shelf Registration Statement ceases to be effective other than during a Deferral Period for any reason at any time during the Effectiveness Period,

the Company shall use reasonable efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof, and in any event shall within thirty (30) days of such cessation of effectiveness amend the Shelf Registration Statement in a manner reasonably expected by the Company to obtain the withdrawal of the order suspending the effectiveness thereof, or file an additional Shelf Registration Statement covering all of the Securities that as of the date of such filing are Registrable Securities (a "Subsequent Shelf Registration Statement"). If a Subsequent Shelf Registration Statement is filed, the Company shall use reasonable efforts to cause the Subsequent Shelf Registration Statement to become effective as promptly as reasonably practicable after such filing, unless during a Deferral Period, or, if filed during a Deferral Period, after the expiration of a Deferral Period, and to keep such Registration Statement (or subsequent Shelf Registration Statement) continuously effective until the end of the Effectiveness Period.

(c) The Company shall supplement and amend the Shelf Registration Statement if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement if required by the Securities Act.

(d) Each Holder of Registrable Securities agrees that if such Holder wishes to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus, it will do so only in accordance with this Section 2(d) and Section 3(h). Each Holder of Registrable Securities wishing to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus agrees to deliver a Notice and Questionnaire to the Company at least ten (10) Business Days prior to any intended distribution of Registrable Securities under the Shelf Registration Statement. From and after the date the Initial Shelf Registration Statement is declared effective, the Company shall, as promptly as reasonably practicable after the date a Notice and Questionnaire is delivered, (i) if required by applicable law, file with the SEC a post-effective amendment to the Shelf Registration Statement or prepare and, if required by applicable law, file a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file any other document required by the SEC so that the Holder delivering such Notice and Questionnaire is named as a selling securityholder in the Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of the Registrable Securities in accordance with applicable law and, if the Company shall file a post-effective amendment to the Shelf Registration Statement, use reasonable efforts to cause such post-effective amendment to be declared effective under the Securities Act as promptly as reasonably practicable; (ii) provide such Holder copies of any documents filed pursuant to Section 2(d)(i); and (iii) notify such Holder as promptly as reasonably practicable after the effectiveness under the Securities Act of any post-effective amendment filed pursuant to Section 2(d)(i); provided, that if such Notice and Questionnaire is delivered during a Deferral Period, the Company shall so inform the Holder

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delivering such Notice and Questionnaire and shall take the actions set forth in clauses (i), (ii) and (iii) above upon expiration of the Deferral Period in accordance with Section 3(h). Notwithstanding anything contained herein to the contrary, the Company shall be under no obligation to name any Holder that is not a Notice Holder as a selling securityholder in any Registration Statement or related Prospectus; provided, however, that any Holder that becomes a Notice Holder pursuant to the provisions of Section 2(d) of this Agreement (whether or not such Holder was a Notice Holder at the time the Registration Statement was initially declared effective) shall be named as a selling securityholder in the Registration Statement or related Prospectus subject to and in accordance with the requirements of this Section 2(d).

(e) The parties hereto agree that the Holders of Registrable Securities will suffer damages, and that it would not be feasible to ascertain the extent of such damages with precision, if (i) the Initial Shelf Registration Statement has not been filed on or prior to the Filing Deadline Date, (ii) the Initial Shelf Registration Statement has not been declared effective under the Securities Act on or prior to the Effectiveness Deadline Date, or (iii) the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period pursuant to Section 3(h) hereof (each of the events of a type described in any of the foregoing clauses (i) through (iii) are individually referred to herein as an "Event," and the Filing Deadline Date in the case of clause (i), the Effectiveness Deadline Date in the case of clause (ii), and the date on which the aggregate duration of Deferral Periods in any period exceeds the number of days permitted by Section 3(h) hereof in the case of clause (iii), being referred to herein as an "Event Date"). Events shall be deemed to continue until the "Event Termination Date," which shall be the following dates with respect to the respective types of Events: the date the

Initial Shelf Registration Statement is filed in the case of an Event of the type described in clause (i), the date the Initial Shelf Registration Statement is declared effective under the Securities Act in the case of an Event of the type described in clause (ii), termination of the Deferral Period that caused the limit on the aggregate duration of Deferral Periods in a period set forth in Section 3(h) to be exceeded in the case of the commencement of an Event of the type described in clause (iii).

Accordingly, commencing on (and including) any Event Date and ending on (but excluding) the next date on which there are no Events that have occurred and are continuing (a "Damages Accrual Period"), the Company agrees to pay, as liquidated damages and not as a penalty, an amount (the "Liquidated Damages Amount"), payable on the Damages Payment Dates to Record Holders of then outstanding LYONS that are Registrable Securities, of then outstanding shares of Underlying Common Stock issued upon conversion of LYONS that are Registrable Securities, if any, as the case may be, accruing, for each portion of such Damages Accrual Period beginning on and including a Damages Payment Date (or, in respect of the first time that the Liquidation Damages Amount is to be paid to Record Holders on a Damages Payment Date as a result of the occurrence of any particular Event, beginning on and including the Event Date) and ending on but excluding the first to occur of (A) the date of the end of the Damages Accrual Period or (B) the next Damages Payment Date, at a rate per annum equal to (i) in respect of any LYONS, at a rate per year equal to 0.25% for the first 90-day period from the Event Date and 0.50% for each 90-day period thereafter of the Applicable Principal Amount thereof as of such Event Date and, (ii) in respect of any shares of Underlying Common Stock, at a rate per year equal to 0.25% for the first 90-day period from the Event Date and 0.50% for each 90-day period thereafter of the Applicable Conversion Price as of such Event Date, in each case determined as of the Record Date; provided, that any Liquidated Damages Amount accrued with

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respect to any LYON or portion thereof called for redemption on a redemption date or converted into Underlying Common Stock on a conversion date prior to the Damages Payment Date, shall, in any such event, be paid instead to the Holder who submitted such LYON or portion thereof for redemption or conversion on the applicable redemption date or conversion date, as the case may be, on such date (or promptly following the conversion date, in the case of conversion). Notwithstanding the foregoing, no Liquidated Damages Amounts shall accrue as to any Registrable Security from and after the earlier of (x) the date such security is no longer a Registrable Security and (y) expiration of the Effectiveness Period. The rate of accrual of the Liquidated Damages Amount with respect to any period shall not exceed the rate provided for in this paragraph notwithstanding the occurrence of multiple concurrent Events. Following the cure of all Events requiring the payment by the Company of Liquidated Damages Amounts to the Holders of Registrable Securities pursuant to this Section, the accrual of Liquidated Damages Amounts will cease (without in any way limiting the effect of any subsequent Event requiring the payment of the Liquidated Damages Amount by the Company).

The Trustee shall be entitled, on behalf of Holders of LYONS or Underlying Common Stock, to seek any available remedy for the enforcement of this Agreement, including for the payment of any Liquidated Damages Amount. Notwithstanding the foregoing, the parties agree that the sole remedy for a violation of the terms of this Agreement with respect to which liquidated damages are expressly provided shall be such liquidated damages.

All of the Company's obligations set forth in this Section 2(e) that are outstanding with respect to any Registrable Security at the time such Security ceases to be a Registrable Security shall survive until such time as all such obligations with respect to such security have been satisfied in full (notwithstanding termination of this Agreement pursuant to Section 8(j)).

The parties hereto agree that the liquidated damages provided for in this Section 2(e) constitute a reasonable estimate of the damages that may be incurred by Holders of Registrable Securities by reason of the failure of the Shelf Registration Statement to be filed or declared effective or available for effecting resales of Registrable Securities in accordance with the provisions hereof.

SECTION 3. REGISTRATION PROCEDURES. In connection with the registration obligations of the Company under Section 2 hereof, the Company shall:

(a) Subject to section 3(h), prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement continuously effective for the applicable period specified in Section 2(a); cause the related Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to

be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act; and use reasonable efforts to comply with the provisions of the Securities Act applicable to it with respect to the disposition of all securities covered by such Registration Statement during the Effectiveness Period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement as so amended or such Prospectus as so supplemented.

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(b) As promptly as reasonably practicable give notice to the Notice Holders and the Initial Purchaser (i) when any Prospectus, Prospectus supplement, Registration Statement or post-effective amendment to a Registration Statement has been filed with the SEC and, with respect to a Registration Statement or any post-effective amendment, when the same has been declared effective, (ii) of any request, following the effectiveness of the Initial Shelf Registration Statement under the Securities Act, by the SEC or any other federal or state governmental authority for amendments or supplements to any Registration Statement or related Prospectus or for additional information, (iii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of any Registration Statement or the initiation or threatening of any proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, (v) of the occurrence of (but not the nature of or details concerning) a Material Event (provided, however, that no notice by the Company shall be required pursuant to this clause (v) in the event that the Company either promptly files a Prospectus supplement to update the Prospectus or a Form 8-K or other appropriate Exchange Act report that is incorporated by reference into the Registration Statement, which, in either case, contains the requisite information with respect to such Material Event that results in such Registration Statement no longer containing any untrue statement of material fact or omitting to state a material fact necessary to make the statements contained therein not misleading) and (vi) of the determination by the Company that a post-effective amendment to a Registration Statement will be filed with the SEC, which notice may, at the discretion of the Company (or as required pursuant to Section 3(h)), state that it constitutes a Deferral Notice, in which event the provisions of Section 3(h) shall apply.

(c) Use reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction in which they have been qualified for sale, in either case at the earliest possible moment or, if a Deferral Period is in effect, at the earliest possible moment after the Deferral Period.

(d) If reasonably requested by the Initial Purchaser or any Notice Holder, as promptly as reasonably practicable incorporate in a Prospectus supplement or post-effective amendment to a Registration Statement such information as the Initial Purchaser or such Notice Holder shall, on the basis of an opinion of nationally-recognized counsel experienced in such matters, determine to be required to be included therein by applicable law and make any required filings of such Prospectus supplement or such post-effective amendment; provided, that the Company shall not be required to take any actions under this Section 3(d) that are not, in the reasonable opinion of counsel for the Company, in compliance with applicable law or to include the disclosure which at the time would have an adverse effect on the business or operation of the Company and/or its Subsidiaries, as determined in good faith by the Company.

(e) As promptly as reasonably practicable furnish to each Notice Holder and the Initial Purchaser, upon their request and without charge, at least one (1) conformed copy of the Registration Statement and any amendment thereto, including financial statements, but excluding schedules, all documents incorporated or deemed to be incorporated therein by

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reference and all exhibits (unless requested in writing to the Company by such Notice Holder or the Initial Purchaser, as the case may be).

(f) During the Effectiveness Period, deliver to each Notice Holder in connection with any sale of Registrable Securities pursuant to a Registration Statement, without charge, as many copies of the Prospectus or Prospectuses relating to such Registrable Securities (including each preliminary

prospectus) and any amendment or supplement thereto as such Notice Holder may reasonably request; and the Company hereby consents (except during such periods that a Deferral Notice is outstanding and has not been revoked) to the use of such Prospectus or each amendment or supplement thereto by each Notice Holder in connection with any offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto in the manner set forth therein.

(g) Subject to Section 3(h), prior to any public offering of the Registrable Securities pursuant to the Shelf Registration Statement, use commercially reasonable efforts to register or qualify or cooperate with the Notice Holders in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any Notice Holder reasonably requests in writing (which request may be included in the Notice and Questionnaire) it being agreed that no such registration or qualification will be made unless so requested; prior to any public offering of the Registrable Securities pursuant to the Shelf Registration Statement, use reasonable efforts to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period in connection with such Notice Holder's offer and sale of Registrable Securities pursuant to such registration or qualification (or exemption therefrom) and do any and all other acts or things necessary to enable the disposition in such jurisdictions of such Registrable Securities in the manner set forth in the relevant Registration Statement and the related Prospectus; provided, that the Company will not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it is not otherwise qualified but for this Agreement or (ii) take any action that would subject it to general service of process in suits or to taxation in any such jurisdiction where it is not then so subject.

(h) Upon (A) the issuance by the SEC of a stop order suspending the effectiveness of the Shelf Registration Statement or the initiation of proceedings with respect to the Shelf Registration Statement under Section 8(d) or 8(e) of the Securities Act, (B) the occurrence of any event or the existence of any fact (a "Material Event") as a result of which any Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (C) the occurrence or existence of any corporate development that, in the discretion of the Company, makes it appropriate to suspend the availability of the Shelf Registration Statement and the related Prospectus, (i) in the case of clause (B) above, subject to the next sentence, as promptly as reasonably practicable prepare and file a post-effective amendment to such Registration Statement or a supplement to the related Prospectus or any document incorporated therein by reference or file any other required document that would be incorporated by reference into such

Registration Statement and Prospectus so that such Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and such Prospectus does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, and, in the case of a post-effective amendment to a Registration Statement, subject to the next sentence, use reasonable efforts to cause it to be declared effective as promptly as is reasonably practicable, and (ii) give notice to the Notice Holders that the availability of the Shelf Registration Statement is suspended (a "Deferral Notice") and, upon receipt of any Deferral Notice, each Notice Holder agrees to suspend the use of the Prospectus and not to sell any Registrable Securities pursuant to the Registration Statement until such Notice Holder's receipt of copies of the supplemented or amended Prospectus provided for in clause (i) above, or until it is advised in writing by the Company that the Prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. The Company will use all reasonable efforts to ensure that the use of the Prospectus may be resumed (x) in the case of clause (A) above, as promptly as reasonably practicable, (y) in the case of clause (B) above, as soon as, in the sole judgment of the Company, public disclosure of such Material Event would not be prejudicial to or contrary to the interests of the Company or, if necessary to avoid unreasonable burden or expense, as soon as reasonably practicable thereafter and (z) in the case of clause (C) above, as soon as, in

the discretion of the Company, such suspension is no longer appropriate. The period during which the availability of the Registration Statement and any Prospectus is suspended (the "Deferral Period") shall, without the Company incurring any obligation to pay liquidated damages pursuant to Section 2(e), not exceed sixty (60) days in any three (3) month period or one hundred and twenty (120) days in any twelve (12) month period.

(i) If reasonably requested in writing in connection with a disposition of Registrable Securities pursuant to a Registration Statement, make reasonably available for inspection during normal business hours by a representative for the Notice Holders of such Registrable Securities and any broker-dealers, attorneys and accountants retained by such Notice Holders, all relevant financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and cause the appropriate executive officers, directors and designated employees of the Company and its subsidiaries to make reasonably available for inspection during normal business hours all relevant information reasonably requested by such representative for the Notice Holders or any such broker-dealers, attorneys or accountants in connection with such disposition, in each case as is customary for similar "due diligence" examinations; provided, however, that such persons shall first agree in writing with the Company that any information that is reasonably designated by the Company in writing as confidential at the time of delivery of such information shall be kept confidential by such persons and shall be used solely for the purposes of exercising rights under this Agreement and such person shall comply with applicable securities laws, unless (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities, (ii) disclosure of such information is required by law (including any disclosure requirements pursuant to federal securities laws in connection with the filing of any Registration Statement or the use of any Prospectus referred to in this Agreement), (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by

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any such person or (iv) such information becomes available to any such person from a source other than the Company and such source is not bound by a confidentiality agreement or fiduciary obligations; and provided further, that the foregoing inspection and information gathering shall, to the greatest extent possible, be coordinated on behalf of all the Notice Holders and the other parties entitled thereto by the counsel referred to in Section 5.

(j) Comply with all applicable rules and regulations of the SEC and make generally available to its securityholders earning statements (which need not be audited) satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 90 days after the end of the first 12-month period constituting a fiscal year commencing on the first day of the first fiscal quarter of the first fiscal year of the Company commencing after the effective date of a Registration Statement, which statements shall cover said 12-month periods.

(k) Cooperate with each Notice Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities sold pursuant to a Registration Statement, and cause such Registrable Securities to be in such denominations as are permitted by the Indenture and registered in such names as such Notice Holder may request in writing at least two Business Days prior to any sale of such Registrable Securities.

(l) Provide a CUSIP number for all Registrable Securities covered by each Registration Statement not later than the effective date of such Registration Statement and provide the Trustee for the LYONs and the transfer agent for the Common Stock with certificates for the Registrable Securities that are in a form eligible for deposit with The Depository Trust Company.

(m) Make reasonable effort to provide such information as is required for any filings required to be made with the National Association of Securities Dealers, Inc.

(n) Enter into such customary agreements and take all such other reasonable necessary actions in connection therewith (including those reasonably requested by the holders of a majority of the Registrable Securities being sold) in order to expedite or facilitate the registration or the disposition of such Registrable Securities; provided that the Company shall not be required to take any action in connection with an underwritten offering without its consent; and

(o) Cause the Indenture to be qualified under the TIA not later than the effective date of any Registration Statement; and in connection

therewith, cooperate with the Trustee to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and execute, and use reasonable efforts to cause the Trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner.

SECTION 4. HOLDER'S OBLIGATIONS. Each Holder agrees, by acquisition of the Registrable Securities, that no Holder of Registrable Securities shall be entitled to sell any of such Registrable Securities pursuant to a Registration Statement or to receive a Prospectus

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relating thereto, unless such Holder has furnished the Company with a Notice and Questionnaire as required pursuant to Section 2(d) hereof (including the information required to be included in such Notice and Questionnaire) and the information set forth in the next sentence. Each Notice Holder agrees promptly to furnish to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Notice Holder not misleading and any other information regarding such Notice Holder and the distribution of such Registrable Securities as may be required to be disclosed in the Registration Statement under applicable law or pursuant to SEC comments. Each Holder further agrees to notify the Company within 10 business days of request, of the amount of Registrable Securities sold pursuant to the Registration Statement and, in the absence of a response, the Company may assume that all of the Holder's Registrable Securities were so sold.

In addition, each Holder agrees that:

(a) upon receipt of a Deferral Notice, it will keep the fact of such notice confidential, forthwith discontinue disposition of its Registrable Securities pursuant to the Registration Statement, and will not deliver any Prospectus forming part thereof until receipt of the amended or supplemented Registration Statement or Prospectus, as applicable, or until it is advised in writing by the Company that the Prospectus may be used and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus;

(b) if so directed by the Company in the Deferral Notice, it will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in its possession, of the Prospectus; and

(c) the sale of the Registrable Securities pursuant to a Registration Statement shall only be made in the manner set forth in such currently effective Registration Statement.

SECTION 5. REGISTRATION EXPENSES. The Company shall bear all fees and expenses incurred in connection with the performance by the Company of its obligations under Sections 2 and 3 of this Agreement whether or not any of the Registration Statements are declared effective. Such fees and expenses shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (x) with respect to filings required to be made with the National Association of Securities Dealers, Inc. and (y) of compliance with federal and state securities or Blue Sky laws to the extent such filings or compliance are required pursuant to this Agreement (including fees and expenses of the Company's counsel)), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities in a form eligible for deposit with The Depository Trust Company), (iii) duplication expenses relating to copies of any Registration Statement or Prospectus delivered to any Holders hereunder, (iv) fees and disbursements of counsel for the Company in connection with the Shelf Registration Statement, and (v) reasonable fees and disbursements of the Trustee and its counsel and of the registrar and transfer agent for the Common Stock. In addition, the Company shall pay the internal expenses of the Company (including, without limitation, all salaries and expenses of officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange on which the same securities of the Company are then

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listed and the fees and expenses of any person, including special experts, retained by the Company.

SECTION 6. INDEMNIFICATION; CONTRIBUTION.

(a) The Company agrees to indemnify and hold harmless the Initial Purchaser and each holder of Registrable Securities and each person, if any, who controls the Initial Purchaser or any holder of Registrable Securities within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, provided that (subject to Section 6(d) below) any such settlement is effected with the prior written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Initial Purchaser), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

PROVIDED, HOWEVER, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Initial Purchaser, such holder of Registrable Securities (which also acknowledges the indemnity provisions herein) or any person, if any, who controls the Initial Purchaser or any such holder of Registrable Securities expressly for use in the Registration Statement (or any amendment thereto) or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto); provided, further, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense (1) arising from an offer or sale of Registrable Securities occurring during a Deferral Period, if a Deferral Notice was given to such

Notice Holder in accordance with Section 8(b), or (2) if the Holder fails to deliver at or prior to the written confirmation of sale, the most recent Prospectus, as amended or supplemented, and such Prospectus, as amended or supplemented, would have corrected such untrue statement or omission or alleged untrue statement or omission of a material fact.

(b) In connection with any Shelf Registration in which a holder, including, without limitation, the Initial Purchaser, of Registrable Securities is participating, in furnishing information relating to such holder of Registrable Securities to the Company in writing expressly for use in such Registration Statement, any preliminary prospectus, the Prospectus or any amendments or supplements thereto, the holders of such Registrable Securities agree, severally and not jointly, to indemnify and hold harmless the Initial Purchaser and each person, if any, who controls the Initial Purchaser within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and the Company, and each person, if any, who controls the Company within the meaning of either such Section, against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by or on behalf of

such holder of Registrable Securities (which also acknowledges the indemnity provisions herein) or any person, if any, who controls any such holder of Registrable Securities expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

The Initial Purchaser agrees to indemnify and hold harmless the Company, the holders of Registrable Securities, and each person, if any, who controls the Company or any holder of Registrable Securities within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by the Initial Purchaser expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. The indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified

party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (a) the fees and expenses of more than one separate firm (in addition to any local counsel), whose fees must be reasonable, for the Initial Purchaser, Holders of Registrable Securities, and all persons, if any, who control the Initial Purchaser or Holders of Registrable Securities within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, collectively (b) the fees and expenses of more than one separate firm (in addition to any local counsel), whose fees must be reasonable, for the Company, and each person, if any, who controls the Company within the meaning of either such Section, and that all fees and expenses payable under (a) and (b) above shall be reimbursed as they are incurred. In the case of any such separate firm for the Initial Purchaser, Holders of Registrable Securities, and control persons of the Initial Purchaser and Holders of Registrable Securities, such firm shall be designated in writing by the Initial Purchaser. In the case of any such separate firm for the Company, and control persons of the Company, such firm shall be designated in writing by the Company. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final non-appealable judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any

settlement of the nature contemplated by Section 6(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement. Notwithstanding the immediately preceding sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, an indemnifying party shall not be liable for any settlement of the nature contemplated by Section 6(a)(ii) effected without its consent if such indemnifying party (1) reimburses such indemnified party in accordance with such request to the extent it considers such request to be reasonable and (2) provides written notice to the indemnified party substantiating the unpaid balance as unreasonable, in each case prior to the date of such settlement.

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(e) If the indemnification to which an indemnified party is entitled under this Section 6 is for any reason unavailable to or insufficient although applicable in accordance with its terms to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other hand from the offering of the Registrable Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative fault of the Company on the one hand and the holders of the Registrable Securities or the Initial Purchaser on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the holder of the Registrable Securities or the Initial Purchaser and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(e) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 6(e). The aggregate amount of losses, liabilities, claims, damages, and expenses incurred by an indemnified party and referred to above in this Section 6(e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 6, neither the holder of any Registrable Securities nor the Initial Purchaser, shall be required to indemnify or contribute any amount in excess of the amount by which the total price at which the Registrable Securities sold by such holder of Registrable Securities or by the Initial Purchaser, as the case may be, and distributed to the public were offered to the public exceeds the amount of any damages that such holder of Registrable Securities or the Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 6(e), each person, if any, who controls the Initial Purchaser or any holder of Registrable Securities within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as the

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Initial Purchaser or such holder, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Company.

SECTION 7. INFORMATION REQUIREMENTS. The Company covenants that, if at any time before the end of the Effectiveness Period the Company is not subject to the reporting requirements of the Exchange Act, the Company will cooperate with any Holder of Registrable Securities and take such further reasonable action as any Holder of Registrable Securities may reasonably request in writing (including, without limitation, making such reasonable representations as any such Holder may reasonably request), all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 and Rule 144A under the Securities Act and customarily taken in connection with sales pursuant to such exemptions.

SECTION 8. MISCELLANEOUS; NO CONFLICTING AGREEMENTS. Except for such agreements that will be waived or amended prior to the filing of the Registration Statement, the Company is not, as of the date hereof, a party to, nor shall the Company, on or after the date of this Agreement, enter into any agreement with respect to its securities that conflicts with the rights granted to the Holders of Registrable Securities in this Agreement. Except for such agreements that will be waived or amended prior to the filing of the Registration Statement, the Company represents and warrants that the rights granted to the Holders of Registrable Securities hereunder do not in any way conflict with the rights granted to the holders of the Company's other issued and outstanding securities under any other agreements.

(a) AMENDMENTS AND WAIVERS. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of Holders of a majority of the then outstanding Underlying Common Stock constituting Registrable Securities (with Holders of LYONs deemed to be the Holders, for purposes of this Section, of the number of outstanding shares of Underlying Common Stock into which such LYONs are or would be convertible or exchangeable as of the date on which such consent is requested). Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders of Registrable Securities whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect the rights of other Holders of Registrable Securities may be given by Holders of at least a majority of the Registrable Securities being sold by such Holders pursuant to such Registration Statement; provided, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the immediately preceding sentence. Each Holder of Registrable Securities outstanding at the time of any such amendment, modification, supplement, waiver or consent or thereafter shall be bound by any such amendment, modification, supplement, waiver or consent effected pursuant to this Section 8(a), whether or not any notice, writing or marking indicating such amendment, modification, supplement, waiver or consent appears on the Registrable Securities or is delivered to such Holder.

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(b) NOTICES. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, by telecopier, by courier guaranteeing overnight delivery or by first-class mail, return receipt requested, and shall be deemed given (i) when made, if made by hand delivery, (ii) upon confirmation, if made by telecopier, (iii) one (1) Business Day after being deposited with such courier, if made by overnight courier or (iv) on the date indicated on the notice of receipt, if made by first-class mail, to the parties as follows:

(w) if to a Holder of Registrable Securities that is not a Notice Holder, at the address for such Holder then appearing in the Registrar (as defined in the Indenture);

(x) if to a Notice Holder, at the most current address given by such Holder to the Company in a Notice and Questionnaire or any amendment thereto;

(y) if to the Company, to:

Carnival Corporation
3655 N.W. 87th Avenue

Miami, FL 33178-2428
Attention: Arnaldo Perez, Esq., General Counsel
Telecopier No.:

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, N.Y. 10019
Attention: John C. Kennedy, Esq.
Telecopier No.: (212) 373-2042

and

(z) if to the Initial Purchaser, to:

Merrill Lynch & Co.,
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
North Tower
World Financial Center
New York, New York 10080
Attention: Mark Hagan
Telecopy No.: (212) 449-9143

or to such other address as such person may have furnished to the other persons identified in this Section 8(c) in writing in accordance herewith.

(c) APPROVAL OF HOLDERS. Whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or its affiliates (as such term is defined in Rule 405 under the Securities Act)

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(other than the Initial Purchaser or subsequent Holders of Registrable Securities if such subsequent Holders are deemed to be such affiliates solely by reason of their holdings of such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(d) SUCCESSORS AND ASSIGNS. Any person who purchases any Registrable Securities from the Initial Purchaser shall be deemed, for purposes of this Agreement, to be an assignee of the Initial Purchaser. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties and shall inure to the benefit of and be binding upon each Holder of any Registrable Securities.

(e) COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be original and all of which taken together shall constitute one and the same agreement.

(f) HEADINGS. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(h) SEVERABILITY. If any term, provision, covenant or restriction of this Agreement is held to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

(i) ENTIRE AGREEMENT. This Agreement is intended by the parties as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and the registration rights granted by the Company with respect to the Registrable Securities. Except as provided in the Purchase Agreement, there are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein, with respect to the registration rights granted by the

Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and undertakings among the parties solely with respect to such registration rights.

(j) TERMINATION. This Agreement and the obligations of the parties hereunder shall terminate upon the end of the Effectiveness Period, except for any liabilities or obligations under Sections 4, 5 or 6 hereof and the obligations to make payments of and provide for Liquidated Damages under Section 2(e) hereof to the extent such damages accrue prior to the

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end of the Effectiveness Period, each of which shall remain in effect in accordance with its terms.

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IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

CARNIVAL CORPORATION

By: /s/ Arnaldo Perez

Name: Arnaldo Perez

Title: Vice President and Secretary

Accepted as of the date
first above written:

MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: /s/ Marc Hagen

Authorized Signatory

[PAUL, WEISS, RIFKIND, WHARTON & GARRISON LETTERHEAD]

November 29, 2001

Carnival Corporation
 3655 N.W. 87th Avenue
 Miami, FL 33178-2428

REGISTRATION STATEMENT ON FORM S-3

Ladies and Gentlemen:

In connection with the Registration Statement on Form S-3 (the "Registration Statement") filed by Carnival Corporation (the "Issuer"), a Panama corporation, with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Act"), and the rules and regulations under the Act (the "Rules"), we have been requested to render our opinion as to the legality of the securities being registered. The Registration Statement relates to the registration under the Act of the sale of (i) \$1,051,175,000 aggregate principal amount at maturity of the Issuer's Liquid Yield Option Notes due 2021 (the "LYONS") and held by certain securityholders, and (ii) 17,446,000 shares (the "Shares") of the Company's Common Stock issuable upon conversion of the LYONS held by these selling securityholders, plus such additional indeterminate number of shares as may become issuable upon conversion of the LYONS by reason of adjustment to the conversion price in certain circumstances. The LYONS were issued under a Second Supplemental Indenture (the "Second Supplemental Indenture"), dated as of October 24, 2001, between the Issuer and the U.S. Bank Trust National Association, as trustee (the "Trustee") and an Indenture (the "Indenture"), dated as of April 25, 2001, between the Issuer and the Trustee. Capitalized terms used and not otherwise defined in this letter have the respective meanings given those terms in the Registration Statement.

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In connection with this opinion, we have examined originals, conformed copies or photocopies, certified or otherwise identified to our satisfaction, of the following documents (collectively, the "Documents"):

- (i) the Registration Statement;
- (ii) the Second Supplemental Indenture;
- (iii) the Indenture;
- (iv) the LYONS; and
- (v) the Registration Rights Agreement, dated as of October 24, 2001, among the Issuer and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the initial purchaser (the "Initial Purchaser") (the "Registration Rights Agreement").

In addition, we have examined such other certificates, agreements and documents that we deemed relevant and necessary as a basis for our opinion.

In our examination of the documents referred to above, and in rendering our opinion, we have assumed, without independent investigation, (i) the genuineness of all signatures, (ii) the authenticity of all documents submitted to us as originals, (iii) the conformity to the original documents of all documents submitted to us as certified, photostatic, reproduced or conformed copies of validly existing agreements or other documents and the authenticity of all the latter documents, (iv) that the statements regarding matters of fact in the certificates, records, agreements, instruments and documents that we have examined are accurate and complete and (v) the legal capacity of all individuals

who have executed any of the documents which we examined. We have relied as to matters of fact upon certificates of officers of the Issuer.

We have also assumed that (i) the Issuer is validly existing and in good standing under the laws of the Republic of Panama, (ii) that the Issuer has all necessary corporate power and authority to enter into and perform its obligations under the Registration Rights Agreement, the Indenture and the Second Supplemental Indenture and the LYONS, (iii) that the Indenture and the Second Supplemental Indenture, the Registration Rights Agreement and the LYONS have been duly executed and delivered by the parties thereto, (iv) that the execution, delivery and performance by the Issuer of the Indenture and the Second Supplemental Indenture, the Registration Rights Agreement and the LYONS have been duly authorized by all necessary corporate action and do not violate the Issuer's organizational documents or the laws of Panama, (v) that the Indenture and the Second Supplemental Indenture are valid and binding obligations of the Trustee under the laws of its jurisdiction of incorporation and the State of New York, and of the Issuer under the laws of the Republic of Panama, and (vi) that the Registration Rights Agreement is a valid and binding agreement of the Initial Purchaser under the

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laws of its jurisdiction of incorporation and the State of New York, and of the Issuer under the laws of the Republic of Panama.

Based on the foregoing, and subject to the assumptions, exceptions and qualifications set forth herein, we are of the opinion that the LYONS are valid and binding obligations of the Issuer under the laws of the State of New York, enforceable against the Issuer in accordance with their terms.

Our opinion is subject to the qualification that the enforceability of the Indenture and the Second Supplemental Indenture, the Registration Rights Agreement and the LYONS may be (i) subject to bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, moratorium and other similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

The opinion expressed above is limited to the laws of the State of New York. Our opinion is rendered only with respect to the laws, and the rules, regulations and orders under them, which are currently in effect.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement and to the reference to us under the heading "Legal Matters" in the prospectus included in the Registration Statement. In giving this consent, we do not admit that we come within the category of persons whose consent is required by the Act or the Rules.

Very truly yours,

/s/ PAUL, WEISS, RIFKIND, WHARTON & GARRISON
PAUL, WEISS, RIFKIND, WHARTON & GARRISON

[LETTERHEAD OF TAPIA, LINARES Y ALFARO]

November 29, 2001.

Carnival Corporation
3655 N.W. 87th Avenue
Miami, Florida 33178-2428
U.S.A.

REGISTRATION STATEMENT ON FORM S-3

Dear Sirs:

In connection with the Registration Statement on Form S-3 (the "Registration Statement") relating to the registration with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Act"), and the rules and regulations promulgated thereunder, by Carnival Corporation, a Panamanian corporation (the "Company") of the sale of (i) \$1,051,175,000 aggregate principal amount at maturity of Liquid Yield Option Notes due 2021 (the "LYONs") issued by the Company, held by certain securityholders, and (ii) 17,446,000 shares (the "Shares") of the Company's Common Stock issuable upon conversion of the LYONs held by these selling securityholders, plus such additional indeterminate number of shares as may become issuable upon conversion of the LYONs by reason of adjustment to the conversion price in certain circumstances, we have been requested to render our opinion as to the legality of the securities being registered thereunder.

The LYONs were issued under a Second Supplemental Indenture (the "Second Supplemental Indenture"), dated as of October 24, 2001, between the Company and U.S. Bank Trust National Association, as trustee (the "Trustee"), and an Indenture (the "Indenture"), dated as of April 25, 2001, between the Company and the Trustee. The LYONs and the Shares are hereinafter called, collectively, the "Securities."

In this connection we have examined (i) originals, photocopies or conformed copies of the Registration Statement, including the exhibits and amendments thereto, (ii) the Indenture and the Second Supplemental Indenture filed as exhibits to the Registration Statement, and (iii) records of certain of the Company's corporate proceedings relating to, among other things, the issuance and sale of the Securities. In addition, we have made such other examinations of law and fact as we considered necessary in order to form a basis for the opinion hereinafter expressed. In connection with such investigation, we have assumed the genuineness of all

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signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as photocopies or conformed copies. We have relied as to matters of fact upon certificates of officers of the Company.

In rendering the opinion set forth below, we have assumed that (i) the Indenture and the Second Supplemental Indenture have been duly authorized by the parties thereto other than the Company, and has been executed and delivered by the Trustee, and (ii) the Indenture and the Second Supplemental Indenture do represent a valid and binding obligation of the Trustee under the laws of its jurisdiction of incorporation and the State of New York.

Based on the foregoing, we are of the opinion that:

1. The execution and delivery of the Indenture and the Second Supplemental Indenture, the performance of the Company's obligations hereunder, the execution, issuance and delivery of the Securities, as applicable, and the performance of the Company's obligations thereunder have been duly authorized by the Company.
2. The LYONs represent valid and binding obligations of the Company,

enforceable against the Company in accordance with the terms of their terms, the provisions of the Indenture and the Second Supplemental Indenture, except that such enforceability may be subject to (a) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

3. The Shares issuable upon conversion of the LYONs have been duly authorized and reserved for issuance and will be validly issued, fully paid and nonassessable, when issued upon conversion of the LYONs in accordance with the terms of the LYONs, the Indenture and the Second Supplemental Indenture.
4. Neither distributions to the holders of the Shares nor the interest paid on the LYONs will be subject to taxation under the laws of Panama. Also, the Company's income will not be subject to significant taxation under the laws of Panama, as long as the Company's income is produced outside the territory of the Republic of Panama.

We are members of the Bar of the Republic of Panama. We express no opinion as to matters of law other than the laws of the Republic of Panama.

We hereby consent to the use of our name in the Registration Statement and in the prospectus therein, and to the use of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we come within the category of persons whose consent is required by the Act or by the rules and regulations promulgated thereunder.

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Yours very truly,

/s/ Mario E. Correa
Mario E. Correa

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated January 26, 2001 relating to the financial statements, which appears in the 2000 Annual Report to Shareholders, which is incorporated by reference in Carnival Corporation's Annual Report on Form 10-K for the year ended November 30, 2000. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Miami, Florida
November 29, 2001