

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

FORM 8-K

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

Date of Report (date of earliest event reported) March 31, 2020



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

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

Republic of Panama
(State or other jurisdiction of incorporation)

England and Wales
(State or other jurisdiction of incorporation)

001-9610
(Commission File Number)

001-15136
(Commission File Number)

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

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

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

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

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

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

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

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

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

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.**Item 7.01 Regulation FD Disclosure.**

On March 31, 2020, in connection with the offering of the Notes (defined below), Carnival Corporation and Carnival plc (together, the “Company,” “we,” “us,” or “our”) distributed certain information attached to this report as Exhibit 99.1 to potential investors, which the Company is disclosing under Items 2.02 and 7.01 of this Current Report on Form 8-K.

The information in these Items 2.02 and 7.01, including Exhibit 99.1, is deemed “furnished” and not “filed” under Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events.*Equity and Notes Offerings*

On March 31, 2020, the Company issued a press release announcing that the Company has commenced an underwritten public offering of shares of common stock, par value \$0.01 per share, of Carnival Corporation (the “Equity Offering”). BofA Securities, Goldman Sachs & Co. LLC and J.P. Morgan are acting as joint book-running managers for the Equity Offering. A copy of the press release is attached hereto as Exhibit 99.2 and is incorporated by reference herein.

On March 31, 2020, the Company issued a press release announcing that the Company has commenced private offerings of \$3 billion first-priority senior secured notes due 2023 of Carnival Corporation (the “Secured Notes”) and \$1.75 billion senior convertible notes due 2023 of Carnival Corporation (the “Convertible Notes”) and, together with the Secured Notes, the “Notes”). A copy of the press release is attached hereto as Exhibit 99.3 and is incorporated by reference herein.

The Company expects to use the net proceeds from the offering of the Notes and the Equity Offering for general corporate purposes and to pay fees and expenses relating thereto. None of the offering of Secured Notes, the offering of the Convertible Notes or the Equity Offering is conditioned upon the completion of any of the other offerings.

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

This Current Report on Form 8-K shall not constitute an offer to sell or a solicitation of an offer to buy shares of common stock, the Notes or any other securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such an offer, solicitation or sale would be unlawful.

Other Announcements

The Company is further announcing today that because of the Company’s liquidity management and the dividend restrictions in the indenture governing the Secured Notes, the Company is suspending the payment of dividends on the common stock of Carnival Corporation and the ordinary shares of Carnival plc.

Additionally, the Company is announcing that two debt facilities with approximately \$400 million of outstanding indebtedness, including Carnival plc’s 7.875% Notes due June 1, 2027, will be secured on an equal and ratable first-priority basis by the collateral granted to the holders of the Secured Notes.

Cautionary Note Concerning Factors That May Affect Future Results

Carnival Corporation and Carnival plc and their respective subsidiaries are referred to collectively in this this Current Report on Form 8-K, including Exhibits 99.1, 99.2 and 99.3 (collectively, this “document”), as “Carnival Corporation & plc,” “our,” “us” and “we.” Some of the statements, estimates or projections contained in this document are “forward-looking statements” that involve risks, uncertainties and assumptions with respect to us, including some statements concerning the financing transactions described herein, future results, operations, outlooks, plans, goals, growth, reputation, cash flows, liquidity and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts are statements that could be deemed forward-looking. These statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and the beliefs and assumptions of our management. We have tried, whenever possible, to identify these statements by using words like “will,” “may,” “could,” “should,” “would,” “believe,” “depends,” “expect,” “goal,” “anticipate,” “forecast,” “project,” “future,” “intend,” “plan,” “estimate,” “target,” “indicate,” “outlook,” and similar expressions of future intent or the negative of such terms.

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

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

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

- COVID-19 has had, and will continue to have, a materially adverse impact on our financial condition and operations, which impacts our ability to obtain acceptable financing to fund any resulting shortfalls in cash from operations. The current, and uncertain future, impact of the COVID-19 outbreak, including its effect on the ability or desire of people to travel (including on cruises), will continue to impact our results, operations, outlooks, plans, goals, growth, reputation, cash flows, liquidity, and stock price
 - World events impacting the ability or desire of people to travel may lead to a decline in demand for cruises
 - Incidents concerning our ships, guests or the cruise vacation industry as well as adverse weather conditions and other natural disasters may impact the satisfaction of our guests and crew and lead to reputational damage
 - Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-corruption, economic sanctions, trade protection and tax may lead to litigation, enforcement actions, fines, penalties, and reputational damage
 - Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks and failure to keep pace with developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and lead to reputational damage
 - Ability to recruit, develop and retain qualified shipboard personnel who live away from home for
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extended periods of time may adversely impact our business operations, guest services and satisfaction

- Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs
- Fluctuations in foreign currency exchange rates may adversely impact our financial results
- Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options
- Geographic regions in which we try to expand our business may be slow to develop or ultimately not develop how we expect
- Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests

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

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|--------------------|---|
| 99.1 | Disclosure provided to potential investors |
| 99.2 | Press release of Carnival Corporation and Carnival plc dated March 31, 2020 (relating to Equity Offering) |
| 99.3 | Press release of Carnival Corporation and Carnival plc dated March 31, 2020 (relating to offering of the Notes) |
| 104 | Exhibit 104 Cover page from this Current Report on Form 8-K, formatted in Inline XBRL (included as Exhibit 101). |

SIGNATURES

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

CARNIVAL CORPORATION

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

Date: March 31, 2020

CARNIVAL PLC

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

Date: March 31, 2020

Recent Developments

COVID-19

The spread of novel coronavirus (COVID-19) and the recent developments surrounding the global pandemic are having material negative impacts on all aspects of our business. In particular:

- Numerous passengers and crew on Diamond Princess were diagnosed with COVID-19 and the ship was quarantined at a port in Japan. As of the time of disembarkation, a substantial portion of the passengers and crew were diagnosed with COVID-19 and subsequently several passengers died due to the disease. Additionally, numerous passengers and crew on Grand Princess were diagnosed with COVID-19, some of whom subsequently died due to the disease.
- Numerous passengers and crew on other ships, including Zaandam, Costa Luminosa, Ruby Princess, Costa Magica and Costa Favolosa, have been diagnosed with COVID-19. Numerous passengers and crew on Zandaam are currently experiencing flu-like symptoms, and some have died. Costa Magica and Costa Favolosa are currently working with the U.S. Coast Guard to facilitate medical evacuations, and both vessels are anchored near the port of Miami.
- On March 13, 2020, we announced voluntary pauses of our fleet cruise operations by our continental European and North American brands. Subsequently, we implemented a voluntary pause of our global fleet cruise operations across all brands. Each brand has separately announced the duration of its pause, but we expect such pauses to be extended (and some extensions have already been announced) and any such extensions may be prolonged. The pauses will be dependent in part on various travel restrictions and travel bans issued by various countries around the world.
- As of the date hereof:
 - o Substantially all our ships have disembarked their passengers. There are approximately 6,000 passengers onboard ships still at sea that are expected to disembark their passengers by the end of April. Some of our crew is unable to return home, and we will be providing them with food and housing.
 - o We have updated our cancellation policies, the terms of which vary widely by brand and sailing date, to permit cruisers to cancel certain upcoming cruises and elect to receive refunds in cash or future cruise credits. As an incentive to accept the future cruise credits, our brands have offerings which vary widely in terms but generally increase the value of the future cruise credits or onboard credits (credits that can be used as onboard spending money on a future sailing). The volume and pace of cash refunds could have a material adverse effect on our liquidity and capital resources.

Significant events affecting travel, including COVID-19, typically have an impact on booking patterns, with the full extent of the impact generally determined by the length of time the event influences travel decisions. We believe the ongoing effects of COVID-19 on our operations and global bookings have had, and will continue to have, a material negative impact on our financial results and liquidity, and such negative impact may continue well beyond the containment of such outbreak. In particular:

- For the seven week period beginning January 26, 2020 and ending March 15, 2020, booking volumes for the remainder of 2020 were significantly behind the prior year on a comparable basis as a result of the effects of COVID-19. As of March 15, 2020, cumulative advanced bookings for the remainder of 2020 were meaningfully lower than the prior year and at prices that are considerably lower than the prior year on a comparable basis. As noted above, all of our global
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fleet operations are subject to voluntary pauses that we expect to be extended. Due to the unknown length of the pauses, booking volume data for 2020 may not be informative. In addition, because of our updated cancellation policies, booking volumes may not be representative of actual cruise revenues.

- For the first half of 2021, booking volumes since mid-December 2019 through March 1, 2020, were running slightly higher than the prior year. In contrast, for the first half of 2021 and during the two weeks ended March 15, 2020, we booked 546,000 Occupied Lower Berth Days, which was considerably behind the prior year pace. As of March 15, 2020, cumulative advanced bookings for the first half of 2021 were slightly lower than the prior year.

As of February 29, 2020, we had a total of 16 cruise ships scheduled to be delivered through 2025, including four during the remainder of fiscal 2020. We believe the effects of COVID-19 on the shipyards where our ships are under construction will result in delays in ship deliveries, which we cannot predict and may be prolonged.

In March 2020, Moody's and S&P Global downgraded our long-term issuer and senior unsecured debt ratings. In addition, our long-term ratings were placed on review for further downgrade by both rating agencies. Our short-term commercial paper credit ratings were also placed on review for downgrade.

On March 13, 2020, we fully drew down our \$3.0 billion multi-currency unsecured revolving credit agreement ("Existing Multicurrency Facility"). On March 24, 2020, we settled derivatives in a net gain position of approximately \$200 million. Consequently, as of the date hereof, our principal source of immediate liquidity includes our available cash and cash equivalents. Given the impact of COVID-19 on bookings, which are meaningfully reduced from the prior year comparative pace, and the pause of our global fleet cruise operations, which we expect to be extended, we are conducting the offering of the Notes and the Equity Offering to raise an additional \$6.0 billion in aggregate gross proceeds (a portion of which will be subject to escrow arrangements).

In addition, we had \$2.8 billion from four committed export credit facilities that are available to fund the originally planned ship deliveries for the remainder of 2020 and \$5.9 billion from committed export credit facilities that are available to fund ship deliveries originally planned in 2021 and beyond.

To enhance our liquidity, as well as comply with the dividend restrictions contained in the Secured Notes, we have suspended the payment of dividends on, and the repurchase of, the common stock of Carnival Corporation and the ordinary shares of Carnival plc.

We cannot assure you that our assumptions used to estimate our liquidity requirements will be correct because we have never previously experienced a complete cessation of our cruising operations, and as a consequence, our ability to be predictive is uncertain. However, based on our assumptions and estimates with respect to the pause in our global fleet cruise operations and our financial condition, we believe that the liquidity described in the preceding paragraphs will be sufficient to fund our liquidity requirements over the next eight months until fiscal year end November 30, 2020. We estimate our liquidity requirements, which include our ongoing ship and administrative operating costs, cash refunds of customer deposits, debt maturities and interest, expected capital improvements, and new ship growth capital not addressed by committed export credit facilities, to be approximately, on average, \$1.0 billion per month. In particular:

- *Ongoing ship and administrative operating costs* - During the pause in our global fleet cruise operations, certain of our ships will be in warm ship layup where the ship will be manned by a full crew and certain of our ships will be in a prolonged ship layup where the ship will be manned by a limited crew. We estimate the cost per warm ship layup is approximately \$2-\$3 million per month and the cost per prolonged ship layup is approximately \$1 million per month. We will decide whether each vessel in our global fleet will be in a warm ship layup or a prolonged ship layup depending on the circumstances, including the length of pause, which we expect to be extended
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and may be prolonged. We currently estimate the substantial majority of our fleet will be in prolonged ship layup. In addition, we expect to incur ongoing selling and administrative expenses, and incremental COVID-related costs associated with sanitizing our ships and defending lawsuits, although we anticipate substantially reducing our advertising spend during the pause in operations. After transitioning to a prolonged pause, we anticipate estimated ongoing ship and administrative operating costs to range from \$200-\$300 million per month.

- *Cash refunds of customer deposits* - During the pause in our global fleet cruise operations, we expect to be required to pay cash refunds of customer deposits with respect to a portion of our cancelled cruises. The current portion of our customer deposits was \$4.7 billion as of February 29, 2020. Depending on the length of the pause and level of guest acceptance of future cruise credits, we may be required to provide cash refunds for a substantial portion of the balance. For the two weeks ended March 15, 2020, and on a weighted average basis based on available lower berth days (“ALBD”), approximately 45% of the guests who have contacted us have accepted future cruise credits in lieu of cash refunds for cancelled voyages. We continue to take future bookings for 2020 and 2021, receiving customer deposits on those bookings.
- *Debt maturities and interest* - As of February 29, 2020, the current portion of our long-term debt was \$2.2 billion. The current portion of our long-term debt as of February 29, 2020 that was maturing on or prior to November 30, 2020 was \$1.5 billion. In addition, on March 13, 2020 we fully drew down our \$3.0 billion Existing Multicurrency Facility, which amounts are currently due in September 2020 and which we currently expect to repay and redraw, in whole or in part. Our approximately \$200 million per year interest expense for the year ended November 30, 2019 will be increased by the additional interest accrued under the \$3.0 billion of Secured Notes and \$1.75 billion of Convertible Notes.

In addition to pursuing additional financing, including, but not limited to, the offering of the Notes and the Equity Offering to raise \$6.0 billion in aggregate gross proceeds (a portion of which will be subject to escrow arrangements), we are taking additional actions to improve our liquidity, including capital expenditure and operating expense reductions. In particular, we have identified approximately \$1 billion of reduction opportunities from our previously disclosed estimated fiscal 2020 capital expenditures (which reduction does not take into account the impact on timing of payments in connection with new ship build as a result of the delays in ship deliveries discussed above). We have also identified various projects and initiatives within our selling and administrative expenses for reduction or elimination, which we expect will result in reduced cash outflows and cost savings. While we cannot guarantee an outcome, we also intend to pursue deferrals of existing debt maturities, including through available government programs.

We have never previously experienced a complete cessation of our cruising operations, and as a consequence, our ability to be predictive regarding the impact of such a cessation on our brands and future prospects is uncertain. In addition, the magnitude, duration and speed of the global pandemic is uncertain. As a consequence, we cannot estimate the impact on our business, financial condition or near- or longer-term financial or operational results with certainty, but we expect a net loss on both a U.S. GAAP and adjusted basis for the fiscal year ending November 30, 2020.

Preliminary 2020 First Quarter Financial Results

Set forth below are certain preliminary estimates of our results of operations for the period from December 1, 2019 through February 29, 2020 (the “2020 First Quarter”) as compared to our historical results of operations for the period from December 1, 2018 through February 28, 2019 (the “2019 First Quarter”). The following information is based on our internal management accounts and reporting as of and for the 2020 First Quarter period, as compared to our reviewed results for, or financial metrics derived from, our 2019 First Quarter. We have not yet completed our financial statement review procedures for the 2020 First Quarter and the foregoing preliminary financial and other data for the 2020 First Quarter has been prepared by, and is the responsibility of, management based on currently available information. The preliminary results of operations are subject to revision as we prepare our financial statements and disclosure for the 2020 First Quarter, and such revisions may be significant. In connection with our quarterly closing and review process for the fiscal quarter with our independent auditors, we may identify items that would require us to make adjustments to the preliminary results of operations set forth above. As a result, the final results and other disclosures for the 2020 First Quarter may differ materially from this preliminary data. This preliminary financial data should not be viewed as a substitute for all financial statements prepared in accordance with U.S. GAAP. Our consolidated financial statements for the 2020 First Quarter will not be available until after the offering of the Notes is consummated. PricewaterhouseCoopers LLP has not audited, reviewed, compiled, or applied agreed-upon procedures with respect to the preliminary financial data for the 2020 First Quarter. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

- U.S. GAAP net loss of \$(781) million, or \$(1.14) diluted EPS, for the 2020 First Quarter, compared to U.S. GAAP net income for the 2019 First Quarter of \$336 million, or \$0.48 diluted EPS. Net loss for the 2020 First Quarter includes \$932 million of goodwill and ship impairment charges, reduced by net gains on ship sales.
- Adjusted net income of \$150 million, or \$0.22 adjusted EPS, for the 2020 First Quarter compared to adjusted net income of \$338 million, or \$0.49 adjusted EPS, for the 2019 First Quarter. Adjusted net income excludes the net charges of \$932 million described above for the 2020 First Quarter and net charges of \$2 million for the 2019 First Quarter.
- Adjusted EBITDA of \$781 million for the 2020 First Quarter compared to Adjusted EBITDA of \$903 million for the 2019 First Quarter.
- The impact of COVID-19 on the 2020 First Quarter net loss is approximately \$0.23 per share, which includes cancelled voyages and other voyage disruptions, and excludes the net charges described above. Other voyage disruptions also impacted 2020 First Quarter results by approximately \$0.12 per share.
- Total revenues for the 2020 First Quarter were \$4.8 billion, compared to \$4.7 billion for the 2019 First Quarter.
- Cash flows from operations for the 2020 First Quarter were \$916 million, compared to \$1.1 billion for the 2019 First Quarter.
- Fuel consumption for the 2020 First Quarter was 831 thousand metric tons, compared to 830 thousand metric tons for the 2019 First Quarter.
- Customer deposits included in current liabilities as of February 29, 2020 were \$4.7 billion.
- Current portion of long-term debt as of February 29, 2020 was \$2.2 billion.

Adjusted net income, adjusted EPS and Adjusted EBITDA are non-GAAP financial measures.

Adjusted net income is a non-GAAP measure, and we believe that the presentation of adjusted net income is appropriate to provide additional information to holders because gains and losses on ship sales, impairment charges, restructuring costs and other gains and expenses are not part of our core operating business and are not an indication of our future earnings performance. Therefore, we believe it is more meaningful for these items to be excluded from our net income (loss) and, accordingly, we present adjusted net income excluding these items.

Adjusted EBITDA is a non-GAAP measure, and we believe that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors about our operating profitability adjusted for certain non-cash items and other gains and expenses that we believe are not part of our core operating business and are not an indication of our future earnings performance. Further, we believe that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors about our ability to operate our business in compliance with the restrictions set forth in our debt agreements. We define Adjusted EBITDA as adjusted net income or loss adjusted for (i) interest, (ii) taxes, (iii) depreciation and amortization and (iv) other exceptional items. There are material limitations to using Adjusted EBITDA. Adjusted EBITDA does not take into account certain significant items that directly affect our net income or loss. These limitations are best addressed by considering the economic effects of the excluded items independently, and by considering Adjusted EBITDA in conjunction with net income as calculated in accordance with GAAP.

The table below reconciles Adjusted net income and Adjusted EBITDA to net (loss) income for the periods presented.

| (in millions) | Years Ended November 30, | | | Three Months Ended February 28, 2019 | Three Months Ended February 28, 2020 | Twelve Months Ended February 29, 2020 |
|--|--------------------------|-----------------|-----------------|--|--|---|
| | 2017 | 2018 | 2019 | | | |
| Net Income | 2,606 | 3,152 | 2,990 | 336 | (781) | 1,873 |
| Unrealized (gains) losses on fuel derivatives, net | (227) | (94) | – | – | – | – |
| (Gains) losses on ship sales and impairments | 387 | (38) | (6) | 2 | 928 | 920 |
| Restructuring expenses | 3 | 1 | 10 | – | – | 10 |
| Other | – | 8 | 47 | – | 3 | 50 |
| Adjusted net income | <u>\$ 2,770</u> | <u>\$ 3,029</u> | <u>\$ 3,041</u> | <u>\$ 338</u> | <u>\$ 150</u> | <u>\$ 2,853</u> |
| Interest expense, net of capitalized interest | 198 | 194 | 206 | 51 | 55 | 210 |
| Interest income | (9) | (14) | (23) | (4) | (5) | (24) |
| Interest tax benefit (expense) | 60 | 54 | 71 | 2 | 11 | 80 |
| Depreciation and amortization | 1,846 | 2,017 | 2,160 | 516 | 570 | 2,214 |
| Other | (302) | – | – | – | – | – |
| Adjusted EBITDA | <u>\$ 4,563</u> | <u>\$ 5,280</u> | <u>\$ 5,455</u> | <u>\$ 903</u> | <u>\$ 781</u> | <u>\$ 5,333</u> |

As of February 29, 2020, \$3.0 billion of immediate liquidity, which consisted of available cash and cash equivalents and available borrowings under our Existing Multicurrency Facility. In addition, we had \$2.8 billion from four committed export credit facilities that are available to fund the originally planned ship deliveries for the remainder of this year and \$5.9 billion from committed export credit facilities that are available to fund ship deliveries originally planned in 2021 and beyond. On March 13, 2020, we fully drew down our \$3.0 billion Existing Multicurrency Facility, which amounts are currently due in September 2020. We borrowed under the Existing Multicurrency Facility in order to increase our cash position and preserve financial flexibility in light of the impact of the COVID-19 outbreak on our results of operations and liquidity.

Carnival Corporation & plc Announces Offering of Common Stock

MIAMI, March 31, 2020 /PRNewswire/ -- Carnival Corporation & plc (NYSE/LSE: CCL; NYSE: CUK), the world's largest leisure travel company, today announced that Carnival Corporation (the "Corporation") has commenced an underwritten public offering of \$1.25 billion of shares of common stock of the Corporation. The Corporation intends to grant the underwriters an option to purchase up to \$187.5 million of additional shares. The Corporation expects to use the net proceeds from the offering for general corporate purposes.

The Corporation also announced by separate press release that it has commenced private offerings to eligible purchasers of \$3 billion aggregate principal amount of first-priority senior secured notes due 2023 and \$1.75 billion aggregate principal amount of senior convertible notes due 2023 (or up to \$2.0125 billion aggregate principal amount if the initial purchasers exercise in full their option to purchase additional convertible notes). Nothing contained herein shall constitute an offer to sell or the solicitation of an offer to buy the senior secured notes or the convertible notes. None of the closings of the offerings of shares of common stock, senior secured notes or convertible notes is conditioned upon the closing of any of the other offerings or vice versa.

BofA Securities, Goldman Sachs & Co. LLC and J.P. Morgan are acting as joint book-running managers for the offering. A shelf registration statement relating to these securities has been filed with the U.S. Securities and Exchange Commission ("SEC") and has become effective. The offering may be made only by means of a prospectus supplement and an accompanying base prospectus. A preliminary prospectus supplement and accompanying base prospectus relating to the offering will be filed with the SEC and will be available on the SEC's website at www.sec.gov. Copies of the preliminary prospectus supplement and accompanying base prospectus relating to the offering may be obtained from (1) BofA Securities, Inc., Attn: Prospectus Department, NC1-004-03-43, 200 North College Street, 3rd floor, Charlotte NC 28255-0001, email: dg.prospectus_requests@bofa.com, (2) Goldman Sachs & Co. LLC, Prospectus Department, 200 West Street, New York, New York 10282, telephone: 1-866-471-2526, facsimile: 212-902-9316 or by emailing prospectus-ny@ny.email.gs.com and (3) J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717, or via telephone: 1-866-803-9204.

This press release does not constitute an offer to sell or a solicitation of an offer to buy shares of common stock and shall not constitute an offer, solicitation or sale in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to the registration and qualification under the securities laws of such state or jurisdiction.

About Carnival Corporation & plc

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

Cautionary Note Concerning Factors That May Affect Future Results

Carnival Corporation and Carnival plc and their respective subsidiaries are referred to collectively in this press release as "Carnival Corporation & plc," "our," "us" and "we." Some of the statements, estimates or projections contained in this document are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning the financing transactions described herein, future results, outlooks, plans, goals and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts are statements that could be deemed forward-looking. These statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and the beliefs and assumptions of our management. We have tried, whenever possible,

to identify these statements by using words like “will,” “may,” “could,” “should,” “would,” “believe,” “depends,” “expect,” “goal,” “anticipate,” “forecast,” “project,” “future,” “intend,” “plan,” “estimate,” “target,” “indicate,” “outlook,” and similar expressions of future intent or the negative of such terms.

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

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

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by our forward-looking statements. This note contains important cautionary statements of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are unknown. These factors include, but are not limited to, global financial markets and general economic conditions as well as the following:

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

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

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

SOURCE Carnival Corporation & plc

Roger Frizzell, Carnival Corporation, rfrizzell@carnival.com, (305) 406-7862; Mike Flanagan, LDWW, mike@ldwwgroup.com, (727) 452-4538

Carnival Corporation & plc Announces Offerings of Senior Secured Notes due 2023 and Senior Convertible Notes due 2023

MIAMI, March 31, 2020 /PRNewswire/ -- Carnival Corporation & plc (NYSE/LSE: CCL; NYSE: CUK) (the "Company") the world's largest leisure travel company, today announced that Carnival Corporation (the "Corporation") has commenced private offerings of \$3 billion aggregate principal amount of first-priority senior secured notes due 2023 (the "Secured Notes") of the Corporation and \$1.75 billion aggregate principal amount of senior convertible notes due 2023 of the Corporation (the "Convertible Notes" and, collectively with the Secured Notes, the "Notes"). The Corporation intends to grant the initial purchasers of the Convertible Notes an option to purchase, during a 13-day period beginning on, and including the first day on which the Convertible Notes are issued, up to an additional \$262.5 million aggregate principal amount of Convertible Notes.

Each series of Notes will be fully and unconditionally guaranteed, jointly and severally, by Carnival plc and certain of the Corporation's and Carnival plc's subsidiaries that own or operate the Company's vessels and material intellectual property. Additionally, the Secured Notes and the related guarantees will be secured by a first-priority lien on the collateral, which includes, without limitation, pledges on the capital stock of each subsidiary guarantor, mortgages on a substantial majority of the vessels and related vessel collateral, material intellectual property and pledges over other vessel-related assets including inventory, computer software and casino equipment.

The Convertible Notes will be convertible at the holder's option in certain circumstances. Upon conversion, the Corporation will satisfy its conversion obligation by paying or delivering, at its election, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock.

The Corporation expects to use the net proceeds from the offerings of the Notes for general corporate purposes.

The Company also announced today by separate press release that the Corporation has commenced a registered public offering of \$1.25 billion of shares of its common stock (or \$1.4375 billion of shares of its common stock if the underwriters in such offering exercise in full their option to purchase additional shares of common stock). Nothing contained herein shall constitute an offer to sell or the solicitation of an offer to buy the common stock. None of the closings of the offerings of shares of common stock, Secured Notes or Convertible Notes is conditioned upon the closing of any of the other offerings or vice versa

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

This press release shall not constitute an offer to sell or a solicitation of an offer to buy the Notes or any other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful. This press release is being issued pursuant to and in accordance with Rule 135c under the Securities Act.

About Carnival Corporation & plc

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Cautionary Note Concerning Factors That May Affect Future Results

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Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by our forward-looking statements. This note contains important cautionary statements of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are unknown. These factors include, but are not limited to, global financial markets and general economic conditions as well as the following:

- COVID-19 has had, and will continue to have, a materially adverse impact on our financial condition and operations, which impacts our ability to obtain acceptable financing to fund any resulting shortfalls in cash from operations. The current, and uncertain future, impact of the COVID-19 outbreak, including its effect on the ability or desire of people to travel (including on cruises), will continue to impact our results, operations, outlooks, plans, goals, growth, reputation, cash flows, liquidity, and stock price
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- Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options
- Geographic regions in which we try to expand our business may be slow to develop or ultimately not develop how we expect
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The ordering of the risk factors set forth above is not intended to reflect our indication of priority or likelihood.

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

SOURCE Carnival Corporation & plc

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