

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

FORM 10-K

(Mark One)

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

For the fiscal year ended November 30, 2019 or

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

For the transition period from _____ to _____

Commission file number: 001-9610
Commission file number: 001-15136

Carnival Corporation

(Exact name of registrant as specified in its charter)

Republic of Panama

(State or other jurisdiction of incorporation or organization)

59-1562976

(I.R.S. Employer Identification No.)

3655 N.W. 87th Avenue

Miami, Florida 33178-2428

(Address of principal executive offices and zip code)

(305) 599-2600

(Registrant's telephone number, including area code)

Carnival plc

(Exact name of registrant as specified in its charter)

England and Wales

(State or other jurisdiction of incorporation or organization)

98-0357772

(I.R.S. Employer Identification No.)

Carnival House, 100 Harbour Parade,

Southampton SO15 1ST, United Kingdom

(Address of principal executive offices and zip code)

011 44 23 8065 5000

(Registrant's telephone number, including area code)



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 Depository 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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit such files). Yes No

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, smaller reporting companies, or emerging growth companies. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filers Accelerated filers Non-accelerated filers Smaller reporting companies Emerging growth companies

If emerging growth companies, indicate by check mark if the registrants have 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.

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold was \$19.3 billion as of the last business day of the registrant's most recently completed second fiscal quarter.

At January 16, 2020, Carnival Corporation had outstanding 527,679,851 shares of its Common Stock, \$0.01 par value.

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold was \$8.1 billion as of the last business day of the registrant's most recently completed second fiscal quarter.

At January 16, 2020, Carnival plc had outstanding 182,494,106 Ordinary Shares \$1.66 par value, one Special Voting Share GBP 1.00 par value and 527,679,851 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

DOCUMENTS INCORPORATED BY REFERENCE

CARNIVAL CORPORATION & PLC
FORM 10-K
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2019

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DOCUMENTS INCORPORATED BY REFERENCE

The information described below and contained in the Registrants' 2019 Annual Report to shareholders to be furnished to the U.S. Securities and Exchange Commission pursuant to Rule 14a-3(b) of the Securities Exchange Act of 1934 is shown in [Exhibit 13](#) and is incorporated by reference into this joint 2019 Annual Report on Form 10-K ("Form 10-K").

Part and Item of the Form 10-K

Part II

Item 5. Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities - Market Information, Holders and Performance Graph.

Item 6. Selected Financial Data.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Item 8. Financial Statements and Supplementary Data.

Portions of the Registrants' 2020 joint definitive Proxy Statement, to be filed with the U.S. Securities and Exchange Commission, are incorporated by reference into this Form 10-K under the items described below.

Part and Item of the Form 10-K

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

Item 11. Executive Compensation.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Item 14. Principal Accountant Fees and Services.

Item 1. Business.

A. Overview

I. Summary

Carnival Corporation was incorporated in Panama in 1972 and Carnival plc was incorporated in England and Wales in 2000. Carnival Corporation and Carnival plc operate a dual listed company (“DLC”), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation’s Articles of Incorporation and By-Laws and Carnival plc’s Articles of Association. The two companies operate as if they are a single economic enterprise with a single senior executive management team and identical Boards of Directors, but each has retained its separate legal identity. Carnival Corporation and Carnival plc are both public companies with separate stock exchange listings and their own shareholders. Together with their consolidated subsidiaries, Carnival Corporation and Carnival plc are referred to collectively in this Form 10-K as “Carnival Corporation & plc,” “our,” “us” and “we.”

We are the world’s largest leisure travel company and among the most profitable and financially strong in the cruise and vacation industries. We are also the largest cruise company, carrying nearly 45 percent of global cruise guests, and a leading provider of vacations to all major cruise destinations throughout the world. With operations in North America, Australia, Europe and Asia, we operate a portfolio of leading global, regional and national cruise brands that sell tailored cruise products, services and vacation experiences on 104 cruise ships to the world’s most desirable destinations.

II. Vision, Goals and Related Strategies

At Carnival Corporation & plc, our highest responsibilities and our top priorities are to operate safely, to protect the environment, and to be in compliance everywhere we operate in the world. On this foundation, we aspire to deliver unmatched joyful vacations for our guests, always exceeding their expectations and in doing so driving outstanding shareholder value. We are committed to a positive and just corporate culture, based on inclusion and the power of diversity. We operate with integrity, trust and respect for each other -- seeking collaboration, candor, openness and transparency at all times. And we intend to be an exemplary corporate citizen leaving the people and the places we touch even better.

We believe our portfolio of brands is instrumental to achieving our vision and maintaining our cruise industry leadership position. Our primary financial goals are to profitably grow our cruise business and grow our return on invested capital over time, while maintaining a strong balance sheet and investment grade credit ratings. Paramount to the success of our business is our commitment to health, environment, safety, security (“HESS”) and sustainability.

To reach our primary financial goals, we continue to implement initiatives to create additional demand for our brands in excess of our planned capacity growth. We continue to invest in customer and market insight to better understand our guests’ decision making process and vacation needs enabling us to identify new marketing opportunities and further grow our share of their vacation spend. As we operate in the broader vacation market, we have implemented strategies to grow demand by increasing consumer awareness and consideration for cruise vacations on our portfolio of brands through our ongoing marketing, public relations and guest experience efforts. We continue to identify opportunities to enhance our cruise products and services and optimize our cost structure while preserving the unique identities of our individual brands.

We continue to identify and implement new strategies and tactics to strengthen our cruise ticket revenue management processes and systems across our portfolio of brands, such as optimizing our pricing methodologies and improving our pricing models. We have increased our focus on growing onboard revenues and have invested in new marketing capabilities to further engage our guests by bringing to life the cruise experience.

We are building new, innovative, purpose-built ships that are larger, more efficient, have an improved mix of guest accommodations and present a wider range of onboard amenities and features. These ships further enhance the attractiveness of a cruise vacation while achieving greater economies of scale and improving returns on invested capital. As of November 30, 2019, we have a total of 17 cruise ships scheduled to be delivered through 2025. Some of these ships will replace existing capacity as less efficient ships exit our fleet. Since 2006, we have sold 30 ships and our newbuild program has been designed to consider an expected acceleration in our fleet replacement cycle over time. Furthermore, we continue to make substantial investments in our existing ship enhancement programs to improve our onboard product offerings and enrich our guests’ vacation experiences.

We continue to grow our presence in established markets and increase our penetration in developing markets, such as Asia. We believe that our most significant long-term growth opportunity in Asia is in China, due to its large and growing middle-class population, expansion of its international tourism and the government's plan to support the cruise industry. During 2020, we expect that 5.0% of our total capacity will be home ported in China.

With 104 ships and 12.9 million guests in 2019, we have the scale to optimize our structure by utilizing our combined purchasing volumes and common technologies as well as accelerating progress on our cross-brand initiatives aimed at cost containment. We have and continue to integrate certain back office functions to achieve the full benefits of our scale. Having global leaders in communications, ethics and compliance, innovation, maritime, procurement and strategy supports collaboration and communication across our brands and helps coordinate our global efforts.

Our ability to generate significant operating cash flow allows us to internally fund our capital improvements, debt maturities and dividend payments. Our quarterly dividend of \$0.50 per share represents over \$1.4 billion in annual dividends. Since resuming our stock repurchase program in late 2015, we repurchased approximately 100 million shares for \$5.2 billion. Over the same time period, we have nearly doubled our quarterly dividend, distributing a total of \$5.2 billion in dividends to our shareholders.

We are committed to enhancing a culture of compliance and integrity that adheres to legal and statutory requirements and the highest ethical principles. Our vision is based on four key pillars:

- Health, environment, safety, security and sustainability
- Guests
- Employees
- Shareholders and other stakeholders

Health, Environment, Safety, Security and Sustainability

Our commitments to the safety and comfort of our guests and crew and protecting the environment are paramount to the success of our business. We are committed to operating a safe and reliable fleet and protecting the health, safety and security of our guests, employees and all others working on our behalf. We continue to focus on further enhancing the safety measures onboard all of our ships. We are dedicated to fully complying with, or exceeding, all legal and statutory requirements related to health, environment, safety, security and sustainability throughout our business.

We are committing resources across the entire corporation to further improve how we operate to protect and preserve our oceans and are implementing fleet-wide changes and enhancements to our environmental processes and procedures. We continue to increase the scope and frequency of our training and invest millions of dollars to upgrade our equipment to new ship standards with the aim of complying with all environmental regulations and minimizing our environmental impact.

Guests

Our goal is to consistently exceed our guests' expectations while providing them with a wide variety of exceptional vacation experiences. We believe that we can achieve this goal by continually focusing our efforts on helping our guests choose the cruise brand that will best meet their unique needs and desires, improving their overall vacation experiences and building state-of-the-art ships with innovative onboard offerings and providing unequaled service to our guests. We enhance our guest experience by offering high quality destinations around the world, including a portfolio of private destinations that are uniquely tailored to our guests' preferences.

Employees

Our goal is to foster a positive and just culture supporting recruiting, developing and retaining the finest employees. A team of highly motivated and engaged employees is key to delivering vacation experiences that exceed our guests' expectations. Understanding the critical skills that are needed for outstanding performance is crucial in order to hire and train our officers, crew and shoreside personnel. We believe in building trust based relationships and listening to and acting upon our employees' perspectives and ideas and use employee feedback tools to monitor and improve our progress in this area. We are a diverse organization and value and support our talented and diverse employee base. We are committed to employing people from around the world and hiring them based on the quality of their experience, skills, education and character, without regard for their identification with any group or classification of people.

Shareholders and Other Stakeholders

We value the relationships we have with our shareholders and other stakeholders, including travel agents, trade associations, communities, regulatory bodies, media, creditors, insurers, shipbuilders, governments and suppliers. We believe that engaging stakeholders in a mutually beneficial manner is critical to our long-term success. As part of this effort, we believe we must continue to be an outstanding corporate citizen in the communities in which we operate. Our brands work to meet or exceed their economic, environmental, ethical and legal responsibilities.

Strong relationships with our travel agent partners are especially vital to our success. We continue to strengthen our relationship with the travel agent community by increasing our communication and outreach, implementing changes based on their feedback and improving our educational programs to assist agents in stimulating cruise demand.

B. Global Cruise Industry

I. Overview

Cruising offers a broad range of products and services to suit vacationing guests of many ages, backgrounds and interests. Cruise brands can be broadly classified as offering contemporary, premium and luxury cruise experiences. The contemporary experience typically includes cruises that last seven days or less and have a more casual ambiance. The premium experience typically includes cruises that last from seven to 14 days and appeal to those who are more affluent. Premium cruises emphasize quality, comfort, style and more destination-focused itineraries. The luxury experience is usually characterized by very high standards of accommodation and service, smaller vessel size and exotic itineraries to ports that are inaccessible by larger ships. We have product and service offerings in each of these three broad classifications.

II. Favorable Characteristics of the Global Cruise Industry

a. High Guest Satisfaction Rates

Cruise guests tend to rate their overall satisfaction with a cruise vacation higher than comparable land-based hotel and resort vacations. According to industry surveys, the cruise experience consistently exceeds expectations of repeat and first-time cruisers. Cruising continues to receive high guest satisfaction rates because of the unique vacation experiences it offers, including visiting multiple destinations without having to pack and unpack, all-inclusive product offerings and state-of-the-art cruise ships with entertainment, relaxation and fun, all at an outstanding value.

b. Positive Demand Trends

We believe the cruise industry is well positioned to meet travelers' desires and has the ability to tailor experiences for each guest based on their unique wants and needs, which should foster growth for the cruise industry. Today's travelers are looking for immersive, meaningful and memorable travel experiences. Each brand in our portfolio meets the needs of a unique set of consumer psychographics and vacation needs which allows us to penetrate large addressable customer segments.

From a demographic perspective, two age groups, the Baby Boomers and the Millennial generations, have in recent years experienced trends that positively affect demand for cruising. Cruising benefits from the aging of the Baby Boomer and Millennial generations. In North America alone, the number of Baby Boomers at retirement age increases from 48 million in 2015 to 56 million in 2020 and 73 million by 2030. The Baby Boomer generation likes to pursue an active lifestyle and has the desire and the means to travel and enjoys multi-generational cruising. The Millennial generation has surpassed the size of the Baby Boomer generation and represents the fastest growing demographic segment of the vacation industry. This group expresses a strong desire to travel and share new experiences, a mindset that should continue to foster growth for the industry.

These changes in consumer behavior and demographics, along with growing populations, increasing wealth in developing countries and increased spending by consumers on experience versus products, will continue to drive demand for travel and the global cruise industry. These groups of consumers are becoming eager to experience the world through travel, which provides significant growth opportunity for the cruise industry within and beyond the established markets.

c. Wide Appeal

Cruising appeals to a broad range of ages and income levels. Cruising provides something for every generation, from kids' clubs to an array of onboard entertainment designed to appeal to teens and adults. Cruising also offers transportation to a variety of destinations and a diverse range of ship types and sizes, as well as price points, to attract guests with varying tastes and income levels. To encourage first-time and repeat cruisers and better compete with other vacation alternatives the cruise industry has continued to focus on its marketing efforts, enhanced training of travel agents, collaborated with well-known brands and offers the following:

- Expanded entertainment options, shipboard activities and land-based excursions
- Flexible dining options including open-seating dining
- Branded specialty restaurants, bars and cafés
- Enhanced internet and communication capabilities
- Beverage package options
- Money-back guarantees

d. Large Addressable Markets

The global cruise industry is a relatively small part of the wider global vacation industry, which includes a large variety of land-based vacation alternatives. Therefore, we believe there are large, addressable markets with low penetration rates. The penetration rates below were computed based on the 2018 global cruise guests carried from G.P. Wild (International Limited) ("G.P. Wild"), an independent cruise research company, as a percentage of total population:

- 5.2% for Australia and New Zealand
- 3.9% for the United States ("U.S.") and Canada
- 3.0% for the United Kingdom ("UK")
- 2.1% for Germany and Italy

We also believe Asia is a large addressable market, where economic growth has raised discretionary income levels, fueling an increasing demand for travel.

e. Exceptional Value Proposition

We believe the cost of a cruise vacation represents exceptional value in comparison to alternative land-based vacations. Cruising delivers unique benefits, such as transportation to various destinations while also providing accommodations, a diversity of food choices and a selection of daily entertainment options for one all-inclusive, competitive price. To make cruising even more cost effective and more easily accessible to vacationers, the cruise industry typically offers a number of drive-to home ports, which enables many cruise guests to reduce their overall vacation costs by eliminating or reducing air and other transportation costs.

f. Ship Mobility

The mobility of cruise ships enables cruise companies to move their vessels between regions in order to maximize profitability and to meet changing demand. For example, brands can change itineraries over time in order to cater to our guests' tastes or as general economic or geopolitical conditions warrant. In addition, cruise companies have the flexibility to reposition capacity to areas with growing demand. We believe that this unique ability to move ships provides the cruise industry with a competitive advantage compared to land-based vacation alternatives.

III. Passenger Capacity and Cruise Guests Carried by Ocean Going Vessels

(in thousands)

Year	Average Passenger Capacity (a)		Cruise Guests Carried	
	Global Cruise Industry (b)	Carnival Corporation & plc	Global Cruise Industry (c)	Carnival Corporation & plc
2017	490	230	26,700	12,100
2018	520	230	28,500	12,400
2019	550	240	30,100	12,900

- (a) In accordance with cruise industry practice, passenger capacity is calculated based on the assumption of two passengers per cabin even though some cabins can accommodate three or more passengers.
- (b) Amounts were based on internal estimates using public industry data.
- (c) The global cruise guests carried for 2017 and 2018 were obtained from G.P. Wild, an independent cruise research company. The estimates for global cruise guests carried for 2019 are internally developed.

The global cruise industry and our compound annual passenger capacity growth rates are estimated to be 6.8% and 5.0%, respectively, from 2019 to 2023. Our estimates of future passenger capacity only include assumptions related to announced ship withdrawals and, accordingly, our estimates likely indicate a higher growth rate than will actually occur.

C. Our Global Cruise Business

I. Segment Information

	November 30, 2019		
	Passenger Capacity	Percentage of Total Capacity	Number of Cruise Ships
North America and Australia ("NAA") Segment			
Carnival Cruise Line	74,660	30%	27
Princess Cruises	48,900	20	18
Holland America Line	25,640	10	14
P&O Cruises (Australia)	4,850	2	3
Seabourn	2,570	1	5
	<u>156,620</u>	<u>63</u>	<u>67</u>
Europe and Asia ("EA") Segment			
Costa Cruises ("Costa")	37,580	15	14
AIDA Cruises ("AIDA")	31,940	13	14
P&O Cruises (UK)	15,820	6	6
Cunard	6,830	3	3
	<u>92,170</u>	<u>37</u>	<u>37</u>
	<u>248,790</u>	<u>100%</u>	<u>104</u>

We also have a Cruise Support segment that includes our portfolio of leading port destinations and other services, all of which are operated for the benefit of our cruise brands.

In addition to our cruise operations, we own Holland America Princess Alaska Tours, the leading tour company in Alaska and the Canadian Yukon, which complements our Alaska cruise operations. Our tour company owns and operates hotels, lodges, glass-domed railcars and motorcoaches. This tour company and cruise ships, which we charter-out under long-term leases, comprise our Tour and Other segment.

II. Ships Under Contract for Construction

As of November 30, 2019, we have a total of 17 cruise ships scheduled to be delivered through 2025. Our ship construction contracts are with Fincantieri and MARIOTTI in Italy, Meyer Werft in Germany and Meyer Turku in Finland.

	Scheduled Delivery Date	Passenger Capacity Lower Berth
Carnival Cruise Line		
<i>Mardi Gras</i>	October 2020	5,280
Newbuild	October 2022	5,280
Princess Cruises		
<i>Enchanted Princess</i>	June 2020	3,660
<i>Discovery Princess</i>	October 2021	3,660
Newbuild	November 2023	4,280
Newbuild	May 2025	4,280
Holland America Line		
<i>Ryndam</i>	May 2021	2,650
Seabourn		
<i>Seabourn Venture</i>	June 2021	260
Newbuild	May 2022	260
Costa		
<i>Costa Smeralda</i>	December 2019	5,220
<i>Costa Firenze</i>	September 2020	4,240
<i>Costa Toscana</i>	May 2021	5,330
AIDA		
<i>AIDAcosma</i>	May 2021	5,440
Newbuild	May 2023	5,440
P&O Cruises (UK)		
<i>Iona</i>	May 2020	5,200
Newbuild	May 2022	5,280
Cunard		
Newbuild	April 2022	3,000

III. Cruise Brands



Carnival Cruise Line is “The World’s Most Popular Cruise Line®” and provides multi-generational family entertainment at exceptional value to its guests. It is a place where guests can be their most playful selves and choose their fun. Carnival Cruise Line ships are designed to inspire the experience of bringing people together, with limitless opportunities for guests to create their own fun. Carnival Cruise Line ships sail from 18 convenient U.S. home ports, more than any other cruise line. Its cruise ships are within a 5-hour drive for more than half of all Americans and provide opportunities to experience various destinations and itineraries. Carnival Cruise Line annually carries more than 5 million guests, including 900,000 children.

Carnival Panorama will enter service in December 2019 and will be the first new ship Carnival Cruise Line will home port on the west coast of the United States in 20 years when it arrives in Long Beach, California. *Mardi Gras* will enter service in October 2020 and will be followed by a sister ship in 2022. *Mardi Gras* features enhancements including Bolt, the first ever rollercoaster at sea, as well as new rooms which reflect innovative ergonomically-friendly designs. The ship will also be home to Emeril’s Bistro 1396; the first ever seagoing restaurant associated with New Orleans’ most acclaimed and respected chef, Emeril Lagasse. *Mardi Gras* will feature Carnival Corporation’s exclusive green cruising design which will be powered by Liquefied Natural Gas (“LNG”) and will be the first LNG-powered cruise ship in North America.

Carnival Cruise Line continues to enhance its existing fleet by adding a variety of exciting new features, including branded accommodations, dining and entertainment options. The Hub App is popular with guests and facilitates onboard revenue purchases, like shore excursions, pizza and beverage delivery and specialty dining, as well as communications to enable guests to maximize their fun. Carnival Cruise Line also invested in facial recognition technology to expedite embarkation and debarkation processes to improve the guest experience. Lastly, Carnival Cruise Line has a strong and growing roster of partnerships, including: Shaquille O’Neil as the Chief Fun Officer, lending his fun, larger-than-life personality and playful spirit to inspire America to Choose Fun; and with celebrity chef Guy Fieri offering onboard dining experiences such as Guy’s Burger Joint and Guy’s Pig & Anchor Bar-B-Que.

Carnival Cruise Line operates two to 24-day voyages and offers year-round sailings from the United States to the Caribbean and the Mexican Riviera and from Australia to the South Pacific and New Zealand, as well as seasonal sailings to Alaska, Hawaii, Canada, Bermuda and Europe.



As a leading premium cruise line, each moment on Princess Cruises is one of wonderful discovery where guests can relax and explore. The choices are endless - from invigorating activities to more relaxing pursuits - and enable guests to share special moments with family and friends while enjoying unique travel experiences that create inspiring memories.

Princess Cruises’ *Sky Princess* debuted in October 2019. The 3,660-passenger capacity ship features expansive Sky Suites, new al fresco dining options and enhanced entertainment. The ship is the first newbuild to enter service offering MedallionClass vacations powered by the OceanMedallion™ wearable device. *Enchanted Princess*, a sister ship of *Sky Princess*, will debut in June 2020 followed by *Discovery Princess* in 2021. Additionally, Princess Cruises has two 4,280-passenger capacity ships slated to be delivered in 2023 and 2025, which will be the first Princess Cruises’ ships to be powered by LNG.

Princess Cruises features an array of offerings for guests. Designed for fresh cuisine is featured across the spectrum of dining options, including SHARE, a fine-dining experience by Australian award-winning chef and television personality Curtis Stone,

as well as Bistro Sur La Mer by French chef Emmanuel Renaut and other specialty dining restaurants from multiple Michelin star chefs. Modernization of additional dining options is underway with the expansion of World Fresh Marketplace as well as the Eat Street outdoor venues. Interactive onboard activities and shore excursions designed in collaboration with Discovery, Animal Planet, and local experts in key regional destinations provide guests with authentic and exclusive experiences onboard and ashore. Camp Discovery youth and teen centers offer the line's youngest guests the opportunity to connect, play and learn; and the Reef splash zone now available on *Caribbean Princess* invites families and kids to experience a multi-functional area to engage and reconnect. Original production shows created exclusively for Princess Cruises by Grammy® and Academy® award-winning composer, Stephen Schwartz, as well as new experiences, including Five Skies, Rock Opera, Jim Henson's Inspired Silliness and the immersive Take Five jazz lounge are all designed to engage and entertain audiences. With guests' overall wellness in mind, Princess Cruises collaborated with leading experts in both the science and beauty of sleep to develop the award-winning Princess Luxury Bed, a multi-year project which culminated in 2019. Princess Cruises' OceanMedallion™ platform delivers a personalized vacation experience which elevates service through enhanced guest experiences before and during the cruise vacation. MedallionClass vacations are currently onboard five Princess Cruises ships with six additional ships to be added in 2020. In addition, MedallionNet™ offers fast and reliable Wi-Fi connectivity and is rapidly being deployed across the fleet.

Princess Cruises offers guests the opportunity to cover the globe with sailings to all seven continents that call at more than 380 destinations including Princess Cays, an exclusive island destination in The Bahamas, offering recently enhanced MedallionNet connectivity, excursions, retail, bar and marina areas. Princess Cruises offers award-winning itineraries ranging in length from three to 111 days, including world cruises. Princess Cruises sails to nearly every corner of the world, including Alaska, Asia, Australia, the Caribbean, Europe, Mexico, the Panama Canal, South America and more.



For more than 145 years, Holland America Line has delivered a distinctively classic, European style of cruising throughout its fleet of mid-sized premium ships. Guests of all ages enjoy immersive travel through engaging experiences onboard and in-depth cultural experiences as part of their exploration of fascinating destinations around the world. Holland America Line believes travel has the power to change the world and has defined their higher purpose to help make the world a better place through opening minds, building connections and inspiring shared humanity.

Nieuw Statendam was launched in December 2018, with a sister ship, *Ryndam*, scheduled for delivery in 2021. *Nieuw Statendam*, a 2,670-passenger capacity ship, features all of the hallmarks of its class including grand, light-filled spaces as well as visual drama and sumptuous interiors inspired by the fluid curves of musical instruments. *Nieuw Statendam* showcases a spectacular two-story World stage theater featuring a 270-degree high definition screen and also features innovative specialty restaurants from Rudi's Sel de Mer to the Grand Dutch Café. Guests can enjoy authentic music experiences at sea with some of the world's most well-regarded entertainment brands creating exclusive programming for Lincoln Center Stage, B.B. King's Blues Club, Billboard Onboard and the Rolling Stone Rock Room. Holland America Line's partnership with O, The Oprah Magazine, has added inspirational programming and themed cruises. Oprah Winfrey also served as godmother to *Nieuw Statendam*.

Holland America Line has enhanced its onboard products, including locally cultivated items in culinary programs and retail designed to elevate the guests' experience of the region they are cruising. Explorations Central™ is the immersive onboard programming designed to make guests' destination experience even more engaging and meaningful. Holland America Line's revamped retail experience features custom personalized jewelry, a new Fujifilm photo digital creative studio space and an expanded logo-wear collection.

Holland America Line offers cruises to more than 425 ports, including Half Moon Cay, a private island destination in The Bahamas, providing guests with unparalleled natural beauty of a protected preserve, miles of pristine, white-sand beach, where guests can explore and play all day or simply luxuriate in tranquil solitude. From shorter getaways to 128-day itineraries, Holland America Line cruises visit all seven continents. Holland America Line offers popular sailings to Alaska, the Caribbean, Mexico, Canada & New England, Europe and the Panama Canal as well as more exotic sailings including Antarctica explorations, South America circumnavigations, Australia & New Zealand and Asia voyages, and annual Grand Voyages.



P&O Cruises (Australia) invites guests to embark on a journey to a place that's unlike any other. Each day onboard a P&O Cruises (Australia) cruise packs a new adventure with something for the young and young at heart. Kick off the shoes for a game of barefoot bowls or get the heart racing on the adrenaline-fueled zip line on top deck. When the sun goes down the fun continues across a wide range of entertainment venues featuring live music, top local comedy acts and original stage shows, along with bustling bars and themed parties onboard every cruise. With P&O Cruises (Australia) you can choose to do everything, or nothing at all.

P&O Cruises (Australia)'s *Pacific Adventure* will enter service in October 2020. The 2,640-passenger capacity ship will offer something for everyone, including an expanded range of cabin options such as 5-passenger family cabins, a private onboard beach club and an adults only Oasis pool area spread across multiple decks. *Pacific Adventure* will sail year-round from Sydney to the South Pacific and offer a diverse mix of shorter duration cruises from three to four days and cruises of 13 days and longer. The longer duration itineraries will feature an enrichment program with talks and seminars from notable Australian guest presenters and a gala Masquerade Ball. *Pacific Adventure* will also offer a selection of Main Event cruises taking guests to iconic festivals and events such as the Melbourne Cup horse race.

Proud to be a local favorite, the fleet includes dining options from award-winning, Australian chefs including Luke Mangan and Johnny Di Francesco. P&O Cruises (Australia) continues to innovate and enhance their onboard product offering. *Pacific Explorer* continues to host its annual comedy festival at sea, The Big Laugh. P&O Cruises (Australia) will introduce a Melbourne Comedy festival cruise in 2020 along with a range of previously introduced themed 1980's and Country Music festival cruises on select sailings.

P&O Cruises (Australia) offers cruises generally ranging from three to 18 days to destinations around Australia, New Zealand, Asia and the South Pacific.



SEABOURN®

Seabourn represents the pinnacle of small-ship, ultra-luxury style of travel. Cruising on a Seabourn ship is unlike any other form of travel. The experience is luxurious and elegant, while also relaxed and casual. Guests who sail with Seabourn enjoy impeccable personalized service, immersive destinations and rare exclusive experiences unmatched by any other ship or destination. Seabourn offers the youngest ultra-luxury fleet of intimate all-suite ships.

Seabourn Venture, a new ultra-luxury expedition ship, is scheduled to launch in 2021 with a sister ship slated to launch in 2022. The new ships will feature a brand new innovative design created specifically for the ultra-luxury expedition traveler. A new and exciting offering will be two custom-built submarines carried onboard, providing an unforgettable up-close encounter of the world beneath the ocean's surface. The ships will also be designed to carry a complement of kayaks and Zodiacs, which will allow for a truly immersive experience. Onboard crew will include expedition teams comprised of experienced wilderness experts, scientists and historians who will provide insights into the history, ecology and culture of the destinations visited.

To enhance the guest experience, Seabourn has entered into several select partnerships to offer a number of innovative programs. These programs include An Evening with Tim Rice, an entertainment experience created exclusively for the line; and Unique Spa and Wellness Centers offering holistic health and well-being programs in partnership with Dr. Weil, a visionary pioneer in integrative medicine. Exclusive to Seabourn, The Grill by Thomas Keller, reminiscent of the classic American restaurant from the 50's and 60's, is a unique culinary concept focusing on updated versions of iconic dishes. Ventures by Seabourn is an exploration program providing travelers with exciting, adventurous optional activities that are expertly planned, professionally operated and escorted by skilled expert guides. Ventures by Seabourn enables guests to experience nature up close in a way that is unique and exciting. Seabourn's first world cruise in six years will depart from Miami in January 2020

and will delight travelers by making 62 ports of call while also offering a range of musical productions, deck parties and onboard enrichment programming designed to excite every passion and satisfy every taste.

Seabourn ships sail to all seven continents and take guests to places beyond the reach of larger ships. Seabourn itineraries range from seven days to over 100 days. The World of Seabourn includes destinations such as Alaska; Antarctica & Patagonia; Arabia, Africa & India; Asia; Australia & South Pacific; Canada & New England; the Caribbean; the Mediterranean; Northern Europe; Pacific Coastal; Panama Canal and South America.



Costa delivers Italy's finest at sea primarily serving guests from Continental Europe and Asia. Costa brings a modern Italian lifestyle to its ships and provides guests with a true European experience that embodies a uniquely Italian passion for life through warm hospitality, entertainment and gastronomy that makes Costa different from any other cruise experience.

Costa Smeralda is scheduled to enter the fleet in December 2019 and her sister ship, *Costa Toscana*, is slated for delivery in 2021. Both ships will be fueled by LNG. *Costa Smeralda* will feature the triple-deck Colosseo, located in the heart of the ship, showcasing a new story daily on the bright screens and on the dome from dawn to sunset. An onboard museum, Costa Design Museum, will be curated by Matteo Vercelloni and will be dedicated to the excellence of Italian design and feature many of the names that have contributed to the ship's construction and success.

Costa Venezia joined the fleet in February 2019 and is the first Costa ship built for the Chinese market. *Costa Venezia* brings to life the passions of Venetian and Italian culture through such spectacles as the Carnival of Venice and the city's famed gondolas. Guests will also experience the delights of fine Italian dining, luxury Italian shopping and world-class Italian entertainment while enjoying home comforts such as a range of Chinese cuisines and Chinese-style karaoke bars. The main show, Venice in Love, was specifically developed for Chinese guests with some elements in Mandarin, featuring a love story in the old resplendent age of Venice. A sister ship, *Costa Firenze*, also designed for the Chinese market, will be delivered in September 2020.

Costa's guests can experience a variety of activities making vacations onboard its ships even more exclusive and unforgettable, including dining options created by Michelin-starred chef Bruno Barbieri in Europe and three Michelin-starred chef Umberto Bombana in Asia, as well as enriched entertainment, including The Voice of the Sea and Peppa Pig-branded kids games and educational activities. Enhancing the authentic Italian experience for the Chinese market, Costa partnered with Juventus Football Club onboard all ships deployed in China, offering in-depth interactions for fans and activities for guests of all ages. Partnerships have also been developed with Tencent (WeChat) and Alibaba providing local payment methods and other digital onboard functionalities to Chinese guests. Furthermore, Costa leveraged its partnership with Bulgari for the first-of-its-kind at sea, the Bulgari Jewelry Fashion Show, an evening of elegance and glamor highlighting the Italian jeweler's craftsmanship.

Costa sails worldwide with cruises generally ranging from four to 20 days and also offers longer exotic sailings up to 30 days as well as world tours. Costa offers a wide range of sailings in the Mediterranean, Northern Europe, the Caribbean, Dubai and United Arab Emirates, the Indian Ocean, South America, the Transatlantic, China, Japan and South East Asia.



AIDA is the leading and most recognized brand in the German cruise market. Its guests enjoy the German inspired active, premium modern lifestyle cruise experience. AIDA provides a cruising wellness holiday in modern comfort where guests feel at home and enjoy consistently excellent service accompanied by the AIDA smile.

AIDAnova entered the fleet in December 2018 and her sister ship, *AIDAcosma*, will join the fleet in 2021, followed by another sister ship in 2023. These ships unite an innovative design with state-of-the-art technology for environmentally friendly travel and even greater comfort onboard. Highlights onboard include new culinary and entertainment offerings such as the Time Machine Restaurant, a street food mile with culinary treats and a floating TV studio. Guests can also enjoy the popular 360-degree Theatrium, the Four Elements adventure deck, complete with three water slides and a climbing garden under the dome of a retractable glass roof and the Beach Club for relaxing onboard.

Guests onboard the entire AIDA fleet experienced the German Karneval on the high seas as part of the AIDA Karneval Special 2019. The AIDA Selection, a program where guests can experience exploratory cruises to new regions and exclusive destinations, will welcome *AIDAmira* in December 2019 with a new itinerary to South Africa and Namibia in the winter season followed by itineraries in the Mediterranean. To enhance the digital experience and guest satisfaction, AIDA provides mobile apps to attend to the guests before, during and after the cruise. The apps include a microblogging service, inspired with user generated content and provide onboard program and restaurant information as well as a chat feature for onboard messaging.

AIDA visits over 230 ports with cruises generally ranging from three to 21 days and also offers a world cruise departing from Hamburg. AIDA sails to many exciting destinations, including North America, Northern Europe, Western Europe, Southeast Asia, the Canary Islands, the Mediterranean, the Caribbean, Baltic Sea, the Indian Ocean, the Azores & Cape Verde and Dubai.



P&O Cruises (UK) is Britain's favorite cruise line, welcoming guests to experience the good life and enjoy a blend of discovery, relaxation and exceptional service catered towards British tastes. P&O Cruises (UK)'s fleet of premium ships combines genuine service, a sense of occasion and attention to detail, ensuring guests have extraordinary travel experiences and the holiday of a lifetime, every time.

In May 2020, P&O Cruises (UK) will launch *Iona*, a new LNG-powered, 5,200-passenger capacity ship, which will be the largest and most contemporary ship built to serve the UK market. *Iona* will feature enhancements to already successful brand signature venues from the existing fleet, as well as features newly developed for *Iona*. These include a breathtaking three deck atrium in the heart of the ship as well as SkyDome, an exclusively designed glass dome by award-winning British engineer Eckersley O'Callaghan. This will be a world's first at sea and offer a unique space for both relaxing in any weather and providing entertainment, featuring aerial shows and contemporary performers. P&O Cruises (UK) will introduce a sister ship in 2022.

P&O Cruises (UK) continues to enhance its entertainment line-up. Astonishing, the revolutionary guest-interactive magic and illusion show, has been launched across the fleet. This show combines the production talents of BAFTA-winning presenter Stephen Mulhern and singer Jonathan Wilkes with the mind-blowing trickery of master illusionist Guy Barrett. P&O Cruises (UK) also continues to partner with some of the UK's most popular and recognized performers and globally renowned chefs.

P&O Cruises (UK) visits over 200 destinations worldwide and offers itineraries generally ranging from two to 17 days and also an annual world cruise. P&O Cruises (UK) sails to Australia & New Zealand, Baltic, the British Isles, Canada, Spain, Portugal & the Canary Islands, the Caribbean, Central America, Dubai & the Arabian Gulf, the Far East & Asia, the Indian Ocean, the Mediterranean, Scandinavia, South America, the South Pacific, the United States and Western Europe.



Over its 179 year history, the iconic Cunard fleet has perfected the timeless art of luxury ocean travel. While onboard, Cunard guests experience unique signature moments, from Cunard's white gloved afternoon tea service to spectacular gala evening balls to its renowned Insights Speaker program. Guest expectations are exceeded through Cunard's exemplary White Star

Service®, a legacy from the White Star Line. From the moment a guest steps onboard, every detail of their cruise is curated to ensure an enjoyable, memorable and luxurious experience. Cunard's flagship, *Queen Mary 2*, is unique in being today's only true ocean liner, regularly carrying guests on the most iconic of voyages, the Transatlantic Crossing between New York and the United Kingdom.

A new 3,000-passenger capacity ship is to join *Queen Mary 2*, *Queen Victoria* and *Queen Elizabeth* as the fourth member of the fleet in 2022. This will be the first new Cunard ship in 12 years, making it the first time since 2000 that Cunard will have four ships in simultaneous service. Sharing the iconic livery and red funnel, guests will experience today's distinct Cunard signatures as well as new brand experiences currently in design.

Cunard continues to expand its event voyage program, many with world renowned partners, including:

- Dance the Atlantic voyage with the English National Ballet
- Literature Festival at Sea in association with the Cheltenham Literature Festival, The Times and the Sunday Times
- London Theatre at Sea with the Olivier Awards
- Top Hat, the multi-award winning musical set in 1930's Hollywood

Cunard has enhanced its onboard products to include:

- Mareel Wellness & Beauty, a new spa concept developed in partnership with wellness innovator, Canyon Ranch, to be rolled out across its fleet
- Steakhouse at the Verandah, a new dining concept offering the finest cuts of beef and seafood paired with craft cocktails

Cunard enhanced the guest experience through carefully curated deployments with a return to Alaskan waters and expanded programs in Australia and Japan. These enhancements include unique speaker programs such as the Alaskan Culture Heritage Guides and local partnerships with the Australian Dance Theatre.

A Cunard cruise is the ultimate luxury way to travel, with cruises generally ranging from seven to 14 days as well as a series of longer voyages, including Round the World Voyages. Cunard sails to destinations in Africa, Australia & South Pacific, Canada, the Caribbean, the Atlantic Islands, the British Isles, the Canary Islands, Central America, the Far East, the Mediterranean, Northern Europe, South America, the Indian Ocean, the Middle East, Scandinavia & Iceland and the United States, including Alaska.

IV. Principal Source Geographic Areas

(in thousands)	Carnival Corporation & plc Cruise Guests Carried			Brands Mainly Serving
	2019	2018	2017	
United States and Canada	7,170	6,790	6,440	Carnival Cruise Line, Princess Cruises, Holland America Line, Seabourn and Cunard
Continental Europe	2,590	2,340	2,290	Costa and AIDA
Asia	1,110	1,140	1,240	Princess Cruises and Costa
Australia and New Zealand	920	1,020	1,060	Carnival Cruise Line, Princess Cruises and P&O Cruises (Australia)
United Kingdom	780	810	800	P&O Cruises (UK) and Cunard
Other	300	310	270	
Total	12,870	12,410	12,100	

V. Cruise Programs

	Carnival Corporation & plc Percentage of Passenger Capacity by Itinerary		
	2020	2019	2018
Caribbean	30%	32%	33%
Europe without Mediterranean	14	14	14
Mediterranean	13	13	13
Australia and New Zealand	7	7	8
Alaska	6	6	6
China	5	4	5
Other	26	25	23
	100%	100%	100%

VI. Cruise Pricing and Payment Terms

Each of our cruise brands publishes prices for the upcoming seasons primarily through the internet, although published materials such as brochures and direct mailings are also used. Our brands have multiple pricing levels that vary by source market, category of guest accommodation, ship, season, duration and itinerary. Cruise prices frequently change in a dynamic pricing environment and are impacted by a number of factors, including the number of available cabins for sale in the marketplace and the level of guest demand. Some cruise prices are increased due to higher demand. We offer a variety of special promotions, including early booking, past guest recognition and travel agent programs. We continue to identify and implement new strategies and tactics to strengthen our cruise ticket revenue management processes and systems across our portfolio of brands, such as optimizing our pricing methodologies and improving our pricing models. We have increased our focus on growing onboard revenues and have invested in new marketing capabilities to further engage our guests by bringing to life the cruise experience.

Our bookings are generally taken several months in advance of the cruise departure date. Typically, the longer the cruise itinerary the further in advance the bookings are made. This lead time allows us to manage our prices in relation to demand for available cabins through the use of advanced revenue management capabilities and other initiatives, with the typical strategy of marketing our ships to fill them while achieving the highest possible overall net revenue yields.

The cruise ticket price typically includes the following:

- Accommodations
- Most meals, including snacks at numerous venues
- Access to amenities such as swimming pools, water slides, water parks, whirlpools, a health club, and sun decks
- Child care and supervised youth programs
- Entertainment, such as theatrical and comedy shows, live music and nightclubs
- Visits to multiple destinations

At times, we offer value added packages to induce ticket sales to guests and groups and to encourage advance purchase of certain onboard items. These packages are bundled with cruise tickets and sold to guests for a single price rather than as a separate package and may include one or more of the following:

- Beverage packages
- Shore excursions
- Air packages
- Specialty restaurants
- Internet packages
- Photo packages
- Onboard spending credits
- Gratuities

Our brands' payment terms generally require that a guest pay a deposit to confirm their reservation and then pay the balance due before the departure date. Additionally, a number of our brands have introduced a new payment plan option which allows our guests to set automatic monthly installments. Our guests are subject to a cancellation fee if they cancel their cruise within a pre-defined period before sailing, unless they purchase a vacation protection package for the ability to obtain a refund or a future cruise credit.

As a convenience to our guests, we sell air transportation to and from airports near the home ports of our ships. In 2019, approximately 11% of our guests purchased scheduled or chartered air transportation from us. We also offer ground transfers from and to the airport near the ship's home port as part of our transfer programs.

VII. Seasonality

Our passenger ticket revenues are seasonal. Historically, demand for cruises has been greatest during our third quarter, which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher ticket prices and occupancy levels and, accordingly, the largest share of our operating income is earned during this period. The seasonality of our results also increases due to ships being taken out-of-service for maintenance, which we schedule during non-peak demand periods. In addition, substantially all of Holland America Princess Alaska Tours' revenue and net income is generated from May through September in conjunction with Alaska's cruise season.

VIII. Onboard and Other Revenues

Onboard and other activities are provided either directly by us or by independent concessionaires, from which we receive either a percentage of their revenues or a fee. Concession revenues do not have direct expenses because the costs and services incurred for concession revenues are borne by our concessionaires. In 2019, we earned 30% of our revenues from onboard and other revenue goods and services not included in the cruise ticket price including the following:

- Beverage sales
- Casino gaming
- Shore excursions
- Retail sales
- Photo sales
- Internet and communication services
- Full service spas
- Specialty restaurants
- Art sales
- Laundry and dry cleaning services

We enhance our guests' onboard experiences and increase our onboard revenues by offering value added packages and tailoring our onboard offers with our guest preferences. We have also implemented initiatives to strengthen our onboard revenue by improving our onboard retail offerings. We use various marketing and promotional tools and are supported by point-of-sale systems permitting "cashless" transactions for the sale of these onboard and other products and services. As a convenience to our guests, all our brands allow their guests to pre-book, and in most cases, pre-pay certain of their onboard and other revenue-producing activities in advance of the cruise.

We offer a variety of shore excursions at each ship's ports-of-call that include beach experiences, general sightseeing, cultural tours, adventure outings and local boat rides. We typically utilize local operators who provide shore excursions with guides who speak the same languages as most of our shore excursion guests. For our sailings to destinations in Alaska, shore excursions are operated by our wholly-owned company, Holland America Princess Alaska Tours, or provided by local independent operators. We also offer revenue-producing activities on the private islands and port destinations that we operate that include beach bars and restaurants, water sports, cabana rentals, chair lifts and surf rider attractions.

Our casinos are all owned and operated directly by us and are equipped according to the unique requirements of our brands and their guests. We offer a wide variety of slot machines and a diverse mix of traditional and specialty table games, as well as other innovative games all designed to meet the desires of our guests. We have also developed marketing and promotional arrangements with land-based casino companies in order to increase the number of casino players onboard several of our brands. The casinos are generally open when our ships are at sea in international waters.

IX. Marketing Activities

Guest feedback and research support the development of our overall marketing and business strategies to drive demand for cruises and increase the number of first-time cruisers. Our goal is to increase consumer awareness for cruise vacations and further grow our share of their vacation spend. We measure and evaluate key drivers of guest loyalty and their satisfaction with our products and services that provide valuable insights about guests' cruise experiences. We closely monitor our net promoter scores, which reflect the likelihood that our guests will recommend our brands' cruise products and services to friends and family. We also regularly initiate customer research studies among guests, travel agent partners, tour operators and others for input on business decisions that enhance our cruise products and services for our guests.

We continue to improve the coordination of our marketing strategies across brands, which enables us to drive demand for cruising while generating significant efficiencies in media costs. We continue to perform psychographic segmentation studies that allow us to better understand our guests' needs, wants and expectations. The results of these studies shape how we communicate and market, as well as refine the booking process, overall onboard experience and post-cruise interactions. Our ability to identify psychographic segments is a powerful differentiator, which allows us to guide guests to the right experiences with the appropriate brands and build advocates for life. In addition, we have tools and are implementing data analytic solutions that identify new market growth opportunities to expand our customer base.

We have implemented strategies to generate new demand by targeting new cruisers who typically vacation at land-based destinations. Our multiple brand marketing initiatives continue to drive increased consideration for cruising with print, TV, digital, social and field marketing elements, keeping a strong commitment and continuous investment to improve the digital journey with the goal of inspiring consumers to purchase a cruise vacation with us.

Our brands have comprehensive marketing and advertising programs across diverse mediums to promote their products and services to vacationers and our travel agent partners. Each brand's marketing activities are generally designed to reach a local region in the local language. We continue to expand our marketing efforts to attract new guests online by leveraging the reach and impact of digital marketing and social media. We continue to invest in new marketing technologies to deliver more engaging and personalized communications. This helps us cultivate guests as advocates of our brands, ships, itineraries and onboard products and services. We also have blogs hosted by ship captains, cruise and entertainment directors, executive pursers and special guests.

Substantially all of our cruise brands offer past guest recognition programs that reward repeat guests with special incentives such as reduced fares, gifts, onboard activity discounts, complimentary laundry and internet services, expedited ship embarkation and disembarkation and special onboard activities.

X. Sales Relationships

We primarily sell our cruises through travel agents and tour operators that serve our guests in their local regions. Our individual cruise brands' relationships with their travel agent partners are generally independent of each of our other brands. Our travel agents relationships are generally not exclusive and travel agents generally receive a base commission, plus the potential of additional commissions, including discounts or complimentary tour conductor cabins, based on the achievement of pre-defined sales volumes.

Travel agent partners are an integral part of our long-term cruise distribution network and are critical to our success. We utilize local sales teams to motivate travel agents to support our products and services with competitive sales and pricing policies and joint marketing and advertising programs. During fiscal 2019, no controlled group of travel agencies accounted for 10% or more of our revenues. We also employ a wide variety of educational programs, including websites, seminars and videos, to train agents on our cruise brands and their products and services.

All of our brands have internet booking engines to allow travel agents to book our cruises. We also support travel agent booking capabilities through global distribution systems. All of our cruise brands have their own consumer websites that provide access to information about their products and services to users and enable their guests to quickly and easily book cruises and other products and services online. These sites interface with our brands' social networks, blogs and other social media sites, which allow them to develop greater contact and interaction with their guests before, during and after their cruise. We also employ vacation planners who support our sales initiatives by offering our guests one-on-one cruise planning expertise and other services.

We are a customer service driven company and continue to invest in our service organization to assist travel agents and guests before, during and after their cruise. We believe that our support systems and infrastructure are among the strongest in the vacation industry. Our investment in customer service includes the development of employees, processes and systems. We continually improve our systems within the reservations and customer relationship management functions, emphasizing the continuing support and training of the travel agency community.

XI. Ethics and Compliance

A clear and strong ethics and compliance culture is imperative for the future success of any corporation. In August 2019, we enhanced our compliance framework and significantly increased the resources we devote to our compliance function by creating an ethics and compliance program, as well as an ethics and compliance program strategic plan. Our Chief Ethics and Compliance Officer, a member of the executive leadership team, leads the effort to further develop our ethics and compliance program throughout the entire corporation. This program involves compliance risk management, improved compliance training programs for our employees, thorough investigations and remedial actions relating to health, environmental and safety incidents and efforts to strengthen our corporate culture. More specifically, the ethics and compliance program's strategic plan sets out the following four goals:

- Align and Build Upon Fundamental Principles - Strengthen culture to support ethics and compliance
- Be Proactive and Embrace a Risk-Based Approach - Develop a more strategic mindset
- Assemble the People, Platform and Processes - Organize ethics and compliance leadership, governance and procedures
- Listen and Learn - Promote open communications: speaking-up, listening, learning and responding

By taking these measures, we heightened our commitment to operate with integrity, which includes not only complying with applicable laws, but also treating our guests, employees and stakeholders with honesty, transparency and respect. To further heighten the focus on ethics and compliance, the Boards of Directors established the Compliance Committees, which will oversee the ethics and compliance program, maintain regular communications with the Chief Ethics and Compliance Officer and ensure implementation of the ethics and compliance program's strategic plan.

XII. Sustainability

Our reputation and success depend on having sustainable and transparent operations. Our commitment and actions to keep our guests and crew members safe and comfortable, protect the environment, develop and provide opportunities for our workforce, strengthen stakeholder relations and enhance both the communities where we work as well as the port communities that our ships visit are vital to our success as a business enterprise and reflective of our brands' core values. We strive to be a company that people want to work for and to be an exemplary global corporate citizen.

We voluntarily publish Sustainability Reports that address governance, stakeholder engagement, environmental, labor, human rights, society, product responsibility, economic and other sustainability-related issues and performance indicators. These reports, which are not incorporated in this document but can be viewed at www.carnivalcorp.com, www.carnivalplc.com and www.carnivalsustainability.com, were developed in accordance with the Sustainability Reporting Guidelines established by the Global Reporting Initiative, the global standard for reporting on environmental, social and governance policies, practices and performance. We have been publishing Sustainability Reports since 2011.

In order to support our environmental strategy, our environmental management system is certified in accordance with ISO 14001. In 2015, we developed a set of 2020 sustainability goals reinforcing our commitment to the environment, our guests, our employees and the communities in which we operate. Our ten goals listed below are aimed at reducing our environmental footprint while enhancing the health, safety and security of our guests and crew members and ensuring sustainable business practices across our brands and business partners:

Environmental Goals

- Reduce the intensity of CO₂e (equivalent carbon dioxide) emissions from our operations by 25% by 2020 relative to our 2005 baseline, measured in grams of CO₂e per ALB-km
- Continue to improve the quality of our emissions into the air by developing, deploying and operating Advanced Air Quality Systems across our fleet
- Increase usage of ship-to-shore power connection capabilities
- Increase Advanced Waste Water Purification System coverage of our fleetwide capacity by 10 percentage points by 2020 relative to our 2014 baseline
- Continue to improve our shipboard operations' water use efficiency by 5% by 2020 relative to our 2010 baseline
- Continue to reduce waste generated by our shipboard operations by 5% by 2020 relative to our 2016 baseline

Health, Safety and Security Goals

- Continue to build on our commitment to protect the health, safety and security of guests, employees and all others working on our behalf

Sustainable Workforce and Community Goals

- Continue to build a diverse and inclusive workforce and provide all employees with a positive work environment and opportunities to build a rewarding career to further drive employee engagement
- Develop and implement vendor assurance procedures ensuring compliance with Carnival Corporation & plc's Business Partner Code of Conduct and Ethics
- Work on initiatives and partnerships that support and sponsor a broad range of organizations for the benefit of the communities where we operate

In addition to our 2020 goals, we are developing our sustainability goals for 2030, which will include reducing the intensity of CO₂e (equivalent carbon dioxide) emissions from our operations by 40% relative to our 2008 baseline.

Reflecting on our commitment to sustainability and to play a leading role in matters of environmental protection in the cruise industry, we are expanding our investment in the use of low carbon fuels, in particular, LNG. *AIDAnova*, the first cruise ship in the industry to be powered at sea by LNG, entered the fleet in December 2018. We have an additional 10 next-generation LNG cruise ships on order, including *Costa Smeralda*, *Iona* and *Mardi Gras*, entering the fleet in December 2019, May 2020 and October 2020. Pioneering a new era in the use of low carbon fuels, these new ships will have the ability to use LNG to generate 100 percent of their power both in port and on the open sea - an innovation that will reduce emissions to help protect the environment. As a pilot, *AIDAperla* will be fitted with the first lithium-ion battery storage system ever deployed on a cruise ship, an environmentally friendly technology capable of powering the ship's propulsion and operation for limited periods of time.

XIII. Employees

Our shipboard and shoreside employees are sourced from over 100 countries. Excluding employees on leave, we have an average of 92,000 employees onboard the 104 ships we operate, which includes crew members and officers. Our shoreside operations have an average of 12,000 full-time and 2,000 part-time/seasonal employees, including seasonal employees of Holland America Princess Alaska Tours which significantly increases its work force during the late spring and summer months in connection with the Alaskan cruise season. We have entered into agreements with unions covering certain employees on our ships and in our shoreside hotel and transportation operations. The percentages of our shipboard and shoreside employees that are represented by collective bargaining agreements are 58% and 22%, respectively. We consider our employee and union relationships to be strong.

We source our shipboard officers primarily from Italy, the UK, the Netherlands, Germany and Norway. The remaining crew positions are sourced from around the world, with the largest contingent from the Philippines, Indonesia and India. We utilize a limited number of manning agencies to help locate and hire most of our shipboard employees.

XIV. Training

Our cruise brands are committed to providing appropriate hotel and marine-related training to ensure that our shipboard crew, including officers, have the knowledge and skills to properly perform their jobs. We provide a diverse range of shoreside and shipboard training for our hotel staff before and after they join our ships to further enhance their skills. Specifically, we provide beverage, entertainment, guest service, housekeeping, leadership, management and restaurant training. Depending on the brand, we will also provide our hotel staff with in-depth English, German, Italian or Mandarin language training. All our hotel staff also undergo extensive safety training and, depending on their position, will pursue advanced safety certifications. We partner closely with manning agencies to help provide this training in Manila, Philippines; Jakarta, Indonesia; and Mumbai, India.

Our goal is to be a leader in delivering high quality professional maritime training, as evidenced by our Arison Maritime Center. The centerpiece of the campus is the Center for Simulator Maritime Training ("CSMART"). The CSMART Academy features the most advanced bridge and engine room simulator technology and equipment available with the capacity to provide annual professional training for all our bridge and engineering officers. CSMART participants receive a maritime training experience that fosters critical thinking, problem solving, ethical decision making and skill development. CSMART offers an environmental officer training program and additional environmental courses for bridge and engineering officers to further enhance our training on social responsibility and environmental awareness and protection. During 2019, we provided training to nearly 7,500 bridge and engineering officers at CSMART. We also offer environmental training for identified shoreside personnel at our various shoreside locations around the globe.

XV. Information Technology

With the increasing size and sophistication of cruise ships, the technologies employed to enhance guest experiences and operate ships have grown ever more complex and integrated. Our global information technology model is designed to contribute to exceeding expectations of our guests, crew, shoreside employees and other stakeholders. This model is focused on supporting exceptional guest experiences while increasingly leveraging common technologies to drive process efficiency and effectiveness across our portfolio of brands. In order to achieve our goals, we are focusing on applications, connectivity, cybersecurity, data privacy, infrastructure, modernization and innovation. In response to the increasing threat of continuously evolving cybersecurity risks, we are striving to provide protection of guest, employee, company and other data and develop best practices that focus on people, process and technology to combat threats and malicious activity. We have a data privacy committee that continues to oversee our focus on data minimization, tokenization, protection, and proper handling of personal data. In light of numerous jurisdictional data privacy laws and regulations, we are implementing data privacy and protection standards across the corporation. Additionally, we are continuing to improve our information technology infrastructure to enhance effective compliance with laws and regulations.

All of our brands are actively collaborating on our global information technology solutions, standards and processes across our shoreside and shipboard environments. By aligning technology planning, infrastructure, security, privacy and applications, we continue to maximize the business value of our information technology investments by eliminating redundancies and driving synergies across the brands while identifying and leveraging best practices and establishing common standards.

XVI. Innovation

We have successfully delivered innovation to our guests for more than four decades. Our continuous innovation with ship design allows our guests to enjoy carefully crafted experiences while effortlessly en-route to their next port-of-call. Our leading port destination developments provide numerous locations and experiences to our guests.

Our innovation pursuit is focused on creating amazing guest experiences and leveraging our enterprise scale. This focus has driven the creation of our newly developed "Experience Platform". The guest centric experience platform leverages multiple proprietary technologies that work together to power guest experiences.

- OceanMedallion™ - a wearable device that enables a highly personalized vacation experience that works in conjunction with a portfolio of digital experiences all focused on simplifying guest access to experiences and facilitating a more immersive vacation
- xIOT™ - an invisible network of interactive intelligent sensors and embedded devices mounted throughout the ship, home ports and destinations that uses a guest-centric, Internet of Things approach to enable a seamless guest experience

To date, five Princess Cruises ships have been converted to Medallion Class, leveraging the OceanMedallion and the xIOT platform.

We operate three state-of-the-art Fleet Operations Centers ("FOC") with advanced ship to shore communications technology. We continue to develop, implement and utilize cutting-edge proprietary technology at these centers to enhance our ability to monitor ship nautical and technical performance in real time, including fuel consumption, engine performance and air emissions. The centers allow for improved communications between the ship and shore, and immediate support to our ships for route planning, maritime safety and risk management.

We continue to enhance our revenue management tools and capabilities including future expansion to additional brands. Additionally, we introduced several new mobile applications, including Carnival Cruise Line's Hub App, Costa's MyCosta and AIDA's myAIDA. AIDA also completed the fleet-wide roll out of Seamless check-in, enabling an embarkation process of just thirty seconds per guest. We also continue to simplify our guest facing booking platforms with a focus on the pre-cruise and e-commerce experiences.

We are committed to reducing our environmental footprint. Among other initiatives, after more than a year of testing food waste digester technology, we have begun a multi-year plan to install food waste digesters on most of our fleet. This technology is an aerobic bio-digester that will enable our ships to process and dispose of nearly all food waste, further reducing our environmental footprint.

XVII. Supply Chain

We incur expenses for goods and services to deliver exceptional cruise experiences to our guests. In addition, we incur significant capital expenditures for materials to support the refurbishment and enhancements of our vessels as well as to build new ships. We approach our spend strategically and look for suppliers who demonstrate the ability to help us leverage our scale in terms of cost, quality, service, innovation and sustainability. We are focused on the creation of strategic partnerships and will streamline our supplier base, where it is prudent. Our largest capital investments are for the construction of new ships. We have agreements in place for the construction of 17 cruise ships with four shipyards.

XVIII. Insurance

a. General

We maintain insurance to cover a number of risks associated with owning and operating our vessels and other non-ship related risks. All such insurance policies are subject to coverage limits, exclusions and deductible levels. Insurance premiums are dependent on our own loss experience and the general premium requirements of our insurers. We maintain certain levels of deductibles for substantially all the below-mentioned coverages. We may increase our deductibles to mitigate future premium increases. We do not carry coverage related to loss of earnings or revenues from our ships or other operations.

b. Protection and Indemnity (“P&I”) Coverages

Liabilities, costs and expenses for illness and injury to crew, guest injury, pollution and other third party claims in connection with our cruise activities are covered by our P&I clubs, which are mutual indemnity associations owned by ship owners.

We are members of three P&I clubs, Gard, Steamship Mutual and UK Club, which are part of a worldwide group of 13 P&I clubs, known as the International Group of P&I Clubs (the “IG”). The IG insures directly, and through broad and established reinsurance markets, a large portion of the world’s shipping fleets. Coverage is subject to the P&I clubs’ rules and the limits of coverage are determined by the IG.

c. Hull and Machinery Insurance

We maintain insurance on the hull and machinery of each of our ships for reasonable amounts as determined by management. The coverage for hull and machinery is provided by large and well-established international marine insurers. Insurers make it a condition for insurance coverage that a ship be certified as “in class” by a classification society that is a member of the International Association of Classification Societies (“IACS”). All of our ships are routinely inspected and certified to be in class by an IACS member.

d. War Risk Insurance

We use a combination of insurance and self-insurance to cover war risk for legal liability to crew, guests and other third parties as well as loss or damage to our vessels arising from war or war-like actions. Our primary war risk insurance coverage is provided by international marine insurers and our excess war risk insurance is provided by our three P&I clubs. Under the terms of our war risk insurance coverage, which are typical for war risk policies in the marine industry, insurers can give us seven days’ notice that the insurance policies will be canceled. However, the policies can be reinstated at different premium rates.

e. Other Insurance

We maintain property insurance covering our shoreside assets and casualty insurance covering liabilities to third parties arising from our hotel and transportation business, shore excursion operations and shoreside operations, including our port and related commercial facilities. We also maintain worker’s compensation, director’s and officer’s liability and other insurance coverages.

XIX. Port Destinations and Private Islands

In select geographies around the world we operate a portfolio of leading port destinations and private islands to grow demand and create relative scarcity. This enables us to offer exceptional guest experiences by creating a wide variety of high quality destinations around the world that are uniquely tailored to our guests’ preferences. In addition, to secure preferential berth access to third party ports, we coordinate across brands to negotiate berthing agreements and to secure preferred access through shared agreements and commitments.

XX. Governmental Regulations

a. Maritime Regulations

1. General

Our ships are regulated by numerous international, national, state and local laws, regulations, treaties and other legal requirements, as well as voluntary agreements, that govern health, environmental, safety and security matters in relation to our guests, crew and ships. These requirements change regularly, sometimes on a daily basis, depending on the itineraries of our ships and the ports and countries visited. If we violate or fail to comply with any of these laws, regulations, treaties and other requirements we could be fined or otherwise sanctioned by regulators. We are committed to complying with, or exceeding, all relevant maritime requirements.

The primary regulatory bodies that establish maritime laws and requirements applicable to our ships include:

The International Maritime Organization (“IMO”): All of our ships, and the maritime industry as a whole, are subject to the maritime safety, security and environmental regulations established by the IMO, a specialized agency of the United Nations. The IMO’s principal sets of requirements are mandated through its International Convention for the Safety of Life at Sea (“SOLAS”) and its International Convention for the Prevention of Pollution from Ships (“MARPOL”).

Flag States: Our ships are registered, or flagged, in The Bahamas, Bermuda, Italy, Malta, the Netherlands, Panama and the UK, which are also referred to as Flag States. Our ships are regulated by these Flag States through international conventions that govern, among other things, health, environmental, safety and security matters in relation to our guests, crew and ships. Representatives of each Flag State conduct periodic inspections, surveys and audits to verify compliance with these requirements.

Ship classification societies: Class certification is one of the necessary documents required for our cruise ships to be flagged in a specific country, obtain liability insurance and legally operate as passenger cruise ships. Our ships are subject to periodic class surveys, including dry-dock inspections, by ship classification societies to verify that our ships have been maintained in accordance with the rules of the classification societies and that recommended repairs have been satisfactorily completed. Dry-dock frequency is a statutory requirement mandated by SOLAS. Our ships dry-dock once or twice every five years, depending on the age of the ship.

National, regional and other authorities: We are subject to the decrees, directives, regulations and requirements of the European Union (“EU”), the U.S., other individual countries and hundreds of other authorities including international ports that our ships visit every year.

Port regulatory authorities (Port State Control): Our ships are also subject to inspection by the port regulatory authorities, which are also referred to as Port State Control, in the various countries that they visit. Such inspections include verification of compliance with the maritime safety, security, environmental, customs, immigration, health and labor requirements applicable to each port, as well as with regional, national and international requirements. Many countries have joined together to form regional Port State Control authorities.

As members of the Cruise Lines International Association (“CLIA”), we helped to develop and have implemented policies that are intended to enhance shipboard safety and environmental protection throughout the cruise industry. In some cases this calls for implementing best practices, which are in excess of existing legal requirements. Further details on these and other policies can be found on www.cruising.org.

Our Boards of Directors have HESS Committees, which were comprised of five independent directors as of November 30, 2019. The principal function of the HESS Committees is to assist the boards in fulfilling their responsibility to supervise and monitor our health, environment, safety, security and sustainability related policies, programs and initiatives at sea and ashore and compliance with related legal and regulatory requirements. The HESS Committees and our management team review all significant relevant risks or exposures and associated mitigating actions.

We are committed to implementing appropriate measures to manage identified risks effectively. We have a Chief Maritime Officer to oversee our global maritime operations, including maritime quality assurance and policy, maritime affairs,

shipbuilding, ship refits and research and development. In addition, we have a Chief Ethics and Compliance Officer who is responsible for promoting ethics and compliance – with a focus on safety and environmental protection.

To help ensure that we are compliant with legal and regulatory requirements and that these areas of our business operate in an efficient and effective manner we:

- Provide regular health, environmental, safety and security support, training, guidance and information to guests, employees and others working on our behalf
- Develop and implement effective and verifiable management systems to fulfill our health, environmental, safety, security and sustainability commitments
- Perform regular shoreside and shipboard audits and take appropriate action when deficiencies are identified
- Report and investigate health, environmental, safety and security incidents and take appropriate action to prevent recurrence
- Identify those employees responsible for managing health, environment, safety, security and sustainability programs and ensure that there are clear lines of accountability
- Identify the aspects of our business that impact the environment and continue to take appropriate action to minimize that impact
- Monitor an anonymous hotline and the related responses accordingly to allegations and concerns
- Review and improve policies and procedures designed to prevent, detect, respond and correct various regulatory violations and other misconduct

2. Maritime Safety Regulations

The IMO has adopted safety standards as part of SOLAS. To help ensure guest and crew safety, SOLAS establishes requirements for the following:

- Vessel design and structural features
- Construction and materials
- Refurbishment standards
- Radio communications
- Life-saving and other equipment
- Fire protection and detection
- Safe management and operation
- Musters

All of our crew undergo regular safety training that meets or exceeds all international maritime regulations, including SOLAS requirements, which are periodically revised.

SOLAS requires implementation of the International Safety Management Code (“ISM Code”), which provides an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code is mandatory for passenger vessel operators. Under the ISM Code, vessel operators are required to:

- Develop and implement a Safety Management System (“SMS”) that includes, among other things, the adoption of safety and environmental protection policies setting forth instructions and procedures for operating vessels safely and describing procedures for responding to emergencies and protecting the environment
- Obtain a Document of Compliance (“DOC”) for the vessel operator, as well as a Safety Management Certificate (“SMC”) for each vessel they operate. These documents are issued by the vessel’s Flag State and evidence compliance with the ISM Code and the SMS
- Verify or renew DOCs and SMCs periodically in accordance with the ISM Code

We have implemented and continue to enhance policies and procedures that demonstrate our commitment to the safety of our guests and crew. These initiatives include the following:

- Training of our bridge, engineering and environmental officers in maritime related best practices at our CSMART Academy, the Center for Simulator Maritime Training located within our Arison Maritime Center in Almere, Netherlands
- Further standardization of our detailed bridge and engine resource management procedures on all of our ships

- Expansion of our existing oversight function to monitor bridge and engine room operations through state of the art fleet operations centers in Miami, Seattle and Hamburg
- Identifying and standardizing best-practice policies and procedures in health, environmental, safety and security disciplines across the entire organization including on all our ships
- Further enhancement of our processes for auditing our HESS performance throughout our operations

3. Maritime Security Regulations

Our ships are subject to numerous security requirements. These requirements include the International Ship and Port Facility Security Code, which is part of SOLAS, the U.S. Maritime Transportation Security Act of 2002, which addresses U.S. port and waterway security and the U.S. Cruise Vessel Security and Safety Act of 2010, which applies to all of our ships that embark or disembark passengers in the U.S. These regulations include requirements as to the following:

- Implementation of specific security measures, including onboard installation of a ship security alert system
- Assessment of vessel security
- Efforts to identify and deter security threats
- Training, drills and exercises
- Security plans that may include guest, vehicle and baggage screening procedures, security patrols, establishment of restricted areas, personnel identification procedures, access control measures and installation of surveillance equipment
- Establishment of procedures and policies for reporting and managing allegations of crimes

4. Maritime Environmental Regulations

We are subject to numerous international, national, state and local environmental laws, regulations and treaties that govern air emissions, waste management, and the storage, handling, use and disposal of hazardous substances such as chemicals, solvents and paints.

As a means of managing and improving our environmental performance and compliance, we adhere to standards set by ISO (International Organization for Standardization), an international standard-setting body, which produces worldwide industrial and commercial standards. The environmental management system of our company and ships is certified in accordance with ISO 14001, the environmental management standard that was developed to help organizations manage the environmental impacts of their processes, products and services. ISO 14001 defines an approach to setting and achieving environmental objectives and targets, within a structured management framework.

i. International Regulations

The principal international convention governing marine pollution prevention and response is MARPOL.

a. Preventing and Minimizing Pollution

MARPOL includes six annexes, four of which are applicable to our cruise ships, containing requirements designed to prevent and minimize both accidental and operational pollution by oil, sewage, garbage and air emissions and sets forth specific requirements related to vessel operations, equipment, recordkeeping and reporting that are designed to prevent and minimize pollution. All of our ships must carry an International Oil Pollution Prevention Certificate, an International Sewage Pollution Prevention Certificate, an International Air Pollution Prevention Certificate and a Garbage Management Plan. The ship's Flag State issues these certificates, which evidence their compliance with the MARPOL regulations regarding prevention of pollution by oil, sewage, garbage and air emissions. Certain jurisdictions have not adopted all of these MARPOL annexes but have established various national, regional or local laws and regulations that apply to these areas.

As noted above, MARPOL governs the prevention of pollution by oil from operational measures, as well as from accidental discharges. MARPOL requires that discharges of machinery space bilge water pass through pollution prevention equipment that separates oil from the water and monitors the discharged water to ensure that the effluent does not exceed 15 parts per million oil content. During 2019, we voluntarily completed the upgrade of oily water separation equipment to the latest MARPOL standards as set forth by the IMO onboard all of our ships. Our ships have oily water separators with oil content monitors installed and maintain a record of certain engine room operations in an Oil Record Book. In addition, we have voluntarily installed redundant systems on all of our ships that monitor processed bilge water a second time prior to discharge to help

ensure that it contains no more than 15 parts per million oil content. This system also provides additional controls to prevent improper bilge water discharges. MARPOL also requires that our ships have Shipboard Oil Pollution Emergency Plans.

MARPOL also governs the discharge of sewage from ships and contains regulations regarding the ships' equipment and systems for the control of sewage discharge, the provision of facilities at ports and terminals for the reception of sewage and requirements for survey and certification.

MARPOL also governs the discharge of garbage from ships and requires the implementation of Garbage Management Plan and the maintenance of a Garbage Record Book.

Furthermore, MARPOL addresses air emissions from vessels, establishes requirements for the prevention of air pollution from ships to reduce emissions of sulfur oxides ("SO_x"), nitrogen oxides ("NO_x") and particulate matter. It also contains restrictions on the use of ozone depleting substances ("ODS") and requires the recording of ODS use, equipment containing ODS and the emission of ODS.

b. Sulfur Emissions

MARPOL addresses air emissions from both auxiliary and main propulsion diesel engines on ships and further specifies requirements for Emission Control Areas ("ECAs") with stricter limitations on sulfur emissions in these areas. Since 2015, ships operating in ECAs have been required to use fuel with a sulfur content of no more than 0.1%, or to use alternative emission reduction methods, such as Advanced Air Quality Systems. Local and regional emissions control areas have come into force since 2015, such as in China.

The International Maritime Organization has adopted a global 0.5% sulfur cap for marine fuel beginning in 2020. The EU Parliament and Council have also set a 2020 implementation date for their 0.5% sulfur content fuel requirement (the "EU Sulfur Directive"). The options to comply with both the global 0.5% sulfur cap and the EU Sulfur Directive include installation of Advanced Air Quality Systems, or the use of low sulfur or alternative fuels, which will likely increase our fuel costs.

We have been installing Advanced Air Quality Systems on our ships, which are aiding in partially mitigating the financial impact from the ECAs and global 0.5% sulfur requirements. Beginning in 2020, we expect to use a greater percentage mix of low sulfur fuel, which will likely increase our fuel costs.

c. Other Ship Emission Abatement Methods

In the long-term, the cost impacts of meeting progressively lower sulfur fuel requirements may be further mitigated by the favorable impact of future changes in the supply and demand balance for marine and other types of fuel, future developments of and investments in improved sulfur emission abatement technologies, the use of alternative lower cost and lower emission fuels and our continued efforts to improve the overall fuel efficiency across our fleet. Since 2007, we have achieved approximately 32% cumulative reduction in unit fuel consumption by focusing on more efficient itineraries, a wide variety of ships' system hardware and software, energy-efficiency upgrades (including hull coatings, air conditioning and engine performance improvements, fresh water savers and LED lighting), creating collaborative energy-savings groups across operating lines and ships' staff energy use awareness and training.

As part of our emission abatement program, we have continued our work with several local port authorities to utilize cruise ship shore power connections and have equipped 47 ships with the ability to utilize shore power technology. This technology enables our ships to use power from the local electricity provider rather than running their engines while in port to power their onboard services, thus reducing our ship air emissions.

Similarly, in an effort to extend our commitment to sustainability and to play a leading role in matters of environmental protection in the cruise industry, we are expanding our investment in the use of low carbon fuels, in particular, LNG:

- *AIDAprima* and *AIDAprera* were the first cruise ships in the world equipped with dual-fuel engines that can use LNG for their energy supply while in ports on Northern European and other itineraries
- *AIDAnova* is the first cruise ship in the world with the ability to use LNG to generate 100 percent of its power both in port and on the open sea. We have 10 more next generation LNG cruise ships on order, including *Costa Smeralda*, *Iona* and *Mardi Gras*, entering the fleet in December 2019, May 2020 and October 2020. These innovative ships generate significantly less exhaust emissions than traditionally powered ships and greatly reduce our impact on the environment

d. Greenhouse Gas Emissions (“GHG”)

In 2013, the IMO approved measures to improve energy efficiency and reduce emissions of GHGs from international shipping by adopting technical and operational measures for all ships. The technical measures apply to the design of new vessels, and the operational reduction measures apply to all vessels. Operational reduction measures have been implemented through a variety of means, including a Ship Energy Efficiency Management Plan, improved voyage planning and more frequent propeller and hull cleanings. We have established objectives within the ISO 14001 environmental management system for each of our brands to further reduce fuel consumption rates and the resulting GHG emissions.

In 2016, the IMO approved the implementation of a mandatory data collection system (“DCS”) for fuel oil consumption. The DCS requires ships of 5,000 gross tons and above to provide fuel oil consumption data to their respective flag State at the end of each calendar year, beginning in 2019. Flag States validate the data and transfer it to an IMO database. The IMO will produce a summary annual report with anonymous data. In early 2018, the IMO also set aspirations to achieve several shipping industry GHG emission reduction goals with 2030 and 2050 target dates.

e. Ballast Water

In 2017, the IMO’s Ballast Water Management Convention entered into force, which governs the discharge of ballast water from ships. Subsequent amendments effectively extended the implementation date for installation of ballast water management systems for existing ships by about two years, though other requirements went into effect immediately, including requirements for ballast water exchange, record keeping, and maintaining an approved Ballast Water Management Plan. Ballast water is water used to stabilize ships at sea and maintain safe operating conditions throughout a voyage. Ballast water can carry a multitude of marine species. The Convention is designed to regulate the treatment of ballast water prior to discharging overboard in order to avoid the transfer of marine species to new environments, as well as establish other ballast water management practices for monitoring and environmental protection.

ii. U.S. Federal and State Regulations

The Act to Prevent Pollution from Ships implements several MARPOL Annexes in the U.S. and imposes numerous requirements on our ships, as discussed above. Administrative, civil and criminal penalties may be assessed for violations.

The Oil Pollution Act of 1990 (“OPA 90”) established a comprehensive federal liability regime, as well as prevention and response requirements, relating to discharges of oil in U.S. waters. The major requirements include demonstrating financial responsibility up to the liability limits set by OPA 90 and having oil spill response plans in place. We have Certificates of Financial Responsibility (“COFR”) that demonstrate our ability to meet the liability limits of OPA 90 based on the gross tonnage of our ships for removal costs and damages, such as from an oil spill. The COFR also covers a release of a hazardous substance. It is possible, however, for our liability limits to be broken, which could expose us to unlimited liability. Under OPA 90, owners or operators of vessels operating in U.S. waters must file Vessel Response Plans with the U.S. Coast Guard and must operate and conduct any response action in compliance with these plans. As OPA 90 expressly allows coastal states to impose liabilities and requirements beyond those imposed under federal law, many U.S. states have enacted laws more stringent than OPA 90. Some of these state laws impose unlimited liability for oil spills and contain more stringent financial responsibility and contingency planning requirements. Most coastal states have also enacted environmental regulations that impose strict liability for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance, similar to OPA 90.

The Clean Water Act (“CWA”) provides the U.S. Environmental Protection Agency (“EPA”) with the authority to regulate incidental discharges from commercial vessels, including discharges of ballast water, bilge water, gray water, anti-fouling paints and other substances during normal operations within the U.S. three mile territorial sea and inland waters. Pursuant to the CWA authority, the U.S. National Pollutant Discharge Elimination System was designed to minimize pollution within U.S. territorial waters. For our affected ships, the incidental discharge requirements are set forth in EPA’s Vessel General Permit (“VGP”) for discharges incidental to the normal operations of vessels. The VGP establishes effluent limits for 27 specific discharges incidental to the normal operation of a vessel, many of which apply to our cruise ships. In addition to the requirements associated with these discharges and more stringent vessel-specific requirements, the VGP includes requirements for inspections, monitoring, reporting and record-keeping. In December 2018, the Vessel Incidental Discharge Act (VIDA) was signed into law and was intended to clarify and streamline discharge requirements for the incidental discharges covered by the VGP. More specifically, a new section was added to the CWA called “Uniform National Standards for Discharges Incidental to Normal Operation of Vessels.” Once fully implemented, VIDA will replace the VGP; however, while the standards and regulations are being developed, which is expected to take at least until the end of 2022, the 2013 VGP has been administratively extended and will remain in effect. Because the new standards are in the early stages of development, there is uncertainty over what to expect with VIDA, including what discharge limits may apply to the various covered incidental discharges and the mechanism through which state-specific standards may be implemented.

We are subject to the requirements of the U.S. Resource Conservation and Recovery Act for the disposal of both hazardous and non-hazardous solid wastes that are generated by our ships. In general, vessel owners are required to determine if their wastes are hazardous and, when landing waste ashore, comply with certain standards for the proper management of hazardous wastes, including the use of hazardous waste manifests for shipments to approved disposal facilities.

The U.S. National Invasive Species Act (“NISA”) was enacted in 1996 in response to growing reports of harmful organisms being released into U.S. waters through ballast water taken on by vessels in foreign waters. The U.S. Coast Guard adopted regulations under NISA that impose mandatory ballast water management practices for all vessels equipped with ballast water tanks entering U.S. waters. Depending on a vessel’s compliance date for installation of a U.S. Coast Guard type-approved ballast water management system, these requirements may now be met by performing mid-ocean ballast exchange, by retaining ballast water onboard the vessel or by using a ballast water management system authorized or approved by the U.S. Coast Guard. In the near future, ballast exchange will no longer be permissible. These U.S. Coast Guard regulations, however, will ultimately be replaced with the new regulatory regime being developed under VIDA, which is expected to contain similar requirements.

The state of Alaska has enacted legislation that prohibits certain discharges in designated Alaskan waters and sets effluent limits on others, which are applicable to cruise ships. Further, the state of Alaska requires that certain discharges be reported and monitored to verify compliance with the standards established by the legislation. Environmental regimes in Alaska are more stringent than the U.S. federal requirements with regard to discharges from vessels. The legislation also provides that repeat violators of the regulations could be prohibited from operating in Alaskan waters. The state of California also has environmental requirements significantly more stringent than federal requirements for water discharges and air emissions.

iii. EU Regulations

The EU has adopted a broad range of substantial environmental measures aimed at improving the quality of the environment for European citizens. To support the implementation and enforcement of European environmental legislation, the EU has adopted directives on environmental liability and enforcement and a recommendation providing for minimum criteria for environmental inspections.

The European Commission’s (“EC”) strategy is to reduce emissions from ships. The EC strategy seeks to implement SOx Emission Control Areas set out in MARPOL, as discussed above.

The EC has also implemented regulations aimed at reducing GHG emissions from maritime shipping through a Monitoring, Reporting and Verification regulation, which involves collecting emissions data from ships over 5,000 gross tons to monitor and report carbon emissions on all voyages to, from and between European Union ports.

5. Maritime Health Regulations

We are committed to providing a healthy environment for all of our guests and crew. We collaborate with public health inspection programs throughout the world, such as the Centers for Disease Control and Prevention (“CDC”) in the U.S. and the SHIPSAN Project in the EU to ensure that development of these programs leads to enhanced health and hygiene onboard our ships. Through our collaborative efforts, we work with the authorities to develop and revise guidelines, review plans and conduct on-site inspections for all newbuilds and significant ship renovations. In addition, we continue to maintain our ships by meeting, and often exceeding, applicable public health guidelines and requirements, complying with inspections, reporting communicable illnesses and conducting regular crew training and guest education programs.

6. Maritime Labor Regulations

The International Labor Organization (“ILO”) develops and oversees international labor standards and includes a broad range of requirements, such as the definition of a seafarer, minimum age of seafarers, medical certificates, recruitment practices, training, repatriation, food, recreational facilities, health and welfare, hours of work and rest, accommodations, wages and entitlements.

The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, as amended, establishes additional minimum standards relating to training, including security training, certification and watchkeeping for our seafarers.

b. Other Governmental Regulations

In most major countries where we source our guests, we are required to establish financial responsibility, such as obtaining a guarantee from stable financial institutions and insurance companies, to satisfy liability in cases of our non-performance of obligations to our guests. The amount of financial responsibility varies by jurisdiction based on the amount mandated by the applicable local regulatory agencies or association.

In Australia and most of Europe, we may be obligated to honor our guests’ cruise payments made by them to their travel agents and tour operators regardless of whether we receive these payments.

We are also subject to many other laws and regulations which require our compliance, including those addressing antitrust, anti-money laundering, data privacy, securities, sanctions, bribery and corruption, as well as human resources related matters.

XXI. Taxation

A summary of our principal taxes and exemptions in the jurisdictions where our significant operations are located is as follows:

a. U.S. Income Tax

We are primarily foreign corporations engaged in the business of operating cruise ships in international transportation. We also own and operate, among other businesses, the U.S. hotel and transportation business of Holland America Princess Alaska Tours through U.S. corporations.

Our North American cruise ship businesses and certain ship-owning subsidiaries are engaged in a trade or business within the U.S. Depending on its itinerary, any particular ship may generate income from sources within the U.S. We believe that our U.S. source income and the income of our ship-owning subsidiaries, to the extent derived from, or incidental to, the international operation of a ship or ships, is currently exempt from U.S. federal income and branch profit taxes.

Our domestic U.S. operations, principally the hotel and transportation business of Holland America Princess Alaska Tours, are subject to federal and state income taxation in the U.S.

1. Application of Section 883 of the Internal Revenue Code

In general, under Section 883 of the Internal Revenue Code, certain non-U.S. corporations (such as our North American cruise ship businesses) are not subject to U.S. federal income tax or branch profits tax on U.S. source income derived from, or incidental to, the international operation of a ship or ships. Applicable U.S. Treasury regulations provide in general that a foreign corporation will qualify for the benefits of Section 883 if, in relevant part, (i) the foreign country in which the foreign corporation is organized grants an equivalent exemption to corporations organized in the U.S. in respect of each category of shipping income for which an exemption is being claimed under Section 883 (an “equivalent exemption jurisdiction”) and (ii)

the foreign corporation meets a defined publicly-traded corporation stock ownership test (the “publicly-traded test”). Subsidiaries of foreign corporations that are organized in an equivalent exemption jurisdiction and meet the publicly-traded test also benefit from Section 883. We believe that Panama is an equivalent exemption jurisdiction and that Carnival Corporation currently satisfies the publicly-traded test under the regulations. Accordingly, substantially all of Carnival Corporation’s income is exempt from U.S. federal income and branch profit taxes.

Regulations under Section 883 list certain activities that the Internal Revenue Service (“IRS”) does not consider to be incidental to the international operation of ships and, therefore, the income attributable to such activities, to the extent such income is U.S. source, does not qualify for the Section 883 exemption. Among the activities identified as not incidental are income from the sale of air transportation, transfers, shore excursions and pre- and post-cruise land packages to the extent earned from sources within the U.S.

2. Exemption Under Applicable Income Tax Treaties

We believe that the U.S. source transportation income earned by Carnival plc and its subsidiaries currently qualifies for exemption from U.S. federal income tax under applicable bilateral U.S. income tax treaties.

3. U.S. State Income Tax

Carnival Corporation and Carnival plc and certain of their subsidiaries are subject to various U.S. state income taxes generally imposed on each state’s portion of the U.S. source income subject to U.S. federal income taxes. However, the state of Alaska imposes an income tax on its allocated portion of the total income of our companies doing business in Alaska and certain of their subsidiaries.

b. UK and Australian Income Tax

Cunard, P&O Cruises (UK) and P&O Cruises (Australia) are divisions of Carnival plc and have elected to enter the UK tonnage tax under a rolling ten-year term and, accordingly, reapply every year. Companies to which the tonnage tax regime applies pay corporation taxes on profits calculated by reference to the net tonnage of qualifying ships. UK corporation tax is not chargeable under the normal UK tax rules on these brands’ relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and from shipping related activities.

For a company to be eligible for the regime, it must be subject to UK corporation tax and, among other matters, operate qualifying ships that are strategically and commercially managed in the UK. Companies within UK tonnage tax are also subject to a seafarer training requirement.

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime remain subject to normal UK corporation tax. Dividends received from subsidiaries of Carnival plc doing business outside the UK are generally exempt from UK corporation tax.

P&O Cruises (Australia) and all of the other cruise ships operated internationally by Carnival plc for the cruise segment of the Australian vacation region are exempt from Australian corporation tax by virtue of the UK/Australian income tax treaty.

c. Italian and German Income Tax

In early 2015, Costa and AIDA re-elected to enter the Italian tonnage tax regime through 2024 and can reapply for an additional ten-year period beginning in early 2025. Companies to which the tonnage tax regime applies pay corporation taxes on shipping profits calculated by reference to the net tonnage of qualifying ships.

Most of Costa’s and AIDA’s earnings that are not eligible for taxation under the Italian tonnage tax regime will be taxed at an effective tax rate of 4.8% in 2019 and 2018.

Substantially all of AIDA’s earnings are exempt from German income taxes by virtue of the Germany/Italy income tax treaty.

d. Asian Countries Income and Other Taxes

Substantially all of our brands' income from their international operations in Asian countries is exempt from income tax by virtue of relevant income tax treaties. In addition, the income is exempt from indirect taxes in China under relevant income tax treaties and other circulars.

e. Other

In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes, fees and other charges based on guest counts, ship tonnage, passenger capacity or some other measure.

XXII. Trademarks and Other Intellectual Property

We own, use and/or have registered or licensed numerous trademarks, patents and patent pending designs and technology, copyrights and domain names, which have considerable value and some of which are widely recognized throughout the world. These intangible assets enable us to distinguish our cruise products and services, ships and programs from those of our competitors. We own or license the trademarks for the trade names of our cruise brands, each of which we believe is a widely-recognized brand in the cruise industry, as well as our ship names and a wide variety of cruise products and services.

XXIII. Competition

We compete with land-based vacation alternatives throughout the world, such as hotels, resorts (including all-inclusive resorts), theme parks, organized tours, casinos, vacation ownership properties, and other internet-based alternative lodging sites. Based on the most recent G.P. Wild Cruise Industry Statistical Review, we, along with our principal cruise competitors Royal Caribbean Cruises Ltd., Norwegian Cruise Line Holdings, Ltd. and MSC Cruises, carry approximately 83% of all global cruise guests.

D. Website Access to Carnival Corporation & plc SEC Reports

We use our websites as channels of distribution of company information. Our Form 10-K, joint Quarterly Reports on Form 10-Q, joint Current Reports on Form 8-K, joint Proxy Statement related to our annual shareholders meeting, Section 16 filings and all amendments to those reports are available free of charge at www.carnivalcorp.com and www.carnivalplc.com and on the SEC's website at www.sec.gov as soon as reasonably practicable after we have electronically filed or furnished these reports with the SEC. In addition, you may automatically receive email alerts and other information when you enroll your email address by visiting the Investor Services section of our websites. The content of any website referred to in this document is not incorporated by reference into this document.

E. Industry and Market Data

This document includes market share and industry data and forecasts that we obtained from industry publications, third-party surveys and internal company surveys. Industry publications, including those from CLIA, G.P. Wild, and surveys and forecasts, including those from ASTA, generally state that the information contained therein has been obtained from sources believed to be reliable. CLIA is a non-profit marketing and training organization formed in 1975 to promote cruising and offer support and training for the travel agent community in North America. CLIA participates in the regulatory and policy development process while supporting measures that foster a safe, secure and healthy cruise ship environment. In addition, CLIA facilitates strategic relationships between cruise industry suppliers and organizations, cruise lines, ports and shipyards and provides a forum for interaction with governmental agencies. All CLIA information, obtained from the CLIA website www.cruising.org, relates to the CLIA member cruise lines. In 2019, CLIA represents over 50 cruise brands that operate more than 95% of cruise industry capacity. G.P. Wild is an authoritative source of cruise industry statistics and publishes a number of reports and industry reviews. All G.P. Wild information is obtained from their annual Cruise Industry Statistical Review. All other references to third party information are publicly available at nominal or no cost. We use the most currently available industry and market data to support statements as to our market positions. Although we believe that the industry publications and third-party sources are reliable, we have not independently verified any of the data. Similarly, while we believe our internal estimates with respect to our industry are reliable, they have not been verified by any independent sources. While we are not aware of any misstatements regarding any industry data presented herein, our estimates, in particular as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed under Part I, Item 1A. Risk Factors and [Exhibit 13](#), Management's Discussion and Analysis of Financial Condition and Results of Operations, in this Form 10-K.

3. Internal Control and Risk Assessment.

Item 1A. Risk Factors.

You should carefully consider the following discussion of significant factors, events and uncertainties that make an investment in the Company's securities risky and provide important information for the understanding of the "forward-looking" statements discussed in this Form 10-K and elsewhere. These risk factors should be read in conjunction with other information in this Form 10-K.

The events and consequences discussed in these risk factors could have a material adverse effect on the Company's business, financial condition, operating results and stock price. These risk factors do not identify all risks that the Company faces; operations could also be affected by factors, events, or uncertainties that are not presently known to the Company or that the Company currently does not consider to present significant risks to its operations. In addition, the current global economic climate amplifies many of these risks. Some of the statements in this item and elsewhere in this document are "forward-looking statements." For a discussion of those statements and of other factors to consider see the "Cautionary Note Concerning Factors That May Affect Future Results" section below.

The ordering and lettering of the risk factors set forth below is not intended to reflect any Company indication of priority or likelihood.

a. World events impacting the ability or desire of people to travel may lead to a decline in demand for cruises

We may be impacted by the public's concerns regarding the health, safety and security of travel, including government travel advisories and travel restrictions, political instability and civil unrest, and other general concerns. Additionally, we may be impacted by heightened regulations around customs and border control, travel bans to and from certain geographical areas, government policies increasing the difficulty of travel and limitations on issuing international travel visas. We may also be impacted by adverse changes in the perceived or actual economic climate, such as global or regional recessions, higher unemployment and underemployment rates and declines in income levels. Furthermore, uncertainties resulting from the UK's expected exit from the European Union may impact our business.

b. 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

Our operations involve the risk of incidents and media coverage thereof. Such incidents include, but are not limited to, the improper operation or maintenance of ships, motorcoaches and trains; guest and crew illnesses; mechanical failures, fires and collisions; repair delays, groundings and navigational errors; oil spills and other maritime and environmental issues as well as other incidents at sea or while in port or on land which may cause guest and crew discomfort, injury, or death. Although our commitment to the safety and comfort of our guests and crew is paramount to the success of our business, our ships have been involved in accidents and other incidents in the past and we may experience similar or other incidents in the future. Our ability to attract and retain guests and crew, depends in part, upon the perception and reputation of our company.

Our cruise ships, hotels, land tours, port and related commercial facilities and shore excursions may be impacted by adverse weather patterns or other natural disasters, such as hurricanes, earthquakes, floods, fires, tornadoes, tsunamis, typhoons and volcanic eruptions. It is possible that we could be forced to alter itineraries or cancel a cruise or a series of cruises or tours due to these or other types of disruptions. Changes in climate may increase the frequency and intensity of adverse weather patterns, make certain destinations less desirable or impact our business in other ways. In addition, these and any other events which impact the travel industry more generally may negatively impact our guests' or crew's ability or desire to travel to or from our ships and/or interrupt the supply of critical goods and services.

c. 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

We are subject to numerous international, national, state and local laws, regulations, treaties and other legal requirements that govern health, environmental, safety and security matters in relation to our guests, crew and ships. These requirements change regularly, sometimes on a daily basis, depending on the itineraries of our ships and the ports and countries visited. If we violate or fail to comply with any of these laws, regulations, treaties and other requirements we could be, and have previously been, fined or otherwise sanctioned by regulators. In addition, there is increased global focus on climate change, which may lead to

additional regulatory requirements. We are subject to a court-ordered environmental compliance plan supervised by the U.S. District Court for the Southern District of Florida, which is operative until at least April 2022 and subjects our operations to additional review and other obligations. Failure to comply with the requirements of this environmental compliance plan or other special conditions of probation could result in fines, which the court has imposed in the past, and restrictions on our operations.

We are subject to laws and requirements related to the treatment and protection of sensitive data in the jurisdictions where we operate. Various governments, agencies and regulatory organizations have enacted or are considering new rules and regulations. In the course of doing business, we collect guest, employee, company and other third-party data, including personally identifiable information and other sensitive data.

Our operations subject us to potential liability under anti-corruption laws and regulations. We may also be affected by economic sanctions, trade protection laws, policies and other regulatory requirements affecting trade and investment.

We are subject to compliance with tax laws, regulations and treaties in the jurisdictions in which we are incorporated or operate. These tax laws, regulations and treaties are subject to change at any time, which may result in substantially higher tax liabilities. Additionally, the relevant authorities' interpretation of tax laws, regulations and treaties could differ materially from ours.

d. 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

We may be impacted by breaches in data security and lapses in data privacy, which occur from time to time. These can vary in scope and intent from economically driven attacks to malicious attacks targeting our key operating systems with the intent to disrupt or compromise our shoreside and shipboard operations. Like many companies, we have been and continue to be subject to unauthorized access or use of digital systems and networks through human error or for purposes of misappropriating assets or obtaining sensitive financial, medical or other personal or business information.

Our principal offices, information technology operations and system networks may be impacted by actual or threatened natural disasters (for example, hurricanes, earthquakes, floods, fires, tornadoes, tsunamis, typhoons and volcanic eruptions) or other disruptive events. Our maritime and/or shoreside operations, including our ability to manage our inventory of cabins held for sale and set pricing, control costs, and serve our guests, depends on the reliability of our information technology operations and system networks as well as our ability to refine and update to more advanced systems and technologies.

e. 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

We hire a significant number of qualified shipboard personnel each year and, thus, our ability to adequately recruit, develop and retain these individuals is critical to our success. Incidents involving cruise ships and the related adverse media publicity, adverse economic conditions that negatively affect our profitability and increasing demand as a result of our and the industry's projected growth could negatively impact our ability to recruit, develop and retain sufficient qualified shipboard personnel.

f. Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs

We may be impacted, and have been impacted in the past, by economic, market and political conditions around the world, such as fuel demand, regulatory requirements, supply disruptions and related infrastructure needs, which make it difficult to predict the future price and availability of fuel. Future increases in the global price of fuel would increase the cost of our cruise ship operations as well as some of our other expenses, such as crew travel, freight and commodity prices. Increases in airfares, which could result from increases in the price of fuel, would increase our guests' overall vacation costs as many of our guests depend on airlines to transport them to or from the airports near the ports where our cruises embark and disembark.

As a result of changes in regulations, we expect to consume a larger percentage of low sulfur fuel in 2020, which will likely increase our fuel costs. Additionally, certain of our ships are designed to use LNG as their primary fuel source. At this time, the marine LNG distribution infrastructure is in the early stages of development with a limited number of suppliers.

g. Fluctuations in foreign currency exchange rates may adversely impact our financial results

We earn revenues, pay expenses, purchase and own assets and incur liabilities in currencies other than the U.S. dollar. Additionally, our shipbuilding contracts are typically denominated in euros. Movements in foreign currency exchange rates will affect our financial results.

h. Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options

We may be impacted by increases in capacity in the cruise and land-based vacation industry, which may result in capacity growth beyond demand, either globally or for a region, or for a particular itinerary. We face competition from other cruise brands on the basis of overall experience, destinations, types and sizes of ships and cabins, travel agent preferences and value. In addition, we compete with land-based vacation alternatives throughout the world on the basis of overall experience, destinations and value.

i. Geographic regions in which we try to expand our business may be slow to develop or ultimately not develop how we expect

As we continue to expand our global presence, it requires, among other things, significant levels of management resources, capital and other investments. For example, we may be required to localize our cruise products and services to conform to local cultures, standards, policies and regulations. As a result, it may be more difficult for us to replicate our successful core business models and we may not be able to recover our investments in these markets. In addition, we cannot be certain that these markets, such as China, will ultimately develop as we expect.

j. Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests

We may be impacted by unforeseen events, such as work stoppages, insolvencies, “force majeure” events or other financial difficulties experienced by shipyards, their subcontractors and our suppliers. This may result in less shipyard availability resulting in delays or preventing the delivery of our ships under construction and/or the completion of the repair, maintenance, or refurbishment of our existing ships. This may lead to potential delays or cancellations of cruises. In addition, the prices of various commodities that are used in the construction of ships and for repair, maintenance and refurbishment of existing ships, such as steel, are subject to volatility.

Cautionary Note Concerning Factors That May Affect Future Results

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 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

Certain of the risks we are exposed to are identified in this Item 1A. “Risk Factors.” This item contains important cautionary statements and a discussion 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.

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 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

As of November 30, 2019, the Carnival Corporation and Carnival plc headquarters and our larger shoreside locations are as follows:

Location	Square Footage (in thousands)	Own/Lease	Principal Operations
Miami, FL, U.S.A.	463/61	Own/Lease	Carnival Corporation and Carnival Cruise Line
Genoa, Italy	246/66	Own/Lease	Costa and AIDA
Santa Clarita, CA, U.S.A.	311	Lease	Princess Cruises, Holland America Line and Seabourn
Almere, Netherlands	253	Own	Arison Maritime Center
Rostock, Germany	224	Own	Costa and AIDA
Seattle, WA, U.S.A.	175	Lease	Princess Cruises, Holland America Line and Seabourn
Southampton, England	150	Lease	Carnival plc, P&O Cruises (UK) and Cunard
Hamburg, Germany	150	Lease	Costa and AIDA
Sydney, NSW, Australia	37	Lease	Princess Cruises and P&O Cruises (Australia)
Shanghai, China	32	Lease	Costa

Information about our cruise ships, including the number each of our cruise brands operate, as well as information regarding our cruise ships under construction may be found under Part I. Item 1. Business. C. “Our Global Cruise Business.” In addition, we own, lease or have controlling interests in port destinations, private islands, hotels, and lodges.

Item 3. Legal Proceedings.

As part of the previously disclosed settlement approved by the U.S. District Court of the Southern District of Florida in June 2019, Carnival Corporation paid a financial penalty, and is subject to ongoing oversight, environmental goals and certain reporting requirements, as well as a restructuring of its compliance function, relating to the violation of probation conditions for a plea agreement entered into by Princess Cruises and the U.S. Department of Justice in 2016. We may be subject to further conditions and penalties in the event of future environmental incidents.

As previously disclosed, on May 15, 2018, the Marseilles, France Public Prosecutor alleged that Carnival plc and the captain of P&O Cruises’ *Azura* breached the French Environmental Code governing the sulfur content of fuel used during the vessel’s passage through French territorial waters. On November 26, 2018, the Tribunal de Grande Instance imposed a fine, costs and damages against Carnival plc and the captain for an aggregate of €118,000. On November 12, 2019, in response to our application to the court of appeal, a verdict overturning the original conviction was handed down. The prosecution has appealed to the French Supreme Court. We continue to believe that we have a meritorious defense to this claim and that the ultimate outcome of the proceedings will not have a material impact on our consolidated financial statements.

As previously disclosed, on August 28, 2018, P&O Cruises (Australia) notified the Maritime Accident Investigation Branch and the Australian Maritime Safety Authority of an inadvertent discharge of liquid food waste mixed into grey water off of *Pacific Explorer* while it was inside the Great Barrier Reef Marine Park on August 26, 2018. We believe the ultimate outcome of any investigation and any penalty will not have a material impact on our consolidated financial statements.

On October 23, 2019, a complaint was filed by a purported shareholder of Carnival plc in the New York Supreme Court, New York County, purporting to allege derivative claims on Carnival plc's behalf for breach of fiduciary duty and corporate waste against the members of the Carnival plc Board of Directors (the "Board"). The allegations relate to the criminal proceedings by the U.S. Department of Justice against Princess Cruise Lines, Ltd., which we previously disclosed. Plaintiff seeks declaratory judgment that the Board breached their duties to Carnival plc, monetary damages and restitution to Carnival plc, punitive damages from the Board to Carnival plc, and an award of Plaintiff's attorney's fees and costs. The defendants have not yet responded to the complaint.

Item 4. Mine Safety Disclosures.

None.

Item 6. Selected Financial Data.

The information required by Item 6. Selected Financial Data, is shown in [Exhibit 13](#) and is incorporated by reference into this Form 10-K.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information required by Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, is shown in [Exhibit 13](#) and is incorporated by reference into this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The information required by Item 7A. Quantitative and Qualitative Disclosures About Market Risk, is shown in Management's Discussion and Analysis of Financial Condition and Results of Operations in [Exhibit 13](#) and is incorporated by reference into this Form 10-K.

Item 8. Financial Statements and Supplementary Data.

The financial statements, together with the report thereon of PricewaterhouseCoopers LLP, dated January 28, 2020, and the Selected Quarterly Financial Data (Unaudited) are shown in [Exhibit 13](#) and are incorporated by reference into this Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

A. Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, is recorded, processed, summarized and reported, within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Our President and Chief Executive Officer and our Chief Financial Officer and Chief Accounting Officer have evaluated our disclosure controls and procedures and have concluded, as of November 30, 2019, that they are effective as described above.

B. Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f). Our management, with the participation of our President and Chief Executive Officer and our Chief Financial Officer and Chief Accounting Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the 2013 Internal Control – Integrated Framework (the

“COSO Framework”). Based on this evaluation under the COSO Framework, our management concluded that our internal control over financial reporting was effective as of November 30, 2019.

PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited our consolidated financial statements incorporated in this Form 10-K, has also audited the effectiveness of our internal control over financial reporting as of November 30, 2019 as stated in their report, which is shown in [Exhibit 13](#) and is incorporated by reference into this Form 10-K.

C. Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended November 30, 2019 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information.

On January 27, 2020, Debra Kelly-Ennis resigned from her position as a Director of Carnival Corporation and Carnival plc, including her role as a member of our HESS Committees effective that same day. Her resignation was not the result of any disagreement between her and the company.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors

Information regarding our directors, as required by Item 10, is incorporated herein by reference from the Carnival Corporation and Carnival plc joint definitive Proxy Statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2019 fiscal year.

Information About Our Executive Officers

The table below sets forth the name, age, years of service and title of each of our executive officers. Titles listed relate to positions within Carnival Corporation and Carnival plc unless otherwise noted.

	Age	Years of Service (a)	Title
Micky Arison	70	48	Chairman of the Boards of Directors
David Bernstein	62	21	Chief Financial Officer and Chief Accounting Officer
Arnold W. Donald	65	19	President and Chief Executive Officer and Director
Stein Kruse	61	20	Group Chief Executive Officer of Holland America Group and Carnival UK
Arnaldo Perez	59	27	General Counsel and Secretary
Michael Thamm	56	26	Group Chief Executive Officer of Costa Group and Carnival Asia

(a) Years of service with us or Carnival plc predecessor companies.

Business Experience of Executive Officers

Micky Arison has been Chairman of the Boards of Directors since 1990 and a Director since 1987. He was Chief Executive Officer from 1979 to 2013.

David Bernstein has been Chief Financial Officer since 2007 and Chief Accounting Officer since 2016.

Arnold W. Donald has been President and Chief Executive Officer since 2013. He has been a Director since 2001.

Stein Kruse has been the Group Chief Executive Officer of Holland America Group and Carnival UK since 2017. He was Chief Executive Officer of Holland America Group from 2013 to 2017.

Arnaldo Perez has been General Counsel and Secretary since 1995.

Michael Thamm has been Group Chief Executive Officer of Costa Group since 2012 and of Carnival Asia since 2017.

Corporate Governance

We have adopted a Code of Business Conduct and Ethics that applies to our President and Chief Executive Officer and senior financial officers, including the Chief Financial Officer and Chief Accounting Officer and other persons performing similar functions. Our Code of Business Conduct and Ethics applies to all our other employees and to our directors as well. This Code of Business Conduct and Ethics is posted on our website, which is located at www.carnivalcorp.com and www.carnivalplc.com. We intend to satisfy the disclosure requirement under Item 5.05 of the Form 8-K regarding any amendments to, or waivers from, provisions of this Code of Business Conduct and Ethics by posting such information on our website, at the addresses specified above.

The additional information required by Item 10 is incorporated herein by reference from the Carnival Corporation and Carnival plc joint definitive Proxy Statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2019 fiscal year.

Item 11. Executive Compensation.

The information required by Item 11 is incorporated herein by reference from the Carnival Corporation and Carnival plc joint definitive Proxy Statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2019 fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

A. Securities Authorized for Issuance under Equity Compensation Plans

I. Carnival Corporation

Set forth below is a table that summarizes compensation plans (including individual compensation arrangements) under which Carnival Corporation equity securities are authorized for issuance as of November 30, 2019.

Plan category	Number of securities to be issued upon exercise of warrants and rights (in millions)	Weighted-average exercise price of outstanding warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (1)) (in millions)
	(1)		
Equity compensation plans approved by security holders	2.3 (a)	-	7.1 (b)
Equity compensation plans not approved by security holders	—	-	—
	<u>2.3</u>	<u>-</u>	<u>7.1</u>

(a) Represents 2.3 million of restricted share units outstanding under the Carnival Corporation 2011 Stock Plan.

(b) Includes Carnival Corporation common stock available for issuance as of November 30, 2019 as follows: 1.9 million under the Carnival Corporation Employee Stock Purchase Plan, which includes 44,873 shares subject to purchase during the current purchase period and 5.2 million under the Carnival Corporation 2011 Stock Plan.

II. Carnival plc

Set forth below is a table that summarizes compensation plans (including individual compensation arrangements) under which Carnival plc equity securities are authorized for issuance as of November 30, 2019.

<u>Plan category</u>	<u>Number of securities to be issued upon exercise of warrants and rights (in millions)</u>	<u>Weighted-average exercise price of outstanding warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (1)) (in millions)</u>
	(1)		
Equity compensation plans approved by security holders	0.6 (a)	-	6.6
Equity compensation plans not approved by security holders	—	-	—
	<u>0.6</u>	<u>-</u>	<u>6.6</u>

(a) Represents 0.6 million restricted share units outstanding under the Carnival plc 2014 Employee Share Plan.

The additional information required by Item 12 is incorporated herein by reference to the Carnival Corporation and Carnival plc joint definitive Proxy Statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2019 fiscal year.

Items 13 and 14. Certain Relationships and Related Transactions, and Director Independence and Principal Accountant Fees and Services.

The information required by Items 13 and 14 is incorporated herein by reference from the Carnival Corporation and Carnival plc joint definitive Proxy Statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2019 fiscal year.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) (1) Financial Statements

The financial statements shown in [Exhibit 13](#) are incorporated herein by reference into this Form 10-K.

(2) Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instruction or are inapplicable and, therefore, have been omitted.

(3) Exhibits

The exhibits listed below on the Index to Exhibits are filed or incorporated by reference as part of this Form 10-K.

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
Articles of incorporation and by-laws					
3.1	Third Amended and Restated Articles of Incorporation of Carnival Corporation.	8-K	3.1	4/17/03	
3.2	Third Amended and Restated By-Laws of Carnival Corporation.	8-K	3.1	4/20/09	
3.3	Articles of Association of Carnival plc.	8-K	3.3	4/20/09	
Instruments defining the rights of security holders, including indenture					
4.1	Agreement of Carnival Corporation and Carnival plc, dated January 18, 2019 to furnish certain debt instruments to the Securities and Exchange Commission.				X
4.2	Carnival Corporation Deed, dated April 17, 2003, between Carnival Corporation and P&O Princess Cruises plc for the benefit of the P&O Princess Cruises Shareholders.	10-Q	4.1	10/15/03	
4.3	Equalization and Governance Agreement, dated April 17, 2003, between Carnival Corporation and P&O Princess Cruises plc.	10-Q	4.2	10/15/03	
4.4	Carnival Corporation Deed of Guarantee, dated as of April 17, 2003, between Carnival Corporation and Carnival plc.	S-4	4.3	5/30/03	
4.5	Carnival plc Deed of Guarantee, dated as of April 17, 2003, between Carnival Corporation and Carnival plc.	S-3 & F-3	4.10	6/19/03	
4.6	Specimen Carnival Corporation Common Stock Certificate.	S-3 & F-3	4.16	6/19/03	
4.7	Pairing Agreement, dated as of April 17, 2003, between Carnival Corporation, The Law Debenture Trust Corporation (Cayman) Limited, as trustee, and Computershare Investor Services (formerly SunTrust Bank), as transfer agent.	8-K	4.1	4/17/03	
4.8	Voting Trust Deed, dated as of April 17, 2003, between Carnival Corporation and The Law Debenture Trust Corporation (Cayman) Limited, as trustee.	8-K	4.2	4/17/03	
4.9	SVE Special Voting Deed, dated as of April 17, 2003, between Carnival Corporation, DLS SVC Limited, P&O Princess Cruises plc, The Law Debenture Trust Corporation (Cayman) Limited, as trustee, and The Law Debenture Trust Corporation, P.L.C.	8-K	4.3	4/17/03	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
4.10	Form of Amended and Restated Deposit Agreement and holders from time to time of receipts issued thereunder.	Post Amendment to Form F-6	99-a	4/15/03	
4.11	Specimen Carnival plc Ordinary Share Certificate.	S-3	4.1	7/2/09	
4.12	Description of Equity Securities Registered under Section 12 of the Exchange Act.				X
4.13	Description of 1.625% Senior Notes Due 2021.				X
4.14	Description of 1.875% Senior Notes Due 2022.				X
4.15	Description of 1.000% Senior Notes Due 2029.				X
Material contracts					
10.1*	Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.	10-Q	10.1	9/28/07	
10.2	Amendment and Restatement Agreement dated June 16, 2014 in respect of the Multicurrency Revolving Facilities Agreement dated May 18, 2011, among Carnival Corporation, Carnival plc and certain of Carnival Corporation and Carnival plc subsidiaries, Bank of America Merrill Lynch International Limited as facilities agent and a syndicate of financial institutions.	10-Q	10.1	10/3/14	
10.3*	Form of Appointment Letter for Non-Executive Directors.	10-Q	10.1	6/27/08	
10.4*	Form of Appointment Letter for Executive Directors.	10-Q	10.2	6/27/08	
10.5	Succession Agreement, dated as of May 28, 2002, to Registration Rights Agreement, dated June 14, 1991, between Carnival Corporation and Ted Arison (incorporated by reference to Exhibit 10.2 of Carnival Corporation's Quarterly Report on Form 10-Q for the period ended May 31, 2002).	10-Q	10.2	7/12/02	
10.6*	Amended and Restated Carnival Corporation 2011 Stock Plan.	10-K	10.23	1/30/17	
10.7*	Employment Agreement dated as of October 14, 2013 between Carnival Corporation, Carnival plc and Arnold W. Donald.	10-Q	10.2	10/3/14	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
10.8*	Amended and Restated Carnival plc 2014 Employee Share Plan.	10-K	10.39	1/30/17
10.9*	Form of Performance-Based Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.1	7/1/15
10.10*	Form of Performance-Based Restricted Stock Unit Agreement for the Carnival plc 2014 Employee Share Plan.	10-Q	10.2	7/1/15
10.11*	Carnival Corporation & plc Management Incentive Plan (adopted in 2015).	10-Q	10.3	7/1/15
10.12*	Amendment to Facilities Agreement dated May 18, 2016 among Carnival Corporation, Carnival plc and certain of Carnival Corporation and Carnival plc subsidiaries, Bank of America Merrill Lynch International Limited, as facilities agent, and KfW IPEX-Bank GmbH, Bayerische Landesbank, New York Branch and DZ BANK AG, Deutsche Zentral Genossenschaftsbank, Frankfurt am Main, New York Branch, as new lenders.	10-Q	10.1	7/1/16
10.13*	Form of Executive Restricted Share Unit Award Certificate for the Carnival plc 2014 Employee Share Plan.	10-Q	10.3	7/1/16
10.14*	Form of Executive Restricted Stock Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.4	7/1/16
10.15*	Amendment dated October 18, 2016 to Employment Agreement dated October 14, 2016 between Carnival Corporation, Carnival plc and Arnold W. Donald.	8-K	99.1	10/21/16
10.16*	Form of Management Incentive Plan Tied Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.1	3/30/17
10.17*	Form of Management Incentive Plan Tied Restricted Share Unit Agreement for the Carnival plc 2014 Employee Share Plan.	10-Q	10.2	3/30/17
10.18*	Form of Shareholder Equity Alignment Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.3	3/30/17
10.19*	Employment Contract dated April 21, 2017 between Carnival plc and Michael Olaf Thamm.	8-K	10.1	4/27/17
10.20*	Form of Non-Employee Director Restricted Stock Award Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.2	6/30/17

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
10.21*	Form of Performance-Based Restricted Share Unit Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.3	6/30/17	
10.22*	Form of Performance-Based Restricted Share Unit Agreement for the Carnival plc 2014 Employee Share Plan.	10-Q	10.4	6/30/17	
10.23*	Form of Management Incentive Plan Tied Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.1	3/22/18	
10.24*	Form of Management Incentive Plan Tied Restricted Share Unit Agreement for the Carnival plc 2014 Employee Share Plan.	10-Q	10.2	3/22/18	
10.25*	Form of Performance-Based Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.3	3/22/18	
10.26*	Form of Performance-Based Restricted Share Unit Agreement for the Carnival plc 2014 Employee Share Plan.	10-Q	10.4	3/22/18	
10.27*	Form of Shareholder Equity Alignment Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.1	6/25/18	
10.28*	Form of Non-Employee Director Restricted Stock Award Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.2	6/25/18	
10.29*	Form of Management Incentive Plan Tied Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan	10-Q	10.1	4/9/19	
10.30*	Form of Management Incentive Plan Tied Restricted Share Unit Agreement for the Carnival plc 2014 Employee Share Plan	10-Q	10.2	4/9/19	
10.31*	Form of Performance-Based Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan	10-Q	10.3	4/9/19	
10.32*	Form of Performance-Based Restricted Share Unit Agreement for the Carnival plc 2014 Employee Share Plan	10-Q	10.4	4/9/19	
10.33*	Form of Shareholder Equity Alignment Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan	10-Q	10.5	4/9/19	
10.34*	Amended and Restated Carnival Corporation 2011 Stock Plan	10-Q	10.1	6/24/19	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
10.35*	Amended and Restated Carnival plc 2014 Employee Share Plan	10-Q	10.2	6/24/19
10.36*	Form of Non-Employee Director Restricted Stock Award Agreement for the Carnival Corporation 2011 Stock Plan	10-Q	10.3	6/24/19
10.37*	Amendment and Restatement Agreement dated August 6, 2019 in respect of the Multicurrency Revolving Facilities Agreement dated May 18, 2011, among Carnival Corporation, Carnival plc and certain of Carnival Corporation and Carnival plc subsidiaries, Bank of America Merrill Lynch International Designated Activity Company as facilities agent and a syndicate of financial institutions	10-Q	10.1	9/26/19
Annual report to security holders				
13	Portions of the 2019 Annual Report.			X
Subsidiaries of the registrants				
21	Subsidiaries of Carnival Corporation and Carnival plc.			X
Consents of experts and counsel				
23	Consent of Independent Registered Public Accounting Firm.			X
Power of attorney				
24	Power of Attorney given by certain Directors of Carnival Corporation and Carnival plc to Arnold W. Donald, David Bernstein and Arnaldo Perez authorizing such persons to sign this 2019 joint Annual Report on Form 10-K and any future amendments on their behalf.			X
Rule 13a-14(a)/15d-14(a) certifications				
31.1	Certification of President and Chief Executive Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X
31.2	Certification of Chief Financial Officer and Chief Accounting Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X
31.3	Certification of President and Chief Executive Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Filing Date	Filed Herewith
31.4	Certification of Chief Financial Officer and Chief Accounting Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X
Section 1350 certifications				
32.1**	Certification of President and Chief Executive Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			X
32.2**	Certification of Chief Financial Officer and Chief Accounting Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			X
32.3**	Certification of President and Chief Executive Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			X
32.4**	Certification of Chief Financial Officer and Chief Accounting Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			X
Interactive data file				
101	The consolidated financial statements from Carnival Corporation & plc's Form 10-K for the year ended November 30, 2019, as filed with the SEC on January 28, 2019 formatted in Inline XBRL, are as follows: (i) the Consolidated Statements of Income for the years ended November 30, 2019, 2018 and 2017; (ii) the Consolidated Statements of Comprehensive Income for the years ended November 30, 2019, 2018 and 2017; (iii) the Consolidated Balance Sheets at November 30, 2019 and 2018; (iv) the Consolidated Statements of Cash Flows for the years ended November 30, 2019, 2018 and 2017; (v) the Consolidated Statements of Shareholders' Equity for the years ended November 30, 2019, 2018 and 2017 and (vi) the notes to the consolidated financial statements, tagged in summary and detail.			X X X X X X
104	The cover page from Carnival Corporation & plc's Form 10-K for the year ended November 30, 2019, as filed with the Securities and Exchange Commission on January 28, 2019, formatted in Inline XBRL (included as Exhibit 101)			

*Indicates a management contract or compensation plan or arrangement.

**These items are furnished and not filed.

***Certain portions of this exhibit have been omitted pursuant to Item 601(b)(10) of Regulation S-K

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 thereunto duly authorized.

CARNIVAL CORPORATION

/s/ Arnold W. Donald

President and Chief Executive Officer and
Director

January 28, 2020

CARNIVAL PLC

/s/ Arnold W. Donald

President and Chief Executive Officer and
Director

January 28, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of each of the registrants and in the capacities and on the dates indicated.

CARNIVAL CORPORATION

/s/ Arnold W. Donald

President and Chief Executive Officer and
Director

January 28, 2020

CARNIVAL PLC

/s/ Arnold W. Donald

President and Chief Executive Officer and
Director

January 28, 2020

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

January 28, 2020

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

January 28, 2020

/s/*Micky Arison

Micky Arison

Chairman of the Board of

Directors

January 28, 2020

/s/*Micky Arison

Micky Arison

Chairman of the Board of

Directors

January 28, 2020

/s/*Sir Jonathon Band

Sir Jonathon Band

Director

January 28, 2020

/s/*Sir Jonathon Band

Sir Jonathon Band

Director

January 28, 2020

/s/*Jason Glen Cahilly

Jason Glen Cahilly

Director

January 28, 2020

/s/*Jason Glen Cahilly

Jason Glen Cahilly

Director

January 28, 2020

/s/*Helen Deeble

Helen Deeble

Director

January 28, 2020

/s/*Helen Deeble

Helen Deeble

Director

January 28, 2020

/s/*Richard J. Glasier

Richard J. Glasier

Director

January 28, 2020

/s/*Richard J. Glasier

Richard J. Glasier

Director

January 28, 2020

/s/*Katie Lahey

Katie Lahey

Director

January 28, 2020

/s/*Katie Lahey

Katie Lahey

Director

January 28, 2020

/s/*Sir John Parker

Sir John Parker

Director

January 28, 2020

/s/*Sir John Parker

Sir John Parker

Director

January 28, 2020

/s/*Stuart Subotnick

Stuart Subotnick

Director

January 28, 2020

/s/*Stuart Subotnick

Stuart Subotnick

Director

January 28, 2020

/s/*Laura Weil

Laura Weil

Director

January 28, 2020

/s/*Laura Weil

Laura Weil

Director

January 28, 2020

/s/*Randall J. Weisenburger

Randall J. Weisenburger

Director

January 28, 2020

/s/*Randall J. Weisenburger

Randall J. Weisenburger

Director

January 28, 2020

*By: /s/ Arnaldo Perez

Arnaldo Perez

(Attorney-in-fact)

January 28, 2020

*By: /s/ Arnaldo Perez

Arnaldo Perez

(Attorney-in-fact)

January 28, 2020

January 19, 2020

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: Carnival Corporation, Commission File No. 001-9610, and
Carnival plc, Commission File No. 001-15136

Ladies and Gentlemen:

Pursuant to Item 601(b) (4) (iii) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended, Carnival Corporation and Carnival plc (the “Companies”) hereby agree to furnish copies of certain long-term debt instruments to the Securities and Exchange Commission upon the request of the Commission and, in accordance with such regulation, such instruments are not being filed as part of the joint Annual Report on Form 10-K of the Companies for their year ended November 30, 2019.

Very truly yours,

CARNIVAL CORPORATION AND CARNIVAL PLC

/s/ Arnaldo Perez
General Counsel and Secretary

**DESCRIPTION OF EQUITY SECURITIES REGISTERED
UNDER SECTION 12 OF THE EXCHANGE ACT**

There are two classes of equity securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”):

- 1) Carnival Corporation Common Stock (\$0.01 par value) (the “common stock”); and
- 2) Carnival plc Ordinary Shares each represented by American Depositary Shares (the “ADSs”).

DESCRIPTION OF COMMON STOCK

General

The following is a description of the material terms of Carnival Corporation’s common stock. Because it is a summary, the following description is not complete and is subject to and qualified in its entirety by reference to Carnival Corporation’s amended and restated articles of incorporation, or articles, Carnival Corporation’s amended and restated by-laws, or by-laws, and the other agreements specifically referenced in this section each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.12 is a part.

Carnival Corporation’s authorized capital stock consists of 2,000,000,000 shares, of which 1,959,999,998 are shares of common stock, 40,000,000 are shares of preferred stock, one share is a special voting stock and one share is a special stock. The one share of special voting stock, which Carnival Corporation refers to in this Exhibit as the special voting share, and the one share of special stock, which Carnival Corporation refers to in this Exhibit as the equalization share, were issued in connection with the DLC transaction, which was completed on April 17, 2003. See “—Special Voting Share” and “—Equalization Share.”

Carnival Corporation’s common stock and the trust shares of beneficial interest in the P&O Princess Special Voting Trust, including the beneficial interest in the Carnival plc special voting share, are listed and trade together on the New York Stock Exchange under the ticker symbol “CCL.”

Voting Rights

At any meeting of shareholders, all matters, except as otherwise expressly provided by Panamanian law and Carnival Corporation’s articles or Carnival Corporation’s by-laws, are decided by a majority of the votes cast by all shareholders entitled to vote, including, where applicable, the Carnival Corporation Special Voting Entity, as described below, who are present in person or by proxy at such meeting. In connection with the DLC transaction, special voting arrangements were implemented so that Carnival Corporation’s shareholders and Carnival plc’s shareholders vote together as a single decision-making body on all actions submitted to a shareholder vote other than matters designated as “class rights actions” or resolutions on procedural or technical matters.

These are called JOINT ELECTORATE ACTIONS and include:

- the appointment, removal or re-election of any director of Carnival Corporation, Carnival plc or both;
- if required by law, the receipt or adoption of the financial statements of Carnival Corporation or Carnival plc or the annual accounts of both companies;
- the appointment or removal of the auditors of either company;
- a change of name by Carnival Corporation or Carnival plc, or both; or
- the implementation of a mandatory exchange based on a change in tax laws, rules or regulations.

The relative voting rights of the Carnival Corporation shares and Carnival plc shares are determined by the equalization ratio. Based on the current equalization ratio of 1:1, each of Carnival Corporation’s shares has the same voting rights as one Carnival plc share on joint electorate actions.

A change in the equalization ratio resulting from a share reorganization or otherwise would only affect voting rights on a per share basis. In the aggregate, such a change would not affect the relative weighting between Carnival Corporation's shareholders and the Carnival plc shareholders.

In the case of class rights actions, the company wishing to carry out the class rights action would require the prior approval of shareholders of both companies, each voting separately as a class. If shareholders of either company do not approve the action, it generally will fail.

CLASS RIGHTS ACTIONS include:

- the voluntary liquidation, dissolution or winding up, or equivalent, of either company for which shareholder approval is required, other than as part of a voluntary liquidation, dissolution or winding up, or equivalent, of both companies at or about the same time provided that such liquidation is not for the purpose of reconstituting all or a substantial part of the business of the two companies in one or more successor entities;
- the sale, lease, exchange or other disposition of all or substantially all of the assets of either company other than a bona fide commercial transaction for valid business purposes and at fair market value and not as part of a proposal the primary purpose of which is to collapse or unify the DLC arrangement;
- an adjustment to the equalization ratio, other than in accordance with the Equalization and Governance Agreement entered into by Carnival Corporation and Carnival plc on April 17, 2003;
- any amendment, removal or alteration of any of the provisions of Carnival Corporation's articles and by-laws and Carnival plc's Articles of Association which entrench specified core provisions of the DLC arrangement;
- any amendment or termination of the principal agreements under which the DLC arrangement is implemented, except where otherwise specifically provided in the relevant agreement;
- any amendment to, removal or alteration of the effect of certain tax-related provisions of Carnival Corporation's articles that would be reasonably likely to cause a mandatory exchange; and
- anything which the boards of both companies agree should be approved as a class rights action.

No resolution to approve a class rights action or joint electorate action will be approved unless a parallel Carnival plc shareholders' meeting is held to vote on any equivalent resolution.

The Carnival Corporation board and the Carnival plc board may:

- decide to seek approval from shareholders for any matter that would not otherwise require such approval;
- require any joint electorate action to instead be approved as a class rights action; or
- specify a higher majority vote than the majority that would otherwise be required by applicable laws and regulations.

Equalization Ratio

The Equalization and Governance Agreement, which was executed on April 17, 2003 by Carnival Corporation and Carnival plc in connection with the DLC transaction, governs the equalization ratio, which reflects the relative economic and voting interests represented by an individual share of common equity in each company. As of June 1, 2003, the "equalization ratio" between shares of the common stock and Carnival plc ordinary shares was 1:1, so one share of the common stock is entitled to the same economic and voting interests in Carnival Corporation & plc as one Carnival plc ordinary share.

In order to provide the relative rights of Carnival Corporation shares and Carnival plc shares under the DLC transaction, Carnival Corporation and Carnival plc agreed in the Equalization and Governance Agreement that Carnival Corporation & plc would be operated under the following DLC equalization principles:

- the equalization ratio will effectively govern the proportion in which distributions of income and capital are made to the holders of Carnival Corporation shares relative to the holders of Carnival plc shares, and vice versa, and the relative voting rights of the holders of Carnival Corporation shares and the holders of Carnival plc shares on joint electorate actions;

- issuances of or transactions affecting Carnival Corporation’s share capital or that of Carnival plc will be implemented in a way which will not give rise to a materially different financial effect as between the interests of the holders of Carnival Corporation shares and the interests of the holders of Carnival plc shares. If any such issue or transaction involves any of the following:
 - a rights issue of shares at less than market value;
 - an offer of any securities, or a grant of any options, warrants or other rights to subscribe for, purchase or sell any securities, to shareholders by way of rights;
 - non-cash distributions to shareholders and share repurchases involving an offer made to all or substantially all of the shareholders of a company to repurchase their shares at a premium to market value;
 - a consolidation or subdivision of shares; or
 - an issue of shares to shareholders for no consideration or solely by way of capitalization of profits or reserves,

then an automatic adjustment to the equalization ratio will occur, unless Carnival Corporation’s board of directors and Carnival plc’s board of directors, in their sole discretion, undertake:

- an offer or action having regard to the then existing equalization ratio; the timing of the offer or action; and any other relevant circumstances, is, in the reasonable opinion of the boards of Carnival Corporation and Carnival plc, financially equivalent, but not necessarily identical, in respect of, on the one hand, holders of Carnival Corporation shares, and on the other hand holders of Carnival plc shares, and does not materially disadvantage either company’s shareholders, which Carnival Corporation refers to as a “matching action”; or
- an alternative to such automatic adjustment that has been approved as such by a class rights action.

Any adjustments to the equalization ratio will be communicated to shareholders through a press release.

The Carnival Corporation board and the Carnival plc board will be under no obligation to undertake any such matching action or to seek approval of an alternative as a class rights action if any issue or transaction referred to above is not covered by an automatic adjustment to the equalization ratio, and no automatic adjustment to the equalization ratio will then occur, but the Carnival Corporation board and the Carnival plc board will have the right (in their sole discretion), but not the obligation, to undertake a matching action, or to seek approval of an adjustment to the equalization ratio as a class rights action.

No adjustment to the equalization ratio will be required in respect of:

- scrip dividends or dividend reinvestments at market price; issuances of Carnival Corporation shares or Carnival plc shares or securities convertible into, or exercisable or exchangeable for, such shares pursuant to employee share plans;
- issuances of shares or securities convertible into, or exercisable or exchangeable for, such shares other than to all or substantially all shareholders of either company, including for acquisitions;
- a buy-back or repurchase of any shares:
 - in the market by means of an offer (1) not open to all or substantially all shareholders of either company or (2) in compliance with Rule 10b-18 under the Exchange Act;
 - at or below market value;
 - by either company pursuant to the provisions in such company’s governing documents; or
 - pro rata to the shareholders of Carnival Corporation & plc at the same effective premium to the market price, taking into account the equalization ratio;
- matching actions;
- the issue of an equalization share by either company to the other; and
- any purchase, cancellation or reduction of disenfranchised shares.

Sources and Payment of Dividends

Under Panamanian law, a corporation may pay dividends to the extent of a corporation’s net earnings or capital surplus.

There has been no change in the entitlement of quarterly dividends for shareholders of Carnival Corporation or Carnival plc following the completion of the DLC transaction. Carnival Corporation shareholders and Carnival plc shareholders have rights to income and capital distributions from Carnival Corporation & plc based on the equalization ratio. In order for the companies to pay a dividend or make a distribution, the ratio of dividends and distributions paid per share of the common stock to dividends and distributions paid per Carnival plc ordinary share must equal the equalization ratio, taking into account the applicable currency exchange rate.

Dividends are equalized according to the equalization ratio, and any balancing transactions between the companies will be determined and made, before deduction of any amounts in respect of the tax required to be deducted or withheld and excluding the amounts of any tax credits or other tax benefits.

If one company has insufficient profits or is otherwise unable to pay a dividend, Carnival Corporation and Carnival plc will, as far as practicable, enter into such balancing transactions as are necessary to enable both companies to pay dividends in accordance with the equalization ratio. This may take the form of a payment from one company to the other or a dividend payment on an equalization share. Dividends received by Carnival plc shareholders are consistent with Carnival Corporation's regular quarterly dividend.

Carnival Corporation's articles provide that the holders of shares of the common stock be entitled, in accordance with the Equalization and Governance Agreement and to the exclusion of the holders of shares of preferred stock, to receive such dividends as from time to time may be declared by the board of directors, except as otherwise provided by the board resolution or resolutions providing for the issue of any series of shares of preferred stock.

Liquidation

Under Panamanian law, if the board of directors deems it advisable that the corporation be dissolved, it is to propose by a majority of the votes of the members of the board an Agreement of Dissolution and within 10 days shall call or cause to be called, in accordance with law, a meeting of stockholders, to vote on the resolution passed by the board of directors proposing the dissolution. At the stockholders' meeting, the holders of a majority of shares with voting rights on the matter can adopt the resolution for the dissolution of the company. The dissolution of the company may also be adopted by written consent in lieu of meeting of the holders of all shares having voting power.

Pursuant to the Equalization and Governance Agreement, in the event of a voluntary or involuntary liquidation of either Carnival Corporation or Carnival plc, or both companies, if the hypothetical potential per share liquidation distributions to each company's shareholders are not equivalent, taking into account the relative value of the two companies' assets and the indebtedness of each company, to the extent that one company has greater net assets so that any liquidation distribution to its shareholders would not be equivalent on a per share basis, the company with the ability to make a higher net distribution is required to make a payment to the other company to equalize the possible net distribution to shareholders. The requirement to make an equalizing payment is subject to some limitations. First, a reorganization under Chapter 11 of the U.S. Bankruptcy Code or a similar statute would not be considered a "liquidation," so such a reorganization would not result in equalizing payments. Second, neither company will be required to make the equalizing payment if the payment would result in neither group of shareholders being entitled to any liquidation proceeds. Therefore, if the assets of Carnival Corporation & plc are not sufficient to satisfy all of the creditors of Carnival Corporation & plc, no equalization payment would be required to be made.

In giving effect to the principles regarding a liquidation of Carnival Corporation, Carnival Corporation may:

- make a payment to Carnival plc in accordance with the provisions of the Equalization and Governance Agreement;
- issue shares to Carnival plc or to holders of Carnival plc ordinary shares and make a distribution or return on such shares; or
- take any other action that the boards of directors of each of Carnival Corporation and Carnival plc consider appropriate to give effect to such principles.

Any action other than a payment of cash by one company to the other company will require the prior approval of the board of directors of each company.

Appraisal Rights

Under Panamanian law, shareholders of a corporation do not have appraisal rights.

Pre-Emptive Rights

Under Panamanian law, a shareholder is entitled to pre-emptive rights to subscribe for additional issuances of common stock or any security convertible into stock in proportion to the shares that are owned unless there is a provision to the contrary in Carnival Corporation's articles. The Carnival Corporation articles provide that Carnival Corporation shareholders are not entitled to pre-emptive rights.

Special Voting Share

Reflecting Votes of Carnival plc Shareholders at Carnival Corporation Meetings

The Carnival Corporation articles authorize one special voting share. The special voting share is merely a mechanism to give effect to shareholder votes at parallel shareholder meetings on joint electorate actions and class rights actions as described above under “—General—Voting Rights” and quorum provisions as described below under “—Certain Provisions of Carnival Corporation's Articles and By-laws—Quorum Requirements.” The special voting share has no rights to income or capital and no voting rights except as described below. Upon completion of the DLC transaction, Carnival Corporation issued the special voting share to DLC SVC Limited. DLC SVC Limited is a company incorporated in England and Wales whose shares are legally and beneficially owned by The Law Debenture Trust Corporation p.l.c., an independent trustee company incorporated in England and Wales. At all meetings at which a joint electorate action or a class rights action will be considered, the holder of the Carnival Corporation special voting share must be present.

For joint electorate actions, the Carnival Corporation special voting share will represent the number of votes cast at the parallel meeting of Carnival plc shareholders, as adjusted by the equalization ratio and rounded up to the nearest whole number, and will represent “yes” votes, “no” votes and abstentions at the Carnival Corporation meeting in accordance with votes cast at the Carnival plc meeting.

For class rights actions, DLC SVC Limited, as holder of the Carnival Corporation special voting share, will only vote if the proposed action has not been approved at the parallel Carnival plc meeting. In that event, the Carnival Corporation special voting share will represent that number of votes equal to the largest whole percentage that is less than the percentage of the number of votes necessary to defeat the resolution at the Carnival Corporation meeting if the total votes capable of being cast by all of Carnival Corporation outstanding shares able to vote were cast in favor of the resolution. In most cases, this will be 49%. For a majority vote, 49% is the largest whole percentage that is less than the 50% needed to defeat the resolution. As a result, in the case of a majority vote, the Carnival Corporation special voting share will represent a number of votes equal to 98% of the votes capable of being cast by all Carnival Corporation shares, excluding the votes represented by the Carnival Corporation special voting share. Therefore, assuming holders of approximately 2% or more of Carnival Corporation shares do not cast votes on such class rights action, it will fail. If the Carnival plc shareholders approve the proposed action, the Carnival Corporation special voting share will not represent any votes.

The Carnival Corporation special voting share will not represent any votes on any resolution of a procedural or technical nature, which Carnival Corporation refers to in this Exhibit as “procedural resolutions.” Procedural resolutions are those that do not adversely affect the shareholders of Carnival plc in any material respect and are put to Carnival Corporation shareholders at a meeting. The Chairman of the Carnival Corporation board will, in his or her absolute discretion, determine whether a resolution is a procedural resolution. To the extent that such matters require the approval of Carnival Corporation shareholders, any of the following will be procedural resolutions:

- that certain people be allowed to attend or be excluded from attending the meeting;
- that discussion be closed and the question put to the vote, provided no amendments have been raised;
- that the question under discussion not be put to the vote, where a shareholder feels the original motion should not be put to the meeting at all, if such original motion was brought during the course of that meeting;
- to proceed with matters in an order other than that set out in the notice of the meeting;
- to adjourn the debate, for example, to a subsequent meeting; and
- to adjourn the meeting.

Reflecting Votes of Carnival Corporation Shareholders at Carnival plc Meetings

As part of the DLC transaction, Carnival plc issued a special voting share to Carnival Corporation, and Carnival Corporation transferred such share to the trustee of the P&O Princess Special Voting Trust, a trust established under the laws of the Cayman Islands for the purpose of holding the Carnival plc special voting share. For joint electorate actions, the Carnival plc special voting share represents the number of votes cast at the parallel meeting of Carnival Corporation shareholders, as adjusted by the equalization ratio and rounded to the nearest whole number, and will represent “yes” votes, “no” votes and abstentions at the Carnival plc meeting in accordance with votes cast at the Carnival Corporation meeting.

For class rights actions, the trustee of the P&O Princess Special Voting Trust, as holder of the Carnival plc special voting share, will only vote if the proposed action has not been approved at the Carnival Corporation parallel meeting. In that event, the Carnival plc special voting share will represent that number of votes equal to the largest whole percentage that is less than the percentage of the number of votes, or, in the case of a special resolution, such percentage less one vote, necessary to defeat the resolution at the Carnival plc meeting if the total number of votes capable of being cast by all outstanding Carnival plc shares, and other Carnival plc shares able to vote, were cast in favor of the resolution. In most cases, this will be 49%. For a majority vote, 49% is the largest whole percentage that is less than the 50% needed to defeat the resolution. As a result, in the case of a majority vote, the Carnival plc special voting share will represent a number of votes equal to 98% of the votes capable of being cast by all Carnival plc shares excluding the votes represented by the Carnival plc special voting share. Therefore, assuming holders of approximately 2% or more of Carnival plc shares do not cast votes on such class rights action, it will fail. If Carnival Corporation shareholders approve the proposed action, the Carnival plc special voting share will not represent any votes.

The Carnival plc special voting share will not represent any votes on any procedural resolutions.

In connection with the DLC transaction, trust shares of beneficial interest in the P&O Princess Special Voting Trust were transferred to Carnival Corporation. Immediately following this transfer, Carnival Corporation distributed such trust shares by way of dividend to Carnival Corporation shareholders of record at the close of business on April 17, 2003. Under the Pairing Agreement entered into by Carnival Corporation, the trustee of the P&O Princess Special Voting Trust and Computershare Investor Services (formerly SunTrust Bank) on April 17, 2003, and Carnival Corporation’s articles, the trust shares of beneficial interest in the P&O Princess Special Voting Trust are paired with, and evidenced by, certificates representing shares of the common stock on a one-for-one basis.

Carnival Corporation shares trade in units consisting of one share of the common stock and one trust share of beneficial interest in the P&O Princess Special Voting Trust. Each share of the common stock shall not and cannot be transferred without the corresponding paired trust share. The trust shares of beneficial interest in the P&O Princess Special Voting Trust entitle Carnival Corporation shareholders to receive any distributions made by the P&O Princess Special Voting Trust. As the sole purpose of the P&O Princess Special Voting Trust relates to the holding of the Carnival plc special voting share, it is not expected to make any distributions. See “—Description of Trust Shares.”

Equalization Share

Carnival Corporation’s articles authorize one equalization share. The equalization share:

- has rights to dividends in accordance with the Equalization and Governance Agreement as declared and paid by the board of directors;
- has no rights to receive notice of, attend or vote at any shareholder meeting; and
- in the event of Carnival Corporation's voluntary or involuntary liquidation, ranks after all other holders of shares.

Certain Provisions of Carnival Corporation's Articles of Incorporation and By-Laws

Quorum Requirements

The presence in person or by proxy at any meeting of Carnival Corporation shareholders holding at least one-third of the total votes entitled to be cast constitutes a quorum for the transaction of business at such meeting, except as otherwise required by applicable law or regulation, Carnival Corporation's articles or by-laws.

For purposes of determining whether a quorum exists at any meeting of shareholders where a joint electorate action or a class rights action is to be considered:

- if the meeting of Carnival Corporation shareholders convenes before the parallel shareholder meeting of Carnival plc, the Carnival Corporation special voting share will, at the commencement of the meeting, have no votes and therefore will not be counted for purposes of determining the total number of shares entitled to vote at such meeting or whether a quorum exists at such meeting, although the Carnival Corporation special voting share itself must be present, either in person, through a representative of DLC SVC Limited, or by proxy;
- if the meeting of Carnival Corporation shareholders convenes at substantially the same time as or after the parallel shareholder meeting of Carnival plc with respect to one or more joint electorate actions, the Carnival Corporation special voting share will have the maximum number of votes attached to it as were cast on such joint electorate actions, either for, against or abstained, at the parallel shareholder meeting of Carnival plc, and such maximum number of votes, including abstentions, will constitute shares entitled to vote and present for purposes of determining whether a quorum exists at such meeting; and
- if the meeting of Carnival Corporation shareholders convenes at substantially the same time as or after the parallel shareholder meeting of Carnival plc with respect to a class rights action, the Carnival special voting share will, at the commencement of the meeting, have no votes and therefore will not be counted for purposes of determining the total number of shares entitled to vote at such meeting or whether a quorum exists at such meeting, although the Carnival Corporation special voting share itself must be present, either in person, through a representative of DLC SVC Limited, or by proxy.

In addition, in order for a quorum to be validly constituted with respect to meetings of shareholders convened to consider a joint electorate action or class rights action, DLC SVC Limited must be present at such meeting.

Shareholder Action by Written Consent

Carnival Corporation's by-laws provide that shareholders may not act by written consent.

Shareholder Proposals

Panamanian law does not specifically address the issue of shareholder proposals, and Carnival Corporation's by-laws do not expressly permit shareholder proposals to be considered at the annual meeting of shareholders. Panamanian law requires that prior notice of a meeting must set out the purpose or purposes for which the meeting is convened. Any proposal to be discussed at a meeting should be included in the notice of the meeting, unless the notice reserves time for any other matters which the shareholders may wish to discuss.

Under the rules of the Exchange Act, shareholders may submit proposals, including director nominations, for consideration at shareholder meetings. Such proposals will need to comply with SEC regulations regarding the inclusion of shareholder proposals in company-sponsored proxy materials. In order for shareholder proposals to be considered for inclusion in Carnival Corporation's proxy statement/prospectus for an annual meeting, the written

proposals must be received by Carnival Corporation not less than 120 calendar days before the first anniversary of the date of mailing of the proxy statement from the previous year's annual meeting.

Carnival Corporation's by-laws provide that at any special meeting of shareholders only such business may be transacted as is related to the purpose or purposes of such meeting set forth in the notice of the special meeting. Carnival Corporation's by-laws provide that special meetings of shareholders may only be called by Carnival Corporation's board or Carnival Corporation's President or Secretary.

Standard of Conduct for Directors

Panamanian law imposes a general fiduciary duty on directors to act prudently and in the best interests of the company. Among other things, directors are responsible for the authenticity of the payments which appear to have been made on behalf of the company, for the validity of dividends to be paid, general book-keeping and for effecting the operation of the company in accordance with applicable laws, its articles of incorporation, its by-laws, and resolutions of the General Assembly of shareholders.

Carnival Corporation's articles provide that Carnival Corporation's board of directors is authorized to operate and carry into effect the Equalization and Governance Agreement, the SVE Special Voting Deed, which regulates the manner in which the votes attaching to the Carnival Corporation special voting share and the P&O Princess special voting share are exercised, and the Carnival Corporation Deed of Guarantee each of which was entered into on April 17, 2003, and, subject to applicable laws and regulations, nothing done by any director in good faith pursuant to such authority and obligations constitutes a breach of the fiduciary duties of such director to Carnival Corporation or its shareholders. In particular, the directors are, in addition to their duties to Carnival Corporation, entitled to consider the interests of Carnival Corporation shareholders and the Carnival plc shareholders as if Carnival Corporation and Carnival plc were a single entity. As a result of and following completion of the DLC transaction, Carnival Corporation's board of directors and that of Carnival plc are identical.

Meetings of Shareholders

If Carnival Corporation proposes to undertake a joint electorate action or class rights action at a meeting of shareholders, Carnival Corporation must immediately give notice to Carnival plc of the nature of the joint electorate action or the class rights action it proposes to take. Unless such action is proposed to be taken at the annual meeting of shareholders, the Carnival Corporation board of directors must convene a special meeting for the purpose of considering a resolution to approve the joint electorate action or class rights action. Such meeting will be held as close in time as practicable with the parallel shareholder meeting convened by Carnival plc for purposes of considering such joint electorate action or class rights action. If Carnival Corporation receives notice from Carnival plc that Carnival plc proposes to undertake a joint electorate action or a class rights action, Carnival Corporation's board of directors must convene a meeting of Carnival Corporation shareholders as close in time as practicable to the Carnival plc meeting and must propose an equivalent resolution as that proposed at the Carnival plc meeting. Carnival Corporation must cooperate fully with Carnival plc in preparing resolutions, explanatory memoranda or any other information or material required in connection with the proposed joint electorate action or class rights action.

Amendment of Governing Instruments

Under Panamanian law, unless the articles of incorporation require a greater vote, an amendment to the articles of incorporation may be made:

- by the holders or their proxies of all the issued and outstanding stock of the corporation entitled to vote;
- by means of a resolution passed by holders or their proxies of the majority of the outstanding stock of the corporation entitled to vote; and

- in case the amendment to the articles consists of any change in the preference of shares of any class, by means of a resolution passed by holders or their proxies of the majority of the outstanding stock of the corporation entitled to vote of each class.

Any amendment to the provisions of Carnival Corporation's articles which entrench the DLC arrangement requires approval as a class rights action. The entrenched provisions of the articles include matters relating to:

- the special voting share;
- anti-takeover provisions;
- dividends and distributions;
- amendments to Carnival Corporation's articles and by-laws; and
- liquidation.

All other provisions of Carnival Corporation's articles, except as provided below, may be amended by the shareholders of Carnival Corporation and Carnival plc voting together in a joint electorate action. Amendments to Carnival Corporation's articles require approval, whether in a class rights action or joint electorate action, of a majority of all votes entitled to be cast with respect thereto, including votes entitled to be cast by the Carnival Corporation special voting share, at a meeting of Carnival Corporation shareholders.

Notwithstanding the foregoing, any amendment of the articles (1) to specify or change the location of the office or registered agent of Carnival Corporation, or (2) to make, revoke or change the designation of a registered agent, or to specify or change the registered agent, may be approved and effected by the board of directors without the approval of Carnival Corporation shareholders or the shareholders of Carnival plc.

Under Panamanian law, the board of directors of a corporation has the power to adopt, amend or repeal the by-laws of the corporation, unless specifically provided to the contrary by the articles of incorporation or in the by-laws approved by the shareholders. Carnival Corporation's by-laws provide that the by-laws may be altered, amended, supplemented or repealed or new by-laws may be adopted, by the board of directors or by vote of the holders of the shares entitled to vote in the election of directors. Any by-laws adopted, altered or supplemented by the board of directors may be altered, amended, supplemented or repealed by the shareholders entitled to vote thereon.

Any amendment to or repeal of the provisions of Carnival Corporation's by-laws which entrench the DLC arrangement will also require approval as a class rights action. Any amendment to or repeal of Carnival Corporation's by-laws other than any of Carnival Corporation's entrenched by-laws may be approved and effected by Carnival Corporation's board of directors without the approval of Carnival Corporation shareholders or Carnival plc shareholders. The entrenched provisions of the Carnival Corporation by-laws include matters relating to:

- the transferability of the special voting share;
- the scope of, and voting rights and procedures in relation to, joint electorate actions, class rights actions and procedural resolutions; and
- election, qualification and disqualification of directors.

In limited circumstances since the implementation of the DLC arrangement, Carnival plc shares, other than those held by Carnival Corporation, may be subject to a mandatory exchange for Carnival Corporation shares at the then prevailing equalization ratio. A mandatory exchange can occur if there is a change in applicable tax laws, rules or regulations that the board of directors of Carnival plc reasonably determines is reasonably likely to have a material adverse effect on Carnival Corporation & plc and the exchange is approved by 66 2/3% of the shareholders of Carnival Corporation and Carnival plc voting on a joint electorate action. A mandatory exchange can also be triggered if there is a change in the applicable non-tax laws, rules or regulations, as a result of which the Carnival plc board of directors reasonably determines that it is reasonably likely that all or a substantial portion of the agreements that give effect to the DLC arrangement are unlawful, illegal or unenforceable. Were either of these changes to occur, Carnival Corporation would issue additional shares to deliver to Carnival plc shareholders in accordance with the then prevailing equalization ratio and Carnival Corporation would own 100% of Carnival plc. Carnival Corporation shares are not subject to any mandatory exchange for Carnival plc shares. If such a mandatory exchange is triggered, Carnival Corporation's articles and by-laws will be automatically amended upon completion of the

mandatory exchange, without any further action of Carnival Corporation or Carnival Corporation shareholders, to conform to Carnival Corporation's articles and by-laws prior to the implementation of the DLC arrangement.

Election of Directors

Resolutions relating to the appointment, removal and re-election of directors will be considered as a joint electorate action and voted upon by the shareholders of each company effectively voting together as a single decision-making body. Carnival Corporation articles provide that the number of directors will be no less than three and no more than 25. Within said minimum and maximum, the total number of directors may be fixed from time to time by resolution of the shareholders or by resolution of the board. A change in the minimum and maximum number of directors will require an amendment to the articles. No person may be elected or appointed to serve on Carnival Corporation's board unless that person is also elected to be a member of the Carnival plc board. Any of Carnival Corporation's directors who resign from Carnival Corporation's board must also resign from the Carnival plc board and vice versa.

Removal of Directors

Panamanian law provides that a director may be removed with or without cause by the holders of a majority in voting power of the shares entitled to vote at an election of directors. Carnival Corporation's by-laws provide that, subject to the provisions of Panamanian law, directors may be removed with or without cause only by a majority vote of a quorum of the shareholders.

Vacancies on the Board of Directors

Carnival Corporation's by-laws provide that vacancies on the board of directors will be filled by a majority of the directors then in office, even though less than a quorum, provided that any such person is appointed to both the Carnival Corporation board and the Carnival plc board at the same time. If only one director remains in office, the director will have the power to fill all vacancies. If there are no directors, Carnival Corporation's Secretary may call a meeting at the request of any two shareholders for the purpose of appointing one or more directors.

Indemnification of Directors and Officers

Panamanian law does not specifically address the issue of indemnification of directors and officers. Carnival Corporation may indemnify any officer or director who is made a party to any suit or proceeding on account of being a director, officer or employee of the corporation against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement reasonably incurred by him or her in connection with the action, through, among other things, a majority vote of a quorum consisting of directors who were not parties to the suit or proceeding if the officer or director acted in good faith and in a manner he or she reasonably believed to be in the best interests of the corporation. In a criminal proceeding, the standard is that the director or officer had no reasonable cause to believe his or her conduct was unlawful.

Carnival Corporation's articles provide that each person, and the heirs, executors or administrators of such person, who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, by reason of the fact that such person is or was a director or an officer of Carnival Corporation or Carnival plc or is or was serving at the request of Carnival Corporation or Carnival plc as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless by Carnival Corporation against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding to the fullest extent and in the manner set forth in and permitted by Panamanian law, and any other applicable law, as from time to time in effect. This right of indemnification is not exclusive of any other rights to which a director or officer may be entitled. Any repeal or modification of the applicable provisions of the General Corporation Law of Panama will not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part on any such state

of facts. Carnival Corporation has the power to purchase and maintain insurance in respect of Carnival Corporation's and Carnival plc's indemnification obligations.

A member of the board of directors, or a member of any committee designated by the board of directors, will, in the performance of his or her duties, be fully protected in relying in good faith upon the records of Carnival Corporation or Carnival plc and upon such information, opinions, reports or statements presented to Carnival Corporation by any of Carnival Corporation's or Carnival plc's officers or employees, or committees of the board of directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of Carnival Corporation. In discharging their duties, directors and officers, when acting in good faith, may rely upon financial statements of Carnival Corporation or Carnival plc represented to them to be correct by the chief financial officer or the controller or other officer of Carnival Corporation or Carnival plc having charge of its books or accounts, or stated in a written report by an independent public or certified public accountant or firm of such accountants fairly to reflect the financial condition of Carnival Corporation or Carnival plc.

Takeover Restrictions

Under Panamanian law, directors are responsible for the good management and in general for the execution or faulty fulfillment of their obligations to administer the corporation's affairs. There is limited legislative or judicial guidance on takeover issues in Panama and it is difficult to anticipate how a Panamanian court will react or resolve a matter concerning application of a policy of judicial deference to board of directors' decisions to adopt anti-takeover measures in the face of a potential takeover where the directors are able to show that (1) they had reasonable grounds for believing that there was a danger to corporate policy and effectiveness from an acquisition proposal and (2) the board action taken was reasonable in relation to the threat posed.

Carnival Corporation's articles contain provisions which would apply to any person, or group of persons acting in concert, that acquires shares in Carnival Corporation & plc which would trigger a mandatory offer obligation as if the UK Takeover Code applied to Carnival Corporation & plc on a combined basis. Where:

- a person or group of persons acquired, or acquires voting rights over 30% or more of the combined votes which would be cast on a joint electorate action; or
- any person or group of persons that already holds not less than 30% but not more than 50% of the combined votes which would be cast on a joint electorate action, acquired, or acquires voting rights over, any shares which increase the percentage of votes which such person(s) could cast on a joint electorate action,

such shares acquired would be disenfranchised, that is, the owner of those shares could cease to have any economic or voting rights on those shares, unless an offer for all the shares in Carnival Corporation & plc at a price equivalent to that applicable to the acquisition has been made by the person or group. These takeover restrictions would not apply to:

- acquisitions of shares of the other company by either Carnival Corporation or Carnival plc;
- if the restrictions are prohibited by applicable law and regulations;
- any acquisition by the Arison family and various trusts for their benefit within the thresholds described below; and
- any acquisition pursuant to a mandatory exchange.

There are some exceptions to these provisions in the case of the Arison family and trusts for their benefit. The Arison family and various trusts for their benefit can acquire shares in Carnival Corporation & plc without triggering these provisions provided that, as a result, their aggregate holdings do not increase by more than 1% of the voting power of Carnival Corporation & plc in any period of 12 consecutive months, subject to their combined holdings not exceeding 40% of the voting power of Carnival Corporation & plc. However, these parties may acquire additional shares or voting power without being subject to these restrictions if they comply with the offer requirement described above subject always to the provisions of the UK City code on Takeovers and Mergers. These restrictions do not apply to acquisitions of shares by either Carnival Corporation or Carnival plc.

Ownership Limitations and Transfer Restrictions

In general, under Section 883 of the Internal Revenue Code, certain non-U.S. corporations are not subject to U.S. federal income tax or branch profits tax on U.S. source income derived from, or incidental to, the international operations of a ship or ships. The 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 vote and value of the outstanding shares of the corporation's stock.

To the best of Carnival Corporation's knowledge, after due investigation, Carnival Corporation currently qualifies as a publicly traded corporation under the regulations. However, because of the total beneficial ownership of the common stock and voting power of Carnival Corporation and plc by some members of the Arison family and various trusts established for their benefit (which are available in the Company's most recent Definitive Proxy Statement), there is the potential that another shareholder could acquire 5% or more of the common stock which could jeopardize Carnival Corporation's qualification as a publicly traded corporation. If Carnival Corporation in the future were to fail to qualify as a publicly traded corporation, Carnival Corporation would be subject to U.S. income tax on income associated with Carnival Corporation's cruise operations in the U.S. As a precautionary matter, in 2000, Carnival Corporation amended Carnival Corporation's articles to ensure that Carnival Corporation continues to qualify as a publicly traded corporation under the regulations.

Carnival Corporation's articles provide that no one person or group of related persons, other than some members of the Arison family and various trusts established for their benefit, may own, or be deemed to own by virtue of the attribution provisions of the Internal Revenue Code, more than 4.9% of the common stock, whether measured by vote, value or number. In addition, Carnival Corporation's articles generally restrict the transfer of any shares of the common stock if such transfer would cause Carnival Corporation to be subject to U.S. shipping income tax. In general, the attribution rules under the Internal Revenue Code applicable in determining whether a person is a 5% shareholder under the 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 does not apply to some members of the Arison family and various trusts established for their benefit. These shareholders will be permitted to transfer their shares of the common stock without complying with the limit so long as the transfer does not cause Carnival Corporation to be subject to U.S. income tax on shipping operations.

Carnival Corporation's articles provide that the board of directors may waive the 4.9% limit or transfer restrictions, in any specific instance, if evidence satisfactory to Carnival Corporation's board of directors and Carnival Corporation's tax counsel is presented that such ownership will not jeopardize Carnival Corporation's status as exempt from U.S. income taxation on gross income from the international operation of a ship or ships, within the meaning of Section 883 of the Internal Revenue Code. Carnival Corporation's 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 Carnival Corporation to be subject to U.S. income tax on shipping operations, such

shares of common stock in excess of the 4.9% limit, or which would cause Carnival Corporation to be subject to U.S. 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 cause Carnival Corporation to become subject to U.S. 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 Carnival Corporation 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 the common stock. While outstanding, excess shares will be transferred to a trust. The trustee of such trust will be appointed by Carnival Corporation and will be independent of Carnival Corporation 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 purported transfer or other event resulting in excess shares and prior to the discovery by Carnival Corporation 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 Carnival Corporation’s 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

- 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
- in the case of excess shares resulting from an event other than a purported transfer, the market price for the 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 Carnival Corporation’s board of directors, the trustee will transfer the excess shares held in trust to a person or persons, including Carnival Corporation, whose ownership of such excess shares will not violate the 4.9% limit or otherwise cause Carnival Corporation to become subject to U.S. shipping income tax within 180 days after the later of the transfer or other event that resulted in such excess shares or Carnival Corporation becomes 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:

- the price per share received by the trustee, and
- 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 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 Carnival Corporation’s option, to have acted as an agent on Carnival Corporation’s behalf in acquiring or holding such excess shares and to hold such excess shares on Carnival Corporation’s behalf.

Carnival Corporation will have the right to purchase any excess shares held by the trust for a period of 90 days from the later of:

- the date the transfer or other event resulting in excess shares has occurred, and
- 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 Carnival Corporation will be equal to the lesser of

- 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
- the lowest market price for the excess shares at any time after their designation as excess shares and prior to the date Carnival Corporation accepts such offer.

These provisions in Carnival Corporation's articles could have the effect of delaying, deferring or preventing a change in Carnival Corporation's control or other transaction in which Carnival Corporation 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 interest. To the extent that the proposed regulations are amended or finalized in a manner which, in the opinion of Carnival Corporation's board of directors, does not require these provisions in Carnival Corporation's articles to ensure that Carnival Corporation will maintain Carnival Corporation's income tax exemption for Carnival Corporation shipping income, Carnival Corporation's board of directors may determine, in its sole discretion, to terminate the 4.9% limit and the transfer restrictions of these provisions.

While both the mandatory offer protection and 4.9% protection remain in place, no third party other than the Arison family and certain trusts for their benefit will be able to acquire control of Carnival Corporation & plc.

DESCRIPTION OF TRUST SHARES

Generally

On April 17, 2003, Carnival Corporation completed the DLC transaction with Carnival plc. As part of the DLC transaction, Carnival plc issued a special voting share to Carnival Corporation, and Carnival Corporation transferred such share to the trustee of the P&O Princess Special Voting Trust, a trust established under the laws of the Cayman Islands. Trust shares of beneficial interest in the property subject to the P&O Princess Special Voting Trust were issued to Carnival Corporation. The trust shares represent a beneficial interest in the Carnival plc special voting share. Immediately following such issue, Carnival Corporation distributed such trust shares by way of a dividend to Carnival Corporation common stockholders. Under the Pairing Agreement, dated as of April 17, 2003, between Carnival Corporation, The Law Debenture Trust Corporation (Cayman) Limited, as trustee of the P&O Princess Special Voting Trust, and Computershare Investor Services (formerly SunTrust Bank), as transfer agent, the trust shares of beneficial interest in the P&O Princess Special Voting Trust are paired with, and evidenced by, certificates representing shares of the common stock on a one-for-one basis. In addition, under the Pairing Agreement, when a share of the common stock is issued to a recipient after the closing of the DLC transaction, a paired trust share will be issued at the same time initially to Carnival Corporation, which will immediately transfer such trust share to the same recipient, whereupon such trust share will be paired with the share of the common stock.

Since completion of the DLC transaction, shares of the common stock have traded together with the paired trust shares on the NYSE under the ticker symbol "CCL." The paired trust shares entitle Carnival Corporation shareholders to receive any distributions made by the P&O Princess Special Voting Trust. As the sole purpose of the P&O Princess Special Voting Trust relates to the holding of the Carnival plc special voting share, it is not expected to make any distributions.

The Carnival plc special voting share will be voted based upon the outcome of voting at the relevant parallel meeting of Carnival Corporation shareholders, based on the number of votes cast by Carnival Corporation shareholders voting their shares of the common stock. See "—Description of Carnival Corporation Capital Stock-Special Voting Share."

Pairing Agreement

Under the Pairing Agreement, which was entered into by Carnival Corporation, the trustee of the P&O Princess Special Voting Trust and a transfer agent at the closing of the DLC transaction:

- trust shares and shares of the common stock are not transferable unless the transferee acquires the same number of trust shares and shares of the common stock;
- Carnival Corporation and the transfer agent will not agree to any transfer of shares of the common stock unless the transferee agrees to acquire the corresponding trust shares;
- trust shares and shares of the common stock are not represented by separate certificates, but by one certificate of the common stock, which represents an equal number of shares of the common stock and trust shares;
- upon each issuance of additional shares of the common stock, including pursuant to the exercise of any existing option or convertible security, the trustee of the P&O Princess Special Voting Trust will issue an equal number of additional trust shares;
- if Carnival Corporation declares or pays any distribution consisting in whole or in part of shares of the common stock, or subdivide or combine shares of the common stock, then the trustee of the P&O Princess Special Voting Trust will effect corresponding adjustments to maintain the pairing relationship of one share of the common stock to each trust share;
- if Carnival Corporation otherwise reclassifies the shares of the common stock, then the trustee of the P&O Princess Special Voting Trust will effect such transactions as are necessary to maintain the pairing relationship of the securities into which one share of the common stock was so reclassified to each trust share; and

- if Carnival Corporation cancelled or retired any shares of the common stock, the trustee of the P&O Princess Special Voting Trust will cancel or retire the corresponding trust shares.

Voting Trust Deed

The voting trust deed of the P&O Princess Special Voting Trust governs the administration of the P&O Princess Special Voting Trust. The trust property consists of the Carnival plc special voting share, all payments or collections in respect of the Carnival plc special voting share and all other property from time to time deposited in the trust. The SVE Special Voting Deed provides that at every meeting of Carnival plc shareholders at which a resolution relating to a joint electorate action or a class rights action is to be considered, the trustee of the P&O Princess Special Voting Trust will be present by corporate representative or by proxy. The trustee has no discretion as to how the Carnival plc special voting share is to be voted at any Carnival plc shareholders' meeting. The trustee will vote the Carnival plc special voting share at any Carnival plc shareholders' meeting in accordance with the requirements of:

- the Carnival plc Articles of Association,
- the special voting deed entered into on April 17, 2003 by Carnival Corporation, Carnival plc, DLC SVC Limited, as holder of the Carnival Corporation special voting share, the trustee of the P&O Princess Special Voting Trust, as holder of the Carnival plc special voting share and The Law Debenture Trust Corporation p.l.c., as the legal and beneficial owner of DLC SVC Limited, and
- the DLC equalization principles, in effect, to reflect the outcome of votes at parallel meetings of Carnival Corporation shareholders for purposes of joint electorate actions and class rights actions.

Each trust share represents an equal, absolute, identical, undivided interest in the trust property. The trustee of the P&O Princess Special Voting Trust is authorized to issue an unlimited number of trust shares.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

JPMorgan Chase Bank, N.A. as depositary, registers and delivers Carnival plc's ADSs, evidenced by American Depositary Receipts, or ADRs. Each ADS represents one ordinary share (or a right to receive one ordinary share) deposited with JP Morgan London, as custodian for the depositary in the UK, as custodian for the depositary. The depositary's office at which the ADSs are administered is and the depositary's principal executive office is located at 383 Madison Avenue, Floor 11, New York, New York 10179. The deposited ordinary shares and any and all other ordinary shares, securities, property and cash received at any time by the depositary or the custodian are referred to as the deposited securities. A deposit agreement among Carnival plc, the depositary and holders of the ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. The following summary of the ADSs is based on, subject to, and qualified in its entirety by such deposit agreement.

Carnival plc's ADSs are listed on the New York Stock Exchange under the ticker symbol "CUK."

Voting

Whenever any distribution is being made upon any deposited securities or any meeting of holders of ordinary shares or other deposited securities is being held or whenever the depositary will find it necessary or convenient in connection with the giving of a notice or solicitation of a consent or any other matter, the depositary will fix a record date for the determination of the holders of ADRs who will be entitled to give instructions for the exercise of voting rights at any such meeting or receive such notice or solicitation or act in respect of such other matter. Only such holders at the close of business on such record date will be entitled to give such voting instructions, or to receive such notice or solicitation or to act in respect of any such other matter.

As soon as practicable after receipt of notice of any meeting or solicitation of consents or proxies of holders of ordinary shares or other deposited securities, the depositary will distribute to the holders a notice, which will contain (a) such information as is contained in such notice of meeting, (b) a statement that the holders at the close of business on a specified record date will be entitled, subject to any applicable provisions of law and applicable provisions of or governing the deposited securities, to instruct the depositary as to the exercise of the voting rights, if any, pertaining to the amount of deposited securities represented by the respective numbers of ADSs, and (c) a statement as to the manner in which such instructions may be given, including an express indication that instructions may be given to the depositary to give a discretionary proxy to a person designated by the Company. Upon the request of a holder on such record date, received on or before the date established by the depositary for such purpose, the depositary will endeavor, insofar as practicable and permitted under any applicable provisions of law and any applicable provisions of or governing the deposited securities, to vote or cause to be voted the amount of deposited securities represented by the number of ADSs in accordance with any nondiscretionary instructions set forth in such request. The depositary will not vote any deposited securities except in accordance with instructions from a holder entitled under the deposit agreement to give such instructions.

Dividends

Whenever the depositary or the custodian receives any cash dividend or other cash distribution on any deposited securities, the depositary or the custodian will, after any necessary conversion of such distribution into U.S. dollars and after fixing a record date in respect thereof distribute the amount thus received, by checks drawn on a bank in The City of New York, to the holders on such record date of ADSs representing such deposited securities, in proportion to the number of ADSs representing such deposited securities held by each of them respectively; provided that the depositary will make appropriate adjustments in the amounts so distributed in respect of (a) any of such deposited securities being not entitled, by reason of their date of issuance or otherwise, to receive all or any portion of such distribution or (b) any amounts (i) required to be withheld by Carnival plc, the custodian or the depositary from any such distribution on account of taxes, or (ii) charged by the depositary or withheld from distribution in connection with the conversion of foreign currency into U.S. dollars. The depositary will distribute only such amount as can be distributed without distributing to any holder a fraction of one cent, and any balance not

so distributable will be held by the depository (without liability for interest thereon) and will be added to and become part of the next sum received by the depository for distribution to holders of ADRs outstanding.

Notices

On or before the first date on which Carnival plc gives notice, by publication or otherwise, of any meeting of holders of ordinary shares or other deposited securities, or of any adjourned meeting of such holders, or of the taking of any action by such holders other than at a meeting, Carnival plc will transmit to the custodian a copy of the notice thereof in the form given or to be given to holders of ordinary shares or other deposited securities. The depository will, at Carnival plc's expense, arrange for the prompt transmittal by the custodian to the depository of such notices and of any reports and other communications that are made generally available by Carnival plc to holders of its ordinary shares or other deposited securities and arrange for the mailing, at Carnival plc's expense, of copies thereof to all holders or, at the request of Carnival plc, make such notices, reports and other communications available to all holders on a basis similar to that for holders of ordinary shares or other deposited securities, or on such other basis as Carnival plc may advise the depository may be required by any applicable law, regulation or stock exchange requirement. Carnival plc has delivered to the depository and the custodian a copy of the provisions of and governing the ordinary shares and any other deposited securities, and promptly upon any amendment thereto or change therein, Carnival plc will deliver to the depository and the custodian a copy of such provisions as so amended or changed. The depository will, at the expense of Carnival plc, make such copy and such notices, reports and other communications available for inspection by holders at the depository's office, at the office of the custodian and at any other designated transfer offices.

The Sale or Exercise of Rights

If Carnival plc will offer or cause to be offered to the holders of any deposited securities any rights to subscribe for additional ordinary shares or any rights of any nature, the depository will have discretion as to the procedure to be followed in making such rights available to the holders or in disposing of such rights and distributing the net proceeds thereof as in the case of a distribution received in cash; provided that the depository will, if requested by Carnival plc: (a) if at the time of the offering of any such rights the depository determines that it is lawful and feasible to make such rights available to holders by means of warrants or otherwise, the depository will distribute such warrants or other instruments therefor in such form as it may determine to the holders on a record date of the ADRs, in proportion to the number of ADSs representing such deposited securities held by each of them respectively, or employ such other method as it may deem feasible in order to facilitate the exercise, sale or transfer of rights by such holders; or (b) if at the time of any such offering of any such rights the depository determines that it is not lawful or not feasible to make such rights available to holders by means of warrants or otherwise, or if the rights represented by such warrants or such other instruments are not exercised and appear to be about to lapse, the depository in its discretion may sell such rights or such warrants or other instruments at public or private sale, at such place or places and upon such terms as it may deem proper, and may allocate the proceeds of such sales for account of the holders otherwise entitled to such rights, warrants or other instruments upon an averaged or other practicable basis without regard to any distinctions among such holders because of exchange restrictions, or the date of delivery of any ADR or ADRs or otherwise, and distribute the net proceeds so allocated to the extent practicable as in the case of a distribution received in cash. The depository will not offer such rights to holders having an address in the U.S, unless Carnival plc furnishes to the depository (i) evidence that a registration statement under the Securities Act of 1933 covering such offering is in effect or (ii) an opinion of counsel for Carnival plc in the U.S. satisfactory to the depository to the effect that such offering does not require registration under the Securities Act of 1933.

Deposit or Sale of Deposited Securities

Upon any change in par value, split-up, consolidation, cancellation or any other reclassification of deposited securities, or upon any recapitalization, reorganization, merger or consolidation or sale of assets affecting Carnival plc or to which it is a party, any securities that will be received by the depository in exchange for, or in conversion, replacement, or otherwise in respect of, deposited securities will be treated as deposited securities, and the ADRs will thenceforth evidence ADSs representing the right to receive the deposited securities so received to the extent

additional ADRs are not delivered. In any such case the depositary may with Carnival plc's approval, and will if Carnival plc will so request, execute and deliver additional ADRs as in the case of a dividend of ordinary shares, or call for the surrender of outstanding ADRs to be exchanged for new ADRs specifically describing such newly received deposited securities.

Amendment and Termination

The form of the ADRs and any provisions of the deposit agreement may at any time and from time to time be amended by agreement between Carnival plc and the depositary in any respect that they may deem necessary or desirable. Any amendment that will impose or increase certain fees or charges or that will otherwise prejudice any substantial existing right of holders, will not, however, become effective as to outstanding ADRs until the expiration of three months after notice of such amendment will have been given to the holders. Every holder at the expiration of three months after such notice will be deemed by holding such ADR to consent and agree to such amendment and to be bound by the deposit agreement or the ADRs as amended thereby. In no event will any amendment impair the right of the holder of any ADR to surrender such ADR, and receive therefor the deposited securities represented thereby, except in order to comply with mandatory provisions of applicable law.

The depositary will at any time at the direction of Carnival plc terminate the deposit agreement by giving notice of such termination to the holders at least 30 days prior to the date fixed in such notice for such termination. The depositary may terminate the deposit agreement, upon the notice set forth in the deposit agreement, at any time after 90 days after the depositary will have delivered to Carnival plc its written resignation if, at the end of such 90 days, a successor depositary will not have been appointed and accepted its appointment as provided in the deposit agreement. After the date so fixed for termination, the depositary and its agents will perform no further acts under the deposit agreement, except to advise holders of such termination, to receive and hold distributions on deposited securities (or convert them into cash as provided in this deposit agreement), and to deliver deposited securities in exchange for ADRs surrendered to the depositary. As soon as practicable after the expiration of six months from the date so fixed for termination, the depositary will sell the deposited securities and may thereafter (so long as it may lawfully do so) hold the net proceeds of any such sale, together with any other cash then held by it hereunder, without liability for interest, for the pro rata benefit of the holders of ADRs that have not theretofore been surrendered. After making such sale, the depositary will be discharged from all obligations in respect of the ADRs and the deposit agreement, except to account for such net proceeds and other cash. After the date so fixed for termination, Carnival plc will be discharged from all obligations under this Deposit Agreement except for its obligations to the depositary and its agents under the deposit agreement.

Rights of Holders of ADRs to Inspect the Transfer Books of the Depositary

The depositary will keep a receipt register at the depositary's office for the registration of ADRs and transfers of ADRs that at all reasonable times will be open for inspection by the holders. The depositary may close the receipt register at any time or from time to time, when deemed expedient by it in connection with the performance of its duties.

Restrictions upon the Right to Deposit or Withdraw Deposited Securities

As a condition precedent to the execution and delivery, registration, registration of transfer, split-up or combination of any ADR or the withdrawal of any deposited securities, the depositary, Carnival plc or the custodian may require of the presenter of the ADR or the depositor of ordinary shares; (a) payment of a sum sufficient to pay or reimburse it for payment of (i) any stock transfer or other tax or other governmental charge with respect thereto, (ii) any stock transfer or registration fees for the registration of transfers of ordinary shares or other deposited securities upon any applicable register and (iii) any charges of the depositary upon delivery of ADRs against deposits of ordinary shares and upon withdrawal of deposited securities against surrender of ADRs (b) the production of proof satisfactory identity and genuineness of any signature and as to any other matter contemplated by the deposit agreement; and, (c) compliance with such reasonable regulations, if any, as the depositary may establish. The delivery of ADRs against deposits of ordinary shares generally may be suspended, or deposits of particular ordinary shares may be refused, or the registration of transfer of ADRs or the withdrawal of deposited securities generally may be suspended, or the

registration of transfer of ADRs or the withdrawal of deposited securities in particular instances may be refused, during any period when the ADR register or any register for ordinary shares, or other deposited securities is closed, or when any such action is deemed necessary or advisable by the depositary or Carnival plc at any time or from time to time for any reason, including without limitation any requirement of law or of any government or governmental body or commission, or under any provision of the deposit agreement, or in connection with voting at any meeting of Shareholders or the payment of dividends.

The depositary may issue ADRs against rights to receive ordinary shares from Carnival plc, or any custodian, or any registrar, transfer agent, clearing agency or other entity recording ordinary share ownership or transactions. The depositary may issue ADRs against other rights to receive ordinary shares (a “pre-release”) only if (x) such ADRs are fully collateralized (marked to market daily) with cash or U.S. government securities until such ordinary shares are deposited, (y) the applicant for such ADRs represents in writing that it owns such ordinary shares, has assigned all beneficial right, title and interest in such ordinary shares to the depositary, holds such ordinary shares for the account of the depositary, will not dispose of such ordinary shares other than in satisfaction of the pre-release and will deliver such ordinary shares to the custodian within five business days of demand therefor (no evidence of ownership is required or time of delivery specified) and (z) all such ADRs represent not more than 30% of all ADSs (excluding those evidenced by pre-released ADRs), provided, however, that the depositary reserves the right to change or disregard such limit from time to time as it deems appropriate. Such collateral, but not the earnings thereon, will be held for the benefit of the holders. The depositary may retain for its own account any compensation for the issuance of ADRs against such other rights to receive ordinary shares, including without limitation earnings on the collateral securing such rights.

Limitation upon the Liability of the Depositary

Neither the depositary nor its agents will incur any liability if, by reason of any present or future law, applicable provision of or governing any deposited security, act of God, war or other circumstance beyond its control, the depositary or its agents will be prevented or forbidden from, or subjected to any civil or criminal penalty on account of, or delayed in, doing or performing any act or thing which is provided will be done or performed. Each of the depositary and its agents assumes no obligation and will be subject to no liability to holders or other persons, except to perform such obligations as are specifically set forth and undertaken by it to perform in the deposit agreement without gross negligence or bad faith. Neither the depositary nor its agents will be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or ADRs that in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense and liability be furnished as often as may be required. Neither the depositary nor its agents will be liable for any action or inaction by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting ordinary shares for deposit, any holder, or any other person believed by it to be competent to give such advice or information. The depositary and its agents may rely and will be protected in acting upon any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. The depositary and its agents will not be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any such vote is cast or the effect of any such vote.

Fees and Expenses

Service	Rate	By Whom Paid
Delivery of ADRs against deposits of ordinary shares	\$0.05 per ADS	Person to whom ADRs are delivered
Withdrawal of ordinary shares against surrender of ADRs	\$0.05 per ADS	Person surrendering ADRs

Carnival plc will pay all other charges of the depositary and those of any ADR registrar, co-transfer agent, co-registrar and any other agent of the depositary (except the custodian), plus reasonable expenses such as printing, translation, stationery, postage, insurance, cables, etc., incurred by the depositary or any such person in the exercise

of its duties and obligations, in accordance with agreements in writing entered into between the depositary and Carnival plc from time to time, except (a) stock transfer or other taxes and other governmental charges, and cable, telex, facsimile transmission and delivery charges, which are payable by persons depositing ordinary shares or holders, (b) transfer or registration fees for the registration of transfers of deposited ordinary shares and other deposited securities on any applicable register in the name of the custodian or its nominee or in connection with the withdrawal of deposited securities (which are payable by persons depositing ordinary shares or withdrawing deposited securities) and (c) charges of the depositary in connection with the conversion of foreign currency into U.S. dollars (which are reimbursable out of such foreign currency).

#30031259v1 – Exhibit – Description of Securities Registered (Equity Securities)

DESCRIPTION OF THE CARNIVAL CORPORATION 1.625% SENIOR NOTES DUE 2021

The following description of our 1.625% Notes due 2021, issued by Carnival Corporation and guaranteed by Carnival plc (the “notes”), is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the indenture, dated as of November 6, 2015 (the “Base Indenture”), between Carnival Corporation (“we” or the “Company”), Carnival Plc and U.S. Bank, National Association, as trustee (the “Trustee”), as supplemented by the second supplemental indenture, dated as of February 22, 2016 (the Base Indenture as supplemented by the second supplemental indenture, the “Indenture”), which is incorporated by reference as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.13 is a part.

We encourage you to read the above referenced Indenture for additional information.

General

The following is a description of certain of the specific terms and conditions of the Indenture.

The notes were initially issued in an €500,000,000 aggregate principal amount. We may from time to time, without the consent of the existing holders of the notes, create and issue further notes having the same terms and conditions as the notes in all respects, except for the original issue date, issue price and the first interest payment date. Additional notes issued in this manner will be consolidated with, and form a single series with, the previously outstanding notes. As of December 31, 2019, no such additional notes have been issued. As of December 31, 2019, €500,000,000 million aggregate principal amount of notes were outstanding. The maturity date of the notes is February 22, 2021.

The notes are represented by a fully registered global note. The global note was deposited with, or on behalf of, a common depositary, and registered in the name of the nominee of the common depositary for the accounts of Clearstream and Euroclear. The notes have been issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The notes are senior unsecured obligations and, as guaranteed, rank equally with all of the unsecured and unsubordinated indebtedness of the Company and Carnival plc, effectively junior to all of the secured indebtedness of the company and Carnival plc, to the extent of the assets securing that indebtedness, and effectively junior to all indebtedness of the subsidiaries of the Company and Carnival plc.

The notes are registered under Section 12 of the Securities Exchange Act, as amended (the “Exchange Act”) and are traded on the New York Stock Exchange under the trading symbol CCL21.

Interest and Principal

The notes bear interest at 1.625% per annum. Interest on the notes in arrears is paid on February 22 of each year (each, an “Interest Payment Date”). The notes bear interest from the immediately preceding interest payment date to which interest has been paid. Interest on an Interest Payment Date is paid to the persons, or “holders,” in whose names the notes are registered on the security register at the close of business on the regular record date. The regular record date for the notes will be the fifteenth calendar day, whether or not a Business Day, immediately preceding the Interest Payment Date. Interest on the notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the notes, to but excluding the next scheduled Interest Payment Date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any Interest Payment Date, the maturity dates for the notes or earlier date of redemption or repurchase for the notes falls on a day that is not a Business Day, the required payment will be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such Interest Payment Date, maturity date or date of redemption or repurchase, as the case may be.

For purposes of the notes, “Business Day” means any day other than a Saturday or Sunday, (1) which is not a day on which banking institutions in The City of New York or London are authorized or required by law, regulation or executive order to close and (2) on which the Trans-European Automated Real Time Gross Settlement Express Transfer System (i.e., the Target2 System), or any successor thereto, is open.

All payments of interest and principal, including payments made upon any redemption or repurchase of the notes, are payable in euro. If, the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euro will be converted into U.S. dollars on the basis of the most recently available market exchange rate for euro. Any payment in respect of the notes so made in U.S. dollars will not constitute an Event of Default (as defined below) under the notes or the Indenture. Neither the Trustee nor the Paying Agent (as defined below) for the notes shall have any responsibility for any calculation or conversion in connection with the foregoing.

Optional Redemption

We may, at our option, redeem the notes as a whole at any time or in part from time to time on at least 30 days, but not more than 60 days, prior notice mailed to each holder of the notes to be redeemed, at a redemption price equal to the greater of:

- 100% of the principal amount of the securities to be redeemed, and
- the sum of the present values of the Remaining Scheduled Payments (as defined below), discounted to the redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below) plus 30 basis points;

plus, in each case, accrued interest to the date of redemption that has not been paid.

Any redemption or notice of any redemption may, at our discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an equity offering or Change of Control, issuance of indebtedness or other transaction or event. Notice of any redemption in respect thereof will be given prior to the completion thereof and may be partial as a result of only some of the conditions being satisfied. We may provide in such notice that payment of the redemption price and the performance of our obligations with respect to such redemption may be performed by another person.

On and after the redemption date, interest will cease to accrue on the notes or any portion thereof called for redemption, unless we default in the payment of the redemption price and accrued and unpaid interest. On or before the redemption date, we shall deposit with a paying agent, or the Trustee, money sufficient to pay the redemption price of and accrued interest on the notes to be redeemed on such date. If we elect to redeem less than all of the notes, then the Trustee will select the notes to be redeemed in a manner it deems appropriate and fair.

“*Comparable Government Bond*” means, in relation to any Comparable Government Bond Rate (as defined below) calculation, at the discretion of an independent investment bank selected by us, a German Bundesanleihe bond whose maturity is closest to the maturity of the notes to be redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German Bundesanleihe bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German Bundesanleihe bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

“*Comparable Government Bond Rate*” means, with respect to any redemption date, the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes to be redeemed, if they were to be purchased at such price on the third Business Day prior to the date fixed for redemption, would be equal to the gross redemption yield on such Business Day of the Comparable Government Bond on the basis of the

middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such Business Day as determined by an independent investment bank selected by us.

“*Remaining Scheduled Payments*” means, with respect to each note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related redemption date but for such redemption; *provided, however*, that, if such redemption date is not an Interest Payment Date with respect to such note, the amount of the next succeeding scheduled interest payment thereon will be deemed to be reduced by the amount of interest accrued thereon to such redemption date.

We may redeem the notes in whole, but not in part, upon the occurrence of specified tax events. See “**Redemption of Notes under Certain Circumstances**”

Change of Control

If a Change of Control Triggering Event (as defined below) occurs, unless we have exercised our right to redeem the notes as described above, holders of notes will have the right to require us to repurchase all or any part equal to €100,000 or an integral multiple of €1,000 in excess thereof of the notes pursuant to the offer described below (the “Change of Control Offer”). In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to the date of purchase (the “Change of Control Payment”).

Within 30 days following any Change of Control Triggering Event, we will be required to mail a notice to holders of notes describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the “Change of Control Payment Date”), pursuant to the procedures described in such notice. If mailed prior to the date of consummation of the Change of Control, the notice will state that the Change of Control Offer is conditioned on the consummation of the Change of Control on or prior to the Change of Control Payment Date, *provided* that a Change of Control Offer may only be made in advance of a Change of Control Triggering Event and be conditional on such Change of Control Triggering Event if a definitive agreement is in place for the Change of Control Triggering Event at the time such conditional Change of Control Offer is made. We must comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the notes, we will be required to comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control provisions of the notes by virtue of such conflicts.

On the Change of Control Payment Date, we will be required to:

- accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;
- deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and
- deliver or cause to be delivered to the Trustee the notes properly accepted together with an officers’ certificate stating the aggregate principal amount of notes or portions of notes being purchased.

We will not be required to make a Change of Control Offer if (i) a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements that we would have been required to meet had we made such an offer, and (ii) such third party purchases all notes properly tendered and not withdrawn under its offer. In addition, we will not repurchase any notes if there has occurred and is continuing on the Change of Control Payment Date an Event of Default (as defined below under “Events of Default”) under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

For purposes of the foregoing discussion of a repurchase at the option of holders of notes, the following definitions are applicable:

“Change of Control” means any “person” or “group” (as such terms are used for the purposes of Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders (each, a “Relevant Person”) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly of such capital stock of the Company and Carnival plc, in each case as is entitled to exercise or direct the exercise of more than 50 percent of the rights to vote to elect members of the boards of directors of each of the Company and Carnival plc; *provided* (i) such event shall not be deemed a Change of Control so long as one or more of the Permitted Holders have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the boards of directors of the Company or Carnival plc, (ii) for the avoidance of doubt, no Change of Control shall occur solely as a result of either (or any subsidiary thereof) or Carnival plc (or any subsidiary thereof) acquiring or owning, at any time, any or all of the capital stock of each other, and (iii) no Change of Control shall be deemed to occur if all or substantially all of the holders of the capital stock of the Relevant Person immediately after the event which would otherwise have constituted a Change of Control were the holders of the capital stock of the Company and/or Carnival plc with the same (or substantially the same) pro rata economic interests in the share capital of the Relevant Person as such shareholders had in the Capital Stock of the Company and/or Carnival plc, respectively, immediately prior to such event. Any direct or indirect intermediate holding company whose only asset is the Company or Carnival plc stock shall be deemed not to be a “Relevant Person.”

“Change of Control Period” means, in respect of any Change of Control, the period commencing on the Relevant Announcement Date in respect of such Change of Control and ending 60 days after the occurrence of such Change of Control.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Rating Downgrade.

“Permitted Holder” means (i) each of Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses, the children or lineal descendants of Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses, any trust established for the benefit of (or any charitable trust or non-profit entity established by) any Arison family member mentioned in this clause (i), or any trustee, protector or similar person of such trust or non-profit entity 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 Permitted Holder mentioned in this clause (i), and (ii) any “group” (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) the members of which include any of the Permitted Holders specified in clause (i) above, and that (directly or indirectly) hold or acquire beneficial ownership of capital stock of the Company and/or Carnival plc (a “Permitted Holder Group”), *provided* that in the case of this clause (ii), the Permitted Holders specified in clause (i) collectively, directly or indirectly, beneficially own more than 50% on a fully diluted basis of the capital stock of the Company and Carnival plc held by such Permitted Holder Group. Any one or more persons or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the terms of the notes will thereafter, together with its (or their) affiliates, constitute an additional Permitted Holder or Permitted Holders, as applicable.

“Rating Agencies” means each of Moody’s Investors Service, Inc. and Standard & Poor’s Rating Service, a division of The McGraw-Hill Corporation, or any of their respective successors or any national rating agency substituted for either of them as selected by the Company.

“Rating Downgrade” means, in respect of any Change of Control, that the notes are, within the Change of Control Period in respect of such Change of Control, downgraded by both of the Rating Agencies to a non-investment grade credit rating (Ba1/BB+, or equivalent, or lower) and are not, within such Change of Control Period subsequently upgraded to an investment grade rating (Baa3/BBB-, or equivalent, or better) by both of the Rating Agencies.

“Relevant Announcement Date” means, in respect of any Change of Control, the date which is the earlier of (A) the date of the first public announcement of such Change of Control and (B) the date of the earliest Relevant Potential Change of Control Announcement, if any, in respect of such Change of Control.

“*Relevant Potential Change of Control Announcement*” means, in respect of any Change of Control, any public announcement or statement by the Company or Carnival plc or any actual or potential bidder or any advisor acting on behalf of any actual or potential bidder of any action or actions which could give rise to such Change of Control, provided that within 180 days following such announcement or statement such Change of Control shall have occurred.

Payment of Additional Amounts

We have agreed that any amounts payable on the notes will be paid without deduction or withholding for any and all present and future taxes, levies, imposts or other governmental charges imposed, assessed, levied or collected by or for the account of (i)(x) the Republic of Panama or any political subdivision or taxing authority thereof or (y) the jurisdiction of incorporation (other than the U.S. or any political subdivision or taxing authority thereof) of a successor entity to us, to the extent that such taxes, levies, imposts or other governmental charges first become applicable as a result of such successor entity becoming the obligor on the notes, or (ii) any other jurisdiction (other than the U.S. or any political subdivision or taxing authority thereof) from or through which any amount is paid by us with respect to the notes or where we are resident or maintain a place of business or permanent establishment (each jurisdiction described in clauses (i) and (ii) above is referred to herein as a “Taxing Jurisdiction” and such taxes, levies imposts or other governmental charges are referred to as “Taxes”), unless the withholding or deduction of such Tax is compelled by laws of the Republic of Panama or any other applicable Taxing Jurisdiction. If any deduction or withholding of any Taxes (other than Excluded Taxes, as defined below) is ever required by the Republic of Panama or any other Taxing Jurisdiction, we will (if the holders or beneficial owners of the relevant notes comply with any applicable administrative requirements) pay any additional amounts (“Additional Amounts”) required to make the net amounts paid to each holder of the notes or the Trustee pursuant to the terms of the Indenture or the notes after such deduction or withholding equal to the amounts then due and payable under the terms of the Indenture or the notes. However, we will not be required to pay Additional Amounts in respect of the following Taxes (“Excluded Taxes”):

- any present or future Taxes imposed, assessed, levied or collected as a result of the holder or beneficial owner of the relevant note (i) being organized under the laws of, or otherwise being or having been a domiciliary, national or resident of, (ii) being engaged or having been engaged in a trade or business in, (iii) having or having had its principal office located in, (iv) maintaining or having maintained a permanent establishment in, (v) being or having been physically present in, or (vi) otherwise having or having had some connection (other than the connection arising from holding or owning a note, or collecting principal and interest, if any, on, or the enforcement of, a note) with the Republic of Panama or any other applicable Taxing Jurisdiction;
- any present or future Taxes which would not have been so imposed, assessed, levied or collected but for the fact that, where presentation is required, the relevant note was presented more than thirty days after the date the payment became due or was provided for, whichever is later;
- any present or future Taxes imposed under Sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, or any present or future Taxes imposed under comparable provisions of non-United States tax law;
- any present or future Taxes which would not have been so imposed, assessed, levied or collected but for the failure to comply with any certification, identification or other report concerning the nationality, residence, identity or connection with the Republic of Panama or any other applicable Taxing Jurisdiction of the holder or beneficial owner of the relevant note, or claim for relief or exemption, if making such a certification, identification, other report or claim is, under the laws, rules or regulations of any such jurisdiction, a condition to relief or exemption from Taxes;
- any estate, inheritance, gift, sale, transfer, personal property or similar Tax or duty; or
- any combination of the foregoing;

provided further, that no such Additional Amounts will be payable in respect of any note held by (x) any holder or beneficial owner that is not the sole beneficial owner of such note, or that is a fiduciary, partnership, limited liability company or other fiscally transparent entity, but only to the extent that a beneficiary or settlor with respect to the fiduciary or a beneficial owner, partner or member of the partnership, limited liability company or other fiscally transparent entity, would not have been entitled to such Additional Amounts had the beneficiary, settlor, beneficial owner, partner or member been the direct holder of such note, (y) any holder that is not a resident of the United States to the extent that, had such holder been a resident of the United States and eligible for the benefit of any double taxation treaty between the United States and the applicable Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the notes, such holder would not have been entitled to such Additional Amounts, or (z) any holder that is a resident of the United States but that is not eligible for the benefit of any double taxation treaty between the United States and the applicable Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the notes (but only to the extent the amount of such deduction or withholding exceeds that which would have been required had such holder of a note been so eligible and made all relevant claims).

We or any successor to us, as the case may be, will indemnify and hold harmless each holder of the notes and upon written request reimburse each holder for the amount of:

- any Taxes levied or imposed and paid by the holder of the notes (other than Excluded Taxes) as a result of payments made with respect to the notes;
- any liability (including penalties, interest and expenses) arising therefrom with respect to the notes; and
- any Taxes (other than Excluded Taxes) with respect to payment of Additional Amounts or any reimbursement pursuant to this list;

in each case, to the extent not otherwise reimbursed by the payment of any Additional Amount and not excluded from the requirement to pay Additional Amounts, as described above.

We or our successor, as the case may be, will also:

- make such withholding or deduction, to the extent required by applicable law; and
- remit the full amount deducted or withheld, to the relevant authority in accordance with applicable law.

We or any successor to us, as the case may be, will furnish the Trustee within 30 days after the date the payment of any Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing the payment by us or any successor to us, as the case may be, or other evidence of such payment reasonably satisfactory to the Trustee.

At least 30 days prior to each date on which any payment under or with respect to the notes is due and payable, if we will be obligated to pay Additional Amounts with respect to those payments, we will deliver to the Trustee an officers' certificate stating that such Additional Amounts will be payable, stating the amounts that will be payable, and setting forth any other information necessary to enable the Trustee to pay the Additional Amounts to holders of the notes on the payment date.

Each holder of a note, by acceptance of such note, agrees that, with reasonable promptness after receiving our written notice to the effect that such holder is eligible for a refund in respect of Taxes actually paid by us under the terms of the note or the Indenture, such holder will sign and deliver to us, as reasonably directed by us, any form we provide to such holder to enable such holder to obtain a refund in respect of such Taxes; and if such holder thereafter receives such refund in respect of such Taxes, such holder will promptly pay such refund to us (together with interest, if any, received by such holder from the relevant taxing authority). If a holder applies for a refund of such Taxes prior to our request to apply for such a refund, the holder will, upon receipt of our request to apply for, or to turn over the proceeds of, any such refund, pay any such refund to us (together with interest, if any, received by such holder from the relevant taxing authority), promptly upon receipt of such refund. We will pay all reasonable out-of-pocket expenses incurred by a holder in connection with obtaining such refund.

Guarantor Additional Amounts

Carnival plc, the Guarantor of our notes, has agreed to make, with respect to the Indenture and the notes, all such payments to be paid without deduction or withholding for any and all present and future taxes, levies, imposts or other governmental charges whatsoever imposed, assessed, levied or collected by or for the account of (i)(x) the United Kingdom or any political subdivision or taxing authority thereof or (y) the jurisdiction of tax residence (other than the United States or any political subdivision or taxing authority thereof) of a successor entity to Carnival plc, to the extent that such taxes, levies, imposts or other governmental charges first become applicable as a result of such successor entity becoming the obligor on the Guarantees, as applicable, or (ii) any other jurisdiction (other than the United States or any political subdivision or taxing authority thereof) from or through which any amount is paid by Carnival plc under the Indenture or where it is resident or maintains a place of business or permanent establishment (each jurisdiction described in clauses (i) and (ii) above is referred to herein as a “Guarantor Taxing Jurisdiction” and such taxes, levies, imposts or other governmental charges are referred to as “Guarantor Jurisdiction Taxes”), unless the withholding or deduction of such Guarantor Jurisdiction Tax is compelled by laws of the United Kingdom, or any other applicable Guarantor Taxing Jurisdiction. If any deduction or withholding of any Guarantor Jurisdiction Taxes (other than Guarantor Excluded Taxes, as defined below) is ever required by the United Kingdom or any other Guarantor Taxing Jurisdiction, Carnival plc will (if the holders or beneficial owners of the relevant notes comply with any applicable administrative requirements) pay such additional amounts (“Guarantor Additional Amounts”) required to make the net amounts paid to each holder of notes or the Trustee pursuant to the terms of the Indenture or the notes after such deduction or withholding equal to the amounts then due and payable under the terms of the Indenture or the note. However, the Guarantor shall not be required to pay Guarantor Additional Amounts in respect of the following Taxes (“Guarantor Excluded Taxes”):

- any present or future Guarantor Jurisdiction Taxes imposed, assessed, levied or collected as a result of the holder or beneficial owner of the relevant note (i) being organized under the laws of, or otherwise being or having been a domiciliary, national or resident of, (ii) being engaged or having been engaged in a trade or business in, (iii) having or having had its principal office located in, (iv) maintaining or having maintained a permanent establishment in, (v) being or having been physically present in, or (vi) otherwise having or having had some connection (other than the connection arising from holding or owning the relevant note, or collecting principal and interest, if any, on, or the enforcement of, such note) with the United Kingdom or any other applicable Guarantor Taxing Jurisdiction;
- any present or future Guarantor Jurisdiction Taxes which would not have been so imposed, assessed, levied or collected but for the fact that, where presentation is required, the relevant note was presented more than thirty days after the date the payment became due or was provided for, whichever is later;
- any present or future Guarantor Jurisdiction Taxes imposed under Sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, or any present or future Guarantor Jurisdiction Taxes imposed under comparable provisions of non-United States tax law;
- any present or future Guarantor Jurisdiction Taxes which would not have been so imposed, assessed, levied or collected but for the failure to comply with any certification, identification or other report concerning the nationality, residence, identity or connection with the United Kingdom or any other applicable Guarantor Taxing Jurisdiction of the holder or beneficial owner of the relevant note or claim for relief or exemption, if making such a certification, identification, other report or claim is, under the laws, rules or regulations of any such jurisdiction, a condition to relief or exemption from Guarantor Jurisdiction Taxes;
- any estate, inheritance, gift, sale, transfer, personal property or similar Guarantor Jurisdiction Tax or duty; or
- any combination of the foregoing;

provided further, that no such Guarantor Additional Amounts shall be payable in respect of any note held by (x) any holder or beneficial owner that is not the sole beneficial owner of such note, or that is a fiduciary, partnership, limited liability company or other fiscally transparent entity, but only to the extent that a beneficiary or settlor with respect to the fiduciary or a beneficial owner, partner or member of the partnership, limited liability company or other fiscally transparent entity, would not have been entitled to such Guarantor Additional Amounts had the beneficiary, settlor, beneficial owner, partner or member been the direct holder of such note, (y) any holder that is not a resident of the United States to the extent that, had such holder been a resident of the United States and eligible for the benefit of any double taxation treaty between the United States, and the applicable Guarantor Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the note, such holder would not have been entitled to such Guarantor Additional Amounts, or (z) any holder that is a resident of the United States but that is not eligible for the benefit of any double taxation treaty between the United States and the applicable Guarantor Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the note (but only to the extent the amount of such deduction or withholding exceeds that which would have been required had such holder of a note been so eligible and made all relevant claims).

Carnival plc or any successor to it, as the case may be, will indemnify and hold harmless each holder of the notes and upon written request reimburse each holder for the amount of:

- any Guarantor Jurisdiction Taxes levied or imposed and paid by such holder of notes (other than Guarantor Excluded Taxes) as a result of payments made with respect to such note;
- any liability (including penalties, interest and expenses) arising therefrom with respect thereto; and
- any Guarantor Jurisdiction Taxes (other than Guarantor Excluded Taxes) with respect to payment of Guarantor Additional Amounts or any reimbursement pursuant to this list;

in each case, to the extent not otherwise reimbursed by the payment of any Guarantor Additional Amount and not excluded from the requirement to pay Guarantor Additional Amounts, as described above.

Carnival plc or its successor, as the case may be, will also:

- make such withholding or deduction to the extent required by applicable law; and
- remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

Carnival plc or any successor to it, as the case may be, will furnish the Trustee within 30 days after the date the payment of any such Guarantor Jurisdiction Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing the payment by Carnival plc or any successor to it, as the case may be, or other evidence of such payment reasonably satisfactory to the Trustee.

At least 30 days prior to each date on which any payment under or with respect to the notes is due and payable by Carnival plc under the Guarantees, if Carnival plc will be obligated to pay Guarantor Additional Amounts with respect to those payments, Carnival plc will deliver to the Trustee an officers' certificate stating that Guarantor Additional Amounts will be payable, stating the amounts that will be payable, and setting forth any other information necessary to enable the Trustee to pay the Guarantor Additional Amounts to holders of the notes on the payment date.

Each holder of a note, by acceptance of such note, agrees that, with reasonable promptness after receiving written notice from Carnival plc to the effect that such holder is eligible for a refund in respect of Guarantor Jurisdiction Taxes actually paid by Carnival plc, such holder will sign and deliver, as reasonably directed by Carnival plc, any form provided to such by Carnival plc to enable such holder to obtain a refund in respect of such Guarantor Jurisdiction Taxes; and if such holder thereafter receives such refund in respect of such Guarantor Jurisdiction Taxes, such holder will promptly pay such refund to Carnival plc (together with interest, if any, received by such holder from the relevant taxing authority). If a holder applies for a refund of such Guarantor Jurisdiction Taxes prior to a request by Carnival plc to apply for such a refund, the holder will, upon receipt of a request by Carnival plc to apply for, or to turn over the proceeds of, any such refund, pay any such refund to

Carnival plc (together with interest, if any, received by such holder from the relevant taxing authority), promptly upon receipt of such refund. Carnival plc shall pay all reasonable out-of-pocket expenses incurred by a holder in connection with obtaining such refund.

Redemption of Notes under Certain Circumstances

If as the result of any change in or any amendment to the laws, including any regulations and any applicable double taxation treaty or convention, of the Republic of Panama (or the jurisdiction of incorporation (other than the U.S) of a successor entity to us), or of any of its political subdivisions or taxing authorities affecting taxation, or any change in an application or interpretation of those laws, which change, amendment, application or interpretation becomes effective on or after the original issuance date of the notes (or, in certain circumstances, the later date on which an entity becomes a successor entity to us), we determine based upon an opinion of independent counsel of recognized standing that:

- we would be required to pay Additional Amounts on the next succeeding date for the payment thereof (and such obligation could not be avoided by us taking reasonable measures available to us), or
- any taxes would be imposed (whether by way of deduction, withholding or otherwise) by the Republic of Panama (or the jurisdiction of incorporation (other than the U.S.) of a successor entity to us) or by any of its political subdivisions or taxing authorities, upon or with respect to any principal, premium, if any, interest, if any, or sinking fund or analogous payments, if any,

then we may, at our option, on giving not less than 30 nor more than 60 days' irrevocable notice, redeem the notes in whole, but not in part, at any time at a redemption price equal to 100% of the principal amount plus accrued interest to the date fixed for redemption. No such notice of redemption may be given more than 90 days prior to the earliest date on which we would be obligated to pay the Additional Amounts or the tax would be imposed, as the case may be. Also, at the time that such notice of redemption is given, the obligation to pay Additional Amounts or tax, as the case may be, must be in effect.

In addition, if as the result of any change in or any amendment to the laws, including any regulations and any applicable double taxation treaty or convention, of the United Kingdom (or the jurisdiction of tax residence (other than the U.S) of a successor entity to Carnival plc), or of any of its political subdivisions or taxing authorities affecting taxation, or any change in an application or interpretation of those laws, which change, amendment, application or interpretation becomes effective on or after the original issuance date of the notes (or, in certain circumstances, the later date on which an entity becomes a successor entity to Carnival plc), we determine based upon an opinion of independent counsel of recognized standing that:

- Carnival plc would be required to pay Guarantor Additional Amounts on the next succeeding date for the payment thereof (and such obligation could not be avoided by it taking reasonable measures available to it), or
- any taxes would be imposed (whether by way of deduction, withholding or otherwise) by the United Kingdom (or the jurisdiction of tax residence (other than the U.S.) of a successor entity to Carnival plc) or by any of its political subdivisions or taxing authorities, upon or with respect to any principal, premium, if any, interest, if any, or sinking fund or analogous payments, if any

then we may, at our option, on giving not less than 30 nor more than 60 days' irrevocable notice, redeem the notes in whole, but not in part, at any time at a redemption price equal to 100% of the principal amount plus accrued interest to the date fixed for redemption. No such notice of redemption may be given more than 90 days prior to the earliest date on which Carnival plc would be obligated to pay the Guarantor Additional Amounts or the tax would be imposed, as the case may be. Also, at the time that such notice of redemption is given, the obligation to pay the Guarantor Additional Amounts or tax, as the case may be, must be in effect.

Limitation on Liens

Neither the Company nor Carnival plc will create or incur, or suffer to be created or incurred or come to exist any Security Interest in respect of Indebtedness For Borrowed Money on any vessel or other of its respective properties or assets of any kind, real or personal, tangible or intangible, included in the consolidated balance sheet of the Carnival Corporation & plc Group in accordance with GAAP, nor shall the Company permit any member of the Carnival Corporation & plc Group to do any of the foregoing, unless we make or cause to be made effective provisions whereby either (x) the notes will be secured by a Security Interest on such vessels, properties or assets equally and ratably with (or prior to) all other Indebtedness For Borrowed Money thereby secured or (y) the notes will be secured by a Security Interest on other vessels, properties or assets with a book value at least equal to the principal amount of the notes that ranks prior to all other Indebtedness For Borrowed Money thereby secured. The foregoing restriction does not apply to any Security Interest in respect of Indebtedness For Borrowed Money up to an amount not greater than 40% of the amount of the total assets of the Carnival Corporation & plc Group as shown in the Carnival Corporation & plc Group's most recent consolidated balance sheet (excluding for these purposes the value of any intangible assets). Any Security Interest granted to the holders of the notes under clauses (x) or (y) above will terminate automatically when any other Indebtedness For Borrowed Money that causes such Security Interest to be granted ceases to be secured by any vessels, assets or properties of the Carnival Corporation & plc Group.

“*Carnival Corporation & plc Group*” means the Carnival Corporation Group and the Carnival plc Group.

“*Carnival Corporation Group*” means the Company and all its subsidiaries from time to time.

“*Carnival plc Group*” means Carnival plc and all its subsidiaries from time to time.

“*GAAP*” means generally accepted accounting principles in the United States in effect on the original issue date of the notes.

“*Indebtedness For Borrowed Money*” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments and (c) all guarantee obligations of such Person with respect to Indebtedness For Borrowed Money of others.

“*Person*” means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“*Security Interest*” means a mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

Book-Entry Delivery and Settlement

Global Notes

The notes were issued in the form of one or more global notes in definitive, fully registered, book-entry form.

Clearstream and Euroclear

Each global note has been deposited with, or on behalf of, a common depository, and registered in the name of the nominee of the common depository for the accounts of Clearstream and Euroclear. Except as set forth below, the global notes may be transferred, in whole and not in part, only to the common depository, its successors or their respective nominees. You may hold your interests in the global notes in Europe through Clearstream or Euroclear, either as a participant in such systems or indirectly through organizations which are participants in such systems. Clearstream and Euroclear will hold interests in the global notes on behalf of their respective participating organizations or customers through customers' securities accounts in Clearstream's or Euroclear's names on the books of their respective depositories. Book-entry interests in the notes and all transfers relating to the notes will be reflected in the book-entry records of Clearstream and Euroclear. The address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg and the address of Euroclear is 1 Boulevard Roi Albert II, B-1210 Brussels, Belgium.

The distribution of the notes is cleared through Clearstream and Euroclear. Any secondary market trading of book-entry interests in the notes takes place through Clearstream and Euroclear participants and settles in same-day funds. Owners of book-entry interests in the notes receive payments relating to their notes in euro.

The laws of some jurisdictions may require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a global note to those persons may be limited. In addition, because Clearstream and Euroclear can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in notes represented by a global note to pledge or transfer those interests to persons or entities that do not participate in Clearstream's or Euroclear's systems, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as the common depositary for Clearstream, Euroclear or such common depositary's nominee is the registered owner of a global note, the common depositary or such nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the Indenture and under the notes. Except as provided below, owners of beneficial interests in a global note will not be entitled to have notes represented by that global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered the owners or holders thereof under the Indenture or under the notes for any purpose, including with respect to the giving of any direction, instruction or approval to the Trustee. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of Clearstream and Euroclear and, if that holder is not a direct or indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of notes under the indenture or a global note.

None of the Company, Carnival plc or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by Clearstream or Euroclear, or for maintaining, supervising or reviewing any records of those organizations relating to the notes.

Payments on the notes represented by the global notes will be made to the common depositary or its nominee, as the case may be, as the registered owner thereof. We expect that Clearstream and Euroclear, upon receipt of any payment on the notes represented by a global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the global note as shown in the records of the common depositary or its nominee. We also expect that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practice as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. The participants will be responsible for those payments.

Distributions on the notes held beneficially through Clearstream will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by Clearstream.

Distributions on the notes held beneficially through Euroclear will be credited to the cash accounts of its participants in accordance with the Terms and Conditions, to the extent received by Euroclear.

Clearance and Settlement Procedures

Initial settlement for the notes was made in immediately available funds. Secondary market trading between Clearstream customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable, and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the notes through Clearstream and Euroclear on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream and Euroclear on the same Business Day as in the United States. U.S. investors who wish to transfer their interests in the notes, or to make or receive a payment or delivery of the notes, on a particular day, may find that the transactions will not be performed until the next Business Day in Luxembourg or Brussels, depending on whether Clearstream or Euroclear is used.

Clearstream or Euroclear will credit payments to the cash accounts of Clearstream customers or Euroclear participants, as applicable, in accordance with the relevant system's rules and procedures, to the extent received by its depository. Clearstream or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a holder under the indenture on behalf of a Clearstream customer or Euroclear participant only in accordance with its relevant rules and procedures.

Although Clearstream and Euroclear have agreed to the foregoing procedures to facilitate transfers of the notes among participants of Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

Certificated Notes

We will issue certificated notes to each person that Clearstream or Euroclear identifies as the beneficial owner of the notes represented by the global notes upon surrender by Clearstream or Euroclear of the global notes only if:

- Clearstream, Euroclear or any successor thereto notifies us that it is no longer willing or able to act as a clearing system for the global notes;
or
- we determine, in our sole discretion, not to have the notes represented by a global note.

Neither we nor the Trustee will be liable for any delay by Clearstream, Euroclear, the common depository or its nominee or any direct or indirect participant in identifying the beneficial owners of the related notes. We and the Trustee may conclusively rely on, and will be protected in relying on, instructions from Clearstream, Euroclear, the common depository or its nominee for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the certificated notes to be issued.

Trustee, Paying Agents and Security Registrar

U.S. Bank National Association is the Trustee under the indenture governing the notes. U.S. Bank National Association is a national banking association organized under and governed by the laws of the United States of America, and provides trust services and acts as indenture trustee for numerous corporate securities issuances, including for other series of notes of which we are the issuer. Elavon Financial Services Limited, UK Branch, is the paying agent for the notes. Elavon Financial Services is the securities registrar for the notes.

Base Indenture Provisions

Governing Law

The notes, the Guarantees and the Indenture are governed by, and construed in accordance with, the laws of the State of New York.

Merger and Consolidation

Neither we nor Carnival plc, as guarantor of the notes, can consolidate with or merge into any other person or transfer or lease all or substantially all of our assets substantially as an entirety to any person unless:

- after giving effect to the transaction, no Event of Default (as defined below under "Events of Default"), and no event which after notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing;
- (i) in the case of our company, 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 interest on, all the outstanding notes 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 and (ii) in the case of Carnival plc, the successor or transferee entity, if other than Carnival plc, expressly assumes by a supplemental indenture executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the performance of every covenant in the Indenture to be performed or observed by Carnival plc; 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 complies with the foregoing provisions relating to such transaction.

Events of Default

Unless otherwise noted in an applicable prospectus supplement or board resolution creating a particular series of notes, the following are "Events of Default" in respect of a particular series of notes:

- failure to pay interest (including Additional Amounts) for 30 days after it is due;
- failure to pay the principal or premium, if any, when due;
- failure to make a sinking fund payment for five days after it becomes due;
- failure to perform any other covenant for 60 days after being given written notice of the failure in accordance with the Indenture;
- failure to pay when due the principal of, or acceleration of, any indebtedness for money borrowed by us in excess of \$100 million, if the indebtedness is not discharged, or the acceleration is not annulled, within 30 days of us receiving written notice of the failure in accordance with the Indenture;
- certain events of bankruptcy, insolvency or reorganization;
- any Guarantee of such series ceasing to be in full force and effect as an enforceable instrument; and
- any other Event of Default, as indicated in the applicable prospectus supplement.

If an Event of Default in respect of a particular series of notes outstanding occurs and is continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the notes outstanding of the series may declare the principal amount (or, if the notes of the series are original issue discount notes, the portion of the principal amount as may be specified in the terms of the series) of all of the notes of the series to be due and payable immediately. At any time after such a declaration of acceleration has been made, but before a judgment or decree for the payment of money due upon acceleration has been obtained by the Trustee, the holders of a majority in aggregate principal amount outstanding of the notes of the affected series may, under certain circumstances, rescind and annul the declaration and its consequences if all Events of Default relating to the notes of the series, other than the non-payment of principal due solely by the declaration of acceleration, have been cured or waived as provided in the Indenture.

The Trustee will, within 90 days after a default in respect of a series of notes, give the holders of the series notice of all uncured defaults known to it (the term "default" includes the events specified above without grace periods). However, except in the case of default in the payment of the principal of, or premium, if any, on or interest on any of the notes of the series, or in the payment of any sinking fund installment with respect to the notes of the series, the Trustee may withhold such notice and will not be liable to holders for doing so, if the Trustee in good faith determines that the withholding of such notice is in the interests of the holders of the series.

Pursuant to the terms of the Indenture, we are required to furnish to the Trustee within 120 days of the end of our fiscal year a statement of certain of our officers stating whether or not to the best of their knowledge we are in default, in respect of any

series of notes or in the performance and observance of the terms of the Indenture and, if we are in default, specifying the default and the nature of it.

The Indenture provides that the holders of a majority in aggregate principal amount of all notes then outstanding of a particular series will have the right to waive certain defaults in respect of the series and, subject to certain limitations, to direct the time, method and place of conducting any proceedings for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee. The Indenture provides that, in case an Event of Default in respect of a particular series of notes occurs (which is not cured or waived), the Trustee will be required to exercise such of its rights and powers under the Indenture, and to use the degree of care and skill in their exercise, that a prudent man would exercise or use in the conduct of his own affairs. Otherwise, the Trustee need only perform such duties as are specifically set forth in the Indenture. Subject to those provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the holders of the series unless they have offered to the Trustee reasonable security or indemnity.

No holder of any series of notes will have any right to institute any proceeding with respect to the Indenture or for any remedy under it, unless the holder has previously given to the Trustee written notice of a continuing Event of Default and unless the holders of at least 25% in aggregate principal amount of the outstanding notes of the series have made written request, and offered reasonable indemnity, to the Trustee to institute such a proceeding as trustee. In addition, the Trustee must not have received from the holders of a majority in aggregate principal amount of the outstanding notes of the series a direction inconsistent with the request and have failed to institute the proceeding within 60 days. However, such limitations do not apply to a suit instituted by a holder of a note for enforcement of payment of the principal of and premium, if any, or interest on the note on or after the respective due dates expressed in the note.

Modification of the Indenture

With certain exceptions, we may modify the Indenture, our and Carnival plc's rights and obligations, and the rights of the holders of a particular series, with the consent of the holders of at least a majority in aggregate principal amount of the outstanding notes of that series. However, without the consent of each affected holder of each note of a series, no modification may be made which would:

- change the stated maturity of the principal or premium, if any, of a note in the series;
- change the stated maturity of the interest (including Additional Amounts) on any note in the series;
- reduce the principal amount of a note in the series;
- reduce the interest rate on any note in the series;
- reduce the amount of principal of an original issue discount note that is payable upon the acceleration of the maturity of the note; or
- amend or modify the terms of any of the Guarantees in a manner adverse to the holders.

In addition, the consent of the holders of all then outstanding notes of the series is required to reduce the percentage of holders of notes whose consent is required to modify the Indenture or adversely affect the right of holders of notes in any material respect to convert any notes as provided in a supplemental indenture.

Discharge and Defeasance

Satisfaction and Discharge

The Indenture shall cease to be of further effect with respect to any series of notes (except as to the obligation to pay any Additional Amounts and certain other obligations surviving rights of conversion or registration or transfer or exchange of notes of such series expressly provided for in the Indenture or in the form of note for such series) as to all outstanding notes of such series when:

- either (a) all of the notes of that series theretofore authenticated and delivered (other than (i) notes of such series which have been destroyed, lost or stolen and which have been replaced or paid and (ii) notes of such

series for whose payment money in the required currency has theretofore been deposited in trust or segregated and held in trust and thereafter repaid to us or discharged from such trust) have been cancelled or delivered to the Trustee for cancellation or (b) all such notes of that series not theretofore cancelled or delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for giving of notice of redemption by the Trustee in the name, and at the expense, of us, and we have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount in the required currency sufficient to pay and discharge the entire indebtedness on such notes not therefore delivered to the Trustee canceled or for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of notes which have become due and payable), or to the stated maturity or redemption date, as the case may be;

- we have paid or caused to be paid all other sums payable hereunder by us with respect to the notes of such series; and
- we have delivered to the Trustee an officer's certificate and an opinion of counsel each stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture with respect to the notes of such series have been complied with.

Defeasance

The Indenture provides that the Company (and, to the extent applicable, Carnival plc), at our option,

- will be discharged from any and all obligations in respect of any series of notes (except in each case for the obligation to pay any Additional Amounts and certain other obligations to register the transfer or exchange of notes, replace stolen, lost or mutilated senior notes, maintain paying agencies and hold moneys for payment in trust), or
- need not comply with certain terms, provisions or conditions of such indenture and any restrictive covenants described in a prospectus supplement relating to such series of notes, Carnival plc will be released from the Guarantees and certain Events of Default (other than those arising out of the failure to pay interest or principal on the notes of a particular series and certain events of bankruptcy, insolvency and reorganization) will no longer constitute Events of Default with respect to such series of notes,

in each case if we deposit with the Trustee, in trust, money or the equivalent in securities of the government which issued the currency in which the notes are denominated or government agencies backed by the full faith and credit of such government, or a combination thereof, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to pay all the principal (including any mandatory sinking fund payments) of, and interest on, such series on the dates such payments are due in accordance with the terms of such series.

To exercise any such option, we are required, among other things, to deliver to the Trustee an opinion of counsel to the effect that the deposit and related defeasance would not cause the holders of such series to recognize income, gain or loss for federal income tax purposes and, in the case of a discharge pursuant to the first bullet above, accompanied by a ruling to such effect received from or published by the United States Internal Revenue Service.

In addition, we are required to deliver to the Trustee an officers' certificate stating that such deposit was not made by us with the intent of preferring the holders over other creditors of ours or with the intent of defeating, hindering, delaying or defrauding creditors of ours or others.

DESCRIPTION OF THE CARNIVAL CORPORATION 1.875% SENIOR NOTES DUE 2022

The following description of our 1.875% Notes due 2022, issued by Carnival Corporation and guaranteed by Carnival plc (the “notes”), is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the indenture, dated as of November 6, 2015 (the “Base Indenture”), between Carnival Corporation (“we” or the “Company”), Carnival Plc and U.S. Bank, National Association, as trustee (the “Trustee”), as supplemented by the first supplemental indenture, dated as of November 6, 2015 (the Base Indenture as supplemented by the first supplemental indenture, the “Indenture”), which is incorporated by reference as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.14 is a part.

We encourage you to read the above referenced Indenture for additional information.

General

The following is a description of certain of the specific terms and conditions of the Indenture.

The notes were initially issued in an €550,000,000 aggregate principal amount. We may from time to time, without the consent of the existing holders of the notes, create and issue further notes having the same terms and conditions as the notes in all respects, except for the original issue date, issue price and the first interest payment date. Additional notes issued in this manner will be consolidated with, and form a single series with, the previously outstanding notes. As of December 31, 2019, no such additional notes have been issued. As of December 31, 2019, €550,000,000 million aggregate principal amount of notes were outstanding. The maturity date of the notes is November 7, 2022.

The notes are represented by a fully registered global note. The global note was deposited with, or on behalf of, a common depositary, and registered in the name of the nominee of the common depositary for the accounts of Clearstream and Euroclear. The notes have been issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The notes are senior unsecured obligations and, as guaranteed, rank equally with all of the unsecured and unsubordinated indebtedness of the Company and Carnival plc, effectively junior to all of the secured indebtedness of the company and Carnival plc, to the extent of the assets securing that indebtedness, and effectively junior to all indebtedness of the subsidiaries of the Company and Carnival plc.

The notes are registered under Section 12 of the Securities Exchange Act, as amended (the “Exchange Act”) and are traded on the New York Stock Exchange under the trading symbol CCL22.

Interest and Principal

The notes bear interest at 1.875% per annum. Interest on the notes in arrears is paid on February 22 of each year (each, an “Interest Payment Date”). The notes bear interest from the immediately preceding interest payment date to which interest has been paid. Interest on an Interest Payment Date is paid to the persons, or “holders,” in whose names the notes are registered on the security register at the close of business on the regular record date. The regular record date for the notes will be the fifteenth calendar day, whether or not a Business Day, immediately preceding the Interest Payment Date. Interest on the notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the notes, to but excluding the next scheduled Interest Payment Date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any Interest Payment Date, the maturity dates for the notes or earlier date of redemption or repurchase for the notes falls on a day that is not a Business Day, the required payment will be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such Interest Payment Date, maturity date or date of redemption or repurchase, as the case may be.

For purposes of the notes, “Business Day” means any day other than a Saturday or Sunday, (1) which is not a day on which banking institutions in The City of New York or London are authorized or required by law, regulation or executive order to close and (2) on which the Trans-European Automated Real Time Gross Settlement Express Transfer System (i.e., the Target2 System), or any successor thereto, is open.

All payments of interest and principal, including payments made upon any redemption or repurchase of the notes, are payable in euro. If, the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euro will be converted into U.S. dollars on the basis of the most recently available market exchange rate for euro. Any payment in respect of the notes so made in U.S. dollars will not constitute an Event of Default (as defined below) under the notes or the Indenture. Neither the Trustee nor the Paying Agent (as defined below) for the notes shall have any responsibility for any calculation or conversion in connection with the foregoing.

Optional Redemption

We may, at our option, redeem the notes as a whole at any time or in part from time to time on at least 30 days, but not more than 60 days, prior notice mailed to each holder of the notes to be redeemed, at a redemption price equal to the greater of:

- 100% of the principal amount of the securities to be redeemed, and
- the sum of the present values of the Remaining Scheduled Payments (as defined below), discounted to the redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below) plus 30 basis points;

plus, in each case, accrued interest to the date of redemption that has not been paid.

Any redemption or notice of any redemption may, at our discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an equity offering or Change of Control, issuance of indebtedness or other transaction or event. Notice of any redemption in respect thereof will be given prior to the completion thereof and may be partial as a result of only some of the conditions being satisfied. We may provide in such notice that payment of the redemption price and the performance of our obligations with respect to such redemption may be performed by another person.

On and after the redemption date, interest will cease to accrue on the notes or any portion thereof called for redemption, unless we default in the payment of the redemption price and accrued and unpaid interest. On or before the redemption date, we shall deposit with a paying agent, or the Trustee, money sufficient to pay the redemption price of and accrued interest on the notes to be redeemed on such date. If we elect to redeem less than all of the notes, then the Trustee will select the notes to be redeemed in a manner it deems appropriate and fair.

“*Comparable Government Bond*” means, in relation to any Comparable Government Bond Rate (as defined below) calculation, at the discretion of an independent investment bank selected by us, a German Bundesanleihe bond whose maturity is closest to the maturity of the notes to be redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German Bundesanleihe bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German Bundesanleihe bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

“*Comparable Government Bond Rate*” means, with respect to any redemption date, the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes to be redeemed, if they were to be purchased at such price on the third Business Day prior to the date fixed for redemption, would be equal to the gross redemption yield on such Business Day of the Comparable Government Bond on the basis of the

middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such Business Day as determined by an independent investment bank selected by us.

“*Remaining Scheduled Payments*” means, with respect to each note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related redemption date but for such redemption; *provided, however*, that, if such redemption date is not an Interest Payment Date with respect to such note, the amount of the next succeeding scheduled interest payment thereon will be deemed to be reduced by the amount of interest accrued thereon to such redemption date.

We may redeem the notes in whole, but not in part, upon the occurrence of specified tax events. See “**Redemption of Notes under Certain Circumstances**”

Change of Control

If a Change of Control Triggering Event (as defined below) occurs, unless we have exercised our right to redeem the notes as described above, holders of notes will have the right to require us to repurchase all or any part equal to €100,000 or an integral multiple of €1,000 in excess thereof of the notes pursuant to the offer described below (the “Change of Control Offer”). In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to the date of purchase (the “Change of Control Payment”).

Within 30 days following any Change of Control Triggering Event, we will be required to mail a notice to holders of notes describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the “Change of Control Payment Date”), pursuant to the procedures described in such notice. If mailed prior to the date of consummation of the Change of Control, the notice will state that the Change of Control Offer is conditioned on the consummation of the Change of Control on or prior to the Change of Control Payment Date, *provided* that a Change of Control Offer may only be made in advance of a Change of Control Triggering Event and be conditional on such Change of Control Triggering Event if a definitive agreement is in place for the Change of Control Triggering Event at the time such conditional Change of Control Offer is made. We must comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the notes, we will be required to comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control provisions of the notes by virtue of such conflicts.

On the Change of Control Payment Date, we will be required to:

- accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;
- deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and
- deliver or cause to be delivered to the Trustee the notes properly accepted together with an officers’ certificate stating the aggregate principal amount of notes or portions of notes being purchased.

We will not be required to make a Change of Control Offer if (i) a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements that we would have been required to meet had we made such an offer, and (ii) such third party purchases all notes properly tendered and not withdrawn under its offer. In addition, we will not repurchase any notes if there has occurred and is continuing on the Change of Control Payment Date an Event of Default (as defined below under “Events of Default”) under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

For purposes of the foregoing discussion of a repurchase at the option of holders of notes, the following definitions are applicable:

“Change of Control” means any “person” or “group” (as such terms are used for the purposes of Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders (each, a “Relevant Person”) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly of such capital stock of the Company and Carnival plc, in each case as is entitled to exercise or direct the exercise of more than 50 percent of the rights to vote to elect members of the boards of directors of each of the Company and Carnival plc; *provided* (i) such event shall not be deemed a Change of Control so long as one or more of the Permitted Holders have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the boards of directors of the Company or Carnival plc, (ii) for the avoidance of doubt, no Change of Control shall occur solely as a result of either (or any subsidiary thereof) or Carnival plc (or any subsidiary thereof) acquiring or owning, at any time, any or all of the capital stock of each other, and (iii) no Change of Control shall be deemed to occur if all or substantially all of the holders of the capital stock of the Relevant Person immediately after the event which would otherwise have constituted a Change of Control were the holders of the capital stock of the Company and/or Carnival plc with the same (or substantially the same) pro rata economic interests in the share capital of the Relevant Person as such shareholders had in the Capital Stock of the Company and/or Carnival plc, respectively, immediately prior to such event. Any direct or indirect intermediate holding company whose only asset is the Company or Carnival plc stock shall be deemed not to be a “Relevant Person.”

“Change of Control Period” means, in respect of any Change of Control, the period commencing on the Relevant Announcement Date in respect of such Change of Control and ending 60 days after the occurrence of such Change of Control.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Rating Downgrade.

“Permitted Holder” means (i) each of Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses, the children or lineal descendants of Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses, any trust established for the benefit of (or any charitable trust or non-profit entity established by) any Arison family member mentioned in this clause (i), or any trustee, protector or similar person of such trust or non-profit entity 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 Permitted Holder mentioned in this clause (i), and (ii) any “group” (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) the members of which include any of the Permitted Holders specified in clause (i) above, and that (directly or indirectly) hold or acquire beneficial ownership of capital stock of the Company and/or Carnival plc (a “Permitted Holder Group”), *provided* that in the case of this clause (ii), the Permitted Holders specified in clause (i) collectively, directly or indirectly, beneficially own more than 50% on a fully diluted basis of the capital stock of the Company and Carnival plc held by such Permitted Holder Group. Any one or more persons or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the terms of the notes will thereafter, together with its (or their) affiliates, constitute an additional Permitted Holder or Permitted Holders, as applicable.

“Rating Agencies” means each of Moody’s Investors Service, Inc. and Standard & Poor’s Rating Service, a division of The McGraw-Hill Corporation, or any of their respective successors or any national rating agency substituted for either of them as selected by the Company.

“Rating Downgrade” means, in respect of any Change of Control, that the notes are, within the Change of Control Period in respect of such Change of Control, downgraded by both of the Rating Agencies to a non-investment grade credit rating (Ba1/BB+, or equivalent, or lower) and are not, within such Change of Control Period subsequently upgraded to an investment grade rating (Baa3/BBB-, or equivalent, or better) by both of the Rating Agencies.

“Relevant Announcement Date” means, in respect of any Change of Control, the date which is the earlier of (A) the date of the first public announcement of such Change of Control and (B) the date of the earliest Relevant Potential Change of Control Announcement, if any, in respect of such Change of Control.

“*Relevant Potential Change of Control Announcement*” means, in respect of any Change of Control, any public announcement or statement by the Company or Carnival plc or any actual or potential bidder or any advisor acting on behalf of any actual or potential bidder of any action or actions which could give rise to such Change of Control, provided that within 180 days following such announcement or statement such Change of Control shall have occurred.

Payment of Additional Amounts

We have agreed that any amounts payable on the notes will be paid without deduction or withholding for any and all present and future taxes, levies, imposts or other governmental charges imposed, assessed, levied or collected by or for the account of (i)(x) the Republic of Panama or any political subdivision or taxing authority thereof or (y) the jurisdiction of incorporation (other than the U.S. or any political subdivision or taxing authority thereof) of a successor entity to us, to the extent that such taxes, levies, imposts or other governmental charges first become applicable as a result of such successor entity becoming the obligor on the notes, or (ii) any other jurisdiction (other than the U.S. or any political subdivision or taxing authority thereof) from or through which any amount is paid by us with respect to the notes or where we are resident or maintain a place of business or permanent establishment (each jurisdiction described in clauses (i) and (ii) above is referred to herein as a “Taxing Jurisdiction” and such taxes, levies imposts or other governmental charges are referred to as “Taxes”), unless the withholding or deduction of such Tax is compelled by laws of the Republic of Panama or any other applicable Taxing Jurisdiction. If any deduction or withholding of any Taxes (other than Excluded Taxes, as defined below) is ever required by the Republic of Panama or any other Taxing Jurisdiction, we will (if the holders or beneficial owners of the relevant notes comply with any applicable administrative requirements) pay any additional amounts (“Additional Amounts”) required to make the net amounts paid to each holder of the notes or the Trustee pursuant to the terms of the Indenture or the notes after such deduction or withholding equal to the amounts then due and payable under the terms of the Indenture or the notes. However, we will not be required to pay Additional Amounts in respect of the following Taxes (“Excluded Taxes”):

- any present or future Taxes imposed, assessed, levied or collected as a result of the holder or beneficial owner of the relevant note (i) being organized under the laws of, or otherwise being or having been a domiciliary, national or resident of, (ii) being engaged or having been engaged in a trade or business in, (iii) having or having had its principal office located in, (iv) maintaining or having maintained a permanent establishment in, (v) being or having been physically present in, or (vi) otherwise having or having had some connection (other than the connection arising from holding or owning a note, or collecting principal and interest, if any, on, or the enforcement of, a note) with the Republic of Panama or any other applicable Taxing Jurisdiction;
- any present or future Taxes which would not have been so imposed, assessed, levied or collected but for the fact that, where presentation is required, the relevant note was presented more than thirty days after the date the payment became due or was provided for, whichever is later;
- any present or future Taxes imposed under Sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, or any present or future Taxes imposed under comparable provisions of non-United States tax law;
- any present or future Taxes which would not have been so imposed, assessed, levied or collected but for the failure to comply with any certification, identification or other report concerning the nationality, residence, identity or connection with the Republic of Panama or any other applicable Taxing Jurisdiction of the holder or beneficial owner of the relevant note, or claim for relief or exemption, if making such a certification, identification, other report or claim is, under the laws, rules or regulations of any such jurisdiction, a condition to relief or exemption from Taxes;
- any estate, inheritance, gift, sale, transfer, personal property or similar Tax or duty; or
- any combination of the foregoing;

provided further, that no such Additional Amounts will be payable in respect of any note held by (x) any holder or beneficial owner that is not the sole beneficial owner of such note, or that is a fiduciary, partnership, limited liability company or other fiscally transparent entity, but only to the extent that a beneficiary or settlor with respect to the fiduciary or a beneficial owner, partner or member of the partnership, limited liability company or other fiscally transparent entity, would not have been entitled to such Additional Amounts had the beneficiary, settlor, beneficial owner, partner or member been the direct holder of such note, (y) any holder that is not a resident of the United States to the extent that, had such holder been a resident of the United States and eligible for the benefit of any double taxation treaty between the United States and the applicable Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the notes, such holder would not have been entitled to such Additional Amounts, or (z) any holder that is a resident of the United States but that is not eligible for the benefit of any double taxation treaty between the United States and the applicable Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the notes (but only to the extent the amount of such deduction or withholding exceeds that which would have been required had such holder of a note been so eligible and made all relevant claims).

We or any successor to us, as the case may be, will indemnify and hold harmless each holder of the notes and upon written request reimburse each holder for the amount of:

- any Taxes levied or imposed and paid by the holder of the notes (other than Excluded Taxes) as a result of payments made with respect to the notes;
- any liability (including penalties, interest and expenses) arising therefrom with respect to the notes; and
- any Taxes (other than Excluded Taxes) with respect to payment of Additional Amounts or any reimbursement pursuant to this list;

in each case, to the extent not otherwise reimbursed by the payment of any Additional Amount and not excluded from the requirement to pay Additional Amounts, as described above.

We or our successor, as the case may be, will also:

- make such withholding or deduction, to the extent required by applicable law; and
- remit the full amount deducted or withheld, to the relevant authority in accordance with applicable law.

We or any successor to us, as the case may be, will furnish the Trustee within 30 days after the date the payment of any Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing the payment by us or any successor to us, as the case may be, or other evidence of such payment reasonably satisfactory to the Trustee.

At least 30 days prior to each date on which any payment under or with respect to the notes is due and payable, if we will be obligated to pay Additional Amounts with respect to those payments, we will deliver to the Trustee an officers' certificate stating that such Additional Amounts will be payable, stating the amounts that will be payable, and setting forth any other information necessary to enable the Trustee to pay the Additional Amounts to holders of the notes on the payment date.

Each holder of a note, by acceptance of such note, agrees that, with reasonable promptness after receiving our written notice to the effect that such holder is eligible for a refund in respect of Taxes actually paid by us under the terms of the note or the Indenture, such holder will sign and deliver to us, as reasonably directed by us, any form we provide to such holder to enable such holder to obtain a refund in respect of such Taxes; and if such holder thereafter receives such refund in respect of such Taxes, such holder will promptly pay such refund to us (together with interest, if any, received by such holder from the relevant taxing authority). If a holder applies for a refund of such Taxes prior to our request to apply for such a refund, the holder will, upon receipt of our request to apply for, or to turn over the proceeds of, any such refund, pay any such refund to us (together with interest, if any, received by such holder from the relevant taxing authority), promptly upon receipt of such refund. We will pay all reasonable out-of-pocket expenses incurred by a holder in connection with obtaining such refund.

Guarantor Additional Amounts

Carnival plc, the Guarantor of our notes, has agreed to make, with respect to the Indenture and the notes, all such payments to be paid without deduction or withholding for any and all present and future taxes, levies, imposts or other governmental charges whatsoever imposed, assessed, levied or collected by or for the account of (i)(x) the United Kingdom or any political subdivision or taxing authority thereof or (y) the jurisdiction of tax residence (other than the United States or any political subdivision or taxing authority thereof) of a successor entity to Carnival plc, to the extent that such taxes, levies, imposts or other governmental charges first become applicable as a result of such successor entity becoming the obligor on the Guarantees, as applicable, or (ii) any other jurisdiction (other than the United States or any political subdivision or taxing authority thereof) from or through which any amount is paid by Carnival plc under the Indenture or where it is resident or maintains a place of business or permanent establishment (each jurisdiction described in clauses (i) and (ii) above is referred to herein as a “Guarantor Taxing Jurisdiction” and such taxes, levies, imposts or other governmental charges are referred to as “Guarantor Jurisdiction Taxes”), unless the withholding or deduction of such Guarantor Jurisdiction Tax is compelled by laws of the United Kingdom, or any other applicable Guarantor Taxing Jurisdiction. If any deduction or withholding of any Guarantor Jurisdiction Taxes (other than Guarantor Excluded Taxes, as defined below) is ever required by the United Kingdom or any other Guarantor Taxing Jurisdiction, Carnival plc will (if the holders or beneficial owners of the relevant notes comply with any applicable administrative requirements) pay such additional amounts (“Guarantor Additional Amounts”) required to make the net amounts paid to each holder of notes or the Trustee pursuant to the terms of the Indenture or the notes after such deduction or withholding equal to the amounts then due and payable under the terms of the Indenture or the note. However, the Guarantor shall not be required to pay Guarantor Additional Amounts in respect of the following Taxes (“Guarantor Excluded Taxes”):

- any present or future Guarantor Jurisdiction Taxes imposed, assessed, levied or collected as a result of the holder or beneficial owner of the relevant note (i) being organized under the laws of, or otherwise being or having been a domiciliary, national or resident of, (ii) being engaged or having been engaged in a trade or business in, (iii) having or having had its principal office located in, (iv) maintaining or having maintained a permanent establishment in, (v) being or having been physically present in, or (vi) otherwise having or having had some connection (other than the connection arising from holding or owning the relevant note, or collecting principal and interest, if any, on, or the enforcement of, such note) with the United Kingdom or any other applicable Guarantor Taxing Jurisdiction;
- any present or future Guarantor Jurisdiction Taxes which would not have been so imposed, assessed, levied or collected but for the fact that, where presentation is required, the relevant note was presented more than thirty days after the date the payment became due or was provided for, whichever is later;
- any present or future Guarantor Jurisdiction Taxes imposed under Sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, or any present or future Guarantor Jurisdiction Taxes imposed under comparable provisions of non-United States tax law;
- any present or future Guarantor Jurisdiction Taxes which would not have been so imposed, assessed, levied or collected but for the failure to comply with any certification, identification or other report concerning the nationality, residence, identity or connection with the United Kingdom or any other applicable Guarantor Taxing Jurisdiction of the holder or beneficial owner of the relevant note or claim for relief or exemption, if making such a certification, identification, other report or claim is, under the laws, rules or regulations of any such jurisdiction, a condition to relief or exemption from Guarantor Jurisdiction Taxes;
- any present or future Guarantor Jurisdiction Taxes imposed on a payment to a holder and required to be made pursuant to any law implementing European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such directive;

- any present or future Guarantor Jurisdiction Taxes imposed on a payment to, or with respect to, a holder who would have been able to avoid such Guarantor Jurisdiction Taxes by presenting the relevant note to a paying agent in a member state of the European Union;
- any estate, inheritance, gift, sale, transfer, personal property or similar Guarantor Jurisdiction Tax or duty; or
- any combination of the foregoing;

provided further, that no such Guarantor Additional Amounts shall be payable in respect of any note held by (x) any holder or beneficial owner that is not the sole beneficial owner of such note, or that is a fiduciary, partnership, limited liability company or other fiscally transparent entity, but only to the extent that a beneficiary or settlor with respect to the fiduciary or a beneficial owner, partner or member of the partnership, limited liability company or other fiscally transparent entity, would not have been entitled to such Guarantor Additional Amounts had the beneficiary, settlor, beneficial owner, partner or member been the direct holder of such note, (y) any holder that is not a resident of the United States to the extent that, had such holder been a resident of the United States and eligible for the benefit of any double taxation treaty between the United States, and the applicable Guarantor Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the note, such holder would not have been entitled to such Guarantor Additional Amounts, or (z) any holder that is a resident of the United States but that is not eligible for the benefit of any double taxation treaty between the United States and the applicable Guarantor Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the note (but only to the extent the amount of such deduction or withholding exceeds that which would have been required had such holder of a note been so eligible and made all relevant claims).

Carnival plc or any successor to it, as the case may be, will indemnify and hold harmless each holder of the notes and upon written request reimburse each holder for the amount of:

- any Guarantor Jurisdiction Taxes levied or imposed and paid by such holder of notes (other than Guarantor Excluded Taxes) as a result of payments made with respect to such note;
- any liability (including penalties, interest and expenses) arising therefrom with respect thereto; and
- any Guarantor Jurisdiction Taxes (other than Guarantor Excluded Taxes) with respect to payment of Guarantor Additional Amounts or any reimbursement pursuant to this list;

in each case, to the extent not otherwise reimbursed by the payment of any Guarantor Additional Amount and not excluded from the requirement to pay Guarantor Additional Amounts, as described above.

Carnival plc or its successor, as the case may be, will also:

- make such withholding or deduction to the extent required by applicable law; and
- remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

Carnival plc or any successor to it, as the case may be, will furnish the Trustee within 30 days after the date the payment of any such Guarantor Jurisdiction Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing the payment by Carnival plc or any successor to it, as the case may be, or other evidence of such payment reasonably satisfactory to the Trustee.

At least 30 days prior to each date on which any payment under or with respect to the notes is due and payable by Carnival plc under the Guarantees, if Carnival plc will be obligated to pay Guarantor Additional Amounts with respect to those payments, Carnival plc will deliver to the Trustee an officers' certificate stating that Guarantor Additional Amounts will be payable, stating the amounts that will be payable, and setting forth any other information necessary to enable the Trustee to pay the Guarantor Additional Amounts to holders of the notes on the payment date.

Each holder of a note, by acceptance of such note, agrees that, with reasonable promptness after receiving written notice from Carnival plc to the effect that such holder is eligible for a refund in respect of Guarantor Jurisdiction Taxes actually paid by Carnival plc, such holder will sign and deliver, as reasonably directed by Carnival plc, any form provided to such by Carnival plc to enable such holder to obtain a refund in respect of such Guarantor Jurisdiction Taxes; and if such holder thereafter receives such refund in respect of such Guarantor Jurisdiction Taxes, such holder will promptly pay such refund to Carnival plc (together with interest, if any, received by such holder from the relevant taxing authority). If a holder applies for a refund of such Guarantor Jurisdiction Taxes prior to a request by Carnival plc to apply for such a refund, the holder will, upon receipt of a request by Carnival plc to apply for, or to turn over the proceeds of, any such refund, pay any such refund to Carnival plc (together with interest, if any, received by such holder from the relevant taxing authority), promptly upon receipt of such refund. Carnival plc shall pay all reasonable out-of-pocket expenses incurred by a holder in connection with obtaining such refund.

Redemption of Notes under Certain Circumstances

If as the result of any change in or any amendment to the laws, including any regulations and any applicable double taxation treaty or convention, of the Republic of Panama (or the jurisdiction of incorporation (other than the U.S) of a successor entity to us), or of any of its political subdivisions or taxing authorities affecting taxation, or any change in an application or interpretation of those laws, which change, amendment, application or interpretation becomes effective on or after the original issuance date of the notes (or, in certain circumstances, the later date on which an entity becomes a successor entity to us), we determine based upon an opinion of independent counsel of recognized standing that:

- we would be required to pay Additional Amounts on the next succeeding date for the payment thereof (and such obligation could not be avoided by us taking reasonable measures available to us), or
- any taxes would be imposed (whether by way of deduction, withholding or otherwise) by the Republic of Panama (or the jurisdiction of incorporation (other than the U.S.) of a successor entity to us) or by any of its political subdivisions or taxing authorities, upon or with respect to any principal, premium, if any, interest, if any, or sinking fund or analogous payments, if any,

then we may, at our option, on giving not less than 30 nor more than 60 days' irrevocable notice, redeem the notes in whole, but not in part, at any time at a redemption price equal to 100% of the principal amount plus accrued interest to the date fixed for redemption. No such notice of redemption may be given more than 90 days prior to the earliest date on which we would be obligated to pay the Additional Amounts or the tax would be imposed, as the case may be. Also, at the time that such notice of redemption is given, the obligation to pay Additional Amounts or tax, as the case may be, must be in effect.

In addition, if as the result of any change in or any amendment to the laws, including any regulations and any applicable double taxation treaty or convention, of the United Kingdom (or the jurisdiction of tax residence (other than the U.S) of a successor entity to Carnival plc), or of any of its political subdivisions or taxing authorities affecting taxation, or any change in an application or interpretation of those laws, which change, amendment, application or interpretation becomes effective on or after the original issuance date of the notes (or, in certain circumstances, the later date on which an entity becomes a successor entity to Carnival plc), we determine based upon an opinion of independent counsel of recognized standing that:

- Carnival plc would be required to pay Guarantor Additional Amounts on the next succeeding date for the payment thereof (and such obligation could not be avoided by it taking reasonable measures available to it), or
- any taxes would be imposed (whether by way of deduction, withholding or otherwise) by the United Kingdom (or the jurisdiction of tax residence (other than the U.S.) of a successor entity to Carnival plc) or by any of its political subdivisions or taxing authorities, upon or with respect to any principal, premium, if any, interest, if any, or sinking fund or analogous payments, if any

then we may, at our option, on giving not less than 30 nor more than 60 days' irrevocable notice, redeem the notes in whole, but not in part, at any time at a redemption price equal to 100% of the principal amount plus accrued interest to the date fixed

for redemption. No such notice of redemption may be given more than 90 days prior to the earliest date on which Carnival plc would be obligated to pay the Guarantor Additional Amounts or the tax would be imposed, as the case may be. Also, at the time that such notice of redemption is given, the obligation to pay the Guarantor Additional Amounts or tax, as the case may be, must be in effect.

Limitation on Liens

Neither the Company nor Carnival plc will create or incur, or suffer to be created or incurred or come to exist any Security Interest in respect of Indebtedness For Borrowed Money on any vessel or other of its respective properties or assets of any kind, real or personal, tangible or intangible, included in the consolidated balance sheet of the Carnival Corporation & plc Group in accordance with GAAP, nor shall the Company permit any member of the Carnival Corporation & plc Group to do any of the foregoing, unless we make or cause to be made effective provisions whereby either (x) the notes will be secured by a Security Interest on such vessels, properties or assets equally and ratably with (or prior to) all other Indebtedness For Borrowed Money thereby secured or (y) the notes will be secured by a Security Interest on other vessels, properties or assets with a book value at least equal to the principal amount of the notes that ranks prior to all other Indebtedness For Borrowed Money thereby secured. The foregoing restriction does not apply to any Security Interest in respect of Indebtedness For Borrowed Money up to an amount not greater than 40% of the amount of the total assets of the Carnival Corporation & plc Group as shown in the Carnival Corporation & plc Group's most recent consolidated balance sheet (excluding for these purposes the value of any intangible assets). Any Security Interest granted to the holders of the notes under clauses (x) or (y) above will terminate automatically when any other Indebtedness For Borrowed Money that causes such Security Interest to be granted ceases to be secured by any vessels, assets or properties of the Carnival Corporation & plc Group.

"Carnival Corporation & plc Group" means the Carnival Corporation Group and the Carnival plc Group.

"Carnival Corporation Group" means the Company and all its subsidiaries from time to time.

"Carnival plc Group" means Carnival plc and all its subsidiaries from time to time.

"GAAP" means generally accepted accounting principles in the United States in effect on the original issue date of the notes.

"Indebtedness For Borrowed Money" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments and (c) all guarantee obligations of such Person with respect to Indebtedness For Borrowed Money of others.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Security Interest" means a mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

Book-Entry Delivery and Settlement

Global Notes

The notes were issued in the form of one or more global notes in definitive, fully registered, book-entry form.

Clearstream and Euroclear

Each global note has been deposited with, or on behalf of, a common depository, and registered in the name of the nominee of the common depository for the accounts of Clearstream and Euroclear. Except as set forth below, the global notes may be transferred, in whole and not in part, only to Clearstream or Euroclear, its successors or their respective nominees. You may hold your interests in the global notes in Europe through Clearstream or Euroclear, either as a participant in such systems or indirectly through organizations which are participants in such systems. Clearstream and Euroclear will hold interests in the global notes on behalf of their respective participating organizations or customers through customers' securities accounts in Clearstream's or Euroclear's names on the books of their respective depositories. Book-entry interests in the notes and all

transfers relating to the notes will be reflected in the book-entry records of Clearstream and Euroclear. The address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg and the address of Euroclear is 1 Boulevard Roi Albert II, B-1210 Brussels, Belgium.

The distribution of the notes is cleared through Clearstream and Euroclear. Any secondary market trading of book-entry interests in the notes takes place through Clearstream and Euroclear participants and settles in same-day funds. Owners of book-entry interests in the notes receive payments relating to their notes in euro.

The laws of some jurisdictions may require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a global note to those persons may be limited. In addition, because Clearstream and Euroclear can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in notes represented by a global note to pledge or transfer those interests to persons or entities that do not participate in Clearstream's or Euroclear's systems, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as Clearstream, Euroclear or its nominee is the registered owner of a global note, Clearstream, Euroclear or its nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the Indenture and under the notes. Except as provided below, owners of beneficial interests in a global note will not be entitled to have notes represented by that global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered the owners or holders thereof under the Indenture or under the notes for any purpose, including with respect to the giving of any direction, instruction or approval to the Trustee. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of Clearstream and Euroclear and, if that holder is not a direct or indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of notes under the indenture or a global note.

None of the Company, Carnival plc or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by Clearstream or Euroclear, or for maintaining, supervising or reviewing any records of those organizations relating to the notes.

Payments on the notes represented by the global notes will be made to Clearstream, Euroclear or its nominee, as the case may be, as the registered owner thereof. We expect that Clearstream, Euroclear or its nominee, upon receipt of any payment on the notes represented by a global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the global note as shown in the records of Clearstream, Euroclear or its nominee. We also expect that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practice as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. The participants will be responsible for those payments.

Distributions on the notes held beneficially through Clearstream will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by Clearstream.

Distributions on the notes held beneficially through Euroclear will be credited to the cash accounts of its participants in accordance with the Terms and Conditions, to the extent received by Euroclear.

Clearance and Settlement Procedures

Initial settlement for the notes was made in immediately available funds. Secondary market trading between Clearstream customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable, and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the notes through Clearstream and Euroclear on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream and Euroclear on the same Business Day as in the United States. U.S. investors who wish to transfer their interests in the notes, or to make or receive a payment or delivery of the notes, on a particular day, may find that the transactions will not be performed until the next Business Day in Luxembourg or Brussels, depending on whether Clearstream or Euroclear is used.

Clearstream or Euroclear will credit payments to the cash accounts of Clearstream customers or Euroclear participants, as applicable, in accordance with the relevant system's rules and procedures, to the extent received by its depository. Clearstream or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a holder under the indenture on behalf of a Clearstream customer or Euroclear participant only in accordance with its relevant rules and procedures.

Although Clearstream and Euroclear have agreed to the foregoing procedures to facilitate transfers of the notes among participants of Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

Certificated Notes

We will issue certificated notes to each person that Clearstream or Euroclear identifies as the beneficial owner of the notes represented by the global notes upon surrender by Clearstream or Euroclear of the global notes only if:

- Clearstream, Euroclear or any successor thereto notifies us that it is no longer willing or able to act as a clearing system for the global notes;
or
- we determine, in our sole discretion, not to have the notes represented by a global note.

Neither we nor the Trustee will be liable for any delay by Clearstream, Euroclear, or its nominee or any direct or indirect participant in identifying the beneficial owners of the related notes. We and the Trustee may conclusively rely on, and will be protected in relying on, instructions from Clearstream, Euroclear, or its nominee for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the certificated notes to be issued.

Trustee, Paying Agents and Security Registrar

U.S. Bank National Association is the Trustee under the indenture governing the notes. U.S. Bank National Association is a national banking association organized under and governed by the laws of the United States of America, and provides trust services and acts as indenture trustee for numerous corporate securities issuances, including for other series of notes of which we are the issuer. Elavon Financial Services Limited, UK Branch, is the paying agent for the notes. Elavon Financial Services is the securities registrar for the notes.

Base Indenture Provisions

Governing Law

The notes, the Guarantees and the Indenture are governed by, and construed in accordance with, the laws of the State of New York.

Merger and Consolidation

Neither we nor Carnival plc, as guarantor of the notes, can consolidate with or merge into any other person or transfer or lease all or substantially all of our assets substantially as an entirety to any person unless:

- after giving effect to the transaction, no Event of Default (as defined below under “Events of Default”), and no event which after notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing;
- (i) in the case of our company, 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 interest on, all the outstanding notes 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 and (ii) in the case of Carnival plc, the successor or transferee entity, if other than Carnival plc, expressly assumes by a supplemental indenture executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the performance of every covenant in the Indenture to be performed or observed by Carnival plc; 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 complies with the foregoing provisions relating to such transaction.

Events of Default

Unless otherwise noted in an applicable prospectus supplement or board resolution creating a particular series of notes, the following are “Events of Default” in respect of a particular series of notes:

- failure to pay interest (including Additional Amounts) for 30 days after it is due;
- failure to pay the principal or premium, if any, when due;
- failure to make a sinking fund payment for five days after it becomes due;
- failure to perform any other covenant for 60 days after being given written notice of the failure in accordance with the Indenture;
- failure to pay when due the principal of, or acceleration of, any indebtedness for money borrowed by us in excess of \$100 million, if the indebtedness is not discharged, or the acceleration is not annulled, within 30 days of us receiving written notice of the failure in accordance with the Indenture;
- certain events of bankruptcy, insolvency or reorganization;
- any Guarantee of such series ceasing to be in full force and effect as an enforceable instrument; and
- any other Event of Default, as indicated in the applicable prospectus supplement.

If an Event of Default in respect of a particular series of notes outstanding occurs and is continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the notes outstanding of the series may declare the principal amount (or, if the notes of the series are original issue discount notes, the portion of the principal amount as may be specified in the terms of the series) of all of the notes of the series to be due and payable immediately. At any time after such a declaration of acceleration has been made, but before a judgment or decree for the payment of money due upon acceleration has been obtained by the Trustee, the holders of a majority in aggregate principal amount outstanding of the notes of the affected series may, under certain circumstances, rescind and annul the declaration and its consequences if all Events of Default relating to the notes of the series, other than the non-payment of principal due solely by the declaration of acceleration, have been cured or waived as provided in the Indenture.

The Trustee will, within 90 days after a default in respect of a series of notes, give the holders of the series notice of all uncured defaults known to it (the term “default” includes the events specified above without grace periods). However, except

in the case of default in the payment of the principal of, or premium, if any, on or interest on any of the notes of the series, or in the payment of any sinking fund installment with respect to the notes of the series, the Trustee may withhold such notice and will not be liable to holders for doing so, if the Trustee in good faith determines that the withholding of such notice is in the interests of the holders of the series.

Pursuant to the terms of the Indenture, we are required to furnish to the Trustee within 120 days of the end of our fiscal year a statement of certain of our officers stating whether or not to the best of their knowledge we are in default, in respect of any series of notes or in the performance and observance of the terms of the Indenture and, if we are in default, specifying the default and the nature of it.

The Indenture provides that the holders of a majority in aggregate principal amount of all notes then outstanding of a particular series will have the right to waive certain defaults in respect of the series and, subject to certain limitations, to direct the time, method and place of conducting any proceedings for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee. The Indenture provides that, in case an Event of Default in respect of a particular series of notes occurs (which is not cured or waived), the Trustee will be required to exercise such of its rights and powers under the Indenture, and to use the degree of care and skill in their exercise, that a prudent man would exercise or use in the conduct of his own affairs. Otherwise, the Trustee need only perform such duties as are specifically set forth in the Indenture. Subject to those provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the holders of the series unless they have offered to the Trustee reasonable security or indemnity.

No holder of any series of notes will have any right to institute any proceeding with respect to the Indenture or for any remedy under it, unless the holder has previously given to the Trustee written notice of a continuing Event of Default and unless the holders of at least 25% in aggregate principal amount of the outstanding notes of the series have made written request, and offered reasonable indemnity, to the Trustee to institute such a proceeding as trustee. In addition, the Trustee must not have received from the holders of a majority in aggregate principal amount of the outstanding notes of the series a direction inconsistent with the request and have failed to institute the proceeding within 60 days. However, such limitations do not apply to a suit instituted by a holder of a note for enforcement of payment of the principal of and premium, if any, or interest on the note on or after the respective due dates expressed in the note.

Modification of the Indenture

With certain exceptions, we may modify the Indenture, our and Carnival plc's rights and obligations, and the rights of the holders of a particular series, with the consent of the holders of at least a majority in aggregate principal amount of the outstanding notes of that series. However, without the consent of each affected holder of each note of a series, no modification may be made which would:

- change the stated maturity of the principal or premium, if any, of a note in the series;
- change the stated maturity of the interest (including Additional Amounts) on any note in the series;
- reduce the principal amount of a note in the series;
- reduce the interest rate on any note in the series;
- reduce the amount of principal of an original issue discount note that is payable upon the acceleration of the maturity of the note; or
- amend or modify the terms of any of the Guarantees in a manner adverse to the holders.

In addition, the consent of the holders of all then outstanding notes of the series is required to reduce the percentage of holders of notes whose consent is required to modify the Indenture or adversely affect the right of holders of notes in any material respect to convert any notes as provided in a supplemental indenture.

Discharge and Defeasance

Satisfaction and Discharge

The Indenture shall cease to be of further effect with respect to any series of notes (except as to the obligation to pay any Additional Amounts and certain other obligations surviving rights of conversion or registration or transfer or exchange of notes of such series expressly provided for in the Indenture or in the form of note for such series) as to all outstanding notes of such series when:

- either (a) all of the notes of that series theretofore authenticated and delivered (other than (i) notes of such series which have been destroyed, lost or stolen and which have been replaced or paid and (ii) notes of such series for whose payment money in the required currency has theretofore been deposited in trust or segregated and held in trust and thereafter repaid to us or discharged from such trust) have been cancelled or delivered to the Trustee for cancellation or (b) all such notes of that series not theretofore cancelled or delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for giving of notice of redemption by the Trustee in the name, and at the expense, of us, and we have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount in the required currency sufficient to pay and discharge the entire indebtedness on such notes not therefore delivered to the Trustee canceled or for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of notes which have become due and payable), or to the stated maturity or redemption date, as the case may be;
- we have paid or caused to be paid all other sums payable hereunder by us with respect to the notes of such series; and
- we have delivered to the Trustee an officer's certificate and an opinion of counsel each stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture with respect to the notes of such series have been complied with.

Defeasance

The Indenture provides that the Company (and, to the extent applicable, Carnival plc), at our option,

- will be discharged from any and all obligations in respect of any series of notes (except in each case for the obligation to pay any Additional Amounts and certain other obligations to register the transfer or exchange of notes, replace stolen, lost or mutilated senior notes, maintain paying agencies and hold moneys for payment in trust), or
- need not comply with certain terms, provisions or conditions of such indenture and any restrictive covenants described in a prospectus supplement relating to such series of notes, Carnival plc will be released from the Guarantees and certain Events of Default (other than those arising out of the failure to pay interest or principal on the notes of a particular series and certain events of bankruptcy, insolvency and reorganization) will no longer constitute Events of Default with respect to such series of notes,

in each case if we deposit with the Trustee, in trust, money or the equivalent in securities of the government which issued the currency in which the notes are denominated or government agencies backed by the full faith and credit of such government, or a combination thereof, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to pay all the principal (including any mandatory sinking fund payments) of, and interest on, such series on the dates such payments are due in accordance with the terms of such series.

To exercise any such option, we are required, among other things, to deliver to the Trustee an opinion of counsel to the effect that the deposit and related defeasance would not cause the holders of such series to recognize income, gain or loss for federal income tax purposes and, in the case of a discharge pursuant to the first bullet above, accompanied by a ruling to such effect received from or published by the United States Internal Revenue Service.

In addition, we are required to deliver to the Trustee an officers' certificate stating that such deposit was not made by us with the intent of preferring the holders over other creditors of ours or with the intent of defeating, hindering, delaying or defrauding creditors of ours or others.

#30092982v1 – Exhibit – Description of 1.875% Senior Notes Due 2022

DESCRIPTION OF THE CARNIVAL PLC 1.000% SENIOR NOTES DUE 2029

The following description of our 1.000% Notes due 2029, issued by Carnival plc and guaranteed by Carnival Corporation (the “notes”), is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the indenture, dated as of October 28, 2019 (the “Base Indenture”), between Carnival Plc (“we” or the “Company”), Carnival Corporation and U.S. Bank, National Association, as trustee (the “Trustee”), as supplemented by the first supplemental indenture, dated as of October 28, 2019 (the Base Indenture as supplemented by the first supplemental indenture, the “Indenture”), which is incorporated by reference as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.15 is a part.

We encourage you to read the above referenced Indenture for additional information.

General

The following is a description of certain of the specific terms and conditions of the Indenture.

The notes were initially issued in an €600,000,000 aggregate principal amount. We may from time to time, without the consent of the existing holders of the notes, create and issue further notes having the same terms and conditions as the notes in all respects, except for the original issue date, issue price and the first interest payment date. Additional notes issued in this manner will be consolidated with, and form a single series with, the previously outstanding notes. As of December 31, 2019, no such additional notes have been issued. As of December 31, 2019, €600,000,000 million aggregate principal amount of notes were outstanding. The maturity date of the notes is October 28, 2029.

The notes are represented by a fully registered global note. The global note was deposited with, or on behalf of, a common depositary, and registered in the name of the nominee of the common depositary for the accounts of Clearstream and Euroclear. The notes have been issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The notes are senior unsecured obligations and, as guaranteed, rank equally with all of the unsecured and unsubordinated indebtedness of Carnival Corporation and the Company, effectively junior to all of the secured indebtedness of Carnival Corporation and the Company, to the extent of the assets securing that indebtedness, and effectively junior to all indebtedness of the subsidiaries of Carnival Corporation and the Company.

The notes are registered under Section 12 of the Securities Exchange Act, as amended (the “Exchange Act”) and are traded on the New York Stock Exchange under the trading symbol CUK29.

Interest and Principal

The notes bear interest at 1.000% per annum. Interest on the notes in arrears is paid on October 28 of each year (each, an “Interest Payment Date”). The notes bear interest from the immediately preceding interest payment date to which interest has been paid. Interest on an Interest Payment Date is paid to the persons, or “holders,” in whose names the notes are registered on the security register at the close of business on the regular record date. The regular record date for the notes will be (a) for so long as the notes are represented by global notes, the Business Day immediately preceding the Interest Payment Date and (b) if the notes are not represented by global notes, the fifteenth calendar day, whether or not a Business Day, immediately preceding the Interest Payment Date. Interest on the notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the notes, to but excluding the next scheduled Interest Payment Date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any Interest Payment Date, the maturity date for the notes or earlier date of redemption or repurchase for the notes falls on a day that is not a Business Day, the required payment will be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such Interest Payment Date, maturity date or date of redemption or repurchase, as the case may be.

For purposes of the notes, "Business Day" means any day other than a Saturday or Sunday, (1) which is not a day on which banking institutions in The City of New York or London are authorized or required by law, regulation or executive order to close and (2) on which the Trans-European Automated Real Time Gross Settlement Express Transfer System (i.e., the Target2 System), or any successor thereto, is open.

All payments of interest and principal, including payments made upon any redemption or repurchase of the notes, are payable in euro. If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euro will be converted into U.S. dollars on the basis of the most recently available market exchange rate for euro. Any payment in respect of the notes so made in U.S. dollars will not constitute an Event of Default (as defined below) under the notes or the Indenture. Neither the Trustee nor the Paying Agent (as defined below) for the notes shall have any responsibility for any calculation or conversion in connection with the foregoing.

Optional Redemption

We may, at our option, redeem the notes as a whole at any time or in part from time to time, at any time prior to July 28, 2029 (the "Par Call Date"), on at least 10 days, but not more than 60 days, prior notice delivered to each holder of the notes to be redeemed, at a redemption price equal to the greater of:

- 100% of the principal amount of the notes to be redeemed, and
- the sum of the present values of the Remaining Scheduled Payments (as defined below), discounted to the redemption date on an annual basis (ACT/ACT (ICMA)) at the applicable Comparable Government Bond Rate (as defined below) plus 25 basis points;

plus, in each case, accrued and unpaid interest to, but not including, the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date).

On or after the Par Call Date, we may, at our option, redeem the notes as a whole at any time or in part from time to time, on at least 10 days, but not more than 60 days, prior notice delivered to each holder of the notes to be redeemed, at a redemption price equal to 100% of the principal amount of the notes being redeemed, plus accrued and unpaid interest to, but not including, the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date).

Any redemption or notice of any redemption may, at our discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an equity offering or Change of Control, issuance of indebtedness or other transaction or event. Notice of any redemption in respect thereof will be given prior to the completion thereof and may be partial as a result of only some of the conditions being satisfied. We may provide in such notice that payment of the applicable redemption price and the performance of our obligations with respect to such redemption may be performed by another person.

On and after the redemption date, interest will cease to accrue on the notes or any portion thereof called for redemption, unless we default in the payment of the applicable redemption price and accrued and unpaid interest. On or before the redemption date, we shall deposit with a paying agent, or the Trustee, money sufficient to pay the redemption price of and accrued and unpaid interest on the notes to be redeemed on such date. If we elect to redeem less than all of the notes, then we will notify the Trustee at least five days before giving notice of redemption to holders of the notes, or such shorter period as is satisfactory to the Trustee, of the aggregate principal amount of the notes to be redeemed and the redemption date, and the Trustee will select the notes to be redeemed in a manner it deems appropriate and fair.

“*Comparable Government Bond*” means, in relation to any Comparable Government Bond Rate (as defined below) calculation, at the discretion of an independent investment bank selected by us, a German *Bundesanleihe* bond whose maturity is closest to the maturity of the notes to be redeemed (assuming for this purpose that the notes matured on the Par Call Date), or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German *Bundesanleihe* bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German *Bundesanleihe* bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

“*Comparable Government Bond Rate*” means the yield to maturity, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), on the third Business Day prior to the date fixed for redemption, of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such Business Day as determined by an independent investment bank selected by us.

“*Remaining Scheduled Payments*” means, with respect to each note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon (not including unpaid interest accrued to the redemption date) that would be due if the notes matured on the Par Call Date; *provided, however*, that, if such redemption date is not an Interest Payment Date with respect to such note, the amount of the next succeeding scheduled interest payment thereon will be deemed to be reduced by the amount of interest accrued thereon to such redemption date.

We may redeem the notes in whole, but not in part, upon the occurrence of specified tax events. See “Redemption of Notes under Certain Circumstances”

Change of Control

If a Change of Control Triggering Event (as defined below) occurs, unless we have exercised our right to redeem the notes as described above, holders of notes will have the right to require us to repurchase all or any part equal to €100,000 or an integral multiple of €1,000 in excess thereof of the notes pursuant to the offer described below (the “Change of Control Offer”). In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased to, but not including, the date of purchase (the “Change of Control Payment”) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date).

Within 30 days following any Change of Control Triggering Event, we will be required to deliver a notice to holders of notes describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered (the “Change of Control Payment Date”), pursuant to the procedures described in such notice. If delivered prior to the date of consummation of the Change of Control, the notice will state that the Change of Control Offer is conditioned on the consummation of the Change of Control on or prior to the Change of Control Payment Date, *provided* that a Change of Control Offer may only be made in advance of a Change of Control Triggering Event and be conditional on such Change of Control Triggering Event if a definitive agreement

is in place for the Change of Control Triggering Event at the time such conditional Change of Control Offer is made. We must comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the notes, we will be required to comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control provisions of the notes by virtue of such conflicts.

On the Change of Control Payment Date, we will be required, to the extent lawful, to:

- accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;
- deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and
- deliver or cause to be delivered to the Trustee the notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being purchased.

We will not be required to make a Change of Control Offer if (i) a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements that we would have been required to meet had we made such an offer, and (ii) such third party purchases all notes properly tendered and not withdrawn under its offer. In addition, we will not repurchase any notes if there has occurred and is continuing on the Change of Control Payment Date an Event of Default (as defined in the accompanying prospectus) under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

For purposes of the foregoing discussion of a repurchase at the option of holders of notes, the following definitions are applicable:

“Change of Control” means any “person” or “group” (as such terms are used for the purposes of Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders (each, a “Relevant Person”) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly of such capital stock of Carnival Corporation and the Company, in each case as is entitled to exercise or direct the exercise of more than 50 percent of the rights to vote to elect members of the boards of directors of each of Carnival Corporation and the Company; *provided* (i) such event shall not be deemed a Change of Control so long as one or more of the Permitted Holders have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the boards of directors of Carnival Corporation or the Company, (ii) for the avoidance of doubt, no Change of Control shall occur solely as a result of either Carnival Corporation (or any subsidiary thereof) or the Company (or any subsidiary thereof) acquiring or owning, at any time, any or all of the capital stock of each other, and (iii) no Change of Control shall be deemed to occur if all or substantially all of the holders of the capital stock of the Relevant Person immediately after the event which would otherwise have constituted a Change of Control were the holders of the capital stock of Carnival Corporation and/or the Company with the same (or substantially the same) pro rata economic interests in the share capital of the Relevant Person as such shareholders had in the Capital Stock of Carnival Corporation and/or the Company, respectively, immediately prior to such event. Any direct or indirect intermediate holding company whose only asset is Carnival Corporation or the Company stock shall be deemed not to be a “Relevant Person.”

“Change of Control Period” means, in respect of any Change of Control, the period commencing on the Relevant Announcement Date in respect of such Change of Control and ending 60 days after the occurrence of such Change of Control.

“*Change of Control Triggering Event*” means the occurrence of both a Change of Control and a Rating Downgrade.

“*Permitted Holder*” means (i) each of Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses, the children or lineal descendants of Marilyn B. Arison, Micky Arison, Shari Arison, Michael Arison or their spouses, any trust established for the benefit of (or any charitable trust or non-profit entity established by) any Arison family member mentioned in this clause (i), or any trustee, protector or similar person of such trust or non-profit entity 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 Permitted Holder mentioned in this clause (i), and (ii) any “group” (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) the members of which include any of the Permitted Holders specified in clause (i) above, and that (directly or indirectly) hold or acquire beneficial ownership of capital stock of Carnival Corporation and/or the Company (a “Permitted Holder Group”), *provided* that in the case of this clause (ii), the Permitted Holders specified in clause (i) collectively, directly or indirectly, beneficially own more than 50% on a fully diluted basis of the capital stock of Carnival Corporation and the Company held by such Permitted Holder Group. Any one or more persons or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the terms of the notes will thereafter, together with its (or their) affiliates, constitute an additional Permitted Holder or Permitted Holders, as applicable.

“*Rating Agencies*” means each of Moody’s Investors Service, Inc. and S&P Global Ratings, a division of S&P Global, Inc., or any of their respective successors or any national rating agency substituted for either of them as selected by the Company.

“*Rating Downgrade*” means, in respect of any Change of Control, that the notes are, within the Change of Control Period in respect of such Change of Control, downgraded by both of the Rating Agencies to a non-investment grade credit rating (Ba1/BB+, or equivalent, or lower) and are not, within such Change of Control Period subsequently upgraded to an investment grade rating (Baa3/BBB-, or equivalent, or better) by both of the Rating Agencies; *provided, however*, that a Rating Downgrade otherwise arising by virtue of a particular reduction in rating will not be deemed to have occurred in respect of a particular Change of Control (and thus will not be deemed a Rating Downgrade for purposes of the definition of Change of Control Triggering Event) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or confirm to us in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the Rating Downgrade).

“*Relevant Announcement Date*” means, in respect of any Change of Control, the date which is the earlier of (A) the date of the first public announcement of such Change of Control and (B) the date of the earliest Relevant Potential Change of Control Announcement, if any, in respect of such Change of Control.

“*Relevant Potential Change of Control Announcement*” means, in respect of any Change of Control, any public announcement or statement by Carnival Corporation or the Company or any actual or potential bidder or any advisor acting on behalf of any actual or potential bidder of any action or actions which could give rise to such Change of Control, provided that within 180 days following such announcement or statement such Change of Control shall have occurred.

Payment of PLC Additional Amounts

We have agreed that any amounts payable on the notes will be paid without deduction or withholding for any and all present and future taxes, levies, imposts or other governmental charges whatsoever imposed, assessed, levied or collected by or for the account of (i)(x) the United Kingdom or any political subdivision or taxing authority thereof or (y) the jurisdiction of tax residence (other than the United States, or any political subdivision or taxing authority thereof) of a successor entity to us, to the extent that such taxes,

levies, imposts or other governmental charges first become applicable as a result of such successor entity becoming the obligor on the notes, or (ii) any other jurisdiction (other than the United States or any political subdivision or taxing authority thereof) from or through which any amount is paid by us under the Indenture or where we are resident or maintain a place of business or permanent establishment (each jurisdiction described in clauses (i) and (ii) above is referred to herein as a “PLC Taxing Jurisdiction” and such taxes, levies, imposts or other governmental charges are referred to as “PLC Taxes”), unless the withholding or deduction of such PLC Tax is compelled by laws of the United Kingdom, or any other applicable PLC Taxing Jurisdiction. If any deduction or withholding of any PLC Taxes (other than PLC Excluded Taxes, as defined below) is ever required by the United Kingdom or any other PLC Taxing Jurisdiction, we will (if the holders or beneficial owners of the relevant notes comply with any applicable administrative requirements) pay such additional amounts (“PLC Additional Amounts”) required to make the net amounts paid to each holder of notes or the Trustee pursuant to the terms of the Indenture or the notes, after such deduction or withholding, equal to the amounts then due and payable under the terms of the Indenture or the notes. However, we shall not be required to pay PLC Additional Amounts in respect of the following PLC Taxes (“PLC Excluded Taxes”):

- any present or future PLC Taxes imposed, assessed, levied or collected as a result of the holder or beneficial owner of the relevant note (i) being organized under the laws of, or otherwise being or having been a domiciliary, national or resident of, (ii) being engaged or having been engaged in a trade or business in, (iii) having or having had its principal office located in, (iv) maintaining or having maintained a permanent establishment in, (v) being or having been physically present in, or (vi) otherwise having or having had some connection (other than the connection arising from holding or owning the relevant note, or collecting principal and interest, if any, on, or the enforcement of, such note) with the United Kingdom or any other applicable PLC Taxing Jurisdiction;
- any present or future PLC Taxes which would not have been so imposed, assessed, levied or collected but for the fact that, where presentation is required, the relevant note was presented more than thirty days after the date the payment became due or was provided for, whichever is later;
- any present or future PLC Taxes imposed under Sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, or any present or future PLC Taxes imposed under comparable provisions of non-United States tax law;
- any present or future PLC Taxes which would not have been so imposed, assessed, levied or collected but for the failure to comply with any certification, identification or other report concerning the nationality, residence, identity or connection with the United Kingdom or any other applicable PLC Taxing Jurisdiction of the holder or beneficial owner of the relevant note or claim for relief or exemption, if making such a certification, identification, other report or claim is, under the laws, rules or regulations of any such jurisdiction, a condition to relief or exemption from PLC Taxes;
- any estate, inheritance, gift, sale, transfer, personal property or similar PLC Tax or duty; or
- any combination of the foregoing;

provided further, that no such PLC Additional Amounts shall be payable in respect of any note held by (x) any holder or beneficial owner that is not the sole beneficial owner of such note, or that is a fiduciary, partnership, limited liability company or other fiscally transparent entity, but only to the extent that a beneficiary or settlor with respect to the fiduciary or a beneficial owner, partner or member of the partnership, limited liability company or other fiscally transparent entity, would not have been entitled to

such PLC Additional Amounts had the beneficiary, settlor, beneficial owner, partner or member been the direct holder of such note, (y) any holder that is not a resident of the United States to the extent that, had such holder been a resident of the United States and eligible for the benefit of any double taxation treaty between the United States, and the applicable PLC Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the note, such holder would not have been entitled to such PLC Additional Amounts, or (z) any holder that is a resident of the United States but that is not eligible for the benefit of any double taxation treaty between the United States and the applicable PLC Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the note (but only to the extent the amount of such deduction or withholding exceeds that which would have been required had such holder of a note been so eligible and made all relevant claims).

We or any successor to us, as the case may be, will indemnify and hold harmless each holder of the notes and upon written request reimburse each holder for the amount of:

- any PLC Taxes levied or imposed and paid by the holder of the notes (other than PLC Excluded Taxes) as a result of payments made with respect to such notes;
- any liability (including penalties, interest and expenses) arising therefrom with respect thereto; and
- any PLC Taxes (other than PLC Excluded Taxes) with respect to payment of PLC Additional Amounts or any reimbursement pursuant to this list;

in each case, to the extent not otherwise reimbursed by the payment of any PLC Additional Amount and not excluded from the requirement to pay PLC Additional Amounts, as described above.

We or our successor, as the case may be, will also:

- make such withholding or deduction, to the extent required by applicable law; and
- remit the full amount deducted or withheld, to the relevant authority in accordance with applicable law.

We or any successor to us, as the case may be, will furnish the Trustee within 30 days after the date the payment of any PLC Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing the payment by us or any successor to us, as the case may be, or other evidence of such payment reasonably satisfactory to the Trustee.

At least 30 days prior to each date on which any payment under or with respect to the notes is due and payable, if we will be obligated to pay PLC Additional Amounts with respect to those payments, we will deliver to the Trustee an officers' certificate stating that such Additional Amounts will be payable, stating the amounts that will be payable, and setting forth any other information necessary to enable the Trustee to pay the PLC Additional Amounts to holders of the notes on the payment date.

Each holder of a note, by acceptance of such note, agrees that, with reasonable promptness after receiving our written notice to the effect that such holder is eligible for a refund in respect of PLC Taxes actually paid by us under the terms of the note or the Indenture, such holder will sign and deliver to us, as reasonably directed by us, any form we provide to such holder to enable such holder to obtain a refund in respect of such PLC Taxes; and if such holder thereafter receives such refund in respect of such PLC Taxes, such holder will promptly pay such refund to us (together with interest, if any, received by such holder from the relevant taxing authority). If a holder applies for a refund of such PLC Taxes prior to our request to apply for such a refund, the holder will, upon receipt of our request to apply for, or to turn over the proceeds of, any such refund, pay any such refund to us (together with interest, if any, received by such holder from the

relevant taxing authority), promptly upon receipt of such refund. We will pay all reasonable out-of-pocket expenses incurred by a holder in connection with obtaining such refund.

PLC Guarantor Additional Amounts

Carnival Corporation, the Guarantor of our notes, has agreed to make, with respect to the Indenture and the notes, all such payments to be paid without deduction or withholding for any and all present and future taxes, levies, imposts or other governmental charges whatsoever imposed, assessed, levied or collected by or for the account of (i)(x) the Republic of Panama or any political subdivision or taxing authority thereof or (y) the jurisdiction of incorporation (other than the United States or any political subdivision or taxing authority thereof) of a successor entity to Carnival Corporation, to the extent that such taxes, levies, imposts or other governmental charges first become applicable as a result of such successor entity becoming the obligor on the Guarantees, or (ii) any other jurisdiction (other than the United States or any political subdivision or taxing authority thereof) from or through which any amount is paid by Carnival Corporation with respect to the notes or where Carnival Corporation is resident or maintains a place of business or permanent establishment (each jurisdiction described in clauses (i) and (ii) above is referred to herein as a “PLC Guarantor Taxing Jurisdiction” and such taxes, levies, imposts or other governmental charges are referred to as “Corp. Taxes”), unless the withholding or deduction of such Tax is compelled by laws of the Republic of Panama or any other applicable PLC Guarantor Taxing Jurisdiction. If any deduction or withholding of any Corp. Taxes (other than Corp. Excluded Taxes, as defined below) is ever required by the Republic of Panama or any other PLC Guarantor Taxing Jurisdiction, Carnival Corporation will (if the holders or beneficial owners of the relevant notes comply with any applicable administrative requirements) pay any additional amounts (“PLC Guarantor Additional Amounts”) required to make the net amounts paid to each holder of the notes or the Trustee pursuant to the terms of the Indenture or the notes after such deduction or withholding equal to the amounts then due and payable under the terms of the Indenture or the notes. However, Carnival Corporation will not be required to pay PLC Guarantor Additional Amounts in respect of the following Corp. Taxes (“Corp. Excluded Taxes”):

- any present or future Corp. Taxes imposed, assessed, levied or collected as a result of the holder or beneficial owner of the relevant note (i) being organized under the laws of, or otherwise being or having been a domiciliary, national or resident of, (ii) being engaged or having been engaged in a trade or business in, (iii) having or having had its principal office located in, (iv) maintaining or having maintained a permanent establishment in, (v) being or having been physically present in, or (vi) otherwise having or having had some connection (other than the connection arising from holding or owning a note, or collecting principal and interest, if any, on, or the enforcement of, a note) with the Republic of Panama or any other applicable PLC Guarantor Taxing Jurisdiction;
- any present or future Corp. Taxes which would not have been so imposed, assessed, levied or collected but for the fact that, where presentation is required, the relevant note was presented more than thirty days after the date the payment became due or was provided for, whichever is later;
- any present or future Corp. Taxes imposed under Sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, or any present or future Guarantor Jurisdiction Taxes imposed under comparable provisions of non-United States tax law;
- any present or future Corp. Taxes which would not have been so imposed, assessed, levied or collected but for the failure to comply with any certification, identification or other report concerning the nationality, residence, identity or connection with the Republic of Panama or any other applicable Guarantor Taxing Jurisdiction of the holder or beneficial owner of the relevant note or claim for relief or exemption, if making such a

certification, identification, other report or claim is, under the laws, rules or regulations of any such jurisdiction, a condition to relief or exemption from Corp. Taxes;

- any estate, inheritance, gift, sale, transfer, personal property or similar Guarantor Jurisdiction Tax or duty; or
- any combination of the foregoing;

provided further, that no such PLC Guarantor Additional Amounts shall be payable in respect of any note held by (x) any holder or beneficial owner that is not the sole beneficial owner of such note, or that is a fiduciary, partnership, limited liability company or other fiscally transparent entity, but only to the extent that a beneficiary or settlor with respect to the fiduciary or a beneficial owner, partner or member of the partnership, limited liability company or other fiscally transparent entity, would not have been entitled to such PLC Guarantor Additional Amounts had the beneficiary, settlor, beneficial owner, partner or member been the direct holder of such note, (y) any holder that is not a resident of the United States to the extent that, had such holder been a resident of the United States and eligible for the benefit of any double taxation treaty between the United States, and the applicable PLC Guarantor Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the note, such holder would not have been entitled to such PLC Guarantor Additional Amounts, or (z) any holder that is a resident of the United States but that is not eligible for the benefit of any double taxation treaty between the United States and the applicable PLC Guarantor Taxing Jurisdiction in relation to payments of amounts due under the Indenture and the note (but only to the extent the amount of such deduction or withholding exceeds that which would have been required had such holder of a note been so eligible and made all relevant claims).

Carnival Corporation or any successor to it, as the case may be, will indemnify and hold harmless each holder of the notes and upon written request reimburse each holder for the amount of:

- any Corp. Taxes levied or imposed and paid by such holder of notes (other than Corp. Excluded Taxes) as a result of payments made with respect to such note;
- any liability (including penalties, interest and expenses) arising therefrom with respect thereto; and
- any Corp. Taxes (other than Corp. Excluded Taxes) with respect to payment of PLC Guarantor Additional Amounts or any reimbursement pursuant to this list;

in each case, to the extent not otherwise reimbursed by the payment of any PLC Guarantor Additional Amount and not excluded from the requirement to pay PLC Guarantor Additional Amounts, as described above.

Carnival Corporation or its successor, as the case may be, will also:

- make such withholding or deduction to the extent required by applicable law; and
- remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

Carnival Corporation or any successor to it, as the case may be, will furnish the Trustee within 30 days after the date the payment of any such Corp. Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing the payment by Carnival Corporation or any successor to it, as the case may be, or other evidence of such payment reasonably satisfactory to the Trustee.

At least 30 days prior to each date on which any payment under or with respect to the notes is due and payable by Carnival Corporation under the Guarantees, if Carnival Corporation will be obligated to pay

PLC Guarantor Additional Amounts with respect to those payments, Carnival Corporation will deliver to the Trustee an officers' certificate stating that PLC Guarantor Additional Amounts will be payable, stating the amounts that will be payable, and setting forth any other information necessary to enable the Trustee to pay the PLC Guarantor Additional Amounts to holders of the notes on the payment date.

Each holder of a note, by acceptance of such note, agrees that, with reasonable promptness after receiving written notice from Carnival Corporation to the effect that such holder is eligible for a refund in respect of Corp. Taxes actually paid by Carnival Corporation, such holder will sign and deliver, as reasonably directed by Carnival Corporation, any form provided to such by Carnival Corporation to enable such holder to obtain a refund in respect of such Corp. Taxes; and if such holder thereafter receives such refund in respect of such Corp. Taxes, such holder will promptly pay such refund to Carnival Corporation (together with interest, if any, received by such holder from the relevant taxing authority). If a holder applies for a refund of such Corp. Taxes prior to a request by Carnival Corporation to apply for such a refund, the holder will, upon receipt of a request by Carnival Corporation to apply for, or to turn over the proceeds of, any such refund, pay any such refund to Carnival Corporation (together with interest, if any, received by such holder from the relevant taxing authority), promptly upon receipt of such refund. Carnival Corporation shall pay all reasonable out-of-pocket expenses incurred by a holder in connection with obtaining such refund.

Redemption of Notes under Certain Circumstances

If as the result of any change in or any amendment to the laws, including any regulations and any applicable double taxation treaty or convention, of the United Kingdom (or other jurisdiction of tax residence (other than the United States) of a successor entity to us), or of any of its political subdivisions or taxing authorities thereof or therein affecting taxation, or any change in an application or interpretation of those laws, regulations, double taxation treaty or convention which change, amendment, application or interpretation becomes effective on or after the original issuance date of the notes (or, in certain circumstances, the later date on which an entity becomes a successor entity to us), we determine based upon an opinion of independent counsel of recognized standing that:

- we would be required to pay PLC Additional Amounts in respect of principal, premium, if any, interest, if any, or sinking fund or analogous payments, if any, on the next succeeding date for the payment thereof (and such obligation could not be avoided by us taking reasonable measures available to us), or
- any taxes would be imposed (whether by way of deduction, withholding or otherwise) by the United Kingdom (or the jurisdiction of tax residence (other than the United States) of a successor entity to us) or by any of its political subdivisions or taxing authorities, upon or with respect to any principal, premium, if any, interest, if any, or sinking fund or analogous payments, if any,

then we may, at our option, on giving not less than 10 nor more than 60 days' irrevocable notice, redeem the notes in whole, but not in part, at any time at a redemption price equal to 100% of the principal amount, plus accrued interest to the date fixed for redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date). No such notice of redemption may be given more than 90 days prior to the earliest date on which we would be obligated to pay the PLC Additional Amounts or the tax would be imposed, as the case may be. Also, at the time that such notice of redemption is given, the obligation to pay PLC Additional Amounts or tax, as the case may be, must be in effect.

In addition, if as the result of any change in or any amendment to the laws, including any regulations and any applicable double taxation treaty or convention, of the Republic of Panama (or the jurisdiction of tax residence (other than the United States) of a successor entity to Carnival Corporation), or of any of its political subdivisions or taxing authorities thereof or therein affecting taxation, or any change in an application or interpretation of those laws, regulations, double taxation treaty or convention, which change,

amendment, application or interpretation becomes effective on or after the original issuance date of the notes (or, in certain circumstances, the later date on which an entity becomes a successor entity to Carnival Corporation), we determine based upon an opinion of independent counsel of recognized standing that:

- Carnival Corporation would be required to pay PLC Guarantor Additional Amounts in respect of principal, premium, if any, interest, if any, or sinking fund or analogous payments, if any, on the next succeeding date for the payment thereof (and such obligation could not be avoided by it taking reasonable measures available to it), or
- any taxes would be imposed (whether by way of deduction, withholding or otherwise) by the Republic of Panama (or the jurisdiction of tax residence (other than the United States) of a successor entity to Carnival Corporation) or by any of its political subdivisions or taxing authorities, upon or with respect to any principal, premium, if any, interest, if any, or sinking fund or analogous payments, if any

then we may, at our option, on giving not less than 10 nor more than 60 days' irrevocable notice, redeem the notes in whole, but not in part, at any time at a redemption price equal to 100% of the principal amount plus accrued interest to the date fixed for redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date). No such notice of redemption may be given more than 90 days prior to the earliest date on which Carnival Corporation would be obligated to pay the PLC Guarantor Additional Amounts or the tax would be imposed, as the case may be. Also, at the time that such notice of redemption is given, the obligation to pay the PLC Guarantor Additional Amounts or tax, as the case may be, must be in effect.

Limitation on Liens

Neither the Company nor Carnival Corporation will create or incur, or suffer to be created or incurred or come to exist any Security Interest in respect of Indebtedness For Borrowed Money on any vessel or other of its respective properties or assets of any kind, real or personal, tangible or intangible, included in the consolidated balance sheet of the Carnival Corporation & plc Group in accordance with GAAP, nor shall the Company permit any member of the Carnival Corporation & plc Group to do any of the foregoing, unless we make or cause to be made effective provisions whereby either (x) the notes will be secured by a Security Interest on such vessels, properties or assets equally and ratably with (or prior to) all other Indebtedness For Borrowed Money thereby secured or (y) the notes will be secured by a Security Interest on other vessels, properties or assets with a book value at least equal to the principal amount of the notes that ranks prior to all other Indebtedness For Borrowed Money thereby secured. The foregoing restriction does not apply to any Security Interest in respect of Indebtedness For Borrowed Money up to an amount not greater than 40% of the amount of the total assets of the Carnival Corporation & plc Group as shown in the Carnival Corporation & plc Group's most recent consolidated balance sheet (excluding for these purposes the value of any intangible assets). Any Security Interest granted to the holders of the notes under clauses (x) or (y) above will terminate automatically when any other Indebtedness For Borrowed Money that causes such Security Interest to be granted ceases to be secured by any vessels, assets or properties of the Carnival Corporation & plc Group.

"*Carnival Corporation & plc Group*" means the Carnival Corporation Group and the Carnival plc Group.

"*Carnival Corporation Group*" means Carnival Corporation and all its subsidiaries from time to time.

"*Carnival plc Group*" means the Company and all its subsidiaries from time to time.

"GAAP" means generally accepted accounting principles in the United States in effect on the original issue date of the notes.

“*Indebtedness For Borrowed Money*” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments and (c) all guarantee obligations of such Person with respect to Indebtedness For Borrowed Money of others.

“*Person*” means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“*Security Interest*” means a mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

Book-Entry Delivery and Settlement

Global Notes

The notes were issued in the form of one or more global notes in definitive, fully registered, book-entry form.

Clearstream and Euroclear

Each global note has been deposited with, or on behalf of, a common depository, and registered in the name of the nominee of the common depository for the accounts of Clearstream and Euroclear. Except as set forth below, the global notes may be transferred, in whole and not in part, only to the common depository, its successors or their respective nominees. You may hold your interests in the global notes in Europe through Clearstream or Euroclear, either as a participant in such systems or indirectly through organizations which are participants in such systems. Clearstream and Euroclear will hold interests in the global notes on behalf of their respective participating organizations or customers through customers’ securities accounts in Clearstream’s or Euroclear’s names on the books of their respective depositories. Book-entry interests in the notes and all transfers relating to the notes will be reflected in the book-entry records of Clearstream and Euroclear. The address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg and the address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

The distribution of the notes is cleared through Clearstream and Euroclear. Any secondary market trading of book-entry interests in the notes takes place through Clearstream and Euroclear participants and settles in same-day funds. Owners of book-entry interests in the notes receive payments relating to their notes in euro.

The laws of some jurisdictions may require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a global note to those persons may be limited. In addition, because Clearstream and Euroclear can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in notes represented by a global note to pledge or transfer those interests to persons or entities that do not participate in Clearstream’s or Euroclear’s systems, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as the common depository for Clearstream, Euroclear or such common depository’s nominee is the registered owner of a global note, the common depository or such nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the Indenture and under the notes. Except as provided below, owners of beneficial interests in a global note will not be entitled to have notes represented by that global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered the owners or holders thereof under the Indenture or under the notes for any purpose, including with respect to the giving of any

direction, instruction or approval to the Trustee. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of Clearstream and Euroclear and, if that holder is not a direct or indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of notes under the indenture or a global note.

None of Carnival Corporation, the Company or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by Clearstream or Euroclear, or for maintaining, supervising or reviewing any records of those organizations relating to the notes.

Payments on the notes represented by the global notes will be made to the common depository or its nominee, as the case may be, as the registered owner thereof. We expect that Clearstream and Euroclear, upon receipt of any payment on the notes represented by a global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the global note as shown in the records of the common depository or its nominee. We also expect that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practice as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. The participants will be responsible for those payments.

Distributions on the notes held beneficially through Clearstream will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by Clearstream.

Distributions on the notes held beneficially through Euroclear will be credited to the cash accounts of its participants in accordance with the Terms and Conditions, to the extent received by Euroclear.

Clearance and Settlement Procedures

Initial settlement for the notes was made in immediately available funds. Secondary market trading between Clearstream customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable, and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the notes through Clearstream and Euroclear on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream and Euroclear on the same Business Day as in the United States. U.S. investors who wish to transfer their interests in the notes, or to make or receive a payment or delivery of the notes, on a particular day, may find that the transactions will not be performed until the next Business Day in Luxembourg or Brussels, depending on whether Clearstream or Euroclear is used.

Clearstream or Euroclear will credit payments to the cash accounts of Clearstream customers or Euroclear participants, as applicable, in accordance with the relevant system's rules and procedures, to the extent received by its depository. Clearstream or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a holder under the indenture on behalf of a Clearstream customer or Euroclear participant only in accordance with its relevant rules and procedures. Although Clearstream and Euroclear have agreed to the foregoing procedures to facilitate transfers of the notes among participants of Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

Certificated Notes

We will issue certificated notes to each person that Clearstream or Euroclear identifies as the beneficial owner of the notes represented by the global notes upon surrender by Clearstream or Euroclear of the global notes only if:

- Clearstream, Euroclear or any successor thereto notifies us that it is no longer willing or able to act as a clearing system for the global notes;
or
- we determine, in our sole discretion, not to have the notes represented by a global note.

Neither we nor the Trustee will be liable for any delay by Clearstream, Euroclear, the common depositary or its nominee or any direct or indirect participant in identifying the beneficial owners of the related notes. We and the Trustee may conclusively rely on, and will be protected in relying on, instructions from Clearstream, Euroclear, the common depositary or its nominee for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the certificated notes to be issued.

Trustee, Paying Agents and Security Registrar

U.S. Bank National Association is the Trustee under the indenture governing the notes. U.S. Bank National Association is a national banking association organized under and governed by the laws of the United States of America, and provides trust services and acts as indenture trustee for numerous corporate securities issuances, including for other series of notes of which we are the issuer. Elavon Financial Services DAC, UK Branch, is the paying agent for the notes. U.S. Bank National Association is the securities registrar for the notes.

Base Indenture Provisions

Governing Law

The notes, the Guarantees and the Indenture are governed by, and construed in accordance with, the laws of the State of New York.

Merger and Consolidation

Neither the Company nor Carnival Corporation, as guarantor of the notes, can consolidate with or merge into any other person or transfer or lease all or substantially all of its assets substantially as an entirety to any person unless:

- after giving effect to the transaction, no Event of Default (as defined below under “—Events of Default”), and no event which after notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing;

- (i) in the case of the Company, 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 interest on, all the outstanding notes and the performance of every covenant in the Indenture to be performed or observed by the company and provides for conversion rights in accordance with applicable provisions of the Indenture and (ii) in the case of Carnival Corporation, the successor or transferee entity, if other than Carnival Corporation, expressly assumes by a supplemental indenture executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the performance of every covenant in the Indenture to be performed or observed by Carnival Corporation; 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 stating that such consolidation, merger, conveyance or transfer and such supplemental indenture complies with the foregoing provisions relating to such transaction.

Events of Default

Unless otherwise noted in an applicable prospectus supplement or board resolution creating a particular series of notes, the following are "Events of Default" in respect of a particular series of notes:

- failure to pay interest (including PLC Additional Amounts) for 30 days after it is due;
- failure to pay the principal or premium, if any, when due;
- failure to make a sinking fund payment for five days after it becomes due;
- failure to perform any other covenant for 60 days after being given written notice of the failure in accordance with the Indenture;
- failure to pay when due the principal of, or acceleration of, any indebtedness for money borrowed by the Company or Carnival Corporation in excess of \$100 million, if the indebtedness is not discharged, or the acceleration is not annulled, within 30 days of the Company receiving written notice of the failure in accordance with the Indenture;
- certain events of bankruptcy, insolvency or reorganization;
- any PLC Guarantee of such series ceasing to be in full force and effect as an enforceable instrument; and
- any other Event of Default, as indicated in the applicable prospectus supplement.

If an Event of Default in respect of a particular series of notes outstanding occurs and is continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the notes outstanding of the series may declare the principal amount (or, if the notes of the series are original issue discount notes, the portion of the principal amount as may be specified in the terms of the series) of all of the notes of the series to be due and payable immediately. At any time after such a declaration of acceleration has been made, but before a judgment or decree for the payment of money due upon acceleration has been obtained by the Trustee, the holders of a majority in aggregate principal amount outstanding of the notes of the affected series may, under certain circumstances, rescind and annul the declaration and its consequences if all Events of Default relating to the notes of the series, other than the non-payment of principal due solely by the declaration of acceleration, have been cured or waived as provided in the Indenture.

The Trustee will, within 90 days after a default in respect of a series of notes, give the holders of the series notice of all uncured defaults known to it (the term “default” includes the events specified above without grace periods). However, except in the case of default in the payment of the principal of, or premium, if any, on or interest on any of the notes of the series, or in the payment of any sinking fund installment with respect to the notes of the series, the Trustee may withhold such notice and will not be liable to holders for doing so, if the Trustee in good faith determines that the withholding of such notice is in the interests of the holders of the series.

Pursuant to the terms of the Indenture, the Company is required to furnish to the Trustee within 120 days of the end of the Company’s fiscal year a statement of certain of the Company’s officers stating whether or not to the best of their knowledge the Company is in default, in respect of any series of notes or in the performance and observance of the terms of the Indenture and, if the Company is in default, specifying the default and the nature of it.

The Indenture provides that the holders of a majority in aggregate principal amount of all notes then outstanding of a particular series will have the right to waive certain defaults in respect of the series and, subject to certain limitations, to direct the time, method and place of conducting any proceedings for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee. The Indenture provides that, in case an Event of Default in respect of a particular series of notes occurs (which is not cured or waived), the Trustee will be required to exercise such of its rights and powers under the Indenture, and to use the degree of care and skill in their exercise, that a prudent man would exercise or use in the conduct of his own affairs. Otherwise, the Trustee need only perform such duties as are specifically set forth in the Indenture. Subject to those provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the holders of the series unless they have offered to the Trustee reasonable security or indemnity.

No holder of any series of notes will have any right to institute any proceeding with respect to the Indenture or for any remedy under it, unless the holder has previously given to the Trustee written notice of a continuing Event of Default and unless the holders of at least 25% in aggregate principal amount of the outstanding notes of the series have made written request, and offered reasonable indemnity, to the Trustee to institute such a proceeding as trustee. In addition, the Trustee must not have received from the holders of a majority in aggregate principal amount of the outstanding notes of the series a direction inconsistent with the request and have failed to institute the proceeding within 60 days. However, such limitations do not apply to a suit instituted by a holder of a note for enforcement of payment of the principal of and premium, if any, or interest on the note on or after the respective due dates expressed in the note.

Modification of the Indenture

With certain exceptions, the Company may modify the Indenture, its and Carnival Corporation’s rights and obligations, and the rights of the holders of a particular series, with the consent of the holders of at least a majority in aggregate principal amount of the outstanding notes of that series. However, without the consent of each affected holder of each note of a series, no modification may be made which would:

- change the stated maturity of the principal or premium, if any, of a note in the series;
- change the stated maturity of the interest (including PLC Additional Amounts) on any note in the series;
- reduce the principal amount of a note in the series;
- reduce the interest rate on any note in the series;
- reduce the amount of principal of an original issue discount note that is payable upon the acceleration of the maturity of the note; or
- amend or modify the terms of any of the Guarantees in a manner adverse to the holders.

In addition, the consent of the holders of all then outstanding notes of the series is required to reduce the percentage of holders of notes whose consent is required to modify the Indenture or adversely affect the right of holders of notes in any material respect to convert any notes as provided in a supplemental indenture.

Discharge and Defeasance

Satisfaction and Discharge

The Indenture shall cease to be of further effect with respect to any series of notes (except as to the obligation to pay any Additional Amounts and certain other obligations, surviving rights of conversion or registration or transfer or exchange of notes of such series expressly provided for in the Indenture or in the form of note for such series) as to all outstanding notes of such series when:

- either (a) all of the notes of that series theretofore authenticated and delivered (other than (i) notes of such series which have been destroyed, lost or stolen and which have been replaced or paid and (ii) notes of such series for whose payment money in the required currency has theretofore been deposited in trust or segregated and held in trust and thereafter repaid to the Company or discharged from such trust) have been cancelled or delivered to the Trustee for cancellation or (b) all such notes of that series not theretofore cancelled or delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and the Company has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount in the required currency sufficient to pay and discharge the entire indebtedness on such notes not therefore delivered to the Trustee canceled or for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of notes which have become due and payable), or to the stated maturity or redemption date, as the case may be;
- the Company has paid or caused to be paid all other sums payable hereunder by us with respect to the notes of such series; and
- the Company has delivered to the Trustee an officer's certificate and an opinion of counsel each stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture with respect to the notes of such series have been complied with.

Defeasance

Each Indenture provides that the Company (and, to the extent applicable, Carnival Corporation), at our option,

- will be discharged from any and all obligations in respect of any series of notes (except in each case for the obligation to pay any Additional Amounts and certain other obligations to register the transfer or exchange of notes, replace stolen, lost or mutilated senior notes, maintain paying agencies and hold moneys for payment in trust), or
- need not comply with certain terms, provisions or conditions of the Indenture and any restrictive covenants described in a prospectus supplement relating to such series of notes, Carnival Corporation will be released from the PLC Guarantees and certain Events of Default (other than those arising out of the failure to pay interest or principal on the notes of a particular series and certain events of bankruptcy, insolvency and

reorganization) will no longer constitute Events of Default with respect to such series of notes,

in each case if we deposit with the Trustee, in trust, money or the equivalent in securities of the government which issued the currency in which the notes are denominated or government agencies backed by the full faith and credit of such government, or a combination thereof, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to pay all the principal (including any mandatory sinking fund payments) of, and interest on, such series on the dates such payments are due in accordance with the terms of such series.

To exercise any such option, the Company is required, among other things, to deliver to the Trustee an opinion of counsel to the effect that the deposit and related defeasance would not cause the holders of such series to recognize income, gain or loss for federal income tax purposes and, in the case of a discharge pursuant to the first bullet above, accompanied by a ruling to such effect received from or published by the United States Internal Revenue Service.

In addition, the Company is required to deliver to the Trustee an officers' certificate stating that such deposit was not made by us with the intent of preferring the holders over other creditors of ours or with the intent of defeating, hindering, delaying or defrauding creditors of ours or others.

#30093290v1 – Exhibit – Description of 1.000% Senior Notes due 2029

**CARNIVAL CORPORATION & PLC
EXHIBIT 13 TO FORM 10-K
FOR THE YEAR ENDED NOVEMBER 30, 2019**

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

	Years Ended November 30,		
	2019	2018	2017
Revenues			
Cruise			
Passenger ticket	\$ 14,104	\$ 13,930	\$ 12,944
Onboard and other	6,331	4,679	4,330
Tour and other	390	272	236
	<u>20,825</u>	<u>18,881</u>	<u>17,510</u>
Operating Costs and Expenses			
Cruise			
Commissions, transportation and other	2,720	2,590	2,359
Onboard and other	2,101	638	587
Payroll and related	2,249	2,190	2,107
Fuel	1,562	1,619	1,244
Food	1,083	1,066	1,031
Other ship operating	2,925	2,807	3,010
Tour and other	268	180	163
	<u>12,909</u>	<u>11,089</u>	<u>10,501</u>
Selling and administrative	2,480	2,450	2,265
Depreciation and amortization	2,160	2,017	1,846
Goodwill and trademark impairment	—	—	89
	<u>17,549</u>	<u>15,556</u>	<u>14,701</u>
Operating Income	<u>3,276</u>	<u>3,325</u>	<u>2,809</u>
Nonoperating Income (Expense)			
Interest income	23	14	9
Interest expense, net of capitalized interest	(206)	(194)	(198)
Gains on fuel derivatives, net	—	59	35
Other income (expense), net	(32)	3	11
	<u>(215)</u>	<u>(118)</u>	<u>(143)</u>
Income Before Income Taxes	<u>3,060</u>	<u>3,207</u>	<u>2,666</u>
Income Tax Expense, Net	<u>(71)</u>	<u>(54)</u>	<u>(60)</u>
Net Income	<u>\$ 2,990</u>	<u>\$ 3,152</u>	<u>\$ 2,606</u>
Earnings Per Share			
Basic	<u>\$ 4.34</u>	<u>\$ 4.45</u>	<u>\$ 3.61</u>
Diluted	<u>\$ 4.32</u>	<u>\$ 4.44</u>	<u>\$ 3.59</u>

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Years Ended November 30,		
	2019	2018	2017
Net Income	\$ 2,990	\$ 3,152	\$ 2,606
Items Included in Other Comprehensive Income (Loss)			
Change in foreign currency translation adjustment	(86)	(199)	590
Other	(31)	32	82
Other Comprehensive Income (Loss)	(117)	(167)	672
Total Comprehensive Income	\$ 2,873	\$ 2,986	\$ 3,278

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

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

	November 30,	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 518	\$ 982
Trade and other receivables, net	444	358
Inventories	427	450
Prepaid expenses and other	671	436
Total current assets	2,059	2,225
Property and Equipment, Net	38,131	35,336
Goodwill	2,912	2,925
Other Intangibles	1,174	1,176
Other Assets	783	738
	\$ 45,058	\$ 42,401
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	\$ 231	\$ 848
Current portion of long-term debt	1,596	1,578
Accounts payable	756	730
Accrued liabilities and other	1,809	1,654
Customer deposits	4,735	4,395
Total current liabilities	9,127	9,204
Long-Term Debt	9,675	7,897
Other Long-Term Liabilities	890	856
Commitments and Contingencies		
Shareholders' Equity		
Common stock of Carnival Corporation, \$0.01 par value; 1,960 shares authorized; 657 shares at 2019 and 656 shares at 2018 issued	7	7
Ordinary shares of Carnival plc, \$1.66 par value; 217 shares at 2019 and 2018 issued	358	358
Additional paid-in capital	8,807	8,756
Retained earnings	26,653	25,066
Accumulated other comprehensive income (loss) ("AOCI")	(2,066)	(1,949)
Treasury stock, 130 shares at 2019 and 129 shares at 2018 of Carnival Corporation and 60 shares at 2019 and 48 shares at 2018 of Carnival plc, at cost	(8,394)	(7,795)
Total shareholders' equity	25,365	24,443
	\$ 45,058	\$ 42,401

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

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

	Years Ended November 30,		
	2019	2018	2017
OPERATING ACTIVITIES			
Net income	\$ 2,990	\$ 3,152	\$ 2,606
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Depreciation and amortization	2,160	2,017	1,846
Impairments	26	16	392
Gains on fuel derivatives, net	—	(59)	(35)
Share-based compensation	46	65	63
Other, net	43	(6)	51
	5,265	5,186	4,923
Changes in operating assets and liabilities			
Receivables	(114)	(58)	6
Inventories	79	(67)	(49)
Prepaid expenses and other	(254)	74	(13)
Accounts payable	34	(24)	21
Accrued and other liabilities	80	(100)	73
Customer deposits	387	539	361
Net cash provided by (used in) operating activities	5,475	5,549	5,322
INVESTING ACTIVITIES			
Purchases of property and equipment	(5,429)	(3,749)	(2,944)
Proceeds from sales of ships	26	389	—
Payments of fuel derivative settlements	(6)	(39)	(203)
Other, net	132	(114)	25
Net cash provided by (used in) investing activities	(5,277)	(3,514)	(3,122)
FINANCING ACTIVITIES			
Proceeds from (repayments of) short-term borrowings, net	(605)	417	(29)
Principal repayments of long-term debt	(1,651)	(1,556)	(1,227)
Proceeds from issuance of long-term debt	3,674	2,542	467
Dividends paid	(1,387)	(1,355)	(1,087)
Purchases of treasury stock	(603)	(1,468)	(552)
Other, net	(82)	(39)	(24)
Net cash provided by (used in) financing activities	(655)	(1,460)	(2,452)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(9)	(1)	11
Net increase (decrease) in cash, cash equivalents and restricted cash	(465)	574	(241)
Cash, cash equivalents and restricted cash at beginning of year	996	422	662
Cash, cash equivalents and restricted cash at end of year	\$ 530	\$ 996	\$ 422

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Common stock	Ordinary shares	Additional paid-in capital	Retained earnings	AOCI	Treasury stock	Total shareholders' equity
At November 30, 2016	\$ 7	\$ 358	\$ 8,632	\$ 21,843	\$ (2,454)	\$ (5,789)	\$ 22,597
Change in accounting principle (a)	—	—	2	(2)	—	—	—
Net income	—	—	—	2,606	—	—	2,606
Other comprehensive income (loss)	—	—	—	—	672	—	672
Cash dividends declared	—	—	—	(1,155)	—	—	(1,155)
Purchases of treasury stock under the Repurchase Program and other	—	—	56	—	—	(560)	(504)
At November 30, 2017	7	358	8,690	23,292	(1,782)	(6,349)	24,216
Net income	—	—	—	3,152	—	—	3,152
Other comprehensive income (loss)	—	—	—	—	(167)	—	(167)
Cash dividends declared	—	—	—	(1,378)	—	—	(1,378)
Purchases of treasury stock under the Repurchase Program and other	—	—	66	—	—	(1,446)	(1,380)
At November 30, 2018	7	358	8,756	25,066	(1,949)	(7,795)	24,443
Change in accounting principle (b)	—	—	—	(24)	—	—	(24)
Net income	—	—	—	2,990	—	—	2,990
Other comprehensive income (loss)	—	—	—	—	(117)	—	(117)
Cash dividends declared	—	—	—	(1,379)	—	—	(1,379)
Purchases of treasury stock under the Repurchase Program and other	—	—	51	—	—	(599)	(548)
At November 30, 2019	<u>\$ 7</u>	<u>\$ 358</u>	<u>\$ 8,807</u>	<u>\$ 26,653</u>	<u>\$ (2,066)</u>	<u>\$ (8,394)</u>	<u>\$ 25,365</u>

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

- (a) We elected to early adopt the provisions of *Compensation - Stock Compensation - Improvements to Employee Share-Based Payment Accounting* on December 1, 2016.
- (b) We adopted the provisions of *Revenue from Contracts with Customers* and *Derivatives and Hedging* on December 1, 2018.

CARNIVAL CORPORATION & PLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – General***Description of Business***

Carnival Corporation was incorporated in Panama in 1972 and Carnival plc was incorporated in England and Wales in 2000. Together with their consolidated subsidiaries, they are referred to collectively in these consolidated financial statements and elsewhere in this 2019 Annual Report as “Carnival Corporation & plc,” “our,” “us” and “we.” The consolidated financial statements include the accounts of Carnival Corporation and Carnival plc and their respective subsidiaries.

We are the world’s largest leisure travel company and among the most profitable and financially strong in the cruise and vacation industries. We are also the largest cruise company, carrying nearly 45 percent of global cruise guests, and a leading provider of vacations to all major cruise destinations throughout the world. With operations in North America, Australia, Europe and Asia, we operate a portfolio of leading global, regional and national cruise brands that sell tailored cruise products, services and vacation experiences on 104 cruise ships to the world’s most desirable destinations.

DLC Arrangement

Carnival Corporation and Carnival plc operate a dual listed company (“DLC”) arrangement, whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and provisions in Carnival Corporation’s Articles of Incorporation and By-Laws and Carnival plc’s Articles of Association. The two companies operate as a single economic enterprise with a single senior executive management team and identical Boards of Directors, but each has retained its separate legal identity. Each company’s shares are publicly traded; on the New York Stock Exchange (“NYSE”) for Carnival Corporation and the London Stock Exchange (“LSE”) for Carnival plc. The Carnival plc American Depository Shares are traded on the NYSE.

The constitutional documents of each company provide that, on most matters, the holders of the common equity of both companies effectively vote as a single body. The Equalization and Governance Agreement between Carnival Corporation and Carnival plc provides for the equalization of dividends and liquidation distributions based on an equalization ratio and contains provisions relating to the governance of the DLC arrangement. Because the equalization ratio is 1 to 1, one share of Carnival Corporation common stock and one Carnival plc ordinary share are generally entitled to the same distributions.

Under deeds of guarantee executed in connection with the DLC arrangement, as well as stand-alone guarantees executed since that time, each of Carnival Corporation and Carnival plc have effectively cross guaranteed all indebtedness and certain other monetary obligations of each other. Once the written demand is made, the holders of indebtedness or other obligations may immediately commence an action against the relevant guarantor.

Under the terms of the DLC arrangement, Carnival Corporation and Carnival plc are permitted to transfer assets between the companies, make loans to or investments in each other and otherwise enter into intercompany transactions. In addition, the cash flows and assets of one company are required to be used to pay the obligations of the other company, if necessary.

Given the DLC arrangement, we believe that providing separate financial statements for each of Carnival Corporation and Carnival plc would not present a true and fair view of the economic realities of their operations. Accordingly, separate financial statements for Carnival Corporation and Carnival plc have not been presented.

NOTE 2 – Summary of Significant Accounting Policies***Basis of Presentation***

We consolidate entities over which we have control, as typically evidenced by a voting control of greater than 50% or for which we are the primary beneficiary, whereby we have the power to direct the most significant activities and the obligation to absorb significant losses or receive significant benefits from the entity. We do not separately present our noncontrolling interests in the consolidated financial statements since the amounts are immaterial. For affiliates we do not control but where significant influence over financial and operating policies exists, as typically evidenced by a voting control of 20% to 50%, the investment is accounted for using the equity method.

Preparation of Financial Statements

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the amounts reported and disclosed in our consolidated financial statements. Actual results may differ from the estimates used in preparing our consolidated financial statements. All significant intercompany balances and transactions are eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents include investments with maturities of three months or less at acquisition, which are stated at cost and present insignificant risk of changes in value.

Inventories

Inventories consist substantially of food, beverages, hotel supplies, fuel and retail merchandise, which are all carried at the lower of cost or net realizable value. Cost is determined using the weighted-average or first-in, first-out methods.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment charges. Depreciation is computed using the straight-line method over our estimates of useful lives and residual values, as a percentage of original cost, as follows:

	Years	Residual Values
Ships	30	15%
Ship improvements	3-30	0%
Buildings and improvements	10-40	0% or 10%
Computer hardware and software	2-12	0% or 10%
Transportation equipment and other	3-20	0% or 10%
Leasehold improvements, including port facilities	Shorter of the remaining lease term or related asset life (3-30)	0%

The cost of ships under construction include progress payments for the construction of new ships, as well as design and engineering fees, capitalized interest, construction oversight costs and various owner supplied items. We account for ship improvement costs, including replacements of certain significant components and parts, by capitalizing those costs we believe add value to our ships and have a useful life greater than one year and depreciating those improvements over their estimated remaining useful life. We have a capital program for the improvement of our ships and for asset replacements in order to enhance the effectiveness and efficiency of our operations; to comply with, or exceed all relevant legal and statutory requirements related to health, environment, safety, security and sustainability; and to gain strategic benefits or provide improved product innovations to our guests.

We capitalize interest as part of the cost of capital projects during their construction period. The specifically identified or estimated cost and accumulated depreciation of previously capitalized ship components are written-off upon retirement, which may result in a loss on disposal that is also included in other ship operating expenses. Liquidated damages received from shipyards as a result of late ship delivery are recorded as reductions to the cost basis of the ship.

The costs of repairs and maintenance, including minor improvement costs and expenses related to dry-docks, are charged to expense as incurred and included in other ship operating expenses. Dry-dock expenses primarily represent planned major maintenance activities that are incurred when a ship is taken out-of-service for scheduled maintenance.

We review our long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts of these assets may not be recoverable. Upon the occurrence of a triggering event, the assessment of possible impairment is based on our ability to recover the carrying value of our asset from the asset’s estimated undiscounted future cash flows. If these estimated undiscounted future cash flows are less than the carrying value of the asset, an impairment charge is recognized for the excess, if any, of the asset’s carrying value over its estimated fair value. The lowest level for which we maintain identifiable cash flows that are independent of the cash flows of other assets and liabilities is at the individual ship level. A significant amount of judgment is required in estimating the future cash flows and fair values of our cruise ships.

Goodwill and Other Intangibles

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business acquisition. We review our goodwill for impairment as of July 31 every year, or more frequently if events or circumstances dictate. All of our goodwill has been allocated to our reporting units. The impairment review for goodwill allows us to first assess qualitative factors to determine whether it is necessary to perform the more detailed quantitative goodwill impairment test. We would perform the quantitative test if our qualitative assessment determined it is more-likely-than-not that a reporting unit's estimated fair value is less than its carrying amount. We may also elect to bypass the qualitative assessment and proceed directly to the quantitative test for any reporting unit. When performing the quantitative test, if the estimated fair value of the reporting unit exceeds its carrying value, no further analysis is required. However, if the estimated fair value of the reporting unit is less than the carrying value, goodwill is written down based on the difference between the reporting unit's carrying amount and its fair value, limited to the amount of goodwill allocated to the reporting unit.

Trademarks represent substantially all of our other intangibles. Trademarks are estimated to have an indefinite useful life and are not amortizable but are reviewed for impairment at least annually and as events or circumstances dictate. The impairment review for trademarks also allows us to first assess qualitative factors to determine whether it is necessary to perform a more detailed quantitative trademark impairment test. We would perform the quantitative test if our qualitative assessment determined it was more-likely-than-not that the trademarks are impaired. We may also elect to bypass the qualitative assessment and proceed directly to the quantitative test. Our trademarks would be considered impaired if their carrying value exceeds their estimated fair value.

A significant amount of judgment is required in estimating the fair values of our reporting units.

Derivatives and Other Financial Instruments

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

All derivatives are recorded at fair value. If a derivative is designated as a cash flow hedge, then the change in the fair value of the derivative is recognized as a component of AOCI until the underlying hedged item is recognized in earnings or the forecasted transaction is no longer probable. If a derivative or a non-derivative financial instrument is designated as a hedge of our net investment in a foreign operation, then changes in the effective portion of the fair value of the financial instrument are recognized as a component of AOCI to offset the change in the translated value of the designated portion of net investment being hedged until the investment is sold or substantially liquidated, while the impact attributable to components excluded from the assessment of hedge effectiveness is recorded in interest expense, net of capitalized interest, on a systematic and rational basis. For derivatives that do not qualify for hedge accounting treatment, the change in fair value is recognized in earnings.

We classify the fair value of all our derivative contracts as either current or long-term, depending on the maturity date of the derivative contract. The cash flows from derivatives treated as cash flow hedges are classified in our Consolidated Statements of Cash Flows in the same category as the item being hedged. Our cash flows related to fuel derivatives are classified within investing activities.

Derivative valuations are based on observable inputs such as interest rates and commodity price curves, forward currency exchange rates, credit spreads, maturity dates, volatilities, and cross currency basis spreads. We use the income approach to value derivatives for foreign currency options and forwards, interest rate swaps and cross currency swaps using observable market data for all significant inputs and standard valuation techniques to convert future amounts to a single present value amount, assuming that participants are motivated but not compelled to transact.

Foreign Currency Translation and Transactions

Each foreign entity determines its functional currency by reference to its primary economic environment. We translate the assets and liabilities of our foreign entities that have functional currencies other than the U.S. dollar at exchange rates in effect at the balance sheet date. Revenues and expenses of these foreign entities are translated at weighted-average exchange rates for the period. Equity is translated at historical rates and the resulting foreign currency translation adjustments are included as a component of AOCI, which is a separate component of shareholders' equity. Therefore, the U.S. dollar value of the non-equity

translated items in our consolidated financial statements will fluctuate from period to period, depending on the changing value of the U.S. dollar versus these currencies.

We execute transactions in a number of different currencies. At the date that the transaction is recognized, each asset, liability, revenue, expense, gain or loss arising from the transaction is measured and recorded in the functional currency of the recording entity using the exchange rate in effect at that date. At each balance sheet date, recorded monetary balances denominated in a currency other than the functional currency are adjusted using the exchange rate at the balance sheet date, with gains or losses recorded in other income or other expense, unless such monetary balances have been designated as hedges of net investments in our foreign entities. The net gains or losses resulting from foreign currency transactions were insignificant in 2019, 2018 and 2017. In addition, the unrealized gains or losses on our long-term intercompany receivables and payables which are denominated in a non-functional currency and which are not expected to be repaid in the foreseeable future are recorded as foreign currency translation adjustments included as a component of AOCI.

Revenue and Expense Recognition

Guest cruise deposits represent unearned revenues and are initially included in customer deposit liabilities when received. Customer deposits are subsequently recognized as cruise revenues, together with revenues from onboard and other activities, and all associated direct costs and expenses of a voyage are recognized as cruise costs and expenses, upon completion of voyages, with durations of ten nights or less and on a pro rata basis for voyages in excess of ten nights. The impact of recognizing these shorter duration cruise revenues and costs and expenses on a completed voyage basis versus on a pro rata basis is not significant. Certain of our product offerings are bundled and we allocate the value of the bundled services and goods between passenger ticket revenues, onboard and other revenues and tour and other revenues based upon the estimated standalone selling prices of those goods and services.

Future travel discount vouchers are included as a reduction of cruise passenger ticket revenues when such vouchers are utilized. Guest cancellation fees are recognized in cruise passenger ticket revenues at the time of cancellation.

Our sale to guests of air and other transportation to and from airports near the home ports of our ships are included in cruise passenger ticket revenues, and the related cost of purchasing these services are included in cruise transportation costs. The proceeds that we collect from the sales of third-party shore excursions are included in onboard and other revenues and the related costs are included in onboard and other costs. The amounts collected on behalf of our onboard concessionaires, net of the amounts remitted to them, are included in onboard and other cruise revenues as concession revenues. All of these amounts are recognized on a completed voyage or pro rata basis as discussed above.

Cruise passenger ticket revenues include fees, taxes and charges collected by us from our guests. A portion of these fees, taxes and charges vary with guest head counts and are directly imposed on a revenue-producing arrangement. This portion of the fees, taxes and charges is expensed in commissions, transportation and other costs when the corresponding revenues are recognized. These fees, taxes and charges included in commissions, transportation and other costs were \$659 million in 2019, \$615 million in 2018 and \$579 million in 2017. The remaining portion of fees, taxes and charges are expensed in other ship operating expenses when the corresponding revenues are recognized.

Revenues and expenses from our hotel and transportation operations, which are included in our Tour and Other segment, are recognized at the time the services are performed. Revenues from the long-term leasing of ships, which are also included in our Tour and Other segment, are recognized ratably over the term of the agreement.

Customer Deposits

Our payment terms generally require an initial deposit to confirm a reservation, with the balance due prior to the voyage. Cash received from guests in advance of the cruise is recorded in customer deposits and in other long-term liabilities on our Consolidated Balance Sheets. These amounts include refundable deposits. We had customer deposits of \$4.9 billion in 2019 and \$4.7 billion in 2018. During 2019, we recognized in revenues substantially all of our customer deposits as of December 1, 2018. Our customer deposits balance changes due to the seasonal nature of cash collections, the recognition of revenue and foreign currency translation.

Contract Receivables

Although we generally require full payment from our customers prior to or concurrently with their cruise, we grant credit terms to a relatively small portion of our revenue source. We also have receivables from credit card merchants for cruise ticket purchases and onboard revenue. These receivables are included within trade and other receivables, net.

Contract Assets

Contract assets are amounts paid prior to the start of a voyage, which we record as an asset within prepaid expenses and other and which are subsequently recognized as commissions, transportation and other at the time of revenue recognition. We have contract assets of \$154 million and \$151 million as of November 30, 2019 and December 1, 2018.

Insurance

We use a combination of insurance and self-insurance to cover a number of risks including illness and injury to crew, guest injuries, pollution, other third-party claims in connection with our cruise activities, damage to hull and machinery for each of our ships, war risks, workers' compensation, directors' and officers' liability, property damage and general liability for shoreside third-party claims. We recognize insurance recoverables from third-party insurers up to the amount of recorded losses at the time the recovery is probable and upon settlement for amounts in excess of the recorded losses. All of our insurance policies are subject to coverage limits, exclusions and deductible levels. The liabilities associated with crew illnesses and crew and guest injury claims, including all legal costs, are estimated based on the specific merits of the individual claims or actuarially estimated based on historical claims experience, loss development factors and other assumptions.

Selling and Administrative Expenses

Selling expenses include a broad range of advertising, marketing and promotional expenses. Advertising is charged to expense as incurred, except for media production costs, which are expensed upon the first airing of the advertisement. Selling expenses totaled \$728 million in 2019, \$673 million in 2018 and \$645 million in 2017. Administrative expenses represent the costs of our shoreside ship support, reservations and other administrative functions, and include salaries and related benefits, professional fees and building occupancy costs, which are typically expensed as incurred.

Share-Based Compensation

We recognize compensation expense for all share-based compensation awards using the fair value method. For time-based share awards, we recognize compensation cost ratably using the straight-line attribution method over the expected vesting period or to the retirement eligibility date, if earlier than the vesting period. For performance-based share awards, we estimate compensation cost based on the probability of the performance condition being achieved and recognize expense ratably using the straight-line attribution method over the expected vesting period. If all or a portion of the performance condition is not expected to be met, the appropriate amount of previously recognized compensation expense is reversed and future compensation expense is adjusted accordingly. For market-based share awards, we recognize compensation cost ratably using the straight-line attribution method over the expected vesting period. If the target market conditions are not expected to be met, compensation expense will still be recognized. We account for forfeitures as they occur.

Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted-average number of shares outstanding during each period. Diluted earnings per share is computed by dividing net income by the weighted-average number of shares and common stock equivalents outstanding during each period. For earnings per share purposes, Carnival Corporation common stock and Carnival plc ordinary shares are considered a single class of shares since they have equivalent rights.

Accounting Pronouncements

The Financial Accounting Standards Board (the "FASB") issued guidance, *Revenue from Contracts with Customers* ("ASC 606"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. On December 1, 2018, we adopted this guidance using the modified retrospective method for all contracts as of the adoption date. Results for reporting periods beginning after December 1, 2018 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with our historical accounting under ASC 605.

The impact of the adoption of ASC 606 on our consolidated financial statements primarily relates to the gross presentation of prepaid travel agent commissions (Consolidated Balance Sheet), shore excursions and other onboard revenues and costs (Consolidated Statement of Income) which were historically presented net. As of December 1, 2018, we recorded a cumulative effect adjustment of \$24 million to retained earnings related to the accounting for our loyalty programs.

The following tables summarize the impacts of ASC 606 adoption on our consolidated financial statements:

<i>(in millions)</i>	Year ended November 30, 2019		
	Prior to adoption of ASC 606	Adjustments	As Reported
Consolidated Statement of Income			
Onboard and other (Revenues)	\$ 4,899	\$ 1,432	\$ 6,331
Revenues (Total)	\$ 19,393	\$ 1,432	\$ 20,825
Onboard and other (Operating Costs and Expenses)	\$ 669	\$ 1,432	\$ 2,101
Operating Costs and Expenses (Total)	\$ 16,117	\$ 1,432	\$ 17,549
Operating Income	\$ 3,276	\$ —	\$ 3,276
Net Income	\$ 2,990	\$ —	\$ 2,990

<i>(in millions)</i>	At November 30, 2019		
	Prior to adoption of ASC 606	Adjustments	As Reported
Consolidated Balance Sheet			
Prepaid expenses and other	\$ 517	\$ 154	\$ 671
Total current assets	\$ 1,905	\$ 154	\$ 2,059
Customer deposits	\$ 4,581	\$ 154	\$ 4,735
Total current liabilities	\$ 8,973	\$ 154	\$ 9,127

<i>(in millions)</i>	Year ended November 30, 2019		
	Prior to adoption of ASC 606	Adjustments	As Reported
Consolidated Statement of Cash Flows			
Prepaid expenses and other	\$ (100)	\$ (154)	\$ (254)
Customer deposits	\$ 233	\$ 154	\$ 387
Net cash provided by operating activities	\$ 5,475	\$ —	\$ 5,475

The FASB issued amended guidance, *Business Combinations - Clarifying the Definition of a Business*, which assists entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. On December 1, 2018, we adopted this guidance using the prospective transition method. The adoption of this guidance had no impact on our consolidated financial statements.

The FASB issued amended guidance, *Statement of Cash Flows - Classification of Certain Cash Receipts and Cash Payments*, which clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments are aimed at reducing the existing diversity in practice. On December 1, 2018, we adopted this guidance using the retrospective method for each period presented. The adoption of this guidance had no impact on our consolidated financial statements.

The FASB issued amended guidance, *Statement of Cash Flows - Restricted Cash*. On December 1, 2018, we adopted this guidance using the retrospective method for each period presented. As a result, we now present restricted cash with cash and cash equivalents in the statement of cash flows. The reclassification of restricted cash balances from investing activities to changes in cash, cash equivalents and restricted cash was not material for the periods presented.

The FASB issued amended guidance, *Service Concession Arrangements*, which clarifies that the grantor in a service arrangement should be considered the customer of the operating entity in all cases. On December 1, 2018, we adopted this guidance using the modified retrospective method. The adoption of this guidance had no impact on our consolidated financial statements.

The FASB issued amended guidance, *Derivatives and Hedging*, which targeted improvements to accounting for hedging activities such as hedging strategies, effectiveness assessments and recognition of derivative gains or losses. On December 1, 2018, we early adopted this guidance using the modified retrospective approach, which did not have a material impact on our financial statements.

The FASB issued guidance, *Leases*, which requires an entity to recognize both assets and liabilities arising from financing and operating leases, with the exception of short-term leases, along with additional qualitative and quantitative disclosures. This guidance is required to be adopted by us in the first quarter of 2020 and must be applied using a modified retrospective approach which allows entities to either apply the new lease standard to the beginning of the earliest period presented or only to the consolidated financial statements in the period of adoption without restating prior periods. We have elected to apply the new guidance at the date of adoption without restating prior periods.

We have implemented a new lease accounting system and are executing changes to our internal controls to address the collection, recording, and accounting for leases in accordance with the new guidance. While we are substantially complete with the process of quantifying the impacts that will result from applying the new guidance, our assessment will be finalized during the first quarter of 2020. Based on our currently contracted commitments and our assessment to date, the initial adoption of this guidance is expected to increase both our total assets and total liabilities by approximately \$1.4 billion to \$1.6 billion, reflecting the lease rights and obligations arising from our lease arrangements. We do not expect this guidance to have a significant impact to our consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of cash flows or the compliance with debt-covenants under our current agreements.

The FASB issued amended guidance, *Intangibles - Goodwill and Other - Internal-Use Software*, which requires a customer in a cloud computing arrangement that is a service contract to follow the internal-use software guidance to determine which implementation costs to capitalize as assets or expense as incurred. The expense related to deferred implementation costs is required to be presented in the same income statement line item as the related hosting fees. Additionally, the payments for deferred implementation costs are required to be presented in the same line item in the statement of cash flows as payments for the related hosting fees. This guidance is required to be adopted by us in the first quarter of 2021, early adoption is permitted. We have elected the prospective adoption method. We are currently evaluating the impact this guidance will have on our consolidated financial statements.

NOTE 3 – Property and Equipment

<i>(in millions)</i>	November 30,	
	2019	2018
Ships and ship improvements	\$ 50,446	\$ 46,957
Ships under construction	2,492	2,004
Other property and equipment	3,843	3,661
Total property and equipment	56,781	52,622
Less accumulated depreciation	(18,650)	(17,286)
	\$ 38,131	\$ 35,336

Capitalized interest amounted to \$39 million in 2019, \$36 million in 2018 and \$28 million in 2017.

Sales of Ships

In March 2019, we sold and transferred an NAA segment 1,680-passenger capacity ship.

In April 2019, we sold and transferred an NAA segment 1,260-passenger capacity ship.

In July 2019, we transferred an NAA segment 840-passenger capacity ship.

In August 2019, we transferred an EA segment 1,880-passenger capacity ship.

In November 2019, we entered into an agreement to sell an NAA segment 1,600-passenger capacity ship. The ship will be transferred to the buyer in 2021.

In November 2019, we entered into an agreement to sell an NAA segment 1,260-passenger capacity ship. The ship will be transferred to the buyer in 2021.

NOTE 4 – Other Assets

We have a minority interest in Grand Bahama Shipyard Ltd. (“Grand Bahama”), a ship repair and maintenance facility. Grand Bahama provided services to us of \$62 million in 2019, \$89 million in 2018 and \$97 million in 2017. As of November 30, 2019, our investment in Grand Bahama was \$54 million, consisting of \$15 million in equity and a loan of \$39 million. As of November 30, 2018, our investment in Grand Bahama was \$64 million, consisting of \$24 million in equity and a loan of \$40 million.

We have a minority interest in the White Pass & Yukon Route (“White Pass”) that includes port, railroad and retail operations in Skagway, Alaska. White Pass has provided services to us of \$22 million in 2019, and \$8 million in 2018. As of November 30, 2019, our investment in White Pass was \$102 million, consisting of \$84 million in equity and a loan of \$18 million. As of November 30, 2018, our investment in White Pass was \$131 million, consisting of \$81 million in equity and a loan of \$50 million.

We have a minority interest in CSSC Carnival Cruise Shipping Limited (“CSSC-Carnival”), a China-based cruise company which will operate its own fleet designed to serve the Chinese market. As of November 30, 2019 and 2018, our investment in CSSC-Carnival was \$48 million and \$49 million. In December 2019, we sold a controlling interest in an entity with full ownership of two EA segment ships to CSSC-Carnival for \$251 million. We will continue to operate both EA segment ships under bareboat charter agreements into 2021.

Following a relocation of one of our Executive Officers, we over withheld taxes for the years 2015 to 2017. While the Executive Officer has filed for a refund of the overage from the tax authorities, we cannot be certain as to the timing nor likelihood of a full refund. We have reimbursed the Executive Officer for the amount over withheld by us in the amount of €4 million. In return, we are entitled to any refund received in relation to the over withheld taxes from the tax authorities. We have also paid a portion of the Executive Officer’s professional services fees incurred related to this matter.

NOTE 5 – Unsecured Debt

<i>(in millions)</i>	November 30, 2019		November 30,	
	Interest Rates	Maturities Through	2019	2018
Long-Term Debt				
Export Credit Facilities				
Fixed rate	2.4% to 4.4%	2031	\$ 3,485	\$ 1,819
EUR fixed rate	1.1% to 4.5%	2031	699	189
Floating rate	2.4% to 2.7%	2022	174	240
EUR floating rate	0.0% to 0.6%	2027	1,040	1,297
Bank Loans				
EUR fixed rate	0.5% to 3.9%	2021	221	257
Floating rate	3.1%	2025	300	495
EUR floating rate	0.0% to 0.7%	2023	1,596	1,193
GBP floating rate	1.3% to 1.7%	2023	854 —	848
Publicly-Traded Notes				
Fixed rate	4.0% to 7.2%	2028	1,217	1,217
EUR fixed rate	1.0% to 1.9%	2029	1,816	1,989
Short-Term Borrowings				
EUR floating rate commercial paper	(0.3)%	2020	231	621
EUR fixed rate bank loans	—%	—	—	227
Total Debt			11,634	10,394
Less: Unamortized debt issuance costs			(131)	(71)
Total Debt, net of unamortized debt issuance costs			11,503	10,323
Less: Short-term borrowings			(231)	(848)
Less: Current portion of long-term debt			(1,596)	(1,578)
Long-Term Debt			\$ 9,675	\$ 7,897

The debt table does not include the impact of our foreign currency and interest rate swaps. The interest rates on some of our debt, and in the case of our revolving credit facility, fluctuate based on the applicable rating of senior unsecured long-term securities of Carnival Corporation or Carnival plc. For the twelve months ended November 30, 2019 we did not have borrowings or repayments of commercial paper with original maturities greater than three months. For the twelve months ended November 30, 2018 and 2017, we had borrowings of \$2 million and \$111 million and repayments of \$2 million and \$364 million of commercial paper with original maturities greater than three months.

Interest-bearing debt is recorded at initial fair value, which normally reflects the proceeds received by us, net of debt issuance costs, and is subsequently stated at amortized cost. Debt issuance costs are generally amortized to interest expense using the straight-line method, which approximates the effective interest method, over the term of the debt. In addition, all debt issue discounts and premiums are amortized to interest expense using the effective interest rate method over the term of the notes.

Substantially all of our fixed rate debt can be called or prepaid by incurring additional costs. In addition, substantially all of our debt agreements contain one or more financial covenants that require us to:

- Maintain minimum debt service coverage
- Maintain minimum shareholders' equity
- Limit our debt to capital ratio
- Limit the amounts of our secured assets as well as secured and other indebtedness

Generally, if an event of default under any debt agreement occurs, then pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated. At November 30, 2019, we were in compliance with all of our debt covenants.

The scheduled annual maturities of our debt were as follows:

(in millions)

Fiscal	November 30, 2019
2020	\$ 1,827
2021	1,915
2022	1,352
2023	2,234
2024	680
Thereafter	3,627
	<u>\$ 11,634</u>

Committed Ship Financings

We have unsecured euro and U.S. dollar long-term export credit committed ship financings. These commitments, if drawn at the time of ship delivery, are generally repayable semi-annually over 12 years. We have the option to cancel each one at specified dates prior to the underlying ship's delivery date.

Revolving Credit Facility

At November 30, 2019, we had a \$3.0 billion (\$1.7 billion, €1.0 billion and £150 million) multi-currency revolving credit facility that expires in 2024 (the "Facility"). A total of \$2.8 billion of this capacity was available for drawing, which is net of outstanding commercial paper. We have options to extend the Facility through 2026 subject to the approval of each bank in the Facility. The Facility currently bears interest at LIBOR/EURIBOR plus a margin of 22.5 basis points ("bps"). The margin varies based on changes to Carnival Corporation's long-term credit ratings. The Facility also includes an emissions linked margin adjustment whereby, after the initial applicable margin is set per the margin pricing grid, the margin may be adjusted based on performance in achieving certain agreed annual carbon emissions goals. We are required to pay a commitment fee on any undrawn portion.

NOTE 6 – Commitments

(in millions)	Fiscal						Thereafter	Total
	2020	2021	2022	2023	2024			
New ship growth capital	\$ 4,811	\$ 3,622	\$ 3,035	\$ 2,011	\$ 49	\$ 1,003	\$ 14,531	
Port facilities leases	145	140	121	137	131	1,218	1,892	
Other operating leases	74	56	40	36	36	190	432	
Other long-term commitments	267	202	75	22	15	25	607	
	<u>\$ 5,297</u>	<u>\$ 4,020</u>	<u>\$ 3,272</u>	<u>\$ 2,206</u>	<u>\$ 231</u>	<u>\$ 2,436</u>	<u>\$ 17,463</u>	

NOTE 7 – Contingencies

Litigation

On May 2, 2019, two lawsuits were filed against Carnival Corporation in the U.S. District Court for the Southern District of Florida under Title III of the Cuban Liberty and Democratic Solidarity Act, also known as the Helms-Burton Act. The complaint filed by Havana Docks Corporation alleges it holds an interest in the Havana Cruise Port Terminal and the complaint filed by Javier Garcia-Bengochea alleges that he holds an interest in the Port of Santiago, Cuba, both of which were expropriated by the Cuban Government. The complaints further allege that Carnival Cruise Line "trafficked" in those properties by embarking and disembarking passengers at these facilities. The plaintiffs seek all available statutory remedies, including the value of the expropriated property, plus interest, treble damages, attorneys' fees and costs. The court denied our motion to dismiss the complaint filed by Javier Garcia-Bengochea, on August 26, 2019. While on August 28, 2019, the court denied our motion to dismiss the complaint filed by Havana Docks Corporation, later on January 6, 2020, it dismissed virtually identical cases brought by Havana Docks Corporation against other cruise lines, on the grounds raised in our motion to dismiss. In doing so, the court explicitly reversed its position on the issue and acknowledged the conflict with our case. Therefore, on January 6, 2020, we asked the court to formally dismiss the Havana Docks Corporation complaint.

We believe we have meritorious defenses to the claims and we intend to vigorously defend against them. We do not believe that it is likely that the outcome of these matters will be material, but litigation is inherently unpredictable and there can be no assurances that the final outcome of the case might not be material to our operating results or financial condition.

Additionally, in the normal course of our business, various claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits, or any settlement of claims and lawsuits, are covered by insurance and the maximum amount of our liability, net of any insurance recoverables, is typically limited to our self-insurance retention levels. We believe the ultimate outcome of these claims, lawsuits and settlements, as applicable, each and in the aggregate, will not have a material impact on our consolidated financial statements.

Contingent Obligations – Indemnifications

Some of the debt contracts we enter into include indemnification provisions obligating us to make payments to the counterparty if certain events occur. These contingencies generally relate to changes in taxes or changes in laws which increase our lenders' costs. There are no stated or notional amounts included in the indemnification clauses, and we are not able to estimate the maximum potential amount of future payments, if any, under these indemnification clauses.

NOTE 8 – Taxation

A summary of our principal taxes and exemptions in the jurisdictions where our significant operations are located is as follows:

U.S. Income Tax

We are primarily foreign corporations engaged in the business of operating cruise ships in international transportation. We also own and operate, among other businesses, the U.S. hotel and transportation business of Holland America Princess Alaska Tours through U.S. corporations.

Our North American cruise ship businesses and certain ship-owning subsidiaries are engaged in a trade or business within the U.S. Depending on its itinerary, any particular ship may generate income from sources within the U.S. We believe that our U.S. source income and the income of our ship-owning subsidiaries, to the extent derived from, or incidental to, the international operation of a ship or ships, is currently exempt from U.S. federal income and branch profit taxes.

Our domestic U.S. operations, principally the hotel and transportation business of Holland America Princess Alaska Tours, are subject to federal and state income taxation in the U.S.

In general, under Section 883 of the Internal Revenue Code, certain non-U.S. corporations (such as our North American cruise ship businesses) are not subject to U.S. federal income tax or branch profits tax on U.S. source income derived from, or incidental to, the international operation of a ship or ships. Applicable U.S. Treasury regulations provide in general that a foreign corporation will qualify for the benefits of Section 883 if, in relevant part, (i) the foreign country in which the foreign corporation is organized grants an equivalent exemption to corporations organized in the U.S. in respect of each category of shipping income for which an exemption is being claimed under Section 883 (an "equivalent exemption jurisdiction") and (ii) the foreign corporation meets a defined publicly-traded corporation stock ownership test (the "publicly-traded test"). Subsidiaries of foreign corporations that are organized in an equivalent exemption jurisdiction and meet the publicly-traded test also benefit from Section 883. We believe that Panama is an equivalent exemption jurisdiction and that Carnival Corporation currently satisfies the publicly-traded test under the regulations. Accordingly, substantially all of Carnival Corporation's income is exempt from U.S. federal income and branch profit taxes.

Regulations under Section 883 list certain activities that the IRS does not consider to be incidental to the international operation of ships and, therefore, the income attributable to such activities, to the extent such income is U.S. source, does not qualify for the Section 883 exemption. Among the activities identified as not incidental are income from the sale of air transportation, transfers, shore excursions and pre- and post-cruise land packages to the extent earned from sources within the U.S.

We believe that the U.S. source transportation income earned by Carnival plc and its subsidiaries currently qualifies for exemption from U.S. federal income tax under applicable bilateral U.S. income tax treaties.

Carnival Corporation and Carnival plc and certain of their subsidiaries are subject to various U.S. state income taxes generally imposed on each state's portion of the U.S. source income subject to U.S. federal income taxes. However, the state of Alaska imposes an income tax on its allocated portion of the total income of our companies doing business in Alaska and certain of their subsidiaries.

UK and Australian Income Tax

Cunard, P&O Cruises (UK) and P&O Cruises (Australia) are divisions of Carnival plc and have elected to enter the UK tonnage tax under a rolling ten-year term and, accordingly, reapply every year. Companies to which the tonnage tax regime applies pay corporation taxes on profits calculated by reference to the net tonnage of qualifying ships. UK corporation tax is not chargeable under the normal UK tax rules on these brands' relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and from shipping related activities.

For a company to be eligible for the regime, it must be subject to UK corporation tax and, among other matters, operate qualifying ships that are strategically and commercially managed in the UK. Companies within UK tonnage tax are also subject to a seafarer training requirement.

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime remain subject to normal UK corporation tax. Dividends received from subsidiaries of Carnival plc doing business outside the UK are generally exempt from UK corporation tax.

P&O Cruises (Australia) and all of the other cruise ships operated internationally by Carnival plc for the cruise segment of the Australian vacation region are exempt from Australian corporation tax by virtue of the UK/Australian income tax treaty.

Italian and German Income Tax

In early 2015, Costa and AIDA re-elected to enter the Italian tonnage tax regime through 2024 and can reapply for an additional ten-year period beginning in early 2025. Companies to which the tonnage tax regime applies pay corporation taxes on shipping profits calculated by reference to the net tonnage of qualifying ships.

Most of Costa's and AIDA's earnings that are not eligible for taxation under the Italian tonnage tax regime will be taxed at an effective tax rate of 4.8% in 2019 and 2018.

Substantially all of AIDA's earnings are exempt from German income taxes by virtue of the Germany/Italy income tax treaty.

Asian Countries Income Taxes

Substantially all of our brands' income from their international operations in Asian countries is exempt from income tax by virtue of relevant income tax treaties.

Other

We recognize income tax provisions for uncertain tax positions, based solely on their technical merits, when it is more likely than not to be sustained upon examination by the relevant tax authority. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate resolution. Based on all known facts and circumstances and current tax law, we believe that the total amount of our uncertain income tax position liabilities and related accrued interest are not significant to our financial position. All interest expense related to income tax liabilities is included in income tax expense.

We do not expect to incur income taxes on future distributions of undistributed earnings of foreign subsidiaries and, accordingly, no deferred income taxes have been provided for the distribution of these earnings. In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes, fees and other charges based on guest counts, ship tonnage, passenger capacity or some other measure, and these taxes, fees and other charges are included in commissions, transportation and other costs and other ship operating expenses.

NOTE 9 – Shareholders' Equity

Under a share repurchase program effective 2004, we are authorized to repurchase Carnival Corporation common stock and Carnival plc ordinary shares (the "Repurchase Program"). Effective August 27, 2018, the company approved modifications of the general authorization under the Repurchase Program, which replenished the remaining authorized repurchases at the time of the approvals to \$1.0 billion. The Repurchase Program does not have an expiration date and may be discontinued by our Boards of Directors at any time.

<i>(in millions)</i>	Carnival Corporation		Carnival plc	
	Number of Shares Repurchased	Dollar Amount Paid for Shares Repurchased	Number of Shares Repurchased	Dollar Amount Paid for Shares Repurchased
2019	0.6	\$ 26	12.2	\$ 569
2018	7.8	\$ 476	16.3	\$ 985
2017	3.3	\$ 223	5.6	\$ 335

<i>(in millions)</i>	AOCI	
	November 30,	
	2019	2018
Cumulative foreign currency translation adjustments, net	\$ (1,961)	\$ (1,875)
Unrecognized pension expenses	(88)	(56)
Net losses on cash flow derivative hedges	(18)	(19)
	\$ (2,066)	\$ (1,949)

During 2019, 2018 and 2017, there were \$5 million, \$5 million and \$18 million of unrecognized pension expenses that were reclassified out of accumulated other comprehensive loss and were included within payroll and related expenses and selling and administrative expenses.

We declared quarterly cash dividends on all of our common stock and ordinary shares as follows:

<i>(in millions, except per share data)</i>	Quarters Ended			
	February 28	May 31	August 31	November 30
2019				
Dividends declared per share	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Dividends declared	\$ 345	\$ 346	\$ 342	\$ 346
2018				
Dividends declared per share	\$ 0.45	\$ 0.50	\$ 0.50	\$ 0.50
Dividends declared	\$ 322	\$ 357	\$ 350	\$ 349
2017				
Dividends declared per share	\$ 0.35	\$ 0.40	\$ 0.40	\$ 0.45
Dividends declared	\$ 251	\$ 291	\$ 289	\$ 324

Carnival Corporation's Articles of Incorporation authorize its Board of Directors, at its discretion, to issue up to 40 million shares of preferred stock. At November 30, 2019 and 2018, no Carnival Corporation preferred stock or Carnival plc preference shares had been issued.

NOTE 10 – Fair Value Measurements, Derivative Instruments and Hedging Activities and Financial Risk

Fair Value Measurements

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured using inputs in one of the following three categories:

- Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

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

Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, certain estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

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

(in millions)	November 30, 2019				November 30, 2018			
	Carrying Value	Fair Value			Carrying Value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Assets								
Long-term other assets (a)	\$ 181	\$ —	\$ 31	\$ 149	\$ 127	\$ —	\$ 30	\$ 95
Total	\$ 181	\$ —	\$ 31	\$ 149	\$ 127	\$ —	\$ 30	\$ 95
Liabilities								
Fixed rate debt (b)	\$ 7,438	\$ —	\$ 7,782	\$ —	\$ 5,699	\$ —	\$ 5,799	\$ —
Floating rate debt (b)	4,195	—	4,248	—	4,695	—	4,727	—
Total	\$ 11,634	\$ —	\$ 12,030	\$ —	\$ 10,394	\$ —	\$ 10,526	\$ —

- (a) Long-term other assets are comprised of notes receivables, which include loans on ship sales. The fair values of our Level 2 notes receivables were based on estimated future cash flows discounted at appropriate market interest rates. The fair values of our Level 3 notes receivable were estimated using risk-adjusted discount rates.
- (b) The debt amounts above do not include the impact of interest rate swaps or debt issuance costs. The fair values of our publicly-traded notes were based on their unadjusted quoted market prices in markets that are not sufficiently active to be Level 1 and, accordingly, are considered Level 2. The fair values of our other debt were estimated based on current market interest rates being applied to this debt.

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

(in millions)	November 30, 2019			November 30, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Cash and cash equivalents	\$ 518	\$ —	\$ —	\$ 982	\$ —	\$ —
Restricted cash	13	—	—	14	—	—
Derivative financial instruments	—	58	—	—	—	—
Total	\$ 530	\$ 58	\$ —	\$ 996	\$ —	\$ —
Liabilities						
Derivative financial instruments	\$ —	\$ 25	\$ —	\$ —	\$ 29	\$ —
Total	\$ —	\$ 25	\$ —	\$ —	\$ 29	\$ —

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

Valuation of Goodwill and Trademarks

As of July 31, 2019 and 2018, we performed our annual goodwill and trademark impairment reviews and we determined there was no impairment for goodwill or trademarks.

As of November 30, 2019, we performed an additional goodwill impairment review for our Costa reporting unit, \$435 million of goodwill recorded, and we determined there was no impairment for goodwill.

During 2017, we made a decision to strategically realign our business in Australia, which includes reducing capacity in P&O Cruises (Australia). We performed discounted cash flow analyses and determined that the estimated fair values of the P&O Cruises (Australia) reporting unit and its trademark no longer exceeded their carrying values. We recognized a goodwill impairment charge of \$38 million and a trademark impairment charge of \$50 million for the year ended November 30, 2017.

The determination of our reporting unit goodwill fair values includes numerous assumptions that are subject to various risks and uncertainties. The principal assumptions used in our goodwill impairment reviews consist of:

- Changes in conditions or strategy, including decisions about the allocation of new ships amongst brands and transfer of ships between brands
- Forecasted future operating results, including net revenue yields and fuel expenses
- Weighted-average cost of capital of market participants, adjusted for the risk attributable to the geographic regions in which these cruise brands operate

We believe that we have made reasonable estimates and judgments. A change in the conditions, circumstances or strategy, including decisions about the allocation of new ships amongst brands and the transfer of ships between brands (influencing fair values in the future), may result in a need to recognize an additional impairment charge.

<i>(in millions)</i>	Goodwill		
	NAA Segment	EA Segment	Total
At November 30, 2017	\$ 1,898	\$ 1,069	\$ 2,967
Foreign currency translation adjustment	—	(42)	(42)
At November 30, 2018	1,898	1,027	2,925
Foreign currency translation adjustment	—	(13)	(13)
At November 30, 2019	\$ 1,898	\$ 1,014	\$ 2,912

<i>(in millions)</i>	Trademarks		
	NAA Segment	EA Segment	Total
At November 30, 2017	\$ 928	\$ 251	\$ 1,179
Foreign currency translation adjustment	—	(10)	(10)
At November 30, 2018	927	242	1,169
Foreign currency translation adjustment	—	(2)	(2)
At November 30, 2019	\$ 927	\$ 240	\$ 1,167

Impairments of Ships

We review our long-lived assets for impairment whenever events or circumstances indicate potential impairment. Primarily as a result of our decision during 2017 to strategically realign our business in Australia, which included reducing capacity in P&O Cruises (Australia), we performed undiscounted cash flow analyses on certain ships as of July 31, 2017. Based on these undiscounted cash flow analyses, we determined that some of these ships had net carrying values that exceeded their estimated undiscounted future cash flows. We estimated the July 31, 2017 fair values of these ships based on their discounted cash flows and comparable market transactions. We then compared these estimated fair values to the net carrying values and, as a result, we recognized \$162 million and \$142 million of ship impairment charges in the NAA and EA segments, respectively, for the year end November 30, 2017. The impairment is included in other ship operating expenses in our consolidated statements of income.

The principal assumptions used in our analyses consisted of changes in strategy, including decisions about itineraries and the transfer of ships between brands, forecasted future operating results, including net revenue yields and fuel expenses and estimated ship sale timing and proceeds. All principal assumptions are considered Level 3 inputs.

Derivative Instruments and Hedging Activities

<i>(in millions)</i>	Balance Sheet Location	November 30,	
		2019	2018
Derivative assets			
Derivatives designated as hedging instruments			
Cross currency swaps (a)	Prepaid expenses and other	\$ 32	\$ —
	Other assets	25	
Total derivative assets		<u>\$ 58</u>	<u>\$ —</u>
Derivative liabilities			
Derivatives designated as hedging instruments			
Cross currency swaps (a)	Accrued liabilities and other	\$ 1	\$ 5
	Other long-term liabilities	9	—
Foreign currency zero cost collars (b)	Accrued liabilities and other	1	—
Interest rate swaps (c)	Accrued liabilities and other	6	8
	Other long-term liabilities	9	11
		<u>25</u>	<u>23</u>
Derivatives not designated as hedging instruments			
Fuel	Accrued liabilities and other	—	6
Total derivative liabilities		<u>\$ 25</u>	<u>\$ 29</u>

- (a) At November 30, 2019 and 2018, we had cross currency swaps totaling \$1.9 billion and \$156 million, respectively, that are designated as hedges of our net investments in foreign operations with a euro-denominated functional currency. At November 30, 2019, these cross currency swaps settle through 2031.
- (b) At November 30, 2019, we had foreign currency derivatives consisting of foreign currency zero cost collars that are designated as foreign currency cash flow hedges for a portion of our euro-denominated shipbuilding payments. See “Newbuild Currency Risks” below for additional information regarding these derivatives.
- (c) We have interest rate swaps designated as cash flow hedges whereby we receive floating interest rate payments in exchange for making fixed interest rate payments. These interest rate swap agreements effectively changed \$300 million at November 30, 2019 and \$385 million at November 30, 2018 of EURIBOR-based floating rate euro debt to fixed rate euro debt. At November 30, 2019, these interest rate swaps settle through 2025.

Our derivative contracts include rights of offset with our counterparties. We have elected to net certain of our derivative assets and liabilities within counterparties.

<i>(in millions)</i>	November 30, 2019				
	Gross Amounts	Gross Amounts Offset in the Balance Sheet	Total Net Amounts Presented in the Balance Sheet	Gross Amounts not Offset in the Balance Sheet	Net Amounts
Assets	\$ 58	\$ —	\$ 58	\$ (4)	\$ 54
Liabilities	\$ 25	\$ —	\$ 25	\$ (4)	\$ 21

<i>(in millions)</i>	November 30, 2018				
	Gross Amounts	Gross Amounts Offset in the Balance Sheet	Total Net Amounts Presented in the Balance Sheet	Gross Amounts not Offset in the Balance Sheet	Net Amounts
Assets	\$ —	\$ —	\$ —	\$ —	\$ —
Liabilities	\$ 29	\$ —	\$ 29	\$ —	\$ 29

The effect of our derivatives qualifying and designated as hedging instruments recognized in other comprehensive income (loss) and in income was as follows:

<i>(in millions)</i>	November 30,		
	2019	2018	2017
Gains (losses) recognized in AOCI:			
Cross currency swaps – net investment hedges	\$ 43	\$ 18	\$ (31)
Foreign currency zero cost collars – cash flow hedges	\$ (1)	\$ (12)	\$ 45
Interest rate swaps – cash flow hedges	\$ 3	\$ 6	\$ 8
Gains (losses) reclassified from AOCI – cash flow hedges:			
Interest rate swaps – Interest expense, net of capitalized interest	\$ (7)	\$ (10)	\$ (11)
Foreign currency zero cost collars - Depreciation and amortization	\$ 1	\$ 1	\$ 1
Gains (losses) recognized on derivative instruments (amount excluded from effectiveness testing – net investment hedges)			
Cross currency swaps – Interest expense, net of capitalized interest	\$ 23	\$ —	\$ —

At November 30, 2019 and 2018, no collateral was required to be posted to or received from our fuel derivative counterparties.

The amount of estimated cash flow hedges' unrealized gains and losses that are expected to be reclassified to earnings in the next twelve months is not significant.

Financial Risk

Fuel Price Risks

We manage our exposure to fuel price risk by managing our consumption of fuel. Substantially all of our exposure to market risk for changes in fuel prices relates to the consumption of fuel on our ships. We manage fuel consumption through ship maintenance practices, modifying our itineraries and implementing innovative technologies. We are also adding new, more fuel efficient ships to our fleet and are strategically disposing of smaller, less fuel efficient ships.

<i>(in millions)</i>	November 30,	
	2018	2017
Unrealized gains on fuel derivatives, net	\$ 94	\$ 227
Realized losses on fuel derivatives, net	(35)	(192)
Gains (losses) on fuel derivatives, net	\$ 59	\$ 35

There were no unrealized or realized gains or losses on fuel derivatives for the period ended November 30, 2019.

Foreign Currency Exchange Rate Risks

Overall Strategy

We manage our exposure to fluctuations in foreign currency exchange rates through our normal operating and financing activities, including netting certain exposures to take advantage of any natural offsets and, when considered appropriate, through the use of derivative and non-derivative financial instruments. Our primary focus is to monitor our exposure to, and manage, the economic foreign currency exchange risks faced by our operations and realized if we exchange one currency for another. We currently only hedge certain of our ship commitments and net investments in foreign operations. The financial impacts of the hedging instruments we do employ generally offset the changes in the underlying exposures being hedged.

Operational Currency Risks

Our operations primarily utilize the U.S. dollar, Australian dollar, euro or sterling as their functional currencies. Our operations also have revenue and expenses denominated in non-functional currencies. Movements in foreign currency exchange rates will affect our financial statements.

Investment Currency Risks

We consider our investments in foreign operations to be denominated in stable currencies and are of a long-term nature. We partially mitigate the currency exposure of our investments in foreign operations by designating a portion of our foreign

currency debt and derivatives as hedges of these investments. As of November 30, 2019, we have designated \$854 million of our sterling-denominated debt as non-derivative hedges of our net investments in foreign operations and in 2019, we recognized \$6 million of losses on these non-derivative net investment hedges in the cumulative translation adjustment section of other comprehensive income. We also have \$7.5 billion of euro-denominated debt, including the effect of cross currency swaps, which provides an economic offset for our operations with euro functional currency.

Newbuild Currency Risks

Our shipbuilding contracts are typically denominated in euros. Our decision to hedge a non-functional currency ship commitment for our cruise brands is made on a case-by-case basis, considering the amount and duration of the exposure, market volatility, economic trends, our overall expected net cash flows by currency and other offsetting risks. We use foreign currency derivative contracts to manage foreign currency exchange rate risk for some of our ship construction payments. At November 30, 2019, for the following newbuilds, we had foreign currency zero cost collars for a portion of our euro-denominated shipyard payments. These collars are designated as cash flow hedges.

	Entered Into	Matures in	Weighted-Average Floor Rate	Weighted- Average Ceiling Rate
<i>Enchanted Princess</i>	2019	June 2020	\$ 1.04	\$ 1.28
<i>Mardi Gras</i>	2019	August 2020	\$ 1.04	\$ 1.28

If the spot rate is between the ceiling and floor rates on the date of maturity, then we would not owe or receive any payments under these collars.

At November 30, 2019, our remaining newbuild currency exchange rate risk primarily relates to euro-denominated newbuild contract payments to non-euro functional currency brands, which represent a total unhedged commitment of \$7.3 billion for newbuilds scheduled to be delivered from 2020 through 2025.

The cost of shipbuilding orders that we may place in the future that is denominated in a different currency than our cruise brands' will be affected by foreign currency exchange rate fluctuations. These foreign currency exchange rate fluctuations may affect our decision to order new cruise ships.

Interest Rate Risks

We manage our exposure to fluctuations in interest rates through our debt portfolio management and investment strategies. We evaluate our debt portfolio to determine whether to make periodic adjustments to the mix of fixed and floating rate debt through the use of interest rate swaps, issuance of new debt, amendment of existing debt or early retirement of existing debt.

Concentrations of Credit Risk

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. We seek to minimize these credit risk exposures, including counterparty nonperformance primarily associated with our cash equivalents, investments, notes receivables, committed financing facilities, contingent obligations, derivative instruments, insurance contracts, long-term ship charters and new ship progress payment guarantees, by:

- Conducting business with well-established financial institutions, insurance companies and export credit agencies
- Diversifying our counterparties
- Having guidelines regarding credit ratings and investment maturities that we follow to help safeguard liquidity and minimize risk
- Generally requiring collateral and/or guarantees to support notes receivable on significant asset sales, long-term ship charters and new ship progress payments to shipyards

We believe the risk of nonperformance by any of our significant counterparties is remote. At November 30, 2019, our exposures under foreign currency contracts and interest rate swap agreements were not material. We also monitor the creditworthiness of travel agencies and tour operators in Asia, Australia and Europe, which includes charter-hire agreements in Asia and credit and debit card providers to which we extend credit in the normal course of our business. Our credit exposure

also includes contingent obligations related to cash payments received directly by travel agents and tour operators for cash collected by them on cruise sales in Australia and most of Europe where we are obligated to honor our guests' cruise payments made by them to their travel agents and tour operators regardless of whether we have received these payments. Concentrations of credit risk associated with trade receivables, charter-hire agreements and contingent obligations are not considered to be material, principally due to the large number of unrelated accounts, the nature of these contingent obligations and their short maturities. We have not experienced significant credit losses on our trade receivables, notes receivables, charter-hire agreements and contingent obligations. We do not normally require collateral or other security to support normal credit sales.

NOTE 11 – Segment Information

Our operating segments are reported on the same basis as the internally reported information that is provided to our chief operating decision maker (“CODM”), who is the President and Chief Executive Officer of Carnival Corporation and Carnival plc. The CODM assesses performance and makes decisions to allocate resources for Carnival Corporation & plc based upon review of the results across all of our segments. Our four reportable segments are comprised of (1) NAA cruise operations, (2) EA cruise operations, (3) Cruise Support and (4) Tour and Other.

The operating segments within each of our NAA and EA reportable segments have been aggregated based on the similarity of their economic and other characteristics. Our Cruise Support segment includes our portfolio of leading port destinations and other services, all of which are operated for the benefit of our cruise brands. Our Tour and Other segment represents the hotel and transportation operations of Holland America Princess Alaska Tours and other operations.

As of and for the years ended November 30,

<i>(in millions)</i>	Revenues	Operating costs and expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
2019							
NAA	\$ 13,612	\$ 8,370	\$ 1,427	\$ 1,364	\$ 2,451	\$ 2,781	\$ 27,102
EA	6,650	4,146	744	645	1,115	2,462	15,473
Cruise Support	173	125	281	115	(347)	143	1,861
Tour and Other	390	268	28	36	56	43	623
	<u>\$ 20,825</u>	<u>\$ 12,909</u>	<u>\$ 2,480</u>	<u>\$ 2,160</u>	<u>\$ 3,276</u>	<u>\$ 5,429</u>	<u>\$ 45,058</u>
2018							
NAA	\$ 12,236	\$ 7,180	\$ 1,403	\$ 1,264	\$ 2,389	\$ 2,614	\$ 25,613
EA	6,243	3,676	751	611	1,205	945	13,825
Cruise Support	129	53	268	103	(296)	38	2,303
Tour and Other	272	180	28	39	26	152	660
	<u>\$ 18,881</u>	<u>\$ 11,089</u>	<u>\$ 2,450</u>	<u>\$ 2,017</u>	<u>\$ 3,325</u>	<u>\$ 3,749</u>	<u>\$ 42,401</u>
2017							
NAA	\$ 11,442	\$ 6,704	\$ 1,337	\$ 1,195	\$ 2,117	(a) \$ 1,715	\$ 24,430
EA	5,703	3,568	667	561	907	793	14,149
Cruise Support	129	66	246	53	(235)	431	1,739
Tour and Other	236	163	15	37	20	5	459
	<u>\$ 17,510</u>	<u>\$ 10,501</u>	<u>\$ 2,265</u>	<u>\$ 1,846</u>	<u>\$ 2,809</u>	<u>\$ 2,944</u>	<u>\$ 40,778</u>

(a) Includes \$89 million of impairment charges related to NAA's goodwill and trademarks.

Revenues by geographic areas, which are based on where our guests are sourced, were as follows:

<i>(in millions)</i>	Years Ended November 30,		
	2019	2018	2017
North America	\$ 11,502	\$ 10,066	\$ 9,195
Europe	6,318	5,957	5,414
Australia and Asia	2,632	2,530	2,604
Other	373	327	297
	\$ 20,825	\$ 18,881	\$ 17,510

Substantially all of our long-lived assets consist of our ships and move between geographic areas.

NOTE 12 – Compensation Plans

Equity Plans

We issue our share-based compensation awards, which at November 30, 2019 included time-based share awards (restricted stock awards and restricted stock units), performance-based share awards and market-based share awards (collectively “equity awards”), under the Carnival Corporation and Carnival plc stock plans. Equity awards are principally granted to management level employees and members of our Boards of Directors. The plans are administered by the Compensation Committee which is made up of independent directors who determine which employees are eligible to participate, the monetary value or number of shares for which equity awards are to be granted and the amounts that may be exercised or sold within a specified term. We had an aggregate of 11.8 million shares available for future grant at November 30, 2019. We fulfill our equity award obligations using shares purchased in the open market or with unissued or treasury shares. Our equity awards generally vest over a three-year period, subject to earlier vesting under certain conditions.

	Shares	Weighted-Average Grant Date Fair Value
Outstanding at November 30, 2016	3,413,125	\$ 48.03
Granted	1,116,314	\$ 54.79
Vested	(1,466,690)	\$ 38.95
Forfeited	(112,781)	\$ 51.72
Outstanding at November 30, 2017	2,949,968	\$ 51.82
Granted	951,906	\$ 66.68
Vested	(1,419,218)	\$ 45.45
Forfeited	(202,139)	\$ 56.57
Outstanding at November 30, 2018	2,280,517	\$ 61.57
Granted	1,357,177	\$ 52.17
Vested	(960,693)	\$ 53.49
Forfeited	(185,625)	\$ 56.13
Outstanding at November 30, 2019	2,491,376	\$ 59.97

As of November 30, 2019, there was \$57 million of total unrecognized compensation cost related to equity awards, which is expected to be recognized over a weighted-average period of 1.4 years.

Defined Benefit Pension Plans

We have several single-employer defined benefit pension plans, which cover some of our shipboard and shoreside employees. The U.S. and UK shoreside employee plans are closed to new membership and are funded at or above the level required by U.S. or UK regulations. The remaining defined benefit plans are primarily unfunded. In determining all of our plans’ benefit obligations at November 30, 2019 and 2018, we assumed a weighted-average discount rate of 2.4% for 2019 and 3.4% for 2018.

In addition, we participate in two multiemployer defined benefit pension plans in the UK, the British Merchant Navy Officers Pension Fund (registration number 10005645) (“MNOFP”), which is divided into two sections, the “New Section” and the “Old Section” and the British Merchant Navy Ratings Pension Fund (registration number 10005646) (“MNRPF”). Collectively, we refer to these as “the multiemployer plans.” The multiemployer plans are maintained for the benefit of the employees of the participating employers who make contributions to the plans. However, contributions made by employers, including us, may be used to provide benefits to employees of other participating employers, and if any of the participating employers withdraw from the multiemployer plans or fail to make their required contributions, any unfunded obligations would be the responsibility of the remaining participating employers. We are contractually obligated to make all required contributions as determined by the plans’ trustees. All of our multiemployer plans are closed to new membership and future benefit accrual. The MNOFP Old Section is fully funded.

We expense our portion of the MNOFP New Section deficit as amounts are invoiced by, and become due and payable to, the trustees. We accrue and expense our portion of the MNRPF deficit based on our estimated probable obligation from the most recent actuarial review. Total expense for all defined benefit pension plans, including the multiemployer plans, was \$34 million in 2019, \$36 million in 2018 and \$53 million in 2017.

Based on the most recent valuation at March 31, 2018 of the MNOFP New Section, it was determined that this plan was 98% funded. In 2019, 2018 and 2017, our contributions to the MNOFP New Section did not exceed 5% of total contributions to the fund. Based on the most recent valuation at March 31, 2019 of the MNRPF, it was determined that this plan was 88% funded. In 2019, 2018 and 2017 our contributions to the MNRPF did not exceed 5% of total contributions to the fund. It is possible that we will be required to fund and expense additional amounts for the multiemployer plans in the future; however, such amounts are not expected to be material to our consolidated financial statements.

Defined Contribution Plans

We have several defined contribution plans available to most of our employees. We contribute to these plans based on employee contributions, salary levels and length of service. Total expense for these plans was \$41 million in 2019, \$39 million in 2018 and \$37 million in 2017.

NOTE 13 – Earnings Per Share

<i>(in millions, except per share data)</i>	Years Ended November 30,		
	2019	2018	2017
Net income for basic and diluted earnings per share	\$ 2,990	\$ 3,152	\$ 2,606
Weighted-average shares outstanding	690	709	722
Dilutive effect of equity plans	2	2	3
Diluted weighted-average shares outstanding	692	710	725
Basic earnings per share	\$ 4.34	\$ 4.45	\$ 3.61
Diluted earnings per share	\$ 4.32	\$ 4.44	\$ 3.59

NOTE 14 – Supplemental Cash Flow Information

<i>(in millions)</i>	November 30, 2019	November 30, 2018
Cash and cash equivalents (Consolidated Balance Sheets)	\$ 518	\$ 982
Restricted cash included in prepaid expenses and other and other assets	13	14
Total cash, cash equivalents and restricted cash (Consolidated Statements of Cash Flows)	\$ 530	\$ 996

Cash paid for interest, net of capitalized interest, was \$171 million in 2019, \$182 million in 2018 and \$191 million in 2017. In addition, cash paid for income taxes, net of recoveries, was \$46 million in 2019, \$58 million in 2018 and \$43 million in 2017.

During 2019, 2018, and 2017, we issued notes receivable upon sale of ships of \$104 million, \$35 million and \$45 million.

Report of Independent Registered Public Accounting Firm

To the Boards of Directors and Shareholders of Carnival Corporation and Carnival plc

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Carnival Corporation & plc (comprising Carnival Corporation and Carnival plc and their respective subsidiaries, the “Company”) as of November 30, 2019 and 2018, and the related consolidated statements of income, comprehensive income, shareholders’ equity and cash flows for each of the three years in the period ended November 30, 2019, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of November 30, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of November 30, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of November 30, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Quantitative Impairment Assessments

As described in Notes 2 and 10 to the consolidated financial statements, the Company's consolidated goodwill balance was \$2,912 million as of November 30, 2019. Management reviews goodwill for impairment as of July 31 every year, or more frequently if events or circumstances dictate. The impairment review for goodwill allows management to first assess qualitative factors to determine whether it is necessary to perform the more detailed quantitative goodwill impairment test. When performing the quantitative test, if the estimated fair value of the reporting unit exceeds its carrying value, no further analysis is required. However, if the estimated fair value of the reporting unit is less than the carrying value, goodwill is written down based on the difference between the reporting unit's carrying amount and its fair value, limited to the amount of goodwill allocated to the reporting unit. The determination of the goodwill reporting unit's fair value includes numerous assumptions with the principal assumptions relating to (i) changes in conditions or strategy, including decisions about the allocation of new ships amongst brands and transfer of ships between brands, (ii) forecasted future operating results, including net revenue yields and fuel expenses, and (iii) weighted average cost of capital of market participants, adjusted for the risk attributable to the geographic regions in which these cruise brands operate, (collectively, the "principal assumptions").

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessments is a critical audit matter are there was significant judgment by management in determining the fair value of the reporting units. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and in evaluating audit evidence relating to the principal assumptions. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessments, including controls over the valuation of the Company's reporting units that were subject to the quantitative test. These procedures also included, among others, testing management's process for determining the fair value estimate; evaluating the appropriateness of the valuation methodology; testing the completeness, accuracy and relevance of underlying data used in the analyses; and evaluating the reasonableness of the significant assumptions used by management, including the principal assumptions. Evaluating management's principal assumptions involved evaluating whether the assumptions used by management were reasonable considering (i) the past performance of the reporting units, (ii) the consistency with current revenue booking and cost trends, and (iii) the consistency with external industry data. Professionals with specialized skill and knowledge were used to assist in the evaluation of the discounted cash flow analyses and certain principal assumptions, including the weighted average cost of capital.

/s/PricewaterhouseCoopers LLP
Miami, Florida
January 28, 2020

We have served as the Company's auditors since 2003. Prior to that, we served as Carnival Corporation's auditors since at least 1986. We have not been able to determine the specific year we began serving as auditor of Carnival Corporation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements, estimates or projections contained in this document are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, outlooks, plans, goals and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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, the following:

- World events impacting the ability or desire of people to travel may lead to a decline in demand for cruises
- Incidents concerning our ships, guests or the cruise vacation industry as well as adverse weather conditions and other natural disasters may impact the satisfaction of our guests and crew and lead to reputational damage
- Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-corruption, economic sanctions, trade protection and tax may lead to litigation, enforcement actions, fines, penalties, and reputational damage
- Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks and failure to keep pace with developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and lead to reputational damage
- Ability to recruit, develop and retain qualified shipboard personnel who live away from home for extended periods of time may adversely impact our business operations, guest services and satisfaction
- Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs
- Fluctuations in foreign currency exchange rates may adversely impact our financial results
- Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options
- Geographic regions in which we try to expand our business may be slow to develop or ultimately not develop how we expect
- Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests

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

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

2019 Executive Overview

Key information for 2019 compared to the prior year (see “Key Performance Non-GAAP Financial Indicators” for definitions and reconciliations):

- Net income of \$3.0 billion or \$4.32 diluted earnings per share, compared to net income of \$3.2 billion or \$4.44 diluted earnings per share in 2018.
- Record adjusted net income of \$3.0 billion, or \$4.40 adjusted diluted earnings per share, compared to adjusted net income of \$3.0 billion or \$4.26 adjusted diluted earnings per share in 2018. Adjusted net income excludes net charges of \$52 million for 2019 and net gains of \$123 million for 2018.
- Record total revenues were \$20.8 billion, higher than \$18.9 billion in 2018.
 - Gross cruise revenues of \$20.4 billion, higher than \$18.6 billion in 2018.
 - In constant currency, net cruise revenues of \$16.0 billion, higher than \$15.4 billion in 2018, an increase of 4.0%.
- Gross revenue yields increased 5.4%. In constant currency, net revenue yields decreased 0.2%, comprised of a 1.0% decrease in net passenger ticket revenue yields and a 2.0% increase in net onboard and other revenue yields.
- Gross cruise costs including fuel per ALBD increased 8.6%. Net cruise costs excluding fuel per ALBD in constant currency decreased 0.3%.
- Changes in fuel prices and currency exchange rates decreased earnings by \$0.01 per share.

After five years of strong adjusted earnings growth for our company, 2019 brought with it more than our fair share of challenges including the abrupt regulatory change preventing travel to Cuba, geopolitical events in the Arabian Gulf, Hurricane Dorian, a costly unscheduled dry-dock, and multiple shipyard delays, all of which necessitated the cancellation of cruises and in many instances resulted in shorter booking windows negatively impacting yields. The impact from these events was compounded by an unanticipated decline in consumer attitude affecting leisure travel broadly in our Continental European source markets. As a global company with nearly 50 percent of our guests sourced from outside the U.S., we are subject to uneven economies around the world. We have a large percentage of our portfolio weighted in regions that are currently challenged. We have already taken actions to adapt to what is proving to be a persistent challenge. These actions include changing itineraries to optimize our performance and implementing an action plan to accelerate demand and right-size capacity sourced from Southern Europe.

Our 150,000 team members collectively worked to offset numerous headwinds and delivered memorable cruise experiences for our 13 million guests as well as achieved our highest full year adjusted diluted earnings per share for our shareholders. Although earnings growth was broadly in line with capacity growth, we believe our business is inherently capable of, and we are working to ensure we are, doing even better.

Globally, we are taking actions to further stimulate demand and increase our cost efficiencies. We have conducted an analysis of our marketing activities and spend and have identified areas of opportunity to increase marketing impressions to generate demand and support future yield growth. In 2019, we increased investments in media spend to support our brands and destinations around the world. We have also been successful in increasing our analytical rigor in marketing and media spend to drive demand generation and to better balance brand support activities with price and promotion efforts.

From a guest experience perspective, we continue to deliver with both our guest experience scores and net promoter scores toward the top end of prior ranges. In addition, we have made several investments to continue to further enhance the guest experience.

- Our newbuild schedule peaks in 2020 with six new ships entering service across six distinct markets: *Carnival Panorama* for the West Coast of the U.S., Carnival Cruise Line’s *Mardi Gras* for the East Coast of the U.S., *Enchanted Princess*, the second new ship delivered with Ocean Medallion, *Costa Smeralda* for Continental Europe, *Costa Firenze* for China and P&O Cruises’ *Iona* for the UK.
- We continue to roll out our most popular features on our existing fleet, with significant re-imaginings like the recently introduced *Carnival Sunrise*, to be joined by *Carnival Radiance* in mid-2020.
- In the Princess fleet, the Ocean Medallion roll out continues with five ships already completed and six more to be completed in 2020.

- The expansion of app-based technology across our other brands continues, including pre-cruise purchases.
- We have two major destination developments underway, on Grand Bahama Island and a second destination on Half Moon Cay, complementing the six destinations we had already developed and are operating in the Caribbean.

We are elevating the guest experience without increasing operating costs on a per available lower berth day (“ALBD”) basis. Through our global sourcing, we achieved over \$125 million of cost savings in 2019, bringing the cumulative total to over \$480 million since 2014.

Our highest responsibility and top priorities are excellence in safety, environmental protection and compliance. Our reputation and success depends on having sustainable and transparent operations. We continue to lead the industry in the development of environmentally friendly fuel solutions.

- We achieved a four percent reduction in per unit fuel consumption in 2019. We expect another four percent in 2020 which will bring the cumulative reduction in fuel consumption per ALBD to 35 percent since 2007.
- In 2019 we delivered *AIDAnova*, the first cruise ship with the ability to be solely powered by LNG, the most environmentally friendly fossil fuel. We have 10 more next generation LNG cruise ships on order, including Carnival Cruise Line’s *Mardi Gras*, *Costa Smeralda* and P&O Cruises’ *Iona*, entering the fleet during 2020.
- We announced a ground breaking pilot on *AIDAPerla*, the first lithium-ion battery storage system to power a cruise ship's propulsion and operation for limited periods of time. Also, as early as 2021, AIDA Cruises will be the world’s first cruise company to test the use of fuel cells on a large passenger ship. The fuel cells will be powered by hydrogen derived from methanol.

These will compliment other industry leading technologies we have already deployed to reduce carbon emissions including cold ironing (or shore power), which we have the capability for on over 40 percent of our fleet, and Advanced Air Quality Systems deployed on nearly 80 percent of our fleet. The investments we have made in Advanced Air Quality Systems will also help to mitigate increased costs in the wake of IMO 2020.

We are also focused on other areas concerning the environment including the roll out of additional Advanced Waste Water Purification Systems and food biogas digesters. We have also made considerable progress on our goal to significantly reduce single use plastics. In addition, we joined the Getting to Zero Coalition, an alliance of organizations across the maritime, energy, infrastructure and finance sectors committed to accelerating the decarbonization of the international shipping industry. Sustainability efforts remain at the forefront of our strategic goals.

We are continuing to work to improve our performance in fiscal 2020 and beyond. With annual cash from operations of \$5.5 billion, our balance sheet is strong, as are our brands. We continue to generate value for our shareholders, returning over \$2.0 billion during 2019, \$1.4 billion through our quarterly dividend and approximately \$600 million through our share repurchase program. Although there are multiple external impacts outside of our control, we are aggressively managing those levers we do control or can strongly influence which include demand, supply and controlling costs. We are investing to stimulate demand through advertising, marketing and public relations efforts to maintain price discipline. We are working to moderate capacity additions and at the same time accelerate capacity leaving the fleet. We are leveraging our scale to achieve efficiencies and to fund investments without a significant net increase in costs. In the best interest of long-term shareholders, we are making disciplined decisions to optimize our performance in the short-term while leaving us best positioned to capture the full benefit of global travel and tourism growth over the long-term.

New Accounting Pronouncements

Refer to our consolidated financial statements for further information on *Accounting Pronouncements*.

Critical Accounting Estimates

Our critical accounting estimates are those we believe require our most significant judgments about the effect of matters that are inherently uncertain. A discussion of our critical accounting estimates, the underlying judgments and uncertainties used to make them and the likelihood that materially different estimates would be reported under different conditions or using different assumptions is as follows:

Ship Accounting

We make several critical accounting estimates with respect to our ship accounting.

We account for ship improvement costs, including replacements of certain significant components and parts, by capitalizing those costs we believe add value to our ships and have a useful life greater than one year and depreciating those improvements over their estimated remaining useful life. The costs of repairs and maintenance, including minor improvement costs and expenses related to dry-docks, are charged to expense as incurred. If we change our assumptions in making our determinations as to whether improvements to a ship add value, the amounts we expense each year as repair and maintenance expense could increase, which would be partially offset by a decrease in depreciation expense, resulting from a reduction in capitalized costs.

In order to compute our ships' depreciation expense, we estimate their useful lives as well as their residual values. We estimate the useful life of our ships and ship improvements based on the expected period over which the assets will be of economic benefit to us, including the impact of marketing and technical obsolescence, competition, physical deterioration, historical useful lives of similarly-built ships, regulatory constraints and maintenance requirements. In addition, we consider estimates of the weighted-average useful lives of the ships' major component systems, such as the hull, cabins, main electric, superstructure and engines. Taking all of this into consideration, we have estimated our new ships' useful lives at 30 years.

We determine the residual value of our ships based on our long-term estimates of their resale value at the end of their useful life to us but before the end of their physical and economic lives to others, historical resale values of our and other cruise ships and viability of the secondary cruise ship market. We have estimated our residual values at 15% of our original ship cost.

Given the large size and complexity of our ships, ship accounting estimates require considerable judgment and are inherently uncertain. We do not have cost segregation studies performed to specifically componentize our ships. In addition, since we do not separately componentize our ships, we do not identify and track depreciation of original ship components. Therefore, we typically have to estimate the net book value of components that are retired, based primarily upon their replacement cost, their age and their original estimated useful lives.

If materially different conditions existed, or if we materially changed our assumptions of ship useful lives and residual values, our depreciation expense, loss on retirement of ship components and net book value of our ships would be materially different. Our 2019 ship depreciation expense would have increased by approximately \$44 million assuming we had reduced our estimated 30-year ship useful life estimate by one year at the time we took delivery or acquired each of our ships. In addition, our 2019 ship depreciation expense would have increased by approximately \$228 million assuming we had estimated our ships to have no residual value.

We believe that the estimates we made for ship accounting purposes are reasonable and our methods are consistently applied in all material respects and result in depreciation expense that is based on a rational and systematic method to equitably allocate the costs of our ships to the periods during which we use them.

Valuation of Ships

Impairment reviews of our ships require us to make significant estimates.

We evaluate ship asset impairments at the individual ship level which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. We review our ships for impairment whenever events or circumstances indicate that the carrying value of a ship may not be recoverable. If estimated future cash flows are less than the carrying value of a ship, an impairment charge is recognized to the extent its carrying value exceeds fair value.

The estimation of a ship's fair value includes numerous assumptions that are subject to various risks and uncertainties. The principal assumptions used in our ship impairment reviews consist of:

- Changes in strategy, including decisions about itineraries and the transfer of ships between brands
- Forecasted future operating results, including net revenue yields and fuel expenses
- Estimated ship sale timing and proceeds

Refer to our consolidated financial statements for additional discussion of our property and equipment policy and ship impairment reviews.

We believe that we have made reasonable estimates and judgments.

Valuation of Goodwill

Impairment reviews of our goodwill require us to make significant estimates.

We review our goodwill for impairment at the reporting unit level as of July 31 every year, or more frequently if events or circumstances dictate. If the estimated fair value of any of our reporting units is less than the reporting unit's carrying value, goodwill is written down based on the difference between the reporting unit's carrying amount and its estimated fair value, limited to the amount of goodwill allocated to the reporting unit.

The estimation of our reporting unit fair value includes numerous assumptions that are subject to various risks and uncertainties. The principal assumptions used in our goodwill impairment reviews consist of:

- Changes in conditions or strategy, including decisions about the allocation of new ships amongst brands and transfer of ships between brands
- Forecasted future operating results, including net revenue yields and fuel expenses
- Weighted-average cost of capital of market participants, adjusted for the risk attributable to the geographic regions in which these cruise brands operate

Refer to our consolidated financial statements for additional discussion of our goodwill accounting policy and impairment reviews.

We believe that we have made reasonable estimates and judgments.

Contingencies

We periodically assess the potential liabilities related to any lawsuits or claims brought against us, as well as for other known unasserted claims, including environmental, legal, regulatory and guest and crew matters. While it is typically very difficult to determine the timing and ultimate outcome of these matters, we use our best judgment to determine the appropriate amounts to record in our consolidated financial statements.

We accrue a liability and establish a reserve when we believe a loss is probable and the amount of the loss can be reasonably estimated. In assessing probable losses, we make estimates of the amount of probable insurance recoveries, if any, which are recorded as assets where appropriate. Such accruals and reserves are typically based on developments to date, management's estimates of the outcomes of these matters, our experience in contesting, litigating and settling other similar matters, historical claims experience, actuarially determined estimates of liabilities and any related insurance coverages.

Given the inherent uncertainty related to the eventual outcome of these matters and potential insurance recoveries, it is possible that all or some of these matters may be resolved for amounts materially different from any provisions or disclosures that we may have made. In addition, as new information becomes available, we may need to reassess the amount of asset or liability that needs to be accrued related to our contingencies. All such changes in our estimates could materially impact our results of operations and financial position.

Refer to our consolidated financial statements for additional discussion of contingencies.

Results of Operations

We earn substantially all of our cruise revenues from the following:

- Sales of passenger cruise tickets and, in some cases, the sale of air and other transportation to and from airports near our ships' home ports and cancellation fees. We also collect fees, taxes and other charges from our guests. The cruise ticket price typically includes the following:
 - Accommodations
 - Most meals, including snacks at numerous venues
 - Access to amenities such as swimming pools, water slides, water parks, whirlpools, a health club and sun decks
 - Supervised youth programs
 - Entertainment, such as theatrical and comedy shows, live music and nightclubs
 - Visits to multiple destinations

- Sales of onboard goods and services not included in the cruise ticket price. This generally includes the following:
 - Beverage sales
 - Casino gaming
 - Shore excursions
 - Retail sales
 - Photo sales
 - Internet and communication services
 - Full service spas
 - Specialty restaurants
 - Art sales
 - Laundry and dry cleaning services

These goods and services are provided either directly by us or by independent concessionaires, from which we receive either a percentage of their revenues or a fee. Concession revenues do not have direct expenses because the costs and services incurred for concession revenues are borne by our concessionaires.

We earn our tour and other revenues from our hotel and transportation operations, long-term leasing of ships and other revenues.

We incur cruise operating costs and expenses for the following:

- The costs of passenger cruise bookings, which include travel agent commissions, cost of air and other transportation, port fees, taxes, and charges that directly vary with guest head counts and credit and debit card fees
- Onboard and other cruise costs, which include the costs of beverage sales, costs of shore excursions, costs of retail sales, communication costs, credit and debit card fees, other onboard costs, costs of cruise vacation protection programs and pre- and post-cruise land packages
- Payroll and related costs, which include the costs of officers and crew in bridge, engineering and hotel operations. Substantially all costs associated with our shoreside personnel are included in selling and administrative expenses
- Fuel costs, which include fuel delivery costs
- Food costs, which include both our guest and crew food costs
- Other ship operating expenses, which include port costs that do not vary with guest head counts; repairs and maintenance, including minor improvements and dry-dock expenses; hotel costs; entertainment; gains and losses on ship sales; ship impairments; freight and logistics; insurance premiums and all other ship operating expenses

We incur tour and other costs and expenses for our hotel and transportation operations, long-term leasing of ships and other expenses.

Statistical Information

	Years Ended November 30,		
	2019	2018	2017
ALBDs (in thousands) (a) (b)	87,424	83,872	82,303
Occupancy percentage (c)	106.8%	106.9%	105.9%
Passengers carried (in thousands)	12,866	12,407	12,130
Fuel consumption in metric tons (in thousands)	3,312	3,296	3,286
Fuel consumption in metric tons per thousand ALBDs	37.9	39.3	39.9
Fuel cost per metric ton consumed	\$ 472	\$ 491	\$ 378
Currencies (USD to 1)			
AUD	\$ 0.70	\$ 0.75	\$ 0.77
CAD	\$ 0.75	\$ 0.78	\$ 0.77
EUR	\$ 1.12	\$ 1.18	\$ 1.12
GBP	\$ 1.27	\$ 1.34	\$ 1.28
RMB	\$ 0.14	\$ 0.15	\$ 0.15

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

(b) In 2019 compared to 2018, we had a 4.2% capacity increase in ALBDs comprised of a 1.8% capacity increase in our NAA segment and a 8.6% capacity increase in our EA segment.

Our NAA segment's capacity increase was caused by:

- Partial period impact from one Carnival Cruise Line 3,960-passenger capacity ship that entered into service in April 2018
- Partial period impact from one Seabourn 600-passenger capacity ship that entered into service in May 2018
- Partial period impact from one Holland America Line 2,670-passenger capacity ship that entered into service in December 2018
- Partial period impact from one Princess Cruises 3,660-passenger capacity ship that entered into service in October 2019

These increases were partially offset by:

- Partial period impact from one P&O Cruises (Australia) 1,680-passenger capacity ship removed in March 2019
- Partial period impact from one P&O Cruises (Australia) 1,260-passenger capacity ship removed in April 2019
- Partial period impact from one Holland America Line 840-passenger capacity ship removed in July 2019

Our EA segment's capacity increase was caused by:

- Partial period impact from one AIDA 5,230-passenger capacity ship that entered into service in December 2018
- Partial period impact from one Costa 4,200-passenger capacity ship that entered into service in March 2019

These increases were partially offset by:

- Partial period impact from one P&O Cruises (UK) 700-passenger capacity ship removed from service in March 2018
- Partial period impact from one Costa 1,300-passenger capacity ship removed from service in April 2018
- Partial period impact from one P&O Cruises (UK) 1,880-passenger capacity ship removed from service in August 2019

In 2018 compared to 2017, we had a 1.9% capacity increase in ALBDs comprised of a 2.9% capacity increase in our NAA segment and a 0.2% capacity increase in our EA segment.

Our NAA segment's capacity increase was caused by:

- Partial period impact from one Princess Cruises 3,560-passenger capacity ship that entered into service in April 2017
- Partial period impact from one Carnival Cruise Line 3,960-passenger capacity ship that entered into service in April 2018
- Partial period impact from one Seabourn 600-passenger capacity ship that entered into service in May 2018

These increases were partially offset by the partial period impact from one P&O Cruises (Australia) 1,550-passenger capacity ship removed from service in April 2017.

Our EA segment's capacity increase was caused by:

- Partial period impact from one AIDA 3,290-passenger capacity ship that entered into service in June 2017

This increase was partially offset by:

- Partial period impact from one P&O Cruises (UK) 700-passenger capacity ship removed from service in March 2018
- Partial period impact from one Costa 1,300-passenger capacity ship removed from service in April 2018.

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

2019 Compared to 2018

Revenues

Consolidated

Cruise passenger ticket revenues made up 68% of our 2019 total revenues. Cruise passenger ticket revenues increased by \$174 million, or 1.2%, to \$14.1 billion in 2019 from \$13.9 billion in 2018.

This increase was caused by:

- \$607 million - 4.2% capacity increase in ALBDs
- \$113 million - increase in air transportation revenues

These increases were partially offset by:

- \$305 million - net unfavorable foreign currency translational impact
- \$240 million - decrease in cruise ticket revenues, driven primarily by sourcing in Continental Europe, our Alaska programs and net unfavorable foreign currency transactional impact, partially offset by price improvements in the Caribbean program.

Onboard and other cruise revenues made up 30% of our 2019 total revenues. Onboard and other cruise revenues increased by \$1.7 billion, or 35%, to \$6.3 billion in 2019 from \$4.7 billion in 2018.

This increase was caused by:

- \$1.4 billion - related to the gross presentation of shore excursions and other onboard revenues as a result of the adoption of new revenue accounting guidance
- \$200 million - 4.2% capacity increase in ALBDs
- \$124 million - higher onboard spending by our guests

These increases were partially offset by net unfavorable foreign currency translational impact of \$89 million.

Tour and other revenues made up 1.9% of our 2019 total revenues. Tour and other revenues increased by \$118 million, or 43%, to \$390 million in 2019 from \$272 million in 2018.

This increase was driven by the sale of Advanced Air Quality Systems to third parties, which accounted for \$117 million.

Concession revenues, which are included in onboard and other revenues, increased by \$24 million, or 2.1%, to \$1.2 billion in 2019 from \$1.1 billion in 2018.

NAA Segment

Cruise passenger ticket revenues made up 66% of our NAA segment's 2019 total revenues. Cruise passenger ticket revenues increased by \$159 million, or 1.8% to \$9.0 billion in 2019 from \$8.8 billion in 2018.

This increase was caused by:

- \$152 million - 1.8% capacity increase in ALBDs
- \$57 million - increase in air transportation revenues

These increases were partially offset by net unfavorable foreign currency translational impact of \$20 million.

The remaining 34% of our NAA segment's 2019 total revenues were comprised of onboard and other cruise revenues, which increased by \$1.2 billion, or 36%, to \$4.6 billion in 2019 from \$3.4 billion in 2018.

This increase was caused by:

- \$1.1 billion - related to the gross presentation of shore excursions and other onboard revenues as a result of the adoption of new revenue accounting guidance
- \$58 million - 1.8% capacity increase in ALBDs
- \$39 million - higher onboard spending by our guests

Concession revenues, which are included in onboard and other revenues, increased by \$14 million, or 1.7%, to \$821 million in 2019 from \$807 million in 2018.

EA Segment

Cruise passenger ticket revenues made up 78% of our EA segment's 2019 total revenues. Cruise passenger ticket revenues increased by \$68 million, or 1.3%, to \$5.2 billion in 2019 from \$5.1 billion in 2018.

This increase was caused by:

- \$451 million - 8.6% capacity increase in ALBDs
- \$50 million - increase in air transportation revenues

These increases were partially offset by

- \$285 million - net unfavorable foreign currency translational impact
- \$159 million - decrease in cruise ticket revenues, driven primarily by sourcing in Continental Europe

The remaining 22% of our EA segment's 2019 total revenues were comprised of onboard and other cruise revenues, which increased by \$339 million, or 31%, to \$1.4 billion in 2019 from \$1.1 billion in 2018.

This increase was caused by:

- \$268 million - related to the gross presentation of shore excursions and other onboard revenues as a result of the adoption of new revenue accounting guidance
- \$96 million - 8.6% capacity increase in ALBDs
- \$51 million - higher onboard spending by our guests

These increases were partially offset by net unfavorable foreign currency translational impact of \$79 million.

Concession revenues, which are included in onboard and other revenues, increased by \$10 million, or 3.0%, to \$337 million in 2019 from \$328 million in 2018.

Costs and Expenses

Consolidated

Operating costs and expenses increased by \$1.8 billion or 16%, to \$12.9 billion in 2019 from \$11.1 billion in 2018.

This increase was caused by:

- \$1.4 billion - related to the gross presentation of shore excursions and other onboard revenues as a result of the adoption of new revenue accounting guidance
- \$464 million - 4.2% capacity increase in ALBDs
- \$88 million - increase in tour and other costs
- \$87 million - higher commissions, transportation and other expenses
- \$67 million - increase in various other ship operating costs
- \$35 million - gains on ship sales in 2018, net of gains on ship sales in 2019

These increases were partially offset by:

- \$221 million - net favorable foreign currency translational impact
- \$63 million - lower fuel prices
- \$62 million - improved fuel consumption per ALBD
- \$46 million - lower dry-dock expenses and repair and maintenance expenses

Selling and administrative expenses increased by \$30 million, or 1.2%, to \$2.5 billion in 2019 compared to \$2.5 billion in 2018.

Depreciation and amortization expenses increased by \$143 million, or 7.1%, to \$2.2 billion in 2019 from \$2.0 billion in 2018.

NAA Segment

Operating costs and expenses increased by \$1.2 billion, or 17%, to \$8.4 billion in 2019 from \$7.2 billion in 2018.

This increase was caused by:

- \$1.1 billion - related to the gross presentation of shore excursions and other onboard revenues as a result of the adoption of new revenue accounting guidance
- \$124 million - 1.8% capacity increase in ALBDs
- \$59 million - higher commissions, transportation and other

These increases were partially offset by:

- \$58 million - lower fuel prices
- \$40 million - lower cruise payroll and related expenses

Selling and administrative expenses increased by \$24 million, or 1.7%, to \$1.4 billion in 2019 compared to \$1.4 billion in 2018.

Depreciation and amortization expenses increased by \$100 million, or 7.9%, to \$1.4 billion in 2019 from \$1.3 billion in 2018.

EA Segment

Operating costs and expenses increased by \$470 million, or 13%, to \$4.1 billion in 2019 from 3.7 billion in 2018.

This increase was caused by:

- \$307 million - 8.6% capacity increase in ALBDs
- \$268 million - related to the gross presentation of shore excursions and other onboard revenues as a result of the adoption of new revenue accounting guidance
- \$46 million - gains on ship sales in 2018, net of gains on ship sales in 2019
- \$39 million - increase in various other ship operating costs
- \$36 million - higher commissions, transportation and other
- \$28 million - higher cruise payroll and related expenses

These increases were partially offset by:

- \$203 million - net favorable foreign currency translational impact
- \$38 million - improved fuel consumption per ALBD
- \$21 million - lower dry-dock expenses and repair and maintenance expenses

Selling and administrative expenses decreased by \$7 million, or 1.0%, to \$744 million in 2019 from \$751 million in 2018.

Depreciation and amortization expenses increased by \$34 million, or 5.5%, to \$645 million in 2019 from \$611 million in 2018.

Operating Income

Our consolidated operating income decreased by \$49 million, or 1.5%, to \$3.3 billion in 2019 compared to \$3.3 billion in 2018. Our NAA segment's operating income increased by \$62 million, or 2.6%, to \$2.5 billion in 2019 from \$2.4 billion in 2018, and our EA segment's operating income decreased by \$90 million, or 7.5%, to \$1.1 billion in 2019 from \$1.2 billion in 2018. These changes were primarily due to the reasons discussed above.

Nonoperating Income (Expense)

<i>(in millions)</i>	Year Ended November 30, 2018	
Unrealized gains on fuel derivatives, net	\$	94
Realized losses on fuel derivatives, net		(35)
Gains on fuel derivatives, net	\$	59

There were no unrealized or realized gains or losses on fuel derivatives in 2019.

Explanations of Non-GAAP Financial Measures

Non-GAAP Financial Measures

We use net cruise revenues per ALBD ("net revenue yields"), net cruise costs excluding fuel per ALBD, adjusted net income and adjusted earnings per share as non-GAAP financial measures of our cruise segments' and the company's financial performance. These non-GAAP financial measures are provided along with U.S. GAAP gross cruise revenues per ALBD ("gross revenue yields"), gross cruise costs per ALBD and U.S. GAAP net income and U.S. GAAP earnings per share.

Net revenue yields and net cruise costs excluding fuel per ALBD enable us to separate the impact of predictable capacity or ALBD changes from price and other changes that affect our business. We believe these non-GAAP measures provide useful information to investors and expanded insight to measure our revenue and cost performance as a supplement to our U.S. GAAP consolidated financial statements.

Under U.S. GAAP, the realized and unrealized gains and losses on fuel derivatives not qualifying as fuel hedges are recognized currently in earnings. We believe that unrealized gains and losses on fuel derivatives are not an indication of our earnings performance since they relate to future periods and may not ultimately be realized in our future earnings. Therefore, we believe it is more meaningful for the unrealized gains and losses on fuel derivatives to be excluded from our net income and earnings per share and, accordingly, we present adjusted net income and adjusted earnings per share excluding these unrealized gains and losses.

We believe that gains and losses on ship sales, impairment charges, restructuring and other 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 gains and losses on ship sales, impairment charges, and restructuring and other non-core gains and charges to be excluded from our net income and earnings per share and, accordingly, we present adjusted net income and adjusted earnings per share excluding these items.

The presentation of our non-GAAP financial information is not intended to be considered in isolation from, as substitute for, or superior to the financial information prepared in accordance with U.S. GAAP. It is possible that our non-GAAP financial measures may not be exactly comparable to the like-kind information presented by other companies, which is a potential risk associated with using these measures to compare us to other companies.

Net revenue yields are commonly used in the cruise industry to measure a company's cruise segment revenue performance and for revenue management purposes. We use "net cruise revenues" rather than "gross cruise revenues" to calculate net revenue yields. We believe that net cruise revenues is a more meaningful measure in determining revenue yield than gross cruise revenues because it reflects the cruise revenues earned net of our most significant variable costs, which are travel agent commissions, cost of air and other transportation, certain other costs that are directly associated with onboard and other revenues and credit and debit card fees.

Net passenger ticket revenues reflect gross passenger ticket revenues, net of commissions, transportation and other costs.

Net onboard and other revenues reflect gross onboard and other revenues, net of onboard and other cruise costs.

Net cruise costs excluding fuel per ALBD is the measure we use to monitor our ability to control our cruise segments' costs rather than gross cruise costs per ALBD. We exclude the same variable costs that are included in the calculation of net cruise revenues as well as fuel expense to calculate net cruise costs without fuel to avoid duplicating these variable costs in our non-GAAP financial measures. Substantially all of our net cruise costs excluding fuel are largely fixed, except for the impact of changing prices once the number of ALBDs has been determined.

Reconciliation of Forecasted Data

We have not provided a reconciliation of forecasted gross cruise revenues to forecasted net cruise revenues or forecasted gross cruise costs to forecasted net cruise costs without fuel or forecasted U.S. GAAP net income to forecasted adjusted net income or forecasted U.S. GAAP earnings per share to forecasted adjusted earnings per share because preparation of meaningful U.S. GAAP forecasts of gross cruise revenues, gross cruise costs, net income and earnings per share would require unreasonable effort. We are unable to predict, without unreasonable effort, the future movement of foreign exchange rates and fuel prices. We are unable to determine the future impact of gains or losses on ships sales, restructuring expenses and other non-core gains and charges.

Constant Dollar and Constant Currency

Our operations primarily utilize the U.S. dollar, Australian dollar, euro and sterling as functional currencies to measure results and financial condition. Functional currencies other than the U.S. dollar subject us to foreign currency translational risk. Our operations also have revenues and expenses that are in currencies other than their functional currency, which subject us to foreign currency transactional risk.

We report net revenue yields, net passenger revenue yields, net onboard and other revenue yields and net cruise costs excluding fuel per ALBD on a "constant dollar" and "constant currency" basis assuming the 2019 and 2018 periods' currency exchange rates have remained constant with the 2018 and 2017 periods' rates. These metrics facilitate a comparative view for the changes in our business in an environment with fluctuating exchange rates.

Constant dollar reporting removes only the impact of changes in exchange rates on the translation of our operations.

Constant currency reporting removes the impact of changes in exchange rates on the translation of our operations (as in constant dollar) plus the transactional impact of changes in exchange rates from revenues and expenses that are denominated in a currency other than the functional currency.

Examples:

- The translation of our operations with functional currencies other than U.S. dollar to our U.S. dollar reporting currency results in decreases in reported U.S. dollar revenues and expenses if the U.S. dollar strengthens against these foreign currencies and increases in reported U.S. dollar revenues and expenses if the U.S. dollar weakens against these foreign currencies.
- Our operations have revenue and expense transactions in currencies other than their functional currency. If their functional currency strengthens against these other currencies, it reduces the functional currency revenues and expenses. If the functional currency weakens against these other currencies, it increases the functional currency revenues and expenses.

Consolidated gross and net revenue yields were computed by dividing the gross and net cruise revenues by ALBDs as follows:

Years Ended November 30,					
<i>(dollars in millions, except yields)</i>	2019	2019 Constant Dollar	2018	2018 Constant Dollar	2017
Passenger ticket revenues	\$ 14,104	\$ 14,409	\$ 13,930	\$ 13,684	\$ 12,944
Onboard and other revenues	6,331	6,420	4,679	4,627	4,330
Gross cruise revenues	20,435	20,828	18,609	18,311	17,274
Less cruise costs					
Commissions, transportation and other	(2,720)	(2,786)	(2,590)	(2,526)	(2,359)
Onboard and other	(2,101)	(2,128)	(638)	(630)	(587)
	<u>(4,822)</u>	<u>(4,914)</u>	<u>(3,228)</u>	<u>(3,156)</u>	<u>(2,946)</u>
Net passenger ticket revenues	11,384	11,623	11,340	11,158	10,585
Net onboard and other revenues	4,230	4,292	4,041	3,997	3,744
Net cruise revenues	\$ 15,613	\$ 15,915	\$ 15,381	\$ 15,155	\$ 14,329
ALBDs	87,424,190	87,424,190	83,872,441	83,872,441	82,302,887
Gross revenue yields	\$ 233.74	\$ 238.25	\$ 221.87	\$ 218.32	\$ 209.88
% increase (decrease)	5.4 %	7.4 %	5.7%	4.0%	
Net revenue yields	\$ 178.59	\$ 182.04	\$ 183.38	\$ 180.69	\$ 174.10
% increase (decrease)	(2.6)%	(0.7)%	5.3%	3.8%	
Net passenger ticket revenue yields	\$ 130.21	\$ 132.95	\$ 135.21	\$ 133.03	\$ 128.62
% increase (decrease)	(3.7)%	(1.7)%	5.1%	3.4%	
Net onboard and other revenue yields	\$ 48.38	\$ 49.09	\$ 48.17	\$ 47.65	\$ 45.48
% increase (decrease)	0.4 %	1.9 %	5.9%	4.8%	

Years Ended November 30,					
<i>(dollars in millions, except yields)</i>	2019	2019 Constant Currency	2018	2018 Constant Currency	2017
Net passenger ticket revenues	\$ 11,384	\$ 11,702	\$ 11,340	\$ 11,137	\$ 10,585
Net onboard and other revenues	4,230	4,294	4,041	4,008	3,744
Net cruise revenues	\$ 15,613	\$ 15,996	\$ 15,381	\$ 15,145	\$ 14,329
ALBDs	87,424,190	87,424,190	83,872,441	83,872,441	82,302,887
Net revenue yields	\$ 178.59	\$ 182.98	\$ 183.38	\$ 180.57	\$ 174.10
% increase (decrease)	(2.6)%	(0.2)%	5.3%	3.7%	
Net passenger ticket revenue yields	\$ 130.21	\$ 133.86	\$ 135.21	\$ 132.79	\$ 128.62
% increase (decrease)	(3.7)%	(1.0)%	5.1%	3.2%	
Net onboard and other revenue yields	\$ 48.38	\$ 49.12	\$ 48.17	\$ 47.78	\$ 45.48
% increase (decrease)	0.4 %	2.0 %	5.9%	5.1%	

Consolidated gross and net cruise costs and net cruise costs excluding fuel per ALBD were computed by dividing the gross and net cruise costs and net cruise costs excluding fuel by ALBDs as follows:

<i>(dollars in millions, except costs per ALBD)</i>	Years Ended November 30,				
	2019	2019 Constant Dollar	2018	2018 Constant Dollar	2017
Cruise operating expenses	\$ 12,641	\$ 12,862	\$ 10,910	\$ 10,740	\$ 10,338
Cruise selling and administrative expenses	2,452	2,496	2,422	2,385	2,250
Gross cruise costs	15,093	15,359	13,332	13,125	12,588
Less cruise costs included above					
Commissions, transportation and other	(2,720)	(2,786)	(2,590)	(2,526)	(2,359)
Onboard and other	(2,101)	(2,128)	(638)	(630)	(587)
Gains (losses) on ship sales and impairments	16	17	38	34	(298)
Restructuring expenses	(10)	(10)	(1)	(1)	(3)
Other	(43)	(43)	(2)	(2)	—
Net cruise costs	10,234	10,409	10,139	10,000	9,341
Less fuel	(1,562)	(1,562)	(1,619)	(1,619)	(1,244)
Net cruise costs excluding fuel	\$ 8,672	\$ 8,847	\$ 8,521	\$ 8,382	\$ 8,097
ALBDs	87,424,190	87,424,190	83,872,441	83,872,441	82,302,887
Gross cruise costs per ALBD	\$ 172.64	\$ 175.68	\$ 158.96	\$ 156.49	\$ 152.94
% increase (decrease)	8.6 %	10.5 %	3.9%	2.3%	
Net cruise costs excluding fuel per ALBD	\$ 99.20	\$ 101.20	\$ 101.59	\$ 99.93	\$ 98.37
% increase (decrease)	(2.4)%	(0.4)%	3.3%	1.6%	

<i>(dollars in millions, except costs per ALBD)</i>	Years Ended November 30,				
	2019	2019 Constant Currency	2018	2018 Constant Currency	2017
Net cruise costs excluding fuel	\$ 8,672	\$ 8,858	\$ 8,521	\$ 8,385	\$ 8,097
ALBDs	87,424,190	87,424,190	83,872,441	83,872,441	82,302,887
Net cruise costs excluding fuel per ALBD	\$ 99.20	\$ 101.32	\$ 101.59	\$ 99.98	\$ 98.37
% increase (decrease)	(2.4)%	(0.3)%	3.3%	1.6%	

<i>(dollars in millions, except per share data)</i>	Years Ended November 30,		
	2019	2018	2017
Net income			
U.S. GAAP net income	\$ 2,990	\$ 3,152	\$ 2,606
Unrealized (gains) losses on fuel derivatives, net	—	(94)	(227)
(Gains) losses on ship sales and impairments	(6)	(38)	387
Restructuring expenses	10	1	3
Other	47	8	—
Adjusted net income	\$ 3,041	\$ 3,029	\$ 2,770
Weighted-average shares outstanding	692	710	725
Earnings per share			
U.S. GAAP earnings per share	\$ 4.32	\$ 4.44	\$ 3.59
Unrealized (gains) losses on fuel derivatives, net	—	(0.13)	(0.31)
(Gains) losses on ship sales and impairments	(0.01)	(0.05)	0.53
Restructuring expenses	0.01	—	—
Other	0.07	0.01	—
Adjusted earnings per share	\$ 4.40	\$ 4.26	\$ 3.82

Net cruise revenues increased by \$232 million, or 1.5%, to \$15.6 billion in 2019 from \$15.4 billion in 2018.

The increase was caused by a 4.2% capacity increase in ALBDs of \$668 million.

This increase was partially offset by:

- \$383 million - foreign currency impacts (including both foreign currency translational and transactional impacts)
- \$52 million - 0.2% decrease in constant currency net revenue yields

The 0.2% decrease in net revenue yields on a constant currency basis was due to a 1.0% decrease in net passenger ticket revenue yields partially offset by a 2.0% increase in net onboard and other revenue yields.

The 1.0% decrease in net passenger ticket revenue yields was driven by sourcing in Continental Europe and our Alaska programs, partially offset by price improvements in the Caribbean program. This 1.0% decrease in net passenger ticket revenue yields was comprised of a 0.7% increase from our NAA segment and a 2.7% decrease from our EA segment.

The 2.0% increase in net onboard and other revenue yields was comprised of a 1.0% increase from our NAA segment and a 3.1% increase from our EA segment.

Net cruise costs excluding fuel increased by \$151 million, or 1.8%, to \$8.7 billion in 2019 from \$8.5 billion in 2018.

The increase was caused by a 4.2% capacity increase in ALBDs of \$359 million.

This increase was partially offset by:

- \$186 million - foreign currency impacts (including both foreign currency translational and transactional impacts)
- \$22 million - 0.3% decrease in constant currency net cruise costs excluding fuel

Fuel costs decreased by \$57 million, or 3.5%, to \$1.6 billion in 2019 compared to \$1.6 billion in 2018.

This decrease was caused by:

- \$63 million - lower fuel prices
- \$62 million - lower fuel consumption per ALBD

These decreases were partially offset by a 4.2% capacity increase in ALBDs of \$68 million.

2018 Compared to 2017

Revenues

Consolidated

Cruise passenger ticket revenues made up 74% of our 2018 total revenues. Cruise passenger ticket revenues increased by \$986 million, or 7.6%, to \$13.9 billion in 2018 from \$12.9 billion in 2017.

This increase was caused by:

- \$264 million - increase in cruise ticket revenues, driven primarily by price improvements in our European, Australian, China and various other programs and net favorable foreign currency transactional impacts
- \$247 million - 1.9% capacity increase in ALBDs
- \$246 million - foreign currency translational impact from a weaker U.S. dollar against the functional currencies of our foreign operations (“foreign currency translational impact”)
- \$119 million - increase in occupancy
- \$81 million - increase in air transportation revenues
- \$29 million - increase in other passenger revenue

Onboard and other cruise revenues made up 25% of our 2018 total revenues. Onboard and other cruise revenues increased by \$349 million, or 8.1%, to \$4.7 billion in 2018 from \$4.3 billion in 2017.

This increase was caused by:

- \$132 million - higher onboard spending by our guests
- \$83 million - 1.9% capacity increase in ALBDs
- \$52 million - foreign currency translational impact
- \$42 million - increase in other revenues
- \$40 million - increase in occupancy

Tour and other revenues made up 1.4% of our 2018 total revenues. Tour and other revenues increased by \$36 million, or 15%, to \$272 million in 2018 from \$236 million in 2017.

Concession revenues, which are included in onboard and other revenues, increased by \$83 million, or 7.9%, to \$1.1 billion in 2018 from \$1.1 billion in 2017.

NAA Segment

Cruise passenger ticket revenues made up 72% of our NAA segment’s 2018 total revenues. Cruise passenger ticket revenues increased by \$562 million, or 6.8% to \$8.8 billion in 2018 from \$8.3 billion in 2017.

This increase was driven by:

- \$239 million - 2.9% capacity increase in ALBDs
- \$229 million - increase in cruise ticket revenues, driven primarily by price improvements in the European, Australian and China programs and net favorable foreign currency transactional impacts
- \$70 million - increase in air transportation revenues
- \$21 million - increase in occupancy

The remaining 28% of our NAA segment’s 2018 total revenues were comprised of onboard and other cruise revenues, which increased by \$232 million, or 7.3%, to \$3.4 billion in 2018 from \$3.2 billion in 2017.

This increase was driven by:

- \$100 million - higher onboard spending by our guests
- \$92 million - 2.9% capacity increase in ALBDs
- \$35 million - increase in other revenues

Concession revenues, which are included in onboard and other revenues, increased by \$57 million, or 7.5%, to \$807 million in 2018 from \$751 million in 2017.

EA Segment

Cruise passenger ticket revenues made up 82% of our EA segment's 2018 total revenues. Cruise passenger ticket revenues increased by \$442 million, or 9.4%, to \$5.1 billion in 2018 from \$4.7 billion in 2017.

This increase was driven by:

- \$251 million - foreign currency translational impact
- \$96 million - increase in occupancy
- \$69 million - increase in cruise ticket revenues, driven primarily by price improvements in the European, China and various other programs, partially offset by decrease in the Caribbean programs and net unfavorable foreign currency transactional impacts

The remaining 18% of our EA segment's 2018 total revenues were comprised of onboard and other cruise revenues, which increased by \$98 million, or 9.7%, to \$1.1 billion in 2018 from \$1.0 billion in 2017.

This increase was driven by:

- \$55 million - foreign currency translational impact
- \$21 million - increase in occupancy

Concession revenues, which are included in onboard and other revenues, increased by \$26 million, or 8.7%, to \$328 million in 2018 from \$301 million in 2017.

Costs and Expenses

Consolidated

Operating costs and expenses increased by \$588 million or 5.6%, to \$11.1 billion in 2018 from \$10.5 billion in 2017.

This increase was caused by:

- \$371 million - higher fuel prices
- \$197 million - 1.9% capacity increase in ALBDs
- \$169 million - foreign currency translational impact
- \$100 million - higher commissions, transportation and other expenses
- \$37 million - increase in occupancy
- \$27 million - higher onboard and other expenses
- \$21 million - higher dry-dock expenses and repair and maintenance expenses

These increases were partially offset by:

- \$304 million - ship impairments in 2017
- \$51 million - gains on ship sales in 2018
- \$20 million - improved fuel consumption

Selling and administrative expenses increased by \$185 million, or 8.2%, to \$2.5 billion in 2018 from \$2.3 billion in 2017.

Depreciation and amortization expenses increased by \$171 million, or 9.3%, to \$2.0 billion in 2018 from \$1.8 billion in 2017.

Goodwill and trademark impairment charges of \$89 million include a goodwill impairment charge of \$38 million and a trademark impairment charge of \$50 million during 2017.

NAA Segment

Operating costs and expenses increased by \$476 million, or 7.1%, to \$7.2 billion in 2018 from \$6.7 billion in 2017.

This increase was caused by:

- \$253 million - higher fuel prices
- \$194 million - 2.9% capacity increase in ALBDs
- \$102 million - higher commissions, transportation and other

- \$31 million - higher dry-dock expenses and repair and maintenance expenses
- \$30 million - higher port expenses
- \$24 million - higher cruise payroll and related expenses
- \$24 million - higher onboard and other expenses

These increases were partially offset by impairment of ships of \$162 million recorded in 2017.

Selling and administrative expenses increased by \$66 million, or 4.9%, to \$1.4 billion in 2018 from \$1.3 billion in 2017.

Depreciation and amortization expenses increased by \$70 million, or 5.8%, to \$1.3 billion in 2018 from \$1.2 billion in 2017.

Goodwill and trademark impairment charges of \$89 million include a goodwill impairment charge of \$38 million and a trademark impairment charge of \$50 million during 2017.

EA Segment

Operating costs and expenses increased by \$108 million, or 3.0%, to \$3.7 billion in 2018 from 3.6 billion in 2017.

This increase was caused by:

- \$174 million - foreign currency translational impact
- \$117 million - higher fuel prices
- \$29 million - increase in occupancy

These increases were partially offset by:

- \$141 million - ship impairments in 2017
- \$39 million - gains on ship sales in 2018
- \$21 million - lower cruise payroll and related expenses

Selling and administrative expenses increased by \$84 million, or 13%, to \$751 million in 2018 from \$667 million in 2017.

This increase was driven by:

- \$39 million - foreign currency translational impact
- \$27 million - higher administrative expenses

Depreciation and amortization expenses increased by \$50 million, or 9.0%, to \$611 million in 2018 from \$561 million in 2017.

Operating Income

Our consolidated operating income increased by \$516 million, or 18%, to \$3.3 billion in 2018 from \$2.8 billion in 2017. Our NAA segment's operating income increased by \$272 million, or 13%, to \$2.4 billion in 2018 from \$2.1 billion in 2017, and our EA segment's operating income increased by \$298 million, or 33%, to \$1.2 billion in 2018 from \$0.9 billion in 2017. These changes were primarily due to the reasons discussed above.

Nonoperating Income (Expense)

<i>(in millions)</i>	Years Ended November 30,	
	2018	2017
Unrealized gains on fuel derivatives	\$ 94	\$ 227
Realized losses on fuel derivatives, net	(35)	(192)
Gains on fuel derivatives, net	\$ 59	\$ 35

Non-GAAP Financial Measures

Net cruise revenues increased by \$1.1 billion, or 7.3%, to \$15.4 billion in 2018 from \$14.3 billion in 2017.

The increase was caused by:

- \$545 million - 3.7% increase in constant currency net revenue yields
- \$271 million - 1.9% capacity increase in ALBDs
- \$236 million - foreign currency impacts (including both foreign currency translational and transactional impacts)

The 3.7% increase in net revenue yields on a constant currency basis was due to a 3.2% increase in net passenger ticket revenue yields and a 5.1% increase in net onboard and other revenue yields.

The 3.2% increase in net passenger ticket revenue yields was driven primarily by price improvements in our European, Australian, China and various other programs. This 3.2% increase in net passenger ticket revenue yields was comprised of a 2.4% increase from our NAA segment and a 4.8% increase from our EA segment.

The 5.1% increase in net onboard and other revenue yields was caused by similar increases in our NAA and EA segments.

Net cruise costs excluding fuel increased by \$425 million, or 5.2%, to \$8.5 billion in 2018 from \$8.1 billion in 2017.

The increase was caused by:

- \$155 million - 1.9% capacity increase in ALBDs
- \$135 million - foreign currency impacts (including both foreign currency translational and transactional impacts)
- \$134 million - 1.6% increase in constant currency net cruise costs excluding fuel

Fuel costs increased by \$374 million, or 30%, to \$1.6 billion in 2018 from \$1.2 billion in 2017. This was driven by higher fuel prices, which accounted for \$370 million.

Liquidity, Financial Condition and Capital Resources

Our primary financial goals are to profitably grow our cruise business and grow ROIC over time, while maintaining a strong balance sheet and investment grade credit ratings. (We define ROIC as the twelve-month adjusted earnings before interest divided by the monthly average of debt plus equity minus construction-in-progress.) Our ability to generate significant operating cash flow allows us to internally fund our capital improvements, debt maturities and dividend payments. We have \$9.5 billion of committed export credit facilities available to fund the vast majority of our new ship growth capital. Other objectives of our capital structure policy are to maintain a sufficient level of liquidity through our available cash and cash equivalents and committed financings for immediate and future liquidity needs and to maintain a reasonable debt maturity profile.

Based on our historical results, projections and financial condition, we believe that our future operating cash flows and liquidity will be sufficient to fund all of our expected capital improvements, new ship growth capital, debt maturities and dividend payments over the next several years. We believe that our ability to generate significant operating cash flows and our strong balance sheet, as evidenced by our strong investment grade credit ratings, provide us with the ability, in most financial credit market environments, to obtain debt financing.

We had a working capital deficit of \$7.1 billion as of November 30, 2019 compared to a working capital deficit of \$7.0 billion as of November 30, 2018. The increase in working capital deficit was caused by a decrease in cash and cash equivalents and an increase in customer deposits partially offset by a decrease in short-term debt. We operate with a substantial working capital deficit. This deficit is mainly attributable to the fact that, under our business model, substantially all of our passenger ticket receipts are collected in advance of the applicable sailing date. These advance passenger receipts remain a current liability until the sailing date. The cash generated from these advance receipts is used interchangeably with cash on hand from other sources, such as our borrowings and other cash from operations. The cash received as advanced receipts can be used to fund operating expenses, pay down our debt, make long-term investments or any other use of cash. Included within our working capital deficit are \$4.7 billion and \$4.4 billion of customer deposits as of November 30, 2019 and 2018, respectively. In addition, we have a relatively low-level of accounts receivable and limited investment in inventories. We generate substantial cash flows from operations and our business model has historically allowed us to maintain this working capital deficit and still meet our operating, investing and financing needs. We expect that we will continue to have working capital deficits in the future.

Sources and Uses of Cash

Operating Activities

Our business provided \$5.5 billion of net cash from operations during 2019, a decrease of \$73 million, or (1.3)%, compared to \$5.5 billion in 2018. This decrease was driven by a lower year over year growth in customer deposits. During 2018, our business provided \$5.5 billion of net cash from operations, an increase of \$227 million, or 4.3%, compared to \$5.3 billion in 2017. This increase was driven by an increase in customer deposits.

Investing Activities

During 2019, net cash used in investing activities was \$5.3 billion. This was caused by:

- Capital expenditures of \$3.8 billion for our ongoing new shipbuilding program
- Capital expenditures of \$1.7 billion for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sales of ships of \$26 million

During 2018, net cash used in investing activities was \$3.5 billion. This was caused by:

- Capital expenditures of \$2.1 billion for our ongoing new shipbuilding program
- Capital expenditures of \$1.7 billion for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sales of ships of \$389 million
- Purchase of minority interest of \$135 million
- Payments of \$39 million of fuel derivative settlements

During 2017, net cash used in investing activities was \$3.1 billion. This was caused by:

- Capital expenditures of \$1.4 billion for our ongoing new shipbuilding program
- Capital expenditures of \$1.5 billion for ship improvements and replacements, information technology and buildings and improvements
- Payments of \$203 million of fuel derivative settlements

Financing Activities

During 2019, net cash used in financing activities of \$655 million was substantially all due to the following:

- Net repayments from short-term borrowings of \$605 million in connection with our availability of, and needs for, cash at various times throughout the period
- Repayments of \$1.7 billion of long-term debt
- Issuances of \$3.7 billion of long-term debt
- Payments of cash dividends of \$1.4 billion
- Purchases of \$603 million of Carnival Corporation common stock and Carnival plc ordinary shares in open market transactions under our Repurchase Program

During 2018, net cash used in financing activities of \$1.5 billion was substantially all due to the following:

- Net proceeds of short-term borrowings of \$417 million in connection with our availability of, and needs for, cash at various times throughout the period
- Repayments of \$1.6 billion of long-term debt
- Issuances of \$2.5 billion of long-term debt
- Payments of cash dividends of \$1.4 billion
- Purchases of \$1.5 billion of Carnival Corporation common stock and Carnival plc ordinary shares in open market transactions under our Repurchase Program

During 2017, net cash used in financing activities of \$2.5 billion was substantially all due to the following:

- Net repayments from short-term borrowings of \$29 million in connection with our availability of, and needs for, cash at various times throughout the period
- Repayments of \$1.2 billion of long-term debt
- Issuances of \$100 million of long-term debt under a term loan
- Proceeds of \$367 million of long-term debt under an export credit facility
- Payments of cash dividends of \$1.1 billion
- Purchases of \$552 million of Carnival Corporation common stock and Carnival plc ordinary shares in open market transactions under our Repurchase Program

Future Commitments

<i>(in millions)</i>	Payments Due by						Total
	2020	2021	2022	2023	2024	Thereafter	
Debt (a)	\$ 2,065	\$ 2,102	\$ 1,518	\$ 2,370	\$ 791	\$ 3,950	\$ 12,796
Other long-term liabilities reflected on the balance sheet (b)	—	124	82	61	93	234	594
New ship growth capital	4,811	3,622	3,035	2,011	49	1,003	14,531
Port facilities leases	145	140	121	137	131	1,218	1,892
Other operating leases	74	56	40	36	36	190	432
Other long-term commitments	267	202	75	22	15	25	607
Short-term purchase obligations	403	—	—	—	—	—	403
Total Contractual Cash Obligations	\$ 7,765	\$ 6,246	\$ 4,873	\$ 4,637	\$ 1,116	\$ 6,620	\$ 31,256

(a) Includes principal as well as estimated interest payments.

(b) Represents cash outflows for certain of our long-term liabilities which can be reasonably estimated. The primary outflows are for estimates of our compensation plans' obligations, crew and guest claims and certain deferred income taxes. Customer deposits and certain other deferred income taxes have been excluded from the table because they do not require a cash settlement in the future.

Capital Expenditure and Capacity Forecast

Our annual capital expenditure forecast consists of contracted new ship growth capital, estimated payments for planned new ship growth capital and capital improvements.

<i>(in billions)</i>	2020	2021	2022
Annual capital expenditure forecast	\$ 7.0	\$ 5.7	\$ 5.2

Our annual capacity forecast consists of contracted new ships and announced dispositions.

	2020	2021	2022
Annual capacity forecast	6.6%	4.9%	5.2%

Share Repurchase Program

Under a share repurchase program effective 2004, we are authorized to repurchase Carnival Corporation common stock and Carnival plc ordinary shares (the “Repurchase Program”). Effective August 27, 2018, the company approved modifications of the general authorization under the Repurchase Program, which replenished the remaining authorized repurchases at the time of the approvals to \$1.0 billion. The Repurchase Program does not have an expiration date and may be discontinued by our Boards of Directors at any time.

Funding Sources

At November 30, 2019, we had liquidity of \$12.5 billion. Our liquidity consisted of \$182 million of cash and cash equivalents, which excludes \$336 million of cash used for current operations, \$2.8 billion available for borrowing under our revolving credit facility, net of our outstanding commercial paper borrowing, and \$9.5 billion under our committed future financings, which are comprised of ship export credit facilities. These commitments are from numerous large and well-established banks and export credit agencies, which we believe will honor their contractual agreements with us.

<i>(in billions)</i>	2020	2021	2022	2023
Availability of committed future financing at November 30, 2019	\$ 3.6	\$ 2.7	\$ 2.3	\$ 0.9

At November 30, 2019, our revolving credit facility is scheduled to mature in 2024.

Substantially all of our debt agreements contain financial covenants as described in the consolidated financial statements. At November 30, 2019, we were in compliance with our debt covenants. In addition, based on, among other things, our forecasted operating results, financial condition and cash flows, we expect to be in compliance with our debt covenants for the foreseeable future. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated.

Off-Balance Sheet Arrangements

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

Quantitative and Qualitative Disclosures About Market Risk

For a discussion of our hedging strategies and market risks, see the discussion below and the consolidated financial statements.

Fuel Price Risks

Substantially all our exposure to market risk for changes in fuel prices relates to the consumption of fuel on our ships. We have been installing Advanced Air Quality Systems on our ships, which are aiding in partially mitigating the financial impact from the ECAs and global 0.5% sulfur requirements. Beginning in 2020, we expect to use a greater percentage mix of low sulfur fuel, 40% to 45% compared to 21% in 2019, which will likely increase our fuel costs.

Based on a 10% change in each of the fuel prices versus the current spot price that was used to calculate fuel expense in our December 20, 2019 guidance, we estimate that our adjusted diluted earnings per share would change by the following:

Heavy Fuel Oil (“HFO”) impact:

- \$0.08 per share on an annualized basis for 2020
- \$0.02 per share for the first quarter of 2020

Marine Gasoil (“MGO”) impact:

- \$0.12 per share on an annualized basis for 2020
- \$0.03 per share for the first quarter of 2020

Foreign Currency Exchange Rate Risks

Operational Currency Risks

Our operations primarily utilize the U.S. dollar, Australian dollar, euro or sterling as their functional currencies. Our operations also have revenue and expenses denominated in non-functional currencies. Movements in foreign currency exchange rates will affect our financial statements.

Based on a 10% change in all currency exchange rates that were used in our December 20, 2019 guidance, we estimate that our adjusted diluted earnings per share guidance would change by the following:

- \$0.21 per share on an annualized basis for 2020
- \$0.02 per share for the first quarter of 2020

Investment Currency Risks

The foreign currency exchange rates were as follows:

USD to 1:	November 30,	
	2019	2018
AUD	\$ 0.68	\$ 0.73
CAD	\$ 0.75	\$ 0.75
EUR	\$ 1.10	\$ 1.14
GBP	\$ 1.29	\$ 1.28
RMB	\$ 0.14	\$ 0.14

If the November 30, 2018 currency exchange rates had been used to translate our November 30, 2019 non-U.S. dollar functional currency operations’ assets and liabilities (instead of the November 30, 2019 U.S. dollar exchange rates), our total assets would have been higher by \$382 million and our total liabilities would have been higher by \$266 million.

As of November 30, 2019, we had cross currency swaps totaling of \$1.9 billion which settle through 2031. These cross currency swaps are designated as hedges of our net investments in foreign operations, which have a euro-denominated functional currency, thus partially offsetting the foreign currency exchange rate risk. Based on a 10% change in the U.S. dollar to euro exchange rate as of November 30, 2019, we estimate that the fair value of these cross currency swaps and offsetting change in U.S. dollar value of our net investments would change by \$196 million.

Newbuild Currency Risks

At November 30, 2019, our remaining newbuild currency exchange rate risk primarily relates to euro-denominated newbuild contract payments, which represent a total unhedged commitment of \$7.3 billion and relates to newbuilds scheduled to be delivered from 2020 through 2025 to non-euro functional currency brands. The functional currency cost of each of these ships will increase or decrease based on changes in the exchange rates until the unhedged payments are made under the shipbuilding contract. We may enter into additional foreign currency derivatives to mitigate some of this foreign currency exchange rate risk. Based on a 10% change in euro to U.S. dollar exchange rates as of November 30, 2019, the remaining unhedged cost of these ships would have a corresponding change of \$728 million.

Interest Rate Risks

The composition of our debt, including the effect of cross currency swaps and interest rate swaps, was as follows:

	November 30, 2019
Fixed rate	24%
EUR fixed rate	43%
Floating rate	4%
EUR floating rate	22%
GBP floating rate	7%

At November 30, 2019, we had interest rate swaps that have effectively changed \$300 million of EURIBOR-based floating rate euro debt to fixed rate euro debt. Based on a 10% change in the November 30, 2019 market interest rates, our annual interest expense on floating rate debt, including the effect of our interest rate swaps, would change by an insignificant amount. Substantially all of our fixed rate debt can be called or prepaid by incurring additional costs.

Fiscal Year 2020 Coronavirus Risk

In response to the ongoing coronavirus outbreak, China has implemented travel restrictions. As a result, we have suspended cruise operations from Chinese ports between January 25th and February 4th, canceling nine cruises. We also expect that travel restrictions will result in cancellations from Chinese fly-cruise guests booked on cruises embarking in ports outside China. We estimate that this will impact our financial performance by \$0.03 to \$0.04 per share. If the travel restrictions in China continue until the end of February, we estimate that this will further impact our financial performance by an additional \$0.05 to \$0.06 per share. Five percent of our capacity was scheduled to be deployed in China in fiscal year 2020. If these travel restrictions continue for an extended period of time, they could have a material impact on our financial performance.

SELECTED FINANCIAL DATA

The selected consolidated financial data presented below for 2015 through 2019 and as of the end of each such year, except for the statistical data, are derived from our consolidated financial statements and should be read in conjunction with those consolidated financial statements and the related notes.

	Years Ended November 30,				
<i>(in millions, except per share, per ton and currency data)</i>	2019	2018	2017	2016	2015
Statements of Income Data					
Revenues	\$ 20,825	\$ 18,881	\$ 17,510	\$ 16,389	\$ 15,714
Operating income	\$ 3,276	\$ 3,325	\$ 2,809	\$ 3,071	\$ 2,574
Net income	\$ 2,990	\$ 3,152	\$ 2,606	\$ 2,779	\$ 1,757
Earnings per share					
Basic	\$ 4.34	\$ 4.45	\$ 3.61	\$ 3.73	\$ 2.26
Diluted	\$ 4.32	\$ 4.44	\$ 3.59	\$ 3.72	\$ 2.26
Adjusted net income	\$ 3,041	\$ 3,029	\$ 2,770	\$ 2,580	\$ 2,106
Adjusted earnings per share - diluted	\$ 4.40	\$ 4.26	\$ 3.82	\$ 3.45	\$ 2.70
Dividends declared per share	\$ 2.00	\$ 1.95	\$ 1.60	\$ 1.35	\$ 1.10
Statistical Data					
ALBDs (in thousands)	87,424	83,872	82,303	80,002	77,307
Occupancy percentage	106.8%	106.9%	105.9%	105.9%	104.8%
Passengers carried (in thousands)	12,866	12,407	12,130	11,520	10,840
Fuel consumption in metric tons (in thousands)	3,312	3,296	3,286	3,233	3,181
Fuel consumption in metric tons per thousand ALBDs	37.9	39.3	39.9	40.4	41.2
Fuel cost per metric ton consumed	\$ 472	\$ 491	\$ 378	\$ 283	\$ 393
Currencies (USD to 1)					
AUD	\$ 0.70	\$ 0.75	\$ 0.77	\$ 0.74	\$ 0.76
CAD	\$ 0.75	\$ 0.78	\$ 0.77	\$ 0.75	\$ 0.79
EUR	\$ 1.12	\$ 1.18	\$ 1.12	\$ 1.11	\$ 1.12
GBP	\$ 1.27	\$ 1.34	\$ 1.28	\$ 1.37	\$ 1.54
RMB	\$ 0.14	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.16
	As of November 30,				
<i>(in millions)</i>	2019	2018	2017	2016	2015
Balance Sheet					
Total assets (a)	\$ 45,058	\$ 42,401	\$ 40,778	\$ 38,881	\$ 39,237
Total debt (a)	\$ 11,503	\$ 10,323	\$ 9,195	\$ 9,399	\$ 8,787

(a) Total assets and total debt for the year 2015 has not been updated to reflect the changes as a result of adopting ASU 2015-03 - *Debt Issuance Cost*

	Years Ended November 30,				
	2019	2018	2017	2016	2015
<i>(in millions, except for per share data):</i>					
Net income					
U.S. GAAP net income	\$ 2,990	\$ 3,152	\$ 2,606	\$ 2,779	\$ 1,757
Unrealized (gains) losses on fuel derivatives, net	—	(94)	(227)	(236)	332
(Gains) losses on ship sales and impairments	(6)	(38)	387	(2)	(8)
Restructuring expenses	10	1	3	2	25
Other	47	8	—	37	—
Adjusted net income	<u>\$ 3,041</u>	<u>\$ 3,029</u>	<u>\$ 2,770</u>	<u>\$ 2,580</u>	<u>\$ 2,106</u>
Weighted-average shares outstanding	<u>692</u>	<u>710</u>	<u>725</u>	<u>747</u>	<u>779</u>
Earnings per share					
U.S. GAAP earnings per share	\$ 4.32	\$ 4.44	\$ 3.59	\$ 3.72	\$ 2.26
Unrealized (gains) losses on fuel derivatives, net	—	(0.13)	(0.31)	(0.32)	0.42
(Gains) losses on ship sales and impairments	(0.01)	(0.05)	0.53	—	(0.01)
Restructuring expenses	0.01	—	—	—	0.03
Other	0.07	0.01	—	0.05	—
Adjusted earnings per share	<u>\$ 4.40</u>	<u>\$ 4.26</u>	<u>\$ 3.82</u>	<u>\$ 3.45</u>	<u>\$ 2.70</u>

COMMON STOCK AND ORDINARY SHARES

Carnival Corporation's common stock, together with paired trust shares of beneficial interest in the P&O Princess Special Voting Trust, which holds a Special Voting Share of Carnival plc, is traded on the NYSE under the symbol "CCL." Carnival plc's ordinary shares trade on the London Stock Exchange under the symbol "CCL." Carnival plc's American Depositary Shares ("ADSs"), each one of which represents one Carnival plc ordinary share, are traded on the NYSE under the symbol "CUK." The depository for the ADSs is JPMorgan Chase Bank, N.A.

As of January 16, 2020, there were 2,916 holders of record of Carnival Corporation common stock and 29,693 holders of record of Carnival plc ordinary shares and 136 holders of record of Carnival plc ADSs. The past performance of our share prices cannot be relied on as a guide to their future performance.

All dividends for both Carnival Corporation and Carnival plc are declared in U.S. dollars. If declared, holders of Carnival Corporation common stock and Carnival plc ADSs receive a dividend payable in U.S. dollars. The dividends payable for Carnival plc ordinary shares are payable in sterling, unless the shareholders elect to receive the dividends in U.S. dollars. Dividends payable in sterling will be converted from U.S. dollars into sterling at the U.S. dollar to sterling exchange rate quoted by Bloomberg in London at 12:00 p.m. on the next combined U.S. and UK business day that follows the quarter end.

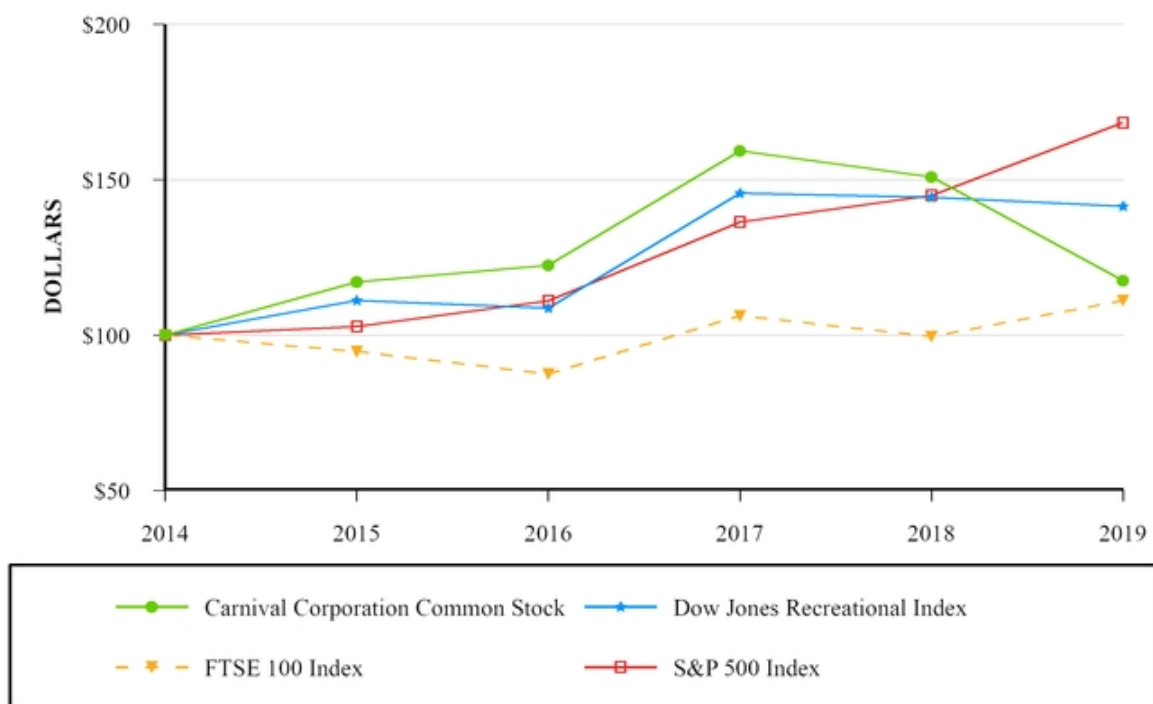
The payment and amount of any future dividend is within the discretion of the Boards of Directors. Our dividends were and will be based on a number of factors, including our earnings, liquidity position, financial condition, booking trends, capital requirements, credit ratings and the availability and cost of obtaining new debt. We cannot be certain that Carnival Corporation and Carnival plc will continue their dividend in the future, and if so, the amount and timing of such future dividends are not determinable and may be different than prior declarations.

STOCK PERFORMANCE GRAPHS

Carnival Corporation

The following graph compares the Price Performance of \$100 if invested in Carnival Corporation common stock with the Price Performance of \$100 if invested in each of the Dow Jones U.S. Recreational Services Index (the “Dow Jones Recreational Index”), the FTSE 100 Index and the S&P 500 Index. The Price Performance, as used in the Performance Graph, is calculated by assuming \$100 is invested at the beginning of the period in Carnival Corporation common stock at a price equal to the market value. At the end of each year, the total value of the investment is computed by taking the number of shares owned, assuming Carnival Corporation dividends are reinvested, multiplied by the market price of the shares.

5-Year Cumulative Total Returns



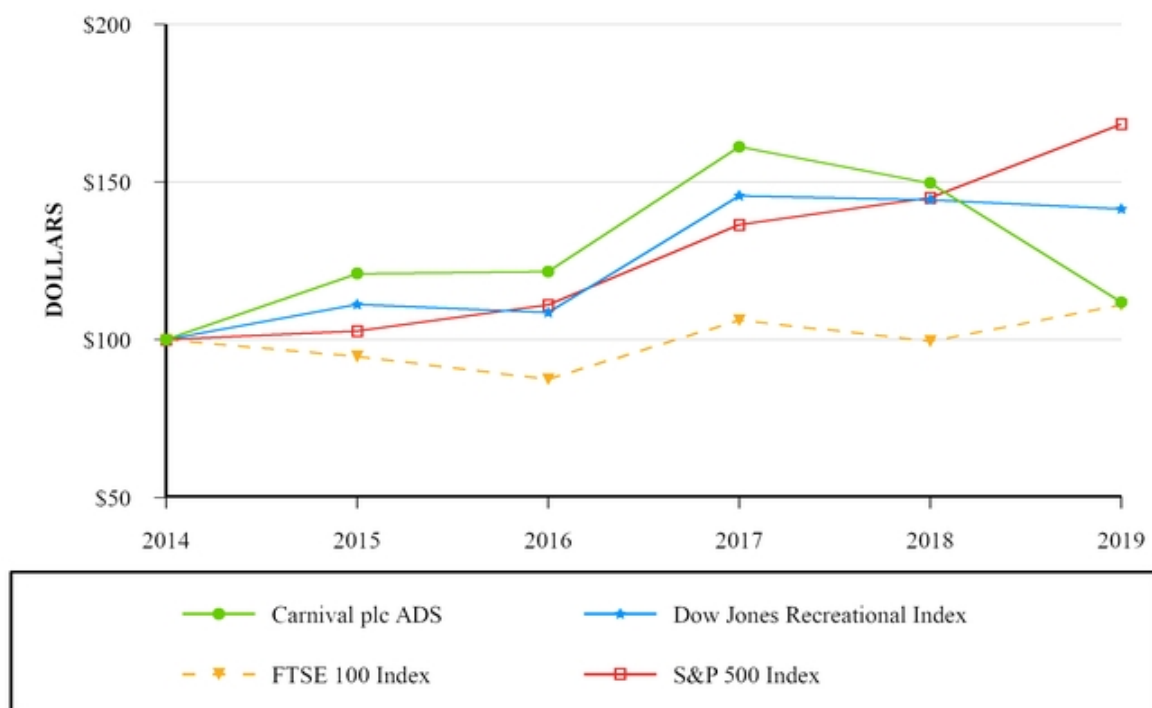
**Assumes \$100 Invested on November 30, 2014
Assumes Dividends Reinvested
Years Ended November 30,**

	2014	2015	2016	2017	2018	2019
Carnival Corporation Common Stock	\$ 100	\$ 117	\$ 122	\$ 159	\$ 151	\$ 117
Dow Jones Recreational Index	\$ 100	\$ 111	\$ 109	\$ 146	\$ 144	\$ 141
FTSE 100 Index	\$ 100	\$ 95	\$ 87	\$ 106	\$ 100	\$ 111
S&P 500 Index	\$ 100	\$ 103	\$ 111	\$ 136	\$ 145	\$ 168

Carnival plc

The following graph compares the Price Performance of \$100 invested in Carnival plc ADSs, each representing one ordinary share of Carnival plc, with the Price Performance of \$100 invested in each of the indexes noted below. The Price Performance is calculated in the same manner as previously discussed.

5-Year Cumulative Total Returns



**Assumes \$100 Invested on November 30, 2014
Assumes Dividends Reinvested
Years Ended November 30,**

	2014	2015	2016	2017	2018	2019
Carnival plc ADS	\$ 100	\$ 121	\$ 122	\$ 161	\$ 150	\$ 112
Dow Jones Recreational Index	\$ 100	\$ 111	\$ 109	\$ 146	\$ 144	\$ 141
FTSE 100 Index	\$ 100	\$ 95	\$ 87	\$ 106	\$ 100	\$ 111
S&P 500 Index	\$ 100	\$ 103	\$ 111	\$ 136	\$ 145	\$ 168

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Our revenues from the sale of passenger tickets are seasonal. Historically, demand for cruises has been greatest during our third quarter, which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher ticket prices and occupancy levels and, accordingly, the largest share of our operating income is earned during this period. The seasonality of our results also increases due to ships being taken out-of-service for maintenance, which we schedule during non-peak demand periods. In addition, substantially all of Holland America Princess Alaska Tours' revenue and net income is generated from May through September in conjunction with the Alaska cruise season. The quarterly data below, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim periods.

<i>(in millions, except per share data)</i>	2019 Quarters Ended			
	February 28	May 31	August 31	November 30
Revenues	\$ 4,673	\$ 4,838	\$ 6,533	\$ 4,781
Operating income	\$ 386	\$ 515	\$ 1,890	\$ 484
Net income	\$ 336	\$ 451	\$ 1,780	\$ 423
Earnings per share				
Basic	\$ 0.48	\$ 0.65	\$ 2.58	\$ 0.62
Diluted	\$ 0.48	\$ 0.65	\$ 2.58	\$ 0.61
Adjusted net income (a)	\$ 338	\$ 457	\$ 1,819	\$ 427
Adjusted earnings per share - diluted (a)	\$ 0.49	\$ 0.66	\$ 2.63	\$ 0.62
Dividends declared per share	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50

(a) Adjusted net income and adjusted fully diluted earnings per share were computed as follows:

<i>(in millions, except per share data)</i>	2019 Quarters Ended			
	February 28	May 31	August 31	November 30
Net income				
U.S. GAAP net income	\$ 336	\$ 451	\$ 1,780	\$ 423
Unrealized (gains) losses on fuel derivatives, net	—	—	—	—
(Gains) losses on ship sales and impairments	2	(16)	14	(5)
Restructuring expenses	—	—	—	10
Other	—	22	25	—
Adjusted net income	<u>\$ 338</u>	<u>\$ 457</u>	<u>\$ 1,819</u>	<u>\$ 427</u>
Weighted-average shares outstanding	<u>695</u>	<u>693</u>	<u>691</u>	<u>688</u>
Earnings per share				
U.S. GAAP earnings per share	\$ 0.48	\$ 0.65	\$ 2.58	\$ 0.61
Unrealized (gains) losses on fuel derivatives, net	—	—	—	—
(Gains) losses on ship sales and impairments	—	(0.02)	0.02	(0.01)
Restructuring expenses	—	—	—	0.01
Other	—	0.03	0.04	—
Adjusted earnings per share	<u>\$ 0.49</u>	<u>\$ 0.66</u>	<u>\$ 2.63</u>	<u>\$ 0.62</u>

<i>(in millions, except per share data)</i>	2018 Quarters Ended			
	February 28	May 31	August 31	November 30
Revenues	\$ 4,232	\$ 4,357	\$ 5,836	\$ 4,456
Operating income	\$ 419	\$ 559	\$ 1,794	\$ 552
Net income	\$ 391	\$ 561	\$ 1,707	\$ 494
Earnings per share				
Basic	\$ 0.54	\$ 0.79	\$ 2.42	\$ 0.71
Diluted	\$ 0.54	\$ 0.78	\$ 2.41	\$ 0.71
Adjusted net income (a)	\$ 375	\$ 489	\$ 1,673	\$ 492
Adjusted earnings per share - diluted (a)	\$ 0.52	\$ 0.68	\$ 2.36	\$ 0.70
Dividends declared per share	\$ 0.45	\$ 0.50	\$ 0.50	\$ 0.50

(a) Adjusted net income and adjusted fully diluted earnings per share were computed as follows:

<i>(in millions, except per share data)</i>	2018 Quarters Ended			
	February 28	May 31	August 31	November 30
Net income				
U.S. GAAP net income	\$ 391	\$ 561	\$ 1,707	\$ 494
Unrealized losses (gains) on fuel derivatives, net	(32)	(50)	(8)	(4)
(Gains) losses on ship sales and impairments	16	(28)	(27)	—
Restructuring expenses	—	—	—	1
Other	—	6	—	1
Adjusted net income	<u>\$ 375</u>	<u>\$ 489</u>	<u>\$ 1,673</u>	<u>\$ 492</u>
Weighted-average shares outstanding	<u>719</u>	<u>715</u>	<u>707</u>	<u>699</u>
Earnings per share				
U.S. GAAP earnings per share	\$ 0.54	\$ 0.78	\$ 2.41	\$ 0.71
Unrealized (gains) losses on fuel derivatives, net	(0.05)	(0.07)	(0.01)	(0.01)
(Gains) losses on ship sales and impairments	0.02	(0.04)	(0.04)	—
Restructuring expenses	—	—	—	—
Other	—	0.01	—	—
Adjusted earnings per share	<u>\$ 0.52</u>	<u>\$ 0.68</u>	<u>\$ 2.36</u>	<u>\$ 0.70</u>

SUBSIDIARIES OF CARNIVAL CORPORATION AND CARNIVAL PLC

The following is a list of all of our subsidiaries, their jurisdiction of incorporation and the names under which they do business.

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation or Organization</u>
1972 Productions, Inc.	Florida
6348 Equipment LLC	Florida
A.C.N. 098 290 834 Pty. Ltd.	Australia
A.J. Juneau Dock, LLC	Alaska
Adventure Island Ltd.	Bahamas
AIDA Kundencenter GmbH	Germany
Air-Sea Holiday GmbH	Switzerland
Alaska Hotel Properties LLC	Delaware
Barcelona Cruise Terminal SLU	Spain
Bay Island Cruise Port, S.A.	Honduras
Belize Cruise Terminal Limited	Belize
Carnival (UK) Limited	UK
Carnival Bahamas FC Limited	Bahamas
Carnival Bahamas Holdings Limited	Bahamas
Carnival Corporation & plc Asia Pte. Ltd.	Singapore
Carnival Corporation Hong Kong Limited	Hong Kong
Carnival Corporation Korea Ltd.	Korea
Carnival Corporation Ports Group Japan KK	Japan
Carnival Grand Bahama Investment Limited	Bahamas
Carnival Investments Limited	Bahamas
Carnival Japan, Inc.	Japan
Carnival License Holdings Limited	Bahamas
Carnival Maritime GmbH	Germany
Carnival North America LLC	Florida
Carnival Port Holdings Limited	UK
Carnival Ports Inc.	Florida
Carnival Support Services India Private Limited	India
Carnival Technical Services (UK) Limited	UK
Carnival Technical Services Finland Limited	Finland
Carnival Technical Services GmbH	Germany
Carnival Technical Services, Inc.	Japan
CC U.S. Ventures, Inc.	Delaware
CCL Gifts, LLC	Florida
Costa Crociere PTE Ltd.	Singapore
Costa Crociere S.p.A.	Italy
Costa Cruceros S.A.	Argentina
Costa Cruise Lines Inc.	Florida
Costa Cruise Lines UK Limited	UK

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation or Organization</u>
Costa Cruises Shipping Services (Shanghai) Company Limited	China
Costa Cruises Travel Agency (Shanghai) Co., Ltd.	China
Costa Cruzeiros Agencia Maritima e Turismo Ltda.	Brazil
Costa Group Digital & Strategic Services GmbH	Germany
Costa International B.V.	Netherlands
Costa Kreuzfahrten GmbH	Switzerland
Cozumel Cruise Terminal S.A. de C.V.	Mexico
Creative Travel Lab, Ltd.	Bahamas
Cruise Ships Catering & Services International N.V.	Curacao
Cruise Terminal Services, S.A. de C.V.	Mexico
Cruiseport Curacao C.V.	Curacao
CSSC Carnival Italy Cruise Investment S.r.L	Italy
D.R. Cruise Port, Ltd.	Bahamas
Ecospray Technologies S.r.L.	Italy
F.P.M. SAS	French Polynesia
F.P.P. SAS	French Polynesia
Fleet Maritime Services (Bermuda) Limited	Bermuda
Fleet Maritime Services Holdings (Bermuda) Limited	Bermuda
Fleet Maritime Services International Limited	Bermuda
Gibs, Inc.	Delaware
Global Experience Innovators, Inc.	Florida
Global Fine Arts, Inc.	Florida
Global Shipping Service (Shanghai) Co., Ltd.	China
Grand Cruise Shipping Unipessoal Lda	Portugal (Madeira)
Grand Turk Cruise Center Ltd.	Turks & Caicos
GXI, LLC	Delaware
HAL Antillen N.V.	Curacao
HAL Beheer B.V.	Netherlands
HAL Cruises Limited	Bahamas
HAL Maritime Ltd.	British Virgin Islands
HAL Nederland N.V.	Curacao
HAL Properties Limited	Bahamas
HAL Services B.V.	Netherlands
Holding Division Iberocruceros SLU	Spain
Holland America Line Inc.	Washington
Holland America Line N.V.	Curacao
Holland America Line Paymaster of Washington LLC	Washington
Holland America Line U.S.A., Inc.	Delaware
HSE Hamburg School of Entertainment GmbH	Germany
Ibero Cruzeiros Ltda.	Brazil
Iberocruceros SLU	Spain
Information Assistance Corporation	Bermuda
International Cruise Services, S.A. de C.V.	Mexico

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation or Organization</u>
International Leisure Travel Inc.	Panama
International Maritime Recruitment Agency, S.A. de C.V.	Mexico
Milestone N.V.	Curacao
Navitrans B.V.	Netherlands
Ocean Bahamas Innovation Ltd.	Bahamas
Ocean Medallion Fulfillment, Ltd.	Bahamas
Operadora Catalina S.r.L.	Dominican Republic
P&O Princess American Holdings	UK
P&O Princess Cruises International Limited	UK
P&O Princess Cruises Pension Trustee Limited	UK
P&O Properties (California), Inc.	California
P&O Travel Limited	UK
Prestige Cruises Management S.A.M.	Monaco
Prestige Cruises N.V.	Curacao
Princess Bermuda Holdings, Ltd.	Bermuda
Princess Cays Ltd.	Bahamas
Princess Cruise Corporation Inc.	Panama
Princess Cruise Lines, Ltd.	Bermuda
Princess Cruises and Tours, Inc.	Delaware
Princess U.S. Holdings, Inc.	California
RCT Maintenance & Related Services S.A.	Honduras
RCT Pilots & Related Services, S.A.	Honduras
RCT Security & Related Services S.A.	Honduras
Roatan Cruise Terminal S.A. de C.V.	Honduras
Royal Hyway Tours, Inc.	Alaska
Santa Cruz Terminal, S.L.	Spain
Seabourn Cruise Line Limited	Bermuda
SeaVacations Limited	UK
SeaVacations UK Limited	UK
Shanghai Coast Cruise Consulting Co. Lda	China
Ship Care (Bahamas) Limited	Bahamas
Sitmar Cruises Inc.	Panama
Southwark 2013 Ltd.	Isle of Man
Spanish Cruise Services N.V.	Curacao
Sunshine Shipping Corporation Ltd.	Bermuda
Tour Alaska, LLC	Delaware
Transnational Services Corporation	Panama
Trident Insurance Company Ltd.	Bermuda
Westmark Hotels of Canada, Ltd.	Canada
Westmark Hotels, Inc.	Alaska
Westours Motor Coaches, LLC	Alaska
Wind Surf Limited	Bahamas
World Leading Cruise Management (Shanghai) Co., Ltd.	China

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the joint Registration Statements on Form S-3 (File Nos. 333-106553, 333-106553-01, 333-223555 and 333-223555-01) of Carnival Corporation and Carnival plc, the joint Registration Statements on Form S-8 (File Nos. 333-173465 and 333-173465-01) of Carnival Corporation and Carnival plc, the Registration Statement on Form S-3 (File No. 033-63563) of Carnival Corporation, the Registration Statements on Form S-8 (File Nos. 333-105672, 333-43885 and 33-51195) of Carnival Corporation and the Registration Statements on Form S-8 (File Nos. 333-124640 and 333-104609) of Carnival plc, of our report dated January 28, 2020 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in the 2019 Annual Report to Shareholders, which is incorporated by reference in this joint Annual Report on Form 10-K.

/s/PricewaterhouseCoopers LLP

Miami, Florida

January 28, 2020

POWER OF ATTORNEY

The undersigned directors of Carnival Corporation, a company incorporated under the laws of the Republic of Panama, and Carnival plc, a company organized and existing under the laws of England and Wales, do and each of them does, hereby constitute and appoint Arnold W. Donald, David Bernstein and Arnaldo Perez, his or her true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him or her and in his or her name, place and stead, to sign the Carnival Corporation and Carnival plc joint Annual Report on Form 10-K ("Form 10-K") for the year ended November 30, 2019 and any and all future amendments thereto; and to file said Form 10-K and any such amendments with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals on this 14th day of October, 2019.

CARNIVAL CORPORATION

/s/ Micky Arison

Micky Arison

Chairman of the Board of Directors

/s/ Sir Jonathon Band

Sir Jonathon Band

Director

/s/ Jason Glen Cahilly

Jason Glen Cahilly

Director

/s/ Helen Deeble

Helen Deeble

Director

/s/ Richard J. Glasier

Richard J. Glasier

Director

/s/ Debra Kelly-Ennis

Debra Kelly-Ennis

Director

/s/ Katie Lahey

Katie Lahey

Director

/s/ Sir John Parker

Sir John Parker

Director

/s/ Stuart Subotnick

Stuart Subotnick

Director

/s/ Laura Weil

Laura Weil

Director

/s/ Randall J. Weisenburger

Randall J. Weisenburger

Director

CARNIVAL PLC

/s/ Micky Arison

Micky Arison

Chairman of the Board of Directors

/s/ Sir Jonathon Band

Sir Jonathon Band

Director

/s/ Jason Glen Cahilly

Jason Glen Cahilly

Director

/s/ Helen Deeble

Helen Deeble

Director

/s/ Richard J. Glasier

Richard J. Glasier

Director

/s/ Debra Kelly-Ennis

Debra Kelly-Ennis

Director

/s/ Katie Lahey

Katie Lahey

Director

/s/ Sir John Parker

Sir John Parker

Director

/s/ Stuart Subotnick

Stuart Subotnick

Director

/s/ Laura Weil

Laura Weil

Director

/s/ Randall J. Weisenburger

Randall J. Weisenburger

Director

I, Arnold W. Donald, certify that:

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

Date: January 28, 2020

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

I, David Bernstein, certify that:

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

Date: January 28, 2020

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

I, Arnold W. Donald, certify that:

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

Date: January 28, 2020

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

I, David Bernstein, certify that:

1. I have reviewed this Annual Report on Form 10-K of Carnival plc;

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

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

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

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

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

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

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

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: January 28, 2020

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

In connection with the Annual Report on Form 10-K for the year ended November 30, 2019 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: January 28, 2020

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

In connection with the Annual Report on Form 10-K for the year ended November 30, 2019 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: January 28, 2020

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

In connection with the Annual Report on Form 10-K for the year ended November 30, 2019 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: January 28, 2020

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

In connection with the Annual Report on Form 10-K for the year ended November 30, 2019 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: January 28, 2020

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer