



Carnival Corporation & plc Reports Second Quarter Earnings

June 22, 2010

MIAMI, June 22, 2010 /PRNewswire via COMTEX/ --Carnival Corporation & plc (NYSE/LSE: CCL; NYSE: CUK) reported net income of \$252 million, or \$0.32 diluted EPS, on revenues of \$3.2 billion for its second quarter ended May 31, 2010. Net income for the second quarter of 2009 was \$264 million, or \$0.33 diluted EPS, on revenues of \$2.9 billion.

Carnival Corporation & plc Chairman and CEO Micky Arison indicated that operating results for the second quarter 2010 exceeded the company's March guidance as a result of better than expected net revenue yields and cost reductions.

Commenting on the second quarter, Arison said, "We were encouraged to see revenue yields turn positive for the first time since late 2008. Improving revenue yields combined with an 8 percent capacity increase and ongoing cost control efforts offset significantly higher fuel prices." Increased fuel prices negatively impacted earnings by \$0.20 per share during the quarter.

Key metrics for the second quarter of 2010 compared to the prior year were as follows:

- On a constant dollar basis net revenue yields (net revenue per available lower berth day) increased 2.0 percent for 2Q 2010, which was at the higher end of the company's March guidance, up 1 to 2 percent. Net revenue yields in current dollars increased 2.4 percent due to favorable currency exchange rates. Gross revenue yields increased only 0.4 percent in current dollars driven by lower air transportation revenue.
- Excluding fuel, net cruise cost per available lower berth day ("ALBD") declined 4.9 percent in constant dollars, which was better than March guidance, down 3.5 to 4.5 percent.
- Including fuel, net cruise costs per ALBD increased 4.2 percent on a constant dollar basis (increased 4.9 percent in current dollars). Gross cruise costs per ALBD increased 1.6 percent in current dollars.
- Fuel prices increased 64 percent to \$498 per metric ton for 2Q 2010 from \$304 per metric ton in 2Q 2009 but was lower than March guidance of \$511 per metric ton.

Continuing with its strategic growth initiatives, the company took delivery of two new ships during the second quarter - P&O Cruises' 3,100-passenger Azura and The Yachts of Seabourn's 450-passenger Seabourn Sojourn. In addition, contracts were finalized with Fincantieri for the construction of two Princess Cruises' 3,600-passenger ships for delivery in May 2013 and 2014.

2010 Outlook

Since March, booking volumes for the second half of the year have been running slightly ahead of the prior year at higher prices. At this time, cumulative advance bookings for both quarters are at higher prices (constant dollars) with occupancies for the third quarter in line with the prior year and for the fourth quarter slightly behind last year.

Arison noted, "Considering recent global economic concerns and other world events our advance bookings are holding up reasonably well and remain in line with our expectations. We believe this will lead to earnings growth in both the third and fourth quarters. The summer season, which is our strongest and most important quarter of the year, is shaping up particularly well."

The company continues to expect full year net revenue yields, on a constant dollar basis, to increase 2 to 3 percent, in line with its March guidance. However, currency exchange rates have moved significantly since March guidance was provided. As a result, the company now expects net revenue yields on a current dollar basis to be approximately flat for the full year 2010 compared to 2009.

The company expects net cruise costs excluding fuel per ALBD for the full year 2010 to be down 2.5 to 3.5 percent on a constant dollar basis which is slightly better than its March guidance. Since March guidance, unfavorable changes in currency exchange rates have reduced earnings by \$97 million. This has essentially been offset by a \$41 million benefit from a decline in the spot price for fuel and lower forecasted costs for the remainder of the year.

Consequently, the company continues to forecast full year 2010 fully diluted earnings per share to be in the range of \$2.25 to \$2.35, compared to 2009 earnings of \$2.24 per share. Based on the current spot price for fuel, fuel costs for all of 2010 are expected to increase \$440 million compared to 2009, costing an additional \$0.55 per share.

Third Quarter 2010

Third quarter constant dollar net revenue yields are expected to increase 5 to 6 percent (flat to up 1 percent on a current dollar basis) compared to the prior year. Net cruise costs excluding fuel per ALBD for the third quarter are expected to be 1 to 2 percent higher on a constant dollar basis (down 2 to 3 percent on a current dollar basis). Fuel costs for the third quarter are expected to increase \$74 million compared to the prior year, costing an

additional \$0.09 per share.

Based on the above factors and using current fuel prices and currency exchange rates, the company expects earnings for the third quarter of 2010 to be in the range of \$1.43 to \$1.47 per share, compared to \$1.33 per share in 2009.

During the second half of the year two new ships will debut in Europe- Holland America Line's 2,106-passenger Nieuw Amsterdam, and Cunard Line's 2,092-passenger Queen Elizabeth- furthering the company's strategy to expand its global presence. These vessels will be the fifth and sixth ships the company will introduce in 2010.

Selected Key Forecast Metrics

	Full Year 2010	
	Current Dollars	Constant Dollars
Change in:		
Net revenue yields	(0.5) to 0.5%	2.0 to 3.0%
Net cruise cost / ALBD	1.0 to 2.0%	2.5 to 3.5%
Net cruise cost excl. fuel / ALBD	(4.0) to (5.0)%	(2.5) to (3.5)%

	Third Quarter 2010	
	Current Dollars	Constant Dollars
Change in:		
Net revenue yields	0.0 to 1.0%	5.0 to 6.0%
Net cruise cost / ALBD	1.0 to 2.0%	4.5 to 5.5%
Net cruise cost excl. fuel / ALBD	(2.0) to (3.0)%	1.0 to 2.0%

	Full Year 2010	Third Quarter 2010
Fuel price/metric ton	\$495	\$493
Fuel consumption (metric tons in thousands)	3,344	843
Currency		
Euro	\$1.29 to EUR1	\$1.24 to EUR1
Sterling	\$1.51 to BPS1	\$1.48 to BPS1

The company has scheduled a conference call with analysts at 10:00 a.m. EDT (3:00 p.m. BST) today to discuss its 2010 second quarter earnings. This call can be listened to live, and additional information can be obtained, via Carnival Corporation & plc's Web site at www.carnivalcorp.com and www.carnivalplc.com.

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

Together, these brands operate 96 ships totaling more than 187,000 lower berths with 11 new ships scheduled to be delivered between now and May 2014. Carnival Corporation & plc also operates Holland America Princess Alaska Tours, the leading tour company in Alaska and the Canadian Yukon. Traded on both the New York and London Stock Exchanges, Carnival Corporation & plc is the only group in the world to be included in both the S&P 500 and the FTSE 100 indices.

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements, estimates or projections contained in this earnings release are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to Carnival Corporation & plc, including some statements concerning future results, outlooks, plans, goals and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We have tried, whenever possible, to identify these statements by

using words like "will," "may," "could," "should," "would," "believe," "expect," "anticipate," "forecast," "future," "intend," "plan," "estimate" and similar expressions of future intent or the negative of such terms. Because forward-looking statements involve risks and uncertainties, there are many factors that could cause Carnival Corporation & plc's actual results, performance or achievements to differ materially from those expressed or implied in this earnings release. Forward-looking statements include those statements which may impact, among other things, the forecasting of Carnival Corporation & plc's earnings per share, net revenue yields, booking levels, pricing, occupancy, operating, financing and tax costs, fuel expenses, costs per available lower berth day, estimates of ship depreciable lives and residual values, liquidity, goodwill and trademark fair values and outlook. These factors include, but are not limited to, the following: general economic and business conditions, including fuel price increases, high unemployment rates, and declines in the securities, real estate and other markets, and perceptions of these conditions, may adversely impact the levels of Carnival Corporation & plc's potential vacationers' discretionary income and net worth and this group's confidence in their country's economy; fluctuations in foreign currency exchange rates, particularly the movement of the U.S. dollar against the euro, sterling and the Australian and Canadian dollars; the international political climate, armed conflicts, terrorist and pirate attacks and threats thereof, and other world events affecting the safety and security of travel; competition from and overcapacity in both the cruise ship and land-based vacation industries; lack of acceptance of new itineraries, products and services by Carnival Corporation & plc's guests; changing consumer preferences; Carnival Corporation & plc's ability to attract and retain qualified shipboard crew and maintain good relations with employee unions; accidents, the spread of contagious diseases and threats thereof, adverse weather conditions or natural disasters, such as hurricanes, earthquakes and volcanic ash, and other incidents (including, but not limited to, ship fires and machinery and equipment failures or improper operation thereof), which could cause, among other things, individual or multiple port closures, injury, death, damage to property and equipment, oil spills, alteration of cruise itineraries or cancellation of a cruise or series of cruises or tours; adverse publicity concerning the cruise industry in general, or Carnival Corporation & plc in particular, including any adverse impact that cruising may have on the marine environment; changes in and compliance with laws and regulations relating to the protection of disabled persons, employment, environmental, health, safety, security, tax and other regulatory regimes under which Carnival Corporation & plc operate; increases in global fuel demand and pricing, fuel supply disruptions and other events impacting on Carnival Corporation & plc's fuel and other expenses, liquidity and credit ratings; increases in Carnival Corporation & plc's future fuel expenses from implementing approved International Maritime Organization regulations, which require the use of higher priced low sulfur fuels in certain cruising areas, including the U.S. and Canadian Emissions Control Area, which will change the specification and increase the price of fuel that ships will be required to use within these areas; changes in financing and operating costs, including changes in interest rates and food, payroll and security costs; the ability of Carnival Corporation & plc to implement its shipbuilding programs and ship maintenance, repairs and refurbishments, including ordering additional ships for its cruise brands from shipyards, on terms that are favorable or consistent with Carnival Corporation & plc's expectations; the continued strength of Carnival Corporation & plc's cruise brands and its ability to implement its brand strategies; additional risks associated with Carnival Corporation & plc's international operations not generally applicable to its U.S. operations; the pace of development in geographic regions in which Carnival Corporation & plc tries to expand its business; whether Carnival Corporation & plc's future operating cash flow will be sufficient to fund future obligations and whether it will be able to obtain financing, if necessary, in sufficient amounts and on terms that are favorable or consistent with its expectations; Carnival Corporation & plc counterparties' ability to perform; continuing financial viability of Carnival Corporation & plc's travel agent distribution system, air service providers and other key vendors and reductions in the availability of and increases in the pricing for the services and products provided by these vendors; Carnival Corporation & plc's decisions to self-insure against various risks or its inability to obtain insurance for certain risks at reasonable rates; disruptions and other damages to Carnival Corporation & plc's information technology networks and operations; lack of continuing availability of attractive, convenient and safe port destinations; and risks associated with the dual listed company structure. Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant listing rules, Carnival Corporation & plc expressly disclaim any obligation to disseminate, after the date of this release, 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.

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended	
	May 31,	

	2010	2009
	----	----
	(in millions, except per share data)	
Revenues		
Cruise		
Passenger tickets	\$2,427	\$2,242
Onboard and other	737	673
Tour and other	31	33
	---	---
	3,195	2,948
	-----	-----
Costs and Expenses		
Operating		
Cruise		
Commissions, transportation and other	440	440
Onboard and other	106	110
Payroll and related	383	366
Fuel	416	243

Food	212	203
Other ship operating	504	488
Tour and other	32	35
	---	---
Total	2,093	1,885
Selling and administrative	404	393
Depreciation and amortization	349	317
	---	---
	2,846	2,595
	-----	-----
Operating Income	349	353
	---	---
Nonoperating (Expense) Income		
Interest income	3	2
Interest expense, net of capitalized interest	(99)	(90)
Other (expense) income, net	(2)	5
	---	---
	(98)	(83)
	---	---
Income Before Income Taxes	251	270
Income Tax Benefit (Expense), Net	1	(6)
	---	---
Net Income	\$252	\$264
	=====	=====
Earnings Per Share		
Basic	\$0.32	\$0.34
	=====	=====
Diluted	\$0.32	\$0.33
	=====	=====
Dividends Declared Per Share	\$0.10	
	=====	
Weighted-Average Shares Outstanding - Basic	788	787
	===	===
Weighted-Average Shares Outstanding - Diluted	806	804
	===	===

Six Months Ended
May 31,

2010 2009
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(in millions, except per share data)

Revenues		
Cruise		
Passenger tickets	\$4,785	\$4,461
Onboard and other	1,466	1,307
Tour and other	39	44
	---	---
	6,290	5,812
	-----	-----
Costs and Expenses		
Operating		
Cruise		

Commissions, transportation and other	937	954
Onboard and other	219	214
Payroll and related	774	718
Fuel	813	451
Food	424	401
Other ship operating	978	946
Tour and other	47	51
	---	---
Total	4,192	3,735
Selling and administrative	800	785
Depreciation and amortization	694	628
	---	---
	5,686	5,148
	-----	-----
Operating Income	604	664
	---	---
Nonoperating (Expense) Income		
Interest income	7	6
Interest expense, net of capitalized interest	(195)	(186)
Other (expense) income, net	(5)	24
	---	---
	(193)	(156)
	-----	-----
Income Before Income Taxes	411	508
Income Tax Benefit (Expense), Net	16	16
	---	---
Net Income	\$427	\$524
	====	====
Earnings Per Share		
Basic	\$0.54	\$0.67
	====	====
Diluted	\$0.54	\$0.66
	====	====
Dividends Declared Per Share	\$0.20	
	====	
Weighted-Average Shares Outstanding - Basic	788	787
	===	===
Weighted-Average Shares Outstanding - Diluted	806	804
	===	===

CARNIVAL CORPORATION & PLC
CONSOLIDATED BALANCE SHEETS

May 31, November 30,
2010 2009
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(in millions, except par
values)

ASSETS

Current Assets

Cash and cash equivalents	\$594	\$538
Trade and other receivables, net	455	362
Inventories	297	320

Prepaid expenses and other	240	298
	---	---
Total current assets	1,586	1,518
	-----	-----
Property and Equipment, Net	29,317	29,870
Goodwill	3,214	3,451
Trademarks	1,289	1,346
Other Assets	623	650
	---	---
	\$36,029	\$36,835
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	\$808	\$135
Current portion of long-term debt	676	815
Convertible debt subject to current debt option	595	
Accounts payable	548	568
Accrued liabilities and other	928	874
Customer deposits	3,208	2,575
	-----	-----
Total current liabilities	6,763	4,967
	-----	-----
Long-Term Debt	7,681	9,097
Other Long-Term Liabilities and Deferred Income	721	732
Shareholders' Equity		
Common stock of Carnival Corporation; \$0.01 par value; 1,960 shares authorized; 645 shares at 2010 and 644 shares at 2009 issued	6	6
Ordinary shares of Carnival plc; \$1.66 par value; 214 shares at 2010 and 213 shares at 2009 issued	355	354
Additional paid-in capital	8,059	7,920
Retained earnings	15,830	15,561
Accumulated other comprehensive (loss) income	(1,029)	462
Treasury stock; 32 shares at 2010 and 24 shares at 2009 of Carnival Corporation and 38 shares at 2010 and 46 shares at 2009 of Carnival plc, at cost	(2,357)	(2,264)
	-----	-----
Total shareholders' equity	20,864	22,039
	-----	-----
	\$36,029	\$36,835
	=====	=====

CARNIVAL CORPORATION & PLC
SELECTED INFORMATION

Three Months Ended Six Months Ended
May 31, May 31,
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	2010	2009	2010	2009
	----	----	----	----
	(in millions, except statistical information)			
STATISTICAL INFORMATION				
Passengers carried (in thousands)	2,222	2,029	4,271	3,898
Occupancy percentage	103.8%	103.3%	103.7%	103.6%
Fuel consumption (metric tons in thousands)	835	799	1,635	1,552
Fuel cost per metric ton (a)	\$498	\$304	\$497	\$291
Currency				
U.S. dollar to EUR1	\$1.32	\$1.33	\$1.36	\$1.33
U.S. dollar to BPS1	\$1.50	\$1.48	\$1.55	\$1.47
CASH FLOW INFORMATION				
Cash from operations	\$1,398	\$1,136	\$1,794	\$1,441
Capital expenditures	\$999	\$1,650	\$2,168	\$1,956
Dividends paid	\$79		\$79	\$314
SEGMENT INFORMATION				
Revenues				
Cruise	\$3,164	\$2,915	\$6,251	\$5,768
Tour and other	45	48	54	61
Intersegment elimination	(14)	(15)	(15)	(17)
	---	---	---	---
	\$3,195	\$2,948	\$6,290	\$5,812
	=====	=====	=====	=====
Operating expenses				
Cruise	\$2,061	\$1,850	\$4,145	\$3,684
Tour and other	46	50	62	68
Intersegment elimination	(14)	(15)	(15)	(17)
	---	---	---	---
	\$2,093	\$1,885	\$4,192	\$3,735
	=====	=====	=====	=====
Selling and administrative expenses				
Cruise	\$396	\$386	\$785	\$770
Tour and other	8	7	15	15
	---	---	---	---
	\$404	\$393	\$800	\$785
	=====	=====	=====	=====
Depreciation and amortization				
Cruise	\$339	\$308	\$676	\$610
Tour and other	10	9	18	18

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	\$349	\$317	\$694	\$628
	====	====	====	====
Operating				
income (loss)				
Cruise	\$368	\$371	\$645	\$704
Tour and other	(19)	(18)	(41)	(40)
	---	---	---	---
	\$349	\$353	\$604	\$664
	====	====	====	====

(a) Fuel cost per metric ton is calculated by dividing the cost of fuel by the number of metric tons consumed.

CARNIVAL CORPORATION & PLC
NON-GAAP FINANCIAL MEASURES

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

	Three Months Ended	
	May 31,	

	2010	2009
	----	----
	(in millions, except ALBDs and yields)	
Cruise revenues		
Passenger tickets	\$2,427	\$2,242
Onboard and other	737	673
	---	---
Gross cruise revenues	3,164	2,915
Less cruise costs		
Commissions, transportation		
and other	(440)	(440)
Onboard and other	(106)	(110)
	----	----
Net cruise revenues (a)	\$2,618	\$2,365
	=====	=====
ALBDs (b)	16,575,242	15,329,812
	=====	=====
Gross revenue yields (a)	\$190.90	\$190.19
	=====	=====
Net revenue yields (a)	\$157.97	\$154.24
	=====	=====

	Six Months Ended	
	May 31,	

	2010	2009
	----	----
	(in millions, except ALBDs and yields)	
Cruise revenues		
Passenger tickets	\$4,785	\$4,461
Onboard and other	1,466	1,307
	-----	-----
Gross cruise revenues	6,251	5,768
Less cruise costs		

Commissions, transportation and other	(937)	(954)
Onboard and other	(219)	(214)
	----	----
Net cruise revenues (a)	\$5,095	\$4,600
	=====	=====
ALBDs (b)	32,465,324	29,822,062
	=====	=====
Gross revenue yields (a)	\$192.53	\$193.42
	=====	=====
Net revenue yields (a)	\$156.91	\$154.25
	=====	=====

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

	Three Months Ended May 31,	
	2010	2009
	----	----
	(in millions, except ALBDs and costs per ALBD)	
Cruise operating expenses	\$2,061	\$1,850
Cruise selling and administrative expenses	396	386
	---	---
Gross cruise costs	2,457	2,236
Less cruise costs included in net cruise revenues		
Commissions, transportation and other	(440)	(440)
Onboard and other	(106)	(110)
	----	----
Net cruise costs (a)	\$1,911	\$1,686
	=====	=====
ALBDs (b)	16,575,242	15,329,812
	=====	=====
Gross cruise costs per ALBD (a)	\$148.22	\$145.90
	=====	=====
Net cruise costs per ALBD (a)	\$115.29	\$109.95
	=====	=====

	Six Months Ended May 31,	
	2010	2009
	----	----
	(in millions, except ALBDs and costs per ALBD)	
Cruise operating expenses	\$4,145	\$3,684
Cruise selling and administrative expenses	785	770
	---	---
Gross cruise costs included	4,930	4,454
Less cruise costs		

in net cruise revenues		
Commissions, transportation and other	(937)	(954)
Onboard and other	(219)	(214)
	----	----
Net cruise costs (a)	\$3,774	\$3,286
	=====	=====
ALBDs (b)	32,465,324	29,822,062
	=====	=====
Gross cruise costs per ALBD (a)	\$151.87	\$149.36
	=====	=====
Net cruise costs per ALBD (a)	\$116.25	\$110.18
	=====	=====

NOTES TO NON-GAAP FINANCIAL MEASURES

We use net cruise revenues per ALBD ("net revenue yields") and net cruise costs per ALBD as significant non-GAAP financial measures of our cruise segment financial performance. These measures enable us to separate the impact of predictable capacity changes from the more unpredictable rate changes that affect our business. We believe these non-GAAP measures provide a better gauge to measure our revenue and cost performance instead of the standard U.S. GAAP-based financial measures. There are no specific rules for determining our non-GAAP financial measures and, accordingly, it is possible that they may not be exactly comparable to the like-kind information presented by other cruise companies, which is a potential risk associated with using these measures to

(a) compare us to other cruise 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 transportation and certain other variable direct costs associated with onboard and other revenues. Substantially all of our remaining cruise costs are largely fixed, except for the impact of changing prices, once our ship capacity levels have been determined.

Net cruise costs per ALBD is the most significant measure we use to monitor our ability to control our cruise segment costs rather than gross cruise costs per ALBD. We exclude the same variable costs that are included in the calculation of net cruise revenues to calculate net cruise costs to avoid duplicating these variable costs in these two non-GAAP financial measures.

We have not provided estimates of future gross revenue yields or future gross cruise costs per ALBD because the reconciliations of forecasted net cruise revenues to forecasted gross cruise revenues or forecasted net cruise costs to forecasted cruise operating expenses would require us to forecast, with reasonable accuracy, the amount of air and other transportation costs that our forecasted cruise passengers would elect to purchase from us (the "air/sea mix"). Since the forecasting of future air/sea mix involves several significant variables that are relatively difficult to forecast and

the revenues from the sale of air and other transportation approximate the costs of providing that transportation, management focuses primarily on forecasts of net cruise revenues and costs rather than gross cruise revenues and costs. This does not impact, in any material respect, our ability to forecast our future results, as any variation in the air/sea mix has no material impact on our forecasted net cruise revenues or forecasted net cruise costs. As such, management does not believe that this reconciling information would be meaningful.

In addition, because a significant portion of our operations utilize the euro or sterling to measure their results and financial condition, the translation of those operations to our U.S. dollar reporting currency results in 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. Accordingly, we also monitor and report our two non-GAAP financial measures assuming the 2010 periods' currency exchange rates have remained constant with the 2009 periods' rates, or on a "constant dollar basis," in order to remove the impact of changes in exchange rates on our non-U.S. dollar cruise operations. We believe that this is a useful measure since it facilitates a comparative view of the growth of our business in a fluctuating currency exchange rate environment.

On a constant dollar basis, net cruise revenues and net cruise costs would be \$2.6 billion and \$1.9 billion for the three months ended May 31, 2010 and \$5.0 billion and \$3.7 billion for the six months ended May 31, 2010, respectively. On a constant dollar basis, gross cruise revenues and gross cruise costs would be \$3.1 billion and \$2.4 billion for the three months ended May 31, 2010 and \$6.1 billion and \$4.8 billion for the six months ended May 31, 2010, respectively. In addition, our non-U.S. dollar cruise operations' depreciation and net interest expense were impacted by the changes in exchange rates for the three and six months ended May 31, 2010, compared to the prior year's comparable period.

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

(b)