JUNE 30, 2006

RELEASE OF CARNIVAL CORPORATION & PLC QUARTERLY REPORT ON FORM 10-Q AND CARNIVAL PLC INTERIM FINANCIAL INFORMATION

Carnival Corporation & plc announced its second quarter results of operations in its earnings release issued on June 16, 2006. Carnival Corporation & plc is hereby announcing that it has filed with the U.S. Securities and Exchange Commission ("SEC") a joint Quarterly Report on Form 10-Q today containing the Carnival Corporation & plc 2006 second quarter and six month interim financial statements, which results remain unchanged from those previously announced on June 16, 2006.

The information included in the attached Schedules A and B is extracted from the Form 10-Q and has been prepared in accordance with SEC rules and regulations. Schedules A and B contain the unaudited interim consolidated financial statements for Carnival Corporation & plc as of and for the three and six months ended May 31, 2006, together with management's discussion and analysis of financial condition and results of operations. These Carnival Corporation & plc consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Within the Carnival Corporation and Carnival plc dual listed company structure the Directors consider the most appropriate presentation of Carnival plc's results and financial position is by reference to the U.S. GAAP financial statements of Carnival Corporation & plc.

In addition, in accordance with the requirements of the UK Listing Authority ("UKLA"), the Directors are today presenting in the attached Schedule C the unaudited interim group financial information for Carnival plc standalone as of and for the six months ended May 31, 2006. The Carnival plc group standalone financial information excludes the results of Carnival Corporation and is prepared under international financial reporting standards ("IFRS").

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The full joint Quarterly Report on Form 10-Q (including the portion extracted for this announcement) is available for viewing on the SEC website at www.sec.gov under Carnival Corporation or Carnival plc or the Carnival Corporation & plc website at www.carnivalcorp.com or www.carnivalplc.com. A copy of the joint Quarterly Report on Form 10-Q will be available shortly at the UKLA Document Viewing Facility of the Financial Services Authority at 25 The North Colonnade, London E14 5HS, United Kingdom.

Carnival Corporation & plc is the largest cruise vacation group in the world, with a portfolio of 13 cruise brands in North America, Europe and Australia, comprised of Carnival Cruise Lines, Holland America Line, Princess Cruises, Seabourn Cruise Line, Windstar Cruises, AIDA Cruises, Costa Cruises, Cunard Line, Ocean Village, P&O Cruises, Swan Hellenic, P&O Cruises Australia and Costa Asia.

Together, these brands operate 80 ships totaling approximately 141,000 lower berths with 16 new ships scheduled to enter service between July 2006 and spring 2010. Carnival Corporation & plc also operates the leading tour companies in Alaska and the Canadian Yukon, Holland America Tours and Princess Tours. 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.

Additional information can be obtained via Carnival Corporation & plc's website at www.carnivalcorp.com or www.carnivalplc.com or by writing to Carnival plc at Carnival House, 5 Gainsford Street, London SE1 2NE, United Kingdom.

SCHEDULE A

CARNIVAL CORPORATION & PLC – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS UNDER U.S. GAAP

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements contained in this "Management’s Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this joint Quarterly Report on Form 10-Q are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, outlook, 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. You can find many, but not all, of these statements by looking for words like "will," "may," "believes," "expects," "anticipates," "forecast," "future," "intends," "plans," and "estimates" and for similar expressions.

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in this joint Quarterly Report on Form 10-Q. Forward-looking statements include those statements which may impact the forecasting of our earnings per share, net revenue yields, booking levels, pricing, occupancy, operating, financing and/or tax costs, fuel costs, costs per available lower berth day ("ALBD"), estimates of ship depreciable lives and residual values, outlook or business prospects. These factors include, but are not limited to, the following:

- risks associated with the DLC structure, including the uncertainty of its tax status;
- general economic and business conditions, which may impact levels of disposable income of consumers and net revenue yields for our cruise brands;
- conditions in the cruise and land-based vacation industries, including competition from other cruise ship operators and providers of other vacation alternatives and increases in capacity offered by cruise ship and land-based vacation alternatives;
- risks associated with operating internationally;
- the international political and economic climate, armed conflicts, terrorist attacks and threats thereof, availability of air service, other world events and adverse publicity, and their impact on the demand for cruises;
- accidents, unusual weather conditions or natural disasters, such as hurricanes and earthquakes and other incidents (including machinery and equipment failures, which could cause the alteration of itineraries or cancellation of a cruise or series of cruises and the impact of the spread of contagious diseases), affecting the health, safety, security and vacation satisfaction of passengers;
- changing consumer preferences, which may, among other things, adversely impact the demand for cruises;
- our ability to implement our shipbuilding programs and brand strategies and to continue to expand our business worldwide;
- our future operating cash flow may not be sufficient to fund future obligations and we may not be able to obtain financing, if necessary, on terms that are favorable or consistent with our expectations;
- our ability to attract and retain qualified shipboard crew and maintain good relations with employee unions;
- the impact of changes in operating and financing costs, including changes in foreign currency exchange rates and interest rates and fuel, food, payroll, insurance and security costs;
- the impact of pending or threatened litigation;
- changes in the environmental, health, safety, security, tax and other regulatory regimes under which we operate, including the implementation of U.S. regulations requiring U.S. citizens to obtain passports for travel to or from additional foreign destinations;
- continued availability of attractive port destinations;
- our ability to successfully implement cost reduction plans; and
- continuing financial viability of our travel agent distribution system and air service providers.

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, we expressly disclaim any obligation to disseminate, after the date of this joint Quarterly Report on Form 10-Q, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

Key Performance Indicators and Critical Accounting Estimates

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. We believe that net revenue yields are commonly used in the cruise industry to measure a company's cruise segment revenue performance. This measure is also used for revenue management purposes. In calculating net revenue yields, we use "net cruise revenues" rather than "gross cruise revenues." 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 by us 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 revenues. Substantially all of our remaining cruise costs are largely fixed once our ship capacity levels have been determined, except for the impact of changing prices.

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. In calculating net cruise costs, we exclude the same variable costs that are included in the calculation of net cruise revenues. This is done to avoid duplicating these variable costs in these two non-GAAP financial measures.

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 increases in reported U.S. dollar revenues and expenses if the U.S. dollar weakens against these foreign currencies, and decreases in reported U.S. dollar revenues and expenses if the U.S. dollar strengthens against these foreign currencies. Accordingly, we also monitor our two non-GAAP financial measures assuming the current period currency exchange rates have remained constant with the prior year's comparable period rates, or on a "constant dollar basis," in order to remove the impact of changes in exchange rates on our non-U.S. cruise operations. We believe that this is a useful measure indicating the actual growth of our operations in a fluctuating exchange rate environment.

On a constant dollar basis, net cruise revenues and net cruise costs would be $4.12 billion and $2.82 billion for the six months ended May 31, 2006 and $2.14 billion and $1.44 billion for the three months ended May 31, 2006, respectively. On a constant dollar basis, gross cruise revenues and gross cruise costs would be $5.16 billion and $3.86 billion for the six months ended May 31, 2006 and $2.65 billion and $1.95 billion for the three months ended May 31, 2006, respectively. In addition to our two non-GAAP financial measures discussed above, our non-U.S. cruise operations' depreciation and net interest expense were impacted by the changes in exchange rates for the six and three months ended May 31, 2006 compared to the prior periods' rates.

All the prior periods financial information presented herein have been adjusted to reflect the retrospective application of the change in our method of accounting for dry-dock costs and for certain reclassifications, as more fully discussed in Notes 1 and 2 in the accompanying financial statements.

For a discussion of our critical accounting estimates, see "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is included in Carnival Corporation & plc's 2005 joint Annual Report on Form 10-K.

Outlook for the Remainder of 2006

As of June 16, 2006 we said that we expected our diluted earnings per share for the third quarter of 2006 would be approximately $1.45 to $1.47 and approximately $2.65 to $2.75 for the 2006 full year. Our guidance was based on the then current forward fuel price curve of $364 per metric ton for the third quarter of 2006 and $366 per metric ton for the last half of fiscal 2006. In addition, this guidance was also based on currency exchange rates of $1.29 to the euro and $1.88 to sterling.

The year-over-year percentage increase in our ALBD capacity, resulting from new ships entering service, is expected to be 5.1%, 5.8% and 4.6% for the third and fourth quarters and full year of 2006, respectively, based on ships currently on order.

Seasonality

Our revenue from the sale of passenger tickets is 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 net revenue yields and, accordingly, the largest share of our net income is earned during this period. The seasonality of our results is increased due to ships being taken out of service for dry-docking, which we typically schedule during non-peak demand periods. Substantially all of Holland America Tours' and Princess Tours' revenues and net income are generated from May through September in conjunction with the Alaska cruise season.

Selected Information and Non-GAAP Financial Measures

Selected information was as follows:

	Six Months Ended May 31, 2006(a)	2005	Three Months Ended May 31, 2006	2005
Passengers carried (in thousands)	3,225	3,306	1,708	1,687
Occupancy percentage	104.8%	104.3%	105.4%	104.8%
Fuel cost per metric ton	$ 336	$ 222	$ 354	$ 248

(a) Passengers carried in 2006 are lower than 2005 because 2006 does not include any passengers for the three ships chartered to the Military Sealift Command ("MSC") in the 2006 first quarter in connection with the Hurricane Katrina relief efforts. Occupancy percentage includes the three ships chartered to the MSC at 100% occupancy.

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

	Six Months Ended May 31, 2006	2005	Three Months Ended May 31, 2006	2005
	(in millions, except ALBDs and yields)			
Cruise revenues				
Passenger tickets	$3,930	$3,746	$2,020	$1,903
Onboard and other	1,139	1,110	600	566
Gross cruise revenues	5,069	4,856	2,620	2,469
Less cruise costs				
Commissions, transportation and other	(813)	(803)	(405)	(380)
Onboard and other	(198)	(193)	(101)	(96)
Net cruise revenues	$4,058	$3,860	$2,114	$1,993
ALBDs	24,179,420	23,298,274	12,242,982	11,711,830
Gross revenue yields	$209.63	$208.45	$214.00	$210.79
Net revenue yields	$167.78	$165.68	$172.63	$170.11

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

	Six Months Ended May 31, 2006	2005	Three Months Ended May 31, 2006	2005
	(in millions, except ALBDs and costs per ALBD)			
Cruise operating expenses	$3,083	$2,853	$1,583	$1,448
Cruise selling and administrative expenses	698	654	343	327
Gross cruise costs	3,781	3,507	1,926	1,775
Less cruise costs included in net cruise revenues				
Commissions, transportation and other	(813)	(803)	(405)	(380)
Onboard and other	(198)	(193)	(101)	(96)
Net cruise costs	$2,770	$2,511	$1,420	$1,299
ALBDs	24,179,420	23,298,274	12,242,982	11,711,830
Gross cruise costs per ALBD	$156.40	$150.50	$157.35	$151.56
Net cruise costs per ALBD	$114.54	$107.73	$115.98	$110.87

Six Months Ended May 31, 2006 ("2006") Compared to the Six Months Ended May 31, 2005 ("2005")

Revenues

Net cruise revenues increased $198 million, or 5.1%, to $4.06 billion in 2006 from $3.86 billion in 2005. The 3.8% increase in ALBDs between 2005 and 2006 accounted for $146 million of the increase, and the remaining $52 million was from increased net revenue yields, which increased 1.3% in 2006 compared to 2005 (gross revenue yields increased by 0.6%). Net revenue yields increased in 2006 primarily from higher cruise ticket prices and a 0.5% increase in occupancy, partially offset by the stronger U.S. dollar relative to the euro and sterling. In addition, net revenue yield in 2005 was reduced in part by the cancellation of the higher yielding P&O Cruises Aurora world cruise. The strengthening of the U.S. dollar against the euro and sterling had an impact on our net revenue yields in 2006 because a portion of our business is transacted in those currencies. Net revenue yields as measured on a constant dollar basis increased 2.9% in 2006. Gross cruise revenues increased $213 million, or 4.4%, in 2006 to $5.07 billion from $4.86 billion in 2005 for largely the same reasons as net cruise revenues.

The charter of three ships to the MSC in the first quarter of 2006 resulted in lower onboard revenues and higher cruise ticket revenues because the charters did not generate onboard revenues as the entire charter price was recorded in passenger ticket revenues. Onboard and other revenues included concession revenues of $140 million in 2006 and $139 million in 2005.

Costs and Expenses

Net cruise costs increased $259 million, or 10.3%, to $2.77 billion in 2006 from $2.51 billion in 2005. The 3.8% increase in ALBDs between 2005 and 2006 accounted for $97 million of the increase, and the balance of $162 million was from increased net cruise costs per ALBD, which increased 6.3% in 2006 compared to 2005 (gross cruise costs per ALBD increased 3.9%). Net cruise costs per ALBD increased primarily due to a $114 increase in fuel cost per metric ton, or 51.5%, to $336 per metric ton in 2006, which resulted in an additional $157 million of expense, and a $27 million increase in share-based compensation expense, which was substantially all a result of the adoption of SFAS No. 123(R) (see Note 3 in the accompanying financial statements). This increase was partially offset by a stronger U.S. dollar relative to the euro and sterling in 2006. Net cruise costs per ALBD as measured on a constant dollar basis compared to 2005 increased 8.2% in 2006. On a constant dollar basis, net cruise costs per ALBD excluding increased fuel prices increased 2.3% compared to 2005 in large part because of the adoption of the new share-based compensation accounting standard, and increases in Mexican port costs caused by hurricane damages to our port facility in Cozumel. Gross cruise costs increased $274 million, or 7.8%, in 2006 to $3.78 billion from $3.51 billion in 2005 for largely the same reasons as net cruise costs.

Depreciation and amortization expense increased by $26 million, or 5.8%, to $472 million in 2006 from $446 million in 2005 largely due to the 3.8% increase in ALBDs through the addition of new ships and ship improvement expenditures, partially offset by the impact of a stronger U.S. dollar.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, decreased $13 million to $156 million in 2006 from $169 million in 2005. This decrease was primarily due to lower average borrowings, partially offset by the impact of higher interest rates. Capitalized interest increased $7 million during 2006 compared to 2005 due primarily to higher average levels of investment in ship construction projects.

Other expense in 2006 included a $10 million expense for the write-down of a non-cruise investment and a $5 million provision for a litigation reserve. Other income in 2005 included $7 million from the settlement of litigation associated with the DLC transaction.

Income Taxes

Income tax expense increased by $14 million from 2005 to $11 million in 2006 from a $3 million benefit in 2005 primarily because we recorded U.S. federal and state income taxes related to the MSC charter, which ended in early March 2006.

Three Months Ended May 31, 2006 ("2006") Compared to the Three Months Ended May 31, 2005 ("2005")

Revenues

Net cruise revenues increased $121 million, or 6.1%, to $2.11 billion in 2006 from $1.99 billion in 2005. The 4.5% increase in ALBDs between 2005 and 2006 accounted for $90 million of the increase, and the remaining $31 million was from increased net revenue yields, which increased 1.5% in 2006 compared to 2005 due to higher cruise ticket prices and onboard spending and a 0.6% increase in occupancy, partially offset by the stronger U.S. dollar relative to the euro and sterling. Net revenue yields as measured on a constant dollar basis, increased 2.6% in 2006. Gross cruise revenues increased $151 million, or 6.1%, in 2006 to $2.62 billion from $2.47 billion in 2005 for largely the same reasons as net cruise revenues. Onboard and other revenues included concession revenues of $74 million in 2006 and $70 million in 2005.

Costs and Expenses

Net cruise costs increased $121 million, or 9.3%, to $1.42 billion in 2006 from $1.30 billion in 2005. The 4.5% increase in ALBDs between 2005 and 2006 accounted for $60 million of the increase, and the balance of $61 million was from increased net cruise costs per ALBD, which increased 4.6% in 2006 compared to 2005 (gross cruise costs per ALBD increased 3.8%). Net cruise costs per ALBD increased primarily due to a $106 increase in fuel cost per metric ton, or 42.7%, to $354 per metric ton in 2006, which resulted in an additional $74 million of expense, and an $11 million increase in share-based compensation expense, which was substantially all a result of the adoption of SFAS No. 123(R). This increase was partially offset by a stronger U.S. dollar relative to the euro and sterling in 2006. Net cruise costs per ALBD as measured on a constant dollar basis compared to 2005 increased 5.9% in 2006. On a constant dollar basis, net cruise costs per ALBD excluding increased fuel prices increased 0.5% compared to 2005 in large part because of the adoption of the new share-based compensation accounting standard, and increases in Mexican port costs caused by hurricane damages to our port facility in Cozumel. Gross cruise costs increased $151 million, or 8.5%, in 2006 to $1.93 billion from $1.78 billion in 2005 for largely the same reasons as net cruise costs.

Depreciation and amortization expense increased by $16 million, or 7.1%, to $240 million in 2006 from $224 million in 2005 largely due to the 4.5% increase in ALBDs through the addition of new ships and ship improvement expenditures, partially offset by the impact of a stronger U.S. dollar.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, decreased $2 million to $79 million in 2006 from $81 million in 2005. This decrease was primarily due to lower average borrowings, partially offset by the impact of higher interest rates. Capitalized interest increased $4 million during 2006 compared to 2005 due primarily to higher average levels of investment in ship construction projects.

Liquidity and Capital Resources

Sources and Uses of Cash

Our business provided $1.89 billion of net cash from operations during the six months ended May 31, 2006, an increase of $124 million, or 7.0%, compared to fiscal 2005. We continue to generate substantial cash from operations and remain in a strong financial position, thus providing us with substantial financial flexibility in meeting operating, investing and financing needs.

During the six months ended May 31, 2006, our net expenditures for capital projects were $1.48 billion, of which $1.23 billion was spent for our ongoing new shipbuilding program, including $327 million and $410 million for the final delivery payments for Holland America Line’s Noordam and Princess Cruises’ Crown Princess, respectively. The remaining capital expenditures consisted primarily of $159 million for ship improvements and refurbishments, and $98 million for Alaska tour assets, cruise port facility developments and information technology assets.

During the six months ended May 31, 2006, we borrowed $352 million to pay part of the Crown Princess purchase price, and we repaid $959 million of long-term debt, which included $873 million of Costa’s indebtedness. We also paid cash dividends of $404 million during the first six months of fiscal 2006 and purchased $473 million of Carnival Corporation common stock in open market transactions.

Future Commitments and Funding Sources

Our contractual cash obligations remained generally unchanged at May 31, 2006 compared to November 30, 2005, including ship construction contracts entered into in December 2005, except for changes in our debt and the Noordam and Crown Princess delivery payments as noted above. As of November 30, 2005, we had contractual cash obligations on our variable-rate debt, including interest swapped from a fixed-rate to a variable rate, using the forward interest rate curve for the terms of the loans, as follows (in millions): $86, $73, $37, $29, $21 and $37 in fiscal 2006 through 2010 and thereafter, respectively.

Subsequent to May 31, 2006, Costa Cruises entered into a new ship construction contract with Fincantieri for a 2,260 passenger ship, which has an estimated all-in cost of 420 million euros and is expected to enter service in spring 2009. In addition, in June 2006, AIDA Cruises entered into a new ship construction contract with Meyer Werft for a 2,050 passenger ship, which has an estimated all-in cost of 330 million euros and is expected to enter service in spring 2010. Finally, on June 30, 2006 we made our final delivery payment of 344 million euro for the Costa Concordia.

At May 31, 2006, we had liquidity of $3.64 billion, which consisted of $583 million of cash, cash equivalents and short-term investments, $1.72 billion available for borrowing under our revolving credit facility and $1.34 billion under committed ship financing facilities. Our revolving credit facility matures in 2010. A key to our access to liquidity is the maintenance of our strong credit ratings.

Based primarily on our historical results, current financial condition and future forecasts, we believe that our existing liquidity and cash flow from future operations will be sufficient to fund most of our expected capital projects, debt service requirements, dividend payments, working capital and other firm commitments. In addition, based on our future forecasted operating results and cash flows for fiscal 2006, we expect to be in compliance with our debt covenants during the remainder of fiscal 2006. However, our forecasted cash flow from future operations, as well as our credit ratings, may be adversely affected by various factors including, but not limited to, those factors noted under "Cautionary Note Concerning Factors That May Affect Future Results." To the extent that we are required, or choose, to fund future cash requirements, including our future shipbuilding commitments, from sources other than as discussed above, we believe that we will be able to secure such financing from banks or through the offering of debt and/or equity securities in the public or private markets. However, we cannot be certain that our future operating cash flow will be sufficient to fund future obligations or that we will be able to obtain additional financing, if necessary.

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 financial statements.

SCHEDULE B

CARNIVAL CORPORATION & PLC – U.S. GAAP CONSOLIDATED FINANCIAL STATEMENTS

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

	Six Months Ended May 31, 2006	Six Months Ended May 31, 2005 (Notes 1 & 2)	Three Months Ended May 31, 2006	Three Months Ended May 31, 2005 (Notes 1 & 2)
Revenues				
Cruise				
Passenger tickets	$3,930	$3,746	$2,020	$1,903
Onboard and other	1,139	1,110	600	566
Other	56	58	42	47
	5,125	4,914	2,662	2,516
Costs and Expenses				
Operating				
Cruise				
Commissions, transportation and other	813	803	405	380
Onboard and other	198	193	101	96
Payroll and related	560	547	288	278
Food	311	304	159	151
Fuel	461	302	247	169
Other ship operating	740	704	383	374
Other	53	53	37	40
Total	3,136	2,906	1,620	1,488
Selling and administrative	720	678	354	342
Depreciation and amortization	472	446	240	224
	4,328	4,030	2,214	2,054
Operating Income	797	884	448	462
Nonoperating (Expense) Income				
Interest income	12	9	5	6
Interest expense, net of capitalized interest	(151)	(168)	(75)	(82)
Other (expense) income, net	(16)	8	(1)	2
	(155)	(151)	(71)	(74)
Income Before Income Taxes	642	733	377	388
Income Tax (Expense) Benefit, Net	(11)	3	3	
Net Income	$ 631	$ 736	$ 380	$ 388
Earnings Per Share				
Basic	$ 0.78	$ 0.92	$ 0.47	$ 0.48
Diluted	$ 0.77	$ 0.89	$ 0.46	$ 0.47
Dividends Per Share	$ 0.50	$ 0.35	$ 0.25	$ 0.20

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

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

ASSETS	May 31, 2006	November 30, 2005 (Notes 1 & 2)
Current Assets		
Cash and cash equivalents	$ 570	$ 1,178
Short-term investments	13	9
Trade and other receivables, net	405	430
Inventories	278	250
Prepaid expenses and other	240	254
Total current assets	1,506	2,121
Property and Equipment, Net	22,772	21,312
Goodwill	3,290	3,206
Trademarks	1,308	1,282
Other Assets	428	428
	$ 29,304	$28,349
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	$ 767	$ 300
Current portion of long-term debt	217	1,042
Convertible debt subject to current put option	218	283
Accounts payable	411	477
Accrued liabilities and other	946	1,032
Customer deposits	2,953	2,051
Total current liabilities	5,512	5,185
Long-Term Debt	6,045	5,727
Other Long-Term Liabilities and Deferred Income	652	554
Contingencies (Note 5)		
Shareholders' Equity		
Common stock of Carnival Corporation; $.01 par value; 1,960 shares authorized; 640 shares at 2006 and 639 shares at 2005 issued	6	6
Ordinary shares of Carnival plc; $1.66 par value; 226 shares authorized; 213 shares at 2006 and 212 shares at 2005 issued	353	353
Additional paid-in capital	7,418	7,381
Retained earnings	10,369	10,141
Unearned stock compensation		(13)
Accumulated other comprehensive income	473	159
Treasury stock; 10 at 2006 and 2 shares at 2005 of Carnival Corporation and 42 shares of Carnival plc at 2006 and 2005, at cost	(1,524)	(1,144)
Total shareholders' equity	17,095	16,883
	$ 29,304	$28,349

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in millions)

	Six Months Ended May 31,	
	2006	**2005** (Notes 1 & 2)
OPERATING ACTIVITIES		
Net income	$ 631	$ 736
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	472	446
Share-based compensation	34	7
Non-cruise investment write-down	10	
Accretion of original issue discount	5	11
Other	(1)	3
Changes in operating assets and liabilities		
Receivables	38	(97)
Inventories	(22)	(15)
Prepaid expenses and other	(8)	(60)
Accounts payable	(75)	(21)
Accrued and other liabilities	(64)	21
Customer deposits	865	730
Net cash provided by operating activities	1,885	1,761
INVESTING ACTIVITIES		
Additions to property and equipment	(1,483)	(1,109)
Purchases of short-term investments	(4)	(556)
Sales of short-term investments		270
Other, net	3	2
Net cash used in investing activities	(1,484)	(1,393)
FINANCING ACTIVITIES		
Principal repayments of long-term debt	(959)	(786)
Purchases of treasury stock	(473)	(30)
Proceeds from (repayments of) short-term borrowings, net	431	(89)
Dividends paid	(404)	(241)
Proceeds from issuance of long-term debt	352	823
Proceeds from exercise of stock options	36	37
Other	(1)	(1)
Net cash used in financing activities	(1,018)	(287)
Effect of exchange rate changes on cash and cash equivalents	9	(3)
Net (decrease) increase in cash and cash equivalents	(608)	78
Cash and cash equivalents at beginning of period	1,178	643
Cash and cash equivalents at end of period	$ 570	$ 721

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

NOTE 1 – Basis of Presentation

Carnival Corporation is incorporated in Panama, and Carnival plc is incorporated in England and Wales. Carnival Corporation and Carnival plc operate as 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 memorandum of association and articles of association. The two companies have retained their separate legal identities; however, they operate as if they were a single economic enterprise.

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

The accompanying consolidated balance sheet at May 31, 2006, the consolidated statements of operations for the six and three months ended May 31, 2006 and 2005 and the consolidated statements of cash flows for the six months ended May 31, 2006 and 2005 are unaudited and, in the opinion of our management, contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation. Our interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes included in the Carnival Corporation & plc 2005 joint Annual Report on Form 10-K. Our operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire year.

Our sale to passengers of air and other transportation to and from our ships and the related cost of purchasing this service is recorded as cruise passenger ticket revenues and cruise transportation costs, respectively, in the accompanying Consolidated Statements of Operations. The proceeds that we collect on behalf of independently owned shore excursion operators and other onboard concessionaires, net of the amounts remitted to them, are recorded as concession revenues, on a net basis, in onboard and other cruise revenues. Transportation and shore excursion revenues and costs are recognized upon completion for voyages with durations of ten nights or less, and on a pro rata basis for voyages in excess of ten nights.

We have reclassified certain statements of operations, cash flows and balance sheet prior period amounts to conform them to the current period presentation primarily as a result of our adopting a new chart of accounts in conjunction with our initial implementation in the 2006 second quarter of a new worldwide accounting system. During the implementation of our global chart of accounts we identified certain classification differences among our operating subsidiaries. Accordingly, we have recorded appropriate reclassifications in the prior periods to improve comparability.

NOTE 2 - Dry-docking

During the second quarter of 2006 we elected to change our method of accounting for dry-dock costs from the deferral method, under which we amortized our deferred dry-dock costs over the estimated period of benefit between dry-docks, to the direct expense method, under which we expense all dry-dock costs as incurred. We believe the direct method is preferable as it eliminates the significant amount of time and subjectivity that is needed in determining which costs and activities related to dry-docking should be deferred. In connection with adopting this change in accounting policy, we elected to early adopt Statement of Financial Accounting Standards ("SFAS") No. 154, "Accounting Changes and Error Corrections", which requires that we report changes in accounting policy by retrospectively applying new policies to all prior periods presented, unless it is impractical to determine the prior period impacts. Accordingly, we have adjusted our previously reported financial information for all periods presented for this change in dry-dock policy. The effects of this change in accounting policy were as follows (in millions, except for earnings per share):

Consolidated Statement of Operations

	Six Months Ended May 31, 2006			2005		
	Deferral Method(a)(b)	Direct Method	Effect of Change	Deferral Method(a)	Direct Method	Effect of Change
Other ship operating expenses	$ 691	$ 740	$ 49	$ 687	$ 704	$ 17
Net income	$ 680	$ 631	$ (49)	$ 753	$ 736	$ (17)
Earnings per share						
Basic	$ 0.84	$ 0.78	$ (0.06)	$ 0.94	$ 0.92	$(0.02)
Diluted	$ 0.83	$ 0.77	$ (0.06)	$ 0.91	$ 0.89	$(0.02)

	Three Months Ended May 31, 2006			2005		
	Deferral Method(b)	Direct Method	Effect of Change	Deferral Method(a)	Direct Method	Effect of Change
Other ship operating expenses	$ 363	$ 383	$ 20	$ 354	$ 374	$ 20
Net income	$ 400	$ 380	$ (20)	$ 408	$ 388	$ (20)
Earnings per share						
Basic	$ 0.50	$ 0.47	$ (0.03)	$ 0.51	$ 0.48	$(0.03)
Diluted	$ 0.48	$ 0.46	$ (0.02)	$ 0.49	$ 0.47	$(0.02)

Consolidated Balance Sheets

	May 31, 2006			November 30, 2005		
	Deferral Method(b)	Direct Method	Effect of Change	Deferral Method(a)	Direct Method	Effect of Change
Prepaid expenses and other				$ 343	$ 254	$ (89)
Other assets	$ 569	$ 428	$ (141)			
Retained earnings	$10,510	$10,369	$ (141)	$10,233	$10,141	$ (92)

(a) In order to simplify comparisons, the amounts shown under the previously reported deferral method have been adjusted to include the reclassifications that were made as a result of our adopting a new chart of accounts (see Note 1).
(b) The amounts disclosed under the deferral method for the six and three month periods ended May 31, 2006 and at May 31, 2006 are based on the estimated effect of not changing our dry-dock accounting method to the direct expense method for these current periods. Accordingly, these estimated current period amounts have not been previously reported, but are being disclosed in accordance with the requirements of SFAS No. 154.

In addition, retained earnings at November 30, 2004 decreased by $88 million to $8.54 billion from $8.62 billion, as a result of this change in accounting method.

NOTE 3 – Share-Based Compensation

Effective December 1, 2005, we adopted the provisions of SFAS No. 123(revised 2004), “Share-Based Payment” (“SFAS No. 123(R)”) using the modified prospective application transition method. Under this method, the share-based compensation cost recognized beginning December 1, 2005 includes compensation cost for (i) all share-based payments granted prior to, but not vested as of, December 1, 2005, based on the grant date fair value originally estimated in accordance with the provisions of SFAS No. 123, “Accounting for Stock-Based Compensation” (“SFAS No. 123”), and (ii) all share-based payments granted subsequent to November 30, 2005, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123(R). Compensation cost under SFAS No. 123(R) is recognized ratably using the straight-line attribution method over the expected vesting period or to the retirement eligibility date, if less than the vesting period, when vesting is not contingent upon any future performance. In addition, pursuant to SFAS No. 123(R), we are required to estimate the amount of expected forfeitures, which we estimate based on historical pre-vesting forfeiture experience, when calculating compensation cost, instead of accounting for forfeitures as incurred, which was our previous method. As of December 1, 2005, the cumulative effect of adopting the estimated forfeiture method was not significant. The effect of adopting SFAS 123(R) has been to reduce our net income by approximately $27 million and $11 million and our basic and diluted earnings per share by $0.03 and $0.01 for the six and three months ended May 31, 2006, respectively. Prior periods are not restated under this transition method.

Prior to December 1, 2005, we accounted for share-based compensation in accordance with the provisions of APB Opinion No. 25, "Accounting for Stock Issued to Employees," as permitted by SFAS No. 123. We elected to use the intrinsic value method of accounting for employee and director share-based compensation expense for our noncompensatory employee and director stock option awards and did not recognize compensation expense for the issuance of options with an exercise price equal to or greater than the market price of the underlying common stock/ ordinary shares at the date of grant. Had we elected to adopt the fair value approach as prescribed by SFAS No. 123, which charges earnings for the estimated fair value of stock options, our pro forma net income and pro forma earnings per share for 2005 would have been as follows (in millions, except per share amounts):

	Six Months Ended May 31, 2005	Three Months Ended May 31, 2005
Net income, as reported	$736	$388
Share-based compensation expense included in net income, as reported	6	3
Total share-based compensation expense determined under the fair value-based method for all awards	(35)	(18)
Pro forma net income for basic earnings per share	707	373
Interest on dilutive convertible notes	25	12
Pro forma net income for diluted earnings per share	$732	$385
Earnings per share		
Basic		
As reported	$0.92	$0.48
Pro forma	$0.88	$0.46
Diluted		
As reported	$0.89	$0.47
Pro forma	$0.86	$0.45

Stock Incentive Plans

We issue our share-based compensation awards under Carnival Corporation and Carnival plc stock plans, which have an aggregate of 40.7 million shares available for future grant at May 31, 2006. These plans allow us to issue stock options, restricted stock units and nonvested stock awards (collectively “incentive awards”). Incentive awards are primarily granted to management level employees and members of our Board of Directors. The plans are administered by a committee of our independent directors (the "Committee"), that determines who is eligible to participate, the number of shares for which incentive awards are to be granted and the amounts that may be exercised within a specified term. These plans allow us to fulfill our incentive award obligations using shares purchased in the open market, or with unissued or treasury shares. The total share-based compensation expense was $34 million and $14 million for the six and three months ended May 31, 2006, of which $29 million and $11 million has been included in the Consolidated Statements of Operations as selling, general and administrative expenses and $5 million and $3 million as cruise payroll expenses, respectively.

Stock Option Plans

The stock option exercise price is generally set by the Committee at 100% or more of the fair market value of the underlying common stock/ordinary shares on the date the option is granted. All stock options granted during the six and three months ended May 31, 2006 and 2005 were granted at an exercise price per share equal to or greater than the fair market value of the Carnival Corporation common stock and Carnival plc ordinary shares on the date of grant. Generally employee options either vest evenly over five years or at the end of three years. Our employee options granted prior to October 2005 have a ten-year term and those options granted thereafter have a seven-year term. Carnival Corporation director options granted subsequent to fiscal 2000 vest evenly over five years and have a ten-year term.

As permitted by SFAS No. 123 and SFAS No. 123(R), the fair values of options were estimated using the Black-Scholes option-pricing model. The Black-Scholes weighted-average values and assumptions were as follows:

	Six Months ended May 31,		Three Months ended May 31,	
	2006	2005	2006	2005
Fair value of options at the dates of grant	$12.62	$14.17	$11.21	$14.12
Risk free interest rate(a)	4.24%	3.89%	4.85%	4.43%
Expected dividend yield	2.20%	1.55%	2.57%	1.85%
Expected volatility(b)	26.5%	27.0%	26.5%	27.0%
Expected option life (in years)(c)	4.75	4.69	4.75	5.08

(a) The risk-free interest rate is based on U.S. Treasury zero-coupon issues with a remaining term equal to the expected option life assumed at the date of grant.
(b) In addition to the historical volatility we also consider the implied volatilities derived from our exchange traded options and convertible notes in determining our expected volatility assumption since we believe these implied market volatilities should be considered in estimating our expected future volatilities.
(c) The average expected life was based on the contractual term of the option and expected employee exercise behavior.

A combined summary of Carnival Corporation and Carnival plc stock option activity during the six months ended May 31, 2006 was as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value(a) (in millions)
Outstanding at November 30, 2005	20,058,252	$39.15		
Granted	676,512	$58.45		
Exercised	(1,277,106)	$29.36		
Forfeited or expired	(462,532)	$40.57		
Outstanding at May 31, 2006	18,995,126	$40.96	6.4	$91
Exercisable at May 31, 2006	9,482,012	$37.09		$67

(a) The aggregate intrinsic value represents the amount by which the fair value of underlying stock exceeds the option exercise price as of May 31, 2006.

As of the dates of exercise, the total intrinsic value of options exercised were $31 million ($26 million in 2005) and $4 million ($9 million in 2005) for the six and three months ended May 31, 2006, respectively. As of May 31, 2006, there was $93 million of total unrecognized compensation cost related to unvested stock options. This cost is expected to be recognized over a weighted-average period of 1.9 years.

Nonvested Stock and Restricted Stock Units

Nonvested stock generally has the same rights as Carnival Corporation common stock, except for transfer restrictions and forfeiture provisions. In prior periods, unearned stock compensation was recorded within shareholders' equity at the date of award based on the quoted market price of the Carnival Corporation common stock on the date of grant. Upon adoption of SFAS No. 123(R), the $13 million of unearned stock compensation as of November 30, 2005 was required to be charged against additional paid-in capital. Nonvested stock is amortized to expense using the straight-line method from the grant date through the earlier of the vesting date or the estimated retirement eligibility date. These shares have been granted to certain officers and non-executive board members and either have three or five-year cliff vesting or vest evenly over five years after the grant date.

In addition, Carnival Corporation and Carnival plc grant restricted stock units ("RSUs"), which do not have an exercise price, and either vest evenly over five years or at the end of three or five years after the grant date. The share-based compensation expense associated with the RSUs is based on the quoted market price of the Carnival Corporation or Carnival plc shares on the date of grant, and is expensed using the straight-line method from the grant date through the earlier of the vesting date or the employees' estimated retirement eligibility date.

During the six months ended May 31, 2006 the nonvested stock and RSUs activity was as follows:

	Nonvested Stock		Restricted Stock Units	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Outstanding at November 30, 2005	966,417	$36.28	159,117	$44.56
Granted	110,000	$53.71	274,022	$52.21
Vested	(203,667)	$30.84	(47,319)	$30.07
Forfeited			(4,874)	$51.80
Outstanding at May 31, 2006	872,750	$39.74	380,946	$51.89

As of May 31, 2006, there was $25 million of total unrecognized compensation cost related to nonvested stock and RSUs. This cost is expected to be recognized over a weighted-average period of 1.8 years.

NOTE 4 – Debt

During the six months ended May 31, 2006 $69 million of our zero-coupon convertible notes were converted into 2.1 million shares of Carnival Corporation common stock, of which 1.9 million shares were issued from treasury stock.

The Carnival Corporation common stock trigger price of $43.05, which is required to be met in order to allow the conversion of the Carnival Corporation 2% convertible notes, was not met for the defined duration of time in the second quarter of fiscal 2006 and, accordingly, these notes are not convertible during the third quarter of fiscal 2006.

In May 2006, we borrowed $352 million under an unsecured term loan facility, which proceeds were used to pay a portion of the Crown Princess purchase price. This facility bears interest at 4.51% and is repayable in semi-annual installments through May 2018.

NOTE 5 - Contingencies

Litigation

As of May 31, 2006, five separate actions had been filed against either Carnival Corporation or Princess Cruise Lines, Ltd. in the U.S. on behalf of some current and former crew members alleging that Carnival Cruise Lines and Princess Cruises failed to timely pay the plaintiffs for overtime and other wages due (the "Wage Actions"). These actions generally seek payment of (i) damages for breach of contract or restitution for back wages, (ii) damages under the Seaman's Wage Act and (iii) interest. In May 2006, we entered into a settlement agreement for the two cases pending against Carnival Corporation, which is subject to final court approval. There can be no assurance that such approval will be obtained. However, the court has granted preliminary approval of the settlement. The settlement agreement requires us to establish a settlement fund, the ultimate net amount of which was estimated and recorded as an expense in the first quarter of 2006. The ultimate outcomes of the remaining actions cannot be determined at this time. However, we believe that we have meritorious defenses to these remaining claims and we intend to vigorously defend these actions.

In January 2006, an action was filed against Carnival Corporation and its subsidiaries and affiliates, and other non-affiliated cruise lines in New York on behalf of James Jacobs and a purported class of owners of intellectual property rights to musical plays and other works performed in the U.S. The plaintiffs claim infringement of copyrights to Broadway, off

Broadway and other plays. The action seeks payment of (i) damages, (ii) disgorgement of alleged profits and (iii) an injunction against future infringement. In the event that an award is given in favor of the plaintiffs, the amount of damages, if any, which Carnival Corporation and its subsidiaries and affiliates would have to pay is not currently determinable. The ultimate outcome of this matter cannot be determined at this time.

In 2002 and 2004, two actions (collectively, the "Facsimile Complaints") were filed against Carnival Corporation on behalf of purported classes of persons who received unsolicited advertisements via facsimile, alleging that Carnival Corporation and other defendants distributed unsolicited advertisements via facsimile in contravention of the U.S. Telephone Consumer Protection Act. The plaintiffs seek to enjoin the sending of unsolicited facsimile advertisements and statutory damages. The advertisement referred to in the 2002 Facsimile Complaint that referenced a Carnival Cruise Line product was not sent by Carnival Corporation, but rather was distributed by a professional faxing company at the behest of a third party travel agency. The faxes involved in the 2004 case were sent to a travel agency with whom we had conducted business. We do not advertise directly to the traveling public through the use of facsimile transmission. The ultimate outcomes of the Facsimile Complaints cannot be determined at this time. However, we believe that we have meritorious defenses and we will continue to vigorously defend these actions.

Costa Cruises (“Costa”) instituted arbitration proceedings in Italy in 2000 to confirm the validity of its decision not to deliver its ship, the Costa Classica, to the shipyard of Cammell Laird Holdings PLC (“Cammell Laird”) under a 79 million euro denominated contract for the conversion and lengthening of the ship in November 2000. Costa also gave notice of termination of the contract in January 2001. It is expected that the arbitration tribunal’s decision will be made by February 2007 at the latest. In the event that an award is given in favor of Cammell Laird, the amount of damages, if any, which Costa would have to pay, is not currently determinable. The ultimate outcome of this matter cannot be determined at this time.

In the normal course of our business, various other claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability, net of any insurance recoverables, is typically limited to our self-insurance retention levels. However, the ultimate outcome of these claims and lawsuits which are not covered by insurance cannot be determined at this time.

Contingent Obligations

At May 31, 2006, Carnival Corporation had contingent obligations totaling approximately $1.1 billion to participants in lease out and lease back type transactions for three of its ships. At the inception of the leases, the entire amount of the contingent obligations was paid by Carnival Corporation to major financial institutions to enable them to directly pay these obligations. Accordingly, these obligations were considered extinguished, and neither the funds nor the contingent obligations have been included on our balance sheets. Carnival Corporation would only be required to make any payments under these contingent obligations in the remote event of nonperformance by these financial institutions, all of which have long-term credit ratings of AA or higher. In addition, Carnival Corporation obtained a direct guarantee from a AA rated financial institution for $278 million of the above noted contingent obligations, thereby further reducing the already remote exposure to this portion of the contingent obligations. In certain cases, if the credit ratings of the major financial institutions who are directly paying the contingent obligations fall below AA-, then Carnival Corporation will be required to move those funds being held by those institutions to other financial institutions whose credit ratings are AA- or above. If Carnival Corporation's credit rating, which is A-, falls below BBB, it would be required to provide a standby letter of credit for $78 million, or alternatively provide mortgages in the aggregate amount of $78 million on two of its ships.

In the unlikely event that Carnival Corporation were to terminate the three lease agreements early or default on its obligations, it would, as of May 31, 2006, have to pay a total of $171 million in stipulated damages. As of May 31, 2006, $180 million of standby letters of credit have been issued by a major financial institution in order to provide further security for the payment of these contingent stipulated damages. Between 2017 and 2022, we have the right to exercise options that would terminate these three lease transactions at no cost to us.

Some of the debt agreements that we enter into include indemnification provisions that obligate us to make payments to the counterparty if certain events occur. These contingencies generally relate to changes in taxes, changes in laws that increase lender capital costs and other similar costs. The indemnification clauses are often standard contractual terms and were entered into in the normal course of business. There are no stated or notional amounts included in the indemnification clauses and we are not able to estimate the maximum potential amount of future payments, if any, under these indemnification clauses. We have not been required to make any material payments under such indemnification clauses in the past and, under current circumstances, we do not believe a request for material future indemnification payments is probable.

War Risk Insurance

During the first quarter of fiscal 2006 we obtained additional war risk insurance, subject to coverage limits, deductibles and exclusions for claims such as those arising from chemical and biological attacks, to cover damage or loss to all of our 36 previously uninsured ships, including terrorist risks. Under the terms of our war risk insurance coverage, which is typical for war risk policies in the marine industry, underwriters can give seven days notice to the insured that the policies will be cancelled.

NOTE 6 – Comprehensive Income

Comprehensive income was as follows (in millions):

	Six Months Ended May 31,		Three Months Ended May 31,	
	2006	**2005**	**2006**	**2005**
Net income	$631	$736	$380	$388
Items included in accumulated other comprehensive income				
Foreign currency translation adjustment	299	(177)	290	(174)
Changes related to cash flow derivative hedges	15	(6)	11	(17)
Total comprehensive income	$945	$553	$681	$197

NOTE 7 - Segment Information

Our cruise segment includes all of our cruise brands, which have been aggregated as a single reportable segment based on the similarity of their economic and other characteristics, including products and services they provide. Our other segment primarily represents the hotel, tour and transportation operations of Holland America Tours and Princess Tours.

Selected segment information for our cruise and other segments was as follows (in millions):

	Six Months Ended May 31,				
	Revenues	Operating expenses	Selling and admin-istrative	Depreciation and amortization	Operating income (loss)
2006					
Cruise	$5,069	$3,083	$698	$456	$832
Other	70	67	22	16	(35)
Intersegment elimination	(14)	(14)			
	$5,125	$3,136	$720	$472	$797
2005					
Cruise	$4,856	$2,853	$654	$432	$917
Other	72	67	24	14	(33)
Intersegment elimination	(14)	(14)			
	$4,914	$2,906	$678	$446	$884

	Three Months Ended May 31,				
	Revenues	Operating expenses	Selling and admin-istrative	Depreciation and amortization	Operating income (loss)
2006					
Cruise	$2,620	$1,583	$343	$232	$462
Other	54	49	11	8	(14)
Intersegment elimination	(12)	(12)			
	$2,662	$1,620	$354	$240	$448
2005					
Cruise	$2,469	$1,448	$327	$217	$477
Other	60	53	15	7	(15)
Intersegment elimination	(13)	(13)			
	$2,516	$1,488	$342	$224	$462

NOTE 8 - Earnings Per Share

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

	Six Months Ended May 31,		Three Months Ended May 31,	
	2006	2005	2006	2005
Net income	$ 631	$ 736	$ 380	$ 388
Interest on dilutive convertible notes	18	25	9	12
Net income for diluted earnings per share	$ 649	$ 761	$ 389	$ 400
Weighted-average common and ordinary shares outstanding	807	805	805	805
Dilutive effect of convertible notes	33	44	33	44
Dilutive effect of stock plans	3	6	2	5
Diluted weighted-average shares outstanding	843	855	840	854
Basic earnings per share	$0.78	$0.92	$0.47	$0.48
Diluted earnings per share	$0.77	$0.89	$0.46	$0.47

Options to purchase 3.5 million (2.2 million in 2005) and 5.5 million (2.2 million in 2005) shares for the six and three months ended May 31, 2006, respectively, were excluded from our diluted earnings per share computation since the effect of including them was anti-dilutive.

SCHEDULE C

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
SUMMARISED GROUP INCOME STATEMENT

US$ millions, except per share data	**Six Months to May 31, 2006 (Unaudited)**	**Six Months to May 31, 2005 (Unaudited) Restated (note 1)**
Revenues		
Cruise		
Passenger tickets	1,414.9	1,361.6
Onboard and other	316.3	315.2
Other	49.6	61.7
	1,780.8	1,738.5
Costs and expenses		
Operating		
Cruise		
Commissions, transportation and other	356.2	368.4
Onboard and other	84.8	84.0
Payroll and related	189.8	197.7
Food	102.6	102.4
Fuel	160.3	99.1
Other ship operating	298.9	261.1
Other	52.1	61.2
Total	1,244.7	1,173.9
Selling and administrative	259.7	284.2
Depreciation and amortisation	162.9	169.2
	1,667.3	1,627.3
Operating income	113.5	111.2
Interest income	5.0	3.4
Interest expense, net of capitalized interest	(53.4)	(64.7)
Other (expenses) and income, net	(17.7)	5.3
Profit before income taxes	47.4	55.2
Income tax benefit, net	19.7	11.7
Profit for the period	67.1	66.9
Carnival plc consolidated standalone earnings per share (in U.S. dollars)		
Basic earnings per share	0.32	0.32
Diluted earnings per share	0.31	0.31
Weighted average number of shares in issue (in millions)		
-Basic	212.6	212.1
-Diluted	213.2	213.0

See accompanying notes to the interim financial information. This interim financial information only presents the consolidated IFRS results of Carnival plc, and does not include the consolidated results of Carnival Corporation.

Within the DLC structure the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the U.S. GAAP consolidated financial statements of Carnival Corporation & plc, which are included in the attached Schedule B (see note 1). For information, we set out below the U.S. GAAP consolidated earnings per share included within the Carnival Corporation & plc consolidated financial statements for the six month periods ended May 31, 2006 and 2005 as restated (in U.S. dollars):

DLC Basic earnings per share	2006: 0.78	2005: 0.92
DLC Diluted earnings per share	2006: 0.77	2005: 0.89

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
SUMMARISED GROUP BALANCE SHEET

US$ millions	As at May 31, 2006 (Unaudited)	As at May 31, 2005 (Unaudited) Restated (note 1)
Assets		
Current assets		
Cash and cash equivalents	339.1	279.1
Trade and other receivables, net	312.4	291.2
Inventories	109.3	100.2
Prepaid expenses and other	135.7	116.8
Total current assets	896.5	787.3
Non-current assets		
Property and equipment, net	7,355.1	7,203.7
Intangible assets	745.0	723.3
Other assets	84.0	99.3
Total assets	9,080.6	8,813.6
Liabilities and equity		
Current liabilities		
Short-term borrowings	912.9	1,368.3
Amounts owed to Carnival Corporation	56.5	340.1
Accounts payable	163.7	212.0
Accrued liabilities and other	334.1	323.6
Customer deposits	753.4	631.0
Total current liabilities	2,220.6	2,875.0
Non-current liabilities		
Long-term debt	1,897.6	1,442.2
Other long-term liabilities and deferred income	216.3	254.7
	4,334.5	4,571.9
Equity		
Equity shareholders’ funds	4,746.1	4,241.7
	9,080.6	8,813.6

See accompanying notes to the interim financial information. This interim financial information only presents the consolidated IFRS results of Carnival plc, and does not include the consolidated results of Carnival Corporation.

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

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
SUMMARISED GROUP CASH FLOW STATEMENT

US$ millions	Six Months to May 31, 2006 (Unaudited)	Six Months to May 31, 2005 (Unaudited) Restated
Cash flows from operating activities		
Cash generated from operations before interest and taxes	283.7	331.6
Interest paid, net	(51.2)	(54.4)
Income taxes paid, net	(9.3)	(9.4)
Net cash from operating activities	223.2	267.8
Cash flows from investing activities		
Purchase of ships	(157.7)	(404.8)
Purchase of other property and equipment	(65.3)	(43.4)
Disposal of ship	48.7	-
Disposal of other property and equipment	-	1.3
Net cash used in investing activities	(174.3)	(446.9)
Cash flows from financing activities		
Dividends paid to shareholders	(105.0)	(63.9)
Issue of ordinary share capital	6.5	4.5
Net (decrease)/increase in borrowings	(403.4)	361.6
Net cash (used in)/from financing activities	(501.9)	302.2
(Decrease)/increase in cash in the period	(453.0)	123.1

See accompanying notes to the interim financial information. This interim financial information only presents the consolidated IFRS results of Carnival plc, and does not include the consolidated results of Carnival Corporation.

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

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
STATEMENT OF CHANGES IN EQUITY

US$ millions	Six Months to May 31, 2006 (Unaudited)	Six Months to May 31, 2005 (Unaudited) Restated
Profit for the period	67.1	66.9
Exchange movements	331.8	(159.2)
Total recognised gains/(losses) for the period	398.9	(92.3)
Dividends	(105.0)	(74.4)
New shares issued	6.5	4.5
Derivative hedges	8.5	(34.0)
Value of employee share options	7.4	4.3
	316.3	(191.9)
Shareholders' funds at beginning of the period	4,429.8	4,433.6
Shareholders' funds at end of the period	4,746.1	4,241.7

See accompanying notes to the interim financial information. This interim financial information only presents the consolidated IFRS results of Carnival plc, and does not include the consolidated results of Carnival Corporation.

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

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
NOTES TO THE INTERIM FINANCIAL INFORMATION

Note 1. Basis of preparation

Carnival plc (the "Company"), its subsidiaries and associates (collectively the "Group") has historically prepared its consolidated financial statements under UK Generally Accepted Accounting Practice ("UK GAAP"). For the year ended November 30, 2006, the Group will be required to prepare its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as adopted in the European Union. Accordingly, the Group's interim results for the six months ended May 31, 2006 and the restatement of financial information for the half year ended May 31, 2005 have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union.

This interim financial information has been prepared applying the revised accounting policies described in the document entitled "Transition to International Financial Reporting Standards," which was issued June 29, 2006. This interim financial information should be read in conjunction with that document, which is available via the Carnival Corporation & plc website at www.carnivalcorp.com or www.carnivalplc.com. That document also describes the major differences between UK GAAP and IFRS for the Group, and provides reconciliations of UK GAAP to IFRS for the Income Statement for the year ended November 30, 2005 and the Balance Sheets at December 1, 2004 and November 30, 2005. Reconciliations for the interim period ended May 31, 2005 are set out in note 2.

On April 17, 2003, Carnival Corporation and Carnival plc (formerly known as P&O Princess Cruises plc) completed a dual listed company ("DLC") transaction (the "DLC transaction"), which implemented the Carnival Corporation & plc DLC structure. The DLC transaction combined the businesses of Carnival Corporation and Carnival plc (collectively known as "Carnival Corporation & plc") through a number of contracts and through provisions in Carnival Corporation's articles of incorporation and by-laws and Carnival plc's memorandum of association and articles of association. The two companies have retained their separate legal identities, however, they operate as if they were a single economic enterprise. Each company's shares continue to be publicly traded; on the New York Stock Exchange ("NYSE") for Carnival Corporation and the London Stock Exchange for Carnival plc. In addition, Carnival plc American Depository Shares are traded on the NYSE. The contracts governing the DLC structure provide that Carnival Corporation and Carnival plc each continue to have separate boards of directors, but the boards and senior executive management of both companies are identical.

In order to provide the Carnival Corporation and Carnival plc shareholders with the most meaningful picture of their economic interest in the DLC formed by Carnival Corporation and Carnival plc, consolidated financial statements and management commentary of Carnival Corporation & plc have been included in Schedules A and B to this announcement. The consolidated Carnival Corporation & plc financial statements have been prepared under U.S. GAAP on the basis that all significant financial and operating decisions affecting the DLC companies are taken on the basis of U.S. GAAP information and consequences.

The standalone Carnival plc IFRS consolidated interim financial information is required to satisfy reporting requirements of the UKLA and does not include the results or net assets of Carnival Corporation. However, the Directors consider that within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is by reference to the U.S. GAAP financial statements of Carnival Corporation & plc, which are included in the attached Schedule B.

The standalone Carnival plc IFRS interim financial information does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The statutory accounts for the period ended November 30, 2005 have been delivered to the Registrar of Companies. The auditors' report on those statutory accounts was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

Note 2. UK GAAP to IFRS reconciliations

As referred to above, an explanation of the major differences between UK GAAP and IFRS for the Group is included in the document entitled "Transition to International Financial Reporting Standards," which was issued June 29, 2006. A summary of the effects of the adjustments from UK GAAP to IFRS for the half year ended May 31, 2005 is as follows:

	Six Months to May 31, 2005 (Unaudited) Restated U.S.$m
Profit for the period as previously reported under UK GAAP	67.0
Adjustments:	
IFRS 2: Share-based payment	(4.3)
IAS 19: Employee benefits	1.9
IAS 21: Exchange on intercompany balances	9.4

Effect of IFRS	74.0
Change in dry-dock accounting policy (note 4)	(7.1)

Profit for the period as restated under IFRS	66.9

	As at May 31, 2005 (Unaudited) Restated U.S.$m
Equity shareholders’ funds as previously reported under UK GAAP	4,355.3
Adjustments:	
IAS 19: Employee benefits	(62.5)
IFRS 3: Goodwill amortisation	(3.0)
IAS 39: Financial instruments	0.1

Effect of IFRS	4,289.9
Change in dry-dock accounting policy (note 4)	(48.2)

Equity shareholders’ funds as restated under IFRS	4,241.7

Carnival plc has chosen not to adopt IAS 34 "Interim Financial Reporting" in this interim financial information.

Note 3. Dividends

	Six Months to May 31, 2006 (Unaudited) U.S.$m	**Six Months to May 31, 2005 (Unaudited) Restated U.S.$m**
First interim $0.25 per share (2004 $0.15)	53.1	31.8
Second interim $0.25 per share (2004 $0.20)	51.9	42.6
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	105.0	74.4
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Note 4. Changes to prior year amounts

Some amendments have been made to the 2005 prior period comparatives, as a result of a change in accounting policy relating to the recognition of certain planned major maintenance activity costs incurred during dry-docks and the implementation of a new global chart of accounts. Further details of these changes are given in Schedule B notes 1 and 2 and the "Transition to International Financial Reporting Standards" document.