JUNE 27, 2008

RELEASE OF CARNIVAL CORPORATION & PLC QUARTERLY REPORT ON FORM 10-Q AND CARNIVAL PLC HALF-YEARLY FINANCIAL REPORT

Carnival Corporation & plc announced its second quarter and six month results of operations in its earnings release issued on June 19, 2008. Carnival Corporation & plc is hereby announcing that today it has filed a joint Quarterly Report on Form 10-Q with the U.S. Securities and Exchange Commission ("SEC") containing the Carnival Corporation & plc 2008 second quarter and six month interim financial statements, which results remain unchanged from those previously announced on June 19, 2008.

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 consolidated financial statements for Carnival Corporation & plc as of and for the three and six months ended May 31, 2008, together with management's discussion and analysis of financial condition and results of operations related thereto. 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, 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, 2008. The Carnival plc group standalone financial information excludes the results of Carnival Corporation and is prepared under International Financial Reporting Standards as adopted in the European Union ("IFRS"). Together these three schedules are presented as Carnival plc's half-yearly financial report, in accordance with the requirements of the UK Disclosure and Transparency Rules.

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The 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 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 87 ships totaling more than 164,000 lower berths with 19 new ships scheduled to be delivered between June 2008 and June 2012. Carnival Corporation & plc also operates Holland America Tours and Princess Tours, the leading tour companies 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.

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. We have tried, whenever possible, to identify these statements by using words like "will," "may," "believe," "expect," "anticipate," "forecast," "future," "intend," "plan," and "estimate" and 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:

- general economic and business conditions, including fuel price increases, and perceptions of these conditions that may adversely impact the levels of our potential vacationers' discretionary income and this group's confidence in the U.S. and other economies and, consequently reduce our cruise brands' net revenue yields;
- the international political climate, armed conflicts and terrorist attacks and threats thereof, and other world events, and their impacts on the demand for our cruises;
- availability and pricing of air travel services, especially as a result of the significant increases in air travel costs, and its impact on the demand for our cruises;
- conditions in the cruise and land-based vacation industries, including competition from other cruise ship operators and providers of other vacation alternatives and over capacity offered by cruise ship and land-based vacation alternatives;
- accidents, adverse weather conditions or natural disasters, such as hurricanes and earthquakes and other incidents (including machinery and equipment failures or improper operation thereof) 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, all of which could affect the health, safety, security and/or vacation satisfaction of our guests;
- adverse publicity concerning the cruise industry in general, or us in particular, could impact the demand for our cruises;
- lack of acceptance of new itineraries, products and services by our guests;
- changing consumer preferences, which may, among other things, adversely impact the demand for cruises;
- the impact of changes in and compliance with laws and regulations relating to environmental, health, safety, security, tax and other regulatory regimes under which we operate;
- the impact of increased global fuel demand, a weakening U.S. dollar, fuel supply disruptions and/or other events on our ships' fuel and other expenses;
- the impact on our future fuel expenses of implementing proposed International Maritime Organization regulations which, if approved, would require the use of higher priced low sulfur fuels in certain cruising areas, which could adversely impact the cruise industry;
- the impact of changes in operating and financing costs, including changes in foreign currency exchange rates and interest rates and food, insurance, payroll and security costs;
- our ability to implement our shipbuilding programs and ship refurbishments and repairs, including purchasing ships for our North American cruise brands from European shipyards on terms that are favorable or consistent with our expectations;

- our ability to implement our brand strategies and to continue to operate and expand our business internationally;
- whether our future operating cash flow will be sufficient to fund future obligations, and whether we will 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;
- continuing financial viability of our travel agent distribution system and air service providers;
- the impact of our self-insuring against various risks or our inability to obtain insurance for certain risks at reasonable rates;
- disruptions and other impairments to our information technology networks;
- lack of continued availability of attractive port destinations; and
- risks associated with the DLC structure, including the uncertainty of its tax status.

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.

Outlook for Remainder of Fiscal 2008

As of June 19, 2008, we said that we expected our diluted earnings per share for the third quarter and full year of 2008 would be in the range of $1.56 to $1.58 and $2.70 to $2.80, respectively. Our guidance was based on the then current spot prices for fuel price of $670 per metric ton and $594 per metric ton for the 2008 third quarter and full year, respectively. In addition, this guidance was also based on 2008 third quarter and full year currency exchange rates of $1.55 and $1.53 to the euro, respectively, and $1.96 and $1.97 to sterling, respectively.

The year-over-year percentage increase in our ALBD capacity for the third and fourth quarters of fiscal 2008 and fiscal years ended 2009, 2010, 2011 and 2012, resulting primarily from new ships entering service, is currently expected to be 8.8%, 8.8%, 5.2%, 8.3%, 5.5% and 3.7%, respectively. The above percentages exclude any other future ship orders, acquisitions, retirements or sales, however the fourth quarter does include the withdrawal from service of the *Queen Elizabeth 2* (*“QE2”*) in November 2008.

Seasonality and Critical Accounting Estimates

Our revenues from the sale of passenger tickets are seasonal. Historically, demand for cruises has been greatest during our third fiscal quarter, which includes the Northern Hemisphere summer months, and holidays. This higher demand during the third quarter and holidays results in higher net revenue yields and, accordingly, the largest share of our net income is earned during these periods. The seasonality of our results is increased due to ships being taken out of service for maintenance, which we typically schedule during non-peak demand periods. In addition, 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.

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 2007 joint Annual Report on Form 10-K.

Selected Cruise Information

Selected cruise information was as follows:

	Three Months Ended May 31,		Six Months Ended May 31,	
	2008	2007	2008	2007
Passengers carried (in thousands)	1,985	1,832	3,896	3,581
Occupancy percentage (a)	104.8%	103.7%	104.5%	103.9%
Fuel cost per metric ton (b)	$ 530	$ 333	$ 514	$ 317

(a) In accordance with cruise industry practice, occupancy is calculated using a denominator of two passengers per cabin even though some cabins can accommodate three or more passengers. Percentages in excess of 100% indicate that on average more than two passengers occupied some cabins.

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

Three Months Ended May 31, 2008 ("2008) Compared to the Three Months Ended May 31, 2007 ("2007")

Revenues

Our total revenues increased $478 million, or 16.5%, from $2.9 billion in 2007 to $3.4 billion in 2008. Approximately $238 million of this increase was capacity driven by our 8.3% increase in ALBDs (see “Key Performance Non-GAAP Financial Indicators”) and the remaining increase of $240 million was primarily due to increases in cruise ticket pricing, including the implementation of our fuel supplements, and the impact of the weaker U.S. dollar against the euro and sterling compared to 2007. Our capacity increased 2.7% for our North American cruise brands and 23.2% for our European cruise brands in 2008 compared to 2007, as we continue to implement our planned strategy of expanding in the European cruise marketplace.

Onboard and other revenues included concessionaire revenues of $220 million in 2008 and $198 million in 2007. Onboard and other revenues increased in 2008 compared to 2007, primarily because of the 8.3% increase in ALBDs.

Costs and Expenses

Operating costs increased $396 million, or 22.5%, from $1.8 billion in 2007 to $2.2 billion in 2008. Approximately $143 million of this increase was capacity driven by our 8.3% increase in ALBDs, and the remaining increase of $253 million was primarily due to increased fuel costs and the weaker U.S. dollar against the euro and sterling compared to 2007. Selling and administration expenses increased $19 million, or 4.7%, from $406 million in 2007 to $425 million in 2008, primarily due to the 8.3% increase in ALBDs, partially offset by savings achieved through economies of scale and cost control measures undertaken during this difficult economic environment.

Depreciation and amortization expense increased $40 million, or 14.7%, from $272 million in 2007 to $312 million in 2008, largely due to the 8.3% increase in ALBDs through the addition of new ships, the weaker U.S. dollar compared to the euro and sterling and additional ship improvement expenditures.

Our total costs and expenses rose from 84.2% in 2007, as a percentage of revenues, to 85.7% in 2008.

Operating Income

Our operating income increased $23 million, or 5.0%, from $459 million in 2007 to $482 million in 2008. Our operating income increase was primarily due to our increased fleet capacity, commonly represented by changes in ALBDs, which are highly predictable, and improved cruise ticket pricing, partially offset by the effect of higher fuel costs.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, increased $17 million to $105 million in 2008 from $88 million in 2007. This increase was primarily due to a $19 million increase in interest expense from a higher level of average borrowings, a $6 million decrease in interest income primarily due to a lower average level of invested cash, partially offset by a $8 million decrease from lower average interest rates on average borrowings. Capitalized interest increased $3 million during 2008 compared to 2007 and is attributable to our higher levels of investment in ships under construction.

Income Taxes

Income tax expense increased $15 million to $6 million in 2008 from a $9 million income tax benefit in 2007 primarily because of nonrecurring benefits realized in 2007 related to the transfer of a ship and the reversal of previously recorded deferred tax valuation allowances, which were no longer required. During both the second quarter of 2008 and 2007, we have recorded tax benefits generated by the seasonal losses of our Alaska tour operation.

Key Performance Non-GAAP Financial Indicators

ALBDs is a standard measure of passenger capacity for the period, which we use to perform rate and capacity variance analyses to determine what are 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.

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 measurers 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 them to 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 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. 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.

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 and report 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. 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.

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,		
	2008	**2008 Constant Dollar**	**2007**
	(in millions, except ALBDs and yields)		
Cruise revenues			
Passenger tickets	$2,588	$2,495	$2,181
Onboard and other	743	723	678
Gross cruise revenues	3,331	3,218	2,859
Less cruise costs			
Commissions, transportation and other	(525)	(504)	(439)
Onboard and other	(121)	(117)	(109)
Net cruise revenues	$2,685	$2,597	$2,311
ALBDs	14,480,881	14,480,881	13,369,111
Gross revenue yields	$230.04	$222.24	$213.87
Net revenue yields	$185.45	$179.33	$172.90

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,		
	2008	**2008 Constant Dollar**	**2007**
	(in millions, except ALBDs and costs per ALBD)		
Cruise operating expenses	$2,115	$2,045	$1,720
Cruise selling and administrative expenses	416	401	398
Gross cruise costs	2,531	2,446	2,118
Less cruise costs included in net cruise revenues			
Commissions, transportation and other	(525)	(504)	(439)
Onboard and other	(121)	(117)	(109)
Net cruise costs	$1,885	$1,825	$1,570
ALBDs	14,480,881	14,480,881	13,369,111
Gross cruise costs per ALBD	$174.79	$168.91	$158.46
Net cruise costs per ALBD	$130.20	$126.01	$117.50

Net cruise revenues increased $374 million, or 16.2%, to $2.7 billion in 2008 from $2.3 billion in 2007. The 8.3% increase in ALBDs between 2008 and 2007 accounted for $192 million of the increase, and the remaining $182 million was from increased net revenue yields, which increased 7.3% in 2008 compared to 2007 (gross revenue yields also increased by 7.6%). Net revenue yields increased in 2008 primarily due to higher ticket prices, the weaker U.S. dollar relative to the euro and sterling and, to a lesser degree, the 1.1% point increase in our occupancy, which was primarily driven by our North American brands. Net revenue yields as measured on a constant dollar basis increased 3.7% in 2008 compared to 2007, which was comprised of a 5.5% increase in passenger ticket yields, partially offset by a 1.8% decrease in onboard and other revenue yields, which was largely the result of the significant increase in our European brands' capacity as they typically have lower onboard and other revenue yields. Gross cruise revenues increased $472 million, or 16.5%, to $3.3 billion in 2008 from $2.9 billion in 2007 for largely the same reasons as discussed above for net cruise revenues.

Net cruise costs increased $315 million, or 20.1%, to $1.9 billion in 2008 from $1.6 billion in 2007. The 8.3% increase in ALBDs between 2008 and 2007 accounted for $131 million of the increase. The balance of $184 million was from increased net cruise costs per ALBD, which increased 10.8% in 2008 compared to 2007 (gross cruise costs per ALBD increased 10.3%). This 10.8% increase was primarily due to a 59% per metric ton increase in fuel cost to $530 per metric ton in 2008, which resulted in an increase in fuel expense of $158 million compared to 2007, a weaker U.S. dollar relative to the euro and sterling and a $10 million increase in dry-dock expenses in 2008 compared to 2007. Net cruise costs per ALBD as measured on a constant dollar basis increased 7.2% in 2008 compared to 2007. On a constant dollar basis, net cruise costs per ALBD, excluding fuel and dry-dock costs decreased 1.6%, compared to 2007 primarily due to lower selling and administrative expenses, due largely to savings achieved through economies of scale and cost control measures. Gross cruise costs increased $413 million, or 19.5%, in 2008 to $2.5 billion from $2.1 billion in 2007 for largely the same reasons as discussed above for net cruise costs.

Six Months Ended May 31, 2008 ("2008") Compared to the six Months Ended May 31, 2007 ("2007")

Revenues

Our total revenues increased $942 million, or 16.9%, from $5.6 billion in 2007 to $6.5 billion in 2008. Approximately $519 million of this increase was capacity driven by our 9.4% increase in ALBDs and the remaining increase of $423 million was primarily due to increases in cruise ticket pricing and the impact of the weaker U.S. dollar against the euro and sterling compared to 2007. Our capacity increased 4.2% for our North American cruise brands and 21.9% for our European cruise brands in 2008 compared to 2007.

Onboard and other revenues included concessionaire revenues of $406 million in 2008 and $362 million in 2007. Onboard and other revenues increased in 2008 compared to 2007, primarily because of the 9.4% increase in ALBDs.

Costs and Expenses

Operating costs increased $819 million, or 23.7%, from $3.5 billion in 2007 to $4.3 billion in 2008. Approximately $318 million of this increase was capacity driven by our 9.4% increase in ALBDs and the remaining increase of $501 million was primarily due to increased fuel costs and the weaker U.S. dollar against the euro and sterling compared to 2007. Selling and administration expenses increased $60 million, or 7.6%, from $790 million in 2007 to $850 million in 2008, primarily due to the 9.4% increase in ALBDs, partially offset by savings achieved through economies of scale and cost control measures.

Depreciation and amortization expense increased $81 million, or 15.2%, from $532 million in 2007 to $613 million in 2008, largely due to the 9.4% increase in ALBDs through the addition of new ships, the weaker U.S. dollar compared to the euro and sterling and additional ship improvement expenditures.

Our total costs and expenses rose from 85.5% in 2007, as a percentage of revenues, to 87.8% in 2008.

Operating Income

Our operating income decreased $18 million, or 2.2%, from $812 million in 2007 to $794 million in 2008. Our operating income decrease was primarily due to effect of higher fuel costs, partially offset by our increased fleet capacity and improved cruise ticket pricing.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, increased $33 million to $206 million in 2008 from $173 million in 2007. This increase was primarily due to a $42 million increase in interest expense from a higher level of average borrowings, a $5 million decrease in interest income primarily due to a lower average level of invested cash, partially offset by a $14 million decrease from lower average interest rates on average borrowings. Capitalized interest increased $5 million during 2008 compared to 2007 primarily due to higher average levels of investment in ship construction projects.

Income Taxes

Income tax benefit decreased $9 million to $4 million in 2008 from $13 million in 2007 primarily because 2007 included the reversal of previously recorded deferred tax valuation allowances, which were no longer required and larger seasonal tax benefits from our Alaska tour operation.

Key Performance Non-GAAP Financial Indicators

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,		
	2008	2008 Constant Dollar	2007
	(in millions, except ALBDs and yields)		
Cruise revenues			
Passenger tickets	$5,026	$4,861	$4,231
Onboard and other	1,445	1,410	1,304
Gross cruise revenues	6,471	6,271	5,535
Less cruise costs			
Commissions, transportation and other	(1,083)	(1,042)	(910)
Onboard and other	(246)	(240)	(220)
Net cruise revenues	$5,142	$4,989	$4,405
ALBDs	28,642,170	28,642,170	26,187,929
Gross revenue yields	$225.92	$218.94	$211.35
Net revenue yields	$179.52	$174.19	$168.21

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,		
	2008	2008 Constant Dollar	2007
	(in millions, except ALBDs and costs per ALBD)		
Cruise operating expenses	$4,211	$4,081	$3,394
Cruise selling and administrative expenses	833	807	774
Gross cruise costs	5,044	4,888	4,168
Less cruise costs included in net cruise Revenues			
Commissions, transportation and other	(1,083)	(1,042)	(910)
Onboard and other	(246)	(240)	(220)
Net cruise costs	$3,715	$3,606	$3,038
ALBDs	28,642,170	28,642,170	26,187,929
Gross cruise costs per ALBD	$176.12	$170.64	$159.17
Net cruise costs per ALBD	$129.72	$125.89	$116.03

Net cruise revenues increased $737 million, or 16.7%, to $5.1 billion in 2008 from $4.4 billion in 2007. The 9.4% increase in ALBDs between 2008 and 2007 accounted for $413 million of the increase, and the remaining $324 million was from increased net revenue yields, which increased 6.7% in 2008 compared to 2007 (gross revenue yields also increased by 6.9%). Net revenue yields increased in 2008 primarily due to higher ticket prices, the weaker U.S. dollar relative to the euro and sterling and, to a lesser degree, the 0.6% point increase in our occupancy. Net revenue yields as measured on a constant dollar basis increased 3.6% in 2008 compared to 2007, which was comprised of a 5.1% increase in passenger ticket yields, partially offset by a 1.3% decrease in onboard and other yields, which was largely the result of the significant increase in our European brands' capacity as they typically have lower onboard and other revenue yields. Gross cruise revenues increased $936 million, or 16.9%, to $6.5 billion in 2008 from $5.5 billion in 2007 for largely the same reasons as discussed below for net cruise revenues.

Net cruise costs increased $677 million, or 22.3%, to $3.7 billion in 2008 from $3.0 billion in 2007. The 9.4% increase in ALBDs between 2008 and 2007 accounted for $285 million of the increase. The balance of $392 million was from increased net cruise costs per ALBD, which increased 11.8% in 2008 compared to 2007 (gross cruise costs per ALBD increased 10.6%). This 11.8% increase was primarily due to a $197 per metric ton increase in fuel cost to $514 per metric ton in 2008, which resulted in an increase in fuel expense of $313 million compared to 2007, a weaker U.S. dollar relative to the euro and sterling and a $31 million increase in dry-dock expenses in 2008 compared to 2007. Net cruise costs per ALBD as measured on a constant dollar basis increased 8.5% in 2008 compared to 2007. On a constant dollar basis, net cruise costs per ALBD, excluding fuel and dry-dock costs decreased 0.7%, compared to 2007 due largely to lower selling and administrative expenses, achieved primarily through economies of scale and cost control measures. Gross cruise costs increased $876 million, or 21.0%, in 2008 to $5.0 billion from $4.2 billion in 2007 for largely the same reasons as discussed below for net cruise costs.

Liquidity and Capital Resources

Sources and Uses of Cash

Our business provided $1.8 billion of net cash from operations during the six months ended May 31, 2008, a decrease of $277 million, or 13.2%, compared to fiscal 2007. At May 31, 2008 and 2007, we had working capital deficits of $4.9 billion and $5.6 billion, respectively. Our May 31, 2008 deficit included $3.6 billion of customer deposits, which represent the passenger revenues we collect in advance of sailing and, accordingly, is substantially all a deferred revenue item rather than an actual current cash liability. We use our long-term ship assets to realize a portion of this deferred revenue in addition to consuming current assets. In addition, our May 31, 2008 working capital deficit included $1.8 billion of current debt obligations, which included $230 million of convertible debt subject to a put option, which at our option, can be settled by the issuance of common stock, and thus not impact our liquidity, if necessary. After excluding these customer deposits and current debt obligations from our working capital deficit balance, our adjusted working capital is $456 million. We continue to generate substantial cash from operations and have an A- stable credit rating, considerable financial flexibility to refinance our current debt and thereby providing us with the ability to maintain such a substantial working capital deficit, as well as the substantial flexibility to meet our operating, investing and financing needs. As explained above, our business model allows us to operate with significant working capital deficits and, accordingly, we believe these working capital deficits will continue to exist in the future.

During the six months ended May 31, 2008, our net expenditures for capital projects were $1.6 billion, of which $1.3 billion was spent for our ongoing new shipbuilding program, including $926 million for the final delivery payments for the *Ventura* and *AIDAbella*. In addition to our new shipbuilding program, we had capital expenditures of $207 million for ship improvements and refurbishments and $69 million for Alaska tour assets, cruise port facility developments, information technology and other assets. Also during the six months ended May 31, 2008, we received a $41 million final payment on the 2003 sale of Holland America Line's *Nieuw Amsterdam* to Louis Cruise Line.

During the six months ended May 31, 2008, we borrowed $3.8 billion of long-term debt, primarily under our long-term revolving credit facility ("Facility") and a ship financing facility, and we repaid $3.4 billion of long-term debt, which primarily included $2.6 billion under the Facility, $302 million of our 1.75% Notes, and $308 million upon maturity of our 4.4%

and 6.15% fixed rate notes. Finally, we paid cash dividends of $630 million and purchased $84 million of Carnival Corporation common stock and Carnival plc ordinary shares in open market transactions during the six months ended May 31, 2008.

Commitments and Funding Sources

Our contractual cash obligations as of May 31, 2008 have changed compared to November 30, 2007, including new ship orders placed in December 2007, primarily as a result of our debt and ship delivery payments as noted above. In addition, $860 million of Carnival Corporation convertible debt that was currently due under put options at November 30, 2007 was not put to us and, accordingly, this debt is now classified as long-term at May 31, 2008. As noted above, there is still $230 million of convertible debt remaining due currently, which has a put option in October 2008 and, accordingly, is classified as a current liability at May 31, 2008, however we have the option to repay in cash, common stock or a combination thereof.

At May 31, 2008, we had liquidity of $5.3 billion, which consisted of $988 million of cash and cash equivalents, $500 million available for borrowing under our Facility, $1.5 billion under our short-term revolving credit facilities, and $2.3 billion under committed ship financing facilities. Substantially all of our Facility matures in 2012. In addition, in June 2008, we terminated $500 million of our $1.5 billion short-term revolving credit facilities, thus reducing our May 31, 2008 liquidity by such amount. Finally, in June 2007 we entered into an agreement to sell Cunard Line’s *QE2* for delivery to the buyer in November 2008 for $100 million. 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 forecasts, we believe that our existing liquidity and cash flow from future operations will be sufficient to fund the majority of our expected capital projects (including shipbuilding commitments), debt service requirements, convertible debt redemptions, dividend payments, working capital and other firm commitments over the next several years. In addition, we believe that we will be able to secure the necessary financings from banks or through the offering of debt and/or equity securities in the public or private markets or take other actions to fund our remaining future cash requirements. However, our 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."

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

During the six months ended May 31, 2008, we entered into foreign currency forwards and options that are designated as cash flow hedges of the remaining *Carnival Dream* shipyard euro payments to lock-in a blended exchange rate of at most $1.584 to the euro and, accordingly, we will have a maximum payment of $723 million for these remaining shipyard payments. However, as a result of the currency options, which are for 50% of these remaining payments, we will benefit if the dollar exchange rate strengthens below $1.584 to the euro.

In addition, we had fair value forward purchase hedges for $532 million that were settled in March 2008 at the time we took delivery of *Ventura*.

At May 31, 2008, 50%, 38% and 12% (53%, 37% and 10% at November 30, 2007) of our debt was U.S. dollar, euro and sterling-denominated, respectively, including the effect of foreign currency swaps.

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)

	Three Months Ended May 31,		Six Months Ended May 31,	
	2008	2007	2008	2007
Revenues				
Cruise				
Passenger tickets	$2,588	$2,181	$5,026	$4,231
Onboard and other	743	678	1,445	1,304
Other	47	41	59	53
	3,378	2,900	6,530	5,588
Costs and Expenses				
Operating				
Cruise				
Commissions, transportation and other	525	439	1,083	910
Onboard and other	121	109	246	220
Fuel	425	254	817	474
Payroll and related	365	321	725	632
Food	210	181	417	356
Other ship operating	469	416	923	802
Other	44	43	62	60
Total	2,159	1,763	4,273	3,454
Selling and administrative	425	406	850	790
Depreciation and amortization	312	272	613	532
	2,896	2,441	5,736	4,776
Operating Income	482	459	794	812
Nonoperating (Expense) Income				
Interest income	12	17	22	27
Interest expense, net of capitalized interest	(102)	(94)	(200)	(178)
Other income (expense), net	4	(1)	6	(1)
	(86)	(78)	(172)	(152)
Income Before Income Taxes	396	381	622	660
Income Tax (Expense) Benefit, Net	(6)	9	4	13
Net Income	$ 390	$ 390	$ 626	$ 673
Earnings Per Share				
Basic	$ 0.50	$ 0.49	$ 0.80	$ 0.85
Diluted	$ 0.49	$ 0.48	$ 0.78	$ 0.83
Dividends Per Share	$ 0.40	$ 0.35	$ 0.80	$0.625

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

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

	May 31, 2008	November 30, 2007	May 31, 2007
ASSETS			
Current Assets			
Cash and cash equivalents	$ 988	$ 943	$ 1,859
Short-term investments	8	17	214
Trade and other receivables, net	542	436	401
Inventories	349	331	282
Prepaid expenses and other	292	249	263
Total current assets	2,179	1,976	3,019
Property and Equipment, Net	27,666	26,639	25,019
Goodwill	3,614	3,610	3,331
Trademarks	1,393	1,393	1,328
Other Assets	620	563	490
	$35,472	$34,181	$33,187
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Short-term borrowings	$ 145	$ 115	$ 1,075
Current portion of long-term debt	1,386	1,028	1,457
Convertible debt subject to current put options	230	1,396	1,170
Accounts payable	454	561	498
Accrued liabilities and other	1,269	1,353	1,209
Customer deposits	3,605	2,807	3,200
Total current liabilities	7,089	7,260	8,609
Long-Term Debt	7,689	6,313	5,425
Other Long-Term Liabilities and Deferred Income	764	645	574
Contingencies (Note 3)			
Shareholders' Equity			
Common stock of Carnival Corporation; $0.01 par value; 1,960 shares authorized; 643 at 2008 and November 2007 and 642 shares at May 2007 issued	6	6	6
Ordinary shares of Carnival plc; $1.66 par value; 226 shares authorized; 213 shares at 2008 and 2007 issued	354	354	354
Additional paid-in capital	7,653	7,599	7,556
Retained earnings	12,907	12,921	11,778
Accumulated other comprehensive income	1,306	1,296	772
Treasury stock; 19 shares at 2008 and November 2007 and 18 shares at May 2007 of Carnival Corporation and 51 shares at 2008, 50 shares at November 2007 and 42 shares at May 2007 of Carnival plc, at cost	(2,296)	(2,213)	(1,887)
Total shareholders' equity	19,930	19,963	18,579
	$35,472	$34,181	$33,187

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,	
	2008	2007
OPERATING ACTIVITIES		
Net income	$ 626	$ 673
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	613	532
Share-based compensation	30	32
Other	4	7
Changes in operating assets and liabilities		
Receivables	(116)	(130)
Inventories	(16)	(19)
Prepaid expenses and other	(66)	(21)
Accounts payable	(111)	67
Accrued and other liabilities	40	74
Customer deposits	811	876
Net cash provided by operating activities	1,815	2,091
INVESTING ACTIVITIES		
Additions to property and equipment	(1,593)	(2,130)
Purchases of short-term investments	(2)	(899)
Sales of short-term investments	10	706
Proceeds from the sale of assets and businesses, net	41	138
Other, net	(34)	(69)
Net cash used in investing activities	(1,578)	(2,254)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	3,847	1,058
Principal repayments of long-term debt	(3,370)	(440)
Dividends paid	(630)	(435)
Purchases of treasury stock	(84)	
Proceeds from exercise of stock options	14	40
Proceeds from short-term borrowings, net	8	628
Other	(9)	(5)
Net cash (used for) provided by financing activities	(224)	846
Effect of exchange rate changes on cash and cash equivalents	32	13
Net increase in cash and cash equivalents	45	696
Cash and cash equivalents at beginning of period	943	1,163
Cash and cash equivalents at end of period	$ 988	$ 1,859

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

CARNIVAL CORPORATION & PLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

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 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 operate as if they are a single economic enterprise, but each has retained its separate legal identity.

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 sheets at May 31, 2008 and 2007, the consolidated statements of operations for the three and six months ended May 31, 2008 and 2007 and the consolidated statements of cash flows for the six months ended May 31, 2008 and 2007 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 2007 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.

NOTE 2 – Debt

At May 31, 2008, unsecured short-term borrowings consisted of euro and U.S. dollar-denominated bank loans of $93 million and $52 million, respectively, with an aggregate weighted-average interest rate of 3.3%.

On April 25, 2008, we amended the terms of Carnival Corporation’s 1.75% convertible notes (the "1.75% Notes) to give the holders another put option, which, if exercised, requires us to repurchase all or a portion of the outstanding 1.75% Notes on October 29, 2009 at their accreted value, and suspends our right to redeem the 1.75% Notes until October 29, 2009. The $8 million estimated fair value of this new put option is being amortized to interest expense over its eighteen-month term using the straight-line method, which approximates the effective interest rate method. In addition, we amended the terms of the 1.75% Notes to include an additional semi-annual cash interest payment of 0.5% per annum through October 29, 2009 and certain other covenants and agreements for the benefit of the holders of this debt. On April 30, 2008, as a result of certain holders exercising their April 29, 2008 put option, we repurchased $302 million of the outstanding 1.75% Notes at their accreted value, plus accrued interest, leaving $273 million of the 1.75% Notes outstanding at their accreted value. At May 31, 2008, the 1.75% Notes have a 4.6% yield through October 29, 2009.

At May 31, 2008, our 1.75% Notes and 2% convertible notes (“2% Notes”) were both classified as long-term liabilities, since the next time we may be required to redeem these notes at the option of the holders is on October 29, 2009 and April 15, 2011, respectively. In addition, the Carnival Corporation common stock trigger prices of $40.29 and $43.05, which are required to be met in order to allow the conversion of the Carnival Corporation zero-coupon convertible notes and 2% Notes, respectively, were not met for the defined duration of time in the first and second quarter of fiscal 2008 and, accordingly, these notes were not convertible during the second quarter of fiscal 2008 and are not convertible during the third quarter of fiscal 2008. The 1.75% Notes Carnival Corporation common stock trigger price of $63.73 has not been met since their issuance.

In March 2008, our Ibero Cruises brand entered into two 364-day loan facilities aggregating $170 million, which are guaranteed by Carnival Corporation and Carnival plc. This Ibero Cruises debt, along with another $607 million of other short-term debt, has been classified as long-term debt at May 31, 2008, as we have the intent and ability to refinance this debt on a long-term basis.

In March 2008 we also entered into a $500 million seven-year term loan facility, which was fully drawn in June, 2008 and used in part to finance a portion of the purchase price of Holland America Line’s *Eurodam*. This facility has a fixed interest rate of 4.41%, although the lenders have a one-time option to switch the borrowing rate to LIBOR plus 0.55% on the loan’s third anniversary date.

During the 2008 second quarter, we also borrowed $523 million under an unsecured term loan facility, the proceeds of which were effectively used to pay a portion of P&O UK’s *Ventura* purchase price. This facility bears interest at 4.38% and is repayable in semi-annual installments through 2020.

Finally, in the second quarter of 2008 we obtained two unsecured term loan financing facilities, each bearing a fixed interest rate of 4.21%, which provide us with the ability to borrow up to an aggregate of $796 million for a portion of two ships' purchase prices. These ships are expected to be delivered in June 2008 and October 2008. These facilities are repayable semi-annually over a 12 year period. However, we have the option to terminate the second mentioned facility up until 60 days prior to the ship delivery date.

NOTE 3 - Contingencies

Litigation

The Office of the Attorney General of Florida (“Attorney General”) is conducting an investigation to determine whether there is or has been a violation of Florida antitrust laws in connection with the setting by us and other unaffiliated cruise lines of certain fuel supplements. We are providing our full cooperation to the Attorney General’s office. At this time, we are unable to determine the ultimate outcome of this review on our financial statements.

In January 2006, a lawsuit was filed against Carnival Corporation and its subsidiaries and affiliates, and other unaffiliated cruise lines in New York on behalf of 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 suit 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. However, we intend to vigorously defend this matter.

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, 2008, Carnival Corporation had estimated contingent obligations totaling approximately $1.1 billion, excluding stipulated damages as discussed below, to participants in lease out and lease back type transactions for three of its ships. At the inception of the leases, the entire net present value of these contingent obligations was paid by Carnival Corporation to major financial institutions to enable them to directly pay these obligations. Accordingly, these obligations are considered extinguished, and neither the funds nor the contingent obligations have been included on our balance sheets.

We estimate that Carnival Corporation would be required to make payments for approximately $172 million and $884 million of these contingent obligations in the remote event of nonperformance by these major financial institutions, which have long-term credit ratings of AA- and AA/AAA, respectively. In addition, Carnival Corporation obtained direct guarantees for an estimated $102 million and $170 million from AAA and AA- rated financial institutions, respectively, to support a portion of the estimated $172 million and $884 million of contingent obligations, respectively, thereby further reducing the 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 replace these financial institutions with other financial institutions whose credit ratings are AA or meet other specified credit requirements. If such an event was to occur, we would incur costs that we estimate would not be material to our financial statements. However, in the event we could not find replacement institutions for all these obligations, we believe our liability would not exceed our $162 million of estimated stipulated damages. During the 2008 second quarter, some of the financial institutions involved with two of these transactions had their credit ratings downgraded from AA to AA-, with a negative outlook. If Carnival Corporation's credit rating, which is A-, falls below BBB, it would be required to provide a standby letter of credit for $70 million, or alternatively provide mortgages in the aggregate amount of $70 million on two of its ships.

In addition, in the event that Carnival Corporation were to terminate the three lease agreements early or default on its obligations, including any failure to replace the financial institutions referred to above, we estimate that it would, as of May 31, 2008, have to pay a total of $162 million in stipulated damages. We estimate that approximately $124 million of these stipulated damages relate to transactions that involve the AA- rated institutions. As of May 31, 2008, $165 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. In addition, we have a $170 million back-up letter of credit issued under a loan facility in support of these standby letters of credit. 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.

NOTE 4 – Comprehensive Income

Comprehensive income was as follows (in millions):

	Three Months Ended May 31,		Six Months Ended May 31,	
	2008	**2007**	**2008**	**2007**
Net income	$390	$390	$626	$673
Items included in accumulated other comprehensive income				
Foreign currency translation adjustment	88	100	11	113
Changes related to cash flow derivative hedges	(3)	(1)	2	(2)
Unrealized gain (loss) on marketable security	2		(3)	
Total comprehensive income	$477	$489	$636	$784

NOTE 5 - 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 the products and services they provide. Substantially all of our other segment 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):

	Three Months Ended May 31,				
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
2008					
Cruise	$3,331	$2,115	$416	$303	$497
Other	65	62	9	9	(15)
Intersegment elimination	(18)	(18)			
	$3,378	$2,159	$425	$312	$482
2007					
Cruise	$2,859	$1,720	$398	$263	$478
Other	55	57	8	9	(19)
Intersegment elimination	(14)	(14)			
	$2,900	$1,763	$406	$272	$459

	Six Months Ended May 31,				
	Revenues	Operating expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
2008					
Cruise	$6,471	$4,211	$833	$595	$832
Other	79	82	17	18	(38)
Intersegment elimination	(20)	(20)			
	$6,530	$4,273	$850	$613	$794
2007					
Cruise	$5,535	$3,394	$774	$514	$853
Other	69	76	16	18	(41)
Intersegment elimination	(16)	(16)			
	$5,588	$3,454	$790	$532	$812

NOTE 6 - Earnings Per Share

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

	Three Months Ended May 31,		Six Months Ended May 31,	
	2008	2007	2008	2007
Net income	$ 390	$ 390	$ 626	$ 673
Interest on dilutive convertible notes	9	9	17	17
Net income for diluted earnings per share	$ 399	$ 399	$ 643	$ 690
Weighted-average common and ordinary shares outstanding	786	794	786	794
Dilutive effect of convertible notes	31	33	31	33
Dilutive effect of stock plans	2	2	2	2
Diluted weighted-average shares outstanding	819	829	819	829
Basic earnings per share	$0.50	$0.49	$0.80	$0.85
Diluted earnings per share	$0.49	$0.48	$0.78	$0.83

Options to purchase 12.0 million shares for both the three and six months ended May 31, 2008, and 8.5 million shares and 6.9 million shares for the three and six months ended May 31, 2007, respectively, were excluded from our diluted earnings per share computations since the effect of including them was anti-dilutive.

NOTE 7 – Recent Accounting Pronouncements

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 clarifies, among other things, the accounting for uncertain income tax positions by prescribing a minimum probability threshold that a tax position must meet before a financial statement income tax benefit is recognized. The minimum threshold is defined as a tax position that, based solely on its technical merits, is more likely than not to be sustained upon examination by the relevant taxing authority. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate resolution. FIN 48 must be applied to all existing tax positions upon adoption. The cumulative effect of applying FIN 48 at adoption is required to be reported separately as an adjustment to the opening balance of retained earnings in the year of adoption. Our adoption of FIN 48 on December 1, 2007 did not have a material impact on our opening retained earnings. In addition, based on all known facts and circumstances and current tax law, we believe that the total amount of our uncertain income tax position liabilities and related accrued interest are not material to our May 31, 2008 financial position.

In September 2006, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements." SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements. In February 2008, the FASB released a FASB Staff Position, which delayed the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis. SFAS No. 157 was first effective for us on December 1, 2007. The adoption of SFAS No. 157 on our financial assets and liabilities, which are principally comprised of cash equivalents and derivatives, did not have a significant impact on their fair value measurements or require expanded disclosures since the fair value of those financial assets and liabilities outstanding during the three and six months ended May 31, 2008 were not material.

In May 2008, the FASB issued Financial Accounting Standards Board Staff Position Accounting Principles Board 14-1 "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" ("APB 14-1"). APB 14-1 requires the issuer of certain convertible debt instruments that may be settled in cash, or other assets, on conversion to separately account for the debt and equity components in a manner that reflects the issuer's non-convertible debt borrowing rate. APB 14-1 will be adopted by us in the first quarter of fiscal 2010 on a retrospective basis. We believe that the impact of adopting APB 14-1 will not have a material effect on previously reported diluted earnings per share, however, our net income will be reduced. We are still in the process of determining the amount of such reduction.

SCHEDULE C

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
SUMMARISED GROUP INCOME STATEMENTS (UNAUDITED)

	Six Months Ended May 31, 2008	2007
US$ millions, except per share data		
Revenues		
Cruise		
Passenger tickets	2,323.2	1,682.1
Onboard and other	466.6	361.5
Land tours and other	60.9	50.0
Total Revenues (note 3)	2,850.7	2,093.6
Costs and Expenses		
Operating		
Cruise		
Commissions, transportation and other	619.0	433.8
Onboard and other	99.6	87.3
Payroll and related	270.8	213.1
Fuel	303.7	159.7
Food	157.6	114.6
Other ship operating	439.9	329.8
Other	70.3	62.2
Total	1,960.9	1,400.5
Selling and administrative	350.0	302.9
Depreciation and amortisation	247.6	191.1
	2,558.5	1,894.5
Operating Income (note 3)	292.2	199.1
Interest income	15.6	15.8
Interest expense, net of capitalized interest	(106.9)	(76.1)
Other income, net (note 4)	25.6	0.5
Income Before Income Taxes	226.5	139.3
Income Tax Benefit, Net	12.6	21.3
Net Income	239.1	160.6
Earnings Per Share (in U.S. dollars)		
Basic	1.15	0.75
Diluted	1.15	0.75
Dividends Per Share	0.80	0.625
Weighted Average Number of Shares in Issue (in millions)		
Basic	213.1	213.0
Diluted	213.3	213.3

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 months ended May 31, 2008 and 2007 (in U.S. dollars):

DLC Basic earnings per share	2008: 0.80	2007: 0.85
DLC Diluted earnings per share	2008: 0.78	2007: 0.83

CARNIVAL PLC – INTERIM FINANCIAL INFORMATION
SUMMARISED GROUP BALANCE SHEETS (UNAUDITED)

	May 31, 2008	Nov 30, 2007	May 31, 2007
US$ millions			
ASSETS			
Current Assets			
Cash and cash equivalents (note 8)	457.9	823.5	953.9
Trade and other receivables, net	396.9	337.1	290.8
Amount owed from Carnival Corporation	-	70.1	-
Inventories	140.0	131.6	109.2
Prepaid expenses and other	149.6	125.3	136.1
Total current assets	1,144.4	1,487.6	1,490.0
Non-current Assets			
Property and Equipment, Net (note 6)	11,993.0	10,776.7	9,023.0
Goodwill and Other Intangibles	1,061.0	1,029.5	754.4
Other Assets	193.8	153.8	113.4
Total Assets	14,392.2	13,447.6	11,380.8
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Short-term debt (note 8)	1,086.8	650.1	1,177.1
Amount owed to Carnival Corporation	433.2	-	94.5
Accounts payable	212.8	275.5	227.7
Accrued liabilities and other	484.7	534.8	398.5
Customer deposits	1,175.6	1,019.1	865.3
Total current liabilities	3,393.1	2,479.5	2,763.1
Non-Current Liabilities			
Long-Term Debt (note 8)	3,885.0	4,016.8	2,817.7
Other Long-Term Liabilities	191.4	153.5	201.8
	7,469.5	6,649.8	5,782.6
Shareholders' Equity			
Ordinary shares	354.0	353.9	353.8
Share premium	94.8	94.6	93.4
Retained earnings	4,229.8	4,147.9	3,485.1
Other reserves	2,193.6	2,147.8	1,665.9
Total Shareholders' Equity	6,872.2	6,744.2	5,598.2
Minority Interest	50.5	53.6	-
Total Equity	6,922.7	6,797.8	5,598.2
	14,392.2	13,447.6	11,380.8

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 STATEMENTS OF CASH FLOW (UNAUDITED)

US$ millions	Six Months Ended May 31, 2008	2007
Cash Flows from Operating Activities		
Cash generated from operations before interest and taxes	599.2	550.7
Interest paid, net	(66.9)	(36.9)
Income taxes paid, net	(1.5)	(3.5)
Net Cash provided by Operating Activities	530.8	510.3
Cash Flows from Investing Activities		
Additions to property and equipment	(1,215.5)	(1,041.1)
Proceeds from sale of fixed assets	-	71.1
Net Cash used in Investing Activities	(1,215.5)	(970.0)
Cash Flows from Financing Activities		
Dividends paid to shareholders	(170.0)	(115.9)
Issue of ordinary share capital	0.3	1.6
Net increase in borrowings	433.3	484.7
Net Cash provided by Financing Activities	263.6	370.4
Net Cash Flows in the Period	(421.1)	(89.3)

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
STATEMENTS OF CHANGES IN TOTAL EQUITY (UNAUDITED)

	Six Months Ended May 31, 2008	2007
US$ millions		
Net income	239.1	160.6
Exchange movements	58.6	84.9
Net (loss) gain on hedges	(9.8)	0.6
Total recognised income	287.9	246.1
Dividends (note 5)	(170.1)	(131.9)
Issue of shares	0.3	1.6
Share-based payments	6.8	7.6
	124.9	123.4
Total equity at beginning of the period	6,797.8	5,474.8
Total equity at end of the period	6,922.7	5,598.2
Net income (loss) is attributable to:		
Shareholders of Carnival plc	245.2	160.6
Minority interest	(6.1)	-
	239.1	160.6

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).

Note 1. Basis of preparation

The interim financial information has been prepared on the basis of the accounting policies and methods of computation adopted and disclosed in Carnival plc's and subsidiaries' ("Group's") consolidated statutory financial statements for the year ended November 30, 2007 and was approved by the Board of Directors on June 26, 2008. This interim financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

Carnival Corporation and Carnival plc operate a dual listed company ("DLC"), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation's articles of incorporation and by-laws and Carnival plc's memorandum of association and articles of association. The two companies operate as if they are a single economic enterprise, but each has retained its separate legal identity. Each company's shares are publicly traded; on the New York Stock Exchange ("NYSE") for Carnival Corporation and the London Stock Exchange 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. Under the contracts governing the DLC the Carnival Corporation & plc consolidated earnings accrue equally to each unit of Carnival Corporation stock and each Carnival plc share.

The standalone Carnival plc consolidated IFRS interim financial information is required to satisfy reporting requirements of the UKLA. 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 consolidated financial statements of Carnival Corporation & plc, 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. Accordingly, the Carnival Corporation & plc U.S. GAAP financial statements and management commentary for the three and six months ended May 31, 2008 have been included in Schedules A and B to this announcement, and are incorporated into the Carnival plc consolidated IFRS interim financial information as additional disclosure.

Note 2. Status of financial information

The standalone Carnival plc IFRS interim financial information for the six months ended May 31, 2008 has not been audited or reviewed by the auditors.

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 year ended November 30, 2007 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 3. Segmental analysis

	Six Months Ended May 31, 2008 U.S.$m	2007 U.S.$m
Revenues		
Cruise	2,789.8	2,043.6
Land tours and other	60.9	50.0
Total	2,850.7	2,093.6
Operating income (loss)		
Cruise	331.9	240.6
Land tours and other	(39.7)	(41.5)
Total	292.2	199.1

Note 4. Other income

Other income during the six months ended May 31, 2008 includes a foreign exchange gain of $21m arising on euro bank deposits held by Carnival plc to satisfy Carnival Corporation contracted ship delivery payments during 2008.

Note 5. Dividends

	Six Months Ended May 31, 2008 U.S.$m	2007 U.S.$m
First interim $0.40 per share (2007 $0.275)	85.2	58.6
Second interim $0.40 per share (2007 $0.35)	84.9	73.3
	170.1	131.9

Note 6. Property and equipment

During the six months ended May 31, 2008, the Group took delivery of two new ships and made a number of stage payments for ships under construction. In addition, the Grand Celebration was purchased from Carnival Cruise Lines and underwent a substantial refit as part of her redeployment within the Spanish cruise market (see note 9).

Note 7. Ship commitments

Ship capital commitments include contract payments to the shipyards, design and engineering fees, construction oversight costs, various owner supplied items and capitalised interest. At May 31, 2008, the Group had outstanding capital commitments for future new ship deliveries of $7.7bn.

Note 8. Net debt

	Nov 30, 2007	Cash flows	Other non-cash movements	Exchange movements	May 31, 2008
	U.S.$m	U.S.$m	U.S.$m	U.S.$m	U.S.$m
Cash and cash equivalents	823.5	(421.1)	-	55.5	457.9
Short-term debt	(650.1)	(313.2)	(105.2)	(18.3)	(1,086.8)
Amount owed from (to) Carnival Corporation	70.1	10.5	(523.2)	9.4	(433.2)
Long-term debt	(4,016.8)	(130.6)	374.3	(111.9)	(3,885.0)
	(3,773.3)	(854.4)	(254.1)	(65.3)	(4,947.1)

Note 9. Related parties

Other than the transactions described below there have been no significant changes to the type and incidence of Carnival plc's related party transactions, as disclosed in the Carnival plc consolidated and company IFRS financial statements for the year ended November 30, 2007.

During April 2008 a subsidiary of Ibero Cruises, our 75% owned Spanish cruise brand, acquired the Grand Celebration from Carnival Cruise Lines for $157.5m (€102m).

During April 2008 Carnival plc assigned or transferred $307.2m of debt and $310.7m (€200m) of time deposits to Carnival Corporation. The net consideration for the assignment of debt and transfer of deposits was recorded in the intercompany balance with Carnival Corporation.

As a consequence of the above noted transactions and the normal trading activities between the two sides of the DLC, the net balance outstanding between the Carnival plc Group and the Carnival Corporation Group changed from a net receivable of $70.1m at November 30, 2007 to a net payable of $433.2m at May 31, 2008.

Key management personnel

During the 2008 interim period, there were no material transactions or balances between the Group and its key management personnel or members of their close family, other than remuneration.

Note 10. Risks and Uncertainties

The principal risks and uncertainties affecting the business activities of the Group are disclosed within Schedule A and remain broadly the same as those at November 30, 2007. In addition Item 1A, "Risk Factors", of the Carnival Corporation & plc joint Annual Report on Form 10-K for the year ended November 30, 2007 includes further detail concerning the risks and uncertainties that could affect the Group.

Note 11. Responsibility Statement

The directors confirm that to the best of their knowledge the condensed set of financial statements included as Schedule C to this release has been prepared in accordance with IAS 34 as adopted by the European Union, and that the consolidated Carnival Corporation & plc information included in Schedules A and B, including management's discussion and analysis of financial condition and results of operations, includes a fair review of the information required by DTR 4.2.7 R and DTR 4.2.8 R.

The directors of Carnival plc are listed in the Annual Report for November 30, 2007 with the exception of Baroness Hogg who resigned from the board on April 22, 2008. A list of current directors is maintained and is available for inspection at Carnival plc's registered office located at Carnival House, 5 Gainsford Street, London SE1 2NE, United Kingdom.

By order of the Board

Micky Arison	Howard S. Frank
Chairman	Vice Chairman
June 26, 2008	June 26, 2008