UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

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

For the fiscal year ended November 30, 2009 or

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

For the transition period from ______________ to ________________

Commission file number: 1-9610	Commission file number: 1-15136
Carnival Corporation (Exact name of registrant as specified in its charter)	Carnival plc (Exact name of registrant as specified in its charter)
Republic of Panama (State or other jurisdiction of incorporation or organization)	England and Wales (State or other jurisdiction of incorporation or organization)
59-1562976 (I.R.S. Employer Identification No.)	98-0357772 (I.R.S. Employer Identification No.)
3655 N.W. 87th Avenue Miami, Florida 33178-2428 (Address of principal executive offices) (Zip code)	Carnival House, 5 Gainsford Street, London SE1 2NE, United Kingdom (Address of principal executive offices) (Zip code)
(305) 599-2600 (Registrant's telephone number, including area code)	011 44 20 7940 5381 (Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:	Securities registered pursuant to Section 12(b) of the Act:
Title of each class Common Stock ($.01 par value)	Title of each class Ordinary Shares each represented by American Depositary Shares ($1.66 par value), Special Voting Share, GBP 1.00 par value and Trust Shares of beneficial interest in the P&O Princess Special Voting Trust
Name of each exchange on which registered New York Stock Exchange, Inc.	Name of each exchange on which registered New York Stock Exchange, Inc.

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

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, or small reporting companies. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large Accelerated Filers ☑ Accelerated Filers ☐ Non-Accelerated Filers ☐ Smaller Reporting Companies ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold was $10.2 billion as of the last business day of the registrant's most recently completed second fiscal quarter.

At January 21, 2010, Carnival Corporation had outstanding 620,036,762 shares of its Common Stock, $0.01 par value.

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold was $4.2 billion as of the last business day of the registrant's most recently completed second fiscal quarter.

At January 21, 2010, Carnival plc had outstanding 213,447,757 Ordinary Shares $1.66 par value, one Special Voting Share, GBP 1.00 par value and 620,036,762 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

DOCUMENTS INCORPORATED BY REFERENCE

The information described below and contained in the Registrants' 2009 annual report to shareholders to be furnished to the U.S. Securities and Exchange Commission pursuant to Rule 14a-3(b) of the Securities Exchange Act of 1934 is shown in Exhibit 13 and is incorporated by reference into this joint Annual Report on Form 10-K ("Form 10-K").

Part and Item of the Form 10-K

Part II

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

Item 6. Selected Financial Data.

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

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

Item 8. Financial Statements and Supplementary Data.

Portions of the Registrants' 2010 joint definitive proxy statement, to be filed with the U.S. Securities and Exchange Commission, are incorporated by reference into this Form 10-K under the items described below.

Part and Item of the Form 10-K

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

Item 11. Executive Compensation.

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

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

Item 14. Principal Accounting Fees and Services.

PART I

Item 1. Business.

A. General

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 Articles of Association.

Carnival Corporation and Carnival plc are both public companies, with separate stock exchange listings and their own shareholders. The two companies operate as if they are a single economic enterprise, with a single executive management team and identical Boards of Directors, but each has retained its separate legal identity. See Note 3, "DLC Structure" to our Consolidated Financial Statements in Exhibit 13 to this Form 10-K. Together with their consolidated subsidiaries Carnival Corporation and Carnival plc are referred to collectively in this Form 10-K as "Carnival Corporation & plc," "our," "us," and "we."

We are the largest cruise company and one of the largest vacation companies in the world. We have a portfolio of widely recognized cruise brands and are a leading provider of cruises to all major vacation destinations. See Part I, Item 1. Business. B. "Cruise Operations" for additional information.

As of January 28, 2010, the summary by brand of our passenger capacity, the number of cruise ships we operate, and the primary areas in which they are marketed is as follows:

Cruise Brands	Passenger Capacity(a)	Number of Cruise Ships	Primary Market
Carnival Cruise Lines	54,480	22	North America
Princess Cruises ("Princess")	37,588	17	North America
Costa Cruises ("Costa")(b)	28,426	14	Europe
Holland America Line	21,378	14	North America
P&O Cruises(c)	11,998	6	United Kingdom ("UK")
AIDA Cruises ("AIDA")	9,862	6	Germany
Ibero Cruises ("Ibero")	5,010	4	Spain and Brazil
P&O Cruises Australia	4,744	3	Australia and New Zealand
Cunard Line ("Cunard")	4,608	2	UK and North America
Ocean Village(d)	1,578	1	UK
The Yachts of Seabourn ("Seabourn")	1,074	4	North America
	180,746	93	

(a) In accordance with cruise industry practice, passenger capacity is calculated based on two passengers per cabin even though some cabins can accommodate three or more passengers.
(b) Includes the 1,488-passenger capacity *Costa Europa*, which will be operated by an unrelated entity under a bareboat charter agreement, commencing April 2010 and expiring April 2020.
(c) Includes the 1,200-passenger capacity *Artemis*, which was sold in October 2009 to an unrelated entity and is being operated by P&O Cruises under a bareboat charter agreement until April 2011.
(d) The Ocean Village brand is being phased-out with the planned transfer of its ship to P&O Cruises Australia in November 2010.

As of January 28, 2010, we had signed agreements with three shipyards providing for the construction of 13 additional cruise ships scheduled to enter service between February 2010 and June 2012. These additions, net of the two withdrawals mentioned above, are expected to result in an increase in our passenger capacity of 27,754 lower berths. The impact of these net additions is a 15.3% increase in passenger capacity as compared to our January 28, 2010 passenger capacity. It is possible that some of our other older ships may also be sold, chartered or retired during the next few years, thus reducing the size of our fleet over this period. Alternatively, it is also possible that we could acquire more ships, thus increasing the size of our fleet over this period. See Part I, Item 1. Business. B. "Cruise Operations – Ship Information" and Note 6, "Commitments" to our Consolidated Financial Statements in Exhibit 13 to this Form 10-K for additional information regarding our ship commitments.

In addition to our cruise operations, we own Holland America Princess Alaska Tours, the leading cruise/tour operator in the state of Alaska and the Yukon Territory of Canada, which primarily complements our Alaska cruise operations. This tour operator currently owns and operates, among other things, 15 hotels or lodges, with 3,400 guest rooms, 390 motorcoaches and 20 domed rail cars.

Mission, Primary Financial Goal and Related Strategies

Our mission is to deliver exceptional vacation experiences through some of the world's best-known cruise brands that cater to a variety of different geographic regions and lifestyles, all at an outstanding value unrivalled on land or at sea. Our primary financial goal is to profitably grow our cruise business, while maintaining a strong balance sheet, which enhances our financial flexibility. Our ability to generate significant operating cash flows has allowed us to internally fund the majority of our capital investment program.

To achieve our goals we build new and innovative ships and continue to invest in our existing ships to strengthen the leadership position of each of our brands. Our newbuilding program is the primary platform for growth for our brands that are operating in established cruise markets. We currently have 13 cruise ships scheduled to enter service between February 2010 and June 2012, six of which will enter service in 2010. Our current intention is to have an average of two to three new cruise ships enter service annually in 2012 and beyond. Based on our current ship orders, our growth rate in North America, which is the most developed cruise region, is 3%, compounded annually through 2012. However, the majority of our growth over the next three years will come from our European brands, which are in an earlier stage of market development, and are expected to grow by 9%, compounded annually through 2012. As previously announced, we also intend to grow our presence in emerging growth markets, such as Australia and New Zealand, Asia and South America, by redeploying some of our existing ships to these markets in order to develop an increasing awareness and appetite for cruising.

Our operating structure is decentralized, with each of our major brands having its own headquarters and operating team, which we believe helps create an ownership culture that is an important driver of our performance. We believe this decentralized approach results in delivering a product that is specifically tailored to identifiable geographic regions and lifestyles, which allows us to more effectively penetrate each market. Although we operate under this decentralized structure, we leverage our size to obtain economies of scale and synergies, which reduces costs by consolidating our purchasing power and implementing common cost-containment initiatives, such as common reservation systems, coordinated media buying, tour business integration, cross-selling, shared data centers and shared port facilities.

We believe the successful execution of these and other ongoing strategies has enabled us to become one of the most profitable companies in the vacation industry, while maintaining the industry's highest credit rating.

Health, Environment, Safety and Security Policy

We are committed to:

- Protecting the health, safety and security of our guests, employees and all others working on our behalf, thereby promoting an organization that is free of injuries, ill health and loss.
- Protecting the environment, including the marine environment in which our vessels sail and the communities in which we operate, minimizing adverse environmental consequences and using resources efficiently.
- Fully complying with or exceeding all legal and statutory requirements related to health, environment, safety and security throughout our business activities.
- Assigning health, environment, safety and security matters the same priority as other critical business matters.

B. Cruise Operations

I. Industry Background

The multi-night cruise industry has grown significantly over the past decade, but still remains a relatively small part of the wider global vacation market in which cruise companies compete for the discretionary income spent by vacationers. According to G.P. Wild (International) Limited ("G.P. Wild"), an independent cruise research company, the global cruise industry carried 16.2 million passengers in 2008 and we estimate, based on internally developed global capacity growth rates, that the global cruise industry carried approximately 17.2 million passengers in 2009. The principal regions from which cruise passengers are sourced are North America, which has increased by an estimated compound annual growth rate of 4.6% between 2003 and 2008, and Western Europe where cruise passengers have increased by a compound annual growth rate of approximately 10.2%. In Europe, cruising represents a smaller proportion of the overall vacation market than it does in North America and, accordingly, we believe the European market has significant growth potential. We also believe that the North American market continues to have growth potential. Other areas such as Australia and New Zealand, Asia and South America are currently a source of fewer cruise passengers, and we believe these regions also have significant growth potential. For a discussion of the favorable characteristics of the cruise industry, which we believe enables it to have these favorable growth prospects, see Part I, Item 1. Business. B. "Cruise Operations - Characteristics of the Cruise Vacation Industry." During 2009, 2008 and 2007, 48%, 45% and 40% of our revenues were generated from passengers sourced outside North America, respectively, as we continue to expand our global presence. See Note 11, "Segment Information" to our Consolidated Financial Statements in Exhibit 13 to this Form 10-K for financial information regarding our cruise segment.

Cruising offers a broad range of products to suit vacationing guests of many ages, backgrounds and interests. Cruise brands can be broadly classified as offering contemporary, premium and luxury cruise experiences. The contemporary experience typically includes cruises on larger ships that last seven days or less, have a more casual ambiance and are less expensive than premium or luxury cruises. The premium experience typically includes cruises on more intermediate-sized ships that last from seven to 14 days and appeal to the more experienced cruise guest who is usually more affluent and older. Premium cruises emphasize quality, comfort, style, more destination-focused itineraries and the average pricing is normally higher than contemporary cruises. The luxury experience is usually characterized by small vessel size, very high standards of accommodation and service, higher prices and exotic itineraries to ports which are inaccessible to larger ships. Notwithstanding these broad classifications, there generally is significant overlap and competition among all cruise products.

We are a leading provider of cruise vacations in all the largest vacation markets in the world, which are comprised of North America, Europe, Australia and New Zealand, Asia and South America. We have product offerings in each of the three classifications noted above. A description of the principal vacation areas where we source substantially all of our guests and our brands that market primarily to these vacationers is discussed below.

II. North America

Approximately 63% of the cruise passengers in the world are sourced from North America, where cruising has developed into a mainstream alternative to land-based vacations. Approximately 10.3 million North American-sourced cruise passengers took cruise vacations for two or more consecutive nights in 2008, and we estimate that approximately 10.4 million passengers cruised in 2009. This market has grown significantly in prior years and we expect that it will continue to grow in the future as new capacity is introduced.

The weighted-average aggregate passenger capacity that has been or is expected to be marketed by the total cruise industry and us in North America is as follows(a):

Year	Total Cruise Industry	Carnival Corporation & plc
2009	209,000	106,000
2010	218,000	109,000
2011	232,000	113,000
2012	241,000	116,000

(a) Our estimates of capacity do not include assumptions related to unannounced ship withdrawals due to factors such as the age of ships or changes in the location from where ships' guests are predominantly sourced and, accordingly, our estimates could indicate a higher percentage growth in North American capacity than will actually occur. These figures also include some ships that were, or are expected to be, marketed in both North America and elsewhere during different times of the year.

The industry's and our net capacity serving North American-sourced cruise guests has increased at a compound annual growth rate of 2.5% and 4.8%, respectively, for the past three years. The industry's and our compound annual net capacity growth rate is currently expected to be 4.7% and 3.1%, respectively, for the next three years, based on the assumptions discussed above.

The locations visited by North American-sourced cruise guests in 2009 included the Caribbean (including the Bahamas), Mexican Riviera, the Mediterranean, Alaska, Northern Europe, New England and Canada, Bermuda, Hawaii, the Panama Canal and other exotic locations, such as South and Central America, the South Pacific islands, Australia, the Far East and India.

Carnival Cruise Lines, Princess, Holland America Line and Seabourn source their guests primarily from North America. Costa and Cunard also source some of their guests from North America.

Carnival Cruise Lines, which began operations in 1972, is our largest brand and is a leader in offering fun, memorable vacations at an affordable price. This brand is widely recognized as the “Fun Ships,” with 22 contemporary ships operating voyages generally from three to eight days. These ships call year-round in ports in the Caribbean (including the Bahamas) and the Mexican Riviera. In addition, they sail on seasonal cruises to Alaska, Bermuda, Canada/New England, Europe, Panama Canal, South America and the Hawaiian Islands. Carnival Cruise Lines will operate from 19 North American homeports in 2010; the most of any cruise brand. In September 2009, Carnival Cruise Lines took delivery of its largest cruise ship, the 3,642-passenger *Carnival Dream*. Offering a host of innovations including, among others, the largest WaterWorks aqua park at sea, a two-level Serenity adults-only retreat, an entertainment venue called Ocean Plaza and an indoor/outdoor cafe, *Carnival Dream* is the first in a new class of *Dream* ships. The line has two additional “*Dream*-class” ships contracted for delivery, one in 2011 and one in 2012. In addition, Carnival Cruise Lines continues to invest in its current fleet, including the $250 million Evolutions of Fun℠ product enhancement initiative for its eight *Fantasy* Class vessels. In 2009, *Carnival Sensation* and *Carnival Ecstasy* were the latest ships to undergo these enhancements, which include upgrades to all guest accommodations, a new water park, resort-style pool and the addition of an adults-only deck area.

The brand strives to reconnect guests to the fun in life. A Carnival Cruise Lines vacation offers award-winning dining, spectacular entertainment, spacious staterooms, innovative children’s programming, revitalizing spa services and action-packed casinos. In 2009, Carnival Cruise Lines launched the Your Choice Dining℠ program, further enhancing the onboard dining experience with added flexibility and convenience. Carnival Cruise Lines sets the fun in motion and its “FUN FOR ALL. ALL FOR FUN.” brand promise captures the authentic spontaneous fun of the Carnival Cruise Lines experience. This spirit, when combined with a culture that prides itself on innovation, positions the brand well to continue to grow and retain its standing as a cruise market leader.

Princess, whose brand name was made famous by the *Love Boat* television show, has been providing cruises since 1965. Princess, the world’s third largest cruise line, operates a fleet of 17 modern ships. Princess offers over 125 unique itineraries to more than 330 destinations, with cruises generally from seven to 14 days, and two world cruises in 2010 of 104 and 107 days. Princess is a leading cruise line in international and exotic regions all over the world, including Alaska, Africa, Asia, Europe, South Pacific islands, Australia, and South America. Some of Princess’ Caribbean cruise offerings feature a private island destination that Princess leases and operates, known as Princess Cays which is located on the island of Eleuthera in the Bahamas.

Princess is widely recognized among travel agents as an innovative, premium cruise line committed to helping its guests Escape Completely® from their daily routine and responsibilities. Princess ships have a warm, welcoming “comfortable elegance,” providing a relaxed, rejuvenating retreat from which to explore the world, befitting its mission to be The Consummate Host® to its guests.

The introduction of *Ruby Princess* in 2008 represented the ninth ship in the evolving Grand Class series of vessels, featuring signatures such as “Movies Under the Stars” outdoor theaters showing first-run Hollywood hits on a 330 square foot outdoor poolside LED screen, the adults-only sanctuary retreat deck and the Piazza atrium experience. While these innovations were launched on Grand Class vessels, Princess is now introducing these amenities throughout its fleet. At least 56% of each of these Grand Class ship’s staterooms have balconies, another characteristic of Princess’ ships.

Holland America Line, with 136 years of cruising experience, operates a premium fleet of 14 ships, with one additional ship, *Nieuw Amsterdam* contracted for delivery in 2010. Holland America Line cruises call at more than 320 destinations in more than 100 countries and territories on all seven continents. The majority of Holland America Line’s cruises are from seven to 21 days. However there are several longer and more exotic cruises, such as the world cruise which lasts 114 days. Most sailings in the Caribbean visit Holland America Line’s private island in the Bahamas, Half Moon Cay. Holland America’s fleet of mid-sized ships is designed for more intimate cruising. The spacious, classically-designed ships feature airy viewing lounges, wraparound teak decks and private, roomy verandahs that offer guests the chance to experience wildlife and scenery.

As Holland America Line introduces new guests to its premium brand, the brand also continues to enjoy one of the highest rates of repeat cruisers in the cruise industry. Its onboard experience is distinguished by warm, personalized service, a classic and elegant approach to interior design and one of the most extensive collections of art and antiques at sea. The five areas identified as pillars of the Holland America guest experience are (1) spacious, elegant ships and accommodations, (2) sophisticated five-star dining, (3) gracious, award-winning service, (4) extensive enrichment programs and activities and (5) compelling worldwide itineraries.

The Signature of Excellence® product enhancement initiative announced over six years ago has evolved into an ongoing and comprehensive review of every aspect of the Holland America Line guests’ experience and represents a $525 million investment in the brand. Signature of Excellence® features and amenities include upgrades to all guest accommodations, such as new flat panel televisions and plush Euro-top “Dream Beds,” resort-style pools with giant LED screens overlooking them, state-of-the-art onboard show kitchens, more enticing destinations, enhanced dining experiences, such as the popular casual Canaletto Restaurant, more creative activities and even higher levels of service.

Seabourn provides ultra-luxury cruising vacations in a unique, small-yacht style that focuses on personalized services, all-suite accommodations, superb cuisine and unique experiences. Consistently rated among the top vacation choices, Seabourn pampers its guests with complimentary open bars, open-seating restaurants and value-added extras such as Massage Moments℠ on deck, Caviar in the Surf℠ beach parties and water sports from the yachts’ fold-down marina. Seabourn’s ships offer destinations throughout the world, including Europe, Asia, the South Pacific islands, Australia and the Americas, with cruises generally from seven to 14 days, with some of longer length, including a 108 day world cruise. Seabourn currently operates three 208-guest yachts and one 450-guest yacht and will continue its fleet expansion with two additional 450-guest yachts, one in 2010 and one in 2011, *Seabourn Sojourn* and *Seabourn Quest*, respectively. These larger yachts offer more categories of luxury suites, more dining alternatives and an 11,400-square foot spa facility that is the largest on any ultra-luxury vessel. All the Seabourn yachts have a service ratio of nearly one staff member per guest, and the intimate, sociable atmosphere that has been the hallmark of the Seabourn yachting lifestyle for over 21 years. During 2009 and 2010, the original three 208-guest yachts, *Seabourn Pride*, *Seabourn Spirit* and *Seabourn Legend,* are each scheduled for an interior refurbishment of public areas to more closely match the recently delivered *Seabourn Odyssey*.

III. Europe

We believe that Europe is the largest single leisure travel vacation market in the world, but to date cruising in Europe has achieved a much lower level of market penetration than in North America, and represents a relatively small percentage of the European vacation market. Approximately 4.4 million European-sourced passengers took cruise vacations for two or more consecutive nights in 2008 compared to approximately 10.3 million North American-sourced passengers. Additionally, we estimate that about 4.9 million European-sourced passengers took a cruise in 2009, which was approximately the same size as the North American market in 1997. The number of European cruise passengers increased by a compound annual growth rate of approximately 10.8% between 2003 and 2008. We believe that the European market represents a significant growth opportunity for us, and we plan to introduce a number of new ships into Europe over the next several years. In addition to increasing our European revenues, these capacity increases should further benefit us by enabling us to achieve increasing economies of scale. Over 20,000 berths, or 66%, of our passenger capacity under construction has been designated for our European brands. Our European brands represent 33% of our total capacity at November 30, 2009, and we expect them to increase to 37% of our total capacity by 2012, assuming no new acquisitions, transfers or withdrawals are announced other than as previously discussed.

The weighted-average aggregate passenger capacity that has been or is expected to be marketed by the total cruise industry and us in Europe is as follows(a):

Year	Total Cruise Industry	Carnival Corporation & plc
2009	139,000	59,000
2010	154,000	65,000
2011	159,000	70,000
2012	164,000	75,000

(a) Our estimates of European capacity are based on similar assumptions as discussed previously for our North American estimates.

The industry’s and our net capacity serving European-sourced cruise guests has increased at a compound annual growth rate of 12.0% and 13.6%, respectively, for the past three years. The industry’s and our compound annual net capacity growth rate is currently expected to be 5.8% and 8.9%, respectively, for the next three years.

The locations visited by European-sourced cruise guests in 2009 included the Mediterranean, the Caribbean, Bermuda, Northern Europe (including Scandinavia and the Baltic), the Atlantic Isles (including the Canary Islands and Madeira), the Arabian Gulf and Indian Ocean, New England and Canada and other exotic locations around the world.

a. United Kingdom

The UK is one of the largest regions from which cruise passengers are sourced in Europe. Approximately 1.5 million UK passengers took cruises in 2008, and we estimate that a similar number also took cruises in 2009. Cruising in the UK is an established alternative to land-based resort and sightseeing vacations. The number of UK cruise passengers increased by a compound annual growth rate of approximately 8.9% between 2003 and 2008. We believe that the UK has growth potential for the cruise industry because the market penetration level is estimated at approximately 80% of North America’s market penetration level.

P&O Cruises sources substantially all of its guests from the UK. Cunard sources most of its guests from the UK, North America, Germany and Australia. Our North American brands and Costa also source some guests from the UK. Our UK Ocean Village brand is being phased-out with the transfer of its ships to P&O Cruises Australia. The first ship was transferred in November 2009 and the second ship is planned to be transferred in November 2010.

P&O Cruises, with over 170 years of cruising experience, is the largest cruise operator and best known cruise brand in the UK, with six premium ships, and one additional ship, *Azura,* contracted for delivery in 2010. *Artemis* will leave the fleet in April 2011, as it was sold in October 2009 and is currently being chartered back. *Artemis* will be replaced by *Adonia*, which is currently sailing as *Royal Princess*. She will be the smallest ship in the fleet with a 710-passenger capacity, and will take over the small ship, traditional, adult-only product offering. These ships cruise to over 205 destinations in 74 countries, with most cruises generally from seven to 16 days, but with some cruises lasting longer, including three world cruises ranging from 84 to 104 days. P&O Cruises offers cruises from Southampton, England to the Mediterranean, the Atlantic Isles, the Baltic, Scandinavia and the Norwegian Fjords for the majority of the year, and primarily operates Caribbean cruises and a choice of world cruises during the fall and winter.

The recent P&O Cruises fleet expansion has enabled P&O Cruises to offer a more modern style of cruising to its UK cruise guests and broaden its appeal, reaching younger guests with and without families, while retaining older and more traditional British guests. *Artemis* and *Arcadia* are adult-only ships, which generally appeal to an older demographic, while the rest of the fleet is well-suited towards families.

P&O Cruises' ships deliver a world of extraordinary experiences for guests by ensuring that they offer a high quality distinctly British experience, which is described by regular guests as "like coming home" every time they return for a P&O Cruises holiday. The P&O Cruises ships are different from one another, which allows the British guest to tailor their holiday by selecting the ship that best reflects their holiday requirements. It also means that repeat customers can enjoy different P&O Cruises ship experiences each time they sail.

Ventura and *Oceana* offer a more contemporary and innovative experience with a more informal atmosphere and range of alternative dining venues, from restaurants and buffets to grills and bistros. The elegant superliners *Arcadia, Aurora* and *Oriana* offer a stylish and classic cruise experience with their broad decks, traditional artwork and blend of formal and informal onboard experiences. *Artemis,* the smallest ship in the P&O Cruises fleet, offers a more traditional and intimate experience, calling on ports not visited by larger vessels and fostering a real sense of camaraderie between her guests.

Cunard, which was launched in 1839 and has the Most Famous Ocean Liners In The World^{SM}, operates two premium/luxury ships that evoke a golden era of luxurious cruising with one additional ship, *Queen Elizabeth*, contracted for delivery in 2010. Cunard's flagship, *Queen Mary 2*, is the largest and grandest ocean liner in the world and operates the northern transatlantic crossing route as well as a world cruise, Mediterranean and Northern European voyages and a fall Caribbean program. Cunard's newest ship, *Queen Victoria*, is a marriage of heritage and innovation with a three tier grand lobby that offers a sense of the lavish lifestyle that its guests experience onboard. *Queen Victoria* will embark on a world cruise prior to sailing out of Southampton throughout the summer of 2010 on a series of Northern Europe and Mediterranean voyages followed by a fall Mediterranean program. Most of Cunard's voyages range from seven to 14 days with two world cruises of 96 and 101 days.

b. <u>Continental Europe</u>

The main countries in continental Europe for sourcing cruise passengers are Germany, Italy, France and Spain. Together, these main countries generated approximately 2.4 million cruise passengers in 2008 and we estimate that approximately 2.8 million passengers took a cruise in 2009. Cruising by passengers from these countries increased by a compound annual growth rate of approximately 11.7% between 2003 and 2008. We believe that continental Europe has significant growth potential for the cruise industry because the market penetration level is estimated at approximately one-third of North America's market penetration level. We intend to increase our penetration in continental Europe primarily through Costa, AIDA and Ibero.

Costa is Italy's and Europe's #1 Cruise Line based on guests carried and ship capacity, and boasts over 61 years of cruising history. Costa is one of the most recognized cruise brands marketed in Europe. In 2009 Costa took delivery of two new cruise ships and now operates 14 contemporary ships, with three additional ships, *Costa Deliziosa*, *Costa Favolosa* and *Costa Fascinosa,* contracted for delivery, one in each of 2010, 2011 and 2012. This is the largest increase in passenger capacity currently on order by any cruise brand. With these three new ship additions, net of *Costa Europa* leaving the fleet in 2010, Costa's existing capacity will grow by 24%.

Costa offers guests an international and multi-lingual ambiance with an Italian touch. Costa principally serves customers in Italy, France, Germany and Spain, but its 1.3 million guests in 2009 came from over 170 countries. The Costa brand offers a more traditional product catering to an older demographic in Germany and a higher-end contemporary product in Spain and thus segments these markets where we also own and operate the AIDA and Ibero brands.

The Costa ships call on 250 ports around the world, with 100 different itineraries, most from seven to 11 days. Costa's ships operate in Europe from spring to fall. From fall 2009 to spring 2010 Costa repositioned three of its ships to the Caribbean, three of its ships to South America, two of its ships to the Arabian Gulf to be based in Dubai, United Arab Emirates ("U.A.E."), one of its ships to the Indian Ocean to be based from the Island of Mauritius, one ship offering 18-day winter cruises between Savona, Italy and Dubai, U.A.E. and maintains a year-round presence with three of its ships in the Mediterranean. See Part I, Item 1. Business. B. "Cruise Operations – Asia" for additional discussion of Costa's expanding operations in Asia.

AIDA, which began operating in 1996, sources substantially all of its guests from Germany, Austria, and German-speaking Switzerland, and is the leader and most recognized cruise brand in the German cruise market. AIDA operates six contemporary ships, with three additional ships contracted for delivery, one in each of 2010, 2011 and 2012. With these three new ship additions, AIDA's existing capacity will grow by 67%. AIDA's current generation of vessels, including *AIDAdiva, AIDAbella* and *AIDAluna,* which AIDA took delivery of in 2007, 2008 and 2009, respectively, are innovative. For example, AIDA introduced the "Theatrium," a completely new space concept that provides guests a central meeting space and an enhanced entertainment venue. For the next three newbuilds, commencing with the *AIDAblu* in 2010, the spa concept has been further developed, including 30 spa suites and veranda cabins. Additional product innovations on *AIDAblu* will be the Brauhaus, the first brewery on a cruise ship.

AIDA's product is especially tailored for the German-speaking market and offers an exceptionally relaxed, yet active, cruising experience with an emphasis on lifestyle, choice, informality, friendliness and activity. Spa and fitness areas and a variety of dining options, ranging from informal, but excellent quality buffets, to grills and exclusive restaurants, characterize the experience onboard the vessels.

AIDA offers its guests cruises generally from four to 14 days, while calling on approximately 140 ports. During the summer, the AIDA ships sail in the Mediterranean, the North Sea, the Baltic Sea and Canada/New England, while itineraries for the winter include the Caribbean, Central America, the Western Mediterranean, the Atlantic Isles, the Arabian Gulf and Trans-Suez Canal passages. In the fall of 2009, AIDA began offering Southeast Asia cruises, which visit Singapore, Thailand, Vietnam, India and other countries in this region.

In July 2009, we purchased the remaining 25% minority interest in Ibero, which is our wholly-owned Spanish cruise line that began operations in 2003. Ibero currently operates three contemporary cruise ships and generally offers cruises of seven days. In November 2009, we transferred Carnival Cruise Lines' 1,440-passenger capacity *Holiday* to Ibero. The renamed *Grand Holiday* is currently undergoing a multi-million dollar refurbishment, which includes, among other things, the remodeling of guest accommodations and public areas and enhancing the spa facilities, before her first sailing in May 2010. Substantially all of Ibero's guests are sourced from Spain and Brazil. Ibero's ships are especially tailored to the Spanish market, including Spanish-speaking officers and crew as well as Mediterranean and Spanish-style food and entertainment. Ibero's three ships in operation were repositioned to South America in November 2009 to operate Ibero cruises along the Brazilian coast through March 2010. Eight different itineraries are being offered from the homeports of Santos and Rio de Janeiro, Brazil. From March/May to October 2010, all of Ibero's ships will offer seven-day Mediterranean and Northern European sailings from Barcelona and Malaga, Spain; Venice, Italy; Athens, Greece; Istanbul, Turkey; Copenhagen, Denmark and Helsinki, Finland.

IV. Australia and New Zealand

Cruising in Australia and New Zealand continues to develop. We estimate that approximately 340,000 Australians and New Zealanders took cruise vacations in 2008 and we estimate that approximately 425,000 passengers cruised in 2009. Cruising by passengers from these countries increased by a compound annual growth rate of approximately 15.1% between 2003 and 2008. We serve this region primarily through the contemporary P&O Cruises Australia brand, which is the leading cruise line in Australia and New Zealand. In addition, our premium brand Princess Cruises has a significant presence in the Australian market, thus allowing us to segment this market. We believe that the Australian and New Zealand market has significant growth potential for the cruise industry because the market penetration level is estimated at approximately 44% of North America's market penetration level.

P&O Cruises Australia, with over 75 years of cruising experience, caters specifically to Australians and New Zealanders. P&O Cruises Australia is more than doubling its fleet capacity with the transfer of the two Ocean Village ships. The first ship was transferred in November 2009 and was renamed *Pacific Jewel.* *Pacific Jewel* has just completed a multi-million dollar refurbishment and has more balconies than any contemporary ship deployed year-round from Australia, an on-deck high wire circus show and the "Salt Grill" restaurant, a new dining concept developed with Australia's first cruise celebrity chef, Luke Mangan. The second ship is planned to be transferred in November 2010 and will be renamed *Pacific Pearl*. *Pacific Pearl* will also undertake a major refurbishment prior to her deployment in the Australian and New Zealand markets with an emphasis on tailoring the vessel for family cruising.

Its three contemporary ships, *Pacific Dawn, Pacific Jewel* and *Pacific Sun,* generally offer cruises from seven to 10 days. The ships are homeported from Sydney and Brisbane, Australia and Auckland, New Zealand. In 2010, with the introduction of the *Pacific Jewel*, P&O Cruises Australia will also start homeporting from Newcastle and Fremantle, Australia. These cruises enable guests to discover the islands of the South Pacific from New Caledonia to Tahiti, as well as exploring Australia's magnificent coast line, New Zealand and Asia.

Princess deploys both *Sun Princess* and *Dawn Princess* in the Australian market on a year-round basis for cruises departing from the homeports of Fremantle, Melbourne and Sydney, Australia. Princess' cruises visit the South Pacific islands, Australia, New Zealand and Asia; and generally range from 13 to 17 days, with one world cruise of 104 days.

V. <u>Asia</u>

We began sourcing passengers from China and the surrounding markets in 2006. In 2008, we carried approximately 19,000 Chinese guests on cruise vacations and in 2009 we carried 33,000 Chinese guests, a 74% increase. We source most of our Chinese guests from the cities of Beijing and Shanghai and the province of Guangdong, which have a combined population of over 130 million. Tourism is one of the most rapidly growing sectors in the Chinese economy as Chinese discretionary income has increased by a compound average growth rate of 10.4% over the last five years. More than 40 million Chinese tourists traveled abroad in 2007. This figure is forecast by us to increase to over 50 million by 2010. We believe this market has significant cruise industry growth potential given its early stage of development, large population, easing of travel restrictions and expanding international tourist travel.

Costa Asia began its contemporary cruise operations in July 2006 with *Costa Allegra* being homeported out of China to cater primarily to the Chinese and surrounding markets. Costa was the first international cruise line to homeport a ship in China. During 2009, *Costa Classica* began operating cruises tailored specifically to Chinese guests; more than doubling Costa Asia's capacity in this market. The Chinese vacation market is highly seasonal with short cruises offered primarily to Chinese and surrounding market vacationers during the peak Chinese holiday seasons and longer Far East cruises offered principally to Europeans during the non-peak Chinese vacation months. *Costa Allegra* will be offering 14-day cruises from Singapore until the end of March 2010. Then she will move to Europe and be replaced by the larger 1,344-passenger capacity *Costa Romantica*. *Costa Romantica* will be dedicated mainly to the local market offering from three to six-day cruises from Tianjin and Shanghai, China until October 2010, and then offering two longer cruises to Singapore before repositioning to Mauritius in late November 2010. *Costa Classica* will be offering 14 and 15-day cruises from Hong Kong in January, March and April 2010 and will be the first ship offering four-day cruises from Hong Kong in February. In May, July, August, September and October 2010 she will be offering from three to six-day cruises from Shanghai. In June 2010, *Costa Classica* will be sailing from 4 to 6-day cruises out of Hong Kong offering cruises direct from mainland China to Taiwan.

These ships are tailored to the Chinese market, serving Chinese style food and beverages, offering mah-jongg tables in the casino and providing high-end well-known luxury brands in their retail shops. The Costa Asia product is unique, bringing a high European standard of holiday cruising to Chinese and surrounding market guests in their own locality.

VI. <u>South America</u>

For many years cruise vacations have been marketed in South America, principally to Brazilian and Argentinean-sourced passengers, although cruising as a vacation alternative remains in a relatively early stage of development in the region. Brazil has a population of slightly under 200 million, and their discretionary incomes are expected to grow significantly in the future. Based on our internal estimates, approximately 380,000 Brazilians and Argentineans took a cruise vacation in 2008 and almost half of these guests sailed on a Carnival Corporation & plc brand, and we estimate 550,000 took a cruise vacation in 2009, which is approximately 5% of North America's market penetration level. Accordingly, we believe this region has significant cruise growth potential.

Cruises from South America typically occur during the Southern Hemisphere summer months of November through March. For many years our presence was primarily through the Costa brand, which is operating three vessels in winter 2010 in this region, the *Costa Concordia*, *Costa Magica* and *Costa Victoria*, totaling 7,608 lower berths. These ships depart from Santos and Rio de Janeiro, Brazil and Buenos Aires, Argentina; with itineraries that put the spotlight on discovering Northeast and Southern Brazil, Uruguay and Argentina. In addition, as previously mentioned, Ibero has deployed three of its ships to Brazil from November 2009 to March 2010, offering eight different Brazilian coast itineraries from the homeports of Santos and Rio de Janeiro, Brazil.

VII. Ship Information

a. Ships In Service

Summary information of our ships in service as of January 28, 2010 is as follows:

Brand and Ship	Registry	Calendar Year Delivered	Passenger Capacity
Carnival Cruise Lines			
Carnival Dream	Panama	2009	3,642
Carnival Splendor	Panama	2008	2,998
Carnival Freedom	Panama	2007	2,966
Carnival Liberty	Panama	2005	2,966
Carnival Valor	Panama	2004	2,966
Carnival Miracle	Panama	2004	2,118
Carnival Glory	Panama	2003	2,966
Carnival Conquest	Panama	2002	2,966
Carnival Legend	Panama	2002	2,118
Carnival Pride	Panama	2001	2,118
Carnival Spirit	Panama	2001	2,120
Carnival Victory	Panama	2000	2,750
Carnival Triumph	Bahamas	1999	2,750
Carnival Paradise	Panama	1998	2,048
Carnival Elation	Panama	1998	2,050
Carnival Destiny	Bahamas	1996	2,634
Carnival Inspiration	Bahamas	1996	2,050
Carnival Imagination	Bahamas	1995	2,050
Carnival Fascination	Bahamas	1994	2,050
Carnival Sensation	Bahamas	1993	2,050
Carnival Ecstasy	Panama	1991	2,050
Carnival Fantasy	Panama	1990	2,054
Total Carnival Cruise Lines			54,480
Princess			
Ruby Princess	Bermuda	2008	3,084
Emerald Princess	Bermuda	2007	3,082
Crown Princess	Bermuda	2006	3,080
Sapphire Princess	Bermuda	2004	2,678
Caribbean Princess	Bermuda	2004	3,114
Diamond Princess	Bermuda	2004	2,678
Island Princess	Bermuda	2003	1,974
Coral Princess	Bermuda	2002	1,974
Star Princess	Bermuda	2002	2,598
Royal Princess(a)	Bermuda	2001	710
Golden Princess	Bermuda	2001	2,636
Ocean Princess	Bermuda	2000	676
Pacific Princess	Bermuda	1999	676
Sea Princess	Bermuda	1998	2,016
Grand Princess	Bermuda	1998	2,592
Dawn Princess	Bermuda	1997	1,998
Sun Princess	Bermuda	1995	2,022
Total Princess			37,588
Costa			
Costa Pacifica	Italy	2009	2,978
Costa Luminosa	Italy	2009	2,260
Costa Serena	Italy	2007	2,978
Costa Concordia	Italy	2006	2,978
Costa Magica	Italy	2004	2,702
Costa Fortuna	Italy	2003	2,702
Costa Mediterranea	Italy	2003	2,114
Costa Atlantica	Italy	2000	2,114
Costa Victoria	Italy	1996	1,928
Costa Romantica	Italy	1993	1,344
Costa Allegra	Italy	1992	784
Costa Classica	Italy	1991	1,302
Costa Marina	Italy	1990	754
Costa Europa(b)	Italy	1986	1,488
Total Costa			28,426

Brand and Ship	Registry	Calendar Year Delivered	Passenger Capacity
Holland America Line			
Eurodam	Netherlands	2008	2,104
Noordam	Netherlands	2006	1,918
Westerdam	Netherlands	2004	1,916
Oosterdam	Netherlands	2003	1,916
Zuiderdam	Netherlands	2002	1,916
Zaandam	Netherlands	2000	1,432
Amsterdam	Netherlands	2000	1,380
Volendam	Netherlands	1999	1,432
Rotterdam	Netherlands	1997	1,404
Veendam	Netherlands	1996	1,350
Ryndam	Netherlands	1994	1,260
Maasdam	Netherlands	1993	1,258
Statendam	Netherlands	1993	1,258
Prinsendam	Netherlands	1988	834
Total Holland America Line			21,378
P&O Cruises			
Ventura	Bermuda	2008	3,078
Arcadia	Bermuda	2005	2,016
Oceana	Bermuda	2000	2,016
Aurora	Bermuda	2000	1,870
Oriana	Bermuda	1995	1,818
Artemis(c)	Bermuda	1984	1,200
Total P&O Cruises			11,998
AIDA			
AIDAluna	Italy	2009	2,050
AIDAbella	Italy	2008	2,050
AIDAdiva	Italy	2007	2,050
AIDAaura	Italy	2003	1,266
AIDAvita	Italy	2002	1,266
AIDAcara	Italy	1996	1,180
Total AIDA			9,862
Ibero			
Grand Voyager	Portugal	2000	832
Grand Mistral	Portugal	1999	1,244
Grand Celebration	Portugal	1987	1,494
Grand Holiday	Portugal	1985	1,440
Total Ibero			5,010
P&O Cruises Australia			
Pacific Dawn	UK	1991	1,596
Pacific Jewel	UK	1990	1,668
Pacific Sun	UK	1986	1,480
Total P&O Cruises Australia			4,744
Cunard			
Queen Victoria	UK	2007	1,988
Queen Mary 2	UK	2003	2,620
Total Cunard			4,608
Ocean Village(d)			
Ocean Village	UK	1989	1,578
Seabourn			
Seabourn Odyssey	Bahamas	2009	450
Seabourn Legend	Bahamas	1992	208
Seabourn Spirit	Bahamas	1989	208
Seabourn Pride	Bahamas	1988	208
Total Seabourn			1,074
Total			180,746

(a) *Royal Princess* will be transferred to P&O Cruises UK in April 2011 and be renamed *Adonia*.
(b) *Costa Europa* will be operated by an unrelated entity under a long-term bareboat charter agreement, commencing April 2010 and expiring April 2020.
(c) *Artemis* was sold in October 2009 to an unrelated entity and is being operated by P&O Cruises under a bareboat charter agreement until April 2011.
(d) The Ocean Village brand is being phased-out with the planned transfer of its ship to P&O Cruises Australia in November 2010.

b. Ships Under Contract for Construction

Summary information of our ships under contract for construction as of January 28, 2010 is as follows:

Brand and Ship	Expected Service Date(a)	Passenger Capacity
Carnival Cruise Lines		
Carnival Magic	5/11	3,690
Newbuild	6/12	3,690
Total Carnival Cruise Lines		7,380
Costa		
Costa Deliziosa	2/10	2,260
Costa Favolosa	7/11	3,012
Costa Fascinosa	5/12	3,012
Total Costa		8,284
Holland America Line		
Nieuw Amsterdam	7/10	2,106
P&O Cruises		
Azura	4/10	3,100
AIDA		
AIDAblu	2/10	2,192
AIDAsol	4/11	2,194
Newbuild	5/12	2,194
Total AIDA		6,580
Cunard		
Queen Elizabeth	10/10	2,092
Seabourn		
Seabourn Sojourn	6/10	450
Seabourn Quest	6/11	450
Total Seabourn		900
Total		30,442

(a) The expected service date is the month in which the ship is currently expected to begin its first revenue generating cruise. All of our ship construction contracts are with the Fincantieri shipyards in Italy, except for AIDA's which are with the Meyer Werft shipyard in Germany and Seabourn's which are with the T. Mariotti shipyard in Italy.

VIII. Characteristics of the Cruise Vacation Industry

a. Exceptional Value Proposition

We believe that the cost to a guest for a cruise vacation represents an exceptional value in comparison to other comparable land-based vacations. This is especially true when considering that a cruise provides its guests with transportation to various destinations, while also providing hotel accommodations, food and some entertainment for one all-inclusive, competitive price. In order to make cruising even more cost effective and more easily accessible to our guests, we offer a number of drive-to-homeports, which reduces certain cruise guests' overall vacation costs because the air transportation costs are eliminated.

b. Relatively Low Market Penetration Levels

Based on industry data, the 2008 annual penetration rate, computed based on the number of annual cruise passengers as a percentage of the total population, is 3.0% for North America, 2.4% in the UK, 0.9% in continental Europe (continental Europe represents Germany, Italy, France, Spain and Portugal) and 1.3% for Australia and New Zealand. Only about 20% of the U.S. population, 9 to 10% of the UK population and 4 to 5% of the continental European population have ever taken a cruise. In addition, Europeans have significantly more vacation days in a year than North Americans, which presents opportunities for increases in the European penetration levels as compared to the level in North America.

Elsewhere in the world, such as Asia and South America, cruising is at an early stage of development and has far lower penetration rates. However, there have been an increasing number of these relatively lower penetrated countries in the world where economic growth has fueled an increasing demand for vacations, including cruising.

c. Wide Appeal

Cruising appeals to a broad range of ages and income levels. The average age of a cruise guest in North America is 48 years old and we believe that it is a similar age for the rest of the world. However, cruising is designed to provide something for every generation, from the youth clubs for four to five year olds to the elegance, style and sophistication of a bygone era provided to our more senior guests. Cruising also offers a very broad range of price points to attract people from substantially all income levels. The range of pricing can vary from a three-day cruise from a local homeport in an inside state room on a contemporary line to a penthouse suite on a world cruise, on a premium or luxury line.

d. Positive Guest Demographics

The age of the U.S., Canadian and Western European populations is increasing, primarily as a result of the aging of the Baby-Boom generation and healthcare advancements. Therefore, between 2010 and 2020, the number of people in the cruise industry’s primary age group of 45 years and older are expected to grow by 20 million, or 15%, in the U.S. and Canada, and 17 million, or 12%, in the major Western European countries. We believe the cruise industry is well-positioned to take advantage of these favorable demographic trends impacting its major markets.

e. High Guest Satisfaction Rates

Cruise guests tend to rate their overall satisfaction with a cruise-based vacation higher than comparable land-based hotel and resort vacations. According to industry surveys, North American cruise guests have a total satisfaction rating of 95%, with nearly 45% of cruise guests stating that they are extremely satisfied with the experience, which is defined in the surveys as the highest satisfaction rating of any vacation alternative they have experienced. Based on our internal surveys our European cruise guests are very satisfied with their cruise vacations, which we believe is a very positive response to our European cruise offerings.

f. Favorable Supply Versus Demand Balance

Our current intention is to have an average of two to three new cruise ships enter service annually in 2012 and beyond, which is below our recent growth levels. In addition we believe that some of our competitors will also be slowing down their future capacity growth, as evidenced by some recent cancellations of ship orders and the expiration of their options to purchase new ships. Moreover, due to the significant amount of capital required to purchase a new cruise ship and the complexities surrounding their operation, the cruise industry has high barriers of entry. Based on the above factors, among others, we expect long-term cruise industry supply growth to slow, while we expect demand to accelerate as global economies recover and emerging markets continue to develop. We believe this favorable supply versus demand balance will have positive impacts on our ability to profitably grow our business.

IX. Passengers, Capacity and Occupancy

Our cruise operations had worldwide cruise passengers, passenger capacity and occupancy as follows:

Fiscal Year	Cruise Passengers	Passenger Capacity	Occupancy(a)
2005	6,848,000	136,960	105.6%
2006	7,008,000	143,676	106.0%
2007	7,672,000	158,352	105.6%
2008	8,183,000	169,040	105.7%
2009	8,519,000	180,746	105.5%

(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.

Our passenger capacity has grown from 136,960 berths at November 30, 2005 to 180,746 berths at November 30, 2009, primarily because of the deliveries of 18 new cruise ships during this four-year period. See Part I, Item l. Business. B. "Cruise Operations - Ship Information" for additional information.

The occupancy level on our ships during each quarter indicated below was as follows:

	Occupancy	
Quarters Ended	2009	2008
February 28/29	103.9%	104.3%
May 31	103.3%	104.8%
August 31	111.4%	110.9%
November 30	103.2%	102.6%

X. Cruise Ship Construction and Cruise Port and Repair Facility Development and Operations

As of January 28, 2010, we had signed agreements with three shipyards providing for the construction of 13 additional cruise ships scheduled to enter service between February 2010 and June 2012. These agreements cannot be cancelled by either party without cause, and such cancellation will subject the defaulting party to contractual liquidated damages. See Part I, Item 1. Business. B. "Cruise Operations – Ship Information" and Note 6, "Commitments" to our Consolidated Financial Statements in Exhibit 13 to this Form 10-K for additional information regarding our ship commitments.

We are involved in the development of new or enhanced cruise port facilities. These facilities are expected to provide our guests with an improved vacation experience. Our involvement is usually in cooperation with governmental entities and typically includes providing development and management expertise and financial commitments that are limited to long-term port usage agreements. However, sometimes we provide direct financial support or develop the port infrastructure ourselves.

During 2009, we were in various stages of involvement with the development, enhancement and/or financing of government and privately-owned and operated cruise port facilities in Galveston, Texas; Miami, Florida; Marseilles, France; New York City, New York; San Diego, California; San Juan, Puerto Rico; Southampton, England and St. Maarten, Netherlands Antilles. In addition, we currently operate or have interests in joint ventures that operate port facilities in Barcelona, Spain; Civitavecchia, Italy; Cozumel, Mexico; Grand Turk, Turks and Caicos Islands; Hamburg, Germany; Juneau, Alaska; Long Beach, California; Naples, Italy; Roatán, Honduras and Savona, Italy.

We own a 40% interest in Grand Bahama Shipyard Ltd. ("GBSL"), which is the largest cruise ship dry-dock repair facility in the world. Royal Caribbean Cruises Ltd. ("RCCL"), one of our cruise competitors, also owns a 40% interest and the Grand Bahama Port Authority owns 20%. We account for our investment using the equity method, and our total net investment in and notes receivable from GBSL were $76 million at November 30, 2009. GBSL had an aggregate of $138 million of outstanding debt to RCCL and us and $5 million outstanding under a revolving credit facility at November 30, 2009. This repair facility, located in Freeport, Grand Bahama, has three dry-docks, which can accommodate ships up to

137,000 tons. During 2009, RCCL and our brands had an aggregate of 19 ships serviced at this facility. In addition, unaffiliated cruise ships and other types of ships were worked on at this facility. GBSL generated total revenues of $125 million in 2009, the majority of which were derived from work on RCCL and our cruise ships.

XI. Cruise Pricing and Payment Terms

Each of our cruise brands publishes brochures with prices for the upcoming seasons. Brochure prices vary by cruise line, by category of cabin, by ship, by season and by itinerary. Brochure prices are regularly discounted through early booking discount programs and other promotions. The cruise ticket price typically includes accommodations, most meals, some non-alcoholic beverages, and most onboard entertainment, such as the use of, or admission to, a wide variety of activities and facilities, including a fully-equipped casino, nightclubs, theatrical shows, movies, parties, a disco, a jogging track, a health club, swimming pools, sun decks, whirlpools and saunas. Our brands' payment terms generally require that a guest pay a deposit to confirm their reservation with the balance due before the departure date, although some of our European brands provide certain of their travel agents and tour operators with credit terms even though these parties typically require the guest to pay for the entire cruise before sailing.

If our guests do not pay a vacation protection premium for the ability to obtain a refund if they cancel their cruise within a pre-defined period before sailing, then they are subject to a cancellation fee, which we recognize in cruise passenger ticket revenues upon cancellation. For those guests who pay a vacation protection premium for the ability to obtain a refund, they will receive all or a portion of their deposit back in accordance with the terms of the program, while we will recognize this premium in other revenues.

Historically, our advance bookings have generally been taken from several months in advance of the departure date for all contemporary brand sailings, to more than a year in advance for some of our luxury and European brand sailings. Generally, the longer the cruise itinerary the further in advance the bookings are made. This lead-time provides us with more time to manage our prices in relation to demand for available cabins, with the goal of achieving higher overall net revenue yields (see "Key Performance Non-GAAP Financial Indicators" in our Management Discussion and Analysis of Financial Condition and Results of Operations in Exhibit 13 to this Form 10-K). In addition, some of our fares such as Carnival Cruise Lines' Early Saver fares, Costa's Pronto Price Savings fares and Holland America Line's Early Advantage and Mariner Savings fares are designed to encourage potential guests to book cruise reservations earlier. In addition, AIDA has a "JustAIDA" booking program that allows guests to make a reservation two to three months before sailing, but the exact cruise ship and specific itinerary are not determined by AIDA until two weeks prior to sailing in order to help AIDA maximize their net revenue yields.

As a convenience to our guests, we offer to arrange air transportation to and from the port. When a guest elects to purchase air transportation from us, both our revenues and expenses generally increase by approximately the same amount. Air transportation prices typically vary by gateway and destination. Over the last several years about 15% of our guests purchased air transportation from us. We believe this relatively low percentage is partially a result of having embarkation points close to our guests' homes and partially due to the wide availability of competitively priced air tickets sold by third parties. In addition, for some of our European brands' cruise itineraries we charter aircraft to facilitate our guests travel to distant locations.

In 2007, we introduced a fuel supplement across substantially all of our cruise brands, which resulted in an additional fee being charged to the guests on these brands, commencing for the most part with cruises departing in early 2008. This temporary fuel supplement, which is included in cruise passenger ticket revenues, was introduced to partially offset a portion of the very high fuel costs we had been experiencing, and was usually charged on a daily basis, with established total maximum amounts per passenger. As a result of fuel price declines in late 2008, substantially all of our brands no longer charge the fuel supplement. We reserve the right to reinstate our fuel supplements and will continue to monitor our markets and review our position based upon the appropriate facts and circumstances.

XII. Onboard and Other Revenues

Onboard and other activities are provided either directly by us or by independent concessionaires, from which we receive either a percentage of their revenues or a fee. We earn onboard and other revenues from activities and services not included in the cruise ticket price consisting of, but not limited to, bar and some beverage sales, shore excursions, casino gaming, gift shop sales, photo sales, spa services, internet services, cellular phone and telephone usage, art auctions, bingo games and lottery tickets, enhanced dining experiences in alternative restaurants, onboard promotional advertising for merchants located at our ports of call, entertainment arcades, 4D cinema, laundry services, Grand Prix simulators, libraries, ship tours, golf lessons, snorkel and bike equipment rentals, retail port facility rentals, training conference facilities and video diaries.

Our casinos, which are operated directly by us, contain slot machines and a mix of gaming tables. The casinos are only open when our ships are at sea in international waters or when otherwise specifically permitted by law.

Sales to our guests of shore excursions at each ship's ports of call include, among other things, general sightseeing and adventure outings and local boat and beach parties, typically utilizing locally-owned operators. For the Holland America Line, Princess and Carnival Cruise Lines ships sailing to destinations in Alaska, shore excursions are operated by Holland America Princess Alaska Tours, as well as locally-owned operators.

In conjunction with our cruise vacations, substantially all our cruise brands sell pre- and post-cruise land packages of one to four nights. Vacation packages offered in conjunction with ships based in North America include nearby attractions or other vacation destinations, such as individual/multiple city tours of Boston, Massachusetts; New York City, New York; Seattle, Washington; San Diego, California and Vancouver, British Columbia. Vacation packages offered in conjunction with ships based in Europe include stays in well-known European cities such as Athens, Greece; Barcelona, Spain; Copenhagen, Denmark; London, England; Paris, France and Rome, Italy.

In conjunction with our Alaska cruise vacations, principally on our Holland America Line, Princess and Carnival Cruise Lines ships, we sell pre-and post-cruise land packages, utilizing, to a large extent, our transportation and hotel assets, which revenues are included in our other segment.

XIII. Sales Relationships and Marketing Activities

We sell our cruises mainly through travel agents, including wholesalers and tour operators. Our individual cruise brands' relationships with their travel agents are generally independent of each of our other brands, except for certain brands sourcing UK and Australian guests as discussed below. These travel agent relationships are not exclusive and most travel agents also sell cruises and other vacations provided by our competitors. We train and motivate travel agents to support our products with competitive sales and pricing policies and joint marketing programs. We also employ a wide variety of marketing techniques, including websites, seminars and videos, to familiarize agents with our cruise brands and products. As with our brands' travel agent relationships, each of our brands' marketing programs are generally independent of each other. In each of our principal markets, we have familiarized the travel agency community with our cruise brands and products.

Travel agents generally receive standard commissions of 10%, plus the potential of additional commissions based on sales volume. During fiscal 2009, no controlled group of travel agencies accounted for 10% or more of our revenues.

We are a customer service-driven company and continue to invest in our service organization to assist travel agents and guests. We believe that our support systems and infrastructure are among the strongest in the vacation industry. Our investment in customer service includes the development of employees and systems. We continually improve our systems within the reservations and customer relationship management functions, emphasizing the continuing support of the travel agency community, while simultaneously developing greater contact and interactivity with our high-value guest base. Each brand has its own website, which provides access to information about our products to users throughout the world, and substantially all provide booking engines to our travel partners and to our customers to enable them to more efficiently book our cruises, shore excursions and, in some cases, other onboard activities. We also support booking capabilities through global distribution systems, including Amadeus, Travelport and SABRE. Although the vast majority of our cruises are distributed through travel agents, we also accept telephone and internet bookings from customers who choose to contact us directly. Finally, as part of our effort to improve the embarkation process for our guests, as well as increase our efficiency, most of our brands offer their guests the ability to generate their own electronic ticket documents via their websites.

As part of the management of our customer relationships, we have pursued comprehensive marketing and advertising campaigns to promote our brands to vacationers and our travel agent partners. The principal media used for marketing and advertising are television, magazine, radio, online, outdoor, direct mail, e-mail, blogs, online journals and social media. More recently, there has been a shift from print media to online (display and search) and social media (e.g., Facebook, YouTube, Twitter, Flickr and Podcasts) that help us engage in two-way conversations with consumers, creates brand advocates and provides real-time feedback in terms of brand and product perceptions. Blogs and online journals are a useful way for us to disseminate information. Crew blogs are written by ship captains, cruise and entertainment directors, executive pursers and special guests. Newbuild sites are devoted to key milestones for ships, such as Holland America Line's *Nieuw Amsterdam*. Cruise line communities, such as AIDA's Web Lounge and The World of Costa, are a way for guests to connect through a shared interest in a particular brand. For example, the blog of Carnival Cruise Lines' Senior Cruise Director, John Heald, has attracted over 5.5 million visits since being launched two years ago and Carnival Cruise Lines' website receives more visits per month than any other cruise company website, based on Hitwise analysis, a leading independent online measurement provider. In addition, our brands have accumulated a database containing information on about 50 million past guests and prospects that we believe we can utilize to more efficiently and effectively market our products.

To further stimulate demand, we offer a number of homeports that are closer to guests' homes as this enables certain guests to lower the price of their cruise vacation by substantially reducing or eliminating the cost of air travel to and from the port.

In the UK and Australia we have formed a sales alliance known as the "Complete Cruise Solution," whereby our UK and Australian sales forces and back-office operations are able to provide their travel agents with one-stop cruise shopping for a number of our brands. In North America and the UK, we also raise consumer and travel agent awareness through the "World's Leading Cruise Lines" alliances for our families of North American and UK cruise brands. Finally, most of our cruise brands offer their own past guest recognition programs, such as Princess' "Captain's Circle", Costa's "CostaClub" or Holland America Line's "Mariner Society," through which they reward repeat guests with special incentives such as discounted fares, expedited ship embarkation and disembarkation and onboard activities.

XIV. Seasonality

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. 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 maintenance, which we schedule during non-peak demand periods. In addition, substantially all of Holland America Princess Alaska Tours' revenues and net income is generated from May through September in conjunction with the Alaska cruise season.

XV. Competition

We compete with land-based vacation alternatives throughout the world, including, among others, hotels, resorts (including all-inclusives), theme parks, organized tours, land-based casino operations and vacation ownership properties located in Las Vegas, Nevada, Orlando, Florida, the Caribbean (including the Bahamas), France, Dubai, Canary Islands and various Mediterranean, Mexican, and Hawaiian Island destinations, as well as numerous other vacation choices throughout the world.

Our primary cruise competitors for North American-sourced guests are RCCL, which owns Royal Caribbean International ("RCI"), Celebrity Cruises ("Celebrity") and Azamara Club Cruises; Norwegian Cruise Line ("NCL"), Oceania Cruises and Regent Seven Seas Cruises, all three of which are controlled by Apollo Management LP; Disney Cruise Line ("Disney"), MSC Cruises ("MSC"), Crystal Cruises, Silversea Cruises and Windstar Cruises.

Our primary cruise competitors for European-sourced guests in the UK are RCI, Celebrity, NCL, MSC, Thomson Cruises, which is owned by TUI AG ("TUI"); Fred Olsen Cruise Lines and Saga Cruises; and in continental Europe they are MSC, Louis Cruise Line, and CDF Croisieres de France, Pullmantur and RCI, all three owned by RCCL; TUI Cruises, which is jointly owned by RCCL and TUI; Hapag-Lloyd, which is also owned by TUI; and Phoenix Reisen. We also compete for guests throughout Europe with other North American cruise competitors, including Celebrity, Disney and NCL.

Our primary cruise competitors for guests sourced from other parts of the world, such as Australia, New Zealand, Asia and South America, are RCI, Celebrity, Pullmantur, Star Cruises, NCL, CVC Cruise and MSC.

Our North American, European and Australian brands also compete among themselves for guests.

XVI. Governmental Regulations

a. Maritime Regulations

1. General

Our ships are regulated by various international, national, state and local laws, regulations and treaties in force in the jurisdictions in which our ships operate. Our ships, which are registered in the Bahamas, Bermuda, Italy, the Netherlands, Panama, Portugal and the UK, are regulated by these jurisdictions and are required to comply with the international conventions that govern the safety of our ships, guests and crew and the protection of the environment. Each country of registry conducts periodic inspections to verify compliance with these regulations as discussed more fully below. In addition, the regulations of the European Union ("EU"), the U.S. and the many other international ports that our ships visit apply to some aspects of our ship operations.

Our ships are subject to annual, intermediate, dry-docking and class renewal surveys by ship classification societies. These surveys ensure that our ships comply with international conventions adopted by the countries of registry and domestic rules and regulations, and verify that our ships have been maintained in accordance with the rules of the classification society and that recommended repairs have been satisfactorily completed.

Our ships are subject to inspection by the port regulatory authorities in the various countries that they visit. Such inspections include verification of compliance with the maritime safety, security, environmental, customs, immigration, health and labor regulations applicable to each port. For example, in U.S. ports these authorities include the U.S. Coast Guard and U.S. Customs and Border Protection. In EU ports, the Paris Memorandum of Understanding enforces internationally accepted conventions through Port State Control Inspections by 27 Marine Administrations. In UK ports, these authorities include the Maritime & Coastguard Agency, TRANSEC and the Port Health Authority.

We believe maritime safety, security, environmental, health and labor issues will continue to be areas of focus by relevant government authorities in the U.S., the EU and elsewhere where our cruise ships operate. Legislation, regulations or treaties, or changes thereto, in these areas could impact our operations and have and will likely subject us to increasing compliance costs in the future.

2. Maritime Safety Regulations

The International Maritime Organization ("IMO"), a specialized agency of the United Nations, has adopted safety standards as part of the International Convention for Safety of Life at Sea ("SOLAS"), which apply to all of our ships. Among other things, SOLAS establishes requirements for vessel design, structural features, materials, construction, life saving equipment, safe management and operation and security in order to help ensure guest and crew safety and security. SOLAS requirements are periodically revised for both new and existing ships. One significant set of modifications entered into force in 2010 that requires all existing passenger ships to comply with current standards regarding fire safety. Our existing fleet is compliant with these 2010 requirements.

In 1993, SOLAS was amended to incorporate the International Safety Management Code ("ISM Code"), which provides an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code is mandatory for passenger vessel operators. All of our operations and ships are regularly audited by national authorities and maintain the required certificates of compliance with the ISM Code. National authorities, acting under the provisions of the international agreements related to Port State Control, regularly inspect our ships when they are in that nation's waters.

In 2004, the IMO's Maritime Safety Committee approved amended SOLAS requirements related to the damage stability of new passenger cruise vessels. These regulations, which were adopted in May 2005, apply to vessels whose keels were laid after January 1, 2009, and thus do not affect our existing fleet or our vessels currently under contract. For vessels with keels laid after January 1, 2009, compliance with these standards require the development of new designs. The Maritime Safety Committee also amended SOLAS to require new passenger cruise vessels whose keels are laid after July 1, 2010, to comply with the "safe return to port requirements", which relate to the development of vessel survivability standards, and will also require the development of new ship designs. Compliance with both these regulations is not expected to result in significant cost increases.

3. Maritime Security Regulations

Our ships are subject to various security requirements, including the International Ship and Port Facility Security Code ("ISPS Code"), which is part of SOLAS. Among other things, the ISPS Code requires vessel owners to implement security measures, conduct vessel security assessments, and develop security plans. Under these requirements, we have prepared and submitted security plans for all our ships to their respective countries of registry, and International Ship Security Certificates have been issued demonstrating compliance with the ISPS Code.

The U.S. Maritime Transportation Security Act of 2002 ("MTSA") is the governing regulation for ships that operate in U.S. ports. MTSA establishes Area Maritime Security requirements for port areas that provide authority for the U.S. Coast Guard to implement operational and physical security measures on a port area basis that could affect our operation in those areas.

4. Maritime Environmental Regulations

We are subject to numerous international, national, state and local environmental laws, regulations and treaties that govern, among other things, air emissions, waste discharge, water management and disposal, and the storage, handling, use and disposal of hazardous substances, such as chemicals, solvents, paints and asbestos. We are committed to helping to preserve the environment, not only because of the existing legal requirements, but because a pristine environment is one of the key elements that bring our guests on board our ships.

If we violate or fail to comply with environmental legislation, regulations or treaties, we could be fined or otherwise sanctioned by regulators. We have made, and will continue to make, capital and other expenditures to comply with environmental legislation, regulations and treaties.

See Part I, Item 1A. "Risk Factors." for additional discussion of our environmental risks.

i. International Regulations

The most important environmental convention governing ships is the IMO International Convention for the Prevention of Pollution from Ships ("MARPOL"). This convention applies to all of our ships and includes requirements designed to prevent and minimize both accidental and operational pollution by oil, sewage, garbage and air emissions. All of our ships must carry an International Oil Pollution Prevention Certificate, an International Sewage Pollution Prevention Certificate, and an International Air Pollution Prevention Certificate. These certificates are issued by the ship's state of registry indicating that our ships are operating in compliance with the MARPOL regulations regarding oil, sewage and air pollution prevention.

Many countries have ratified and adopted IMO Conventions which, among other things, impose liability for pollution damage, subject to defenses and to monetary limits, which monetary limits do not apply where the spill is caused by the owner's actual fault or by the owner's intentional or reckless conduct. In jurisdictions that have not adopted the IMO Conventions, various national, regional or local laws and regulations have been established to address oil and waste pollution.

The International Organization for Standardization ("ISO") is an international standard-setting body which produces worldwide industrial and commercial standards. ISO 14001, an environmental management standard that was developed to help organizations manage their processes, products and services to minimize environmental impacts, presents a structured approach to setting environmental objectives and targets. It provides a framework for any organization to apply these broad conceptual tools to their own processes. During 2006, we completed corporate-wide implementation of ISO 14001. The environmental management systems of all of our cruise brands are certified in accordance with ISO 14001, with the exception of Ibero, which became fully owned in July 2009. Ibero is currently developing plans to certify its environmental management systems in the near term.

ii. U.S. Federal and State Regulations

The U.S. Act to Prevent Pollution from Ships, implementing the MARPOL convention, provides for severe civil and criminal penalties related to ship-generated pollution for incidents in U.S. waters within three nautical miles and in some cases in the 200-mile exclusive economic zone.

The U.S. Oil Pollution Act of 1990 (the "OPA 90") provides for strict liability for water pollution, such as oil pollution or possible oil pollution incidents in the 200-mile exclusive economic zone of the U.S., subject to defined monetary limits. OPA 90 requires that, in order for us to operate in U.S. waters, we must obtain Certificates of Financial Responsibility from the U.S. Coast Guard for each of our ships operating in U.S. waters. These certificates demonstrate our ability to meet the maximum amount of liability that our ships could be subject to for removal costs and damages related to water pollution, such as from an oil spill or a release of a hazardous substance, up to each ship's statutory liability limit. Our financial responsibility under these certificates is supported by certain of our insurers who provide guarantees aggregating $1.1 billion.

Most U.S. states that border navigable waterways or seacoasts have also enacted environmental regulations that impose strict liability for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. federal law and in some cases have no statutory limits of liability.

In connection with certain of our Alaska cruise operations, Holland America Line, Princess and Carnival Cruise Lines rely on concession permits from the U.S. National Park Service ("NPS") to operate their cruise ships in Glacier Bay National Park and Preserve. Such permits must be periodically renewed. We cannot be certain that they will continue to be renewed or that regulations relating to the renewal of such permits, including preference or historical rights, will remain unchanged in the future. In January 2009, the NPS renewed our permits through the 2019 Alaska cruise season.

The state of Alaska enacted legislation which prohibits certain discharges in designated Alaskan waters, ports or near shorelines and requires that certain discharges be monitored to verify compliance with the standards established by the legislation. Both the state and federal environmental regimes in Alaska are more stringent than the federal regime under the Federal Water Pollution Control Act with regard to discharge from vessels. The legislation also provides that repeat violators of the regulations could be prohibited from operating in Alaskan waters.

iii. EU Regulations

In the past 30 years the EU has adopted a substantial and diverse range of environmental measures aimed at improving the quality of the environment for European citizens and providing them with a high quality of life. To support the implementation and enforcement of Community environmental legislation, the Community has adopted directives on environmental liability and enforcement and a recommendation providing for minimum criteria for environmental inspections.

In November 2002, the European Commission adopted a European Union strategy to reduce atmospheric emissions from seagoing ships. The strategy reports on the magnitude and impact of ship emissions in the EU and sets out a number of actions to reduce ship emissions. The EU strategy seeks to implement the Sulfur Oxide ("SOx") Emission Control Areas set out in MARPOL Annex VI, and to press for tighter Nitrogen Oxide ("NOx") standards. The Commission also urges Member States to ratify MARPOL Annex VI.

The EU continues to pursue an aggressive policy towards environmental protection and we can expect to see legislation being implemented in the near future related to waste water discharges in the Baltic Sea and greenhouse gas reduction.

iv. Low Sulfur Fuel Regulations

Limitations on the sulfur content of fuel are part of regulations approved as part of MARPOL Annex VI. MARPOL Annex VI calls on the IMO to monitor the worldwide average sulfur content of fuel oil supplied for use aboard vessels.

In 2008, MARPOL Annex VI was amended to require additional reductions in sulfur emissions by reducing the sulfur content requirements for fuel oil. As part of these new requirements, the concept of Emission Control Areas ("ECAs") was established with stricter limitations on sulfur emissions in these areas. Currently there are two ECAs in operation, one in the Baltic Sea and the other in the North Sea/English Channel. Specifically, from July 1, 2010, ships operating in ECAs will have to reduce their fuel sulfur content from the current 1.5% to 1.0%, and from January 1, 2015 and thereafter it will be further reduced to 0.1%. Compliance with these requirements in the existing ECAs has increased our fuel costs and, beginning July 1, 2010 will further increase our fuel costs, however, we do not expect that this increase will be significant.

On January 1, 2010, an EU directive became effective that requires the use of 0.1% sulfur content in all marine fuels used while ships are at berth or anchored in EU ports. This requires the use of distillate fuels, such as marine gas oil, further increasing fuel costs. However, the impact of compliance with this directive is not expected to be significant.

Global sulfur fuel content limits are currently 4.5% and are required to be reduced by these 2008 MARPOL regulations to 3.5% by January 1, 2012, which will not have a significant impact on our fuel costs.

The U.S. and Canada have applied to the IMO for an ECA out to 200 nautical miles on their east, west and gulf coasts, as well as the Hawaiian Islands, all of which could be in force by 2012. Additional ECAs may also be established in the future, such as for areas around the Bahamas, Mexico, Norway and in the Mediterranean. Compliance in this proposed U.S. and Canadian ECA with the 1.0% low sulfur content requirement will increase our fuel costs in 2012 and beyond. Based on current itineraries, fuel prices and technologies and our 2010 capacities and fuel consumption, we estimate that the implementation of the proposed U.S. and Canadian ECA would increase our annual fuel costs by approximately $50 million to $70 million.

Commencing in 2015, based on current itineraries, fuel prices and technologies and our estimated 2010 capacities and fuel consumption, we estimate that the implementation of the 0.1% low sulfur content requirement in the two existing ECAs and the proposed U.S. and Canadian ECA would additionally increase our annual fuel costs by approximately $100 million to $130 million.

Global sulfur fuel content limits, excluding the ECA limits that will remain at 0.1%, will be reduced to 0.5% by January 1, 2020, subject to a feasibility review to be completed no later than 2018. If this reduction is implemented in 2020 it will significantly increase our fuel costs. However, the amount of such increases in 2020 and thereafter is not reasonably determinable at this time, given the length of time until such possible implementation date and other mitigating factors discussed below.

The cost impacts from implementing progressively lower sulfur content requirements globally and in ECAs may be mitigated by, among other things, the favorable impact of future changes in the supply and demand balance for marine and other fuels, future developments of and investments in sulfur emission abatement and propulsion technologies, including more advanced engines and enhanced exhaust gas treatment systems, and new fuel conservation initiatives.

5. **Maritime Health Regulations**

We are committed to providing a healthy environment for all of our guests and crew. We voluntarily work with public health agencies throughout the world to monitor health and sanitary conditions on all of our ships. As an example, for ships visiting U.S. ports we collaborate with the Centers for Disease Control and Prevention ("CDC") - Vessel Sanitation Program of the Department of Health and Human Services. The CDC established the Vessel Sanitation Program ("VSP") in the early 1970s as a cooperative activity with the cruise industry.

We maintain frequent communication with the appropriate public health authorities and, as required, proactively report any communicable illnesses that are of public health concern. Through our collaborative efforts we work with the authorities to develop and revise guidelines, review plans and conduct on-site inspections for all newbuilds and significant existing ship renovations. In addition, we continue to maintain our ships by meeting, and often exceeding, applicable public health guidelines and requirements, complying with inspections, and conducting crew training and guest education programs regularly throughout the life of the ship.

See "Maritime Labor Regulations" below for additional discussion of health regulations.

6. Maritime Labor Regulations

In 2006, the International Labour Organization ("ILO"), an agency of the United Nations that develops and oversees international labor standards, adopted a new Consolidated Maritime Labour Convention ("MLC 2006"). MLC 2006 contains a comprehensive set of global standards based on those that are already found in 68 maritime labor Conventions and Recommendations adopted by the ILO since 1920. It brings almost all of these Conventions and Recommendations together in a single new Convention that uses a new format with some updating, where necessary, to reflect modern conditions and language. MLC 2006 includes a broad range of requirements in areas such as the definition of a seafarer, minimum age of seafarers, medical certificates, recruitment practices, training, repatriation, recreational facilities, health and welfare, hours of work and rest, accommodations and wages and entitlements. While many of the practices were widely adhered to by ships registered in different countries, MLC 2006 will add requirements not previously in effect, particularly in the area of occupational safety and health. The detailed requirements of MLC 2006 directly address many seafarers' issues and, therefore, if effectively implemented will provide worldwide standards to improve the health, safety and status of seafarers.

Thirty member countries representing 33% of the world's merchant ship tonnage are required to ratify the MLC 2006 before it goes into effect 12 months after such ratification. We currently expect ratification in late 2010, and entry into force, requiring our implementation in late 2011 or early 2012. Implementation may increase our crew and newbuilding costs. However, the amount of such increase is not determinable at this time since the enacting countries' legislation has not yet been published to enable us to determine the impact of compliance.

b. Consumer Regulations

Our ships that call on U.S. ports are regulated by the Federal Maritime Commission ("FMC"). Public Law 89-777, which is administered by the FMC, requires most cruise line operators who embark guests in U.S. ports to establish financial responsibility for their liability to passengers for non-performance of transportation, for personal injury and for loss of life. The FMC's regulations require that a cruise line demonstrate its financial responsibility for non-performance of transportation through a guarantee, escrow arrangement, surety bond or insurance. Currently, the amount required must equal 110% of the cruise line's highest amount of customer deposits over a two-year period, up to a maximum coverage level of $15 million. In order to comply with this requirement, we have an aggregate of $90 million of guarantees provided by some of our insurers. Our Protection and Indemnity ("P&I") coverages are used to establish our financial responsibility for personal injury and loss of life.

In the UK, in some cases we are currently required to obtain licenses from and post bonds with various organizations in connection with the conduct of our business and our ability to meet our liabilities in the event of non-performance of obligations to consumers. The most significant requirement relates to Abta, which requires us to maintain approximately $130 million of sterling-denominated bonds to cover our brands' UK passenger deposit liabilities.

We are also required by German and French law to obtain a guarantee from a reputable insurance company to ensure that, in case of insolvency, our customers will be refunded any monies they have paid on account of a booking and, in addition, that they will be repatriated without additional cost if insolvency occurs after a cruise starts. Additionally, in Australia we are a member of the Travel Compensation Fund which provides compensation, as a last resort, to consumers who suffer losses in their dealings with travel agents. Finally, other jurisdictions may require the establishment of financial responsibility for passengers from their jurisdictions.

XVII. Financial Information

For financial information about our cruise reporting segment and geographic information with respect to each of the three years in the period ended November 30, 2009, see Note 11, "Segment Information" to our Consolidated Financial Statements in Exhibit 13 to this Form 10-K.

C. Employees

Our shoreside operations have approximately 10,600 full-time and 4,200 part-time/seasonal employees. We also employ approximately 70,000 crew, including officers, onboard our 93 ships at any one time. Due to the highly seasonal nature of our Alaskan and

Canadian operations, Holland America Princess Alaska Tours increases its work force during the late spring and summer months in connection with the Alaskan cruise season, employing additional seasonal personnel, which have been included above. We have entered into agreements with unions covering certain employees in our hotel, transportation and shipboard operations. We consider our employee and union relations generally to be good.

We source our shipboard officers primarily from Italy, the UK, Holland, Germany and Norway. The remaining crew positions are manned by persons from around the world. We utilize various manning agencies in many countries and regions to help secure our shipboard employees.

D. Suppliers

Our largest purchases are for fuel, travel agency services, food and beverages, airfare, port facility utilization, repairs and maintenance, including dry-docking, advertising and marketing, hotel and restaurant products and supplies, communication services and for the construction and refurbishment of our ships. Although we utilize a select number of suppliers for most of our food and beverages, communication services, air transportation services and hotel and restaurant products and supplies, most of these products and services are available from multiple sources at competitive prices. The use of a select number of suppliers enables us to, among other things, obtain volume discounts. We purchase fuel and port facility services at some of our ports of call from a limited number of suppliers. In addition, we perform our major dry-dock and ship improvement work at a limited number of dry-dock facilities in Australia, British Columbia, Canada, the Caribbean (including the Bahamas), Europe, Singapore, and the U.S. Finally, as of January 28, 2010, we have agreements in place for the construction of 13 cruise ships with three shipyards. We believe there are sufficient dry-dock and shipbuilding facilities to meet our anticipated repair, maintenance, refurbishment and newbuild requirements.

E. Insurance

I. General

We maintain insurance to cover a number of risks associated with owning and operating our vessels and other non-ship related risks. All such insurance policies are subject to coverage limits, exclusions and deductible levels. Insurance premium increases are dependent on our own loss experience and the general premium requirements of our insurers. We cannot be certain that affordable and viable direct and reinsurance markets will be available to us in the future. We maintain certain levels of self-insurance for all the below-mentioned coverages, some of which have increased in recent years, and we may increase our self-insurance levels further in the future to mitigate premium increases. We do not carry coverage related to loss of earnings or revenues from our ships or other operations.

II. P&I Coverages

Third-party liabilities in connection with our cruise activities are covered by entry in P&I clubs, which are mutual indemnity associations owned by ship owners. Our vessels are entered in two P&I clubs; Standard Steamship Owners' Protection and Indemnity Association (Europe) Ltd. and The Steamship Mutual Underwriting Association (Bermuda) Limited. The P&I clubs in which we participate are part of a worldwide group of P&I clubs, known as the International Group of P&I Clubs (the "IG"). The IG insures directly, and through reinsurance markets, a large portion of the world's shipping fleets. Coverage is subject to the P&I clubs' rules and the limit of coverage is determined by the IG. P&I coverage includes legal, statutory or pre-approved contract liabilities and other expenses related to crew, guests and other third parties. This coverage also includes shipwreck removal, pollution and damage to third party property.

III. Hull and Machinery Insurance

We maintain insurance on the hull and machinery of each of our ships in amounts equal to the estimated value of each ship. The coverage for hull and machinery is provided by international marine insurers. Most insurers make it a condition for insurance coverage that a ship be certified as "in class" by a classification society that is a member of the International Association of Classification Societies ("IACS"). All of our ships have been certified within the last twelve months to be in class by an IACS member.

IV. War Risk Insurance

We maintain war risk insurance coverage for legal liability to crew, guests and other third parties as well as loss or damage to our vessels arising from war or war-like actions, including terrorist incidents. Items excluded from this coverage are claims arising from chemical, nuclear and biological attacks. War risk insurance coverage is provided by international marine insurers and Mutual War Risk Clubs. In addition, excess war risk insurance is provided by our two P&I clubs for all our ships. Under the terms of our war risk insurance coverage, which is typical for war risk policies in the marine industry, insurers can give seven days notice to the insured that the liability and physical damage policies can be cancelled. However, the policy can be reinstated at different premium rates. This gives insurers the ability to increase our premiums following events that they determine have increased their risk.

V. Other Insurance

We have standard property and casualty insurance coverage for certain shoreside assets and liabilities to third parties, including our tour business, shoreside and certain port facility assets, as well as workers' compensation and employee health insurance coverages.

F. Trademarks and Other Intellectual Property

We own and have registered or licensed, numerous trademarks and domain names, which we believe are widely recognized throughout the world and have considerable value. These intangible assets enable us to distinguish our cruise product, ships and programs from those of our competitors. Our trademarks include the trade names of our cruise lines, each of which we believe is a widely-recognized brand in the cruise vacation industry, as well as our ship names and a wide variety of cruise services and products. We have entered into licenses, including a license to use the P&O name, the P&O flag and other relevant trademarks and domain names in relation to cruising and related activities. We also have a license to use the *"Love Boat"* name and related marks. See Note 10, "Fair Value Measurements, Derivatives Instruments and Hedging Activities" to our Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates – Asset Impairments" in Exhibit 13 to this Form 10-K for additional discussion of our trademarks.

G. Taxation

I. U.S. Federal Income Tax

We are primarily foreign corporations engaged in the business of operating passenger vessels in international transportation. We also own and operate, among other businesses, the hotel, transportation and tour business of Holland America Princess Alaska Tours through U.S. corporations. See Part I, Item 1A. "Risk Factors."

Our North American passenger vessel business and certain ship-owning subsidiaries are engaged in a trade or business within the U.S. Depending on the itinerary of any particular vessel, that vessel may generate income from sources within the U.S. We believe that under Section 883 of the Internal Revenue Code and applicable income tax treaties, our U.S. source income and the income of our ship-owning subsidiaries, to the extent derived from or incidental to the international operation of a ship or ships, is currently exempt from U.S. federal income tax. Regulations under Section 883 list items that the Internal Revenue Service ("IRS") does not consider to be incidental to ship operations. Among the items identified as not incidental are income from the sale of air transportation, shore excursions and pre-and post-cruise land packages to the extent earned from sources within the U.S.

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

a. Application of Section 883 of the Internal Revenue Code

In general, under Section 883, certain non-U.S. corporations are not subject to U.S. federal income tax or branch profits tax on U.S. source income derived from, or incidental to, the international operation of a ship or ships. Applicable U.S. Treasury regulations provide, in general that a foreign corporation will qualify for the benefits of Section 883 if, in relevant part, (i) the foreign country in which the foreign corporation is organized grants an equivalent exemption to corporations organized in the U.S. and (ii) the foreign corporation meets a defined publicly-traded test. In addition, to the extent a foreign corporation's shares are owned by a direct or indirect parent corporation which itself meets the publicly-traded test, then such subsidiary will be deemed owned by individuals resident in the country of incorporation of such parent corporation and the subsidiary will satisfy the applicable stock ownership requirements in lieu of the publicly-traded test.

We believe that Panama is an equivalent exemption jurisdiction and Carnival Corporation currently qualifies as a publicly traded corporation under the regulations and substantially all of its income, with the exceptions noted above under “U.S. Federal Income Tax,” will continue to be exempt from U.S. federal income taxes. If, in the future, Panama no longer qualified as an equivalent exemption jurisdiction or Carnival Corporation were to fail to qualify as a publicly traded corporation, it and all of its ship-owning or operating subsidiaries that rely on Section 883 for exempting cruise operations income would be subject to U.S. federal income tax on their U.S. source cruise operation income. In such event, the net income of Carnival Corporation’s ship-owning or operating subsidiaries would be materially reduced.

Although the above represents our interpretation of this Internal Revenue Code provision and the U.S. Treasury regulations, the IRS’s interpretation of these provisions could differ materially. In addition, provisions of the Internal Revenue Code including Section 883, are subject to change at any time by legislation. Moreover, changes could occur in the future with respect to the trading volume or trading frequency of Carnival Corporation shares or with respect to the identity, residence, or holdings of Carnival Corporation’s direct or indirect shareholders that could affect Carnival Corporation’s and its subsidiaries eligibility for the Section 883 exemption. Accordingly, it is possible that Carnival Corporation and its ship-owning or operating subsidiaries’ whose tax exemption is based on Section 883 could lose this exemption. If Carnival Corporation and/or its ship-owning or operating subsidiaries were not entitled to the benefit of Section 883, Carnival Corporation and/or its ship-owning or operating subsidiaries would be subject to U.S. federal income and branch taxation on a portion of its income resulting in higher than normal tax rates.

b. Exemption Under Applicable Income Tax Treaties

We believe that the U.S. source transportation income earned by Carnival plc and its UK and Italian resident subsidiaries currently qualify for exemption from U.S. federal income tax under applicable bilateral U.S. income tax treaties. There is, however, no authority that directly addresses the effect, if any, of DLC arrangements on the availability of benefits under the treaties and, consequently, the matter is not free from doubt. These treaties may be revoked by either applicable country, replaced or modified with new agreements that treat income from international operation of ships differently than under the agreements currently in force. If any of our subsidiaries that currently claim exemption from U.S. income taxation on their U.S. source shipping income under an applicable treaty do not qualify for benefits under the existing treaties, or if the existing treaties are revoked, replaced or materially modified in a manner adverse to our interests and, with respect to U.S. federal income tax only, if any such subsidiary does not qualify for exemption under Section 883, such ship-owning or operating subsidiary may be subject to U.S. federal income taxation on a portion of its income.

c. Taxation in the Absence of an Exemption under Section 883 or any Applicable U.S. Income Tax Treaty

Shipping income that is attributable to transportation of passengers which begins or ends in the U.S. is considered to be 50% derived from U.S. sources. Shipping income that is attributable to transportation of passengers which begins and ends in foreign countries is considered 100% derived from foreign sources. Shipping income that is attributable to the transportation of passengers which begins and ends in the U.S. without stopping at an intermediate foreign port is considered to be 100% derived from U.S. sources.

The legislative history of the transportation income source rules suggests that a cruise that begins and ends in a U.S. port, but that calls on more than one foreign port, will derive U.S. source income only from the first and last legs of the cruise. Because there are no regulations or other IRS interpretations of these rules, the applicability of the transportation income source rules in the aforesaid manner is not free from doubt.

In the absence of an exemption under Section 883 or any applicable U.S. income tax treaty, as appropriate, we and/or our subsidiaries would be subject to either the net income and branch profits tax regimes of Section 882 and Section 884 of the Internal Revenue Code (collectively the “net tax regime”) or the four percent of gross income tax regime of Section 887 of the Internal Revenue Code (the “four percent tax regime”).

Where the relevant foreign corporation has, or is considered to have, a fixed place of business in the U.S. that is involved in the earning of U.S. source shipping income and substantially all of this shipping income is attributable to regularly scheduled transportation, the net tax regime is applicable. If the foreign corporation does not have a fixed place of business in the U.S. or substantially all of its income is not derived from regularly scheduled transportation, the four percent tax regime will apply.

The net tax regime should be the tax regime applied to Carnival Corporation and its vessel owning subsidiaries based in the U.S. in the absence of an exemption under Section 883. Under the net tax regime, U.S. source shipping income, net of applicable deductions, would currently be subject to a federal corporate income tax of up to 35% and state income taxes at varying rates; and the net after-tax income would be potentially subject to a further branch tax of 30%. In addition, interest paid by the corporations, if any, would generally be subject to a branch interest tax.

The four percent tax regime should be the tax regime applicable to our vessel owning subsidiaries based outside the U.S. in the absence of an exemption under Section 883 or any applicable U.S. income tax treaty. Under the four percent tax regime, gross U.S. source shipping income would be subject to a four percent tax, without the benefit of deductions.

II. UK and Australian Income Tax

Cunard, Ocean Village, P&O Cruises and P&O Cruises Australia have all elected to enter the UK tonnage tax regime. Companies to which the tonnage tax regime applies pay corporation tax on profit calculated by reference to the net tonnage of qualifying vessels. UK corporation tax is not chargeable under the normal UK tax rules on these brands' relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and from shipping related activities. It also includes dividends from foreign companies, which are subject to a tax on profits in their country of residence or elsewhere and the activities of which broadly would qualify in full for the UK tonnage tax regime if they were UK resident.

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

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime, which are not currently or forecast to be significant, remain subject to normal UK corporation tax.

P&O Cruises Australia is a division of Carnival plc, and the shipping profit income from this operation is subject to UK tonnage tax as discussed above. Substantially all of this operation's income is exempt from Australian corporation taxes by virtue of the UK/Australian income tax treaty.

III. Italian, German, Portuguese and Spanish Income Tax

Carnival plc's German and Spanish brands, AIDA and Ibero, are both subsidiaries of Costa. Effective through fiscal 2014, Costa is entered into the Italian Tonnage Tax regime. This regime taxes Costa's, AIDA's and Ibero's shipping profits, as defined and which is substantially all of their income, calculated by reference to the net tonnage of their qualifying vessels.

Most of Costa's and AIDA's income, and Ibero's income through 2009, not considered to be shipping profits for Italian Tonnage Tax purposes, will be taxed under the Italian tax regime for Costa's, AIDA's and Ibero's Italian-registered ships. The majority of AIDA's profits are exempt from German corporation taxes by virtue of the Italy/Germany income tax treaty.

All of Ibero's vessels are registered in Portugal. Provided certain local employment requirements are satisfied, beginning in 2010 most of Ibero's income not considered to be shipping profits for Italian Tonnage Tax purposes will be exempt from Portuguese income tax through 2011 and thereafter and will be subject to a favorable Portuguese income tax regime at a lower than normal rate through 2020. Ibero's Spanish operations are minimal and, therefore, its Spanish income taxes are minimal.

IV. U.S. State Income Taxes

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

H. Website Access to Carnival Corporation & plc SEC Reports

Our Form 10-K, joint Quarterly Reports on Form 10-Q, joint Current Reports on Form 8-K, joint proxy statement related to our annual stockholders meeting, Section 16 filings and all amendments to those reports are available, free of charge on our home pages at www.carnivalcorp.com and www.carnivalplc.com and on the SEC's home page at www.sec.gov as soon as reasonably practicable after we have electronically filed or furnished these reports with the SEC. The content of any website referred to in this Form 10-K is not incorporated by reference into this Form 10-K unless expressly noted.

Item 1A. Risk Factors.

You should consider carefully the specific risk factors set forth below and the other information contained or incorporated by reference in this Form 10-K, as these are important factors, among others, that could cause our actual results to differ from our expected or historical results. You should note that the risks listed below are not the only risks we face. The risks described below are only those risks relating to our operations and financial condition that we consider material. There may be additional risks, that we currently consider not to be material, or which we are not currently aware of, and any of these risks could have the effects set forth above. Some of the statements in this section and elsewhere in this Form 10-K are "forward-looking statements." For a discussion of those statements and of other factors to consider see the "Cautionary Note Concerning Factors That May Affect Future Results" section below.

- *General economic and business conditions, including fuel price increases, high unemployment rates, and declines in the securities, real estate and other markets, and perceptions of these conditions, may adversely impact the levels of our potential vacationers' discretionary income and net worth and this group's confidence in their country's economy and, consequently, reduce our cruise brands' net revenue yields and profitability.*

Demand for cruises is in part dependent on the underlying perceived or actual economic strength of the countries from which cruise companies source their guests. Adverse changes in the perceived or actual economic climate, such as higher fuel prices, higher unemployment rates, higher interest rates, stock, real estate and other market declines and volatility, more restrictive credit markets, higher taxes, and changes in governmental policies could reduce the discretionary income or consumer confidence in the countries from which we source our guests. Consequently this may negatively affect demand for vacations, including cruise vacations, which are a discretionary purchase. Decreases in demand could lead to price discounting which, in turn, could reduce the profitability of our business. Decreases in discretionary income or consumer confidence could also result in lower onboard revenues, which could also have a negative effect on our profitability.

- *Fluctuations in foreign currency exchange rates could affect our financial results.*

We earn revenues, pay expenses, purchase and own assets, and incur liabilities in countries using currencies other than the U.S. dollar, most importantly the euro, sterling, the Australian dollar and the Canadian dollar. In fiscal 2009, we derived approximately 53% of our revenues from passengers sourced from countries outside of the U.S. Because our consolidated financial statements are presented in U.S. dollars, we must translate revenues and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. In addition, we must report currency transactions in the functional currencies of our reporting units. Therefore, fluctuations in foreign currency exchange rates, particularly the strengthening of the U.S. dollar against our other major currencies, will adversely affect our U.S. dollar reported financial results.

- *The international political climate, armed conflicts, terrorist and pirate attacks and threats thereof, and other world events affecting the safety and security of travel could adversely affect the demand for cruises and could harm our future sales and profitability.*

Demand for cruises and other vacation options has been, and is expected to continue to be, affected by the public's attitude towards the safety and security of travel. Events such as the terrorist attacks in the U.S. on September 11, 2001 and the threats of additional attacks in the U.S. and elsewhere, drug related violence in Mexico, concerns of an outbreak of additional hostilities and national government travel advisories, together with the resulting political instability and concerns over safety and security aspects of traveling, have had a significant adverse impact on demand and pricing in the travel and vacation industry in the past, and may have an adverse impact in the future. Decreases in demand could lead to price discounting which, in turn, could reduce the profitability of our business.

- *We may lose business to competitors throughout the vacation market, which could adversely affect our operations and financial condition.*

We face significant competition from other cruise lines, both on the basis of cruise pricing and also in terms of the types of ships, services and destinations being offered to cruise guests. We try to differentiate ourselves from our cruise competitors by offering new itineraries, products and services to our guests, but the acceptance of each offering is not certain and consumers' preferences are always subject to change. In addition, we may choose to enhance our older ships with innovative amenities and improvements in order for those ships to be more competitive with other cruise ships. Our principal competitors include those listed in this Form 10-K under Part I, Item 1. Business. B. "Cruise Operations – Competition."

In addition, we operate in the vacation market, and cruising is only one of many alternatives for people choosing a vacation. We therefore risk losing business not only to other cruise lines, but also to other vacation operators that provide other travel and leisure options, including, but not limited to, hotels, resorts, theme parks, organized tours, land-based casino operators and vacation ownership properties.

In the event that we do not compete effectively with other cruise companies and other vacation alternatives, our results of operations and financial condition could be adversely affected.

- *Overcapacity in the cruise ship and land-based vacation industries could have a negative impact on our net revenue yields and increase operating costs, thus resulting in ship, goodwill and trademark asset impairments, all of which could adversely affect profitability.*

Cruising capacity has grown in recent years and we expect it to continue to increase over the next three years as most of the major cruise vacation companies are expected to introduce new ships. In order to fill new capacity, the cruise vacation industry will probably need to increase its share of the overall vacation market. The overall vacation market is also facing increases in land-based vacation capacity, which will also impact us. Failure to increase our share of the overall vacation market is one of a number of factors that could have a negative impact on our net revenue yields. Should net revenue yields be negatively impacted, our results of operations and financial condition could be adversely affected, including the impairment of the value of our ships, goodwill and trademark assets. In addition, increased cruise capacity could impact our ability to retain and attract qualified crew, including officers, at competitive costs and, therefore, increase our shipboard employee costs.

- *Accidents, the spread of contagious diseases and threats thereof, adverse weather conditions or natural disasters and other incidents affecting the health, safety, security and satisfaction of guests and crew could have an adverse effect on our sales and profitability.*

The operation of cruise ships, hotels, land tours, port facilities and shore excursions involve the risk of accidents, including those caused by the improper operation of our ships, motorcoaches and trains, guest and crew illnesses such as from the spread of contagious diseases, mechanical failures, fires, collisions, groundings, and other incidents at sea or while in port or on land, which may cause injury and death, or the alteration of itineraries or cancellation of a cruise or series of cruises or tours. These types of incidents may bring into question guest and crew health, safety, security and satisfaction, and thereby adversely affect our sales and profitability.

In particular, our ability to effectively and efficiently operate shipboard and shoreside activities may be impacted by widespread illnesses resulting in, among other things, reduced demand for cruises and cruise cancellations and employee absenteeism that could have an adverse affect on our sales and profitability. For example, a severe outbreak of the flu virus or some other pandemic could, among other things, disrupt our ability to embark/disembark passengers and crew, disrupt air travel to and from ports, increase costs for prevention and treatment and adversely affect our supply chain. This could also adversely impact cruise demand in areas unaffected by such an outbreak.

Our cruise ships, hotels, land tours, port facilities, shore excursions and other service providers may be impacted by adverse weather patterns or natural disasters, such as hurricanes and earthquakes. These events could result in, among other things, increased port related and other costs as third-party operators seek to charge us additional amounts in order to recover expenses caused by adverse events. It is possible that we could be forced to alter itineraries or cancel a cruise or a series of cruises or tours due to these or other factors, which would have an adverse affect on our sales and profitability.

Furthermore, some of the same factors that impact our guests' decisions to cruise with us may also impact our ability to employ qualified crew.

- *Adverse publicity concerning the cruise industry in general, or us in particular, including any adverse impact that cruising may have on the marine environment, could impact the demand for cruises and affect our reputation and harm our future sales and profitability.*

Maintaining a good reputation is critical to our business. Reports, whether true or not, of ship accidents and other incidents at sea or while in port, including missing guests, inappropriate crew and guest behavior, onboard crimes, crew and guest illnesses such as incidents of stomach flu or other contagious diseases, security breaches, terrorist threats and attacks and other adverse events can result in negative publicity, and the perception that cruising is more dangerous than other vacation alternatives. In addition, publicity regarding the adverse environmental impact of cruise ships on marine life could diminish our reputation. Anything that damages our reputation, whether or not justified, including adverse publicity about the safety and guest satisfaction of cruising, or the vacation industry in general, could have an adverse impact on demand, which could lead to price discounting and a reduction in our sales and profitability.

- *Environmental legislation and regulations could affect our operations, such as causing fuel shortages, supply disruptions, and changes in fuel specifications, and thus increase our operating costs, which could also impact our liquidity and credit ratings.*

Some environmental groups have lobbied for more stringent regulation of cruise ships. Some groups have also generated negative publicity about the cruise industry and its environmental impact. The U.S. Congress, the IMO and the U.S. Environmental Protection Agency periodically consider new laws and regulations to manage cruise ship discharges. In addition, various other regulatory agencies in the states of Alaska, California, Florida, Hawaii, Maine, Washington and elsewhere, including European regulatory organizations, have enacted or are considering new regulations or policies, such as requirements to use lower sulfur content fuels and stricter emission limits to reduce greenhouse gas effects, which could adversely impact the cruise and other industries. See Part I, Item 1. Business. B. "Cruise Operations- Governmental Regulations - Maritime Regulations for additional information regarding these risks."

The IMO has amended the MARPOL Annex VI regulations to reduce harmful emissions from ships. As described in "Maritime Environmental Regulations" as referenced above, these changes will result in reductions in ship sulfur oxide emissions by requiring progressive reductions in the sulfur content in fuel. These limits will be further reduced in designated ECAs, including ECAs that have been or could be proposed in prime cruising areas. As a result of these amendments, low sulfur fuel may be less available because of increased demand, and the cost of such fuel may increase. If utilized, new sulfur emissions abatement technologies may also increase costs. The increase in fuel prices impacts not only our fuel costs, but also some of our other expenses, such as crew travel, freight, and commodity prices, and can have an adverse impact on our profitability, liquidity and credit ratings.

Initiatives to limit greenhouse gas emissions have been introduced or are being considered in several European countries. Similarly, numerous bills related to climate change have been introduced in the U.S. Congress, which could adversely impact all industries. While not all are likely to become law, this is a strong indication that additional climate change related mandates will be forthcoming, and it is expected that they may adversely impact our costs, including, among other things, increasing fuel prices, including new taxes on bunker fuel, and establishing costly emissions trading schemes.

Current and future environmental laws and regulations, or liabilities arising from past or future releases of, or exposure to, hazardous substances or to vessel discharges, could increase our cost of compliance or otherwise materially adversely affect our business, results of operations and financial condition.

- *New regulations relating to the protection of disabled persons, employment, health, safety, security and other regulatory issues could increase our costs.*

We are subject to various international, national, state and local laws, regulations, treaties and employee union agreements related to, among other things, disabled persons, employment, health, safety and security. We believe that these areas will continue to be focused on by relevant government authorities in the U.S., Europe and elsewhere. Accordingly, new legislation, regulations or treaties, or changes thereto, could impact our operations and would likely subject us to increased compliance costs in the future. In addition, due to increasing regulatory requirements applicable to our operations, appropriate training of crewmembers has become more time-consuming and increased our operating costs. See Part I, Item 1. Business. B. “Cruise Operations-Governmental Regulations” for a detailed discussion of some of these regulatory issues and related risks.

The governing bodies who promulgate the laws and regulations related to disabled persons, such as the American with Disabilities Act and the European Union’s Passenger Rights Proposal, have each recently been considering whether the cruise industry’s existing practices and physical facilities are sufficient to meet the needs of cruise passengers with disabilities. Although we have made improvements to our practices and physical facilities to enhance the onboard experience of our disabled guests, the adoption of new laws, regulations or compliance agreements could require further enhancements to our ships and increases in our operating expenses.

- *Changes in the U.S. Internal Revenue Code, applicable U.S. income tax treaties, and the uncertainty of the DLC structure under the Internal Revenue Code may adversely affect the U.S. federal income taxation of our U.S. source shipping income. In addition, changes in the UK, Italian, German, Australian, Spanish, Portuguese and other countries’ or states’ income or other tax laws, regulations or treaties could also adversely affect our net income.*

We believe that substantially all of the U.S. source shipping income of each of Carnival Corporation and Carnival plc qualifies for exemption from U.S. federal income tax, either under (1) Section 883 of the Internal Revenue Code; or (2) applicable U.S. income tax treaties, and should continue to so qualify under the DLC structure. There is, however, no existing U.S. federal income tax authority that directly addresses the tax consequences of implementation of a DLC structure for purposes of Section 883 or any other provision of the Internal Revenue Code or any income tax treaty and, consequently, these matters are not free from doubt.

If we did not qualify for exemption from substantially all U.S. federal income taxes or if such exemptions or laws were changed, we would have significantly higher U.S. income tax expense. In addition, changes in the income or other tax laws affecting our cruise businesses in the UK, Italy, Germany, Australia, Spain, Portugal and elsewhere could result in higher income or other taxes being levied on our cruise operations, thus resulting in lower net income. For example, the state of Alaska instituted income taxes in 2007, which directly impacted the cruise industry operating in Alaska.

In recent years, members of the U.S. Congress and the U.S. Executive Branch have been considering substantive changes designed to reform the existing U.S. international tax laws. Some of these changes, if enacted, could adversely impact U.S. federal taxation of our income. For example, several proposals included provisions that would have changed the rules for determining the tax residency of a non-U.S. company managed and controlled in the U.S. Any modification to the U.S. federal income tax laws that affects the tax residency of a non-U.S. company managed and controlled in the U.S. could adversely affect the U.S. federal taxation of some or all of our income. Although the most recently proposed legislation in this area did not include any “management and control” provision, we are unable to predict whether any of these changes, or other proposals, will ultimately be enacted. We will continue to monitor the administrative, legislative and judicial developments in this area and evaluate a variety of possible courses of action, including restructuring of our organization. However, there is no assurance that such actions, if taken, will successfully mitigate adverse consequences of these or other changes to the existing U.S. international tax laws.

See Part I, Item 1. Business. G. "Taxation" for additional discussion of tax risks.

- *We are subject to many economic, market and political factors that are beyond our control, which could result in increases in our operating, financing and non income tax costs and could harm future sales and profitability.*

Some of our operating costs, including fuel, food, insurance, payroll and security costs, are subject to increases because of market forces, economic or political instability or decisions beyond our control. In addition, interest rates, currency exchange rate fluctuations and our ability to obtain debt or equity financing are dependent on many economic, market and political factors. Actions by taxing jurisdictions could also cause an increase in our costs. Increases in operating, financing and non income tax costs could adversely affect our results because we may not be able to recover these increased costs through price increases charged to our guests and such increases may adversely impact our liquidity and credit ratings.

For example, in 2009, 2008 and 2007 fuel costs accounted for 14.7%, 20.3% and 14.9%, respectively, of our total cruise operating expenses. Economic, market and political conditions in certain parts of the world, including fuel demand and supply disruptions, make it difficult to predict the price and availability of fuel in the future. In 2008, we had taken actions to partially offset the effects of higher fuel costs through the addition of temporary fuel supplement fees charged by substantially all of our brands. Through these fuel supplement efforts, we managed to collect approximately 30% of the impact of increased annual 2008 fuel prices. Success in trying to offset higher fuel costs with ticket price increases and fuel supplements is largely influenced by competitive factors and economic conditions, which can vary significantly depending on the market served, and the guests' perception of these costs. As a result of the late 2008 decreases in fuel prices from their previous high levels, substantially all of our brands no longer charge a fuel supplement. However, future increases in the global cost of fuel would increase the cost of our cruise ship operations. In the future we may be unable to implement additional fuel conservation initiatives and other best practices, or increase ticket prices and/or collect fuel supplements, which would help offset these fuel cost increases.

In addition, the state of Alaska instituted excise and passenger head taxes in 2007, which directly impacted the cruise industry operating in Alaska. It is possible that other states, countries or ports of call that we regularly visit may also decide to assess new taxes or fees or change existing taxes or fees specifically targeted to the cruise industry and its employees and guests, including value added taxes on cruise tickets and onboard revenues and changes in the scope of income that is includable within tonnage tax regimes, which could increase our operating costs and could decrease the demand for cruises and ultimately decrease our net revenue yields and net income.

- *Our ability to implement our shipbuilding programs and ship maintenance, repairs and refurbishments, including ordering additional ships for our cruise brands from shipyards, on terms that are favorable or consistent with our expectations could reduce our profitability.*

The construction, refurbishment, maintenance and repair of cruise ships are complex processes and involve risks similar to those encountered in other large and sophisticated construction, refurbishment, maintenance and repair projects, which could cause delays in completion of such work. In addition, work stoppages, insolvencies or other financial difficulties at the shipyards and their subcontractors and suppliers who build, refurbish, maintain or repair our ships could also delay or prevent the delivery of our ships under construction or the refurbishment, repair and maintenance of existing ships in our fleet. These events could adversely affect our profitability. However, the impact from a delay in delivery of our newbuilds is expected to be partially mitigated by contractual provisions and bank guarantees that we require shipyards to provide to us. In addition, the consolidation of the control of certain cruise shipyards or cruise shipyard insolvencies could result in less shipyard availability thus reducing competition and increasing prices. Finally, the lack of qualified shipyard repair facilities could result in the inability to repair and maintain our ships on a timely basis, which could also result in reduced profitability.

As of November 30, 2009, we had entered into foreign currency forwards and/or options to fix a portion of the cost in U.S. dollars or sterling of two of our euro-denominated shipbuilding contracts. If the shipyard with which we have contracted is unable to perform under the related contracts, the foreign currency forwards and/or options related to the shipyard's shipbuilding contracts would still have to be honored. This might require us to realize a loss on existing foreign currency forwards and/or options without an offsetting gain on our foreign currency denominated shipbuilding contracts, thus resulting in an adverse effect on our financial results. As all of our newbuilds are being built by European shipyards and substantially all our newbuild costs are priced in euros, the ability to purchase ships for our North American and UK brands at favorable U.S. dollar and sterling prices, respectively, is adversely impacted as a result of the weaker U.S. dollar and weaker sterling compared to the euro. This can result in higher newbuild costs and reduced profitability for our North American and UK brands. Finally, the prices of various commodities that are used in the construction of ships, such as steel, can be subject to volatile price changes and, accordingly, the cost of future newbuilds may increase, which could have an adverse impact on our net income.

In connection with our shipbuilding contracts, we do not anticipate any contractual breakage or cancellations by us to occur. However, if any were to occur, it could result in, among other things, the forfeiture of our payments and the imposition of contractual liquidated damages.

- *Our success depends upon the continued strength of our cruise brands and our ability to implement our brand strategies.*

We believe that our cruise brands have contributed significantly to the success of our business and that maintaining and enhancing our brands is critical to expanding their customer base. In addition, the ability of our brands to successfully target different segments of the various vacation markets in which they operate enables them to continue to expand and strengthen their business. Failure to protect our brands from infringers or to grow the brands globally could have a material adverse effect on our business and results of operations.

- *Our international operations are subject to additional risks not generally applicable to our U.S. operations.*

Our international operations are subject to additional risks, including, but not limited to, potential adverse changes in the diplomatic relations between foreign countries, hostility from local populations, restrictions and taxes on the withdrawal of foreign investment and earnings, government policies against the cruise business, investment restrictions or requirements, diminished ability to legally enforce our contractual rights in foreign countries, foreign exchange restrictions and fluctuations in foreign currency exchange rates, withholding and other taxes on remittances and other payments by subsidiaries, and changes in and application of foreign taxation structures including value added taxes.

- *Geographic regions in which we try to expand our business may be slow to develop, and ultimately not develop how we expect, thus resulting in the slower growth of our business.*

As we expand our global presence into both existing lower-penetrated markets and emerging markets, it requires, among other things, investments and start-up costs that we may not recover through future revenues from these markets. In addition, we cannot be certain that these markets will ultimately develop as we expect. Accordingly, our business expansion may not produce the returns that we had expected. For instance, in 2006 we entered the Chinese market, and it is still too early to determine if this market will fully develop as expected over the long-term.

- *Whether our future operating cash flow will be sufficient to fund future obligations and whether we will be able to obtain financing, if necessary, in sufficient amounts and on terms that are favorable or consistent with our expectations may adversely impact our financial results. In addition, our counterparties' ability to perform may adversely impact us.*

Our forecasted cash flow from future operations may be adversely affected by various factors, including, but not limited to, declines in guest demand, increased competition, overcapacity, inadequate liquidity and other issues in the global debt and equity markets, terrorist and pirate attacks and the threats thereof, the impact of the spread of contagious diseases such as flu virus, ship accidents and other incidents, adverse publicity, increases in fuel prices and other factors noted under these "Risk Factors.". To the extent that we are required, or choose, to fund future cash requirements, including current and future shipbuilding commitments, from sources other than cash flow from operations, available cash and current and future committed external sources of liquidity, including committed ship and other financings, we will have to secure such financing from banks or through the offering of debt and/or equity securities in the public or private markets. There is no guarantee that such financings will be available in the future to fund our future obligations.

Our access to, and the cost of, financing will depend on, among other things, conditions or disruptions in the global financing markets, the maintenance of our investment grade long-term credit ratings and the availability of sufficient amounts of financing. Carnival Corporation and Carnival plc's senior, unsecured long-term debt ratings are A3 from Moody's Investors Service ("Moody's") and BBB+ from Standard & Poor's Rating Services ("S&P"). Carnival Corporation's and Carnival plc's short-term corporate credit ratings are P-2 from Moody's and A-2 from S&P's. In March 2009, our A- credit rating from S&P was downgraded to BBB+ and assigned a negative outlook, which reflected S&P's concerns that the weakened state of the economy and the pullback in consumer spending would pressure our ability to sustain our BBB+ credit rating. However in late January 2010, S&P changed our outlook from negative to stable. This change reflects S&P's expectation that the improving trend in our advance bookings will continue, as well as S&P's expectations of improving pricing trends, consumer spending patterns and gross domestic product growth in the U.S. and Europe.

The ability of our counterparties, primarily associated with our cash equivalents, committed financing facilities, contingent obligations, derivative instruments, insurance contracts and new ship progress payment guarantees, to perform may adversely impact us if any of their financial positions weaken materially or they suffer other financial disruptions.

- *Continuing financial viability of our travel agent distribution system, air service providers, and other key vendors in our supply chain is essential to allowing us to profitably operate our business. In addition, reductions in the availability of and increases in the prices for the services and products provided by these vendors can adversely impact our net income.*

Significant disruptions or contractions to our travel agent distribution system, such as those caused by a reduction in travel and related commission income as a result of an economic slowdown, could have an adverse effect on our sales and related commission costs. In addition, the vast majority of our guests book their cruises through independent travel agents, wholesalers and tour operators. These parties generally sell and market our cruises on a nonexclusive basis. Although we believe we offer commissions and other incentives to them for booking our cruises that are comparable to those offered by others in the cruise industry, there can be no guarantee that our competitors will not offer higher commissions and incentives in the future.

Some of our guests depend on scheduled or chartered commercial airline services to transport them to or from the ports where our cruises embark and disembark. Changes or disruptions in commercial or chartered airline services as a result of strikes, financial instability or viability, adverse weather conditions or other events, or the lack of availability due to schedule changes or a high level of airline bookings could adversely affect our ability to deliver guests to or from our cruise ships and increase our cost of sales which would, in turn, have an adverse effect on our results of operations. In addition, increases in the prices of airfares would increase the overall vacation price to our guests and may adversely affect demand for our cruises.

Economic downturns may impact the financial viability of other key vendors in our supply chain. For example, some of our key vendors, such as hotel and restaurant suppliers, have been adversely affected during the recent economic downturn. The interruption in the services or goods we purchase from them could adversely impact our operations and net income.

- *Our decisions to self-insure against various risks or the inability to obtain insurance for certain risks at reasonable rates could result in higher expenses.*

We seek to maintain comprehensive insurance coverage at commercially reasonable rates. We believe that our current coverage is adequate to protect us against most of the significant risks involved in the conduct of our business, although we do elect to self-insure or use higher deductibles for substantially all the insurable risks we face in order to minimize the cost of our insurance coverages. Accordingly, we are not protected against all risks, which could result in unexpected increases in our expenses in the event of an incident.

We may also be subject to additional premium costs, in amounts based not only on our own claim records, but also on the claim records of all other members of the P&I associations through which we receive indemnity coverage for tort liability. If we, or other members of our P&I associations, were to sustain significant losses in the future, our ability to obtain insurance coverage or coverage at commercially reasonable rates could be materially adversely affected. Finally, if other marine insurers experience more claims, this could result in additional premium costs for us.

- *Disruptions and other damages to our information technology networks and operations could result in decreases in our net income.*

Our ability to increase revenues and control costs, as well as our ability to serve guests most effectively, depends in part on the reliability of our sophisticated information technology ("IT") networks. We use software and other IT systems to, among other things, manage our inventory of cabins held for sale and set pricing in order to maximize our revenue yields, and to optimize the effectiveness and efficiency of our shoreside and shipboard operations. Any disruptions or other damage to these computer systems or unauthorized access to confidential customer or employee personal information could adversely impact our guest services and satisfaction, employee relationships, decrease the volume of our business and result in increased costs. In addition, the operation, maintenance and updating of these networks is dependent on third-party technologies, systems and services for which there is no certainty of uninterrupted availability. While we have invested and continue to invest in IT security initiatives and disaster recovery plans, these measures cannot insulate us from IT disruptions that could result in adverse effects on our operations and net income.

- *Lack of continuing availability of attractive, convenient and safe port destinations.*

We believe that attractive, convenient and safe port destinations, including ports that are not overly congested with tourists, are major reasons why our guests choose a cruise versus an alternative vacation option. The continuing availability of these types of ports, including the specific port facility at which our guests will embark and disembark, is affected by a number of factors including, but not limited to, existing capacity constraints, security, safety and environmental concerns, adverse weather conditions and natural disasters, financial limitations on port development, political instability, exclusivity arrangements that ports may have with our competitors, local governmental regulations and charges and local community concerns about both port development and other adverse impacts on their communities from additional tourists. The inability to continue to utilize, maintain, rebuild, if necessary, and increase the number of ports that our ships call on could adversely affect our net revenue yields and net income.

- *The DLC structure involves risks not associated with the more common ways of combining the operations of two companies, and these risks may have an adverse effect on the economic performance of the companies and their respective share prices.*

The DLC structure is a relatively uncommon way of combining the management and operations of two companies and it involves different issues and risks from those associated with the other more common ways of impacting a business combination, such as a merger or exchange offer to create a wholly owned subsidiary. In our DLC structure, the combination is effected primarily by means of contracts between Carnival Corporation and Carnival plc and not by operation of a statute or court order. The legal effect of these contractual rights may be different from the legal effect of a merger or amalgamation under statute or court order, and there may be difficulties in enforcing these contractual rights. Shareholders and creditors of either company might challenge the validity of the contracts or their lack of standing to enforce rights under these contracts, and courts may interpret or enforce these contracts in a manner inconsistent with the express provisions and intentions we included in such contracts. In addition, shareholders and creditors of other companies might successfully challenge other DLC structures and establish legal precedents that could increase the risk of a successful challenge to our DLC structure.

We maintain two separate public companies and comply with both Panamanian corporate law and English company laws and different securities and other regulatory and stock exchange requirements in the UK and the U.S. This structure requires more administrative time and cost than was the case for each company individually, which has an adverse effect on our operating efficiency.

- *A small group of shareholders collectively owned, as of January 21, 2010, approximately 27% of the total combined voting power of our outstanding shares and may be able to effectively control the outcome of shareholder voting.*

As of January 21, 2010 a group of shareholders, consisting of some members of the Arison family, including Micky Arison, and trusts established for their benefit, beneficially owned approximately 34% of the outstanding common stock of Carnival Corporation, which shares represent sufficient shares entitled to constitute a quorum at shareholder meetings and to cast approximately 27% of the total combined voting power of Carnival Corporation & plc. Depending upon the nature and extent of the shareholder vote, this group of shareholders may have the power to effectively control, or at least to influence substantially, the outcome of certain shareholder votes and, therefore, the corporate actions requiring such votes.

- *Carnival Corporation and Carnival plc are not U.S. corporations, and our shareholders may be subject to the uncertainties of a foreign legal system in protecting their interests.*

Carnival Corporation’s corporate affairs are governed by its Third Amended and Restated Articles of Incorporation (“Articles”) and Third Amended and Restated By-Laws (“By-Laws”) and by the corporate laws of Panama. Carnival plc is governed by its Articles of Association and by the corporate laws of England and Wales. The contracts that control the relationship between Carnival Corporation and Carnival plc under the DLC are governed by the laws of Panama, the Isle of Man and the Cayman Islands. The corporate laws of Panama, England and Wales, the Isle of Man and the Cayman Islands may differ in some respects from the corporate laws in the U.S.

- *Provisions in Carnival Corporation’s and Carnival plc’s constitutional documents may prevent or discourage takeovers and business combinations that our shareholders might consider to be in their best interests.*

Carnival Corporation’s Articles and By-Laws and Carnival plc’s Articles of Association contain provisions that may delay, defer, prevent or render more difficult a takeover attempt that our shareholders consider to be in their best interests. As a result, these provisions may prevent our shareholders from receiving a premium to the market price of our shares offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our shares if they are viewed as discouraging takeover attempts in the future.

Specifically, Carnival Corporation’s Articles contain provisions that prevent third parties, other than the Arison family and trusts established for their benefit, from acquiring beneficial ownership of more than 4.9% of its outstanding shares without the consent of Carnival Corporation’s Board of Directors and provide for the lapse of rights, and sale, of any shares acquired in excess of that limit. The effect of these provisions may preclude third parties from seeking to acquire a controlling interest in us in transactions that shareholders might consider to be in their best interests and may prevent them from receiving a premium above market price for their shares.

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements, estimates or projections contained in this Form 10-K are “forward-looking statements” that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, outlooks, plans, goals and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We have tried, whenever possible, to identify these statements by using words like “will,” “may,” “could,” “should,” “would,” “believe,” “expect,” “anticipate,” “forecast,” “future,” “intend,” “plan,” “estimate” and similar expressions of future intent or the negative of such terms.

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in this Form 10-K. Forward-looking statements include those statements which may impact, among other things, the forecasting of our earnings per share, net revenue yields, booking levels, pricing, occupancy, operating, financing and tax costs, fuel expenses, costs per available lower berth day, estimates of ship depreciable lives and residual values, liquidity, goodwill and trademark fair values and outlook.

Certain of the risks we are exposed to are identified in this Item 1A. "Risk Factors." This section contains important cautionary statements and a discussion of many of the factors that could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position.

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 Form 10-K, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The Carnival Corporation and Carnival plc corporate headquarters and our larger shoreside locations are as follows:

Entity/Brand	Location	Square Footage	Own/Lease
Carnival Corporation headquarters and Carnival Cruise Lines	Miami, FL U.S.A.	456,000/26,000	Own/Lease
Princess	Santa Clarita, CA U.S.A.	361,000	Lease
Holland America Line, Holland America Princess Alaska Tours	Seattle, WA U.S.A.	234,000	Lease
Costa	Genoa, Italy	185,000/24,000	Own/Lease
P&O Cruises, Cunard, Carnival Corporation & plc's Technical Services and UK sales office	Southampton, England	150,000	Lease
AIDA	Rostock, Germany	122,000	Lease
P&O Cruises Australia	Sydney, Australia	65,000	Lease
Carnival plc headquarters and UK sales office	London, England	8,000	Lease

In addition, we own, lease or have controlling interests in port facilities in Barcelona, Spain; Cozumel, Mexico; Grand Turk, Turks & Caicos Islands; Juneau, Alaska; Long Beach, California; Roatán, Honduras and Savona, Italy.

Our cruise ships, headquarters, port and other shoreside facilities and Holland America Princess Alaska Tours' properties, are all well maintained and in good condition. We evaluate our needs periodically and obtain additional facilities when deemed necessary. We believe that our facilities are adequate for our current needs.

Our cruise ships and Holland America Line's and Princess' private islands, Half Moon Cay and Princess Cays, respectively, are briefly described in Part I, Item 1. Business. B. "Cruise Operations." The hotel properties owned and operated by Holland America Princess Alaska Tours are briefly described in Part I, Item 1. Business. A. "General."

Item 3. Legal Proceedings.

In January 2008, the Office of the Attorney General of Florida ("Attorney General") initiated 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. In December 2009, we were informed that the Attorney General has closed the investigation without taking any actions.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Executive Officers of the Registrants

Pursuant to General Instruction G(3), the information regarding our executive officers called for by Item 401(b) of Regulation S-K is hereby included in Part I of this Form 10-K.

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

NAME	AGE	TITLE
Micky Arison	60	Chairman of the Board of Directors and Chief Executive Officer
David Bernstein	52	Senior Vice President and Chief Financial Officer
Alan B. Buckelew	61	President and Chief Executive Officer of Princess Cruises
Gerald R. Cahill	58	President and Chief Executive Officer of Carnival Cruise Lines
David Dingle	52	Chief Executive Officer of Carnival UK
Pier Luigi Foschi	63	Chairman and Chief Executive Officer of Costa Crociere, S.p.A. and Director
Howard S. Frank	68	Vice Chairman of the Board of Directors and Chief Operating Officer
Larry Freedman	58	Chief Accounting Officer and Vice President-Controller
Stein Kruse	51	President and Chief Executive Officer of Holland America Line Inc.
Arnaldo Perez	49	Senior Vice President, General Counsel and Secretary

Business Experience of Executive Officers

Micky Arison has been Chairman of the Board of Directors since October 1990 and a director since June 1987. He has been Chief Executive Officer since 1979. Mr. Arison has been employed by us for 38 years.

David Bernstein has been Senior Vice President and Chief Financial Officer since July 2007. From July 2003 to July 2007, he was Vice President and Treasurer. From June 1998 to July 2003, he was Chief Financial Officer of Cunard and Seabourn. Mr. Bernstein has been employed by us for 11 years.

Alan B. Buckelew has been Chief Executive Officer of Princess since June 2007. He has been President of Princess from February 2004. From October 2004 to June 2007, he was Chief Operating Officer of Cunard. From October 2000 to January 2004, he was Executive Vice President and Chief Financial Officer of Princess. Mr. Buckelew has been employed by us or Carnival plc predecessor companies for 32 years.

Gerald R. Cahill has been President and Chief Executive Officer of Carnival Cruise Lines since July 2007. From December 2003 to June 2007, he was Executive Vice President and Chief Financial and Accounting Officer. From January 1998 to November 2003 he was Senior Vice President Finance, Chief Financial and Accounting Officer. Mr. Cahill has been employed by us for 15 years.

David Dingle has been Chief Executive Officer of Carnival UK, whose brands include P&O Cruises, Ocean Village and Cunard, since June 2007. In addition, he has also been Chairman of the Carnival plc Management Committee with responsibility for Carnival Australia since June 2007. From April 2003 to June 2007, he was Managing Director of Carnival UK and P&O Cruises. From June 2000 to April 2003, he was Managing Director of P&O Cruises. Mr. Dingle has been employed by us or Carnival plc predecessor companies for 31 years.

Pier Luigi Foschi has been a director since April 2003. He has been Chief Executive Officer of Costa Crociere, S.p.A. since October 1997 and Chairman of its Board since January 2000. In this capacity, Mr. Foschi has had responsibility for AIDA since April 2003 and Ibero since September 2007. Mr. Foschi has been employed by us for 12 years.

Howard S. Frank has been Vice Chairman of the Board of Directors since October 1993, Chief Operating Officer since January 1998 and a director since April 1992. Mr. Frank has been employed by us for 20 years.

Larry Freedman has been Chief Accounting Officer since July 2007 and Vice President-Controller since April 1998. From April 1998 to June 2007, Mr. Freedman was also Vice President – Finance. Mr. Freedman has been employed by us for 11 years.

Stein Kruse has been the President and Chief Executive Officer of Holland America Line since December 2004. From November 2003 to November 2004, he was the President and Chief Operating Officer of Holland America Line. From October 1999 to October 2003, he was Senior Vice President, Fleet Operations for Holland America Line. Mr. Kruse has been employed by us for 10 years.

Arnaldo Perez has been Senior Vice President, General Counsel and Secretary since March 2002. From August 1995 to February 2002 he was Vice President, General Counsel and Secretary. Mr. Perez has been employed by us for 17 years.

PART II

Item 5. Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

A. Market Information

The information required by Item 201(a) of Regulation S-K, Market Information, is shown in Exhibit 13 and is incorporated by reference into this Form 10-K.

B. Holders

The information required by Item 201(b) of Regulation S-K, Holders, is shown in Exhibit 13 and is incorporated by reference into this Form 10-K.

C. Dividends

Carnival Corporation and Carnival plc declared cash dividends on all of their common stock and ordinary shares, respectively, in the amount of:

	Quarters Ended			
	February 28/29	May 31	August 31	November 30
2010	$0.10			
2009	$0.00	$0.00	$0.00	$0.00
2008	$0.40	$0.40	$0.40	$0.40

All dividends for both Carnival Corporation and Carnival plc are declared in U.S. dollars. If declared, holders of Carnival Corporation common stock and Carnival plc American Depository Shares receive a dividend payable in U.S. dollars. The dividends payable for Carnival plc ordinary shares are payable in sterling, unless the shareholders elect to receive the dividends in U.S. dollars. Dividends payable in sterling will be converted from U.S. dollars into sterling at the U.S. dollar to sterling exchange rate quoted by the Bank of England in London at 12:00 p.m. on the next combined U.S. and UK business day that follows the quarter end.

Maintenance of a strong balance sheet, which enhances our financial flexibility, has always been and continues to be the primary objective of our capital structure policy. We believe preserving cash and liquidity is a prudent step to take during uncertain times to achieve this objective. Accordingly in October 2008 at the height of the financial crisis, the Boards of Directors voted to suspend our quarterly dividend beginning March 2009. However, at the January 2010 Boards of Directors meetings it was decided to reinstate our March 2010 quarterly dividend at $0.10 per share.

The payment and amount of any future dividend is within the discretion of the Boards of Directors. Our dividends were and will be based on a number of factors, including our earnings, liquidity position, financial condition, tone of business, capital requirements, credit ratings and the availability and cost of obtaining new debt. We cannot be certain that Carnival Corporation and Carnival plc will continue their dividend in the future, and if so, the amount and timing of such future dividends are not determinable and may be different than the levels and have a different timing than are disclosed above.

D. Securities Authorized for Issuance under Equity Compensation Plans

The information required by Item 201(d) of Regulation S-K is incorporated by reference to Part III, Item 12 of this Form 10-K.

E. Performance Graph

The information required by Item 201(e) of Regulation S-K, Performance Graph, is shown in Exhibit 13 and is incorporated by reference into this Form 10-K.

F. Issuer Purchases of Equity Securities; Use of Proceeds from Registered Securities

I. Repurchase Authorizations

In June 2006, the Boards of Directors authorized the repurchase of up to an aggregate of $1 billion of Carnival Corporation common stock and Carnival plc ordinary shares subject to certain restrictions. On September 19, 2007, the Boards of Directors increased the remaining $578 million general repurchase authorization back to $1 billion. The general repurchase authorization does not have an expiration date and may be discontinued by our Boards of Directors at any time.

In addition to the general repurchase authorization, the Boards of Directors have authorized the repurchase of up to 19.2 million Carnival plc ordinary shares and up to 25 million shares of Carnival Corporation common stock under the "Stock Swap" programs described below.

At January 28, 2010, the remaining availability under the general repurchase authorization was $787 million and the remaining availability under the "Stock Swap" program repurchase authorizations were 18.1 million Carnival plc ordinary shares and 19.2 million Carnival Corporation shares. All Carnival plc ordinary share repurchases under both the general repurchase authorization and the "Stock Swap" authorizations require annual shareholder approval. The existing shareholder approval is limited to a maximum of 21.3 million ordinary shares and is valid until the earlier of the conclusion of the Carnival plc 2010 annual general meeting, or October 14, 2010. It is not our present intention to repurchase shares of Carnival Corporation common stock or Carnival plc ordinary shares under the general repurchase authorization, except for any repurchases made with net proceeds resulting from our "Stock Swap" programs described below.

II. "Stock Swap" Programs; Use of Proceeds

We use the "Stock Swap" programs in situations where we can obtain an economic benefit because either Carnival Corporation common stock or Carnival plc ordinary shares are trading at a price that is at a premium or discount to the price of Carnival plc ordinary shares or Carnival Corporation common stock, as the case may be.

In the event Carnival Corporation common stock trades at a premium to Carnival plc ordinary shares, we may elect to issue and sell Carnival Corporation common stock through an "At The Market" equity offering ("ATM Offering") with Merrill Lynch, Pierce, Fenner & Smith, Incorporated ("Merrill Lynch") as sales agent, and use the sale proceeds to repurchase Carnival plc ordinary shares in the UK market on at least an equivalent basis, with the remaining net proceeds used for general corporate purposes. In the ATM Offering, Carnival Corporation may issue and sell up to 19.2 million of its common stock in the U.S. market, which shares are to be sold from time to time at prevailing market prices in ordinary brokers' transactions by Merrill Lynch. Any sales of Carnival Corporation shares have been and will be registered under the Securities Act. On October 31, 2008, we filed a prospectus supplement to the base prospectus contained in our shelf registration statement on Form S-3ASR (File No. 333-132306-01) relating to the ATM Offering. Such shelf registration statement became effective upon filing with the SEC on March 9, 2006 and expired in March 2009. On March 11, 2009, we filed a new joint shelf registration statement with the SEC (File No. 333-157861), which became effective upon filing.

In the event Carnival Corporation common stock trades at a discount to Carnival plc ordinary shares, we may elect to sell existing ordinary shares of Carnival plc, with such sales made by Carnival Investments Limited, a subsidiary of Carnival Corporation, and with Merrill Lynch International ("MLI") as sales agent, from time to time in "at the market" transactions, and use the sale proceeds to repurchase Carnival Corporation common stock in the U.S. market on at least an equivalent basis, with the remaining net proceeds used for general corporate purposes. In the offering, Carnival Investments Limited may sell up to 25 million Carnival plc ordinary shares in the UK market, which shares are to be sold from time to time at prevailing market prices in ordinary brokers' transactions by MLI. Any sales of Carnival plc shares have been and will be registered under the Securities Act. On July 2, 2009, Carnival plc filed a shelf registration statement with the SEC to register such sales (File No. 333-160411), which became effective upon filing.

Under the “Stock Swap” programs, from December 1, 2008 through February 28, 2009

- Carnival Corporation sold 450,000 shares of Carnival Corporation common stock, at an average price of $21.41 per share for gross proceeds of $10 million and paid Merrill Lynch and others fees of $72,000 and $77,000, respectively, for total net proceeds of $9 million. Substantially all of the net proceeds from these sales were used to purchase 450,000 Carnival plc ordinary shares. From March 1, 2009 through January 28, 2010, there were no sales of shares of Carnival Corporation common stock;

  and from July 24, 2009 through November 30, 2009

- Carnival Investments Limited sold 5.8 million Carnival plc ordinary shares, at an average price of $32.41 per share for gross proceeds of $188 million and paid MLI and others fees of $1.4 million and $419,000, respectively, for total net proceeds of $187 million. Substantially all of the net proceeds of these sales were used to purchase 5.8 million shares of Carnival Corporation common stock.

The purchases of Carnival Corporation common stock during the three months ended November 30, 2009 pursuant to the “Stock Swap” program were as follows:

Period	**Total Number of Carnival Corporation Common Stock Purchased**	**Average Price Paid per Share of Carnival Corporation Common Stock**	**Maximum Number of Carnival Corporation Common Stock That May Yet Be Purchased Under the Carnival Corporation Stock Swap Program**
September 1, 2009 through September 30, 2009	275,000	$30.30	23,225,000
October 1, 2009 through October 31, 2009	1,600,000	$32.72	21,625,000
November 1, 2009 through November 30, 2009	2,425,000	$31.09	19,200,000
Total	4,300,000	$31.64	

During the quarter ended November 30, 2009, there were no stock repurchases of Carnival Corporation common stock or Carnival plc ordinary shares under the general stock repurchase authorization and no repurchases of Carnival plc ordinary shares under the “Stock Swap” program repurchase authorization.

Item 6. Selected Financial Data.

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

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

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

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

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

Item 8. Financial Statements and Supplementary Data.

The financial statements, together with the report thereon of PricewaterhouseCoopers LLP dated January 28, 2010, and the Selected Quarterly Financial Data (Unaudited), are shown in Exhibit 13 and are incorporated by reference into this Form 10-K.

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

None.

Item 9A. Controls and Procedures.

A. Evaluation of Disclosure Controls and Procedures

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

Our Chief Executive Officer, Chief Operating Officer and Chief Financial Officer have evaluated our disclosure controls and procedures and have concluded, as of November 30, 2009, that they are effective as described above.

B. Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended November 30, 2009 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

C. Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO Framework”). Based on our evaluation under the COSO Framework, our management concluded that our internal control over financial reporting was effective as of November 30, 2009.

PricewaterhouseCoopers LLP, the independent registered certified public accounting firm that audited our consolidated financial statements incorporated in this Form 10-K, has also audited the effectiveness of our internal control over financial reporting as of November 30, 2009 as stated in their report which is shown in Exhibit 13 and is incorporated by reference into this Form 10-K.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

We have adopted a code of ethics that applies to our chief executive officer, chief operating officer and senior financial officers, including the chief financial officer, chief accounting officer and controller and other persons performing similar functions. This code of ethics is posted on our website, which is located at www.carnivalcorp.com and www.carnivalplc.com. We intend to satisfy the disclosure requirement under Item 10 of Form 8-K regarding an amendment to, or waiver from, a provision of this code of ethics by posting such information on our website, at the addresses specified above. Information contained in our website, whether currently posted or posted in the future, is not part of this document or the documents incorporated by reference in this document.

The additional information required by Item 10 is incorporated herein by reference to the Carnival Corporation and Carnival plc joint definitive proxy statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2009 fiscal year, except that the information concerning the Carnival Corporation and Carnival plc executive officers called for by Item 401(b) of Regulation S-K is included in Part I of this Form 10-K.

Item 11. Executive Compensation.

The information required by Item 11 is incorporated herein by reference to the Carnival Corporation and Carnival plc joint definitive proxy statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2009 fiscal year.

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

A. Securities Authorized for Issuance under Equity Compensation Plans

I. Carnival Corporation

Set forth below is a table that summarizes compensation plans (including individual compensation arrangements) under which Carnival Corporation equity securities are authorized for issuance as of November 30, 2009.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	14,110,494(1)	$42.65	27,041,116(2)(3)
Equity compensation plans not approved by security holders			
Total	14,110,494	$42.65	27,041,116

(1) Includes outstanding options to purchase Carnival Corporation common stock under the Carnival Cruise Lines, Inc. 1987 Stock Option Plan, Carnival Corporation 1992 Stock Option Plan, Carnival Corporation 2002 Stock Plan, Carnival Corporation 1993 Outside Directors' Stock Option Plan and Carnival Corporation 2001 Outside Director Stock Plan. Also includes 1,516,171 restricted share units outstanding under the Carnival Corporation 2002 Stock Plan and 33,441 restricted share units outstanding under the Carnival Corporation 2001 Outside Director Stock Plan.

(2) Includes Carnival Corporation common stock available for issuance as of November 30, 2009 as follows: 2,519,431 under the Carnival Corporation Employee Stock Purchase Plan, which includes 20,646 shares subject to purchase during the current purchase period, 23,944,428 under the Carnival Corporation 2002 Stock Plan and 577,257 under the Carnival Corporation 2001 Outside Director Stock Plan.

(3) In addition to options, the Carnival Corporation 2002 Stock Plan and the Carnival Corporation 2001 Outside Director Stock Plan provide for the award of restricted shares and restricted share units without limitation on the number of shares than can be awarded in either form.

II. Carnival plc

Set forth below is a table that summarizes compensation plans (including individual compensation arrangements) under which Carnival plc equity securities are authorized for issuance as of November 30, 2009.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (1)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	3,642,416(2)	$42.05	12,546,056(3)
Equity compensation plans not approved by security holders			
Total	3,642,416	$42.05	12,546,056

(1) Converted from sterling, if applicable, using the November 30, 2009 exchange rate of $1.65:£1.
(2) Includes outstanding options to purchase Carnival plc ordinary shares under the Carnival plc Executive Share Option Plan and Carnival plc 2005 Employee Share Plan. Also includes 857,041 restricted share units outstanding under the Carnival plc 2005 Employee Share Plan.
(3) In addition to options, the Carnival plc 2005 Employee Share Plan provides for the award of restricted shares and restricted share units without limitation on the number of shares that can be awarded in either form.

The additional information required by Item 12 is incorporated herein by reference to the Carnival Corporation and Carnival plc joint definitive proxy statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2009 fiscal year.

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

The information required by Items 13 and 14 is incorporated herein by reference to the Carnival Corporation and Carnival plc joint definitive proxy statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2009 fiscal year.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) (1) Financial Statements

The financial statements shown in Exhibit 13 are incorporated herein by reference into this Form 10-K.

(2) Financial Statement Schedules

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

(3) Exhibits

The exhibits listed on the accompanying Index to Exhibits are filed or incorporated by reference as part of this Form 10-K and such Index to Exhibits is hereby incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, each of the registrants has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CARNIVAL CORPORATION

/s/ Micky Arison
Micky Arison
Chairman of the Board of
Directors and Chief Executive Officer
January 29, 2010

CARNIVAL PLC

/s/ Micky Arison
Micky Arison
Chairman of the Board of
Directors and Chief Executive Officer
January 29, 2010

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

CARNIVAL CORPORATION

/s/ Micky Arison
Micky Arison
Chairman of the Board of
Directors and Chief Executive Officer
January 29, 2010

/s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of
Directors and Chief Operating Officer
January 29, 2010

/s/ David Bernstein
David Bernstein
Chief Financial Officer
January 29, 2010

/s/ Larry Freedman
Larry Freedman
Chief Accounting Officer
January 29, 2010

/s/*Richard G. Capen, Jr.
Richard G. Capen, Jr.
Director
January 29, 2010

/s/*Robert H. Dickinson
Robert H. Dickinson
Director
January 29, 2010

/s/*Arnold W. Donald
Arnold W. Donald
Director
January 29, 2010

/s/*Pier Luigi Foschi
Pier Luigi Foschi
Director
January 29, 2010

/s/*Richard J. Glasier
Richard J. Glasier
Director
January 29, 2010

CARNIVAL PLC

/s/ Micky Arison
Micky Arison
Chairman of the Board of
Directors and Chief Executive Officer
January 29, 2010

/s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of
Directors and Chief Operating Officer
January 29, 2010

/s/ David Bernstein
David Bernstein
Chief Financial Officer
January 29, 2010

/s/ Larry Freedman
Larry Freedman
Chief Accounting Officer
January 29, 2010

/s/*Richard G. Capen, Jr.
Richard G. Capen, Jr.
Director
January 29, 2010

/s/*Robert H. Dickinson
Robert H. Dickinson
Director
January 29, 2010

/s/*Arnold W. Donald
Arnold W. Donald
Director
January 29, 2010

/s/*Pier Luigi Foschi
Pier Luigi Foschi
Director
January 29, 2010

/s/*Richard J. Glasier
Richard J. Glasier
Director
January 29, 2010

/s/*Modesto A. Maidique
Modesto A. Maidique
Director
January 29, 2010

/s/*Sir John Parker
Sir John Parker
Director
January 29, 2010

/s/*Peter G. Ratcliffe
Peter G. Ratcliffe
Director
January 29, 2010

/s/*Stuart Subotnick
Stuart Subotnick
Director
January 29, 2010

/s/*Laura Weil
Laura Weil
Director
January 29, 2010

/s/*Randall J. Weisenburger
Randall J. Weisenburger
Director
January 29, 2010

/s/*Uzi Zucker
Uzi Zucker
Director
January 29, 2010

*By: /s/ Arnaldo Perez
Arnaldo Perez
(Attorney-in-fact)
January 29, 2010

/s/*Modesto A. Maidique
Modesto A. Maidique
Director
January 29, 2010

/s/*Sir John Parker
Sir John Parker
Director
January 29, 2010

/s/*Peter G. Ratcliffe
Peter G. Ratcliffe
Director
January 29, 2010

/s/*Stuart Subotnick
Stuart Subotnick
Director
January 29, 2010

/s/*Laura Weil
Laura Weil
Director
January 29, 2010

/s/*Randall J. Weisenburger
Randall J. Weisenburger
Director
January 29, 2010

/s/*Uzi Zucker
Uzi Zucker
Director
January 29, 2010

*By: /s/ Arnaldo Perez
Arnaldo Perez
(Attorney-in-fact)
January 29, 2010

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	Filed Herewith
Underwriting agreements					
1.1	ATM Equity Offering[sm] Sales Agreement, dated as of October 31, 2008, between Carnival Corporation and Merrill Lynch, Pierce, Fenner & Smith Incorporated.	8-K	99.2	10/31/08	
1.2	Form of Selling Agreement among Carnival Investments Limited, Carnival Corporation, Carnival plc and Merrill Lynch International.	S-3	1.1	7/2/09	
Articles of incorporation and by-laws					
3.1	Third Amended and Restated Articles of Incorporation of Carnival Corporation.	8-K	3.1	4/17/03	
3.2	Third Amended and Restated By-Laws of Carnival Corporation.	8-K	3.1	4/20/09	
3.3	Articles of Association of Carnival plc.	8-K	3.3	4/20/09	
3.4	Memorandum of Association of Carnival plc.	8-K	3.4	4/20/09	
Instruments defining the rights of security holders, including indentures					
4.1	Agreement of Carnival Corporation and Carnival plc, dated January 11, 2010 to furnish certain debt instruments to the Securities and Exchange Commission.				X
4.2	Carnival Corporation Deed, dated April 17, 2003, between Carnival Corporation and P&O Princess Cruises plc for the benefit of the P&O Princess Shareholders.	10-Q	4.1	8/31/03	
4.3	Equalization and Governance Agreement, dated April 17, 2003, between Carnival Corporation and P&O Princess Cruises plc.	10-Q	4.2	8/31/03	
4.4	Carnival Corporation Deed of Guarantee, dated as of April 17, 2003, between Carnival Corporation and Carnival plc.	S-4	4.3	5/30/03	
4.5	Carnival plc Deed of Guarantee, dated as of April 17, 2003, between Carnival Corporation and Carnival plc.	S-3 & F-3	4.10	6/19/03	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	Filed Herewith
4.6	Specimen Common Stock Certificate.	S-3 & F-3	4.16	6/19/03	
4.7	Pairing Agreement, dated as of April 17, 2003, between Carnival Corporation, The Law Debenture Trust Corporation (Cayman) Limited, as trustee, and Computershare Investor Services (formerly SunTrust Bank), as transfer agent.	8-K	4.1	4/17/03	
4.8	Voting Trust Deed, dated as of April 17, 2003, between Carnival Corporation and The Law Debenture Trust Corporation (Cayman) Limited, as trustee.	8-K	4.2	4/17/03	
4.9	SVE Special Voting Deed, dated as of April 17, 2003, between Carnival Corporation, DLS SVC Limited, P&O Princess Cruises plc, The Law Debenture Trust Corporation (Cayman) Limited, as trustee, and The Law Debenture Trust Corporation, P.L.C.	8-K	4.3	4/17/03	
4.10	Form of Amended and Restated Deposit Agreement and holders from time to time of receipts issued thereunder.	Post Amend-ment to Form F-6	99-a	4/15/03	
4.11	Indenture, dated as of April 25, 2001, between Carnival Corporation and U.S. Bank Trust National Association, as trustee, relating to unsecured and unsubordinated debt securities.	S-3	4.5	6/13/01	
4.12	Form of Indenture, dated March 1, 1993, between Carnival Cruise Lines, Inc. and First Trust National Association, as Trustee, relating to the Debt Securities, including form of Debt Security.	S-3	4	3/2/93	
4.13	Second Supplemental Indenture, dated December 1, 2003, between Carnival plc and Carnival Corporation to The Bank of New York, as Trustee, relating to 7.875% debentures due 2027.	10-K	4.14	11/30/03	
Material contracts					
10.1*	Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.	10-Q	10.1	8/31/07	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	Filed Herewith
10.2*	Amendment to the Amended and Restated Carnival Corporation 1992 Stock Option Plan.	10-K	10.2	11/30/03	
10.3	Facilities Agreement dated October 21, 2005, between Carnival Corporation, Carnival plc, and certain of Carnival Corporation and Carnival plc subsidiaries, The Royal Bank of Scotland as facilities agent and a syndicate of financial institutions.	10-K	10.3	11/30/05	
10.4*	Amended and Restated Carnival Corporation 1992 Stock Option Plan.	10-K	10.4	11/30/97	
10.5*	Carnival Cruise Lines, Inc. 1993 Restricted Stock Plan adopted on January 15, 1993 and as amended January 5, 1998 and December 21, 1998.	10-K	10.5	11/30/98	
10.6*	Carnival Corporation “Fun Ship” Nonqualified Savings Plan.	10-K	10.6	11/30/97	
10.7*	Amendment to the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.	10-Q	10.1	2/28/07	
10.8*	Carnival Cruise Lines, Inc. Non-Qualified Retirement Plan.	10-K	10.4	11/30/90	
10.9*	Executive Long-term Compensation Agreement, dated as of January 16, 1998, between Robert H. Dickinson and Carnival Corporation.	10-K	10.2	11/30/97	
10.10*	Consulting Agreement/ Registration Rights Agreement, dated June 14, 1991, between Carnival Corporation and Ted Arison.	S-3A	4.3	7/16/91	
10.11*	First Amendment to Consulting Agreement/ Registration Rights Agreement between Carnival Corporation and Ted Arison.	10-K	10.40	11/30/92	
10.12*	Form of Appointment Letter for Non-Executive Directors.	10-Q	10.1	5/31/08	
10.13*	Form of Appointment Letter for Executive Directors.	10-Q	10.2	5/31/08	
10.14*	Amended and Restated Carnival plc 2005 Employee Share Plan.	10-Q	10.1	2/28/09	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
10.15*	Carnival Corporation Supplemental Executive Retirement Plan.	10-K	10.32	11/30/99	
10.16*	Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.	10-K	10.31	11/30/00	
10.17*	Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan.	10-K	10.33	11/30/99	
10.18*	Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan.	10-Q	10.2	2/28/07	
10.19*	Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan.	10-K	10.34	11/30/00	
10.20*	Amendment to the Carnival Corporation "Fun Ship" Nonqualified Savings Plan.	10-K	10.37	11/30/01	
10.21*	Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.	10-Q	10.3	2/28/07	
10.22*	Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.	10-Q	10.1	5/31/09	
10.23*	Amended and Restated Carnival Corporation 2002 Stock Plan.	10-Q	10.3	2/28/09	
10.24*	Agreement with Pier Luigi Foschi.	8-K	10.1	9/1/09	
10.25	Succession Agreement, dated as of May 28, 2002, to Registration Rights Agreement, dated June 14, 1991, between Carnival Corporation and Ted Arison.	10-Q	10.2	5/31/02	
10.26*	Carnival Corporation & plc Non-Executive Board of Director Cruise Benefit Policy.	10-Q	10.1	8/31/05	
10.27*	Amendment to the Carnival Corporation Nonqualified Retirement Plan For Highly Compensated Employees.	10-Q	10.1	2/28/06	
10.28*	Amendment of the Carnival Corporation "Fun Ship" Nonqualified Savings Plan.	10-Q	10.1	2/28/03	
10.29*	Amendment of the Carnival Corporation Nonqualified Retirement Plan For Highly Compensated Employees.	10-Q	10.2	2/28/03	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	Filed Herewith
10.30*	The P&O Princess Cruises Executive Share Option Plan.	20-F	4.9	12/30/01	
10.31*	The P&O Princess Cruises Deferred Bonus and Co-Investment Matching Plan.	20-F	4.10	12/30/01	
10.32*	Carnival Cruise Lines Management Incentive Plan.	10-Q	10.1	8/31/08	
10.33*	Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.	10-Q	10.1	2/29/04	
10.34*	Amendment to the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.	10-Q	10.2	2/29/04	
10.35*	Amendment to the Carnival Corporation “Fun Ship” Nonqualified Savings Plan.	10-Q	10.3	2/29/04	
10.36*	Amendment to the Carnival Corporation “Fun Ship” Nonqualified Savings Plan.	10-Q	10.1	2/28/05	
10.37*	Form of Nonqualified Stock Option Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.	10-Q	10.5	8/31/05	
10.38*	Form of Restricted Stock Award Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.	10-K	10.60	11/30/07	
10.39*	Form of Restricted Stock Unit Award Agreement for the Amended and Restated Carnival Corporation 2001 Outside Director Stock Plan.	10-K	10.61	11/30/07	
10.40*	Form of Share Option Certificate for the Amended and Restated Carnival plc 2005 Employee Share Plan.	10-Q	10.8	8/31/05	
10.41	Deed of Guarantee, dated October 21, 2005, between Carnival Corporation as guarantor and the Royal Bank of Scotland plc as facilities agent.	10-K	10.63	11/30/05	
10.42	Deed of Guarantee, dated October 21, 2005, between Carnival plc as guarantor and the Royal Bank of Scotland plc as facilities agent.	10-K	10.64	11/30/05	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	Filed Herewith
10.43*	Corporate Aviation Administrative Policy Statement for the use of Carnival Corporation & plc aircraft.	10-Q	10.2	2/28/06	
10.44*	Form of Restricted Share Unit Award Certificate for the Amended and Restated Carnival plc 2005 Employee Share Plan.	10-Q	10.3	2/28/06	
10.45*	Form of Restricted Stock Unit Agreement for the Amended and Restated Carnival Corporation 2002 Stock Plan.	10-K	10.67	11/30/07	
10.46*	Princess Cruises Chief Executive Officer Supplemental Retirement Plan – 2008 restatement.	10-Q	10.1	2/28/09	
10.47*	Amendment to the P&O Princess Cruises Executive Share Option Plan.	10-Q	10.5	2/28/07	
10.48*	Amendment to the P&O Princess Cruises Deferred Bonus and Co-Investment Matching Plan.	10-Q	10.6	2/28/07	
10.49*	Form of Executive Restricted Stock Agreement for the Amended and Restated Carnival Corporation 2002 Stock Plan.	10-Q	10.4	2/28/09	
10.50	Amendment Agreement, dated July 21, 2007, to the Facilities Agreement dated October 21, 2005, by and among Carnival Corporation, Carnival plc, and certain of Carnival Corporation and Carnival plc subsidiaries, The Royal Bank of Scotland, as Facilities Agent, and a syndicate of financial institutions.	10-Q	10.2	8/31/07	
10.51*	Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.	8-K	10.1	10/19/07	
10.52*	Form of Executive Restricted Stock Agreement for Executives with Long-term Compensation Agreements.	10-Q	10.5	2/28/09	
10.53*	Amended and Restated Carnival Corporation & plc Management Incentive Plan for Executive Officers.	10-K	10.58	11/30/08	
10.54*	Amended and Restated Executive Long-term Compensation Agreement, dated January 15, 2008, between Carnival Corporation and Micky Arison.	10-Q	10.2	2/29/08	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	Filed Herewith
10.55*	Amended and Restated Executive Long-term Compensation Agreement dated January 15, 2008, between Carnival Corporation and Howard S. Frank.	10-Q	10.3	2/29/08	
10.56*	Amendment to the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.	10-Q	10.7	2/28/09	
10.57*	Amendment to the Carnival Corporation Fun Ship Nonqualified Savings Plan.	10-Q	10.8	2/28/09	
10.58*	Amendment to the Carnival Corporation Supplemental Executive Retirement Plan.	10-Q	10.9	2/28/09	
Statements regarding computations of ratios					
12	Ratio of Earnings to Fixed Charges				X
Annual report to security holders					
13	Portions of 2009 Annual Report.				X
Subsidiaries of the registrants					
21	Significant Subsidiaries of Carnival Corporation and Carnival plc.				X
Consents of experts and counsel					
23	Consent of Independent Registered Certified Public Accounting Firm.				X
Power of attorney					
24	Powers of Attorney given by certain Directors of Carnival Corporation and Carnival plc to Micky Arison, Howard S. Frank, David Bernstein and Arnaldo Perez authorizing such persons to sign this 2009 joint Annual Report on Form 10-K and any future amendments on their behalf.				X
Rule 13a-14(a)/15d-14(a) certifications					
31.1	Certification of Chief Executive Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	Filed Herewith
31.2	Certification of Chief Operating Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.3	Certification of Senior Vice President and Chief Financial Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.4	Certification of Chief Executive Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.5	Certification of Chief Operating Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.6	Certification of Senior Vice President and Chief Financial Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
Section 1350 certifications					
32.1**	Certification of Chief Executive Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2**	Certification of Chief Operating Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.3**	Certification of Senior Vice President and Chief Financial Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	Filed Herewith
32.4**	Certification of Chief Executive Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.5**	Certification of Chief Operating Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.6**	Certification of Senior Vice President and Chief Financial Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
Interactive data file					
101**	The financial statements from Carnival Corporation & plc's joint Annual Report on Form 10-K for the year ended November 30, 2009, as filed with the SEC on January 29, 2010 formatted in XBRL, as follows: (i) the Consolidated Statements of Operations for the years ended November 30, 2009, 2008 and 2007; (ii) the Consolidated Balance Sheets at November 30, 2009 and 2008; (iii) the Consolidated Statements of Cash Flows for the years ended November 30, 2009, 2008 and 2007; (iv) the Consolidated Statements of Shareholders' Equity for the years ended November 30, 2009, 2008 and 2007; and (v) the notes to the consolidated financial statements, tagged as blocks of text.				X

*Indicates a management contract or compensation plan or arrangement.
**These items are furnished and not filed.

Exhibit 4.1

January 11, 2010

Securities and Exchange Commission
450 Fifth Street, N.W.
Judiciary Plaza
Washington, DC 20549

RE: Carnival Corporation, Commission File No. 1-9610, and
Carnival plc, Commission File No. 1-15136

Gentlemen:

Pursuant to Item 601(b)(4)(iii) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended, Carnival Corporation and Carnival plc (the "Companies") hereby agree to furnish copies of certain long-term debt instruments to the Securities and Exchange Commission upon the request of the Commission, and, in accordance with such regulation, such instruments are not being filed as part of the joint Annual Report on Form 10-K of the Companies for their year ended November 30, 2009.

Very truly yours,

CARNIVAL CORPORATION AND CARNIVAL PLC

/s/ Arnaldo Perez

Senior Vice President, General Counsel
and Secretary

Exhibit 12

CARNIVAL CORPORATION & PLC
Ratio of Earnings to Fixed Charges
(in millions, except ratios)

	Years Ended November 30,				
	2009	**2008**	**2007**	**2006**	**2005**
Net income	$1,790	$2,330	$2,408	$2,279	$2,253
Income tax expense, net	16	47	16	39	72
Income before income taxes	1,806	2,377	2,424	2,318	2,325
Fixed charges					
Interest expense, net	380	414	367	312	330
Interest portion of rent expense (a)	18	17	15	16	17
Capitalized interest	37	52	44	37	21
Total fixed charges	435	483	426	365	368
Fixed charges not affecting earnings					
Capitalized interest	(37)	(52)	(44)	(37)	(21)
Earnings before fixed charges	$2,204	$2,808	$2,806	$2,646	$2,672
Ratio of earnings to fixed charges	5.1x	5.8x	6.6x	7.2x	7.3x

(a) Represents one-third of rent expense, which we believe to be representative of the interest portion of rent expense.

Exhibit 13

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

	Years Ended November 30, 2009	2008	2007
Revenues			
Cruise			
Passenger tickets	$ 9,985	$11,210	$ 9,792
Onboard and other	2,885	3,044	2,846
Other	287	392	395
	13,157	14,646	13,033
Costs and Expenses			
Operating			
Cruise			
Commissions, transportation and other	1,917	2,232	1,941
Onboard and other	461	501	495
Payroll and related	1,498	1,470	1,336
Fuel	1,156	1,774	1,096
Food	839	856	747
Other ship operating	1,997	1,913	1,717
Other	236	293	296
Total	8,104	9,039	7,628
Selling and administrative	1,590	1,629	1,579
Depreciation and amortization	1,309	1,249	1,101
	11,003	11,917	10,308
Operating Income	2,154	2,729	2,725
Nonoperating (Expense) Income			
Interest income	14	35	67
Interest expense, net of capitalized interest	(380)	(414)	(367)
Other income (expense), net	18	27	(1)
	(348)	(352)	(301)
Income Before Income Taxes	1,806	2,377	2,424
Income Tax Expense, Net	(16)	(47)	(16)
Net Income	$ 1,790	$ 2,330	$ 2,408
Earnings Per Share			
Basic	$ 2.27	$ 2.96	$ 3.04
Diluted	$ 2.24	$ 2.90	$ 2.95
Dividends Declared Per Share		$ 1.60	$ 1.375

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

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

	November 30, 2009	November 30, 2008
ASSETS		
Current Assets		
Cash and cash equivalents	$ 538	$ 650
Trade and other receivables, net	362	418
Inventories	320	315
Prepaid expenses and other	298	267
Total current assets	1,518	1,650
Property and Equipment, Net	29,870	26,457
Goodwill	3,451	3,266
Trademarks	1,346	1,294
Other Assets	650	733
	$36,835	$33,400
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	$ 135	$ 256
Current portion of long-term debt	815	1,081
Convertible debt subject to current put option		271
Accounts payable	568	512
Accrued liabilities and other	874	1,142
Customer deposits	2,575	2,519
Total current liabilities	4,967	5,781
Long-Term Debt	9,097	7,735
Other Long-Term Liabilities and Deferred Income	736	786
Commitments and Contingencies (Notes 6 and 7)		
Shareholders' Equity		
Common stock of Carnival Corporation; $.01 par value; 1,960 shares authorized; 644 shares at 2009 and 643 shares at 2008 issued	6	6
Ordinary shares of Carnival plc; $1.66 par value; 226 shares authorized; 213 shares at 2009 and 2008 issued	354	354
Additional paid-in capital	7,707	7,677
Retained earnings	15,770	13,980
Accumulated other comprehensive income (loss)	462	(623)
Treasury stock; 24 shares at 2009 and 19 shares at 2008 of Carnival Corporation and 46 shares at 2009 and 52 shares at 2008 of Carnival plc, at cost	(2,264)	(2,296)
Total shareholders' equity	22,035	19,098
	$36,835	$33,400

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

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

	Years Ended November 30,		
	2009	**2008**	**2007**
OPERATING ACTIVITIES			
Net income	$1,790	$2,330	$2,408
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	1,309	1,249	1,101
Share-based compensation	50	50	64
Other	37	(37)	26
Changes in operating assets and liabilities, excluding businesses acquired and sold			
Receivables	81	(70)	(119)
Inventories	10	(8)	(57)
Prepaid expenses and other	7	(18)	(56)
Accounts payable	74	(66)	109
Accrued and other liabilities	29	37	163
Customer deposits	(45)	(76)	430
Net cash provided by operating activities	3,342	3,391	4,069
INVESTING ACTIVITIES			
Additions to property and equipment	(3,380)	(3,353)	(3,312)
Purchases of short-term investments	(4)	(4)	(2,098)
Sales of short-term investments	2	11	2,078
Acquisition of business, net of cash acquired and sales of businesses	(33)		(339)
Other, net	31	91	(75)
Net cash used in investing activities	(3,384)	(3,255)	(3,746)
FINANCING ACTIVITIES			
Principal repayments of revolver	(1,749)	(3,314)	(135)
Proceeds from revolver	1,166	3,186	1,086
Proceeds from issuance of other long-term debt	2,299	2,243	2,654
Principal repayments of other long-term debt	(1,273)	(1,211)	(1,656)
(Repayments of) proceeds from short-term borrowings, net	(288)	138	(1,281)
Dividends paid	(314)	(1,261)	(990)
Purchases of treasury stock	(188)	(98)	(326)
Sales of treasury stock	196	15	
Proceeds from settlement of foreign currency swaps	113		
Other, net	(55)	(13)	44
Net cash used in financing activities	(93)	(315)	(604)
Effect of exchange rate changes on cash and cash equivalents	23	(114)	61
Net decrease in cash and cash equivalents	(112)	(293)	(220)
Cash and cash equivalents at beginning of year	650	943	1,163
Cash and cash equivalents at end of year	$ 538	$ 650	$ 943

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Common stock	Ordinary shares	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total share-holders' equity
Balances at November 30, 2006	$6	$354	$7,479	$11,600	$661	$(1,890)	$18,210
Comprehensive income:							
Net income				2,408			2,408
Foreign currency translation adjustment					649		649
Other					(7)		(7)
Total comprehensive income							3,050
Cash dividends declared				(1,087)			(1,087)
Purchases of treasury stock and other			120			(323)	(203)
Adoption of pension accounting standard (Note 12)					(7)		(7)
Balances at November 30, 2007	6	354	7,599	12,921	1,296	(2,213)	19,963
Adoption of tax accounting interpretation (Note 8)				(11)			(11)
Comprehensive income:							
Net income				2,330			2,330
Foreign currency translation adjustment					(1,816)		(1,816)
Other					(103)		(103)
Total comprehensive income							411
Cash dividends declared				(1,260)			(1,260)
Purchases and sales under the Stock Swap program and other			78			(83)	(5)
Balances at November 30, 2008	6	354	7,677	13,980	(623)	(2,296)	19,098
Comprehensive income:							
Net income				1,790			1,790
Foreign currency translation adjustment					1,043		1,043
Other					42		42
Total comprehensive income							2,875
Purchases and sales under the Stock Swap programs and other			30			32	62
Balances at November 30, 2009	$6	$354	$7,707	$15,770	$ 462	$(2,264)	$22,035

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

NOTE 1 - General

Description of Business

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 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. See Note 3.

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 2009 Annual Report as "Carnival Corporation & plc," "our," "us," and "we."

We are the largest cruise company and one of the largest vacation companies in the world. As of November 30, 2009, the summary by brand of our passenger capacity, the number of cruise ships we operate, and the primary areas in which they are marketed is as follows:

Cruise Brands	Passenger Capacity(a)	Number of Cruise Ships	Primary Market
Carnival Cruise Lines	54,480	22	North America
Princess Cruises ("Princess")	37,588	17	North America
Costa Cruises ("Costa")(b)	28,426	14	Europe
Holland America Line	21,378	14	North America
P&O Cruises(c)	11,998	6	United Kingdom ("UK")
AIDA Cruises ("AIDA")	9,862	6	Germany
Ibero Cruises ("Ibero")	5,010	4	Spain and Brazil
P&O Cruises Australia	4,744	3	Australia and New Zealand
Cunard Line ("Cunard")	4,608	2	UK and North America
Ocean Village(d)	1,578	1	UK
The Yachts of Seabourn ("Seabourn")	1,074	4	North America
	180,746	93	

(a) In accordance with cruise industry practice, passenger capacity is calculated based on two passengers per cabin even though some cabins can accommodate three or more passengers.
(b) Includes the 1,488-passenger capacity *Costa Europa*, which will be operated by an unrelated entity under a bareboat charter agreement, commencing April 2010 and expiring April 2020.
(c) Includes the 1,200-passenger capacity *Artemis*, which was sold in October 2009 to an unrelated entity and is being operated by P&O Cruises under a bareboat charter agreement until April 2011 (see Note 4).
(d) The Ocean Village brand is being phased-out with the planned transfer of its ship to P&O Cruises Australia in November 2010.

Preparation of Financial Statements

The preparation of our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the amounts reported and disclosed in our financial statements. Actual results could differ from these estimates. All significant intercompany balances and transactions are eliminated in consolidation. In our accompanying Consolidated Statements of Cash Flows we have revised our presentation of proceeds from and principal repayments of our principal revolving credit facility to reflect the cash flows in connection with the underlying borrowings and repayments under this revolver. This revision had no impact on the net proceeds from and principal repayments of this revolver, or on our net cash used in financing activities. We have evaluated subsequent events through January 28, 2010, and determined that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes thereto other than as disclosed in the accompanying notes.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Presentation

We consolidate entities over which we have control (see Notes 3 and 15), as typically evidenced by a direct ownership interest of greater than 50%. For affiliates where significant influence over financial and operating policies exists, as typically evidenced by a direct ownership interest from 20% to 50%, the investment is accounted for using the equity method.

Cash and Cash Equivalents

Cash and cash equivalents include investments with maturities of three months or less at acquisition, which are stated at cost. At November 30, 2009 and 2008, cash and cash equivalents are comprised of cash on hand, money market funds and time deposits.

Marketable Securities

We account for our marketable securities as trading or available-for-sale. As of November 30, 2009 and 2008, our marketable securities were not significant and we had $16 million and $20 million of unrealized holding losses at such dates, respectively. All income generated from these investments is recorded as interest and investment income.

Purchases and sales of short-term investments included in our 2007 Consolidated Statement of Cash Flows consisted of investments with original maturities greater than three months with floating interest rates, which typically reset every 28 days. Despite the long-term nature of their stated contractual maturities, prior to November 30, 2007 we had the ability to quickly liquidate these securities so they were considered short-term investments.

Inventories

Inventories consist primarily of food and beverage provisions, hotel and restaurant products and supplies, gift shop and art merchandise held for resale and fuel, which are all carried at the lower of cost or market. Cost is determined using the weighted-average or first-in, first-out methods.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization were computed using the straight-line method over our estimates of average useful lives and residual values, as a percentage of original cost, as follows:

	Residual Values	Years
Ships	15%	30
Ship improvements	0% or 15%	3-28
Buildings and improvements	0-10%	5-35
Computer hardware and software	0-10%	3-7
Transportation equipment and other	0-15%	2-20
Leasehold improvements, including port facilities	Shorter of lease term or related asset life	

Ship improvement costs that we believe add value to our ships are capitalized to the ships and depreciated over their or the ships' estimated remaining useful life, whichever is shorter, while costs of repairs and maintenance, including minor improvement costs, are charged to expense as incurred. We capitalize interest as part of acquiring ships and other capital projects during their construction period. The specifically identified or estimated cost and accumulated depreciation of previously capitalized ship components are written off upon retirement.

Dry-dock costs primarily represent planned major maintenance activities that are incurred when a ship is taken out of service for scheduled maintenance. These costs are expensed as incurred.

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be fully recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of our asset based on our estimate of its undiscounted future cash flows. If these estimated undiscounted future cash flows are less than the carrying value of the asset, an impairment charge is recognized for the excess, if any, of the asset's carrying value over its estimated fair value.

Goodwill and Trademarks

We review our goodwill for impairment annually, and, when events or circumstances dictate, more frequently. All of our goodwill has been allocated to our cruise line reporting units. Our goodwill impairment reviews consist of a two-step process. The first step is to determine the fair value of the reporting unit and compare it to the carrying value of the net assets allocated to the reporting unit. If this fair value exceeds the carrying value no further analysis or goodwill write-down is required. The second step is required if the fair value of the reporting unit is less than the carrying value of the net assets. In this step the estimated fair value of the reporting unit is allocated to all the underlying assets and liabilities, including both recognized and unrecognized tangible and intangible assets, based on their relative fair values. If necessary, goodwill is then written-down to its implied fair value.

The costs of developing and maintaining our trademarks are expensed as incurred. For certain of our acquisitions we have allocated a portion of the purchase prices to the acquiree's identified trademarks. Trademarks are estimated to have an indefinite useful life and, therefore, are not amortizable, but are reviewed for impairment annually, and, when events or circumstances dictate, more frequently. Our trademarks would be considered impaired if their carrying value exceeds their estimated fair value.

Revenue and Expense Recognition

Guest cruise deposits represent unearned revenues and are initially recorded as customer deposit liabilities when received. Customer deposits are subsequently recognized as cruise revenues, together with revenues from onboard and other activities (which include transportation and shore excursion revenues), and all associated direct costs of a voyage are recognized as cruise expenses, upon completion of voyages with durations of ten nights or less and on a pro rata basis for voyages in excess of ten nights. Future travel discount vouchers issued to guests are typically recorded as a reduction of cruise passenger ticket revenues when such vouchers are utilized. Cancellation fees are recognized in cruise passenger ticket revenues at the time of the cancellation.

Our sale to guests of air and other transportation to and from our ships and the related cost of purchasing this service are recorded as cruise passenger ticket revenues and cruise transportation costs, respectively. The proceeds that we collect from the sale of third party shore excursions and on behalf of onboard concessionaires, net of the amounts remitted to them, are recorded as concession revenues, on a net basis, in onboard and other cruise revenues.

Revenues and expenses from our tour and travel services are recognized at the time the services are performed or expenses are incurred.

Substantially all port and other taxes assessed on a per guest basis by a government or quasi-governmental entity are presented on a net basis against the corresponding amounts collected from our guests.

Insurance and Self-Insurance

We use a combination of insurance and self-insurance to address a number of risks including, among others, claims related to crew and guests, hull and machinery, war risk, workers' compensation, shoreside employee health, property damage and general liability. Liabilities associated with certain of these risks, principally crew and guest claims, are estimated actuarially based on historical claims experience, loss development factors and other assumptions. While we believe the estimated loss amounts accrued are adequate, the ultimate loss may differ from the amounts provided.

Selling and Administrative Expenses

Selling expenses include a broad range of advertising, such as marketing and promotional expenses. Advertising is charged to expense as incurred, except for brochures and media production costs. The brochures and media production costs are recorded as prepaid expenses and charged to expense as consumed or upon the first airing of the advertisement, respectively. Advertising expenses totaled $508 million, $524 million and $508 million in fiscal 2009, 2008 and 2007, respectively. At November 30, 2009 and 2008, the amount of advertising costs included in prepaid expenses was not significant. Administrative expenses represent the costs of our shoreside ship support, reservations and other administrative functions, and include items such as salaries and related benefits, professional fees and occupancy costs, which are typically expensed as incurred.

Foreign Currency Translations and Transactions

We translate the assets and liabilities of our foreign operations that have functional currencies other than the U.S. dollar at exchange rates in effect at the balance sheet date. Revenues and expenses of these foreign operations are translated at weighted-average exchange rates for the reporting period. Equity is translated at historical rates and the resulting cumulative foreign currency translation adjustments are included as a component of accumulated other comprehensive income ("AOCI"). Therefore, the U.S. dollar value of these non-equity translated items in our consolidated financial statements will fluctuate from period to period, depending on the changing value of the dollar versus these currencies.

Exchange gains and losses arising from the remeasurement of monetary assets and liabilities and foreign currency transactions denominated in a currency other than the functional currency of the entity involved are immediately included in nonoperating earnings, unless such assets and liabilities have been designated to act as hedges of ship commitments or net investments in our foreign operations, respectively. In addition, the unrealized exchange gains or losses on our long-term intercompany receivables denominated in a non-functional currency, which are not expected to be repaid in the foreseeable future and are therefore considered to form part of our net investments, are recorded as foreign currency translation adjustments, which are included as a component of AOCI. Net foreign currency transaction exchange gains or losses recorded in our earnings were insignificant in fiscal 2009, 2008 and 2007.

Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted-average number of shares of common stock and ordinary shares outstanding during each period. Diluted earnings per share is computed by dividing adjusted net income by the weighted-average number of shares of common stock and ordinary shares, common stock equivalents and other potentially dilutive securities outstanding during each period. For earnings per share purposes, Carnival Corporation common stock and Carnival plc ordinary shares are considered a single class of shares since they have equivalent rights (see Note 3). All shares that are issuable under our outstanding convertible notes that have contingent share conversion features have been considered outstanding for our diluted earnings per share computations, if dilutive, using the "if converted" method of accounting from the date of issuance.

Share-Based Compensation

We recognize compensation expense for all share-based compensation awards using the fair value method. Share-based compensation cost 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, we estimate the amount of expected forfeitures, based on historical forfeiture experience, when calculating compensation cost. If the actual forfeitures that occur are significantly different from the estimate, then we revise our estimates.

NOTE 3 – DLC Structure

In 2003, Carnival Corporation and Carnival plc (formerly known as P&O Princess Cruises plc) completed a DLC transaction, which implemented Carnival Corporation & plc's DLC structure. 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. The constitutional documents of each of the companies also provide that, on most matters, the holders of the common equity of both companies effectively vote as a single body. On specified matters where the interests of Carnival Corporation's shareholders may differ from the interests of Carnival plc's shareholders (a "class rights action" such as transactions primarily designed to amend or unwind the DLC structure), each shareholder body will vote separately as a class. Generally, no class rights action will be implemented unless approved by both shareholder bodies.

Upon the closing of the DLC transaction, Carnival Corporation and Carnival plc also executed the Equalization and Governance Agreement, which provides for the equalization of dividends and liquidation distributions based on an equalization ratio and contains provisions relating to the governance of the DLC structure. Because the current equalization ratio is 1 to 1, one Carnival plc ordinary share is entitled to the same distributions, subject to the terms of the Equalization and Governance Agreement, as one share of Carnival Corporation common stock. In a liquidation of either company or both companies, if the hypothetical potential per share liquidation distributions to each company's shareholders are not equivalent, taking into account the relative value of the two companies' assets and the indebtedness of each company, to the extent that one company has greater net assets so that any liquidation distribution to its shareholders would not be equivalent on a per share basis, the company with the ability to make a higher net distribution is required to make a payment to the other company to equalize the possible net distribution to shareholders, subject to certain exceptions.

At the closing of the DLC transaction, Carnival Corporation and Carnival plc also executed deeds of guarantee. Under the terms of Carnival Corporation's deed of guarantee, Carnival Corporation has agreed to guarantee all indebtedness and certain other monetary obligations of Carnival plc that are incurred under agreements entered into on or after the closing date of the DLC transaction. The terms of Carnival plc's deed of guarantee mirror those of Carnival Corporation's. In addition, Carnival Corporation and Carnival plc have each extended their respective deeds of guarantee to the other's pre-DLC indebtedness and certain other monetary obligations, or alternatively have provided standalone guarantees in lieu of utilization of these deeds of guarantee, thus effectively cross guaranteeing all Carnival Corporation and Carnival plc indebtedness and certain other monetary obligations. Each deed of guarantee provides that the creditors to whom the obligations are owed are intended third party beneficiaries of such deed of guarantee.

The deeds of guarantee are governed and construed in accordance with the laws of the Isle of Man. Subject to the terms of the deeds of guarantee, the holders of indebtedness and other obligations that are subject to the deeds of guarantee will have recourse to both Carnival plc and Carnival Corporation though a Carnival plc creditor must first make written demand on Carnival plc and a Carnival Corporation creditor on Carnival Corporation. Once the written demand is made by letter or other form of notice, the holders of indebtedness or other obligations may immediately commence an action against the relevant guarantor. Accordingly, there is no requirement under the deeds of guarantee to obtain a judgment, take other enforcement actions or wait any period of time prior to taking steps against the relevant guarantor. All actions or proceedings arising out of or in connection with the deeds of guarantee must be exclusively brought in courts in England.

Under the terms of the DLC transaction documents, Carnival Corporation and Carnival plc are permitted to transfer assets between the companies, make loans to or investments in each other and otherwise enter into intercompany transactions. The companies have entered into some of these types of transactions and may enter into additional transactions in the future to take advantage of the flexibility provided by the DLC structure and to operate both companies as a single unified economic enterprise in the most effective manner. In addition, under the terms of the Equalization and Governance Agreement and the deeds of guarantee, the cash flow and assets of one company are required to be used to pay the obligations of the other company, if necessary.

Given the DLC structure as described above, we believe that providing separate financial statements for each of Carnival Corporation and Carnival plc would not present a true and fair view of the economic realities of their operations. Accordingly, separate financial statements for both Carnival Corporation and Carnival plc have not been presented.

Simultaneously with the completion of the DLC transaction, a partial share offer ("PSO") for 20% of Carnival plc's shares was made and accepted, which enabled 20% of Carnival plc shares to be exchanged for 41.7 million Carnival Corporation shares. All of these shares of Carnival plc that are still held by Carnival Corporation as a result of the PSO, which initially cost $1.05 billion, are being accounted for as treasury stock in the accompanying Consolidated Balance Sheets.

NOTE 4 - Property and Equipment

Property and equipment consisted of the following (in millions):

	November 30, 2009	2008
Ships	$35,187	$30,557
Ships under construction	770	707
	35,957	31,264
Land, buildings and improvements, including leasehold improvements and port facilities	864	762
Computer hardware and software, transportation equipment and other	913	847
Total property and equipment	37,734	32,873
Less accumulated depreciation and amortization	(7,864)	(6,416)
	$29,870	$26,457

Capitalized interest, primarily on our ships under construction, amounted to $37 million, $52 million and $44 million in fiscal 2009, 2008 and 2007, respectively. Ships under construction include progress payments for the construction of new ships, as well as design and engineering fees, capitalized interest, construction oversight costs and various owner supplied items. At November 30, 2009, four ships with an aggregate net book value of $1.5 billion were pledged as collateral pursuant to mortgages related to $700 million of debt. Subsequent to November 30, 2009, the mortgages on two of these ships with an aggregate net book value of $688 million were released and, accordingly, $309 million of secured debt became unsecured. See Note 5.

Repairs and maintenance expenses, including minor improvement costs and dry-dock expenses, were $749 million, $661 million and $583 million in fiscal 2009, 2008 and 2007, respectively, and are substantially all included in other ship operating expenses in the accompanying Consolidated Statements of Operations.

In October 2009, we finalized an agreement to sell P&O Cruises' *Artemis* to an unrelated entity (the "buyer") for approximately $100 million, and to charter her back until April 2011. We received approximately $50 million as a down payment and provided interest-bearing seller-financing, secured by the ship, for the remaining portion of the sales price. This sale resulted in a gain, which we had deferred and not recognized in our 2009 Consolidated Statements of Operations due to contingent gain uncertainties surrounding the ultimate collection of the note receivable.

On January 14, 2010, we collected all of our outstanding P&O Cruises' *Artemis* note receivable from the buyer in advance of its original due dates, after the buyer obtained third-party financing. Accordingly, we recognized a gain of approximately $45 million in January 2010 as the contingency surrounding the ultimate collection of the note was fully resolved.

NOTE 5 – Debt

Long-term debt and short-term borrowings consisted of the following (in millions):

	November 30, 2009(a)	November 30, 2008(a)
SECURED LONG-TERM DEBT		
Fixed rate export credit facilities, collateralized by two ships, bearing interest at 5.4% and 5.5%, due through 2016(b)	$ 375	$ 376
Floating rate export credit facilities, collateralized by four ships, bearing interest at LIBOR plus 1.1% to 1.3% (1.7% to 2.6%), due through 2015(b)	325	441
Other	3	2
Total Secured Long-term Debt	703	819
UNSECURED LONG-TERM DEBT		
Export Credit Facilities		
Fixed rate export credit facilities, bearing interest at 4.2% to 5.0%, due through 2020(c)	2,603	2,867
Euro fixed rate export credit facility, bearing interest at 4.5%, due through 2024(c)	299	
Floating rate export credit facility, bearing interest at LIBOR plus 1.6% (2.8%), due through 2017(d)	83	
Euro floating rate export credit facilities, bearing interest at EURIBOR plus 0.2% to 1.6% (1.2% to 3.1%), due through 2021(e)	1,111	261
Bank Loans		
Fixed rate bank loans, bearing interest at 3.5% to 4.5%, due in 2015(c)(f)(h)	850	500
Euro fixed rate bank loans, bearing interest at 3.9% to 4.7%, due through 2021(c)(g)	524	82
Floating rate bank loans, bearing interest at LIBOR plus 2.5% (2.7% and 2.8%), due in 2012(h)	200	
Euro floating rate bank loans, bearing interest at EURIBOR plus 0.55% (1.6%), due in 2014(c)(g)	152	607
Revolver (h)(i)		
Loans, bearing interest at LIBOR plus 0.2% (0.4%)	212	583
Euro loans, bearing interest at EURIBOR plus 0.2% (0.6%)	52	208
Private Placement Notes		
Fixed rate notes, bearing interest at 4.9% to 6.0%, due through 2016	224	229
Euro fixed rate notes, bearing interest at 6.7% to 7.3%, due through 2018(c)	278	236
Publicly-Traded Notes		
Fixed rate notes, bearing interest at 6.7% to 7.2%, due through 2028	530	530
Euro fixed rate notes, bearing interest at 4.3%, due in 2013	1,119	949
Sterling fixed rate notes, bearing interest at 5.6%, due in 2012	339	320
Publicly-Traded Convertible Notes		
Notes, bearing interest at 2%, due in 2021, with next put option in 2011	595	595
Notes, bearing interest at 1.75%, net of discount	9	271
Other	29	30
Total Unsecured Long-term Debt	9,209	8,268
UNSECURED SHORT-TERM BORROWINGS		
Bank loans, with aggregate weighted-average interest rates of 0.3%, repaid in December 2009	96	12
Euro bank loans, with aggregate weighted-average interest rates of 0.6%, repaid in December 2009	39	244
Total Unsecured Short-term Borrowings	135	256
Total Unsecured Debt	9,344	8,524
Total Debt	10,047	9,343
Less short-term borrowings	(135)	(256)
Less current portion of long-term debt	(815)	(1,081)
Less convertible debt subject to current put option		(271)
Total Long-term Debt	$ 9,097	$7,735

(a) All interest rates are as of November 30, 2009. The debt table does not include the impact of our foreign currency and interest rate swaps. At November 30, 2009, 59%, 38% and 3% (62%, 30% and 8% at November 30, 2008) of our debt was U.S. dollar, euro and sterling-denominated, respectively, including the effect of foreign currency swaps. At November 30, 2009, 71% and 29% (74% and 26% at November 30, 2008) of our debt bore fixed and floating interest rates, respectively, including the effect of interest rate swaps. Substantially all of our debt agreements contain one or more of the following financial covenants that require us, among other things, to maintain minimum debt service coverage and minimum shareholders' equity and to limit our debt to capital and debt to equity ratios and the amounts of our secured assets and secured and other indebtedness. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables (see Note 10) could become due, and all debt and derivative contracts could be terminated. At November 30, 2009, we believe we were in compliance with all of our debt covenants.

(b) A portion of two export credit facilities have both fixed and floating interest rate components. In addition, the collateral for $309 million of fixed rate export credit facilities was released in January 2010 and, accordingly, this debt is no longer secured.

(c) Includes an aggregate $3.7 billion of debt whose interest rate will increase upon a reduction in the senior unsecured credit ratings of Carnival Corporation or Carnival plc from BBB+/A3 to BBB/Baa2 and will increase further upon additional credit rating reductions, exclusive of the amount shown in Note (h).

(d) In 2009, we borrowed $83 million under a floating rate export credit facility, which proceeds were used to pay a portion of ***Seabourn Odyssey*** purchase price.

(e) In 2009, we borrowed $301 million and $486 million under two floating rate euro Export credit facilities, which proceeds were used to pay a portion of ***AIDAluna*** and ***Costa Pacifica*** purchase prices, respectively.

(f) Includes two facilities that aggregate to $650 million, which currently carry fixed interest rates. However, each facility can be switched in the future to a floating interest rate at the option of the lenders.

(g) In 2009, we borrowed $597 million under two unsecured term loan facilities, of which $149 million is floating and $448 million is fixed. These proceeds were used to pay for a portion of ***Carnival Dream***'s purchase price. At November 30, 2009, these facilities bear an aggregate weighted-average interest rate of 3.4%. The fixed rate facility is repayable in semi-annual installments through 2021 and the floating rate facility is repayable in full in 2014.

(h) Includes an aggregate $664 million of debt whose interest rate, and in the case of the revolver its commitment fees, will increase upon a reduction in the senior unsecured credit ratings of Carnival Corporation or Carnival plc from A3 to Baa1 and will increase further upon additional credit rating reductions.

(i) Carnival Corporation, Carnival plc and certain of Carnival plc's subsidiaries are parties to our principal revolver for $2.1 billion (comprised of $1.2 billion, €400 million and £200 million). Under this revolver we can draw loans in U.S. dollars, euros and sterling.

At November 30, 2009, the scheduled annual maturities of our debt were as follows (in millions):

	2010	2011	2012	2013	2014	Thereafter
Short-term borrowings	$135					
Revolver	126		$ 138			
Convertible notes		$595		$ 9		
Other long-term debt	689	588	1,379	1,681	$894	$3,813
Total	$950	$1,183	$1,517	$1,690	$894	$3,813

Debt issuance costs are generally amortized to interest expense using the straight-line method, which approximates the effective interest method, over the term of the notes or to the noteholders first put option date, whichever is earlier. In addition, all debt issue discounts are amortized to interest expense using the effective interest rate method over the term of the notes.

Committed Ship and Other Financings

We have unsecured long-term export credit committed ship financings, for which we have the option to draw in order to pay for a portion of certain ships' purchase prices. These commitments, if drawn, are repayable semi-annually over at least a 12-year period, and we have the option to cancel each one up until 60 days prior to the underlying ship's delivery date. At November 30, 2009, our committed ship financings are as follows:

Ship	Date Committed	Fiscal Year Scheduled for Funding	Amount
			(in millions)
AIDAblu	10/08	2010	$ 393
AIDAsol	12/08	2011	431
AIDA Newbuild	12/08	2012	437
Costa Deliziosa	6/09	2010	299
Costa Favolosa	6/09	2011	225
Queen Elizabeth	11/09	2010	527
Carnival Magic	11/09	2011	615
Carnival Newbuild	11/09	2012	560
Total			$3,487

In addition at November 30, 2009, we also have $144 million available under another committed financing.

Revolving Credit Facilities

Under our principal revolver, we are required to pay a commitment fee of 30% of the margin per annum on any undrawn portion. If more than 50% of this revolver is drawn, we will incur an additional 5 basis points ("bps") utilization fee on the total amount outstanding. This revolver matures in October 2012, except for $39 million which matures in October 2011. In addition, at November 30, 2009 we had five other revolving credit facilities, of which three facilities with an aggregate principal amount of $350 million were entered into in 2009. These facilities have a weighted-average undrawn annual commitment fee of 35 bps, serve as back-up liquidity to our principal revolver and mature through 2012. At November 30, 2009, $2.4 billion was available under all these revolvers.

Convertible Notes

At November 30, 2009, Carnival Corporation's 2% convertible notes ("2% Notes") are convertible into 15.2 million shares of Carnival Corporation common stock. The 2% Notes are convertible at a conversion price of $39.14 per share, subject to adjustment, during any fiscal quarter for which the closing price of the Carnival Corporation common stock is greater than $43.05 per share for a defined duration of time in the preceding fiscal quarter. The conditions for conversion of the 2% Notes were not satisfied during 2009 and 2008. Only a nominal amount of our 2% Notes have been converted since their issuance in 2000.

On April 15, 2011, the 2% noteholders may require us to repurchase all or a portion of the 2% Notes at their face values plus any unpaid accrued interest. In addition, we currently may redeem all or a portion of the outstanding 2% Notes at their face value plus any unpaid accrued interest, subject to the noteholders' right to convert. Upon conversion, redemption or repurchase of the 2% Notes, we may choose to deliver Carnival Corporation common stock, cash or a combination of cash and common stock with a total value equal to the value of the consideration otherwise deliverable.

On October 29, 2009, as a result of substantially all of the holders of the Carnival Corporation 1.75% Convertible Notes ("1.75% Notes") exercising their put options, we repurchased $409 million of the then outstanding 1.75% Notes at their accreted value plus accrued interest.

NOTE 6 – Commitments

Ship Commitments

At November 30, 2009, we had 13 ships under contract for construction with an aggregate passenger capacity of 30,442. The estimated total cost of these ships is approximately $8.2 billion, which includes the contract price with the shipyard, design and engineering fees, capitalized interest, construction oversight costs and various owner supplied items. We have paid $770 million through November 30, 2009 and anticipate paying the remaining estimated total costs as follows: $3.4 billion, $2.2 billion and $1.8 billion in fiscal 2010, 2011 and 2012, respectively.

Operating Leases, Port Facilities and Other Commitments

Rent expense under our operating leases, primarily for office and warehouse space, was $54 million, $52 million and $46 million in fiscal 2009, 2008 and 2007, respectively. At November 30, 2009, minimum amounts payable for our operating leases, with initial or remaining terms in excess of one year, and for the annual usage of port facilities and other contractual commitments with remaining terms in excess of one year, were as follows (in millions):

Fiscal Year	Operating Leases	Port Facilities and Other
2010	$ 49	$146
2011	43	112
2012	37	87
2013	33	77
2014	24	50
Thereafter	115	490
Total	$301	$962

NOTE 7 – Contingencies

Litigation

In the normal course of our business, various claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits 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 – Lease Out and Lease Back Type (“LILO”) Transactions

At November 30, 2009, Carnival Corporation had estimated contingent obligations totaling $585 million, excluding termination payments as discussed below, to participants in LILO transactions for two of its ships. At the inception of these leases, the aggregate of the net present value of these obligations was paid by Carnival Corporation to a group of major financial institutions, one of which includes American International Group Inc. (“AIG”), who agreed to act as payment undertakers and directly pay these obligations. Accordingly, these contingent obligations are considered extinguished, and neither the funds nor the contingent obligations have been included in our accompanying Consolidated Balance Sheets.

In the event that Carnival Corporation were to default on its contingent obligations and assuming performance by all other participants, we estimate that we would, as of November 30, 2009, be responsible for a termination payment of approximately $95 million. In 2017 we have the right to exercise options that would terminate these two LILO transactions at no cost to us.

In certain cases, if the credit ratings of the 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 at least AA or meet other specified credit requirements. In such circumstances we would incur additional costs, although we estimate that they will be immaterial to our financial statements. All of the financial institution payment undertakers subject to this AA- credit rating threshold have credit ratings of AAA. If Carnival Corporation's credit rating, which is BBB+, falls below BBB, it will be required to provide a standby letter of credit for $67 million, or, alternatively, provide mortgages for this aggregate amount on these two ships.

In September 2008, the credit ratings of AIG and its subsidiaries involved in one of the above LILO transactions were downgraded from AA- to A-. As a result of this downgrade, AIG pledged collateral to support its obligations as a payment undertaker under the terms of this LILO transaction and, accordingly, AIG is no longer subject to the AA- credit rating threshold discussed above.

Carnival Corporation and AIG were also parties to a third LILO transaction. In September 2008, we replaced AIG as the payment undertaker under this third LILO transaction by purchasing $80 million of U.S. Treasury strip securities using funds substantially all of which were provided by AIG. In February 2009, Carnival and the remaining participants voluntarily unwound this LILO transaction. Accordingly, the $80 million of long-term U.S. Treasury strip securities that we held as collateral for our recorded LILO obligation were released to extinguish this obligation. As a result of the unwinding of this third LILO transaction, we recorded a $15 million nonoperating gain in February 2009, which had originally been deferred at the inception of the LILO transaction and was being amortized over its term.

Contingent Obligations – Indemnifications

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 and 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 8 - Income and Other Taxes

We are primarily foreign corporations engaged in the business of operating passenger vessels in international transportation. Generally, income from or incidental to the international operation of vessels is subject to preferential tax regimes in the countries where the vessel owning and operating companies are incorporated, and generally exempt from income tax in other countries where the vessels call due to the application of income tax treaties or domestic law which, in the U.S., is Section 883 of the Internal Revenue Code. Income that we earn which is not associated with the international operation of ships or earned in countries without preferential tax regimes is subject to income tax in the countries where such income is earned.

AIDA, Costa, Cunard, Ibero, Ocean Village, P&O Cruises and P&O Cruises Australia are subject to income tax under the tonnage tax regimes of either Italy or the United Kingdom. Under both tonnage tax regimes, shipping profits, as defined under the applicable law, are subject to corporation tax by reference to the net tonnage of qualifying vessels. Income not considered to be shipping profits under tonnage tax rules is taxable under either the Italian tax regime applicable to Italian registered ships or the normal UK income tax rules. In addition, Ibero is subject to a preferential Portuguese income tax applicable to international shipping operations. We believe that substantially all of the ordinary income attributable to these brands constitutes shipping profits and, accordingly, Italian, Portuguese and UK income tax expenses for these operations have been minimal under the existing tax regimes.

Carnival Cruise Lines, Princess, Holland America Line and Seabourn are primarily subject to the income tax laws of Panama, Bermuda, the Netherlands Antilles and Bermuda, respectively. As a general matter, the laws of Panama and the Netherlands Antilles exempt earnings derived from international ship operations and Bermuda does not have an income tax. With respect to the U.S. domestic law exemption, Section 883 regulations limit the types of income deemed to be derived from the international operation of a ship that are exempt from income tax. Accordingly, our provision for U.S. federal and state income taxes includes taxes on a portion of our ship operations, in addition to the transportation, hotel and tour business of Holland America Princess Alaska Tours.

We do not expect to incur income taxes on future distributions of undistributed earnings of foreign subsidiaries and, accordingly, no deferred income taxes have been provided for the distribution of these earnings. All interest expense related to income tax liabilities are classified as income tax expenses. In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes and/or fees based on guest counts, ship tonnage, ship capacity or some other measure.

On December 1, 2007, we changed the method for which we account for uncertain income tax positions. This method clarified, 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 50% likely of being realized upon ultimate resolution. This accounting method was applied to all existing tax positions upon adoption. The change resulted in an $11 million reduction to our opening fiscal 2008 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 financial position.

NOTE 9 - Shareholders' Equity

Carnival Corporation's Articles of Incorporation authorize its Board of Directors, at its discretion, to issue up to 40 million shares of preferred stock, and Carnival plc has 100,000 authorized preference shares. At November 30, 2009 and 2008, no Carnival Corporation preferred stock had been issued and only a nominal amount of Carnival plc preference shares had been issued.

In June 2006, the Boards of Directors authorized the repurchase of up to an aggregate of $1 billion of Carnival Corporation common stock and Carnival plc ordinary shares subject to certain restrictions. On September 19, 2007, the Boards of Directors increased the remaining $578 million general repurchase authorization back to $1 billion. During fiscal 2008 and 2007, we purchased 0.6 million and 0.2 million shares of Carnival Corporation common stock, and 1.3 million and 7.3 million ordinary shares of Carnival plc, respectively, under this general repurchase authorization. At January 28, 2010, the remaining availability under the general repurchase authorization was $787 million. The general repurchase authorization does not have an expiration date and may be discontinued by our Boards of Directors at any time.

In addition to the general repurchase authorization, the Boards of Directors have authorized the repurchase of up to 19.2 million Carnival plc ordinary shares and up to 25 million shares of Carnival Corporation common stock under the "Stock Swap" programs described below. We use the "Stock Swap" programs in situations where we can obtain an economic benefit because either Carnival Corporation common stock or Carnival plc ordinary shares are trading at a price that is at a premium or discount to the price of Carnival plc ordinary shares or Carnival Corporation common stock, as the case may be. All Carnival plc share repurchases under both the general repurchase authorization and the "Stock Swap" authorization require annual shareholder approval.

In fiscal 2009 and 2008, we sold 450,000 shares and 633,000 shares of Carnival Corporation common stock for $9 million and $15 million of net proceeds, respectively. In fiscal 2009 and 2008, substantially all of these net proceeds were used to fund the repurchase of 450,000 shares and 633,000 shares of Carnival plc ordinary shares, respectively. In these offerings, we sold Carnival Corporation common stock in the U.S., only to the extent we were able to purchase shares of Carnival plc in the UK on at least an equivalent basis under the "Stock Swap" program.

In fiscal 2009, we also sold 5.8 million shares of Carnival plc ordinary shares for $187 million of net proceeds, substantially all of which was used to fund the repurchase of 5.8 million shares of Carnival Corporation common stock. In these offerings, we sold in the UK Carnival plc ordinary shares held in treasury, only to the extent we were able to purchase shares of Carnival Corporation in the U.S. on at least an equivalent basis under the "Stock Swap" program.

At November 30, 2009, there were 42.9 million shares of Carnival Corporation common stock reserved for issuance pursuant to its convertible notes and its employee benefit and dividend reinvestment plans. In addition, Carnival plc shareholders have authorized 12.5 million ordinary shares for future issuance under its employee benefit plans.

At November 30, 2009 and 2008, accumulated other comprehensive income (loss) was as follows (in millions):

	November 30,	
	2009	**2008**
Cumulative foreign currency translation adjustments, net	$565	$(478)
Unrecognized pension expenses	(99)	(35)
Unrealized loss on marketable security	(16)	(20)
Net gains (losses) on effective cash flow derivative hedges	12	(90)
	$462	$(623)

NOTE 10 - Fair Value Measurements, Derivative Instruments and Hedging Activities

Fair Value Measurements

U.S. accounting standards establish a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 measurements are based on quoted prices in active markets for identical assets or liabilities that we have the ability to access.

- Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.

- Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Fair value is a market-based measure considered from the perspective of a market participant who holds the asset or owes the liability rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, our own assumptions are set to reflect those that we believe market participants would use in pricing the asset or liability at the measurement date.

Financial Instruments that ARE NOT measured at Fair Value on a Recurring Basis

The estimated carrying and fair values of our financial instrument assets and (liabilities) that are not measured at fair value on a recurring basis were as follows (in millions):

	November 30, 2009		November 30, 2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents(a)	$ 324	$ 324	$ 345	$ 345
Long-term other assets(b)	$ 187	$ 181	$ 243	$ 227
Debt, non-convertible(c)	$(9,443)	$(9,376)	$(8,477)	$(6,591)
Publicly-traded convertible notes(d)	$ (604)	$ (627)	$ (866)	$ (754)

(a) Cash and cash equivalents are comprised of cash on hand and time deposits and due to their short maturities the carrying values approximate their fair values.
(b) At both November 30, 2009 and 2008, long-term other assets included notes and other receivables. At November 30, 2008, U.S. Treasury strip securities were also included in long-term other assets. The fair values of notes and other receivables were based on estimated future cash flows discounted at appropriate market interest rates. The fair values of U.S. Treasury strip securities were based on quoted market prices.
(c) The net difference between the fair value of our non-convertible debt and its carrying value was due to the market interest rates in existence at the respective measurement dates being higher than the current interest rates on our debt obligations, including the impact of changes in our credit ratings. The fair values of our publicly-traded notes were based on their quoted market prices. The fair values of our other debt were estimated based on appropriate market interest rates being applied to this debt.
(d) The net difference between the fair values of our publicly-traded convertible notes and their carrying values was primarily due to the impact of changes in the Carnival Corporation common stock price underlying the value of our convertible notes at November 30, 2009, and higher market interest rates than our convertible notes' interest rates at November 30, 2008. Their fair values were based on quoted market prices.

Financial Instruments that ARE measured at Fair Value on a Recurring Basis

The estimated fair value and basis of valuation of our financial instrument assets and (liabilities) that are measured at fair value on a recurring basis were as follows (in millions):

	November 30, 2009		November 30, 2008	
	Level 1	Level 2	Level 1	Level 2
Cash equivalents(a)	$214		$305	
Marketable securities held in rabbi trusts(b)	$106	$ 17	$ 92	$ 21
Derivatives:				
Ship foreign currency forwards and options(c)		$ 41		$(20)
Net investment hedges(d)		$ (33)		$ 13
Debt related currency swaps(e)				$104
Interest rate swaps(f)		$ 3		$ 5

(a) Cash equivalents are comprised of money market funds.
(b) Marketable securities held in rabbi trusts are comprised primarily of mutual funds invested in common stocks, bonds and other investments.
(c) At November 30, 2009 and 2008, we have foreign currency forwards and options totaling $887 million and $1.0 billion, respectively, that are designated as foreign currency cash flow hedges for two of our euro-denominated shipbuilding contracts. These foreign currency forwards and options mature in 2010 and, at November 30, 2009, they hedge 35.1% of our newbuild capacity on order that is exposed to currency risk.

(d) At November 30, 2009 and 2008, we have foreign currency swaps and forwards totaling $526 million and $284 million, respectively, that are designated as hedges of our net investments in foreign operations, which have a euro-denominated functional currency. These foreign currency swaps mature in 2010 and the forwards mature through 2017 and were all entered into to effectively convert U.S. dollar-denominated debt into euro debt.

(e) At November 30, 2008, we had designated foreign currency cash flow swaps that effectively converted $398 million of U.S. dollar fixed interest rate debt into sterling fixed interest rate debt. The changes in fair value are included as a component of AOCI. In December 2008, we settled these foreign currency swaps and thus re-aligned the debt with the parent company's U.S. dollar functional currency.

(f) We have both U.S. dollar and sterling interest rate swaps designated as fair value hedges whereby we receive fixed interest rate payments in exchange for making floating interest rate payments. At November 30, 2009 and 2008, these interest rate swap agreements effectively changed $625 million and $96 million, respectively, of fixed rate debt to U.S. dollar LIBOR or GBP LIBOR-based floating rate debt. These interest rate swaps mature through 2012.

We measure our derivatives using valuations that are calibrated to the initial trade prices. Subsequent valuations are based on observable inputs and other variables included in the valuation model such as interest rate yield curves, forward currency exchange rates, credit spreads, maturity dates, volatilities and netting arrangements. We use the income approach to value the derivatives, using observable market data for all significant inputs and standard valuation techniques to convert future amounts to a single present value amount, assuming that participants are motivated, but not compelled to transact. The fair value measurement of a financial asset or financial liability must reflect the nonperformance risk of the entity and the counterparty. Therefore, the impact of our counterparty's creditworthiness was considered when in an asset position and our creditworthiness was considered when in a liability position in the fair value measurement of our derivative instruments. Creditworthiness did not have a material impact on the fair value of our derivative instruments at either November 30, 2009 or 2008. Both the counterparties and we are expected to continue to perform under the contractual terms of the instruments.

Nonfinancial Instruments that ARE measured at Fair Value on a Nonrecurring Basis

We performed our annual goodwill impairment reviews as of July 31, 2009, by comparing the estimated fair value of each cruise line reporting unit to the carrying value of the net assets allocated to that reporting unit. All of our cruise line reporting units carry goodwill, except for Ocean Village and Seabourn. No goodwill was considered to be impaired because the estimated fair values of each cruise line reporting unit exceeded their respective carrying values and, accordingly, we did not proceed to step two of the impairment analysis.

We estimated cruise line reporting unit fair values based upon a combined weighting of the fair values determined using (a) discounted future cash flow analysis and (b) market multiples of comparable publicly-traded companies. The principal assumptions used in our cash flow analysis related to forecasting future operating results, including net revenue yields, net cruise costs including fuel prices, capacity increases, weighted-average cost of capital for comparable publicly-traded companies and terminal values, which are all considered level 3 inputs. We compared the resulting estimated enterprise fair value to our observable capital market enterprise value.

We also performed our annual trademark impairment reviews as of July 31, 2009, by comparing the estimated fair values of our trademarks to their carrying values. The cruise brands that have trademark amounts recorded are AIDA, Ibero, P&O Cruises, P&O Cruises Australia and Princess. The estimated fair values for each of our trademarks exceeded their respective carrying values and, therefore, none of our trademarks were impaired. We estimated fair values based upon a discounted future cash flow analysis, which estimated the amount of royalties that we are relieved from having to pay for use of the associated trademarks, based upon forecasted cruise revenues. The royalty rates are primarily based upon comparable royalty agreements used in similar industries.

We do not believe there have been any events or circumstances subsequent to July 31, 2009, which would require us to perform interim goodwill or trademark impairment reviews, except for the interim goodwill review we performed at Ibero as of September 30, 2009 because of a one-year acceleration of a ship transfer into Ibero. Based on this interim review, none of Ibero's $173 million of goodwill was considered impaired. We will continue to monitor the status of our Ibero operation since the Spanish economy and Spanish consumers' demand for vacations are among the most challenging in Europe.

The determination of our cruise line reporting unit fair values include numerous uncertainties. We believe that we have made reasonable estimates and judgments in determining whether our goodwill and trademarks have been impaired. However, if there is a material change in assumptions used in our determination of fair values or if there is a material change in the conditions or circumstances influencing fair values, we could be required to recognize a material impairment charge.

Changes to our goodwill carrying amounts since November 30, 2007 were substantially all due to changes resulting from using different foreign currency translation rates at each balance sheet date.

Derivative Instruments and Hedging Activities

In March 2008, the Financial Accounting Standards Board ("FASB") issued a statement which requires entities to provide greater transparency in interim and annual financial statements about how and why the entity uses derivative instruments, how the instruments and related hedged items are accounted for, and how the instruments and related hedged items affect the financial position, results of operations, and cash flows of the entity. We adopted this new statement effective December 1, 2008.

We utilize derivative and nonderivative financial instruments, such as foreign currency forwards, options and swaps, foreign currency debt obligations and foreign currency cash balances, to manage our exposure to fluctuations in foreign currency exchange rates, and interest rate swaps to manage our interest rate exposure in order to achieve a desired proportion of floating and fixed rate debt. Our policy is to not use any financial instruments for trading or other speculative purposes.

All derivatives are recorded at fair value, and the changes in fair value are immediately included in earnings if the derivatives do not qualify as effective hedges. If a derivative is designated as a fair value hedge, then changes in the fair value of the derivative are offset against the changes in the fair value of the underlying hedged item. If a derivative is designated as a cash flow hedge, then the effective portion of the changes in the fair value of the derivative are recognized as a component of AOCI until the underlying hedged item is recognized in earnings or the forecasted transaction is no longer probable of occurring. If a derivative or a nonderivative financial instrument is designated as a hedge of our net investment in a foreign operation, then changes in the fair value of the financial instrument are recognized as a component of AOCI to offset a portion of the change in the translated value of the net investment being hedged, until the investment is sold or liquidated. We formally document hedging relationships for all derivative and nonderivative hedges and the underlying hedged items, as well as our risk management objectives and strategies for undertaking the hedge transactions.

We classify the fair value of all our derivative contracts and the fair value of our hedged firm commitments as either current or long-term, which are included in prepaid expenses and other assets and accrued and other liabilities, depending on whether the maturity date of the derivative contract is within or beyond one year from the balance sheet date. The cash flows from derivatives treated as hedges are classified in our accompanying Consolidated Statements of Cash Flows in the same category as the item being hedged.

The effective portions of our foreign currency derivative gains on cash flow hedges and losses on net investment hedges recognized in other comprehensive income in fiscal 2009 were $101 million and $49 million, respectively. We have not provided disclosures of the impact that derivative instruments and hedging activities have on our financial statements as of and for the year ended November 30, 2009 where such impact is not significant. There are no amounts excluded from the assessment of hedge effectiveness and there are no credit risk related contingent features in our derivative agreements. The amount of estimated cash flow hedges' unrealized gains and losses which are expected to be reclassified to earnings in the next twelve months is not significant.

Foreign Currency Exchange Rate Risk

Operational and Investment Currency Risk

We manage our exposure to fluctuations in foreign currency exchange rates through our normal operating and financing activities, including netting certain exposures to take advantage of any natural offsets and, when considered appropriate, through the use of derivative and nonderivative financial instruments. Our focus is to manage the economic risks faced by our operations, which are the ultimate foreign currency exchange risks that would be realized by us if we exchanged one currency for another, and not the accounting risks. Accordingly, we do not currently hedge these accounting risks with financial instruments. The financial impacts of the hedging instruments we do employ are generally offset by corresponding changes in the underlying exposures being hedged.

The growth of our European and Australian brands subjects us to an increasing level of foreign currency translation risk related to the euro, sterling and Australian dollar because these brands generate significant revenues and incur significant expenses in euro, sterling or the Australian dollar. Accordingly, exchange rate fluctuations of the euro, sterling or Australian dollar against the U.S. dollar will affect our reported financial results since the reporting currency for our consolidated financial statements is the U.S. dollar. Any strengthening of the U.S. dollar against these foreign currencies has the financial statement effect of decreasing the U.S. dollar values reported for cruise revenues and cruise expenses in our accompanying Consolidated Statements of Operations. Weakening of the U.S. dollar has the opposite effect.

Most of our brands have non-functional currency risk related to their international sales operations, which has become an increasingly larger part of most of their businesses over time, and primarily includes the same currencies noted above, as well as the U.S. and Canadian dollars. In addition, all of our brands have non-functional currency expenses for a portion of their operating expenses. Accordingly, a weakening of the U.S. dollar against these currencies results in both increased revenues and increased expenses, and the strengthening of the U.S. dollar against these currencies has the opposite effect, resulting in some degree of natural offset due to currency exchange movements within our accompanying Consolidated Statements of Operations for these transactional currency gains and losses.

We consider our investments in foreign operations to be denominated in relatively stable currencies and of a long-term nature. We partially address our net investment currency exposures by denominating a portion of our debt, including the effect of foreign currency forwards and swaps, in our foreign operations' functional currencies (generally the euro or sterling). As of November 30, 2009 and 2008, we have designated $2.0 billion and $1.6 billion of our euro debt and $362 million and $343 million of our sterling debt and other obligations, respectively, which mature through 2019, as nonderivative hedges of our net investments in foreign operations. Accordingly, we have included $88 million of cumulative foreign currency transaction losses and $319 million of cumulative foreign currency transaction gains in the cumulative translation adjustment component of AOCI at November 30, 2009 and 2008, respectively, which offsets a portion of the gains and losses recorded in AOCI upon translating our foreign operations' net assets into U.S. dollars.

Newbuild Currency Risk

More than 60% of our newbuild capacity on order at November 30, 2009 is for those of our European or North American brands for which we do not have significant currency risk because all of these ships are contracted for in euros or U.S. dollars, which are the functional currencies of these brands. However, our U.S. dollar and sterling functional currency brands have foreign currency exchange rate risks related to our outstanding or possible future commitments under ship construction contracts denominated in euros. These foreign currency commitments are affected by fluctuations in the value of the functional currency as compared to the currency in which the shipbuilding contract is denominated. We use foreign currency contracts and have used nonderivative financial instruments to manage foreign currency exchange rate risk for some of our ship construction contracts. Accordingly, changes in the fair value of these foreign currency contracts offset changes in the fair value of the foreign currency denominated ship construction commitments, thus resulting in the elimination of such risk.

Our decisions regarding whether or not to hedge a given ship commitment for our North American and UK brands are made on a case-by-case basis, taking into consideration the amount and duration of the exposure, market volatility, exchange rate correlation, economic trends and other offsetting risks.

The cost of shipbuilding orders that we may place in the future for our cruise lines that generate their cash flows in a currency that is different than the shipyard's operating currency, which is generally the euro, is expected to be affected by foreign currency exchange rate fluctuations. Given the movement in the U.S. dollar and sterling relative to the euro over the past several years, the U.S. dollar and sterling cost to order new cruise ships has been volatile. If the U.S. dollar or sterling declines against the euro, this may affect our desire to order future new cruise ships for U.S. dollar or sterling functional currency brands.

Interest Rate Risks

We manage our exposure to fluctuations in interest rates through our investment and debt portfolio management strategies. These strategies include purchasing high quality short-term investments with floating interest rates, and evaluating our debt portfolio to make periodic adjustments to the mix of floating and fixed rate debt through the use of interest rate swaps and the issuance of new debt. At November 30, 2009, 71% and 29% (74% and 26% at November 30, 2008) of our debt bore fixed and floating interest rates, respectively, including the effect of interest rate swaps.

Fuel Price Risks

We do not use financial instruments to hedge our exposure to fuel price risks.

Concentrations of Credit Risk

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. Our maximum exposure under foreign currency contracts and interest rate swap agreements that are in-the-money is the replacement cost, which includes the value of the contracts, in the event of nonperformance by the counterparties to the contracts, all of which are currently our lending banks. We seek to minimize credit risk exposure, including counterparty nonperformance primarily associated with our cash equivalents, investments, committed financing facilities, contingent obligations, derivative instruments, insurance contracts and new ship progress payment guarantees, by normally conducting business with large, well-established financial institutions and insurance companies that have long-term credit ratings of A or above, and by diversifying our counterparties. In addition, we have established guidelines regarding credit ratings and investment maturities that we follow to help maintain liquidity and minimize risk. We normally do require collateral and/or guarantees to support notes receivable on significant asset sales, long-term ship charters and new ship progress payments to shipyards. We do not currently anticipate nonperformance by any of our significant counterparties.

We also monitor the creditworthiness of foreign travel agencies and tour operators to which we extend credit in the normal course of our business. Concentrations of credit risk associated with these receivables are considered minimal, primarily due to their short maturities and the large number of unrelated accounts within our customer base. We have experienced only minimal credit losses on our trade receivables. We do not normally require collateral or other security to support normal credit sales.

Finally, if the shipyard with which we have contracts to build our ships is unable to perform, we would be required to perform under our foreign currency forwards and options related to these shipbuilding contracts. Accordingly, if the shipyard is unable to perform we may have to discontinue the accounting for these currency forwards and options as hedges. However, we believe that the risk of shipyard nonperformance is remote.

NOTE 11 - 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 operation of Holland America Princess Alaska Tours. The significant accounting policies of our segments are the same as those described in Note 2 – "Summary of Significant Accounting Policies." Information for our cruise and other segments as of and for the years ended November 30 was as follows (in millions):

	Revenues(a)	Operating expenses	Selling and adminis-trative	Depreciation and amortization	Operating income(loss)	Capital expend-itures	Total assets
2009							
Cruise	$12,870	$7,868	$1,558	$1,274	$2,170	$3,355	$36,325
Other	427	376	32	35	(16)	25	510(b)
Intersegment elimination	(140)	(140)					
	$13,157	$8,104	$1,590	$1,309	$2,154	$3,380	$36,835
2008							
Cruise	$14,254	$8,746	$1,594	$1,213	$2,701	$3,321	$32,833
Other	561	462	35	36	28	32	567(b)
Intersegment elimination	(169)	(169)					
	$14,646	$9,039	$1,629	$1,249	$2,729	$3,353	$33,400
2007							
Cruise	$12,638	$7,332	$1,547	$1,065	$2,694	$3,265	$33,602
Other	553	454	32	36	31	47	579(b)
Intersegment elimination	(158)	(158)					
	$13,033	$7,628	$1,579	$1,101	$2,725	$3,312	$34,181

(a) A portion of other segment revenues include revenues for the cruise portion of a tour, when a cruise is sold along with a land tour package by Holland America Princess Alaska Tours, and shore excursion and port hospitality services provided to cruise guests by this tour company. These intersegment revenues, which are included in full in the cruise segment, are eliminated directly against the other segment revenues and operating expenses in the line "Intersegment elimination."

(b) Other segment assets primarily included hotels and lodges in the state of Alaska and the Yukon Territory of Canada, motorcoaches used for sightseeing and charters and domed rail cars, which run on the Alaska Railroad.

Foreign revenues for our cruise brands represent sales generated from outside the U.S. primarily by foreign tour operators and foreign travel agencies. Substantially all of our long-lived assets are located outside of the U.S. and consist principally of our ships and ships under construction.

Revenues by geographic area, which is based on where the guest is from, were as follows (in millions):

	Years Ended November 30,		
	2009	2008	2007
North America	$ 6,855	$ 8,090	$ 7,803
Europe	5,119	5,443	4,355
Others	1,183	1,113	875
	$13,157	$14,646	$13,033

NOTE 12 - Benefit Plans

Equity Plans

We issue our share-based compensation awards under the Carnival Corporation and Carnival plc stock plans, which have an aggregate of 37.1 million shares available for future grant at November 30, 2009. These plans allow us to issue stock options, restricted stock awards and restricted stock units (collectively "equity awards"). Equity awards are primarily granted to management level employees and members of our Boards of Directors. The plans are administered by a committee of our independent directors (the "Committee") that determines which employees are eligible to participate, the monetary value or number of shares for which equity awards are to be granted and the amounts that may be exercised or sold within a specified term. These plans allow us to fulfill our equity award obligations using shares purchased in the open market, or with unissued or treasury shares. Certain equity awards provide for accelerated vesting if we have a change in control, as defined.

Our total share-based compensation expense was $50 million in each of fiscal 2009 and 2008 and $64 million in fiscal 2007, of which $46 million, $44 million and $57 million has been included in our accompanying Consolidated Statements of Operations as selling, general and administrative expenses and $4 million, $6 million and $7 million as cruise payroll expenses in fiscal 2009, 2008 and 2007, respectively.

The fair values of options, which we granted in fiscal 2007, were estimated using the Black-Scholes option-pricing model. The Black-Scholes weighted-average values and assumptions for fiscal 2007 were as follows:

Fair value of options at the dates of grant	$11.76
Risk-free interest rate (a)	4.9%
Expected dividend yield	3.3%
Expected volatility (b)	29.3%
Expected option life (in years) (c)	5.0

(a) The risk-free interest rate was 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) The expected volatility was based on a weighting of the implied volatilities derived from our exchange traded options and convertible notes and the historical volatility of our common stock.
(c) The average expected life was based on the contractual term of the option and expected employee exercise behavior. Based on our assessment of employee groupings and observable behaviors, we determined that a single grouping was appropriate.

Stock Option Plans

The Committee generally sets stock option exercise prices at 100% or more of the fair market value of the underlying common stock/ordinary shares on the date the option was granted. Stock options granted during fiscal 2007 were granted at an exercise price per share equal to 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. In the fourth quarter of fiscal 2007, the Committee decided to cease granting employee stock options, and to instead grant restricted stock units ("RSUs") or restricted stock awards ("RSAs") to our employee groups who were previously granted options. This change from options to RSUs or RSAs enables us to grant equity awards in a more uniform method to our employees. Since fiscal 2001, Carnival Corporation Board of Director options vest evenly over five years and have a ten-year term. In 2008, the Committee decided to also cease granting stock options to non-executive board members, and will instead grant them RSAs and/or RSUs.

A combined summary of Carnival Corporation and Carnival plc stock option activity during the year ended November 30, 2009 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, 2008	16,688,152	$42.03		
Exercised	(144,163)	$21.79		
Forfeited or expired	(1,197,732)	$44.74		
Outstanding at November 30, 2009	15,346,257	$42.54	3.4	$20
Exercisable at November 30, 2009	13,883,830	$41.61	3.3	$20

(a) The aggregate intrinsic value represents the amount by which the fair value of underlying stock exceeds the option exercise price at November 30, 2009.

As of the dates of exercise, the total intrinsic value of options exercised in fiscal 2009, 2008 and 2007 was $1 million, $5 million and $31 million, respectively. As of November 30, 2009, there was $9 million of total unrecognized compensation cost related to unvested stock options. This cost is expected to be recognized over a weighted-average period of 1.4 years.

Restricted Stock Awards and Restricted Stock Units

RSAs generally have the same rights as Carnival Corporation common stock, except for transfer restrictions and forfeiture provisions. RSAs 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 RSUs that vest evenly over five years or at the end of three or five years after the grant date and accrue dividend equivalents on each outstanding RSU, in the form of additional RSUs, based on dividends declared. The share-based compensation expense associated with RSAs and RSUs is based on the quoted market price of the Carnival Corporation or Carnival plc shares on the date of grant, and 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.

During the year ended November 30, 2009, RSA and RSU activity was as follows:

	Restricted Stock Awards		Restricted Stock Units	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Outstanding at November 30, 2008	955,195	$47.63	1,433,790	$45.68
Granted	453,705	$24.33	1,282,882	$23.97
Vested	(179,873)	$45.30	(182,454)	$51.37
Forfeited			(127,565)	$39.19
Outstanding at November 30, 2009	1,229,027	$39.37	2,406,653	$34.02

The total grant date fair value of RSAs and RSUs vested was $18 million, $11 million and $9 million in fiscal 2009, 2008 and 2007, respectively. As of November 30, 2009, there was $35 million of total unrecognized compensation cost related to RSAs and RSUs. This cost is expected to be recognized over a weighted-average period of 1.7 years.

Defined Benefit Pension Plans

We have several single-employer defined benefit pension plans, which cover some of our shipboard and shoreside employees. The U.S. and UK shoreside employee plans are closed to new membership and are funded at or above the level required by U.S. or UK regulations. The remaining defined benefit plans are primarily unfunded. In determining all of our plans' benefit obligations at November 30, 2009 and 2008, we assumed weighted-average discount rates of 5.4% and 7.1%, respectively. The net assets or liabilities related to the obligations under these single-employer defined benefit pension plans are not material.

In addition, P&O Cruises, Princess and Cunard participate in an industry-wide British Merchant Navy Officers Pension Fund ("MNOPF" or the "fund"), a defined benefit multiemployer pension plan available to certain of their British shipboard officers. The MNOPF is divided into two sections, the "New Section" and the "Old Section," each of which covers a different group of participants, with the Old Section closed to further benefit accrual and the New Section only closed to new membership. At November 30, 2009, the New Section was estimated to have a funding deficit.

Substantially all of any MNOPF New Section deficit liability which we may have relates to the obligations of P&O Cruises and Princess, which existed prior to the combination in 2003 of Carnival Corporation's and Carnival plc's businesses into a DLC. However, since the MNOPF New Section is a multiemployer plan and it was not probable that we would withdraw from the plan nor was our share of the liability certain, we could not record our estimated share of the ultimate deficit as a Carnival plc acquisition liability that existed at the DLC transaction date. The amount of our share of the fund's ultimate deficit could vary considerably if different pension assumptions and/or estimates were used. Therefore, we expense our portion of any deficit as amounts are invoiced by, and become due and payable to, the fund's trustee. In 2007, we received a special assessment invoice from the fund's trustee for what the trustee calculated to be our additional share of the entire MNOPF New Section liability, based on their most recent actuarial valuation. Accordingly, we recorded the full invoiced liability of $20 million in cruise payroll and related expense in 2007. We expect to receive another special assessment invoice in 2010, although the amount of such invoice is not currently determinable. It is still possible that the fund's trustee may invoice us for additional amounts after 2010, if they believe the fund requires further contributions.

As of the DLC formation date in April 2003 and through November 30, 2007, the MNOPF's Old Section had a funding surplus and, accordingly, no expenses had been recorded for this section of the plan in our financial statements. We believe that while the Old Section had a funding deficit at November 30, 2008, this deficit has reverted to a surplus at November 30, 2009. If the Old Section has a funding deficit in the future, then it could result in the fund's trustee invoicing us for amounts, if they believe the fund requires further contributions. We will record any required Old Section contributions in the same manner as the New Section. Our share of the Old Section deficit, if any, which covers predecessor employers' officers prior to 1978, is not currently known and, accordingly, the amount of any such contribution is not currently determinable.

Total expense for all defined benefit pension plans, including multiemployer plans, was $36 million, $42 million and $55 million in fiscal 2009, 2008 and 2007, respectively.

On November 30, 2007, we adopted a new accounting standard related to accounting for defined benefit pension plans. This standard required us, upon adoption, to recognize the funded status of our defined benefit single employer pension plans. Accordingly, as of November 30, 2007, we recorded an increase in our pension plan assets and liabilities of $17 million and $24 million, respectively, and a reduction to AOCI of $7 million. The adoption of this standard had no effect on our accompanying Consolidated Statement of Operations for fiscal 2007, and it will not affect our results of operations in future periods.

Defined Contribution Plans

We have several defined contribution plans available to most of our employees. We contribute to these plans based on employee contributions, salary levels and length of service. Total expense for these plans was $16 million, $22 million and $18 million in fiscal 2009, 2008 and 2007, respectively.

NOTE 13 - Earnings Per Share

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

	Years Ended November 30,		
	2009	**2008**	**2007**
Net income	$1,790	$2,330	$2,408
Interest on dilutive convertible notes	12	34	34
Net income for diluted earnings per share	$1,802	$2,364	$2,442
Weighted-average common and ordinary shares outstanding	787	786	793
Dilutive effect of convertible notes	15	28	33
Dilutive effect of equity plans	2	2	2
Diluted weighted-average shares outstanding	804	816	828
Basic earnings per share	$ 2.27	$ 2.96	$ 3.04
Diluted earnings per share	$ 2.24	$ 2.90	$ 2.95
Anti-dilutive stock options excluded from diluted earnings per share computations	14	12	8

NOTE 14 - Supplemental Cash Flow Information

Total cash paid for interest was $403 million, $449 million and $414 million in fiscal 2009, 2008 and 2007, respectively. In addition, cash paid for income taxes was $27 million, $23 million and $14 million in fiscal 2009, 2008 and 2007, respectively. Finally, in 2007 $8 million of our convertible notes were converted through a combination of the issuance of Carnival Corporation treasury stock and newly issued Carnival Corporation common stock, which represented a noncash financing activity.

NOTE 15 – Acquisition

In September 2007, we entered into an agreement with Orizonia Corporation, Spain's largest travel company, to operate Ibero, a Spanish cruise line, for an investment of $403 million, which we funded with $146 million of cash and $257 million in proceeds that Ibero borrowed under a portion of our principal revolver. Orizonia contributed $49 million of assets, principally trademarks and goodwill, for their 25% interest in the venture. Ibero operated two contemporary Spanish cruise ships in September 2007, the 834-passenger capacity *Grand Voyager*, and the 1,244-passenger capacity *Grand Mistral*, which were built in 2000 and 1999, respectively. For reporting purposes, we have included Ibero's results of operations within our consolidated financial results since September 1, 2007. The pro forma impact of including Ibero in our results as if the acquisition took place on December 1, 2006 has not been presented due to its immaterial effect.

The 2007 acquisition was accounted for as a business purchase combination using the purchase method of accounting. The purchase price was allocated to tangible and identifiable intangible assets acquired based on their estimated fair values at the acquisition date. The $451 million purchase price was allocated as follows: $254 million to ships, $161 million to goodwill, $35 million to trademarks and $1 million to other. In July 2009, we purchased the remaining 25% interest in Ibero that we did not own for $33 million, which approximated this minority interests' carrying value.

NOTE 16 – Recent Accounting Pronouncement

In May 2008, the FASB issued a staff position that 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. This pronouncement was adopted by us on December 1, 2009 on a retrospective basis. The impact of adopting this pronouncement will not have any effect on previously reported diluted earnings per share. However, our net income for the years ended November 30, 2008 and 2007 will be reduced by approximately $5 million and $13 million, respectively. In addition, as of November 30, 2007 our additional paid-in capital will be increased by approximately $210 million, which will be almost fully offset by a $205 million reduction in our retained earnings.

Report of Independent Registered Certified Public Accounting Firm

To the Boards of Directors and Shareholders of Carnival Corporation and Carnival plc:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, cash flows and shareholders' equity present fairly, in all material respects, the financial position of Carnival Corporation & plc (comprising Carnival Corporation and Carnival plc and their respective subsidiaries, the "Company") at November 30, 2009 and November 30, 2008, and the results of their operations and their cash flows for each of the three years in the period ended November 30, 2009 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of November 30, 2009, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A of the 2009 Annual Report on Form 10-K. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 12 to the consolidated financial statements, the Company changed the manner in which it accounts for defined benefit pension plans effective November 30, 2007. In addition, as discussed in Note 8 to the consolidated financial statements, the Company changed the manner in which it accounts for uncertainty in income taxes effective December 1, 2007.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/PricewaterhouseCoopers LLP
Miami, Florida
January 28, 2010

Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Note Concerning Factors That May Affect Future Results

Some of the statements, estimates or projections contained in this 2009 Annual Report are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, outlooks, plans, goals and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We have tried, whenever possible, to identify these statements by using words like "will," "may," "could," "should," "would," "believe," "expect," "anticipate," "forecast," "future," "intend," "plan," "estimate" and similar expressions of future intent or the negative of such terms.

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in this 2009 Annual Report. Forward-looking statements include those statements which may impact, among other things, the forecasting of our earnings per share, net revenue yields, booking levels, pricing, occupancy, operating, financing and tax costs, fuel expenses, costs per available lower berth day ("ALBD"), estimates of ship depreciable lives and residual values, liquidity, goodwill and trademark fair values and outlook. These factors include, but are not limited to, the following:

- general economic and business conditions, including fuel price increases, high unemployment rates, and declines in the securities, real estate and other markets, and perceptions of these conditions, may adversely impact the levels of our potential vacationers' discretionary income and net worth and this group's confidence in their country's economy;
- fluctuations in foreign currency exchange rates, particularly the movement of the U.S. dollar against the euro, sterling and the Australian and Canadian dollars;
- the international political climate, armed conflicts, terrorist and pirate attacks and threats thereof, and other world events affecting the safety and security of travel;
- competition from and overcapacity in both the cruise ship and land-based vacation industries;
- lack of acceptance of new itineraries, products and services by our guests;
- changing consumer preferences;
- our ability to attract and retain qualified shipboard crew and maintain good relations with employee unions;
- accidents, the spread of contagious diseases and threats thereof, adverse weather conditions or natural disasters, such as hurricanes and earthquakes, and other incidents (including, but not limited to, ship fires and machinery and equipment failures or improper operation thereof), which could cause, among other things, individual or multiple port closures, injury, death, alteration of cruise itineraries or cancellation of a cruise or series of cruises or tours;
- adverse publicity concerning the cruise industry in general, or us in particular, including any adverse impact that cruising may have on the marine environment;
- changes in and compliance with laws and regulations relating to the protection of disabled persons, employment, environmental, health, safety, security, tax and other regulatory regimes under which we operate;
- increases in global fuel demand and pricing, fuel supply disruptions and/or other events on our fuel and other expenses, liquidity and credit ratings;
- increases in our future fuel expenses from implementing approved International Maritime Organization regulations, which require the use of higher priced low sulfur fuels in certain cruising areas, including the proposed establishment of a U.S. and Canadian Emissions Control Area ("ECA"), which will, if established, change the specification and increase the price of fuel that ships will be required to use within this ECA;
- changes in financing and operating costs, including changes in interest rates and food, insurance, payroll and security costs;
- our ability to implement our shipbuilding programs and ship maintenance, repairs and refurbishments, including ordering additional ships for our cruise brands from shipyards, on terms that are favorable or consistent with our expectations;

- the continued strength of our cruise brands and our ability to implement our brand strategies;
- additional risks associated with our international operations not generally applicable to our U.S. operations;
- the pace of development in geographic regions in which we try to expand our business;
- whether our future operating cash flow will be sufficient to fund future obligations and whether we will be able to obtain financing, if necessary, in sufficient amounts and on terms that are favorable or consistent with our expectations;
- our counterparties' ability to perform;
- continuing financial viability of our travel agent distribution system, air service providers and other key vendors and reductions in the availability of and increases in the pricing for the services and products provided by these vendors;
- our decisions to self-insure against various risks or our inability to obtain insurance for certain risks at reasonable rates;
- disruptions and other damages to our information technology networks and operations;
- lack of continuing availability of attractive, convenient and safe port destinations; and
- risks associated with the DLC structure.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant listing rules, we expressly disclaim any obligation to disseminate, after the date of this 2009 Annual Report, 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.

Executive Overview

We generated $1.8 billion of net income and $3.3 billion of cash from operations in the face of the most challenging economic environment in our history, including significantly increased unemployment rates, the deterioration in consumer confidence, travel restrictions to Mexico due to the flu virus and a significant reduction in discretionary spending, which ultimately led to the largest one-year cruise pricing decline in our history. We believe that our relatively strong performance is in part due to our guests' understanding of the outstanding value that a cruise vacation has to offer. Consistent with our strategy to continue to increase our penetration of developing and emerging growth markets, we had an 8.2% increase in our European, Australian, New Zealand and Asian passenger capacities, whereas our North American passenger capacity grew by 3.9%, resulting in a worldwide capacity increase of 5.4% in 2009. We were particularly pleased with our European brands, who, despite the significant capacity increase, managed to achieve a relatively moderate yield decline in this extremely difficult year.

A significant portion of the adverse impact of our net revenue yield decreases were offset by decreased fuel costs in 2009 driven by both lower fuel prices and lower fuel consumption as a result of fuel conservation initiatives, as well as other cost containment programs. We are working diligently to maintain our cost efficient ownership culture. There are a variety of actions that we are taking that are expected to continue to improve our cost structure in 2010, including continuing to focus on reducing fuel consumption and leveraging our size to obtain economies of scale and additional synergies.

We believe that the cruise industry is characterized by relatively low market penetration levels, among other things and, accordingly, it has additional growth potential. In order to capture some of this growth potential, as of January 28, 2010 we had contracts with three shipyards providing for the construction of 13 additional cruise ships, the majority of which have been designated for our European brands (see Note 6 in the accompanying consolidated financial statements). These new ships, together with the continuing investments we make in our existing fleet, should help us maintain our leadership position in the world-wide cruise industry.

The year-over-year percentage increase in our ALBD capacity for fiscal 2010, 2011 and 2012 is currently expected to be 7.7%, 5.1% and 4.6%, respectively. The above percentage increases result primarily from contracted new ships entering service and exclude any unannounced future ship orders, acquisitions, retirements, charters or sales. Accordingly, the scheduled withdrawal from service of *Costa Europa* in April 2010 and P&O Cruises' *Artemis* in April 2011 have been reflected in these percentages.

Outlook For Fiscal 2010

As of December 18, 2009, we said that we expected our fully diluted earnings per share for the 2010 full year and first quarter would be in the ranges of $2.10 to $2.30 and $0.08 to $0.12, respectively. Our guidance was based on the assumptions in the table below.

As of January 25, 2010, updated only for the current assumptions in the table below and the $0.05 per share gain we recognized on the sale of *Artemis* in the 2010 first quarter (see Note 4 in the accompanying consolidated financial statements for additional discussion), our fully diluted earnings per share for the 2010 full year would decrease by $0.10 and our fully diluted earnings per share for the 2010 first quarter would increase by $0.02.

	2010 Assumptions	
	December 18, 2009	**January 25, 2010**
First quarter fuel cost per metric ton	$ 474	$ 502
Full year fuel cost per metric ton	$ 472	$ 499
Currencies		
U.S. dollar to €1	$1.45	$1.42
U.S. dollar to £1	$1.63	$1.62

The above forward-looking statements involve risks and uncertainties. Various factors could cause our actual results to differ materially from those expressed above including, but not limited to, economic and business conditions, foreign currency exchange rates, fuel prices, adverse weather conditions, spread of contagious diseases, regulatory changes, geopolitical and other factors that could adversely impact our revenues, costs and expenses. You should read the above forward-looking statement together with the discussion of these and other risks under "Cautionary Note Concerning Factors That May Affect Future Results."

Critical Accounting Estimates

Our critical accounting estimates are those which we believe require our most significant judgments about the effect of matters that are inherently uncertain. A discussion of our critical accounting estimates, the underlying judgments and uncertainties used to make them and the likelihood that materially different estimates would be reported under different conditions or using different assumptions is as follows:

Ship Accounting

Our most significant assets are our ships and ships under construction, which represent 78% of our total assets. We make several critical accounting estimates dealing with our ship accounting. First, we compute our ships' depreciation expense, which represented 11% of our cruise costs and expenses in fiscal 2009 and which requires us to estimate the average useful life of each of our ships as well as their residual values. Secondly, we account for ship improvement costs by capitalizing those costs which we believe will add value to our ships and depreciate those improvements over their or the ships' estimated remaining useful life, whichever is shorter, while expensing repairs and maintenance and minor improvement costs as they are incurred. Finally, when we record the retirement of a ship component that is included within the ship's cost basis, we may have to estimate the net book value of the asset being retired in order to remove it from the ship's cost basis.

We determine the average useful life of our ships and their residual values based primarily on our estimates of the weighted-average useful lives and residual values of the ships' major component systems, such as cabins, engines and hull. In addition, we consider, among other things, long-term vacation market conditions, competition and historical useful lives of similarly-built ships. We have estimated our ships' weighted-average useful lives at 30 years and their average residual values at 15% of our original ship cost.

Given the size and complexity of our ships, ship accounting estimates require considerable judgment and are inherently uncertain. We do not have cost segregation studies performed to specifically componentize our ships. In addition, since we do not separately componentize our ships, we do not identify and track depreciation of specific original ship components. Therefore, we have to estimate the net book value of components that are retired, based primarily upon their replacement cost, their age and their original estimated useful lives.

If materially different conditions existed, or if we materially changed our assumptions of ship lives and residual values, our depreciation expense or loss on retirement of ship components and net book value of our ships would be materially different. In addition, if we change our assumptions in making our determinations as to whether improvements to a ship add value, the amounts we expense each year as repair and maintenance costs could increase, which would be partially offset by a decrease in depreciation expense, resulting from a reduction in capitalized costs. Our fiscal 2009 ship depreciation expense would have increased by an estimated $32 million for every year we reduced our estimated average 30 year ship useful life. In addition, if our ships were estimated to have no residual value, our fiscal 2009 depreciation expense would have increased by approximately $160 million.

We believe that the estimates we made for ship accounting purposes are reasonable and our methods are consistently applied in all material respects and, accordingly, result in depreciation expense that is based on a rational and systematic method to equitably allocate the costs of our ships to the periods during which they are used. In addition, we believe that the estimates we made are reasonable and our methods consistently applied in all material respects (1) in determining the average useful life and average residual values of our ships; (2) in determining which ship improvement costs add value to our ships; and (3) in determining the net book value of ship component assets being retired. Finally, we believe our critical ship accounting estimates are generally comparable with those of other major cruise companies.

Asset Impairments

Impairment reviews of our ships and goodwill and trademarks require us to make significant estimates to determine the fair values of these assets or reporting units. See Note 10 in the accompanying consolidated financial statements.

The determination of fair value includes numerous uncertainties, unless a viable actively traded market exists for the asset or for a comparable reporting unit, which is usually not the case for cruise ships, cruise lines and trademarks. For example, our ship fair values are typically estimated based upon comparable ship sale prices and other comparable ship values in inactive markets. In determining fair values of reporting units utilizing discounted future cash flow analysis, significant judgments are made related to forecasting future operating results, including net revenue yields, net cruise costs including fuel prices, capacity increases, weighted-average cost of capital for comparable publicly-traded companies, terminal values, cruise itineraries, technological changes, consumer demand, governmental regulations and the effects of competition, among others. In addition, third party appraisers are sometimes used to help determine fair values of ships, trademarks and cruise lines, and their valuation methodologies are also typically subject to uncertainties similar to those discussed above.

In addition, in determining our trademark fair values we also use discounted future cash flow analysis, which requires some of the same significant judgments discussed above. Specifically, determining the estimated amount of royalties avoided by our ownership of the trademark is based on forecasted cruise revenues and estimated royalty rates based on comparable royalty agreements used in similar industries.

We believe that we have made reasonable estimates and judgments in determining whether our ships, goodwill and trademarks have been impaired. However, if there is a material change in the assumptions used in our determination of fair value, or if there is a material change in the conditions or circumstances influencing fair value, we could be required to recognize a material impairment charge.

Contingencies

We periodically assess the potential liabilities related to any lawsuits or claims brought against us, as well as for other known unasserted claims, including environmental, legal, guest and crew, and tax matters. While it is typically very difficult to determine the timing and ultimate outcome of these matters, we use our best judgment to determine if it is probable, or more likely than not ("MLTN") for income tax matters, that we will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable or MLTN loss, if any, can be made. In assessing probable losses, we make estimates of the amount of probable insurance recoveries, if any, which are recorded as assets. We accrue a liability when we believe a loss is probable or MLTN for income tax matters, and the amount of the loss can be reasonably estimated in accordance with U.S. generally accepted accounting principles. Such accruals are typically based on developments to date, management's estimates of the outcomes of these matters, our experience in contesting, litigating and settling other non-income tax similar matters, historical claims experience and actuarially determined assumptions of liabilities, and any related insurance coverages. See Notes 7 and 8 in the accompanying consolidated financial statements for additional information concerning our contingencies.

Given the inherent uncertainty related to the eventual outcome of these matters and potential insurance recoveries, it is possible that all or some of these matters may be resolved for amounts materially different from any provisions or disclosures that we may have made with respect to their resolution. In addition, as new information becomes available, we may need to reassess the amount of asset or liability that needs to be accrued related to our contingencies. All such revisions in our estimates could materially impact our results of operations and financial position.

Results of Operations

We earn our cruise revenues primarily from the following:

- sales of passenger cruise tickets and, in some cases, the sale of air and other transportation to and from our ships. The cruise ticket price includes accommodation, most meals, some non-alcoholic beverages, most onboard entertainment and many onboard activities, and
- sales of goods and services primarily onboard our ships not included in the cruise ticket price (which include, among other things, bar and some beverage sales, shore excursions, casino gaming, gift shop, photo and art sales, internet and spa services, and cellular phone and telephone usage) and pre and post-cruise land packages. These goods and services are provided either directly by us or by independent concessionaires, from which we receive a percentage of their revenues or a fee.

We incur cruise operating costs and expenses for the following:

- the costs of passenger cruise bookings, which represent costs that vary directly with passenger cruise ticket revenues, and include travel agent commissions, air and other transportation related costs and credit card fees,
- onboard and other cruise costs, which represent costs that vary directly with onboard and other revenues, and include the costs of liquor and some beverages, costs of tangible goods sold by us from our gift shop, photo and art sales activities, communication costs, costs of pre and post-cruise land packages and credit card fees. Concession revenues do not have significant associated expenses because the costs and services incurred for concession revenues are borne by our concessionaires,
- payroll and related costs, which represent costs for all our shipboard personnel, including deck and engine officers and crew and hotel and administrative employees,
- fuel costs, which include fuel delivery costs,
- food costs, which include both our guest and crew food costs, and
- other ship operating costs, which include port costs, repairs and maintenance, including minor improvements and dry-dock expenses, hotel supplies, crew travel, entertainment and all other shipboard operating costs and expenses.

For segment information related to our revenues, expenses, operating income and other financial information see Note 11 in the accompanying consolidated financial statements.

Selected Cruise and Other Information

Selected cruise and other information was as follows:

	Years Ended November 30,		
	2009	2008	2007
Passengers carried (in thousands)	8,519	8,183	7,672
Occupancy percentage(a)	105.5%	105.7%	105.6%
Fuel consumption (metric tons in thousands)	3,184	3,179	3,033
Fuel cost per metric ton(b)	$ 363	$ 558	$ 361
Currencies			
U.S. dollar to €1	$1.39	$1.49	$1.36
U.S. dollar to £1	$1.56	$1.90	$2.00

(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 fuel by the number of metric tons consumed.

Fiscal 2009 ("2009") Compared to Fiscal 2008 ("2008")

Revenues

Our total revenues decreased $1.5 billion, or 10.2%, to $13.2 billion in 2009 from $14.6 billion in 2008. Cruise ticket prices and onboard and other revenues declined by $2.1 billion primarily due to the adverse impact of the economic downturn, as well as a stronger U.S. dollar against the euro and sterling compared to 2008. In addition, the U.S. Center for Disease Control and Prevention's ("CDC's") recommendations against non-essential travel to Mexico as a result of the flu virus also adversely impacted our revenues because we had to alter several of our cruise ships' itineraries. This revenue decrease was partially offset by $765 million from our 5.4% capacity increase in ALBDs (see "Key Performance Non-GAAP Financial Indicators" below).

Onboard and other revenues included concession revenues of $881 million in 2009 and $924 million in 2008. Onboard and other revenues decreased $159 million in 2009 compared to 2008, primarily because of lower onboard spending for all of the major onboard revenue-producing activities primarily as a result of the adverse impact of the economic downturn, as well as the impact of the stronger U.S. dollar against the euro and sterling compared to 2008. The lower onboard and other spending was partially offset by $163 million from our 5.4% increase in ALBDs.

Costs and Expenses

Operating costs decreased $935 million, or 10.3%, to $8.1 billion in 2009 from $9.0 billion in 2008. This decrease was primarily due to lower fuel prices of $621 million, the impact of the stronger U.S. dollar against the euro and sterling, decreased commissions as a result of our lower ticket revenues and lower fuel consumption, as a result of fuel saving initiatives compared to 2008. This decrease was partially offset by $323 million as a result of increased capacity driven by our 5.4% increase in ALBDs.

Selling and administrative expenses decreased $39 million, or 2.4%, to $1.6 billion in 2009. The decrease was primarily caused by the stronger U.S. dollar against the euro and sterling and the impact of cost containment initiatives, partially offset by $87 million from our 5.4% increase in ALBDs.

Depreciation and amortization expense increased $60 million, or 4.8%, to $1.3 billion in 2009 from $1.2 billion in 2008, caused by $67 million from our 5.4% increase in ALBDs through the addition of new ships, and additional ship improvement expenditures, partially offset by the impact of the stronger U.S. dollar against the euro and sterling.

Our total costs and expenses as a percentage of revenues increased to 83.6% in 2009 from 81.4% in 2008.

Operating Income

Our operating income decreased $575 million to $2.2 billion in 2009 from $2.7 billion in 2008 primarily because of the reasons discussed above.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, decreased $27 million to $403 million in 2009 from $430 million in 2008. On a constant dollar basis, as defined below, this decrease was due to a $76 million decrease in interest expense from lower average interest rates on average borrowings, partially offset by a $39 million increase from a higher level of average borrowings and a $21 million decrease in interest income due to lower average interest rates on lower invested balances compared to 2008. In addition, net interest expense decreased by $11 million as a result of the stronger U.S. dollar against the euro and sterling compared to 2008. Capitalized interest decreased $15 million during 2009 compared to 2008 primarily due to lower average levels of investment in ship construction projects.

Income Taxes

Income tax expense decreased $31 million to $16 million in 2009 from $47 million in 2008, primarily because of an increase in the release of uncertain income tax position liabilities, which were no longer required.

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

Net revenue yields are commonly used in the cruise industry to measure a company's cruise segment revenue performance and for revenue management purposes. We use "net cruise revenues" rather than "gross cruise revenues" to calculate net revenue yields. We believe that net cruise revenues is a more meaningful measure in determining revenue yield than gross cruise revenues because it reflects the cruise revenues earned net of our most significant variable costs, which are travel agent commissions, cost of air transportation and certain other variable direct costs associated with onboard and other revenues. Substantially all of our remaining cruise costs are largely fixed, except for the impact of changing prices, once our ship capacity levels have been determined.

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

In addition, because a significant portion of our operations utilize the euro or sterling to measure their results and financial condition, the translation of those operations to our U.S. dollar reporting currency results in decreases in reported U.S. dollar revenues and expenses if the U.S. dollar strengthens against these foreign currencies, and increases in reported U.S. dollar revenues and expenses if the U.S. dollar weakens against these foreign currencies. Accordingly, we also monitor and report our two non-GAAP financial measures assuming the 2009 and 2008 periods' currency exchange rates have remained constant with the 2008 and 2007 periods' rates, respectively, 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:

	Years Ended November 30,				
	2009	2009 Constant Dollar	2008	2008 Constant Dollar	2007
	(in millions, except ALBDs and yields)				
Cruise revenues					
Passenger tickets	$ 9,985	$10,507	$11,210	$11,064	$ 9,792
Onboard and other	2,885	2,979	3,044	3,016	2,846
Gross cruise revenues	12,870	13,486	14,254	14,080	12,638
Less cruise costs					
Commissions, transportation and other	(1,917)	(2,050)	(2,232)	(2,201)	(1,941)
Onboard and other	(461)	(481)	(501)	(498)	(495)
Net cruise revenues	$10,492	$10,955	$11,521	$11,381	$10,202
ALBDs	62,105,916	62,105,916	58,942,864	58,942,864	54,132,927
Gross revenue yields	$207.22	$217.14	$241.83	$238.88	$233.47
Net revenue yields	$168.94	$176.38	$195.46	$193.08	$188.48

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

	Years Ended November 30,				
	2009	2009 Constant Dollar (a)	2008	2008 Constant Dollar (a)	2007
	(in millions, except ALBDs and costs per ALBD)				
Cruise operating expenses	$ 7,868	$ 8,200	$ 8,746	$ 8,667	$ 7,332
Cruise selling and administrative expenses	1,558	1,625	1,594	1,576	1,547
Gross cruise costs	9,426	9,825	10,340	10,243	8,879
Less cruise costs included in net cruise revenues					
Commissions, transportation and other	(1,917)	(2,050)	(2,232)	(2,201)	(1,941)
Onboard and other	(461)	(481)	(501)	(498)	(495)
Net cruise costs	$ 7,048	$ 7,294	$ 7,607	$ 7,544	$ 6,443
ALBDs	62,105,916	62,105,916	58,942,864	58,942,864	54,132,927
Gross cruise costs per ALBD	$151.76	$158.20	$175.43	$173.78	$164.02
Net cruise costs per ALBD	$113.48	$117.45	$129.06	$127.98	$119.03

Net cruise revenues decreased $1.0 billion, or 8.9%, to $10.5 billion in 2009 from $11.5 billion in 2008. This was caused by a $1.6 billion, or 13.6%, decrease in net revenue yields in 2009 compared to 2008 (gross revenue yields decreased by 14.3%). This decrease was partially offset by a 5.4% increase in ALBDs between 2009 and 2008 that accounted for $618 million. The net revenue yield decrease in 2009 was primarily due to the adverse impact of the economic downturn on our cruise ticket pricing and onboard and other revenues, as well as the impact of a stronger U.S. dollar against the euro and sterling compared to 2008. In addition, the CDC's recommendation against non-essential travel to Mexico as a result of the flu virus also adversely impacted our net revenue yields as previously discussed. Net revenue yields as measured on a constant dollar basis decreased 9.8% in 2009 compared to 2008, which was comprised of a 10.6% decrease in passenger ticket yields and a 6.8% decrease in onboard and other revenue yields. Gross cruise revenues decreased $1.4 billion, or 9.7%, to $12.9 billion in 2009 from $14.3 billion in 2008 for largely the same reasons as discussed above for net cruise revenues.

Net cruise costs decreased $559 million, or 7.3%, to $7.0 billion in 2009 from $7.6 billion in 2008. This was caused by a $967 million decrease in net cruise costs per ALBD, which decreased 12.1% in 2009 compared to 2008 (gross cruise costs per ALBD decreased 13.5%). This decrease was partially offset by the 5.4% increase in ALBDs between 2009 and 2008 that accounted for $408 million. The 12.1% decrease in net cruise costs per ALBD was primarily the result of a 34.9% decrease in fuel price to $363 per metric ton in 2009, which resulted in a decrease in fuel prices of $621 million, the stronger U.S. dollar against the euro and sterling and $92 million of fuel consumption savings compared to 2008. Net cruise costs per ALBD as measured on a constant dollar basis decreased 9.0% in 2009 compared to 2008. On a constant dollar basis, net cruise costs per ALBD excluding fuel were flat compared to 2008 primarily due to the impact of cost containment initiatives. Gross cruise costs decreased $914 million, or 8.8%, in 2009 to $9.4 billion from $10.3 billion in 2008 for largely the same reasons as discussed above for net cruise costs, as well as the reduction in travel agent commissions as a result of lower cruise ticket prices.

Fiscal 2008 ("2008") Compared to Fiscal 2007 ("2007")

Revenues

Our total revenues increased $1.6 billion, or 12.4%, to $14.6 billion in 2008 from $13.0 billion in 2007. Of this increase, $1.1 billion was capacity driven by our 8.9% increase in ALBDs and the remaining increase of $490 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 compared to 2007. Our capacity increased 3.6% for our North American cruise brands and 20.6% for our European and other cruise brands in 2008 compared to 2007, as we continue to implement our strategy of expanding in the European and other emerging cruise marketplaces.

Onboard and other revenues included concession revenues of $924 million in 2008 and $830 million in 2007. Onboard and other revenues increased in 2008 compared to 2007, because of the 8.9% increase in ALBDs.

Costs and Expenses

Operating costs increased $1.4 billion, or 18.5%, to $9.0 billion in 2008 from $7.6 billion in 2007. Of this increase, $651 million was capacity driven by our 8.9% increase in ALBDs and the balance of the increase of $760 million was primarily due to increased fuel prices, increased travel agent commissions on higher ticket revenues and the weaker U.S. dollar against the euro compared to 2007.

Selling and administrative expenses increased $50 million, or 3.2%, to $1.6 billion. Of this increase, $137 million was driven by our 8.9% increase in ALBDs, partially offset by a $26 million gain from our hurricane insurance settlement for damages to our Cozumel, Mexico port facility and by savings achieved through economies of scale and tight cost controls.

Depreciation and amortization expense increased $148 million, or 13.4%, to $1.2 billion in 2008 from $1.1 billion in 2007, largely due to the 8.9% increase in ALBDs through the addition of new ships, the weaker U.S. dollar compared to the euro and additional ship improvement expenditures.

Our total costs and expenses as a percentage of total revenues rose to 81.4% in 2008 from 79.1% in 2007.

Operating Income

Our operating income increased $4 million primarily because of the reasons discussed above.

Nonoperating (Expense) Income

Net interest expense, excluding capitalized interest, increased $86 million to $430 million in 2008 from $344 million in 2007. On a constant dollar basis, this increase was substantially all due to a $44 million increase in interest expense from a higher level of average borrowings, a $26 million decrease in interest income due to a lower average level of invested cash, and a $5 million decrease from lower average interest rates on invested balances compared to 2007. In addition, net interest expense increased by $11 million as a result of the weaker U.S. dollar against the euro and sterling compared to 2007. Capitalized interest increased $8 million during 2008 compared to 2007 primarily due to higher average levels of investment in ship construction projects.

Income Taxes

Income tax expense increased $31 million to $47 million in 2008 from $16 million in 2007 primarily because 2008 included a Mexican deferred income tax expense related to our hurricane insurance settlement and 2007 included the reversal of previously recorded deferred tax valuation allowances and uncertain income tax position liabilities, which were no longer required.

Key Performance Non-GAAP Financial Indicators

Net cruise revenues increased $1.3 billion, or 12.9%, to $11.5 billion in 2008 from $10.2 billion in 2007. The 8.9% increase in ALBDs between 2008 and 2007 accounted for $907 million of the increase, and the remaining $412 million was from increased net revenue yields, which increased 3.7% in 2008 compared to 2007 (gross revenue yields increased by 3.6%). Net revenue yields increased in 2008 primarily due to higher North American ticket prices and the weaker U.S. dollar relative to the euro, partially offset by lower ticket pricing in Europe. Net revenue yields as measured on a constant dollar basis increased 2.4% in 2008 compared to 2007, which was comprised of a 3.7% increase in passenger ticket yields, partially offset by a 1.6% decrease in onboard and other revenue yields. The decrease in onboard and other revenue yields was the result of the significant increase in our European brands' capacity, as they typically have lower onboard and other revenue yields, and lower onboard spending by our guests. Gross cruise revenues increased $1.6 billion, or 12.8%, to $14.3 billion in 2008 from $12.6 billion in 2007 for largely the same reasons as discussed above for net cruise revenues.

Net cruise costs increased $1.2 billion, or 18.1%, to $7.6 billion in 2008 from $6.4 billion in 2007. The 8.9% increase in ALBDs between 2008 and 2007 accounted for $573 million of the increase. The balance of $591 million was from increased net cruise costs per ALBD, which increased 8.4% in 2008 compared to 2007 (gross cruise costs per ALBD increased 7.0%). This 8.4% increase was driven by a 54.6% per metric ton increase in fuel price to $558 per metric ton in 2008, which resulted in an increase in fuel expense of $626 million compared to 2007. This increase was partially offset by a $31 million gain from Cunard's sale of the ***Queen Elizabeth 2*** ("*QE2*"), a $26 million gain from a hurricane insurance settlement for damages to our Cozumel, Mexico port facility in 2005 and lower selling and administrative expenses achieved primarily through economies of scale and tight cost controls. Net cruise costs per ALBD as measured on a constant dollar basis increased 7.5% in 2008 compared to 2007. On a constant dollar basis, net cruise costs per ALBD excluding fuel were flat. Gross cruise costs increased $1.5 billion, or 16.5%, in 2008 to $10.3 billion from $8.9 billion in 2007 for largely the same reasons as discussed above for net cruise costs.

Liquidity and Capital Resources

Maintenance of a strong balance sheet, which enhances our financial flexibility, has always been and continues to be the primary objective of our capital structure policy. We believe preserving cash and liquidity is a prudent step to take during uncertain times to achieve this objective. Accordingly in October 2008 at the height of the financial crisis, the Boards of Directors voted to suspend our quarterly dividend beginning March 2009. However, at the January 2010 Boards of Directors meetings it was decided to reinstate our March 2010 quarterly dividend at $0.10 per share.

Our overall strategy is to maintain an acceptable level of liquidity with our available cash and cash equivalents and committed financings for immediate and future liquidity needs, and a reasonable debt maturity profile that is spread out over a number of years. During 2009, we put into place $6.4 billion of committed financings at attractive interest rates, which considerably improved our liquidity to the levels discussed below.

Our cash from operations and committed financings along with our available cash and cash equivalent balances are forecasted to be sufficient to fund our expected 2010 cash requirements and result in an acceptable level of liquidity throughout 2010. Although we do not believe we will be required to obtain additional new financings during 2010, we may choose to do so if favorable opportunities arise.

Sources and Uses of Cash

Our business provided $3.3 billion of net cash from operations during fiscal 2009, a decrease of $49 million, or 1.4%, compared to fiscal 2008. This decrease was caused by less net cash being generated from operations primarily as a result of lower cruise ticket prices and onboard revenues, partially offset by net cash generated from changes in our working capital position compared to fiscal 2008.

At November 30, 2009 and 2008, we had working capital deficits of $3.4 billion and $4.1 billion, respectively. Our November 30, 2009 deficit included $2.6 billion of customer deposits, which represent the passenger revenues we collect in advance of sailing dates and, accordingly, are substantially more like deferred revenue transactions rather than actual current cash liabilities. We use our long-term ship assets to realize a portion of this deferred revenue in addition to consuming current assets. In addition, our November 30, 2009 working capital deficit included $950 million of current debt obligations, which included $264 million outstanding under our principal revolver. This revolver is available to provide long-term rollover financing of our current debt. After excluding customer deposits and current debt obligations from our November 30, 2009 working capital deficit balance, our non-GAAP adjusted working capital was $76 million. As explained above, our business model allows us to operate with a significant working capital deficit and, accordingly, we believe we will continue to have a working capital deficit for the foreseeable future.

During fiscal 2009, our net expenditures for capital projects were $3.4 billion, of which $2.8 billion was spent on our ongoing new shipbuilding program, including $2.1 billion for the final delivery payments for ***AIDAluna, Carnival Dream, Costa Luminosa, Costa Pacifica*** and ***Seabourn Odyssey***. In addition to our new shipbuilding program, we had capital expenditures of $418 million for ship improvements and replacements and $194 million for cruise port facilities, information technology and other assets.

During fiscal 2009, we repaid $1.7 billion and borrowed $1.2 billion under our principal revolver in connection with our needs for cash at various times throughout the year. In addition during fiscal 2009, we borrowed $2.3 billion of new other long-term debt, equally split between our export credit financing facilities and bank loans, and we repaid $1.3 billion of other long-term debt primarily for scheduled payments under our bank loans and export credit facilities, and for repurchases of our 1.75% Notes. We also repaid a net $288 million during fiscal 2009 under our short-term borrowing facilities. Finally, we paid cash dividends of $314 million in fiscal 2009.

Future Commitments and Funding Sources

At November 30, 2009, our contractual cash obligations were as follows (in millions):

Contractual Cash Obligations	Payments Due by Fiscal Year						
	Total	2010	2011	2012	2013	2014	Thereafter
Recorded Contractual Obligations							
Short-term borrowings(a)	$ 135	$ 135					
Revolver(a)	264	126		$ 138			
Convertible notes(a)	604		$ 595		$ 9		
Other long-term debt(a)	9,044	689	588	1,379	1,681	$ 894	$3,813
Other long-term liabilities reflected on the balance sheet(b)	649	59	123	111	90	59	207
Unrecorded Contractual Obligations							
Shipbuilding(c)	7,446	3,416	2,228	1,802			
Operating leases(c)	301	49	43	37	33	24	115
Port facilities and other(c)	962	146	112	87	77	50	490
Purchase obligations(d)	927	747	95	33	15	10	27
Fixed rate interest payments(e)	2,363	368	342	318	264	196	875
Floating rate interest payments(e)	304	28	42	55	48	44	87
Total contractual cash obligations(f)	$22,999	$5,763	$4,168	$3,960	$2,217	$1,277	$5,614

(a) Our 2010 cash obligations include $126 million of debt outstanding under our long-term principal revolver, and as such these obligations can be rolled-over on a long-term basis under this revolver, if we so desire. Included in 2011 is $595 million of our convertible notes, since the noteholders have put options in April 2011. If these notes are put to us, at our election we can settle these obligations through the issuance of common stock, cash, or a combination thereof. Our debt, excluding short-term borrowings, has a weighted-average maturity of five years. See Note 5 in the accompanying consolidated financial statements for additional information regarding these contractual cash obligations.

(b) Represents cash outflows for certain of our long-term liabilities that could be reasonably estimated. The primary outflows are for estimates of our employee benefit plan obligations, crew and guest claims, uncertain income tax position liabilities, certain deferred income taxes, derivative contracts payable and other long-term liabilities. Deferred income and certain deferred income taxes have been excluded from the table because they do not require a cash settlement in the future.

(c) Our shipbuilding contractual obligations are legal commitments and, accordingly, cannot be cancelled without cause by us or the shipyards, and such cancellation will subject the defaulting party to significant contractual liquidating damage payments. See Note 6 in the accompanying consolidated financial statements for additional information regarding these contractual cash obligations.

(d) Represents legally-binding commitments to purchase inventory and other goods and services made in the normal course of business to meet operational requirements. Many of our contracts contain clauses that allow us to terminate the contract with notice, either with or without a termination penalty. Termination penalties are generally an amount less than the original obligation. Historically, we have not had any significant defaults of our contractual obligations or incurred significant penalties for termination of our contractual obligations.

(e) Fixed rate interest payments represent cash outflows for fixed interest payments, excluding interest swapped from a fixed rate to a floating rate. Floating rate interest payments represent forecasted cash outflows for interest payments on floating rate debt, including interest swapped from a fixed rate to a floating rate, using the November 30, 2009 forward interest rates for the remaining terms of the loans.

(f) Amounts payable in foreign currencies, which are usually euro and sterling, are based on the November 30, 2009 exchange rates.

In June 2006, the Boards of Directors authorized the repurchase of up to an aggregate of $1 billion of Carnival Corporation common stock and Carnival plc ordinary shares subject to certain restrictions. On September 19, 2007, the Boards of Directors increased the remaining $578 million general repurchase authorization back to $1 billion. During fiscal 2009, there were no repurchases under the general repurchase authorization and at January 28, 2010, the remaining availability pursuant to our general repurchase authorization was $787 million. It is not our present intention to repurchase shares under the general repurchase authorization, however, it is possible we will make repurchases under our "Stock Swap" programs as discussed below. The general repurchase authorization does not have an expiration date and may be discontinued by our Boards of Directors at any time. However, all the Carnival plc share repurchase authorizations require annual shareholder approval.

In addition to the general repurchase authorization, the Boards of Directors have authorized the repurchase of up to 19.2 million Carnival plc ordinary shares and up to 25 million shares of Carnival Corporation common stock under the "Stock Swap" programs. We use these "Stock Swap" programs in situations where we can obtain an economic benefit because either Carnival Corporation common stock or Carnival plc ordinary shares are trading at a price that is at a premium or discount to the price of Carnival plc ordinary shares or Carnival Corporation common stock, as the case may be. Accordingly, if we sell either shares of Carnival Corporation common stock or Carnival plc ordinary shares, we use the net proceeds to repurchase Carnival plc ordinary shares or Carnival Corporation common stock, as the case may be, on at least an equivalent basis, with the remaining net proceeds, if any, used for general corporate purposes. Finally, under the "Stock Swap" programs, the sales of the Carnival Corporation common stock and Carnival plc ordinary shares have been registered under the Securities Act of 1933 and such shares of common stock and ordinary shares have been and will be sold at market prices.

At November 30, 2009, as adjusted for the voluntary cancellation of our $579 million export credit facility for P&O Cruises' ***Azura*** after year end, we had liquidity of $6.3 billion. Our liquidity consisted of $214 million of cash and cash equivalents, excluding cash on hand of $324 million used for current operations, $2.4 billion available for borrowing under our principal revolver and back-up revolving credit facilities and $3.6 billion under committed financings. Of this $3.6 billion of committed facilities, $1.3 billion, $1.3 billion and $1.0 billion is expected to be funded in 2010, 2011 and 2012, respectively. Substantially all of our revolving credit facilities mature in 2012. We rely on, and have banking relationships with, numerous banks that have credit ratings of A or above, which we believe will assist us in attempting to access multiple sources of funding in the event that some lenders are unwilling or unable to lend to us. However, we believe that our revolving credit facilities and committed financings will be honored as required pursuant to their contractual terms.

Substantially all of our debt agreements contain financial covenants as described in Note 5 in the accompanying consolidated financial statements. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated.

At November 30, 2009, we believe we were in compliance with all of our debt covenants. In addition, based on our forecasted operating results, financial condition and cash flows for fiscal 2010, we expect to be in compliance with our debt covenants during fiscal 2010. However, our forecasted cash flow from operations and access to the capital markets can be adversely impacted by numerous factors outside our control including, but not limited to, those noted under "Cautionary Note Concerning Factors That May Affect Future Results."

We continue to generate substantial cash from operations and have investment grade credit ratings of A3 from Moody's Investors Service and BBB+ from Standard & Poor's Rating Services ("S&P"), which provide us with flexibility in most financial credit market environments to obtain debt, as necessary. In March 2009, our A- credit rating from S&P was downgraded to BBB+ and assigned a negative outlook, which reflected S&P's concerns that the weakened state of the economy and the pullback in consumer spending would pressure our ability to sustain our BBB+ credit rating. However in late January 2010, S&P changed our outlook from negative to stable. This change reflects S&P's expectation that the improving trend in our advance bookings will continue, as well as S&P's expectations of improving pricing trends, consumer spending patterns and gross domestic product growth in the U.S. and Europe.

Based primarily on our historical results, current financial condition and forecasts, we believe that our existing liquidity (assuming we can refinance our principal revolver before its 2012 maturity) and cash flow from future operations will be sufficient to fund all of our expected capital projects (including shipbuilding commitments), debt service requirements, convertible debt redemptions, working capital and other firm commitments over the next several years.

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.

Quantitative and Qualitative Disclosures About Market Risk

For a discussion of our hedging strategies and market risks see the discussion below and "Note 10 - Fair Value Measurements, Derivative Instruments and Hedging Activities," in the accompanying consolidated financial statements.

Foreign Currency Exchange Rate Risks

Operational and Investment Currency Risk

We have $526 million of foreign currency swaps and forwards that are designated as hedges of our net investments in foreign operations, which have a euro-denominated functional currency, thus partially offsetting this foreign currency exchange rate risk. Based upon a 10% hypothetical change in the U.S. dollar compared to the euro as of November 30, 2009, assuming no changes in comparative interest rates, we estimate that these foreign currency swaps and forwards' fair values would change by $53 million, which would be offset by a corresponding change of $53 million in the U.S. dollar value of our net investments. In addition, based upon a 10% hypothetical change in the U.S. dollar compared to the euro, sterling and Australian dollar, which are the functional currencies that we translate into our U.S. dollar reporting currency, assuming no changes in comparable interest rates, we estimate that our 2010 full year December 18, 2009 guidance would change by approximately $165 million.

Newbuild Currency Risk

During 2009, we entered into foreign currency forwards for two-thirds of the final euro-denominated shipyard payments expected to be settled in 2010 for *Azura* to hedge it into sterling at a forward rate of £0.88. Based upon a 10% hypothetical change in the sterling compared to the euro as of November 30, 2009, assuming no changes in comparative interest rates, the estimated fair value of these foreign currency forwards would change by $41 million, which would be offset by a corresponding change of $41 million in the sterling value of the related foreign currency ship construction contract and result in no net impact to us.

In 2008, we entered into a call option and a put option that were designed as a zero cost collar, and are collectively designated as a cash flow hedge of *Nieuw Amsterdam's* final shipyard payment, which is expected to be settled in 2010. Under this zero cost collar the minimum exchange rate we would be required to pay is $1.28 to the euro and the maximum exchange rate we would be required to pay is $1.45 to the euro. If the spot rate is in between these two amounts on the date of delivery, then we would not owe or receive any payments under this zero cost collar. Based upon a 10% hypothetical change in the U.S. dollar compared to the euro as of November 30, 2009, assuming no changes in comparative interest rates, the estimated fair value of this foreign currency zero cost collar would change by approximately $35 million, which would be offset by a corresponding change of approximately $35 million in the U.S. dollar value of the related foreign currency ship construction contract and result in no net impact to us.

At November 30, 2009, we have three euro-denominated shipbuilding commitments scheduled for delivery between May 2010 and May 2011, with remaining total payments of $1.3 billion assigned to two of our U.S. dollar functional currency brands for which we have not entered into any foreign currency contracts. Therefore, the U.S. dollar cost of these ships will increase or decrease based upon changes in the exchange rate until the payments are made under the shipbuilding contracts or we enter into foreign currency hedges. A portion of our net investment in euro-denominated cruise operations effectively acts as an economic hedge against a portion of these euro commitments. Accordingly, a portion of any increase or decrease in our ship costs resulting from changes in the exchange rates will be offset by a corresponding change in the net assets of our euro-denominated cruise operations. Based upon a 10% hypothetical change in the U.S. dollar compared to the euro as of November 30, 2009, assuming no changes in comparative interest rates, the unpaid cost of these ships would have a corresponding change of $131 million.

At November 30, 2009, we also have $660 million remaining on a euro-denominated shipbuilding commitment for Cunard's *Queen Elizabeth*, which is scheduled for delivery in September 2010. We have not entered into any foreign currency contracts for this ship. Therefore, the sterling cost of this ship will increase or decrease based upon changes in the exchange rate until the payments are made under the shipbuilding contract or we enter into a foreign currency hedge. Based upon a 10% hypothetical change in the sterling to euro foreign currency exchange rate as of November 30, 2009, assuming no changes in comparative interest rates and assuming the U.S. dollar exchange rate to the sterling remains constant, the unpaid cost of this ship would have a corresponding change of $66 million.

Interest Rate Risks

We have interest rate swaps at November 30, 2009, which effectively changed $625 million of fixed rate debt to U.S. dollar LIBOR and GBP LIBOR-based floating rate debt. Based upon a hypothetical 10% change in the November 30, 2009 market interest rates, assuming no change in currency exchange rates, the fair value of all our debt and interest rate swaps would change by approximately $200 million. In addition, based upon a hypothetical 10% change in the November 30, 2009 interest rates, our annual interest expense on floating rate debt, including the effect of our interest rate swaps, would change by an insignificant amount.

Finally, based upon a hypothetical 10% change in Carnival Corporation's November 30, 2009 common stock price, the fair value of our convertible notes would have an insignificant change.

These hypothetical amounts are determined by considering the impact of the hypothetical interest rates and common stock on our existing debt and interest rate swaps. This analysis does not consider the effects of the changes in the level of overall economic activity that could exist in such environments or any relationships which may exist between interest rate and stock price movements. Furthermore, substantially all of our fixed rate debt can only be called or prepaid by incurring significant break fees, therefore it is unlikely we will be able to take any significant steps in the short-term to mitigate our exposure in the event of a significant decrease in market interest rates.

Fuel Price Risks

We do not use financial instruments to hedge our exposure to fuel price market risk. We estimate that our fiscal 2010 fuel expense would change by approximately $3.4 million for each $1 per metric ton corresponding change in our average fuel price.

Selected Financial Data

The selected consolidated financial data presented below for fiscal 2005 through 2009 and as of the end of each such year, except for the other operating data, are derived from our audited consolidated financial statements and should be read in conjunction with those consolidated financial statements and the related notes.

	Years Ended November 30,				
	2009	**2008**	**2007**	**2006**	**2005**
	(in millions, except per share data)				
Statement of Operations and Cash Flow Data					
Revenues	$13,157	$14,646	$13,033	$11,839	$11,094
Operating income	$ 2,154	$ 2,729	$ 2,725	$ 2,613	$ 2,639
Net income	$ 1,790	$ 2,330	$ 2,408	$ 2,279(a)	$ 2,253
Earnings per share					
Basic	$ 2.27	$ 2.96	$ 3.04	$ 2.85	$ 2.80
Diluted	$ 2.24	$ 2.90	$ 2.95	$ 2.77	$ 2.70
Dividends declared per share		$ 1.60	$ 1.375	$ 1.025	$ 0.80
Cash provided by operating activities	$ 3,342	$ 3,391	$ 4,069	$ 3,633	$ 3,410
Cash used in investing activities	$ 3,384	$ 3,255	$ 3,746	$ 2,443	$ 1,970
Capital expenditures	$ 3,380	$ 3,353	$ 3,312	$ 2,480	$ 1,977
Cash used in financing activities	$ 93	$ 315	$ 604	$ 1,212	$ 892
Dividends paid	$ 314	$ 1,261	$ 990	$ 803	$ 566

	As of November 30,				
	2009	**2008**	**2007**	**2006**	**2005**
	(in millions, except percentages)				
Balance Sheet and Other Data					
Total assets	$36,835	$33,400	$34,181	$30,552	$28,349
Total debt	$10,047	$ 9,343	$ 8,852	$ 7,847	$ 7,352
Total shareholders' equity	$22,035	$19,098	$19,963	$18,210	$16,883
Total debt to capital(b)	31.3%	32.9%	30.7%	30.1%	30.3%

	Years Ended November 30,				
	2009	**2008**	**2007**	**2006**	**2005**
Other Operating Data					
ALBDs (in thousands)	62,106	58,943	54,133	49,945	47,755
Passengers carried (in thousands)	8,519	8,183	7,672	7,008	6,848
Occupancy percentage	105.5%	105.7%	105.6%	106.0%	105.6%
Fuel consumption (metric tons in thousands)	3,184	3,179	3,033	2,783	2,728
Fuel cost per metric ton	$ 363	$ 558	$ 361	$ 334	$ 259
Currencies					
U.S. dollar to €1	$ 1.39	$ 1.49	$ 1.36	$ 1.25	$ 1.25
U.S. dollar to £1	$ 1.56	$ 1.90	$ 2.00	$ 1.83	$ 1.83

(a) The 2006 net income was reduced by $57 million of share-based compensation expense related to the expensing of stock options and RSUs as a result of our adoption of a new accounting standard in 2006.
(b) Percentage of total debt to the sum of total debt and shareholders' equity.

Market Price for Common Stock and Ordinary Shares

Carnival Corporation's common stock, together with paired trust shares of beneficial interest in the P&O Princess Special Voting Trust (which holds a Special Voting Share of Carnival plc) is traded on the NYSE under the symbol "CCL." Carnival plc's ordinary shares trade on the London Stock Exchange under the symbol "CCL." Carnival plc's American Depository Shares ("ADSs"), each one of which represents one Carnival plc ordinary share,

are traded on the NYSE under the symbol "CUK." The depository for the ADSs is JPMorgan Chase Bank. The daily high and low stock sales price for the periods indicated on their primary exchange was as follows:

	Carnival Corporation		Carnival plc			
			Price per Ordinary Share (GBP)		Price per ADS (USD)	
	High	Low	High	Low	High	Low
Fiscal 2009						
Fourth Quarter	$34.94	$28.26	£22.18	£18.07	$36.09	$29.36
Third Quarter	$31.64	$22.18	£19.72	£14.31	$32.02	$23.46
Second Quarter	$29.76	$16.80	£20.22	£12.58	$29.72	$17.61
First Quarter	$25.76	$17.60	£16.74	£12.24	$24.71	$17.37
Fiscal 2008						
Fourth Quarter	$42.24	$14.86	£21.53	£10.55	$38.90	$15.25
Third Quarter	$41.47	$29.22	£20.20	£14.06	$39.60	$28.36
Second Quarter	$43.54	$36.10	£21.63	£17.66	$43.00	$35.77
First Quarter	$46.20	$37.64	£22.76	£17.39	$45.21	$37.19

As of January 21, 2010, there were 3,670 holders of record of Carnival Corporation common stock and 40,026 holders of record of Carnival plc ordinary shares and 99 holders of record of Carnival plc ADSs. The past performance of our stock prices cannot be relied on as a guide to their future performance.

All dividends for both Carnival Corporation and Carnival plc are declared in U.S. dollars. If declared, holders of Carnival Corporation common stock and Carnival plc ADSs receive a dividend payable in U.S. dollars. The dividends payable for Carnival plc ordinary shares are payable in sterling, unless the shareholders elect to receive the dividends in U.S. dollars. Dividends payable in sterling will be converted from U.S. dollars into sterling at the U.S. dollar to sterling exchange rate quoted by the Bank of England in London at 12:00 p.m. on the next combined U.S. and UK business day that follows the quarter end. In October 2008 at the height of the financial crisis, the Boards of Directors voted to suspend our quarterly dividend beginning March 2009. However, at the January 2010 Boards of Directors meetings it was decided to reinstate our March 2010 quarterly dividend at $0.10 per share.

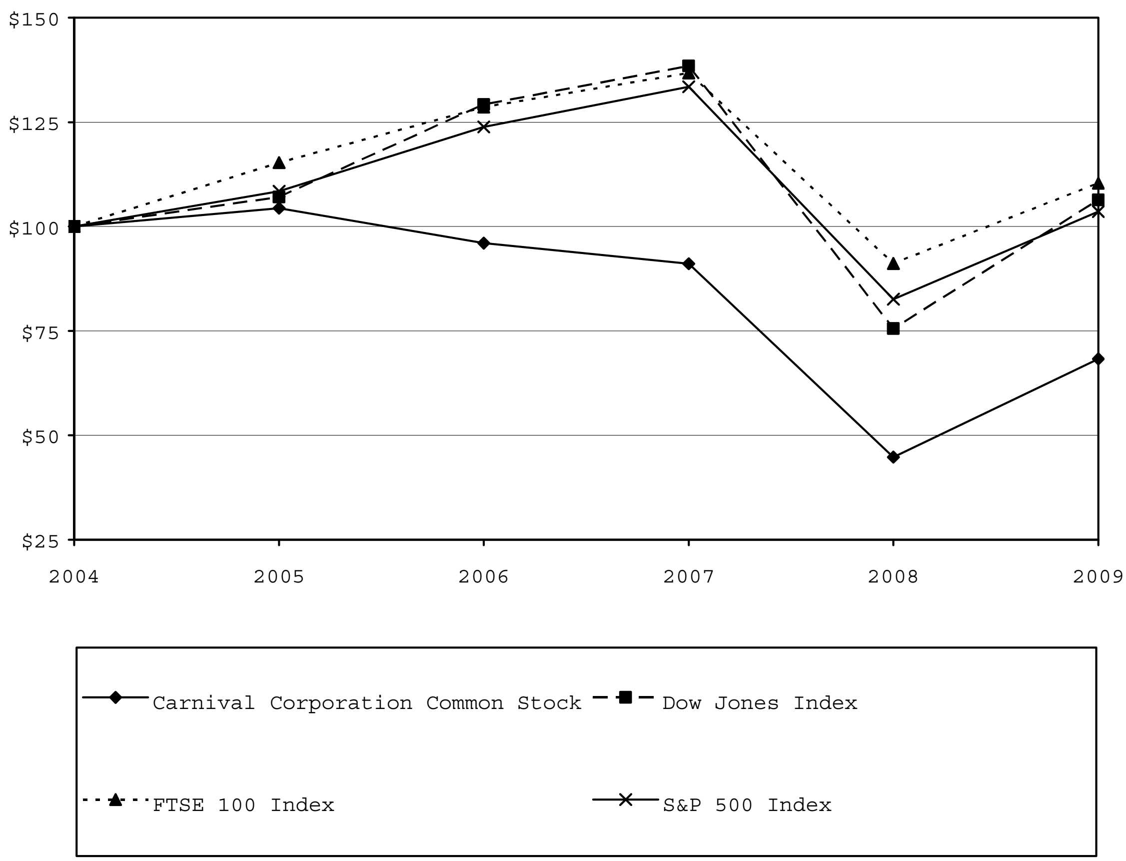
The payment and amount of any future dividend is within the discretion of the Boards of Directors. Our dividends were and will be based on a number of factors, including our earnings, liquidity position, financial condition, tone of business, capital requirements, credit ratings and the availability and cost of obtaining new debt. We cannot be certain that Carnival Corporation and Carnival plc will continue their dividend in the future, and if so, the amount and timing of such future dividends are not determinable and may be different than prior declarations.

Stock Performance Graphs

Carnival Corporation

The following graph compares the Price Performance of $100 if invested in Carnival Corporation common stock with the Price Performance of $100 if invested in each of the S&P 500 Index, the Dow Jones U.S. Travel and Leisure Index (the "Dow Jones Index") and the FTSE 100 Index. The Price Performance, as used in the Performance Graph, is calculated by assuming $100 is invested at the beginning of the period in Carnival Corporation common stock at a price equal to the market value. At the end of each fiscal year the total value of the investment is computed by taking the number of shares owned, assuming Carnival Corporation dividends are reinvested on an annual basis, multiplied by the market price of the shares at the end of each fiscal year.

5-YEAR CUMULATIVE TOTAL RETURNS

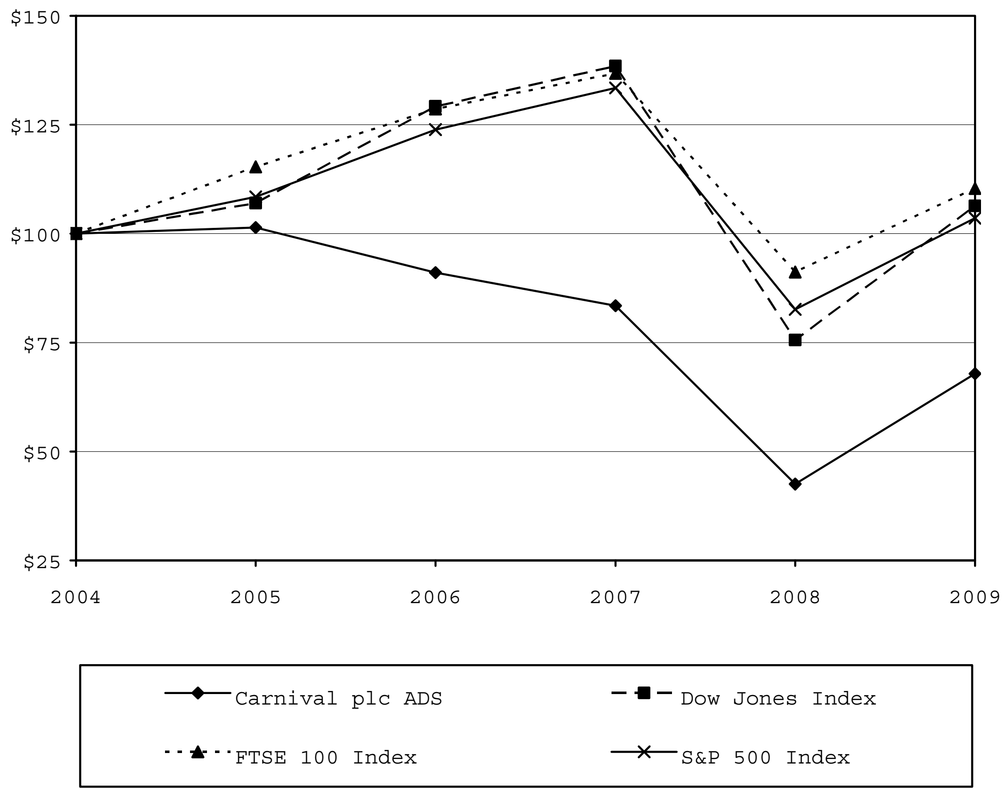


	Assumes $100 Invested on December 1, 2004 Assumes Dividends Reinvested Years Ended November 30,					
	2004	**2005**	**2006**	**2007**	**2008**	**2009**
Carnival Corporation Common Stock	$100	$104	$ 96	$ 91	$ 45	$ 68
Dow Jones Index	$100	$107	$129	$138	$ 76	$106
S&P 500 Index	$100	$108	$124	$133	$ 83	$103
FTSE 100 Index	$100	$115	$129	$137	$ 91	$110

Carnival plc

The following graph compares the Price Performance of $100 invested in Carnival plc ADSs, each representing one ordinary share of Carnival plc, with the Price Performance of $100 invested in each of the indexes noted below. The Price Performance is calculated in a similar manner as noted above.

5-YEAR CUMULATIVE TOTAL RETURNS



	Assumes $100 Invested on December 1, 2004 Assumes Dividends Reinvested Years Ended November 30,					
	2004	**2005**	**2006**	**2007**	**2008**	**2009**
Carnival plc ADS	$100	$101	$ 91	$ 83	$ 42	$ 68
Dow Jones Index	$100	$107	$129	$138	$ 76	$106
S&P 500 Composite	$100	$108	$124	$133	$ 83	$103
FTSE 100 Index	$100	$115	$129	$137	$ 91	$110

Selected Quarterly Financial Data (Unaudited)

Our revenues from the sale of passenger tickets are seasonal. Historically, demand for cruises has been greatest during our third fiscal 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 maintenance, which we schedule during non-peak demand periods. In addition, substantially all of Holland America Princess Alaska Tours' revenue and net income is generated from May through September in conjunction with the Alaska cruise season.

Quarterly financial results for fiscal 2009 were as follows:

	Quarters Ended			
	February 28	**May 31**	**August 31**	**November 30**
	(in millions, except per share data)			
Revenues	$2,864	$2,948	$4,139	$3,206
Operating income	$ 311	$ 353	$1,196	$ 294
Net income	$ 260(a)	$ 264	$1,073	$ 193
Earnings per share				
Basic	$ 0.33	$ 0.34	$ 1.36	$ 0.25
Diluted	$ 0.33	$ 0.33	$ 1.33	$ 0.24

(a) Includes a $15 million gain from the unwinding of a lease out and lease back type transaction and a $17 million gain from changes in uncertain income tax position liabilities.

Quarterly financial results for fiscal 2008 were as follows:

	Quarters Ended			
	February 29	**May 31**	**August 31**	**November 30**
	(in millions, except per share data)			
Revenues	$3,152	$3,378	$4,814	$3,302
Operating income	$ 312	$ 482	$1,485	$ 450(a)
Net income	$ 236	$ 390	$1,333	$ 371(a)
Earnings per share				
Basic	$ 0.30	$ 0.50	$ 1.70	$ 0.47
Diluted	$ 0.30	$ 0.49	$ 1.65	$ 0.47
Dividends declared per share	$ 0.40	$ 0.40	$ 0.40	$ 0.40

(a) Includes a $31 million gain on the sale of *QE*2.

Exhibit 21

Significant Subsidiaries of Carnival Corporation and Carnival plc(1)

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Costa Crociere, S.p.A.("Costa")(2)	Italy
HAL Antillen N.V.	Netherlands Antilles
Holland America Line N.V.(3)	Netherlands Antilles
Princess Bermuda Holdings Ltd.	Bermuda
Princess Cruise Lines Ltd.(4)	Bermuda
Societa di Crociere Mercurio S.r.l (5)	Italy
Sunshine Shipping Corporation Ltd. ("Sunshine")(6)	Bermuda

(1) Carnival Corporation, incorporated in the Republic of Panama, and Carnival plc, incorporated in England and Wales, are separate legal entities, which have entered into a DLC structure as discussed in Notes 1 and 3 to the Consolidated Financial Statements in Exhibit 13 to the joint Annual Report on Form 10-K. We have accounted for the DLC transaction under U.S. GAAP as an acquisition by Carnival Corporation of Carnival plc. Accordingly, we have determined the significant subsidiaries based upon the consolidated results of operations and financial position of Carnival Corporation & plc. All of our cruise brands are 100% owned, except as noted in (2) below.
(2) Subsidiary of Carnival plc (99.97% owned by Carnival plc).
(3) Subsidiary of HAL Antillen N.V.
(4) Subsidiary of Sunshine.
(5) Subsidiary of Costa.
(6) Subsidiary of Princess Bermuda Holdings Ltd.

Exhibit 23

Consent of Independent Registered Certified Public Accounting Firm

We hereby consent to the incorporation by reference in the joint Registration Statements on Form S-3 of Carnival Corporation and Carnival plc (File Nos. 333-106553, 333-106553-01, 333-157861 and 333-157861-01), the Registration Statements on Form S-8 of Carnival Corporation (File Nos. 333-125418, 333-105672, 333-87036, 333-67394, 333-60558, 333-43885, 33-53099, 33-51195, 33-45287 and 33-26898), the Registration Statement on Form S-3 of Carnival plc (File No. 333-160411), and the Registration Statements on Form S-8 of Carnival plc (File Nos. 333-125418-01, 333-124640, 333-104609, 333-84968, 333-13794 and 333-12742), of our report, dated January 28, 2010, relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this joint Annual Report on Form 10-K.

/s/PricewaterhouseCoopers LLP

Miami, Florida
January 28, 2010

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned directors of Carnival Corporation, a company incorporated under the laws of the Republic of Panama, and Carnival plc, a company organized and existing under the laws of England and Wales, do and each of them does, hereby constitute and appoint Micky Arison, Howard S. Frank, David Bernstein and Arnaldo Perez, his or her true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him or her and in his or her name, place and stead, to sign the Carnival Corporation and Carnival plc joint Annual Report on Form 10-K ("Form 10-K") for the year ended November 30, 2009 and any and all future amendments thereto; and to file said Form 10-K and any such amendments with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals as of the 12th day of October 2009.

CARNIVAL CORPORATION

/s/ Richard G. Capen, Jr.
Richard G. Capen, Jr.
Director

/s/ Robert H. Dickinson
Robert H. Dickinson
Director

/s/ Arnold W. Donald
Arnold W. Donald
Director

/s/ Pier Luigi Foschi
Pier Luigi Foschi
Director

/s/ Richard J. Glasier
Richard J. Glasier
Director

/s/ Modesto A. Maidique
Modesto A. Maidique
Director

/s/ Sir John Parker
Sir John Parker
Director

/s/ Peter G. Ratcliffe
Peter G. Ratcliffe
Director

/s/ Stuart Subotnick
Stuart Subotnick
Director

/s/ Laura Weil
Laura Weil
Director

CARNIVAL PLC

/s/ Richard G. Capen, Jr.
Richard G. Capen, Jr.
Director

/s/ Robert H. Dickinson
Robert H. Dickinson
Director

/s/ Arnold W. Donald
Arnold W. Donald
Director

/s/ Pier Luigi Foschi
Pier Luigi Foschi
Director

/s/ Richard J. Glasier
Richard J. Glasier
Director

/s/ Modesto A. Maidique
Modesto A. Maidique
Director

/s/ Sir John Parker
Sir John Parker
Director

/s/ Peter G. Ratcliffe
Peter G. Ratcliffe
Director

/s/ Stuart Subotnick
Stuart Subotnick
Director

/s/ Laura Weil
Laura Weil
Director

/s/ Randall J. Weisenburger
Randall J. Weisenburger
Director

/s/ Uzi Zucker
Uzi Zucker
Director

/s/ Randall J. Weisenburger
Randall J. Weisenburger
Director

/s/ Uzi Zucker
Uzi Zucker
Director

Exhibit 31.1

I, Micky Arison, certify that:

1. I have reviewed this Annual Report on Form 10-K of Carnival Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2010

By:/s/ Micky Arison
Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

Exhibit 31.2

I, Howard S. Frank, certify that:

1. I have reviewed this Annual Report on Form 10-K of Carnival Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2010

By:/s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of
Directors and Chief Operating Officer

Exhibit 31.3

I, David Bernstein, certify that:

1. I have reviewed this Annual Report on Form 10-K of Carnival Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2010

By:/s/ David Bernstein
David Bernstein
Senior Vice President and
Chief Financial Officer

Exhibit 31.4

I, Micky Arison, certify that:

1. I have reviewed this Annual Report on Form 10-K of Carnival plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2010

By:/s/ Micky Arison
Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

Exhibit 31.5

I, Howard S. Frank, certify that:

1. I have reviewed this Annual Report on Form 10-K of Carnival plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2010

By:/s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of
Directors and Chief Operating Officer

Exhibit 31.6

I, David Bernstein, certify that:

1. I have reviewed this Annual Report on Form 10-K of Carnival plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2010

By:/s/ David Bernstein
David Bernstein
Senior Vice President and
Chief Financial Officer

Exhibit 32.1

In connection with the Annual Report on Form 10-K for the year ended November 30, 2009 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: January 29, 2010

By:/s/ Micky Arison
Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

Exhibit 32.2

In connection with the Annual Report on Form 10-K for the year ended November 30, 2009 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: January 29, 2010

By:/s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of Directors
and Chief Operating Officer

Exhibit 32.3

In connection with the Annual Report on Form 10-K for the year ended November 30, 2009 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: January 29, 2010

By:/s/ David Bernstein
David Bernstein
Senior Vice President and
Chief Financial Officer

Exhibit 32.4

In connection with the Annual Report on Form 10-K for the year ended November 30, 2009 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: January 29, 2010

By:/s/ Micky Arison
Micky Arison
Chairman of the Board of Directors
and Chief Executive Officer

Exhibit 32.5

In connection with the Annual Report on Form 10-K for the year ended November 30, 2009 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: January 29, 2010

By:/s/ Howard S. Frank
Howard S. Frank
Vice Chairman of the Board of Directors
and Chief Operating Officer

Exhibit 32.6

In connection with the Annual Report on Form 10-K for the year ended November 30, 2009 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: January 29, 2010

By:/s/ David Bernstein
David Bernstein
Senior Vice President and
Chief Financial Officer