CARNIVAL CORP. NYSE-CCL

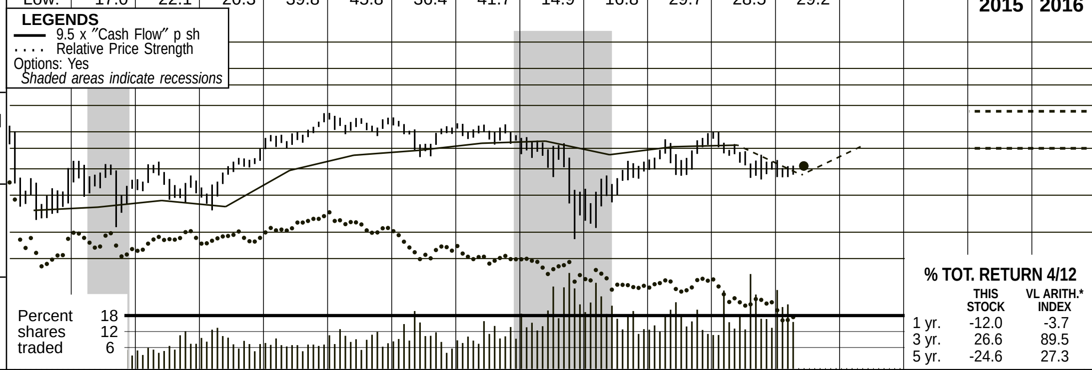
RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
33.01	20.0 (Trailing: 14.7) (Median: 16.0)	1.27	3.0%	VALUE LINE

TIMELINESS	4 Lowered 3/23/12
SAFETY	3 New 8/22/03
TECHNICAL	3 Raised 5/11/12
BETA 1.15 (1.00 = Market)	

High:	34.9	34.6	39.8	58.8	59.0	56.1	52.7	45.2	34.9	47.2	48.1	35.2
Low:	17.0	22.1	20.3	39.8	45.8	36.4	41.7	14.9	16.8	29.7	28.5	29.2

Target Price Range
2015 | 2016 | 2017

LEGENDS
—— 9.5 x "Cash Flow" p sh
. . . . Relative Price Strength
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+80%)	*18%*
Low	40	(+20%)	*8%*

Insider Decisions

	J	J	A	S	O	N	D	J	F
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	1	2	0	0	0	0	0
to Sell	0	1	1	1	0	0	7	0	0

Institutional Decisions

	2Q2011	3Q2011	4Q2011
to Buy	223	212	192
to Sell	249	244	237
Hld's(000)	432438	427831	422698

Percent shares traded: 18 / 12 / 6

% TOT. RETURN 4/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-12.0	-3.7
3 yr.	26.6	89.5
5 yr.	-24.6	27.3

Carnival Corporation was incorporated in the Republic of Panama in 1974. Initial public offering in 1987: 108,560,000 Class A common shares (adjusted for splits). In 2003, it entered into a dual-listed structure with P&O Princess. The companies are operated as a single unit, but have separate exchange listings. Carnival Corp. is listed on the NYSE and Carnival Plc (originally P&O Princess) on the London Stock Exchange.

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
7.44	8.42	12.10	13.72	14.91	16.56	18.66	16.72	18.32	20.07	*20.25*	*21.30*	Sales per sh A	*24.15*
2.38	2.23	3.32	3.91	4.11	4.46	4.56	3.94	4.30	4.36	*3.15*	*4.40*	"Cash Flow" per sh	*5.80*
1.73	1.66	2.24	2.70	2.77	2.95	2.90	2.24	2.47	2.42	*1.60*	*2.20*	Earnings per sh AB	*3.50*
.42	.44	.53	.80	1.03	1.38	1.60	- -	.40	1.00	*1.00*	*1.00*	Div'ds Decl'd per sh C■	*1.20*
3.39	3.15	4.46	2.45	3.12	4.21	4.27	4.29	4.53	3.43	*3.40*	*3.50*	Cap'l Spending per sh	*3.50*
12.64	17.28	19.60	21.01	22.93	25.37	24.33	28.00	29.15	30.28	*30.95*	*31.60*	Book Value per sh F	*38.95*
586.79	798.00	804.00	808.00	794.00	787.00	785.00	787.00	790.00	787.00	*775.00*	*775.00*	Common Shs Outst'g D	*770.00*
16.1	17.8	20.0	19.5	16.8	16.2	12.9	11.6	14.6	15.6	*Bold figures are*		Avg Ann'l P/E Ratio	*14.5*
.88	1.01	1.06	1.04	.91	.86	.78	.77	.93	.98	*Value Line*		Relative P/E Ratio	*.95*
1.5%	1.5%	1.2%	1.5%	2.2%	2.9%	4.3%	- -	1.1%	2.6%	*estimates*		Avg Ann'l Div'd Yield	*1.9%*
4368.3	6718.0	9727.0	11087	11839	13033	14646	13157	14469	15793	*15700*	*16500*	Sales ($mill) A	*18600*
33.1%	29.3%	30.7%	31.9%	30.4%	29.4%	27.2%	26.3%	26.0%	23.9%	*19.0%*	*23.5%*	Operating Margin	*28.0%*
382.3	585.0	812.0	902.0	988.0	1101.0	1249.0	1309.0	1416.0	1522.0	*1200*	*1600*	Depreciation ($mill)	*1750*
1015.9	1194.0	1854.0	2257.0	2279.0	2408.0	2330.0	1790.0	1978.0	1912.0	*1240*	*1710*	Net Profit ($mill)	*2700*
- -	2.4%	2.5%	3.1%	1.7%	.7%	2.0%	.9%	.1%	.1%	*1.0%*	*1.0%*	Income Tax Rate	*1.0%*
23.3%	17.8%	19.1%	20.4%	19.3%	18.5%	15.9%	13.6%	13.7%	12.1%	*7.9%*	*10.4%*	Net Profit Margin	*14.5%*
d487.6	d1183	d3306	d2977	d3420	d5284	d4131	d3449	d4511	d4793	*d5000*	*d4500*	Working Cap'l ($mill)	*d3000*
3012.0	6918.0	6291.0	5727.0	6355.0	6313.0	7735.0	9097.0	8011.0	8053.0	*7700*	*7700*	Long-Term Debt ($mill)	*7700*
7417.9	13793	15760	16972	18210	19963	19098	22035	23031	23832	*24000*	*25000*	Shr. Equity ($mill) F	*30000*
10.3%	6.2%	8.9%	10.5%	9.8%	9.7%	9.3%	6.4%	7.0%	6.6%	*3.5%*	*6.0%*	Return on Total Cap'l	*7.5%*
13.7%	8.7%	11.8%	13.3%	12.5%	12.1%	12.2%	8.1%	8.6%	8.0%	*5.0%*	*7.0%*	Return on Shr. Equity	*9.0%*
10.4%	6.5%	9.2%	10.0%	8.1%	7.1%	5.6%	6.7%	7.6%	5.2%	*3.0%*	*4.5%*	Retained to Com Eq	*7.0%*
24%	24%	22%	25%	35%	41%	54%	18%	12%	35%	*63%*	*45%*	All Div'ds to Net Prof	*34%*

CAPITAL STRUCTURE as of 2/29/12
Total Debt $9527 mill. **Due in 5 Yrs** $6000 mill.
LT Debt $7964 mill. **LT Interest** $365 mill.
(LT int. earned: 6.8x; Total int. coverage: 6.6x)
(24% of Capital)
Leases, Uncapitalized Annual rentals $115 mill.
No Defined Benefit Pension Plan

Common Stock 811,000,000 shares
Includes about 596,000,000 shares of Carnival Corporation listed on the NYSE and about 215,000,000 shares of Carnival PLC listed on the London Stock Exchange.

MARKET CAP: $26.8 billion (Large Cap)

CURRENT POSITION ($MILL.)	2010	2011	2/29/12
Cash Assets	429.0	450.0	471.0
Receivables	248.0	263.0	286.0
Inventory (FIFO)	320.0	374.0	381.0
Other	247.0	225.0	1035.0
Current Assets	1244.0	1312.0	2173.0
Accts Payable	503.0	576.0	517.0
Debt Due	1353.0	1300.0	1025.0
Other	3899.0	4229.0	5002.0
Current Liab.	5755.0	6105.0	6544.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Sales	10.5%	6.0%	*4.5%*
"Cash Flow"	7.0%	2.0%	*5.5%*
Earnings	4.0%	-1.5%	*6.5%*
Dividends	1.5%	-10.0%	*17.0%*
Book Value	11.0%	6.5%	*5.0%*

Fiscal Year Ends	QUARTERLY SALES ($ mill.) AG Feb.28	May 31	Aug.31	Nov.30	Full Fiscal Year
2009	2864	2948	4139	3206	13157
2010	3178	3267	4527	3497	14469
2011	3419	3620	5058	3696	15793
2012	3582	*3600*	*4700*	*3818*	*15700*
2013	*3800*	*3900*	*4900*	*3900*	*16500*

Fiscal Year Ends	EARNINGS PER SHARE ABE Feb.28	May 31	Aug.31	Nov.30	Full Fiscal Year
2009	.33	.33	1.33	.24	2.24
2010	.22	.32	1.62	.31	2.47
2011	.19	.26	1.69	.28	2.42
2012	.02	*.05*	*1.30*	*.23*	*1.60*
2013	*.10*	*.15*	*1.60*	*.35*	*2.20*

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.40	.40	.40	.40	1.60
2009	- -	- -	- -	- -	- -
2010	.10	.10	.10	.10	.40
2011	.25	.25	.25	.25	1.00
2012					

BUSINESS: Carnival Corporation & Carnival Plc are among the largest vacation companies in the world with 11 brands: Carnival Cruise Lines, Princess Cruises, Holland America Line, Costa Cruises, P&O Cruises, Cunard Line, The Yachts of Seabourn, Ocean Village, AIDA, Ibero Cruises, and P&O Cruises Australia. These brands operate 99 ships with approximately 196,000 lower berths. The company also operates Holland America Princess Alaska Tours. Micky Arison and family have 35.6% of voting control of Carnival Corporation (3/12 proxy). Chairman & CEO: Micky Arison. Incorporated: Republic of Panama. Address: 3655 N.W. 87th Ave., Miami, Florida 33178. Telephone: 305-599-2600. Internet: www.carnivalcorp.com.

Carnival shares have begun to recover from the Costa Concordia disaster. CCL shares are up over 9% in price since our last report, as attention has moved on from the incident.

The company has revised its guidance for 2012 (fiscal year ends November 30th) sharply downward. In light of the Costa Concordia disaster, the company has reduced earnings guidance for the year to $1.55 per share from the $2.70 that was forecast before the incident.

Revenues were actually up in the first quarter of 2012 (ended February 29th). Contrary to the fears of mass cancelations after the disaster, net ticket yields from U.S. brands were up almost 5% due to the slow but continuing recovery in the U.S. economy.

The company's EAA segment has been a different story. Even before the Costa Concordia incident, pricing among European brands was soft due to slowing economies in the region. After the ship's grounding, booking patterns for the EAA segment were hit particularly hard.

Like its competitors, Carnival has suffered from higher fuel prices. These expenses were up 30% from the same period a year ago, costing an additional $0.18 per share. Further, higher airfares between North America and Europe have been a challenge for the European programs of the company's North American brands. To offset the volatility of fuel costs, the company has undertaken a program to reduce its fuel consumption relative to revenues.

The *Costa* brand not only stopped marketing its cruises after the disaster, but gave passengers the opportunity to cancel existing bookings. Despite this, cancelations were relatively few. However, the company estimates that it may take up to a year for bookings to stabilize in some of *Costa*'s markets, due to its cessation of advertising.

Despite an impressive dividend yield, these shares may be overpriced. Considering the severe hit to 2012 earnings, the market's disregard of the possibility of a prolonged setback may be premature. The P/E ratio of these shares is now significantly above the *Value Line* median. Investors may want to wait for an earnings recovery to materialize.

Adam J. Platt *May 11, 2012*

(A) Fiscal year ends November 30th.
(B) Diluted earnings. Next earnings report due mid-May. (C) Dividend reinstated 2/10. Dividends paid quarterly in mid-March, June, September, and December. ■ Dividend reinvestment plan available. (D) In millions. (E) Quarterly figures may not add to total because of rounding and/or a change in the number of shares outstanding. (F) Includes intangibles. In 2011, $4,652 million, $5.91 per share. (G) 2010 sales restated to reflect accounting change.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	35
Earnings Predictability	90