



Carnival Corporation & Plc Announces Notice Of Conversion Right And Supplemental Indenture

July 1, 2020

Carnival Corporation & plc is disclosing Carnival Corporation has delivered today a notice of conversion right and supplemental indenture (the “Notice”) to the holders of its convertible notes, on Form 8-K with the U.S. Securities and Exchange Commission (“SEC”).

- **Schedule A** contains Carnival Corporation & plc’s announcement of the notice of conversion right and supplemental indenture.

The Directors consider that within the Carnival Corporation and Carnival plc dual listed company arrangement, the most appropriate presentation of Carnival plc's results and financial position is by reference to the Carnival Corporation & plc U.S. GAAP consolidated financial statements.

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The Form 8-K is available for viewing on the SEC website at www.sec.gov under Carnival Corporation or Carnival plc or the Carnival Corporation & plc website at www.carnivalcorp.com or www.carnivalplc.com.

Carnival Corporation & plc is one of the world’s largest leisure travel companies with a portfolio of nine of the world’s leading cruise lines. With operations in North America, Australia, Europe and Asia, its portfolio features – Carnival Cruise Line, Princess Cruises, Holland America Line, P&O Cruises (Australia), Seabourn, Costa Cruises, AIDA Cruises, P&O Cruises (UK) and Cunard.

Additional information can be found on www.carnivalcorp.com, www.carnivalsustainability.com, www.carnival.com, www.princess.com, www.hollandamerica.com, www.pocruises.com.au, www.seabourn.com, www.costacruise.com, www.aida.de, www.pocruises.com and www.cunard.com.

SCHEDULE A

As previously disclosed, on April 6, 2020, Carnival Corporation issued \$2,012.5 million aggregate principal amount of its 5.75% Convertible Senior Notes due 2023 (the “convertible notes”) pursuant to the Indenture, dated as of April 6, 2020, among Carnival Corporation, Carnival plc, the subsidiary guarantors party thereto and U.S. Bank National Association, as Trustee (the “Convertible Notes Indenture”).

In accordance with the terms of the Convertible Notes Indenture, Carnival Corporation delivered today a notice of conversion right and supplemental indenture (the “Notice”) to the holders of its convertible notes.

In light of the ambiguity caused by the incorrect references to “calendar quarter” in Section 14.01(b)(iv) of the Indenture described below, the Company determined whether the sale price condition set forth in such section had been satisfied as of the calendar quarter end of June 30, 2020 and notified the holders that the Last Reported Sale Price (as defined in the Convertible Notes Indenture) of the common stock of Carnival Corporation for at least 20 Trading Days (as defined in the Convertible Notes

Indenture) (whether or not consecutive) during the period of 30 consecutive Trading Days ending on the last Trading Day of the calendar quarter ended June 30, 2020 was greater than or equal to 130% of the Conversion Price (as defined in the Convertible Notes Indenture) on each applicable Trading Day. As a result, the holders are now entitled to convert all or any portion of their convertible notes at any time during the calendar quarter starting on July 1, 2020 and ending on September 30, 2020, at the conversion rate of 100.0000 shares of common stock of the Carnival Corporation per \$1,000 principal amount of convertible notes.

Additionally, in order to correct a mistake and inconsistency in the Convertible Notes Indenture, Carnival Corporation, Carnival plc, the subsidiary guarantors party thereto and U.S. Bank National Association, as Trustee entered into a First Supplemental Indenture to the Indenture, dated as of June 30, 2020 (the “First Supplemental Indenture”). The First Supplemental Indenture amends Section 14.01(b)(iv) of the Indenture to reference the fiscal quarters of Carnival Corporation instead of calendar quarters in determining the periods during which the convertible notes may be convertible. The intent of the parties to the Indenture was to refer to the “fiscal quarters” of the Company in Section 14.01(b)(iv), and the reference therein to May 31, 2020, which is the end of the Company’s second fiscal quarter, is correct. Following the execution of the First Supplemental Indenture, Section 14.01(b)(iv) of the Convertible Notes Indenture provides that a holder may convert all or any portion of its convertible notes during any fiscal quarter of Carnival Corporation if the Last Reported Sale Price of the common stock of Carnival Corporation for at least 20 Trading Days (whether or not consecutive) during the period of 30 consecutive Trading Days ending on the last Trading Day of the immediately preceding fiscal quarter of the Carnival Corporation was greater than or equal to 130% of the Conversion Price on each applicable Trading Day. The first such fiscal quarter following the execution of this First Supplemental Indenture shall end on August 31, 2020. Notwithstanding this amendment, the First Supplemental Indenture provides that a Holder may surrender all or any portion of its Notes for conversion at any time during the calendar quarter commencing on July 1, 2020 and ending on September 30, 2020, as set forth above.

The foregoing description of the Notice is not complete and is qualified in its entirety by reference to the Notice, which is filed as Exhibit 99.1, to this report and incorporated herein by reference.

The foregoing description of the First Supplemental Indenture is not complete and is qualified in its entirety by the full text of the First Supplemental Indenture, which will be filed with the next joint periodic report of Carnival Corporation and Carnival plc.

Cautionary Note Concerning Factors That May Affect Future Results

Carnival Corporation and Carnival plc and their respective subsidiaries are referred to collectively in this this Current Report on Form 8-K, including the Exhibits hereto (collectively, this “document”), as “Carnival Corporation & plc,” “our,” “us” and “we.” Some of the statements, estimates or projections contained in this document are “forward-looking statements” that involve risks, uncertainties and assumptions with respect to us, including some statements concerning the financing transactions described herein, future results, operations, outlooks, plans, goals, reputation, cash flows, liquidity 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. All statements other than statements of historical facts are statements that could be deemed forward-looking. These statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and the beliefs and assumptions of our management. We have tried, whenever possible, to identify these statements by using words like “will,” “may,” “could,” “should,” “would,” “believe,” “depends,” “expect,” “goal,” “anticipate,” “forecast,” “project,” “future,” “intend,” “plan,” “estimate,” “target,” “indicate,” “outlook,” and similar expressions of future intent or the negative of such terms.

Forward-looking statements include those statements that relate to our outlook and financial position including, but not limited to, statements regarding:

- Net revenue yields
- Net cruise costs, excluding fuel per available lower berth day

- Booking levels
- Pricing and occupancy
- Interest, tax and fuel expenses
- Currency exchange rates
- Estimates of ship depreciable lives and residual values
- Goodwill, ship and trademark fair values
- Liquidity
- Adjusted earnings per share
- Impact of the COVID-19 coronavirus global pandemic on our financial condition and results of operations

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 by our forward-looking statements. This note contains important cautionary statements of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 outbreak. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are unknown. These factors include, but are not limited to, the following:

- COVID-19 has had, and is expected to continue to have, a significant impact on our financial condition and operations, which impacts our ability to obtain acceptable financing to fund resulting reductions in cash from operations. The current, and uncertain future, impact of the COVID-19 outbreak, including its effect on the ability or desire of people to travel (including on cruises), is expected to continue to impact our results, operations, outlooks, plans, goals, growth, reputation, litigation, cash flows, liquidity, and stock price
- As a result of the COVID-19 outbreak, we have paused our guest cruise operations, and if we are unable to re-commence normal operations in the near-term, and further extend covenant waivers for certain agreements for which waivers do not currently cover periods after March 2021 (if needed), we may be out of compliance with a maintenance covenant in certain of our debt facilities
- World events impacting the ability or desire of people to travel may lead to a decline in demand for cruises
- Incidents concerning our ships, guests or the cruise vacation industry as well as adverse weather conditions and other natural disasters may impact the satisfaction of our guests and crew and lead to reputational damage
- Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-corruption, economic sanctions, trade protection and tax may lead to litigation, enforcement actions, fines, penalties, and reputational damage
- Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks and failure to keep pace with developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and lead to reputational damage
- Ability to recruit, develop and retain qualified shipboard personnel who live away from home for extended periods of time may adversely impact our business operations, guest services and satisfaction
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- Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs
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- Fluctuations in foreign currency exchange rates may adversely impact our financial results
- Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options

- Geographic regions in which we try to expand our business may be slow to develop or ultimately not develop how we expect
- Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests

The ordering of the risk factors set forth above is not intended to reflect our indication of priority or likelihood.

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 stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this document, 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.