



Carnival Corporation & Plc Announces Non-Cash Impairment Charges

July 29, 2020

Carnival Corporation & plc is disclosing non-cash impairment charges on Form 8-K with the U.S. Securities and Exchange Commission ("SEC").

1. **Schedule A** contains Carnival Corporation & plc's announcement of non-cash impairment charges.

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

In connection with Carnival Corporation & plc's (the "Company," "we," and "our") actions to maximize liquidity, we previously announced, on July 10, 2020, plans to remove nine ships from our fleet in the next 90 days. The plans for the disposal of these ships are in addition to the sale of four ships, which were announced prior to fiscal 2020. We have made a decision to remove a further two ships from our fleet. These decisions are intended to align the fleet with the expected phased restart of guest cruise operations while also generating cost savings.

On July 23, 2020, senior management of the Company evaluated these two ships for impairment and concluded their carrying values are no longer recoverable when compared to their estimated remaining future cash flows. Consequently, and in combination with other ships and notes receivables with recoverability impacted by the current environment, we expect to record non-cash impairment charges during the third quarter of 2020. Although the actual amount of the charges has not yet been finalized, we expect the aggregate impairment charge to be in the range of \$600 million to \$650 million. We do not expect these impairments to result in any material future cash expenditures. We plan to continue to evaluate other options to maximize our liquidity and best position our fleet for future operations.

Cautionary Note Concerning Factors That May Affect Future Results

Carnival Corporation and Carnival plc and their respective subsidiaries are referred to collectively in 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 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:

1. Net revenue yields	1. Estimates of ship depreciable lives and residual values
1. Booking levels	1. Goodwill, ship and trademark fair values
1. Pricing and occupancy	1. Liquidity

1. Interest, tax and fuel expenses	1. Adjusted earnings per share
1. Currency exchange rates	1. Impact of the COVID-19 coronavirus global pandemic on our financial condition and results of operations
1. Net cruise costs, excluding fuel per available lower berth day	

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:

1. 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
2. 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, we may be out of compliance with a maintenance covenant in certain of our debt facilities as of May 31, 2021
3. World events impacting the ability or desire of people to travel may lead to a decline in demand for cruises
4. 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
5. 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
6. 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
7. 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
8. Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs
9. Fluctuations in foreign currency exchange rates may adversely impact our financial results
10. Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options
11. Geographic regions in which we try to expand our business may be slow to develop or ultimately not develop how we expect
12. 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.