

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended February 28, 1999

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

CARNIVAL CORPORATION

(Exact name of registrant as specified in its charter)

Republic of Panama	59-1562976
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3655 N.W. 87th Avenue, Miami, Florida	33178-2428
(Address of principal executive offices)	(Zip code)

(305) 599-2600

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year,
if changed since last report.)

Indicate by check mark whether the registrant (1) has 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 registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Common Stock, \$.01 par value - 613,174,060 shares as of April 9, 1999.

CARNIVAL CORPORATION

I N D E X

Page

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Consolidated Balance Sheets -
February 28, 1999 and November 30, 1998

Consolidated Statements of Operations -
Three Months Ended February 28, 1999
and February 28, 1998

Consolidated Statements of Cash Flows -

Three Months Ended February 28, 1999
and February 28, 1998

Notes to Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of
Financial Condition and Results of Operations.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings.

Item 5. Other Information.

Item 6. Exhibits and Reports on Form 8-K.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

CARNIVAL CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except par value)

	February 28, 1999	November 30, 1998
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 574,254	\$ 137,273
Short-term investments	216,993	5,956
Accounts receivable, net	72,947	60,837
Consumable inventories, at average cost	77,626	75,449
Prepaid expenses and other	94,968	90,764
Total current assets	1,036,788	370,279
PROPERTY AND EQUIPMENT, NET	5,764,498	5,768,114
INVESTMENTS IN AND ADVANCES TO AFFILIATES	534,413	546,693
GOODWILL, LESS ACCUMULATED AMORTIZATION OF \$75,548 AND \$72,255	434,171	437,464
OTHER ASSETS	60,615	56,773
	\$7,830,485	\$7,179,323
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 66,702	\$ 67,626
Accounts payable	156,612	168,546
Accrued liabilities	203,886	206,968
Customer deposits	655,944	638,383
Dividends payable	55,174	53,590
Total current liabilities	1,138,318	1,135,113
LONG-TERM DEBT	1,355,569	1,563,014
DEFERRED INCOME AND OTHER LONG-TERM LIABILITIES	88,910	63,036
COMMITMENTS AND CONTINGENCIES (Note 5)		
MINORITY INTEREST	133,786	132,684
SHAREHOLDERS' EQUITY		
Common Stock; \$.01 par value; 960,000 shares authorized; 613,045 and 595,448 shares issued and outstanding	6,130	5,955
Paid-in-capital	1,617,781	880,488
Retained earnings	3,482,215	3,379,628
Other	7,776	19,405
Total shareholders' equity	5,113,902	4,285,476
	\$7,830,485	\$7,179,323

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

CARNIVAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Three Months Ended February 28, 1999	1998
REVENUES	\$748,258	\$557,838
COSTS AND EXPENSES		
Operating expenses	416,103	307,595
Selling and administrative	110,770	78,834
Depreciation and amortization	57,904	43,008
	584,777	429,437
OPERATING INCOME BEFORE LOSS FROM AFFILIATED OPERATIONS	163,481	128,401
LOSS FROM AFFILIATED OPERATIONS, NET	(5,917)	(10,681)
OPERATING INCOME	157,564	117,720
NONOPERATING INCOME (EXPENSE)		
Interest income	6,887	3,737
Interest expense, net of capitalized interest	(13,390)	(12,559)
Other income (expense), net	2,996	(3,271)
Income tax benefit	4,806	4,287
Minority interest	(1,102)	-
	197	(7,806)
NET INCOME	\$157,761	\$109,914
EARNINGS PER SHARE:		
Basic	\$.26	\$.18
Diluted	\$.26	\$.18

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

CARNIVAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three Months Ended 1999	February 28, 1998
OPERATING ACTIVITIES		
Net income	\$157,761	\$109,914
Adjustments		
Depreciation and amortization	57,904	43,008
Dividends received and loss from affiliated operations, net	5,917	21,231
Minority interest	1,102	
Other	2,172	5,083
Changes in operating assets and liabilities		
Increase in:		
Receivables	(12,333)	(5,143)
Consumable inventories	(2,177)	(1,056)
Prepaid expenses and other	(4,222)	(11,639)
Increase (decrease) in:		
Accounts payable	(11,934)	(7,308)
Accrued liabilities	(2,958)	(2,320)
Customer deposits	17,561	62,393
Net cash provided from operating activities	208,793	214,163
INVESTING ACTIVITIES		
(Increase) decrease in short-term investments, net	(210,686)	20
Additions to property and equipment, net	(50,977)	(361,739)
Other, net	21,167	74
Net cash used for investing activities	(240,496)	(361,645)
FINANCING ACTIVITIES		
Proceeds from long-term debt	5,861	313,158
Principal payments of long-term debt	(214,282)	(147,407)
Proceeds from issuance of Common Stock, net	730,812	2,385
Dividends paid	(53,590)	(44,578)
Other	(117)	(1,993)
Net cash provided from financing activities	468,684	121,565
Net increase (decrease) in cash and cash equivalents	436,981	(25,917)
Cash and cash equivalents at beginning of period	137,273	139,989
Cash and cash equivalents at end of period	\$574,254	\$114,072

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

CARNIVAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements included herein have been prepared by Carnival Corporation, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission.

The accompanying consolidated balance sheet at February 28, 1999 and the consolidated statements of operations for the three months ended February 28, 1999 and 1998 and consolidated statements of cash flows for the three months ended February 28, 1999 and 1998 are unaudited and, in the opinion of management, contain all adjustments, consisting of only normal recurring accruals, necessary for a fair presentation. The operations of Carnival Corporation and its consolidated subsidiaries (referred to collectively as the "Company") and its affiliates are seasonal and results for interim periods are not necessarily indicative of the results for the entire year. Certain amounts in prior periods have been reclassified to conform with the current period's presentation.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

NOTE 3 - LONG-TERM DEBT

Long-term debt consists of the following:

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Capital Expenditures

A description of ships under contract for construction at February 28, 1999 is as follows (in millions, except passenger capacity data):

Vessel	Expected Service Date(1)	Shipyard	Passenger Capacity(2)	Estimated Total Cost(3)	Remaining Cost to be Paid
Carnival Cruise Lines					
Carnival Triumph	7/99	Fincantieri(4)	2,758	\$ 410	\$ 294
Carnival Victory	8/00	Fincantieri	2,758	440	433
Carnival Spirit	4/01	Masa-Yards	2,100	375	356
Carnival Conquest	12/02	Fincantieri	2,758	450	429
Carnival Glory	8/03	Fincantieri	2,758	450	429
Total Carnival Cruise Lines			13,132	2,125	1,941
Holland America Line					
Volendam	8/99	Fincantieri(4)	1,440	300	238
Zaandam	3/00	Fincantieri(4)	1,440	300	255
Amsterdam	11/00	Fincantieri	1,380	300	51
Total Holland America Line			4,260	900	544
Total			17,392	\$3,025	\$2,485

(1) The expected service date is the date the vessel is expected to begin revenue generating activities.

(2) In accordance with cruise industry practice, passenger capacity is calculated based on two passengers per cabin even though some cabins can accommodate three or four passengers.

(3) Estimated total cost is the total cost of the completed vessel and includes the contract price with the shipyard, design and engineering fees, estimated capitalized interest, various owner supplied items and construction oversight costs.

(4) These construction contracts are denominated in Italian

Lira and have been fixed into U.S. dollars through the utilization of forward foreign currency contracts.

In connection with the vessels under construction, the Company has paid \$540 million through February 28, 1999 and anticipates paying approximately \$890 million during the twelve month period ending February 29, 2000 and approximately \$1.6 billion thereafter.

Litigation

Several actions (collectively the "Passenger Complaints") have been filed against Carnival Cruise Lines ("Carnival") or Holland America Westours on behalf of purported classes of persons who paid port charges to Carnival or Holland America Line ("Holland America"), alleging that statements made in advertising and promotional materials concerning port charges were false and misleading. The Passenger Complaints allege violations of the various state consumer protection acts and claims of fraud, conversion, breach of fiduciary duties and unjust enrichment. Plaintiffs seek compensatory damages or, alternatively, refunds of portions of port charges paid, attorneys' fees, costs, prejudgment interest, punitive damages and injunctive and declaratory relief. These actions are in various stages of progress and are proceeding.

Holland America Westours has entered into a settlement agreement for the one Passenger Complaint filed against it. The settlement agreement was approved by the court on September 28, 1998. Five members of the settlement class have appealed the court's approval of the settlement. The appeal is likely to take between one and two years to be resolved. Unless the appeal is successful, Holland America will issue travel vouchers with a face value of \$10-\$50 depending on specified criteria, to certain of its passengers who are U.S. residents and who sailed between April 1992 and April 1996, and will pay a portion of the plaintiffs' legal fees. The amount and timing of the travel vouchers to be redeemed and the effects of the travel voucher redemption on revenues is not reasonably determinable. Accordingly, the Company has not established a liability for the travel voucher portion of the settlements and will account for the redemption of the vouchers as a reduction of future revenues. In 1998 the Company established a liability for the estimated distribution costs of the settlement notices and plaintiffs' legal costs.

Several complaints were filed against Carnival and/or Holland America Westours (collectively the "Travel Agent Complaints") on behalf of purported classes of travel agencies who had booked a cruise with Carnival or Holland America, claiming that advertising practices regarding port charges resulted in an improper commission bypass. These actions, filed in California, Alabama, Washington and Florida, allege violations of state consumer protection laws, claims of breach of contract, negligent misrepresentation, unjust enrichment, unlawful business practices and common law fraud, and they seek unspecified compensatory damages (or alternatively, the payment of usual and customary commissions on port charges paid by passengers in excess of certain charges levied by government authorities), an accounting, attorneys' fees and costs, punitive damages and injunctive relief. These actions are in various stages of progress and are proceeding.

It is not now possible to determine the ultimate outcome of the pending Passenger and Travel Agent Complaints. Management believes it has meritorious defenses to the claims. Management understands that purported class actions similar to the Passenger and Travel Agent Complaints have been filed against several other cruise lines.

In the normal course of business, various other claims and lawsuits have been filed or are pending against the Company. The majority of these claims and lawsuits are covered by insurance. Management believes the outcome of any such suits, which are not covered by insurance would not have a material adverse effect on the Company's financial condition or results of operations.

Ship Lease Transactions

During August and December 1998, the Company entered into lease out and lease back transactions with respect to two of its vessels. The Company has effectively guaranteed certain obligations or provided letters of credit to participants in the transactions which, at February 28, 1999, total approximately \$327 million. Only in the remote event of nonperformance by certain major financial institutions, which have long-term credit ratings of AAA, would the Company be required to make any payments under these guarantees. After approximately 18 years, the Company has the right to exercise purchase options that would terminate these transactions. As a result of these transactions, the Company received approximately \$44 million (net) which is recorded as deferred income on the balance sheets and is being amortized to nonoperating income over approximately 18 years.

NOTE 6 - EARNINGS PER SHARE

Earnings per share have been computed as follows (in thousands, except per share data):

	Three Months Ended February 28,	
	1999	1998
BASIC:		
Net income	\$157,761	\$109,914
Average common shares outstanding	608,940	594,734
Earnings per share	\$.26	\$.18
DILUTED:		
Net income	\$157,761	\$109,914
Effect on net income of assumed purchase of minority interest	1,102	
Net income available assuming dilution	\$158,863	\$109,914
Average common shares outstanding	608,940	594,734
Effect of dilutive securities:		
Additional shares issuable upon:		
Assumed exercise of Cunard Line Limited's minority shareholders purchase option	5,439	
Various stock plans	3,881	3,078
Average common shares outstanding assuming dilution	618,260	597,812
Earnings per share	\$.26	\$.18

On April 13, 1998, the Board of Directors approved a two-for-one split of the Company's Common Stock. The additional shares were distributed on June 12, 1998 to shareholders of record on May 29, 1998. All share and per share data presented herein have been retroactively restated to give effect to this stock split.

NOTE 7 - COMPREHENSIVE INCOME

Effective December 1, 1998, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income". SFAS No. 130 establishes standards for the reporting and disclosure of comprehensive income and its components. Comprehensive income is a measure that reflects all changes in shareholders' equity, except those resulting from transactions with shareholders. For the Company, comprehensive income includes net income and foreign currency translation adjustments and changes in the value of equity securities that have not been included in net income. For the three months ended February 28, 1999 and 1998, comprehensive income was \$150.6 million and \$112.5 million, respectively.

NOTE 8 - ACQUISITION

On May 28, 1998, the Company and a group of investors acquired the operating assets of Cunard, a cruise company operating five luxury cruise ships, for \$500 million, adjusted for a working capital deficiency and debt assumed. The Company is accounting for the acquisition using the purchase accounting method. Simultaneous with the acquisition, Seabourn Cruise Line Limited ("Seabourn"), a luxury cruise line in which the Company owned a 50% interest, was combined with Cunard. The Company owns approximately 68% of the combined entity, which is named Cunard Line Limited. Commencing on May 28, 1998, the financial results of Cunard Line Limited have been included in the Company's consolidated financial statements. Prior to May 28, 1998, the Company's 50% interest in Seabourn was accounted for using the equity method.

Had the above transactions occurred on December 1, 1997, the Company's unaudited consolidated revenues for the three months ended February 28, 1998 would have been approximately \$664 million. The impact on the Company's three months ended February 28, 1998 unaudited net income and earnings per share would have been immaterial.

NOTE 9 - RECENT PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" was issued. SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. SFAS No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999 (December 1, 1999 for the Company). The Company has not yet determined the impact that the adoption of SFAS No. 133 will have, but does not currently expect the adoption to have a material impact on its results of operations or cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Certain statements under this caption, "Management's Discussion and Analysis of Financial Condition and Results of Operations", constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). See "Part II. OTHER INFORMATION, ITEM 5 (a) Forward-Looking Statements".

General

The Company earns its cruise revenues primarily from (i) the sale of passenger tickets, which includes accommodations, meals, and most shipboard activities, (ii) the sale of air transportation to and from the cruise ship and (iii) the sale of goods and services on board its cruise ships, such as casino gaming, bar sales, gift shop sales and other related services. The Company also derives revenues from the tour and related operations of Holland America Westours.

Selected segment and statistical information for the periods indicated is as follows:

	Three Months Ended February 28,	
	1999	1998
	(in thousands, except selected statistical information)	
REVENUES:		
Cruise	\$741,076	\$550,977
Tour	7,504	7,039
Intersegment revenues	(322)	(178)
	\$748,258	\$557,838
OPERATING EXPENSES:		
Cruise	\$407,066	\$298,770
Tour	9,359	9,003
Intersegment expenses	(322)	(178)
	\$416,103	\$307,595
OPERATING INCOME:		
Cruise	\$180,434	\$142,424
Tour	(11,898)	(10,521)
Loss from affiliates, net, and corporate expenses	(10,972)	(14,183)
	\$157,564	\$117,720
SELECTED STATISTICAL INFORMATION:		
Passengers carried	517,000	427,000
Passenger cruise days (1)	3,505,000	2,827,000
Occupancy percentage	100.9%	105.9%

(1) A passenger cruise day is one passenger sailing for a period of one day. For example, one passenger sailing on a one week cruise is seven passenger cruise days.

Operations data expressed as a percentage of total revenues for the periods indicated is as follows:

	Three Months Ended February 28,	
	1999	1998
REVENUES	100%	100%
COSTS AND EXPENSES:		
Operating expenses	55	55
Selling and administrative	15	14
Depreciation and amortization	8	8
OPERATING INCOME BEFORE LOSS FROM AFFILIATED OPERATIONS	22	23
LOSS FROM AFFILIATED		

OPERATIONS, NET	(1)	(2)
OPERATING INCOME	21	21
NONOPERATING EXPENSE	-	(1)
NET INCOME	21%	20%

Fixed costs, including depreciation, fuel, insurance and crew costs, represent more than one-third of the Company's operating expenses and do not change significantly in relation to changes in passenger loads and aggregate passenger ticket revenue.

The Company's cruise and tour operations experience varying degrees of seasonality. The Company's revenue from the sale of passenger tickets for its cruise operations is moderately seasonal. Historically, demand for cruises has been greater during the summer months. The Company's tour revenues are extremely seasonal with a majority of tour revenues generated during the late spring and summer months in conjunction with the Alaska cruise season.

The year over year percentage increase in average passenger capacity for the Company's cruise brands, excluding the impact of the acquisition and consolidation of Cunard and Seabourn, is expected to approximate 6.5%, 12.1% and 19.1% in the second, third and fourth quarters of fiscal 1999, respectively, as compared to the same periods of fiscal 1998. These increases are primarily a result of the introduction into service of Carnival's Paradise in late November 1998, the expected introduction into service of the Carnival Triumph in July 1999 and Holland America's Volendam in August 1999 and the introduction into service of Windstar Cruises ("Windstar") Wind Surf in May 1998. Including the impact of Cunard and Seabourn, average passenger capacity is expected to increase 17.8%, 10.7% and 16.1% in the second, third and fourth quarters of fiscal 1999, respectively, as compared to the same periods of fiscal 1998. The acquisition and consolidation of Cunard and Seabourn is not expected to materially affect the Company's consolidated net income in 1999.

The year over year percentage increase in average passenger capacity, excluding the impact of Cunard and Seabourn, resulting from the delivery of vessels currently under contract for construction for the fiscal years 2000 and 2001 is expected to approximate 12.9% and 11.9%, respectively. Including the impact of Cunard and Seabourn, the year over year increase in average passenger capacity for fiscal 2000 and 2001 is expected to approximate 11.7% and 10.9%, respectively.

The Company and Airtours plc ("Airtours"), a publicly traded leisure travel company in which the Company holds a 26% interest, each own a 50% interest in Il Ponte S.p.A. ("Il Ponte"), the parent company of Costa Crociere, S.p.A. ("Costa"), an Italian cruise company. The Company records its interest in Airtours and Il Ponte using the equity method of accounting and records its portion of Airtours' and Il Ponte's consolidated operating results on a two-month lag basis. Demand for Airtours' and Costa's products is seasonal due to the nature of the European leisure travel industry and European cruise season. Typically, Airtours' and Costa's quarters ending June 30 and September 30 experience higher demand, with demand in the quarter ending September 30 being the highest.

As a result of the recent military conflict in Yugoslavia, the Company is currently experiencing a slow down in its cruise booking patterns on its Eastern Mediterranean cruise itineraries and, to a lesser extent, also for its Western Mediterranean cruise itineraries. As a consequence of the conflict, the Company has changed the itineraries of certain of its Eastern Mediterranean cruises. Due to the uncertainties surrounding the current situation, management is unable to determine the possible impact of these events on the Company's results of operations for fiscal 1999. The Company has approximately 5% of its consolidated fiscal 1999 passenger capacity scheduled to operate in either the Eastern or Western Mediterranean. Additionally, the Company's unconsolidated affiliate, Costa also has itineraries scheduled for the Eastern and Western Mediterranean. Management believes that any effects of this unusual and infrequent event on the Company's operations will be temporary and should not result in any long term adverse effects.

Three Months Ended February 28, 1999 ("1999") Compared
To Three Months Ended February 28, 1998 ("1998")

Revenues

The increase in total revenues of \$190.4 million, or 34.1%, was almost entirely due to an increase in cruise revenues. Approximately \$104.5 million of the increase is due to the acquisition and consolidation of Cunard and Seabourn and \$85.6 million is due to increased cruise revenues from Carnival, Holland America and Windstar. The increase from Carnival, Holland America and Windstar resulted from an increase of approximately 16.9% in passenger capacity and a .5% increase in total revenue per passenger cruise day, offset slightly by a 1.6% decrease in occupancy rates. Passenger capacity increased due primarily to the addition of the new vessels previously discussed and Carnival's Elation in March 1998.

Cost and Expenses

Operating expenses increased \$108.5 million, or 35.3%. Cruise operating costs increased by \$108.3 million, or 36.2% in 1999. Approximately \$72.4 million of the cruise operating costs increase is due to the acquisition and consolidation of Cunard and Seabourn. Excluding Cunard and Seabourn, cruise operating costs as a percentage of cruise revenues were 52.6% and 54.2% in 1999 and 1998, respectively. Cruise operating costs, excluding Cunard and Seabourn, increased \$35.9 million primarily as a result of increases in passenger capacity, partially offset by lower fuel costs.

Selling and administrative expenses increased \$31.9 million, or 40.5%, of which \$19.9 million, or 25.2%, was due to the acquisition and consolidation of Cunard and Seabourn. Excluding Cunard and Seabourn, selling and administrative expenses as a percentage of revenues were 14.1% in 1999 and 1998. Selling and administrative expenses, excluding Cunard and Seabourn, increased primarily as a result of increases in advertising and payroll and related costs.

Depreciation and amortization increased by \$14.9 million, or 34.6%, to \$57.9 million in 1999 from \$43.0 million in 1998 primarily due to the additional depreciation associated with the increase in the size of the fleet and the acquisition and consolidation of Cunard and Seabourn.

Affiliated Operations

During 1999, the Company recorded \$5.9 million of losses from affiliated operations as compared with \$10.7 million of losses in 1998. The Company's portion of Airtours' losses increased \$.4 million to \$8.5 million in 1999. The Company recorded income (losses) of \$2.6 million and \$(.9) million during 1999 and 1998, respectively, related to its interest in Il Ponte. The affiliated operations for 1998 includes Seabourn.

Nonoperating Income (Expense)

Gross interest expense (excluding capitalized interest) increased \$4.8 million in 1999 primarily as a result of higher average debt balances, arising from the acquisition and consolidation of Cunard and Seabourn as well as investments in new vessel projects. Capitalized interest increased \$4.0 million due primarily to higher levels of investments in ship construction projects during 1999 as compared with 1998.

Interest income increased \$3.2 million in 1999 primarily as a result of higher average investment balances resulting from the investment of proceeds received by the Company upon the sale of its Common Stock in December 1998 (see Note 4 in the accompanying financial statements).

Other income in 1999 of \$3 million primarily relates to the Company's collection of insurance proceeds compared to other expenses in 1998 of \$3.3 million primarily related to the accrual of certain litigation costs.

Minority interest was \$1.1 million which represents the minority shareholders' interest in Cunard Line Limited's net

income.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Cash

The Company's business provided \$208.8 million of net cash from operations during fiscal 1999, a decrease of 2.5% compared to 1998. The decrease was primarily due to changes in cash payments and receipts relating to operating assets and liabilities substantially offset by higher net income.

In December 1998, the Company issued 17 million shares of its Common Stock and received net proceeds of approximately \$725 million. The Company issued this stock concurrent with the addition of the Company's Common Stock to the S&P 500 Composite Index.

Uses of Cash

During 1999, the Company made net expenditures of approximately \$51.0 million on capital projects, of which \$17.5 million was spent in connection with its ongoing shipbuilding program. The nonshipbuilding capital expenditures consisted primarily of computer equipment, vessel refurbishments, tour assets and other equipment.

During 1999, the Company had net repayments of \$207.4 million under its commercial paper programs, including \$153 million funded from the proceeds of its Common Stock offering. Additionally, the Company paid quarterly cash dividends of \$53.6 million in 1999.

Future Commitments

The Company has contracts for the delivery of eight new vessels over the next five years. The Company will pay approximately \$890 million during the twelve months ending February 29, 2000 relating to the construction and delivery of these new ships and approximately \$1.6 billion thereafter.

In addition to these ship construction contracts, the Company has options to construct two additional vessels for Carnival for expected service in 2002, if the options are exercised. The Company is also in negotiations with several shipbuilding yards for a new class of vessel for Holland America and is in the initial planning phase of a new ocean liner for Cunard. No assurance can be given that the two options for Carnival will be exercised, the negotiations for the Holland America vessel will be successful or that the new Cunard shipbuilding project will be continued.

At February 28, 1999, the Company had \$1.42 billion of long-term debt of which \$66.7 million is due during the twelve months ended February 29, 2000. See Notes 3 and 5 in the accompanying financial statements for more information regarding the Company's debts and commitments.

Funding Sources

At February 28, 1999, the Company had approximately \$791.2 million in cash, cash equivalents and short-term investments. These funds along with cash from operations are expected to be the Company's principal source of capital to fund its debt service requirements and ship construction costs. Additionally, the Company may also fund a portion of these cash requirements from borrowings under its revolving credit facilities or commercial paper programs. At February 28, 1999, the Company had approximately \$1.07 billion available for borrowing under its revolving credit facilities.

To the extent that the Company is required to or chooses to fund future cash requirements from sources other than as discussed above, management believes that it will be able to secure such financing from banks or through the offering of debt and/or equity securities in the public or private markets.

OTHER MATTER

Year 2000

The Year 2000 computer issue is primarily the result of computer programs using a two digit format, as opposed to four digits, to indicate the year. Such programs will be unable to interpret dates beyond the year 1999, which could cause a system failure or other computer errors and a disruption in the operation of such systems.

State of Readiness

The Company has established internally staffed project teams to address Year 2000 issues. Each team has implemented a plan that focuses on Year 2000 compliance efforts for information technology ("IT") and non-IT systems for their respective companies. The systems include (1) information systems software and hardware (e.g. reservations, accounting and associated systems, personal computers and software and various end-user developed applications) and (2) building facilities and shipboard equipment (e.g. shipboard navigation, control, safety, power generation and distribution systems, operating systems and shipbuilding and communication systems).

The Company's Year 2000 plan addresses the Year 2000 issues in multiple phases, including: (1) inventory of the Company's systems, equipment and suppliers that may be vulnerable to Year 2000 issues; (2) assessment of inventoried items to determine risks associated with their failure to be Year 2000 compliant; (3) testing of systems and/or components to determine if Year 2000 compliant, both prior and/or subsequent to remediation; (4) remediation and implementation of systems; and (5) contingency planning to assess reasonably likely worst case scenarios.

Inventories have been substantially completed for all Company shoreside software applications, hardware and operating systems. A risk assessment was then prepared based on feedback from the Company's respective business units. Most of the Company's critical internally developed software systems have been successfully remediated and tested. All of the Company's reservations systems have been remediated, tested and are in production. Remediation and integration testing of other critical shoreside software and hardware applications, including purchased software, are estimated to be completed by July 1999. However, ongoing certification testing of remediated systems that corroborates prior test results and corroborates integration of remediated items with related hardware and operating systems will occur throughout 1999.

Inventories have been substantially completed for all building facilities and shipboard equipment systems. A risk assessment has been substantially completed and is expected to be finalized by May 1999. In certain cases, the Company has retained third party consultants to analyze the shipboard hardware and embedded system inventories and assist the Company in testing, remediation and implementation of these applications. This process is expected to be completed by the end of the third calendar quarter of 1999. Internally developed shipboard information systems have been remediated and are expected to be tested and fully implemented on ships by mid 1999.

The Company is tracking the Year 2000 compliance status of its material vendors and suppliers via the Company's own internal vendor compliance effort. Year 2000 correspondence was sent to critical vendors and suppliers, with continued follow up for those who failed to respond. All vendor responses are currently being evaluated to assess any possible risk to or effect on the Company's operations. Prior to mid 1999, the Company expects to implement additional procedures for assessing the Year 2000 compliance status of its most critical vendors and will modify its contingency plans accordingly.

Risks of Company's Year 2000 Issues

The Company is in the process of preparing its contingency plans which will include the identification of its most reasonably likely worst case scenarios. Currently, the most reasonably likely sources of risk to the Company include (1) the disruption of transportation channels relevant to the Company's operations, including ports and transportation vendors (airlines) as a result of a general failure of support systems and necessary

infrastructure; (2) the disruption of travel agency and other sales distribution systems; and (3) the inability of principal product suppliers to be Year 2000 ready, which could result in delays in deliveries from such suppliers.

Based on its current assessment efforts, the Company does not believe that Year 2000 issues will have a material adverse effect on its financial condition or results of operations. However, the Company's Year 2000 issues and any potential business interruptions, costs, damages or losses related thereto, are dependent, to a significant degree, upon the Year 2000 compliance of third parties, both domestic and international, such as government agencies, vendors and suppliers. Consequently, the Company is unable to determine at this time whether Year 2000 failures will materially affect the Company. The Company believes that its compliance efforts have and will reduce the impact on the Company of any such failures.

Contingency Plans

The Company is in the process of preparing its contingency plans to identify and determine how to handle its most reasonably likely worst case scenarios. Preliminary contingency plans are currently being drafted. Comprehensive contingency plans are estimated to be complete by mid 1999.

Costs

The Company does not expect that the costs associated with its Year 2000 efforts will be material. The Company estimates aggregate expenditures of approximately \$16 million to address Year 2000 issues. These aggregate expenditures include \$9 million of costs that are being charged to expense and \$7 million of costs, related to the accelerated replacement of non-compliant systems due to Year 2000 issues, which will be capitalized. The total amount expended through February 28, 1999 was approximately \$9 million, of which \$5 million has been charged to expense and \$4 million has been capitalized. These costs do not include costs incurred by the Company as a result of the failure of any third parties, including suppliers, to become Year 2000 compliant or costs to implement any contingency plans.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings.

Several actions collectively referred to as the "Passenger Complaints" were previously reported in the Company's Annual Report on Form 10-K for the year ended November 30, 1998 (the "1998 Form 10-K"). The following are material subsequent developments in such cases.

In the action filed against Carnival in Florida in 1996 by Michelle Hackbarth, Larry Katz, Michelle A. Sutton, Pedro Rene Mier, and others, on behalf of purported nationwide classes, the court denied the plaintiffs' motion for class certification on March 8, 1999.

Several actions collectively referred to as the "Travel Agent Complaints" were previously reported in the 1998 Form 10-K and the following are the material subsequent developments in such cases.

In the action filed against Holland America Westours in Washington in September 1997 by N.G.L. Travel Associates, on behalf of a purported nationwide class of travel agencies who booked cruises with Holland America Westours, the court denied both parties requests for reconsideration of the summary judgment rulings. Holland America Westours has asked the Court of Appeals to take discretionary review of the court's orders regarding summary judgment and class certification. The Court of Appeals will not decide whether to take review until at least May 1999.

For a description of other pending litigation, see the 1998 Form 10-K and Note 5 in Part I of this Form 10-Q.

Item 5. Other Information.

(a) FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-Q and in the future filings by the Company with the Securities and Exchange Commission, in the Company's press releases, and in oral statements made by or with the approval of an authorized executive officer constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions which may impact levels of disposable income of consumers and pricing and passenger yields for the Company's cruise products; consumer demand for cruises, including the effects on consumer demand of armed conflicts or political instability; pricing policies followed by competitors of the Company; increases in cruise industry capacity; changes in tax laws and regulations; the ability of the Company to implement its shipbuilding program and to expand its business outside the North American market where it has less experience; delivery of new vessels on schedule and at the contracted price; weather patterns; unscheduled ship repairs and drydocking; incidents involving cruise vessels at sea; computer program Year 2000 compliance; and changes in laws and regulations applicable to the Company.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits

- 10.1 HAL Antillen N.V. and Subsidiaries Key Management Incentive Plan.
- 10.2 Note Extension and Satisfaction Agreement, dated February 17, 1999, between Carnival Corporation, Sherwood Weiser and others.
- 10.3 Stock Purchase Agreement, dated February 17, 1999, between Carnival Corporation, Sherwood Weiser and others.
- 10.4 Shareholders' Agreement, dated June 30, 1998, between Carnival Corporation, Sherwood Weiser and others.

12 Ratio of Earnings to Fixed Charges.
27 Financial Data Schedule (for SEC use only).

(b) Reports on Form 8-K.

On December 17, 1998, the Company filed a Current Report on Form 8-K related to its December 17, 1998 press release announcing the results of operations for the fiscal year ended November 30, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CARNIVAL CORPORATION

Date: April 12, 1999

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

Date: April 12, 1999

BY/s/ Gerald R. Cahill
Gerald R. Cahill
Senior Vice President-Finance
and Chief Financial and
Accounting Officer

INDEX TO EXHIBITS

Page No. in
Sequential
Numbering
System
Exhibits

- 10.1 HAL Antillen N.V. and Subsidiaries Key Management Incentive Plan.
- 10.2 Note Extension and Satisfaction Agreement, dated February 17, 1999,
between Carnival Corporation, Sherwood Weiser and others.
- 10.3 Stock Purchase Agreement, dated February 17, 1999, between
Carnival Corporation, Sherwood Weiser and others.
- 10.4 Shareholders' Agreement, dated June 30, 1998, between
Carnival Corporation, Sherwood Weiser and others.
- 12 Ratio of Earnings to Fixed Charges.
- 27 Financial Data Schedule (for SEC use only).

KEY MANAGEMENT INCENTIVE PLAN TERMS
HAL ANTILLEN N.V. AND SUBSIDIARIES

OBJECTIVE

By providing a means whereby Plan participants can share in the net income of the Holland America Line group of companies (HAL), the Key Management Incentive Plan (the "Plan") is designed to focus managerial attention on the objective of maximizing the profitability of Holland America Line.

PLAN ADMINISTRATION

The Plan Administrator is the Chairman and Chief Executive Officer of Holland America Line-Westours Inc. (HALW). The Plan Administrator can delegate administrative functions regarding the Plan to one or more HALW Vice Presidents. The Plan Administrator has sole and final authority and discretion in resolving any questions regarding the administration or terms of the Plan not addressed in this document as well as in resolving any ambiguities that may exist in this document.

PLAN YEAR AND NET INCOME

As used in this document, the term "Plan Year" refers to HAL's fiscal year (December 1 - November 30) and the term "Net Income" refers to a Plan Year's consolidated net income for HAL Antillen N.V. and its direct and indirect subsidiaries (whose results are consolidated with those of HAL Antillen N.V. for financial reporting purposes), as reported in the Plan Year's annual audited consolidated financial statements for HAL Antillen N.V. In computing Net Income, there shall be disregarded the financial results of Il Ponte SpA and Carnival Investments Limited.

PARTICIPATION

The Plan Administrator shall determine which employees will be Plan participants and the specific number of Shares in the Plan that each participant will have. In making these determinations, the Plan Administrator shall consider level of responsibility, the degree the position can impact the Plan's objectives, individual experience, seniority, prior participation levels, compensation paid outside HAL for similar work and such other factors as the Plan Administrator deems appropriate. Employees are not entitled to challenge determinations by the Plan Administrator on grounds of uniformity, consistency or similar bases. There is no limit to the number of participants or the aggregate number of Shares. Decisions regarding participation and number of Shares are made separately as to each Plan Year.

The Plan Administrator may allow new hires or employees assuming new positions to join the Plan during the Plan Year. Each participant will be advised of his/her Shares during the first 90 days of each Plan Year or, if later, within 90 days of becoming a participant. The Plan Administrator may increase or decrease a participant's Shares during a Plan Year due to changes in position responsibilities. The number of Shares as of the last day of the Plan Year is determinative for purposes of calculating payments under the Plan. Participation in the Plan is suspended during any Company approved leave of absence.

CANCELLATION OF SHARES

Except in the case of eligible retirement, death or disability requiring termination of employment, Shares are automatically cancelled immediately upon termination of employment. For these purposes, the reason for termination of employment is irrelevant. Consequently, it will make no difference if employment is terminated by the employer or the participant. The cancellation of Shares automatically terminates any right of a participant to receive any amounts under the Plan as to the Plan Year during which cancellation occurs. In other words, any participant whose employment terminates prior to the end of the Plan Year will not receive any amount under the Plan as to that Plan Year unless the termination was due to eligible retirement, death or disability requiring termination of employment. Amounts to be received in

cases of eligible retirement, death or disability are specified under Method of Calculating Share Values and Payment below. Termination of employment will not effect the amount to which a person would be entitled as to any Plan Year prior to termination. An "eligible retirement" applies to persons who, at the time of retirement, are at least 65 years of age and have been employed by the HAL group of companies for at least the immediately preceding 15 years.

METHOD OF CALCULATING SHARE VALUES AND PAYMENT

The dollar value of a Share for all participants shall be variable. Prior to the beginning of each Plan Year, the Plan Administrator, with the approval of the HALW Board of Directors, will establish a Plan Percentage for that Plan Year except that until changed by the HALW Board of Directors, the Plan Percentage shall be 2.4%. The dollar value of each Share will equal an amount computed by: (i) taking an amount equal to the Plan Percentage of the Net Income; and (ii) dividing that amount by the total number of Shares as of the last day of the Plan Year.

Notwithstanding the foregoing, the dollar value of a Share for any Plan participant who participates in the Plan for less than 12 months (i.e., due to suspension in Plan participation, because he/she only becomes a participant after December 1st of the Plan Year, because of an eligible retirement, because he/she dies or because he/she is required to terminate employment due to disability) shall be proportionately reduced to reflect the actual duration of Plan participation (in full months). For pro ration purposes, only those months in which the participant had at least 15 days of active employment will be included. For example, if a participant was on a Company approved leave of absence for 3 months (or only became a Plan participant on February 20th or died on September 8th), the value of each Share of that participant will be 75% (9/12ths) of the value of a Share for a full-year participant. The aggregate reduction in payments shall be allocated pro rata among all participants.

Payment of the Share value will be made on a date determined by the Plan Administrator but in any event within 75 days after the conclusion of the Plan Year. At the discretion of the Plan Administrator, advance partial payments may be made based on anticipated Net Income. All payments are subject to applicable withholding taxes. Cash awards are subject to partial payment in Carnival Stock on the terms described below.

SENIOR MANAGEMENT COMMON STOCK AWARD

A predetermined portion of the Plan payment otherwise due will be made to specified participants in the form of Carnival Corporation Class A shares of common stock ("Carnival Stock") based on the following table:

Share Level	Amount of Incentive Award in Carnival Stock
20 or more	25%
10 - 19.99	20%
Less than 10	-0-

Notwithstanding the foregoing, no portion of any payment to the Plan Administrator, in his/her capacity as a participant, shall be made in Carnival Stock. The actual number of shares of Carnival Stock to be received by each participant referred to in the foregoing table shall be determined by dividing the amount of the participant's Plan payment to be received in Carnival Stock (as above provided) by the average closing price for Carnival Stock for the last ten (10) trading days of the Plan Year, as quoted on the national stock exchange on which the Carnival Stock is traded. Fractional shares of Carnival Stock will not be issued.

The value of Carnival Stock received by Plan participants will be reported to governmental taxing authorities, and taxes shall be withheld in respect of such Carnival Stock, in accordance with the requirements of applicable law. Carnival Stock issued will be subject to a restriction on sale commencing from date of issuance and continuing until, but not including, the first trading day in the second January following the end of the Plan Year in respect of which the Carnival Stock was issued (e.g., Carnival Stock issued in respect of the Plan Year ending November 30, 1999 would

be subject to a restriction on sale that would not end until the first trading day in January, 2001). Holders will be eligible to receive dividends during the restriction period.

DURATION OF PLAN

The Plan will be effective until terminated by the HAL Antillen N.V. Board of Directors. Termination will be effective beginning with the second full Plan Year following action by the Board of Directors.

PURCHASE FOR INVESTMENT

Whether or not the shares of Carnival Stock covered by the Plan have been registered under the Securities Act of 1933, as amended, each person acquiring shares of Carnival Stock under the Plan may be required by Carnival to give a representation in writing that such person is acquiring such shares for investment and not with a view to, or for sale in connection with, the distribution of any part thereof. Carnival will endorse any necessary legend referring to the foregoing restriction upon the certificate or certificates representing any shares of Carnival Stock issued or transferred to the Plan participants upon the grant of any shares of Carnival Stock under the Plan.

AMENDMENT OF PLAN

Any amendment to the Plan shall comply with all applicable laws and applicable stock exchange listing requirements.

GOVERNMENTAL AND OTHER REGULATIONS

The Plan and the Carnival Stock awards under the Plan shall be subject to all applicable federal and state laws, rules and regulations and such approvals by any governmental or regulatory agency or national securities exchange, as may be required. Carnival Corporation shall not be required to issue or deliver any certificates or shares of Carnival Stock prior to the completion of any registration or qualification of such shares under any federal or state law, or any ruling or regulations of any governmental body or national securities exchange which Carnival Corporation shall, in its sole discretion, determine to be necessary or advisable.

NOTE EXTENSION AND SATISFACTION AGREEMENT

This Note Extension and Satisfaction Agreement, dated as of February 17, 1999 (this "Agreement"), is entered into by and among the shareholders of CRC Holdings, Inc. ("CRC") identified on Schedule A attached hereto (each a "Shareholder" and, collectively, the "Shareholders") and Carnival Corporation, a Panama corporation ("CCL").

WHEREAS, each Shareholder owns, beneficially and of record, the number of shares of common stock, par value \$.005 per share ("CRC Common Stock"), of CRC set forth opposite such Shareholder's name on Schedule A (collectively, the "Shares"), which Shares are currently pledged to CCL to secure in part certain obligations of the Shareholders owing to CCL, as evidenced by promissory notes (collectively, the "CCL Notes") made by the Shareholders in favor of CCL (Schedule B attached hereto sets forth, for each Shareholder as of the date hereof, the outstanding principal amount of and accrued and unpaid interest on such Shareholder's CCL Note before and after giving effect to the transactions (the "Related Transactions") contemplated by the Stock Purchase Agreement, dated as of the date hereof, among CCL and the Shareholders);

WHEREAS, the CCL Notes were executed and delivered by the Shareholders in connection with the transactions contemplated by the Stock Purchase Agreement, dated as of November 30, 1994, as amended (the "Stock Purchase Agreement"), among CCL and the Shareholders;

WHEREAS, CRC and Jackpot Enterprises, Inc. ("Jackpot") have entered into that certain Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), pursuant to which, among other things, following the spinoff (the "Spinoff") of certain assets and liabilities of CRC as described in the Merger Agreement, CRC will be merged (the "Merger") with and into Jackpot;

WHEREAS, as consideration for the Merger, Jackpot has agreed (i) to issue and deliver to holders of CRC Common Stock at the effective time of the Merger (the "Effective Time") (other than CCL and the Shareholders in respect of the Shares) and certain holders of options to purchase CRC Common Stock the number of shares of common stock, \$.01 par value per share, of Jackpot (the "Share Merger Consideration") determined in accordance with the Merger Agreement, (ii) to issue a promissory note to CCL in exchange for shares of CRC Common Stock held beneficially and of record by CCL at the Effective Time in the principal amount determined in accordance with the Merger Agreement (the "Jackpot Note I") and (iii) to issue substantially identical promissory notes to the Shareholders in exchange for the Shares in the principal amount determined in accordance with the Merger Agreement (the "Jackpot Note II" and, together with the Share Merger Consideration and the Jackpot Note I, the "Merger Consideration"), all as set forth in the Merger Agreement;

WHEREAS, subject to the conditions herein set forth and concurrently with the consummation of the Merger, the Shareholders desire to repay in full amounts remaining outstanding under the CCL Notes by (i) assigning to CCL all of the Shareholders' right, title and interest in and to the Jackpot Note II and (ii) transferring to CCL the Spinco Interest (as defined herein) received by the Shareholders pursuant to the Spinoff; and

WHEREAS, in order to facilitate the repayment of the CCL Notes as contemplated herein, CCL has agreed to (i) extend the maturity of the CCL Notes to provide adequate time for the Merger to be consummated, (ii) provide for the release of the Shares from the lien of the Security and Pledge Agreements, dated as of November 30, 1994, as amended (collectively, the "Pledge Agreements"), between each Shareholder and CCL, pursuant to which the Shareholders pledged, among other things, the Shares as collateral security for the CCL Notes and (iii) extend the Shareholders' put option, as set forth in the Stock Purchase

Agreement, in conformity with the extension of the maturity of the CCL Notes.

NOW THEREFORE, in consideration of the foregoing and the mutual representations, warranties and agreements contained herein, the parties hereto agree as follows:

1. Extension of Maturity. In order to facilitate the repayment in full of the CCL Notes as contemplated herein, CCL hereby agrees effective as of the date hereof, that (a) the maturity of the CCL Notes shall be extended to the earlier of (i) the closing date of the Merger and (ii) December 31, 1999, or such later date specified in an amendment to Section 6.01(b)(i) of the Merger Agreement and (b) interest in respect of the CCL Notes shall cease to accrue (it being understood and agreed that (x) upon any termination of this Agreement under Section 8 below interest will accrue retroactive to the date hereof on the terms set forth in the CCL Notes with respect to the portion of the principal amount of the CCL Notes as shall remain unsatisfied on the date of such termination and (y) in the event the Related Transactions shall not have been consummated as described under Section 7(b)(iii), interest will accrue retroactive to the date hereof on the terms set forth in the CCL Notes with respect to the portion of the principal amount of the CCL Notes as shall remain unsatisfied following the Closing hereunder).

2. Repayment of the CCL Notes; Release of Shareholder Agreements.

(a) Upon delivery to CCL at the Closing as provided in Section 4 below of (i) the Jackpot Note II (which shall be assigned by the Shareholders to CCL hereunder with the consent of Jackpot as contemplated by and immediately upon the closing under the Merger Agreement) and (ii) certificates evidencing 2,610,000 membership units or other equivalent equity interests (the "Spinco Interest") of the limited liability entity to be formed to effectuate the Spinoff ("Spinco") (representing 21.5189% of the aggregate equity interests of Spinco on a fully diluted basis at the time of the Spinoff), in the case of each of clauses (i) and (ii) free and clear of any liens, claims, options, defects in title, proxies, voting agreements, shareholder agreements, charges or encumbrances of any nature or kind ("Encumbrances"), the CCL Notes shall be deemed repaid and satisfied in full (assuming the Related Transactions have been consummated).

(b) Effective immediately upon full satisfaction of the CCL Notes as provided in clause (a) above, CCL, in respect of the Shareholders, and the Shareholders, in respect of CCL, hereby irrevocably and unconditionally release and forever discharge each other, and each of their respective agents, attorneys, affiliates, heirs and legal representatives and, in the case of the release of CCL, the officers, directors and shareholders of CCL and its subsidiaries, and the respective successors and assigns of any of the foregoing, from any and all claims, demands, debts, liabilities, obligations, causes of actions or claims for relief of any kind or nature, whether known or unknown, which they may have or which may hereafter be asserted or accrue against any of them resulting from or in any way relating to any of the Stock Purchase Agreement, the CCL Notes, the Pledge Agreements and any other related instruments or agreements (collectively, the "Shareholder Agreements").

3. Extension of Shareholders' Put Option. In conformity with the extension of maturity of the CCL Notes under Section 1 above, CCL hereby agrees effective as of the date hereof, to extend the period for the exercise of the Shareholders' put option with respect to the shares pledged as collateral for the CCL Notes, as set forth in the Stock Purchase Agreement, to the earlier of (i) the closing date of the Merger and (ii) December 31, 1999, or such later date specified in an amendment to Section 6.0(b)(i) of the Merger Agreement.

4. Closing. Subject to the conditions herein set forth, the closing (the "Closing") shall take place at the offices of CRC Holdings, Inc., 3250 Mary Street, Miami, Florida 33133, at 9:00 a.m., on the closing date of the Merger, or at such other place and time as may be mutually agreed by the parties. The actual time and date of the Closing is herein

referred to as the "Closing Date."

5. Deliveries at the Closing. At the Closing: (a) CCL will deliver to the Shareholders the Shares, free and clear of any liens in favor of CCL, including, but not limited to, the liens created pursuant to the Pledge Agreements and the other Shareholder Agreements; and (b) the Shareholders will deliver or cause to be delivered to CCL free and clear of any Encumbrances (i) the Jackpot Note II, (ii) certificates representing the Spinco Interest and (iii) any other documents, certificates or agreements that in the reasonable judgment of CCL are necessary to make effective the transactions contemplated by this Agreement and vest in CCL good, valid and marketable title to the Jackpot Note II and the Spinco Interest, free and clear of any Encumbrances. Effective immediately upon such delivery, each Shareholder (severally and not jointly, and without representation or warranty except as provided herein) hereby assigns and transfers to CCL all of such Shareholder's right, title and interest in and to the Jackpot Note II.

6. Shareholders' Representations and Warranties. Each Shareholder severally (but not jointly) represents and warrants to CCL as follows:

(a) Such Shareholder has the full power, authority and legal right to execute and deliver this Agreement and to consummate the transactions contemplated hereby.

(b) This Agreement has been duly and validly executed and delivered by such Shareholder and constitutes a valid and binding agreement of such Shareholder, enforceable against such Shareholder in accordance with its terms, subject to applicable principles of equity, bankruptcy, reorganization, insolvency or other laws affecting the enforcement of creditors' rights generally.

(c) Upon the occurrence of the Spinoff, such Shareholder will have good, valid and marketable title to its portion of the Spinco Interest, free and clear of any Encumbrances, other than under the Shareholder Agreements, and upon transfer to CCL by such Shareholder of its portion of the Spinco Interest and the Jackpot Note II and satisfaction of the CCL Notes as provided hereunder, CCL will acquire record and good, valid and marketable title to such portion of the Spinco Interest and the Jackpot Note II, free and clear of all Encumbrances.

7. CCL Representations and Warranties. CCL represents and warrants to the Shareholders as follows:

(a) CCL is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. CCL has the full power, authority and legal right to execute, deliver and carry out the terms and provisions of this Agreement, to consummate the transactions contemplated hereby and to perform, comply with or satisfy all of the agreements, obligations and conditions required to be complied with or satisfied by CCL under this Agreement, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(b) This Agreement has been duly and validly authorized, executed and delivered by CCL and constitutes a valid and binding agreement of CCL, enforceable against CCL in accordance with its terms, subject to applicable principles of equity, bankruptcy, reorganization, insolvency or other laws affecting the enforcement of creditors' rights generally.

8. Conditions to the Obligations of the Shareholders and CCL.

(a) The obligations of the Shareholders hereunder are subject to the compliance by CCL with the deliveries specified in Section 4 of this Agreement and the satisfaction or, if permitted by applicable law, waiver of the following condition:

(i) the representations and warranties of

CCL shall be true and correct at and as of the Closing Date as though such representations and warranties were made at and as of such date.

(b) The obligations of CCL hereunder are subject to the compliance by the Shareholders with the deliveries specified in Section 4 of this Agreement and the satisfaction or, if permitted by applicable law, waiver of the following conditions:

(i) the representations and warranties of the Shareholders shall be true and correct at and as of the Closing Date as though such representations and warranties were made at and as of such date;

(ii) all of the conditions to the Merger shall have been satisfied or waived by the appropriate parties and the Spinoff shall have occurred; and

(iii) the Related Transactions shall have been consummated; provided, that in the event the Related Transactions shall not have been consummated the parties will endeavor in good faith to negotiate an appropriate modification to this Agreement to provide for a partial repayment of the CCL Notes.

9. Termination. The transactions contemplated herein may be terminated or abandoned at any time prior to the Closing:

(a) by mutual consent of CCL and the Shareholders holding a majority of the Shares;

(b) by any party if the Merger shall not have occurred on or before December 31, 1999, or such later date specified in an amendment to Section 6.01(b)(i) of the Merger Agreement for termination thereof; and

(c) automatically, upon termination of the Merger Agreement.

CCL and the Shareholders acknowledge and agree that notwithstanding any termination of this Agreement, the extension of the maturity of the CCL Notes to December 31, 1999 shall survive such termination.

10. Miscellaneous.

(a) All representations, warranties and covenants shall survive the Closing.

(b) This Agreement may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument.

(c) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida, without reference to the conflict of laws principles thereof.

IN WITNESS WHEREOF, each Shareholder and CCL has executed or caused this Agreement to be executed on the date first above written.

/s/ Sherwood M. Weiser
Sherwood M. Weiser

/s/ Donald E. Lefton
Donald E. Lefton

/s/ Thomas Hewitt
Thomas Hewitt

/s/ Peter Sibley
Peter Sibley

/s/ W. Peter Temling
W. Peter Temling

/s/ Robert Sturges
Robert Sturges

CARNIVAL CORPORATION

By: /s/ Gerald R. Cahill
Name: Gerald R. Cahill
Title: Sr. Vice President -
Finance and CFO

Schedule A

Name of Shareholder	Number of Shares
Sherwood Weiser	859,248
Donald Lefton	859,248
Thomas Hewitt	318,394
Peter Sibley	318,394
Robert Sturges	127,358
Peter Temling	127,358

Schedule B

Name of Shareholder	Principal and Accrued Interest	
	Before Related Transactions	After Related Transactions
Sherwood Weiser	\$6,641,505	\$4,966,497
Donald Lefton	6,641,505	4,966,497
Thomas Hewitt	2,461,007	1,840,334
Peter Sibley	2,461,007	1,840,334
Robert Sturges	984,406	736,136
Peter Temling	984,406	736,136
Total	\$20,173,837	\$15,085,934

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT, dated as of the 17th day of February, 1999, is entered into by and among the shareholders of CRC Holdings, Inc., a Florida corporation ("CRC"), identified on Schedule A attached hereto (each a "Shareholder" and, collectively, the "Shareholders") and Carnival Corporation, a Panama corporation ("CCL").

WHEREAS, each Shareholder owns, beneficially and of record, the number of shares of (a) Series A Redeemable Convertible Preferred Stock, par value \$.01 per share, of Wyndham International, Inc. (the "OpCo Series A Preferred") and (b) Series B Redeemable Convertible Preferred Stock, par value \$.01 per share, of Wyndham International, Inc. (the "OpCo Series B Preferred"), as set forth opposite such Shareholder's name on Schedule A (the aggregate amount of shares of OpCo Series A Preferred and OpCo Series B Preferred owned by the Shareholders, the "Preferred Shares");

WHEREAS, the Preferred Shares are currently pledged to CCL pursuant to the terms of those certain Security and Pledge Agreements, dated as of November 30, 1994, as amended (collectively and together with any other related instruments or agreements, the "Pledge Agreements") to secure in part certain obligations of the Shareholders owing to CCL, as evidenced by promissory notes (collectively, the "CCL Notes") made by the Shareholders in favor of CCL (Schedule B attached hereto sets forth, for each Shareholder, as of the date hereof, the principal amount plus accrued and unpaid interest in respect of such Shareholder's CCL Note);

WHEREAS, the CCL Notes were executed and delivered by the Shareholders in connection with the transactions contemplated by the Stock Purchase Agreement dated as of November 30, 1994, as amended (the "Stock Purchase Agreement"), among CCL and the Shareholders;

WHEREAS, CRC and Jackpot Enterprises, Inc. ("Jackpot") have entered into that certain Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), pursuant to which, among other things, following the spinoff of certain assets and liabilities of CRC as described in the Merger Agreement and the transactions contemplated by the Satisfaction Agreement (as hereinafter defined), CRC will be merged (the "Merger") with and into Jackpot;

WHEREAS, in connection with the execution of the Merger Agreement, the parties to this Agreement entered into that certain Note Extension and Satisfaction Agreement, dated as of the date hereof (the "Satisfaction Agreement"), pursuant to which, among other things (a) the Shareholders agreed to repay the CCL Notes upon consummation of the Merger and (b) CCL agreed to extend the maturity of the CCL Notes.

WHEREAS, in order to facilitate the repayment of a portion of the CCL Notes prior to the consummation of the Merger, the Shareholders desire to sell, transfer and assign all of the Preferred Shares together with all dividends thereon and CCL desires to purchase and acquire all of the Preferred Shares together with all dividends thereon upon the terms and conditions and subject to the provisions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale of Shares.

(a) Subject to the terms and conditions of this Agreement, each Shareholder agrees to sell, transfer and assign to CCL the Preferred Shares and CCL agrees to purchase from the

Shareholders the Preferred Shares.

(b) CCL shall at the Closing release the Preferred Shares from the lien of the Pledge Agreements and the Shareholders shall simultaneously deliver to CCL or one of its affiliates the certificates representing the Preferred Shares purchased hereunder together with executed stock powers in a form sufficient to convey to CCL or one of its affiliates good and valid title to the Preferred Shares free and clear of all, liens, charges, security interests, options, rights, encumbrances and claims of any kind or nature whatsoever, along with all right, title and interest in and to all accrued and unpaid dividends on the Shares, including all of the securities received with respect to the Preferred Shares from the stock dividend declared on December 22, 1998 (the "Dividend Shares" and together with the Preferred Shares, the "Shares"). Schedule A sets forth the number of Dividend Shares owned by each Shareholder and to be transferred to CCL hereunder. The Shareholders shall at the Closing deliver irrevocable transfer instructions to the Wyndham International, Inc. ("Wyndham") transfer agent which direct such transfer agent to deliver certificates representing the Dividend Shares to CCL.

2. Purchase Price; Closing.

(a) The aggregate purchase price (the "Purchase Price") for the Shares shall be an amount equal to the product of (x) 838,896 (representing the number of Preferred Shares) and (y) \$5.625 (representing the closing trading price of one share of common stock of Patriot American Hospitality, Inc. ("Patriot") and one share of common stock of Wyndham paired and transferrable only in combination as a single unit on February 12, 1999, as reported on the New York Stock Exchange). The Purchase Price shall be paid upon the Closing as a reduction in the amounts owing under the CCL Notes with such reduction first being applied to all accrued but unpaid interest on such notes and all remaining proceeds being applied to a reduction in the principal amounts owing under such notes and interest shall thereupon cease to accrue on such amounts. The CCL Notes shall be further reduced in the aggregate amount of \$369,114 upon receipt by CCL of the certificates representing the Dividend Shares. After such reduction, the CCL Notes shall thereby represent the principal amounts owing to CCL as set forth on Schedule B.

(b) The closing of the transactions contemplated hereby (the "Closing") shall take place immediately following the execution of this Agreement at the offices of CRC Holdings, Inc., 3250 Mary Street, Miami, FL 33133, or at such other place as the parties may materially agree upon.

3. Shareholders' Representations and Warranties. In order to induce CCL to enter into this Agreement, each Shareholder severally (but not jointly) represents and warrants to CCL as follows:

(a) Such Shareholder is of legal age and competence and has full power and authority to execute and deliver this Agreement, and when fully executed and delivered, this Agreement will constitute a legal, valid and binding obligation of the Shareholder enforceable in accordance with its terms.

(b) The Preferred Shares set forth opposite such Shareholder's name on Schedule A hereto and the Dividend Shares set forth opposite such Shareholder's name on Schedule A hereto are owned by such Shareholder free and clear of any and all liens, charges, security interests, options, rights, encumbrances and claims of any kind or nature whatsoever, other than the liens under the Pledge Agreements, and the sale, transfer and assignment of such Shares, will be made free and clear of all liens, charges, security interests, options, rights, encumbrances and claims of any kind or nature whatsoever. The Dividend Shares constitute all dividends paid or payable with respect to the Preferred Shares, other than the dividends previously delivered to CCL. Other than (i) the Pledge Agreements, (ii) that certain Series A and Series B Preferred Stock Lockup Agreement, dated June 30, 1998, by and among the Shareholders, CCL, Patriot and Wyndham and (iii) the Rights of First Offer with respect to the Shares provided in the Certificate of Designations, Preferences and Rights of A Series of Preferred Stock of Wyndham, there are no voting trusts, voting agreements, lockup agreements, buy-sell agreements or similar understandings applicable to such Shares.

(c) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of the terms and provisions hereof does not and will not constitute a default or conflict with, any material agreement, indenture or other instrument to which the Shareholder is bound, any judgment, decree, order or award of any court, government body or arbitrator to which the Shareholder is subject, any law, rule or regulation applicable to the Shareholder, any charter documents relating to the Shares or the Lockup Agreement.

(d) The Shareholder hereby recognizes and acknowledges that the Purchase Price has been reached as a result of arms-length negotiations among the Shareholders and CCL and that the Purchase Price is no indication of the actual market value of the Shares.

4. CCL's Representations and Warranties. In order to induce the Shareholders to enter into this Agreement, CCL represents and warrants the following:

(a) CCL has full power and authority to execute and deliver this Agreement, and when fully executed and delivered, this Agreement will constitute a legal, valid and binding obligation of CCL enforceable in accordance with its terms.

(b) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of the terms or provisions hereof does not and will not constitute a default or conflict with, any material agreement, indenture or other instrument to which CCL is bound, any judgment, decree, order or award of any court, government body or arbitrator to which CCL is subject, or any law, rule or regulation applicable to CCL.

(c) CCL has such knowledge and experience in business matters and it is capable of evaluating and has evaluated the merits and risks of the purchase of the Shares.

(d) CCL hereby recognizes and acknowledges that the Purchase Price has been reached as a result of arms-length negotiations among the Shareholders and CCL and that the Purchase Price is no indication of the actual market value of the Shares.

(e) CCL understands and acknowledges that the sale and transfer of the Shares pursuant to this Agreement have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any other applicable securities laws, the Shares are being sold and transferred to CCL in a transaction not requiring registration under the Securities Act, and the Shares may not be offered, sold or otherwise transferred by CCL except in compliance with the registration requirements of the Securities Act or any other applicable securities laws or pursuant to an exemption thereunder. The Shares which CCL is acquiring will be acquired solely for the account of CCL and are not being purchased with a view to effecting a public distribution within the meaning of the federal securities laws.

(f) CCL is not relying on any representations or warranties, explicit or implied, from any party (including any Shareholder) in connection with the matters set forth in this Agreement, other than the express representations and warranties included in Section 3 hereof. CCL has had access to such financial and other information concerning Wyndham, Patriot and the Shares as it has deemed necessary in connection with its decision to purchase the Shares, including an opportunity to ask questions of and request information from the Shareholders, Patriot and Wyndham. CCL acknowledges that one Shareholder is a director of Wyndham (the "Director Shareholder") and CCL further acknowledges that no information relating to Wyndham or Patriot shall be attributed to any Shareholder (including the Director Shareholder) based on any knowledge or information that may have come to the attention of the Director Shareholder in his capacity as a member of the Board of Directors of Wyndham. CCL hereby waives and releases the Shareholders from any and all claims, whether known or unknown, relating to the value of the Shares or the Purchase Price. Notwithstanding the foregoing, CCL does not waive or release the Shareholders from any and all claims, whether known or unknown, arising from a breach of any

representation or warranty of any Shareholder contained herein.

(g) CCL is an institutional "accredited investor" within the meaning of subparagraph (a)(1), (2), (3), or (7) of Rule 501 under the Securities Act. CCL is aware that it may be required to bear the economic risk of an investment in the Shares for an indefinite period of time and CCL is able to bear such risk for an indefinite period.

5. Further Assurances. The parties will, upon reasonable request, execute and deliver all such further assignments, endorsements and other documents as may be necessary in order to perfect the purchase by CCL of the Shares.

6. Entire Agreement; No Oral Modification. This Agreement contains the entire agreement among the parties hereto with respect to the purchase and sale of the Shares and supersedes all prior agreements and understandings with respect thereto and may not be amended or modified except in a writing signed by all of the parties hereto.

7. Binding Effect; Benefits. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns; however, nothing in this Agreement, expressed or implied, is intended to confer any benefit on any other person other than the parties hereto, the affiliate of CCL, if any, designated to take title to the Shares or their respective heirs, successors or assigns.

8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

9. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the United States and the State of Florida, both substantive and remedial. Exclusive venue and jurisdiction for any action arising hereunder shall lie in the competent court of jurisdiction located in Dade County, Florida, and the parties specifically agree to submit to such jurisdiction and waive any objections to such venue.

10. Headings. The section headings herein are included for convenience only and are not to be deemed a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

SHAREHOLDERS:

/s/ Sherwood Weiser
SHERWOOD WEISER

/s/ Donald Lefton
DONALD LEFTON

/s/ Thomas F. Hewitt
THOMAS F. HEWITT

/s/ Peter L. Sibley
PETER L. SIBLEY

/s/ Robert Sturges
ROBERT STURGES

/s/ W. Peter Temling
W. PETER TEMLING

CARNIVAL CORPORATION:

By: /s/ Gerald R. Cahill
Name: Gerald R. Cahill
Title: Sr. Vice President-Finance
and CFO

SCHEDULE A

Name of Shareholder	Number of Preferred Shares	Number of Dividend Shares
Sherwood Weiser	276,176	20,253
Donald Lefton	276,176	20,253
Thomas Hewitt	102,337	7,505
Peter Sibley	102,337	7,505
Robert Sturges	40,935	3,002
W. Peter Temling	40,935	3,002
TOTAL:	838,896	61,519

SCHEDULE B

Name of Shareholder	Principal and Accrued Interest Prior to Sale of Shares	Principal Outstanding Under the CCL Notes Immediately Following Sale of Shares
Sherwood Weiser	\$6,641,505	\$4,966,497
Donald Lefton	6,641,505	4,966,497
Thomas Hewitt	2,461,007	1,840,334
Peter Sibley	2,461,007	1,840,334
Robert Sturges	984,406	736,136
W. Peter Temling	984,406	736,136

SHAREHOLDERS' AGREEMENT

(CRC Holdings, Inc.)

THIS SHAREHOLDERS' AGREEMENT (the "Agreement") dated as of this 30th day of June, 1998, by and between Carnival Corporation, a Panamanian corporation ("CCL"); and Sherwood M. Weiser, Donald E. Lefton, Thomas F. Hewitt, Peter L. Sibley, CHC Investors Partners, L.P., a Delaware limited partnership, Robert Sturges, W. Peter Temling, Irving Zeldman, Douglas J. Weiser, Warren P. Weiser, Bradley A. Weiser, Robyn C. Fisher, and Lisa Tabatchnick (collectively the "W-L Shareholders" and individually a "W-L Shareholder")

RECITALS

A. CCL and the W-L Shareholders are the sole shareholders of CRC Holdings, Inc., a Florida corporation (the "Company"), and as of the effective date of this Agreement own the number of shares of the issued and outstanding capital stock of the Company in the percentages set forth in Exhibit A attached hereto. CCL and the W-L Shareholders may sometimes hereafter be collectively referred to as the "Shareholders" or individually as "Shareholder."

B. The Shareholders desire to enter into this Agreement pursuant to Section 607.0731 of the Florida Business Corporation Act, for the purpose of providing (1) that so long as CCL and/or its "Covered Transferees" (as such term is defined in Section 1 of this Agreement) and any of the W-L Shareholders and/or their Covered Transferees own shares of the common stock of the Company, they will vote their shares of the capital stock of the Company for the election of certain directors designated by CCL and certain directors designated by the W-L Shareholders (all as herein set forth) and for certain directors jointly agreed to by CCL and the W-L Shareholders and (2) for the harmonious and successful management and control of the Company.

AGREEMENT

In consideration of the premises and of the benefits flowing to the parties hereto and to the Company, by virtue of the Agreements herein set forth CCL and the W-L Shareholders agree as follows:

1. Covered Transferees. As used in this Agreement, the term "Covered Transferees" shall mean (a) CCL and the W-L Shareholders, (b) the parents, siblings, spouse or lineal descendants of any individual Shareholder or Covered Transferee, (c) a trust for the benefit of such Covered Transferees (provided that the voting rights with respect to shares of capital stock of the Company owned by any such trust are retained only by the transferor or a Covered Transferee), (d) an "Affiliate", (as such term is defined in Rule 144 promulgated under the Securities Act of 1933, as amended) of CCL or any W-L Shareholder or Covered Transferee or (e) in the case of CCL, any member of a "group" which at the time of transfer of shares of capital stock of the Company by CCL owns 5% or more of the issued and outstanding shares of common stock of CCL and has filed a Schedule 13D or 13G with respect to such 5% or more ownership.

2. Articles of Incorporation and Bylaws. None of the Shareholders or their Covered Transferees shall vote their shares or execute a written consent for the amendment of the Articles of Incorporation or Bylaws of the Company unless the holders of a majority of the shares of capital stock of the Company owned by each of CCL and its Covered Transferees and the W-L Shareholders and their Covered Transferees first execute and deliver to the other Shareholders and their Covered Transferees a written statement that they are in favor of the adoption of the amendment. If both such statements are delivered at least ten days prior to the date of the meeting at which the shareholders of the Company will vote on such amendment, then all Shareholders and their Covered Transferees shall vote their shares of the capital stock of the Company for the proposed amendment. In the event of any conflict between the provisions of this Agreement and the Articles of Incorporation and/or Bylaws of the Company,

as among the Shareholders and their Covered Transferees, the provisions of this Agreement shall take precedence.

3. Directors.

3.1. At each election of directors of the Company, CCL and the W-L Shareholders and their respective Covered Transferees shall vote their shares of the capital stock of the Company to elect as directors of the Company (a) two persons designated in writing by the holders of a majority of the shares of capital stock of the Company owned by CCL and its Covered Transferees; (b) subject to the provisions of the next sentence, at least two persons designated in writing by the holders of a majority of the shares of capital stock of the Company owned by the W-L Shareholders and their Covered Transferee(s); and (c) only such other persons (the "Independent Directors") as are first agreed to in writing by the holders of a majority of the shares of the capital stock of the Company owned by each of CCL and its Covered Transferees and the W-L Shareholders and their Covered Transferees. Notwithstanding the foregoing, in the event that pursuant to clause (b) of the preceding sentence, the W-L Shareholders and their Covered Transferees designate three, four, five or six persons and all of such designees consist solely of more than two of Sherwood M. Weiser, Donald E. Lefton, Thomas F. Hewitt, Peter Sibley, Robert Sturges and W. Peter Temling, CCL and its Covered Transferees and the W-L Shareholders and their Covered Transferees shall vote their shares of the capital stock of the Company to elect all of such persons so designated by the W-L Shareholders as directors pursuant to said clause (b). In the event that the holders of a majority of the shares of the capital stock of the Company owned by each of CCL and its Covered Transferees and the W-L Shareholders and their Covered Transferees cannot agree on one or more persons to vote for as Independent Directors, they shall submit such disagreement to those of the Independent Directors then in office who are not employees of the Company or any of its subsidiaries and shall then vote their shares of capital stock of the Company for such nominees as are chosen by such Independent Directors, provided that without the consent of the majority in interest of both CCL and its Covered Transferees and the W-L Shareholders and their Covered Transferees the number of Independent Directors shall not be increased beyond the number of Independent Directors hereinafter designated in this Agreement.

3.2. Initially, CCL designates pursuant to clause (a) of Section 3.1, Micky Arison and Howard S. Frank as directors and the W-L Shareholders designate pursuant to clause (b) of Section 3.1, Sherwood M. Weiser, Donald E. Lefton, Thomas F. Hewitt, Peter Sibley, Robert Sturges and W. Peter Temling as directors and CCL and the W-L Shareholders agree, pursuant to clause (c) of Section 3.1, that Meryl Comer and Earl W. Powell shall serve as Independent Directors.

3.3. No Shareholder or his or her Covered Transferees shall vote to remove a director designated pursuant to clauses (a) or (b) of Section 3.1 unless the designating Shareholder(s) and their Covered Transferees give written notice to the other Shareholders and their Covered Transferees that the designating Shareholders and their Covered Transferees want that director removed. No Shareholder or his or her Covered Transferee shall vote to remove an Independent Director unless such removal is first agreed to in writing by the holders of a majority of the shares of capital stock of the Company owned by each of CCL and its Covered Transferees and the W-L Shareholders and their Covered Transferees. In any such event, all of the Shareholders and their Covered Transferees shall vote their shares of the capital stock of the Company to remove such Independent Director. In the event of the death, resignation or removal of a director designated by one or more Shareholders and their Covered Transferees pursuant to clauses (a) or (b) of Section 3.1, the Shareholders and their Covered Transferees shall vote their shares of the capital stock of the Company to elect as a replacement director a person designated by the Shareholder(s) and Covered Transferees who originally designated the deceased, resigned or removed person as a director of the Company. In the event of the death, resignation or removal of an Independent Director, the Shareholders and their Covered Transferees shall vote their shares of capital stock of the Company pursuant to clause (c) of Section 3.1 for the election of a replacement.

4. Share Certificates. All transfers of shares of capital stock of the Company to Covered Transferees shall be subject to all of the terms, conditions and provisions of this Agreement. All certificates representing shares of the capital stock of the Company held by Shareholders and Covered Transferees shall be endorsed with the following legend:

The Shares represented by this certificate are subject to the terms and conditions of a Shareholders' Agreement dated as of _____, 1998 which Agreement, among other things, contains various provisions with respect to the manner in which the Shares are to be voted.

All Shareholders who presently hold certificates evidencing their ownership of shares of the capital stock of the Company shall, as soon as reasonably possible after the execution of this Shareholders' Agreement deliver their certificates to the Secretary of the Company, who will then add the aforescribed legend to such certificates and who will return such certificates forthwith to the respective shareholders.

In connection with the transfer of shares of the capital stock of the Company by a Shareholder or a Covered Transferee to a Covered Transferee, the transferor shall cause the certificates that are issued to the Covered Transferee to bear said legend and to have the Covered Transferee execute a copy of this Agreement in the place provided for its execution by Covered Transferees. In connection with the transfer of shares of the capital stock of the Company by a Shareholder or Covered Transferee to a non-Covered Transferee, the transferor shall cause the certificates that are issued to the non-Covered Transferee not to bear said legend.

5. Term. The term of this Agreement shall be effective as of the date set forth in the preamble to this Agreement and shall terminate on the earlier of (a) the dissolution of the Company, (b) the written agreement of all CCL and its Covered Transferees and the W-L Shareholders and their Covered Transferees, (c) at such time as either CCL and its Covered Transferees in the aggregate or the W-L Shareholders and their Covered Transferees in the aggregate cease to own, of record or beneficially, at least 10% of the issued and outstanding shares of capital stock of the Company, or (d) 10 years from the date of this Agreement.

6. Counterparts and Telefax Executions. Any notices or written consents of Shareholders or Covered Transferees may be executed in counterparts. In lieu of original signatures on any such instrument, a telefax copy of the signatures shall suffice; provided, however, it is expected, but not necessary to give effect to any such telefax copy, that the Shareholder or Covered Transferee who executes any such instrument and sends a telefax copy will as soon thereafter-as practicable send the original executed copy to the persons to whom such telefax copy was sent.

7. Remedies. In addition to any of the remedies which may be provided for in this Agreement or by law, in the event of a breach of this Agreement by any Shareholder or Covered Transferee, the other Shareholders and Covered Transferees shall have the right to seek an injunction (both temporary and permanent), specific performance and other equitable remedies. In the event of any dispute, arbitration or litigation between or among the Shareholders and/or Covered Transferees to enforce the provisions of, or with respect to this Agreement, the prevailing party(ies) shall be entitled to reasonable attorneys' and court costs, including those for appellate proceedings and for paralegals and similar persons.

8. Miscellaneous.

8.1. Notices. All notices, demands or requests provided for or permitted to be given pursuant to this Agreement must be in writing and shall be delivered or sent, with the copies indicated, by personal delivery, telefax or overnight delivery service to the parties as follows (or at such other address as a party as shall be specified by notice given pursuant to this Section):

To any one or more of the W-L Shareholders: [addressee]
c/o Carnival Resorts &
Casinos

3250 Mary Street, 5th Floor
Miami, FL 33133
Telefax: (305) 445-4255

With a copy to each of:

Greenberg Traurig, P.A..
1221 Brickell Avenue
22nd Floor
Miami, Florida 33131
Telefax: (305) 579-0717
Attn: David S. Kenin, Esq.

and to:

Sherwood M. Weiser
Chairman of the Board and
Chief Executive Officer
CRC Holdings, Inc.
3250 Mary Street, 5th Floor
Miami, FL 33133
Telefax: (305) 445-4255

To CCL:

Howard S. Frank
Vice Chairman and
Chief Operating Officer
Carnival Corp.
3655 N.W. 87 Avenue
Miami, FL 33178
Telefax: (305) 471-4700

With a copy to each of:

Holland & Knight
701 Brickell Avenue
Miami, FL 33131
Telefax: (305) 789-7799
Attn: Bruce Jay Colan, Esq.

and to:

Arnaldo Perez, Esq.
Vice President and General
Counsel
Carnival Corporation
3655 N.W. 87th Avenue
Miami, Florida 33178-2428
Telefax: (305) 406-4758

To a Covered Transferee: Such address as the
Covered Transferee gives to
the Shareholders and other
Covered Transferees

All notices shall be deemed given one business day after
their delivery to the addresses for the respective party(ies),
with the copies indicated as provided in this Section.

8.2. Entire Agreement. This Agreement, contains the
sole and entire agreement among the Shareholders with respect to
their subject matter and supersedes any and all other prior
written or oral agreements among them with respect to such
subject matter.

8.3. Amendment. No amendment or modification of this
Agreement shall be valid unless in writing and duly executed by
the parties affected by the amendment or modification.

8.4. Binding Effect. This Agreement shall be binding
upon the parties and their respective representatives, successors
and assigns.

8.5. Waiver. Waiver by any party of any breach of any
provision of this Agreement shall not be considered as or
constitute a continuing waiver or a waiver of any other breach of
the same or any other provision of this Agreement.

8.6. Captions. The captions contained in this
Agreement are inserted only as a matter of convenience or
reference and in no way define, limit, extend or describe the
scope of this Agreement or the intent of any of its provisions.

8.7. Construction. In the construction of this
Agreement, whether or not so expressed, words used in the
singular or in the plural, respectively, include both the plural
and the singular and the masculine, feminine and neuter genders
include all other genders. Since all parties have engaged in the
drafting of this Agreement, no presumption of construction
against any party shall apply.

8.8. Section, Schedule and Exhibit References. All references contained in this Agreement to Sections, Schedules and Exhibits shall be deemed to be references to Sections of, and Schedules and Exhibits attached to, this Agreement, except to the extent that any such reference specifically refers to another document. All references to Sections shall be deemed to also refer to all subsections of such Sections, if any.

8.9. Severability. In the event that any portion of this Agreement is illegal or unenforceable, it shall affect no other provisions of this Agreement, and the remainder of this Agreement shall be valid and enforceable in accordance with its terms.

8.10. Absence of Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to (a) confer upon any entity or person other than the parties to this Agreement and their authorized successors and assigns any rights or remedies under or by reason of this Agreement as a third-party beneficiary or otherwise; or (b) authorize anyone not a party to this Agreement to maintain an action or institute an arbitration proceeding pursuant to or based upon this Agreement.

8.11. Business Day. As used in this Agreement, the term "business day" means any day other than a Saturday, Sunday or legal or bank holiday in the City of Miami, Florida. If any time period set forth in this Agreement expires on other than a business day in such City, such period shall be extended to and through the next succeeding business day in such City.

8.12. Assignment. Neither this Agreement nor any rights in and to shares of the capital stock of the Company may be assigned by any party without the written consent of all other parties.

8.13. Other Documents. The parties shall take all such actions and execute all such documents which may be necessary to carry out the purposes of this Agreement, whether or not specifically provided for in this Agreement. .

8.14. Governing Law. This Agreement and the interpretation of its terms shall be governed by the laws of the State of Florida, without application of conflicts of law principles.

8.15. Attorneys' Fees. CCL and the W-L Shareholders shall pay their respective attorneys' fees for the negotiation and preparation of this Agreement.

8.16. W-L Shareholders' Representative. Each of the W-L Shareholders on his or her own behalf and on behalf of their respective Covered Transferees designates Sherwood M. Weiser, and in his absence or during periods of his unavailability Donald E. Lefton, as his or her representative for all purposes under this Agreement, including designation of directors, receipt of disclosures, granting and/or executing consents or waivers, receiving notices and agreeing to and executing amendments and/or modifications to this Agreement. Any such receipt, grant, agreement and/or execution by the W-L Shareholders' representative shall be valid and binding on all of the W-L Shareholders and their Covered Transferees. The designation by the W-L Shareholders of their representative may not be revoked without the written consent of CCL.

8.17. CCL's Representative. CCL on its own behalf and on behalf of its Covered Transferees designates CCL (or, if CCL no longer owns shares of capital stock of the Company, Micky Arison) as his, her or its representative for all purposes under this Agreement, including designation of directors, receipt of disclosures, granting and/or executing consents or waivers, receiving notices and agreeing to and executing amendments and/or modifications to this Agreement. Any such receipt, grant, agreement and/or execution by CCL's representative shall be valid and binding on CCL and its Covered Transferees. The designation by CCL of CCL's representative may not be revoked without the written consent of the W-L Shareholders' Representative.

8.18. Counterparts. This Agreement may be executed and delivered in two or more counterparts, each of which shall be deemed to be an original and all of which, taken together, shall

be deemed to be one agreement.

The parties have executed this Agreement as of the date set forth above.

CARNIVAL CORPORATION., a
Panamanian corporation

By:/s/ Gerald R. Cahill
Name: Gerald R. Cahill
Title: Sr. Vice President Finance
and CFO

/s/ Sherwood M.Weiser
Sherwood M. Weiser

/s/ Donald E. Lefton
Donald E. Lefton

/s/ Thomas F. Hewitt
Thomas F. Hewitt

/s/ Peter L. Sibley
Peter L. Sibley

CHC Investors Partners, L.P.

By:CHC Operating Corporation,
its General Partner

By:/s/ Karim Alibhai
Name:Karim Alibhai
Title:President

/s/ Robert Sturges
Robert Sturges

/s/ W. Peter Temling
W. Peter Temling

/s/ Irving Zeldman
Irving Zeldman

/s/ Douglas J. Weiser
Douglas J. Weiser

/s/ Warren P. Weiser
Warren P. Weiser

/s/ Bradley A. Weiser
Bradley A. Weiser

/s/ Robyn C. Fisher
Robyn C. Fisher

/s/ Lisa Tabatchnick
Lisa Tabatchnick

COVERED TRANSFEREES

EXHIBIT A

W-L Shareholders	Number of Shares Owned	Percentage of Ownership
CARNIVAL CORPORATION	2,490,000	23.18%
SHERWOOD M. WEISER	2,324,670	21.64%
DONALD E. LEFTON	2,324,670	21.64%
THOMAS F. HEWITT	861,865	8.02%
PETER L. SIBLEY	861,865	8.02%
CHC INVESTORS PARTNERS, L.P.	531,026	4.94%
ROBERT STURGES	362,358	3.37%
W. PETER TEMLING	466,035	4.34%
IRVING ZELDMAN	400,273	3.73%
DOUGLAS J. WEISER	19,840	0.18%
WARREN P. WEISER	19,840	0.18%
BRADLEY A. WEISER	19,840	0.18%
ROBYN C. FISHER	29,760	0.28%
LISA TABATCHNICK	29,760	0.28%
TOTAL	10,741,802	100.00%

CARNIVAL CORPORATION
 RATIO OF EARNINGS TO FIXED CHARGES
 (in thousands, except ratios)

	Three Months Ended February 28, 1999	1998
Net income	\$157,761	\$109,914
Income tax benefit	(4,806)	(4,287)
Income before income tax benefit	152,955	105,627
Adjustment to earnings:		
Minority interest	1,102	
Dividends received and loss from affiliated operations, net	5,917	21,231
Earnings as adjusted	159,974	126,858
Fixed Charges:		
Interest expense, net	13,390	12,559
Interest portion of rent expense (1)	790	708
Capitalized interest	10,406	6,402
Total fixed charges	24,586	19,669
Fixed charges not affecting earnings:		
Capitalized interest	(10,406)	(6,402)
Earnings before fixed charges	\$174,154	\$140,125
Ratio of earnings to fixed charges	7.1 x	7.1 x

(1) Represents one-third of rent expense, which management believes to be representative of the interest portion of rent expense.

5
1,000

3-MOS

	NOV-30-1999		
	FEB-28-1999		
		574,254	
		216,993	
		72,947	
		0	
		77,626	
	1,036,788		
		6,869,571	
	1,105,073		
	7,830,485		
1,138,318			
		1,355,569	
		6,130	
	0		
		0	
		5,107,772	
7,830,485			
			0
	748,258		
			0
		416,103	
		0	
		0	
	13,390		
	154,057		
		4,806	
157,761			
		0	
		0	
			0
		157,761	
		0.26	
		0.26	