



Carnival Corporation to Purchase Remaining 50 Percent of Costa Crociere

August 28, 2000

MIAMI, Aug. 28 /PRNewswire/ -- Carnival Corporation (NYSE: CCL), the world's largest cruise operator, announced that it has signed an agreement to purchase the remaining 50 percent interest in Genoa, Italy-based Costa Crociere from Airtours plc, a British-based travel supplier.

Carnival and Airtours jointly acquired Costa in 1997 and with the purchase of Airtours' 50 percent interest, Carnival will own 100 percent of the Italian cruise operator. Carnival will maintain its 26 percent strategic interest in Airtours which was acquired in 1996.

The cost of the Costa transaction will be 350 million pounds sterling (approximately \$525 million U.S. at current exchange rates).

"The purchase of Airtours' 50 percent interest in Costa is a very important strategic move in the continued development of Carnival Corporation's European business," said Micky Arison, Carnival Corporation chairman and CEO. "Costa is the largest and most successful cruise operator in Europe and will serve as Carnival's primary platform for expanding our presence in this increasingly important market," he added.

Arison added that the purchase will also allow Carnival, the world's largest cruise line, to further explore and optimize marketing and operating synergies with Costa and to move more quickly to expand Costa's newbuilding program to take advantage of the fast-growing European market.

Carnival expects to pay cash for the transaction. Based on Costa's projected 2000 earnings, the transaction is not expected to be dilutive to Carnival's earnings per share.

The transaction is subject to certain customary conditions, including Airtours' shareholder approval, as well as that of any applicable European competition authorities. No assurances can be made that the transaction will be concluded.

Credit Suisse First Boston acted as financial advisor to Carnival Corporation.

Costa Crociere has an international fleet of seven ships that span the globe offering cruises of seven nights and longer throughout the Mediterranean, Northern Europe, South America and Caribbean. Earlier this summer, Costa launched the 86,000-ton Costa Atlantica, which has earned scores of accolades from the European travel community for its innovative design concepts, impressive art collection and exquisite dining opportunities. Just last week, Costa contracted for a sister vessel slated to debut in summer 2003.

Carnival Corporation is comprised of Carnival Cruise Lines, the world's largest cruise line based on passengers carried, Holland America Line, Windstar Cruises, Cunard Line Limited, which operates the Cunard and Seabourn cruise brands, and interests in Costa Crociere and Airtours plc. Combined, Carnival Corporation's various brands operate 48 ships in the Caribbean, Alaska, Europe and other worldwide destinations.

Additional information can be obtained via Carnival Corporation's Web site at www.carnivalcorp.com or Costa Crociere's at www.costacruises.com.
SOURCE Carnival Corporation

CONTACT: Tim Gallagher of Carnival Corporation, 800-438-6744, ext. 16000/