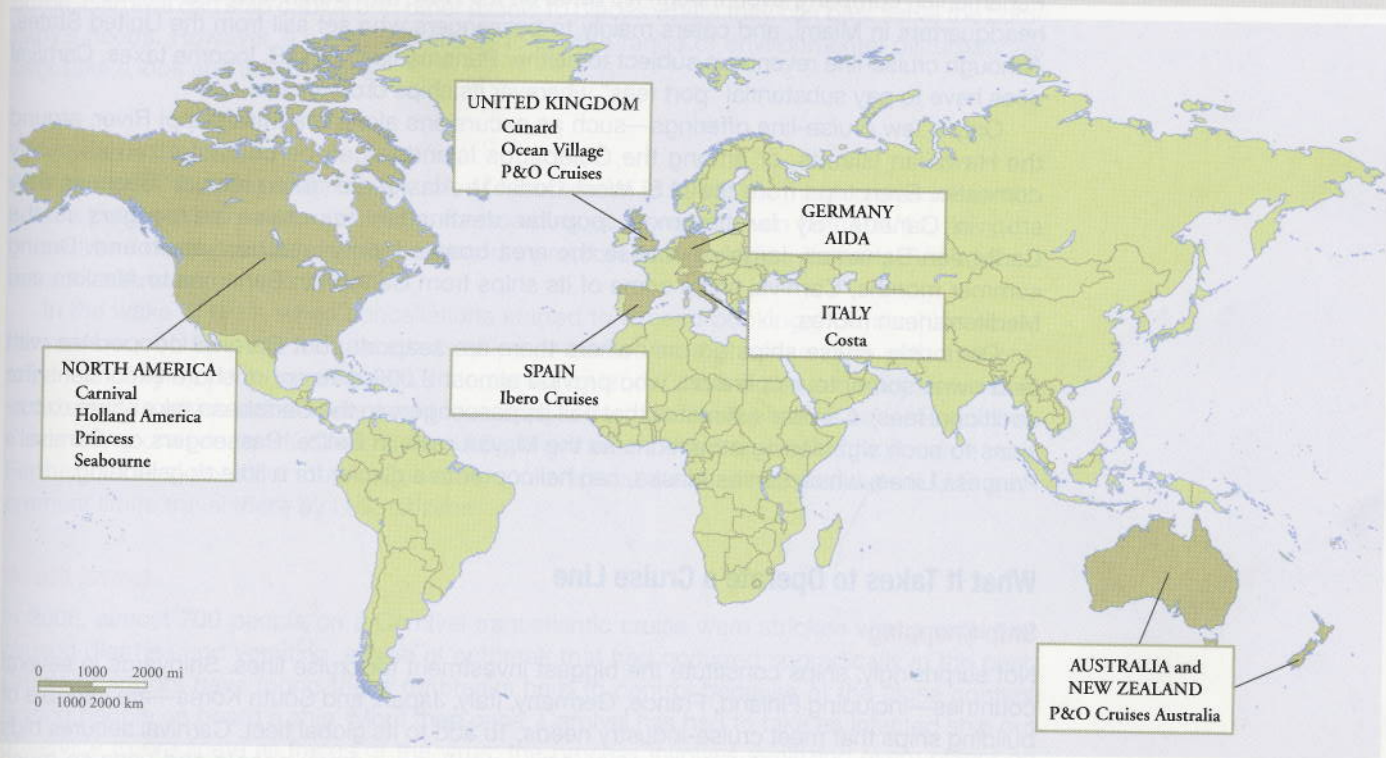


MAP 1.2 Where Carnival's Cruise Lines (Brands) Are Headquartered

Countries designated on the map denote headquarters locations of each company/brand (e.g., four lines operate out of North America and three out of the United Kingdom). Carnival has the most recognized brands in North America, the United Kingdom, Germany, France, Italy, and Spain—areas that account for 85 percent of the world's cruise-line passengers.

Source: Data come from Carnival Corporation/Corporate Information/Our Brands at <http://phx.corporate-ir.net/phoenix.zhtml?c=200767&p=irol-products> (accessed June 25, 2009).

Note: Given that this is a Mercator projection, the scale approximates east-west distance at the equator; however, the farther you move from the equator, the more the east-west distance is distorted.



Carnival Corporation, which operates a number of lines that it calls *brands*. Map 1.2 shows the headquarters of these brands. Carnival offers cruises to every continent on the globe, including Antarctica.

Carnival Corporation was born when Ted Arison, a former partner in Norwegian Cruise Lines, saw an opportunity to expand mass-market sea travel by promoting the idea of the "Fun Ship" vacation—an excursion on a pleasure craft designed to be a little less formal and luxurious than the traditional ocean liner. The timing was right. Sea travel still projected a certain aura, and Arison found that he could buy a retired liner at a good price. Moreover, there were more people in the world who could afford an ocean-borne vacation. On top of everything else, a lot of these vacationers gravitated to holidays—group tours, theme-park visits, and sojourns in Las Vegas—that were compatible with the Fun Ship concept.

Arison bought a secondhand ship, refurbished it in bright colors, rigged it with bright lights, and installed discos and casinos. On its maiden voyage from Miami in 1972, the *Mardi Gras* ran aground with 300 journalists on board, but, fortunately, neither the ship nor Arison's business concept was severely damaged. Embarking from Miami to such destinations as Jamaica, Puerto Rico, and the U.S. Virgin Islands, the *Mardi Gras* soon became successful.

Over time, Arison added not only ships but also whole cruise lines to his fleet. Today, each brand operates primarily in a designated area of the world and is differentiated from other Carnival brands in two ways: (1) in terms of geographically pertinent themes (based in Italy, for instance, Costa boasts a Mediterranean flavor); and (2) in terms of cost per cruise (the cost per night on Cunard and Seabourne cruises is much higher than that on Carnival cruises).