The scene is Venice during Carnival time when masks, costumes and fantasies take over from normal life. Othello – a former slave, now commander-in-chief of the Venetian Army – has eloped with Desdemona, the daughter of local dignitary Brabantio. But Othello has made a dangerous enemy: by promoting the loyal Cassio to be his Lieutenant-General, he leaves his junior officer Iago deeply resentful at being passed over.

Iago plots his revenge, persuading Roderigo (an unsuccessful suitor to Desdemona) to inform Brabantio of Othello's marriage to his daughter. Meanwhile, the Duke of Venice requires Othello's services: the Turks are sailing for Cyprus. Othello sets sail at the head of a task force, with his wife and staff. By the time they arrive, though, the Turkish fleet has shipwrecked.

Seizing the opportunity, Iago contrives to dupe Othello into thinking that Cassio is having an affair with Desdemona. He plies Cassio with drink, persuades Roderigo to pick a quarrel with him, and looks on as Cassio attacks the Governor of Cyprus, Montano. Cassio is disgraced, and Othello discharges him from his command. At Iago's suggestion, Cassio approaches Desdemona to persuade Othello to forgive him. Desdemona agrees, but Iago ensures that her pleas will be misconstrued, by insinuating to Othello that she and Cassio are lovers.

Othello, maddened by jealousy, needs proof of the adultery. This Iago supplies in the form of the handkerchief Desdemona accidentally drops and which Emilia, Iago's wife, retrieves. Iago leaves the handkerchief in Cassio's rooms – and Cassio in turn gives it to his girlfriend Bianca. Iago now stages a meeting with Cassio, knowing that Othello will overhear and misinterpret their words about Bianca as references to Desdemona. Then Bianca arrives, complaining to Cassio that the handkerchief he gave her was from another woman. Apparently confirmed in his worst suspicions, Othello vows to murder Desdemona, and Iago promises to murder Cassio.

Meanwhile Lodovico brings news that Othello has been recalled to Venice, and relieved of his command by Cassio. Enraged, and suspecting the worst, Othello publicly strikes Desdemona. Iago seeks to tie up his plot by inciting Roderigo to kill Cassio. But the ambush goes wrong and, after covertly wounding Cassio from behind, Iago kills Roderigo to shut him up. Iago's intrigues are unravelling – but not before Othello has strangled Desdemona in her bed.

Emilia arrives with news of Roderigo's death, but cries out for help when she sees Desdemona dying. Montano, Gratiano and Iago arrive and Emilia explains how the handkerchief was lost. Iago kills Emilia and flees, but is captured; having discovered his plot, Othello wounds Iago, then kills himself.