

NORWEGIAN CRUISE LINE
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands)

	Three months ended	
	March 31,	
	<u>2010</u>	<u>2009</u>
Revenue		
Passenger ticket	\$279,032	\$283,148
Onboard and other	<u>137,470</u>	<u>141,307</u>
Total revenue	<u>416,502</u>	<u>424,455</u>
Cruise operating expense		
Commissions, transportation and other	63,937	66,949
Onboard and other	32,822	35,436
Payroll and related	77,024	82,263
Fuel	47,338	32,528
Food	24,751	29,992
Other	<u>48,292</u>	<u>63,082</u>
Total cruise operating expense	<u>294,164</u>	<u>310,250</u>
Other operating expense		
Marketing, general and administrative	64,199	63,303
Depreciation and amortization	<u>37,857</u>	<u>37,984</u>
Total other operating expense	<u>102,056</u>	<u>101,287</u>
Operating income	<u>20,282</u>	<u>12,918</u>
Non-operating income (expense)		
Interest income	28	348
Interest expense, net of capitalized interest	(35,839)	(25,412)
Other income (expense)	<u>(603)</u>	<u>17,335</u>
Total non-operating income (expense)	<u>(36,414)</u>	<u>(7,729)</u>
Net income (loss)	<u>\$ (16,132)</u>	<u>\$5,189</u>

NORWEGIAN CRUISE LINE
CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except share data)

	<u>March 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 90,489	\$ 50,152
Restricted cash	2,881	3,097
Accounts receivable, net.....	7,452	7,868
Inventories	31,263	28,865
Prepaid expenses and other assets.....	<u>48,674</u>	<u>61,580</u>
Total current assets	180,759	151,562
Property and equipment, net.....	3,824,794	3,836,127
Goodwill and tradenames	602,792	602,792
Other assets.....	<u>215,939</u>	<u>220,867</u>
	<u>\$4,824,284</u>	<u>\$4,811,348</u>
Liabilities and shareholders' equity		
Current liabilities:		
Current portion of long-term debt.....	\$ 17,168	\$ 3,586
Accounts payable	39,745	28,376
Accrued expense and other liabilities	223,331	206,419
Due to Affiliate, net	392	225
Advance ticket sales	<u>320,213</u>	<u>255,432</u>
Total current liabilities.....	600,849	494,038
Long-term debt	2,474,996	2,554,105
Other long-term liabilities	<u>58,008</u>	<u>58,654</u>
Total liabilities.....	<u>3,133,853</u>	<u>3,106,797</u>
Commitments and contingencies		
Shareholders' equity:		
Ordinary shares, \$.0012 par value; 40,000,000 shares authorized, respectively; 21,000,000 shares issued and outstanding, respectively	25	25
Additional paid-in capital	2,328,929	2,328,302
Accumulated other comprehensive income.....	3,684	2,299
Retained earnings (deficit)	<u>(642,207)</u>	<u>(626,075)</u>
Total shareholders' equity	<u>1,690,431</u>	<u>1,704,551</u>
	<u>\$4,824,284</u>	<u>\$4,811,348</u>

NORWEGIAN CRUISE LINE
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Three months ended	
	March 31,	
	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Net income (loss)	\$ (16,132)	\$ 5,189
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	42,582	37,984
Gain on translation of debt	-	(17,067)
Loss on derivatives	297	799
Stock compensation expense	630	173
Changes in operating assets and liabilities:		
Accounts receivable, net	416	152
Inventories	(2,398)	551
Prepaid expenses and other assets	15,617	2,843
Accounts payable	11,369	(30,622)
Accrued expense and other liabilities	15,969	(28,915)
Advance ticket sales	<u>64,781</u>	<u>32,996</u>
Net cash provided by operating activities	<u>133,131</u>	<u>4,083</u>
Cash flows from investing activities		
Additions to property and equipment, net	(26,524)	(56,110)
Decrease in restricted cash	<u>337</u>	<u>34</u>
Net cash used in investing activities	<u>(26,187)</u>	<u>(56,076)</u>
Cash flows from financing activities		
Repayments of long-term debt	(65,527)	(73,862)
Proceeds from long-term debt	-	30,000
Transactions with Affiliate	167	62,600
Other	<u>(1,247)</u>	<u>(1,026)</u>
Net cash provided by (used in) financing activities	<u>(66,607)</u>	<u>17,712</u>
Net increase (decrease) in cash and cash equivalents	40,337	(34,281)
Cash and cash equivalents at beginning of period	<u>50,152</u>	<u>185,717</u>
Cash and cash equivalents at end of period	<u>\$ 90,489</u>	<u>\$ 151,436</u>

NORWEGIAN CRUISE LINE
NON-GAAP RECONCILING INFORMATION
(unaudited)

The following table sets forth selected statistical information:

	Three months ended March 31,	
	2010	2009
Passengers Carried	305,025	335,041
Passenger Cruise Days	2,144,546	2,263,459
Capacity Days	1,988,280	2,117,520
Occupancy Percentage	107.9%	106.9%

Gross Yield and Net Yield were calculated as follows (in thousands, except Capacity Days and Yield data):

	Three months ended March 31,	
	2010	2009
Passenger ticket revenue	\$279,032	\$283,148
Onboard and other revenue	<u>137,470</u>	<u>141,307</u>
Total revenue	<u>416,502</u>	<u>424,455</u>
Less:		
Commissions, transportation and other expense	63,937	66,949
Onboard and other expense	<u>32,822</u>	<u>35,436</u>
Net Revenue	<u>\$319,743</u>	<u>\$322,070</u>
Capacity Days	1,988,280	2,117,520
Gross Yield	\$ 209.48	\$ 200.45
Net Yield	\$ 160.81	\$ 152.10

Gross Cruise Cost and Net Cruise Cost were calculated as follows (in thousands, except Capacity Days and per Capacity Day data):

	Three months ended March 31,	
	2010	2009
Total cruise operating expense	\$294,164	\$310,250
Marketing, general and administrative expense	<u>64,199</u>	<u>63,303</u>
Gross Cruise Cost	358,363	373,553
Less:		
Commissions, transportation and other expense	63,937	66,949
Onboard and other expense	<u>32,822</u>	<u>35,436</u>
Net Cruise Cost	<u>\$261,604</u>	<u>\$271,168</u>
Capacity Days	1,988,280	2,117,520
Gross Cruise Cost per Capacity Day	\$ 180.24	\$ 176.41
Net Cruise Cost per Capacity Day	\$ 131.57	\$ 128.06

Net Cruise Cost Excluding Fuel was calculated as follows (in thousands, except Capacity Days and per Capacity Day data):

	Three months ended	
	March 31,	
	<u>2010</u>	<u>2009</u>
Net Cruise Cost	\$261,604	\$271,168
Less:		
Fuel	<u>47,338</u>	<u>32,528</u>
Net Cruise Cost Excluding Fuel	<u>214,266</u>	<u>238,640</u>
Capacity Days	1,988,280	2,117,520
Net Cruise Cost per Capacity Day	\$ 107.76	\$ 112.70

EBITDA and Adjusted EBITDA were calculated as follows (in thousands):

	Three months ended	
	March 31,	
	<u>2010</u>	<u>2009</u>
Net income (loss)	\$(16,132)	\$5,189
Interest income	(28)	(348)
Interest expense, net of capitalized interest	35,839	25,412
Other expense (income)	<u>603</u>	<u>(17,335)</u>
Operating income	20,282	12,918
Depreciation and amortization expense	<u>37,857</u>	<u>37,984</u>
EBITDA	58,139	50,902
Legal fees ⁽¹⁾	-	1,500
Other ⁽²⁾	<u>1,386</u>	<u>1,256</u>
Adjusted EBITDA	<u>\$59,525</u>	<u>\$ 53,658</u>

⁽¹⁾ Legal fees for credit facility amendments.

⁽²⁾ Includes non-cash compensation and crew pension costs.