

NCL CORPORATION LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands of dollars)

	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
Revenue				
Passenger ticket	\$ 330,707	\$ 269,958	\$ 1,392,506	\$ 1,275,844
Onboard and other	152,899	131,698	619,622	579,360
Total revenue	<u>483,606</u>	<u>401,656</u>	<u>2,012,128</u>	<u>1,855,204</u>
Cruise operating expense				
Commissions, transportation and other	92,872	79,893	379,655	377,036
Onboard and other	35,056	34,157	153,137	158,330
Payroll and related	69,159	61,223	265,390	252,426
Fuel	56,202	48,830	207,210	162,683
Food	30,601	27,477	114,064	118,899
Other	72,616	50,185	227,842	220,080
Total cruise operating expense	<u>356,506</u>	<u>301,765</u>	<u>1,347,298</u>	<u>1,289,454</u>
Other operating expense				
Marketing, general and administrative	63,658	62,517	264,398	241,676
Depreciation and amortization	46,897	38,369	170,191	152,700
Total other operating expense	<u>110,555</u>	<u>100,886</u>	<u>434,589</u>	<u>394,376</u>
Operating income (loss)	<u>16,545</u>	<u>(995)</u>	<u>230,241</u>	<u>171,374</u>
Non-operating income (expense)				
Interest income	20	69	100	836
Interest expense, net of capitalized interest	(54,673)	(37,490)	(173,772)	(115,350)
Other income (expense)	(1,204)	(584)	(33,952)	10,373
Total non-operating income (expense)	<u>(55,857)</u>	<u>(38,005)</u>	<u>(207,624)</u>	<u>(104,141)</u>
Net income (loss)	<u>\$ (39,312)</u>	<u>\$ (39,000)</u>	<u>\$ 22,617</u>	<u>\$ 67,233</u>

NCL CORPORATION LTD.
CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except share data)

	December 31,	
	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 55,047	\$ 50,152
Accounts receivable, net	7,879	7,868
Inventories	32,763	28,865
Prepaid expenses and other assets	33,694	64,677
Total current assets	129,383	151,562
Property and equipment, net	4,639,281	3,836,127
Goodwill and tradenames	602,792	602,792
Other long-term assets	192,057	220,867
Total assets	\$ 5,563,513	\$ 4,811,348
Liabilities and shareholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 78,237	\$ 3,586
Accounts payable	64,399	28,376
Accrued expenses and other liabilities	216,501	206,644
Advance ticket sales	294,180	255,432
Total current liabilities	653,317	494,038
Long-term debt	3,125,848	2,554,105
Other long-term liabilities	52,680	58,654
Total liabilities	3,831,845	3,106,797
Commitments and contingencies		
Shareholders' equity:		
Ordinary shares, \$.0012 par value; 40,000,000 shares authorized, 21,000,000 shares issued and outstanding	25	25
Additional paid-in capital	2,330,792	2,328,302
Accumulated other comprehensive income	4,309	2,299
Retained earnings (deficit)	(603,458)	(626,075)
Total shareholders' equity	1,731,668	1,704,551
Total liabilities and shareholders' equity	\$ 5,563,513	\$ 4,811,348

NCL CORPORATION LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Year Ended	
	December 31,	
	2010	2009
Cash flows from operating activities		
Net income	\$ 22,617	\$ 67,233
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	191,913	169,701
Loss on translation of debt	-	22,677
Loss (gain) on derivatives	603	(35,488)
Write-off of deferred financing fees	6,410	6,744
Share-based compensation expense	2,520	4,075
Changes in operating assets and liabilities:		
Accounts receivable, net	(11)	(532)
Inventories	(3,898)	629
Prepaid expenses and other assets	120,836	(90,605)
Accounts payable	36,023	(42,036)
Accrued expenses and other liabilities	3,185	(56,466)
Advance ticket sales	38,748	4,794
Net cash provided by operating activities	<u>418,946</u>	<u>50,726</u>
Cash flows from investing activities		
Additions to property and equipment	(977,466)	(161,838)
Restricted cash	8,526	(4,735)
Net cash used in investing activities	<u>(968,940)</u>	<u>(166,573)</u>
Cash flows from financing activities		
Repayments of long-term debt	(955,780)	(1,249,064)
Proceeds from long-term debt	1,601,659	1,121,021
Transactions with Affiliate, net	2,951	71,541
Contribution from Affiliates, net	-	100,000
Other, primarily deferred financing fees	(93,941)	(63,216)
Net cash provided by (used in) financing activities	<u>554,889</u>	<u>(19,718)</u>
Net increase (decrease) in cash and cash equivalents	4,895	(135,565)
Cash and cash equivalents at beginning of year	50,152	185,717
Cash and cash equivalents at end of year	<u>\$ 55,047</u>	<u>\$ 50,152</u>

NCL CORPORATION LTD.
NON-GAAP RECONCILING INFORMATION
(unaudited)

The following table sets forth selected statistical information:

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2010	2009	2010	2009
Passenger Cruise Days	2,495,624	2,188,720	9,559,049	9,243,154
Capacity Days	2,386,210	2,064,444	8,790,980	8,450,980
Occupancy Percentage	104.6%	106.0%	108.7%	109.4%

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2010	2009	2010	2009
Passenger ticket revenue	\$ 330,707	\$ 269,958	\$ 1,392,506	\$ 1,275,844
Onboard and other revenue	152,899	131,698	619,622	579,360
Total revenue	483,606	401,656	2,012,128	1,855,204
Less:				
Commissions, transportation and other expense	92,872	79,893	379,655	377,036
Onboard and other expense	35,056	34,157	153,137	158,330
Net revenue	<u>\$ 355,678</u>	<u>\$ 287,606</u>	<u>\$ 1,479,336</u>	<u>\$ 1,319,838</u>
Capacity Days	2,386,210	2,064,444	8,790,980	8,450,980
Gross Yield	\$ 202.67	\$ 194.56	\$ 228.89	\$ 219.53
Net Yield	\$ 149.06	\$ 139.31	\$ 168.28	\$ 156.18

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2010	2009	2010	2009
Total cruise operating expense	\$ 356,506	\$ 301,765	\$ 1,347,298	\$ 1,289,454
Marketing, general and administrative expense	63,658	62,517	264,398	241,676
Gross Cruise Cost	420,164	364,282	1,611,696	1,531,130
Less:				
Commissions, transportation and other expense	92,872	79,893	379,655	377,036
Onboard and other expense	35,056	34,157	153,137	158,330
Net Cruise Cost	292,236	250,232	1,078,904	995,764
Less:				
Fuel	56,202	48,830	207,210	162,683
Net Cruise Cost Excluding Fuel	<u>\$ 236,034</u>	<u>\$ 201,402</u>	<u>\$ 871,694</u>	<u>\$ 833,081</u>
Capacity Days	2,386,210	2,064,444	8,790,980	8,450,980
Gross Cruise Cost per Capacity Day	\$ 176.08	\$ 176.46	\$ 183.34	\$ 181.18
Net Cruise Cost per Capacity Day	\$ 122.47	\$ 121.21	\$ 122.73	\$ 117.83
Net Cruise Cost Excluding Fuel per Capacity Day	\$ 98.92	\$ 97.56	\$ 99.16	\$ 98.58

NCL CORPORATION LTD.
NON-GAAP RECONCILING INFORMATION
(unaudited)

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2010	2009	2010	2009
Net income (loss)	\$ (39,312)	\$ (39,000)	\$ 22,617	\$ 67,233
Interest income	(20)	(69)	(100)	(836)
Interest expense, net of capitalized interest	54,673	37,490	173,772	115,350
Other expense (income)	1,204	584	33,952	(10,373)
Operating income (loss)	16,545	(995)	230,241	171,374
Depreciation and amortization expense	46,897	38,369	170,191	152,700
EBITDA	63,442	37,374	400,432	324,074
Legal fees ⁽¹⁾	-	-	-	1,500
Other ⁽²⁾	866	4,256	4,313	6,959
Adjusted EBITDA	<u>\$ 64,308</u>	<u>\$ 41,630</u>	<u>\$ 404,745</u>	<u>\$ 332,533</u>

⁽¹⁾ Legal fees for credit facility amendments.

⁽²⁾ Includes insurance claim recoveries, non-cash compensation and crew pension costs. Also includes costs related to a mechanical failure on one of our vessels that occurred in the fourth quarter of 2009.