

NCL CORP LTD.

FORM 6-K (Report of Foreign Issuer)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May, 2011

Commission File Number 333-128780

NCL Corporation Ltd.

(Translation of registrant's name into English)

7665 Corporate Center Drive, Miami, Florida 33126

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____.

Table of Contents

NCL Corporation Ltd. Table of Contents

	<u>Page</u>
Financial Information (unaudited)	
Consolidated Statements of Operations for the Three Months Ended March 31, 2011 and 2010	1
Consolidated Balance Sheets as of March 31, 2011 and December 31, 2010	2
Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2011 and 2010	3
Notes to Consolidated Financial Statements	4
Management's Discussion and Analysis of Financial Condition and Results of Operations	16
Signatures	25

Table of Contents

NCL Corporation Ltd. Consolidated Statements of Operations (unaudited, in thousands, except per share data)

	Three Months Ended	
	March 31,	
	2011	2010
Revenue		
Passenger ticket	\$332,045	\$279,032
Onboard and other	163,465	137,470
Total revenue	<u>495,510</u>	<u>416,502</u>
Cruise operating expense		
Commissions, transportation and other	89,614	78,826
Onboard and other	37,870	32,822
Payroll and related	70,317	62,135
Fuel	58,026	47,338
Food	30,982	24,751
Other	57,430	48,292
Total cruise operating expense	<u>344,239</u>	<u>294,164</u>
Other operating expense		
Marketing, general and administrative	70,202	64,199
Depreciation and amortization	46,257	37,857
Total other operating expense	<u>116,459</u>	<u>102,056</u>
Operating income	<u>34,812</u>	<u>20,282</u>
Non-operating income (expense)		
Interest income	10	28
Interest expense, net of capitalized interest	(47,879)	(35,839)
Other income (expense)	2,432	(603)
Total non-operating income (expense)	<u>(45,437)</u>	<u>(36,414)</u>
Net income (loss)	<u>\$ (10,625)</u>	<u>\$ (16,132)</u>
Earnings (loss) per share		
Basic	<u>\$ (0.50)</u>	<u>\$ (0.76)</u>
Diluted	<u>\$ (0.50)</u>	<u>\$ (0.76)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

NCL Corporation Ltd. Consolidated Balance Sheets (unaudited, in thousands, except share data)

	March 31, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 49,199	\$ 55,047
Accounts receivable, net	10,760	7,879
Inventories	37,274	32,763
Prepaid expenses and other assets	60,498	33,694
Total current assets	157,731	129,383
Property and equipment, net	4,612,925	4,639,281
Goodwill and tradenames	602,792	602,792
Other long-term assets	190,523	192,057
Total assets	<u>\$5,563,971</u>	<u>\$5,563,513</u>
Liabilities and shareholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 89,030	\$ 78,237
Accounts payable	62,173	64,399
Accrued expenses and other liabilities	250,187	216,501
Advance ticket sales	380,724	294,180
Total current liabilities	782,114	653,317
Long-term debt	2,992,800	3,125,848
Other long-term liabilities	50,291	52,680
Total liabilities	<u>3,825,205</u>	<u>3,831,845</u>
Commitments and contingencies (Note 4)		
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	2,331,064	2,330,792
Accumulated other comprehensive income	21,760	4,309
Retained earnings (deficit)	(614,083)	(603,458)
Total shareholders' equity	1,738,766	1,731,668
Total liabilities and shareholders' equity	<u>\$5,563,971</u>	<u>\$5,563,513</u>

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

NCL Corporation Ltd. Consolidated Statements of Cash Flows (unaudited, in thousands)

	Three Months Ended	
	March 31,	
	2011	2010
Cash flows from operating activities		
Net income (loss)	\$ (10,625)	\$ (16,132)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	51,753	42,582
Loss (gain) on derivatives	(3,241)	297
Share-based compensation expense	297	630
Changes in operating assets and liabilities:		
Accounts receivable, net	(2,881)	416
Inventories	(4,511)	(2,398)
Prepaid expenses and other assets	(12,704)	15,954
Accounts payable	(2,226)	11,369
Accrued expenses and other liabilities	33,855	15,969
Advance ticket sales	86,544	64,781
Net cash provided by operating activities	<u>136,261</u>	<u>133,468</u>
Cash flows from investing activities		
Additions to property and equipment	(19,901)	(26,524)
Net cash used in investing activities	<u>(19,901)</u>	<u>(26,524)</u>
Cash flows from financing activities		
Repayments of long-term debt	(135,613)	(65,527)
Proceeds from long-term debt	13,221	—
Other	184	(1,080)
Net cash used in financing activities	<u>(122,208)</u>	<u>(66,607)</u>
Net increase (decrease) in cash and cash equivalents	(5,848)	40,337
Cash and cash equivalents at beginning of period	55,047	50,152
Cash and cash equivalents at end of period	<u>\$ 49,199</u>	<u>\$ 90,489</u>

Supplemental disclosures (Note 6)

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

NCL Corporation Ltd. Notes to Consolidated Financial Statements (unaudited)

References herein to (i) the “Company,” “we,” “our,” and “us” refers to NCL Corporation Ltd. and its subsidiaries, (ii) “Apollo” refers to Apollo Global Management, LLC and the “Apollo Funds” refers to one or more of NCL Investment Limited, NCL Investment II Ltd., AIF VI NCL (AIV), L.P., AIF VI Euro Holdings, L.P., AAA-Guarantor Co-Invest VI, L.P., Apollo Overseas Partners (Delaware) VI, L.P., Apollo Overseas Partners (Delaware 892) VI, L.P., Apollo Overseas Partners VI, L.P. and Apollo Overseas Partners (Germany) VI, L.P., (iii) “TPG Capital” refers to TPG Capital, L.P. and the “TPG Viking Funds” refers to TPG Viking I, L.P., TPG Viking II, L.P. and TPG Viking AIV III, L.P. and/or certain other affiliated investment funds, each an affiliate of TPG Capital, (iv) “Genting HK” refers to Genting Hong Kong Limited and/or its affiliates (formerly Star Cruises Limited and/or its affiliates), and (v) “Affiliate(s)” refers to Genting HK, the Apollo Funds and/or the TPG Viking Funds. References to the “U.S.” are to the United States of America, “dollars” or “\$” are to U.S. dollars and “euros” or “€” are to the official currency of the Eurozone.

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are unaudited and, in our opinion, contain all normal recurring adjustments necessary for a fair statement of the results for the periods presented.

Our operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire fiscal year. Historically, demand for cruises has been strongest during the summer months. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2010, which are included in our most recently filed Annual Report on Form 20-F.

Reclassification

We reclassified \$14.9 million for the three months ended March 31, 2010 from the line item “payroll and related” to “commissions, transportation and other” in our consolidated statements of operations to conform to the current period presentation. Certain other amounts in the prior period have been reclassified to conform to the current period presentation.

Revenue and Expense Recognition

Revenue and expense includes taxes assessed by governmental authorities that are directly imposed on a revenue-producing transaction between a seller and a customer. The amounts included in revenue on a gross basis were \$28.7 million and \$21.9 million for the three months ended March 31, 2011 and 2010, respectively.

Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted-average number of shares outstanding during each period. For the three months ended March 31, 2011 and 2010, we had 21,165,748 and 21,110,226 weighted-average shares outstanding, respectively. Diluted earnings (loss) per share did not include 195,043 shares and 177,847 shares for the three months ended March 31, 2011 and 2010, respectively, because the effect of including them would have been anti-dilutive.

Table of Contents

2. Fair Value Measurements and Derivatives

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following hierarchy for inputs used in measuring fair value should maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the most observable inputs be used when available:

- Level 1 Quoted prices in active markets for identical assets or liabilities that are accessible at the measurement dates.
- Level 2 Significant other observable inputs that are used by market participants in pricing the asset or liability based on market data obtained from independent sources.
- Level 3 Significant unobservable inputs we believe market participants would use in pricing the asset or liability based on the best information available.

Derivatives

We are exposed to market risk attributable to changes in interest rates, foreign currency exchange rates and fuel prices. We attempt to minimize these risks through a combination of our normal operating and financing activities and through the use of derivative financial instruments. We assess whether derivatives used in hedging transactions are “highly effective” in offsetting changes in the cash flow of hedged items. We use regression analysis for this hedge relationship and high effectiveness is achieved when a statistically valid relationship reflects a high degree of offset and correlation between the fair values of the derivative instrument and the hedged item. Cash flows from the derivative instrument are classified in the same category as the cash flows from the underlying hedged item. The determination of ineffectiveness is based on the amount of dollar offset between the change in fair value of the derivative instrument and the change in fair value of the hedged item at the end of the reporting period. If it is determined that a derivative is not highly effective as a hedge then the change in fair value is recognized in earnings. In addition, the ineffective portion of our highly effective hedges is recognized in earnings immediately and reported in other income (expense) in our consolidated statements of operations. There are no amounts excluded from the assessment of hedge effectiveness and there are no credit-risk-related contingent features in our derivative agreements.

We monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. Credit risk, including but not limited to counterparty non-performance under derivative instruments and our revolving credit facility, is not considered significant, as we primarily conduct business with large, well-established financial institutions and insurance companies that we have well-established relationships with and that have credit risks acceptable to us or the credit risk is spread out among a large number of creditors. We do not anticipate non-performance by any of our significant counterparties.

The following table sets forth our derivatives measured at fair value and discloses the balance sheet location (in thousands):

	March 31, 2011	December 31, 2010
Fuel swaps designated as hedging instruments:		
Prepaid expenses and other assets	\$ 27,009	\$ 10,694
Other long-term assets	2,166	651
Option contracts designated as hedging instruments:		
Other long-term liabilities	—	1,105
Other long-term assets	2,255	—

These derivatives were categorized as Level 2 in the fair value hierarchy, and we had no derivatives or other financial instruments categorized as Level 1 or Level 3. Fair value of our derivative contracts is derived using valuation models that utilize the income valuation approach. These valuation models take into account the contract terms, as well as other inputs such as fuel types, fuel curves, exchange rates, creditworthiness of the counterparty and the Company, as well as other data points.

Table of Contents

Fuel Swaps

As of March 31, 2011 and December 31, 2010, we had fuel swaps which were used to mitigate the financial impact of increases in fuel prices and were designated as hedging instruments (“cash flow hedges”) through December 31, 2012. As of March 31, 2011 and December 31, 2010, the fuel swaps pertained to approximately 193 thousand metric tons and 249 thousand metric tons, respectively, of our projected fuel purchases.

The changes in fair value of fuel swaps which were designated as cash flow hedges were as follows (in thousands):

	Three Months Ended March 31,	
	2011	2010
Gain recognized to other comprehensive income – effective portion	\$14,848	\$1,297
Gain recognized to other income (expense) – ineffective portion	2,982	309
Total gain related to fuel swaps designated as cash flow hedges	<u>\$17,830</u>	<u>\$1,606</u>

Interest Rate Swap

The change in fair value of an interest rate swap not designated as a hedging instrument was recognized in other income (expense) as follows (in thousands):

	Three Months Ended March 31,	
	2011	2010
Loss related to an interest rate swap not designated as a hedging instrument	<u>\$ —</u>	<u>\$ (664)</u>

Option Contracts

Our exposure to market risk for fluctuations in foreign currency exchange rates relates primarily to ship construction contracts. As of March 31, 2011, we had option contracts consisting of call options with deferred premiums designated as cash flow hedges to hedge the exposure to foreign currency exchange rate risk related to our ship construction firm commitments denominated in euros which resulted in a net asset of \$2.3 million. If the spot rate at the date the ships are delivered is less than the strike price under these option contracts we would pay the deferred premium and not exercise the options. The notional amount of our option contracts was €250.0 million, or \$354.0 million based on the euro/U.S dollar exchange rate as of March 31, 2011.

The changes in fair value of the option contracts which were designated as cash flow hedges were as follows (in thousands):

	Three Months Ended March 31,	
	2011	2010
Gain recognized to other comprehensive income - effective portion	\$3,101	\$ —
Gain recognized to other income (expense) - ineffective portion	259	—
Total gain related to option contracts designated as cash flow hedges	<u>\$3,360</u>	<u>\$ —</u>

Table of Contents

Long-Term Debt

As of March 31, 2011 and December 31, 2010, the fair value of our long-term debt, including the current portion, was \$3,192.7 million and \$3,263.7 million, respectively, which was \$110.9 million and \$59.6 million higher, respectively, than the carrying values. The difference between the fair value and carrying value of our long-term debt is due to our fixed and variable rate debt obligations carrying interest rates that are above or below market rates at the measurement dates. The fair value of our long-term debt was calculated based on estimated rates for the same or similar instruments with similar terms and remaining maturities.

Market risk associated with our long-term fixed rate debt is the potential increase in fair value resulting from a decrease in interest rates. Market risk associated with our long-term variable rate debt is the potential increase in interest expense from an increase in interest rates.

Other

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the immediate or short-term maturities of these financial instruments.

3. Employee Benefit Plan

The Norwegian Shipboard Retirement Plan (“Shipboard Retirement Plan”) computes benefits based on years of service, subject to certain eligibility requirements. We have recognized pension expense of \$0.5 million for each of the three months ended March 31, 2011 and 2010 in our consolidated statements of operations. Changes in the projected benefit obligation are recognized in accumulated other comprehensive income. We refer you to Note 5 “Comprehensive Income (Loss).”

4. Commitments and Contingencies

Capital Expenditures

Future capital commitments consist of contracted commitments, including ship purchase commitments, and future expected capital expenditures necessary for operations. As of March 31, 2011, anticipated capital expenditures are \$185.6 million, \$244.1 million and \$874.3 million for each of the years ending December 31, 2011, 2012 and 2013, respectively, of which we have export credit financing in place for the expenditures related to ship purchase commitments in the amounts of \$87.1 million, \$130.6 million and \$684.4 million, respectively, based on the euro/U.S. dollar exchange rate as of March 31, 2011.

We have two ships scheduled for delivery in the second quarter of 2013 and 2014, respectively. The aggregate contract price of the two ships is approximately €1.2 billion, or \$1.7 billion based on the euro/U.S. dollar exchange rate as of March 31, 2011.

Table of Contents

Material Litigation

In May 2008, we were served with a complaint in the Circuit Court of Miami-Dade County, Florida, by a former shipboard concessionaire for fraudulent inducement, equitable or promissory estoppel and breach of contract in connection with the termination of a shipboard concessionaire agreement. We believe that we have meritorious defenses to these claims and, accordingly, are vigorously defending this action, the outcome of which we believe will not have a material impact to our consolidated financial statements.

In July 2009, a class action complaint was filed against us in the United States District Court, Southern District of Florida on behalf of a purported class of crew members alleging inappropriate deductions of their wages pursuant to the Seaman's Wage Act and wrongful termination resulting in a loss of retirement benefits. On December 30, 2010, the Court denied the plaintiffs' Motion for Class Certification. On February 16, 2011, the plaintiffs filed a Motion for Reconsideration as to the Court's Order on Class Certification which was denied. The individual plaintiffs' claims remain and, accordingly, we are vigorously defending this action, the outcome of which we believe will not have a material impact to our consolidated financial statements.

In the normal course of our business, various other claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability is typically limited to our deductible amount. Nonetheless, the ultimate outcome of these claims and lawsuits that are not covered by insurance cannot be determined at this time. We have evaluated our overall exposure with respect to all of our threatened and pending litigation and, to the extent required, we have accrued amounts for all estimable probable losses associated with our deemed exposure. We are currently unable to estimate any other potential contingent losses beyond those accrued, as discovery is not complete nor is adequate information available to estimate such range of loss or potential recovery. We intend to vigorously defend our legal position on all claims and, to the extent necessary, seek recovery.

5. Comprehensive Income (Loss)

Comprehensive income (loss) includes: a) net income (loss), b) changes in the fair value of derivative instruments that qualify as cash flow hedges, and c) changes in the projected benefit obligation of our Shipboard Retirement Plan. The cumulative changes in fair value of the derivatives are deferred and recorded as a component of accumulated other comprehensive income until the hedged transactions are realized and recognized in earnings. Comprehensive income (loss) was as follows (in thousands):

	Three Months Ended	
	March 31,	
	2011	2010
Net income (loss)	\$(10,625)	\$(16,132)
Change related to our Shipboard Retirement Plan	(498)	88
Change related to cash flow hedges	17,949	1,297
Total comprehensive income (loss)	<u>\$ 6,826</u>	<u>\$(14,747)</u>

Table of Contents

6. Supplemental Cash Flow Information

For the three months ended March 31, 2011 and 2010, we had non-cash operating activities of \$17.9 million and \$1.3 million, respectively, in connection with cash flow hedges.

7. Guarantor Subsidiaries

The \$450.0 million 11.75% Senior Secured Notes due 2016 issued by us are guaranteed by certain of our subsidiaries with first-priority mortgage liens on four of our ships, Norwegian Star, Norwegian Spirit, Norwegian Sun and Norwegian Dawn, and a first-priority security interest in all earnings, proceeds of insurance and certain other interests related to these ships, subject to certain exceptions and permitted liens. These subsidiary guarantors are 100% owned subsidiaries of NCL Corporation Ltd. and we have fully and unconditionally guaranteed these notes on a joint and several basis.

The following condensed consolidating financial statements for NCL Corporation Ltd., the non-guarantor subsidiaries and combined guarantor subsidiaries presents condensed consolidating statements of operations and cash flows for the three months ended March 31, 2011 and 2010, and condensed consolidating balance sheets as of March 31, 2011 and December 31, 2010, using the equity method of accounting, as well as elimination entries necessary to consolidate the parent company and all of its subsidiaries.

The outstanding debt resides with the primary obligor. Interest expense was allocated based on the value of the ships, and marketing, general and administrative expense was allocated based on Capacity Days. Management fee represents the charge for the allocation of interest expense to the subsidiaries.

Table of Contents

**Condensed Consolidating Statement of Operations
For the Three Months Ended March 31, 2011**

<u>(in thousands)</u>	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenue					
Passenger ticket	\$ —	\$ 92,386	\$ 239,659	\$ —	\$ 332,045
Onboard and other	—	47,409	116,056	—	163,465
Total revenue	<u>—</u>	<u>139,795</u>	<u>355,715</u>	<u>—</u>	<u>495,510</u>
Cruise operating expense					
Commissions, transportation and other	—	25,083	64,531	—	89,614
Onboard and other	—	11,413	26,457	—	37,870
Payroll and related	—	21,290	49,027	—	70,317
Fuel	—	22,465	35,561	—	58,026
Food	—	9,448	21,534	—	30,982
Other	—	19,443	37,987	—	57,430
Total cruise operating expense	<u>—</u>	<u>109,142</u>	<u>235,097</u>	<u>—</u>	<u>344,239</u>
Other operating expense					
Marketing, general and administrative	—	25,713	44,489	—	70,202
Depreciation and amortization	—	13,829	32,428	—	46,257
Total other operating expense	<u>—</u>	<u>39,542</u>	<u>76,917</u>	<u>—</u>	<u>116,459</u>
Operating income	<u>—</u>	<u>(8,889)</u>	<u>43,701</u>	<u>—</u>	<u>34,812</u>
Non-operating income (expense)					
Interest income	—	—	10	—	10
Interest expense, net of capitalized interest	(31,162)	(8,643)	(39,236)	31,162	(47,879)
Management fee	31,162	—	—	(31,162)	—
Other income (expense)	3,218	(64)	(722)	—	2,432
Equity in earnings of subsidiaries	<u>(13,843)</u>	<u>—</u>	<u>—</u>	<u>13,843</u>	<u>—</u>
Total non-operating income (expense)	<u>(10,625)</u>	<u>(8,707)</u>	<u>(39,948)</u>	<u>13,843</u>	<u>(45,437)</u>
Net income (loss)	<u><u>\$(10,625)</u></u>	<u><u>\$ (17,596)</u></u>	<u><u>\$ 3,753</u></u>	<u><u>\$ 13,843</u></u>	<u><u>\$ (10,625)</u></u>

Table of Contents

**Condensed Consolidating Statement of Operations
For the Three Months Ended March 31, 2010**

<u>(in thousands)</u>	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenue					
Passenger ticket	\$ —	\$ 98,510	\$ 180,522	\$ —	\$ 279,032
Onboard and other	—	47,230	90,240	—	137,470
Total revenue	<u>—</u>	<u>145,740</u>	<u>270,762</u>	<u>—</u>	<u>416,502</u>
Cruise operating expense					
Commissions, transportation and other	—	28,909	49,917	—	78,826
Onboard and other	—	11,865	20,957	—	32,822
Payroll and related	—	21,658	40,477	—	62,135
Fuel	—	19,632	27,706	—	47,338
Food	—	8,886	15,865	—	24,751
Other	—	19,202	29,090	—	48,292
Total cruise operating expense	<u>—</u>	<u>110,152</u>	<u>184,012</u>	<u>—</u>	<u>294,164</u>
Other operating expense					
Marketing, general and administrative	—	26,818	37,381	—	64,199
Depreciation and amortization	—	14,021	23,836	—	37,857
Total other operating expense	<u>—</u>	<u>40,839</u>	<u>61,217</u>	<u>—</u>	<u>102,056</u>
Operating income	<u>—</u>	<u>(5,251)</u>	<u>25,533</u>	<u>—</u>	<u>20,282</u>
Non-operating income (expense)					
Interest income	—	—	28	—	28
Interest expense, net of capitalized interest	(24,066)	(8,309)	(27,530)	24,066	(35,839)
Management fee	24,066	—	—	(24,066)	—
Other expense	(333)	(160)	(110)	—	(603)
Equity in earnings (loss) of subsidiaries	<u>(15,799)</u>	<u>—</u>	<u>—</u>	<u>15,799</u>	<u>—</u>
Total non-operating income (expense)	<u>(16,132)</u>	<u>(8,469)</u>	<u>(27,612)</u>	<u>15,799</u>	<u>(36,414)</u>
Net income (loss)	<u><u>\$(16,132)</u></u>	<u><u>\$ (13,720)</u></u>	<u><u>\$ (2,079)</u></u>	<u><u>\$ 15,799</u></u>	<u><u>\$ (16,132)</u></u>

Table of Contents

Condensed Consolidating Balance Sheet As of March 31, 2011

(in thousands)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ —	\$ 7,528	\$ 41,671	\$ —	\$ 49,199
Accounts receivable, net	3,493	685	6,582	—	10,760
Due from Affiliate, net	2,522,985	—	—	(2,522,985)	—
Inventories	—	11,321	25,953	—	37,274
Prepaid expenses and other assets	27,471	14,435	18,592	—	60,498
Total current assets	2,553,949	33,969	92,798	(2,522,985)	157,731
Property and equipment, net	—	1,237,746	3,375,179	—	4,612,925
Goodwill and tradenames	602,792	—	—	—	602,792
Other long-term assets	67,974	215	122,334	—	190,523
Investment in subsidiaries	69,942	—	—	(69,942)	—
Total assets	<u>\$3,294,657</u>	<u>\$1,271,930</u>	<u>\$ 3,590,311</u>	<u>\$(2,592,927)</u>	<u>\$5,563,971</u>
Liabilities and shareholders' equity					
Current liabilities:					
Current portion of long-term debt	\$ —	\$ —	\$ 89,030	\$ —	\$ 89,030
Accounts payable	—	474	61,699	—	62,173
Accrued expenses and other liabilities	44,513	50,729	154,945	—	250,187
Due to Affiliate, net	—	796,868	1,726,117	(2,522,985)	—
Advance ticket sales	—	—	380,724	—	380,724
Total current liabilities	44,513	848,071	2,412,515	(2,522,985)	782,114
Long-term debt	1,504,149	—	1,488,651	—	2,992,800
Other long-term liabilities	7,229	2,208	40,854	—	50,291
Total liabilities	<u>1,555,891</u>	<u>850,279</u>	<u>3,942,020</u>	<u>(2,522,985)</u>	<u>3,825,205</u>
Commitments and contingencies					
Shareholders' equity:					
Ordinary shares	25	24	87,818	(87,842)	25
Additional paid-in capital	2,331,064	379,946	230,581	(610,527)	2,331,064
Accumulated other comprehensive income (loss)	21,760	—	(6,300)	6,300	21,760
Retained earnings (deficit)	(614,083)	41,681	(663,808)	622,127	(614,083)
Total shareholders' equity	<u>1,738,766</u>	<u>421,651</u>	<u>(351,709)</u>	<u>(69,942)</u>	<u>1,738,766</u>
Total liabilities and shareholders' equity	<u>\$3,294,657</u>	<u>\$1,271,930</u>	<u>\$ 3,590,311</u>	<u>\$(2,592,927)</u>	<u>\$5,563,971</u>

Table of Contents

Condensed Consolidating Balance Sheet As of December 31, 2010

(in thousands)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ —	\$ 7,833	\$ 47,214	\$ —	\$ 55,047
Accounts receivable, net	1,314	403	6,162	—	7,879
Due from Affiliate, net	2,625,297	—	—	(2,625,297)	—
Inventories	—	11,116	21,647	—	32,763
Prepaid expenses and other assets	10,943	4,741	18,010	—	33,694
Total current assets	2,637,554	24,093	93,033	(2,625,297)	129,383
Property and equipment, net	—	1,247,212	3,392,069	—	4,639,281
Goodwill and tradenames	602,792	—	—	—	602,792
Other long-term assets	65,981	25	126,051	—	192,057
Investment in subsidiaries	83,985	—	—	(83,985)	—
Total assets	<u>\$3,390,312</u>	<u>\$1,271,330</u>	<u>\$ 3,611,153</u>	<u>\$(2,709,282)</u>	<u>\$5,563,513</u>
Liabilities and shareholders' equity					
Current liabilities:					
Current portion of long-term debt	\$ —	\$ —	\$ 78,237	\$ —	\$ 78,237
Accounts payable	—	998	63,401	—	64,399
Accrued expenses and other liabilities	24,298	46,086	146,117	—	216,501
Due to Affiliate, net	—	782,961	1,842,336	(2,625,297)	—
Advance ticket sales	—	—	294,180	—	294,180
Total current liabilities	24,298	830,045	2,424,271	(2,625,297)	653,317
Long-term debt	1,626,012	—	1,499,836	—	3,125,848
Other long-term liabilities	8,334	2,038	42,308	—	52,680
Total liabilities	<u>1,658,644</u>	<u>832,083</u>	<u>3,966,415</u>	<u>(2,625,297)</u>	<u>3,831,845</u>
Commitments and contingencies					
Shareholders' equity:					
Ordinary shares	25	24	87,818	(87,842)	25
Additional paid-in capital	2,330,792	379,946	230,283	(610,229)	2,330,792
Accumulated other comprehensive income (loss)	4,309	—	(5,802)	5,802	4,309
Retained earnings (deficit)	(603,458)	59,277	(667,561)	608,284	(603,458)
Total shareholders' equity	<u>1,731,668</u>	<u>439,247</u>	<u>(355,262)</u>	<u>(83,985)</u>	<u>1,731,668</u>
Total liabilities and shareholders' equity	<u>\$3,390,312</u>	<u>\$1,271,330</u>	<u>\$ 3,611,153</u>	<u>\$(2,709,282)</u>	<u>\$5,563,513</u>

Table of Contents

**Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2011**

<u>(in thousands)</u>	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash flows from operating activities					
Net income (loss)	\$ (10,625)	\$ (17,596)	\$ 3,753	\$ 13,843	\$ (10,625)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expense	2,812	13,829	35,112	—	51,753
Gain on derivatives	(3,241)	—	—	—	(3,241)
Share-based compensation expense	—	—	297	—	297
Equity in earnings of subsidiaries	13,843	—	—	(13,843)	—
Changes in operating assets and liabilities:					
Accounts receivable, net	(2,179)	(282)	(420)	—	(2,881)
Inventories	—	(205)	(4,306)	—	(4,511)
Prepaid expenses and other assets	(3,366)	(9,884)	546	—	(12,704)
Accounts payable	—	(524)	(1,702)	—	(2,226)
Accrued expenses and other liabilities	22,470	4,813	6,572	—	33,855
Advance ticket sales	—	—	86,544	—	86,544
Net cash provided by (used in) operating activities	<u>19,714</u>	<u>(9,849)</u>	<u>126,396</u>	<u>—</u>	<u>136,261</u>
Cash flows from investing activities					
Additions to property and equipment	—	(4,363)	(15,538)	—	(19,901)
Net cash used in investing activities	<u>—</u>	<u>(4,363)</u>	<u>(15,538)</u>	<u>—</u>	<u>(19,901)</u>
Cash flows from financing activities					
Repayments of long-term debt	(132,000)	—	(3,613)	—	(135,613)
Proceeds from long-term debt	10,000	—	3,221	—	13,221
Other	102,286	13,907	(116,009)	—	184
Net cash provided by (used in) financing activities	<u>(19,714)</u>	<u>13,907</u>	<u>(116,401)</u>	<u>—</u>	<u>(122,208)</u>
Net decrease in cash and cash equivalents	—	(305)	(5,543)	—	(5,848)
Cash and cash equivalents at beginning of period	—	7,833	47,214	—	55,047
Cash and cash equivalents at end of period	<u>\$ —</u>	<u>\$ 7,528</u>	<u>\$ 41,671</u>	<u>\$ —</u>	<u>\$ 49,199</u>

Table of Contents

**Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2010**

<u>(in thousands)</u>	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash flows from operating activities					
Net income (loss)	\$(16,132)	\$ (13,720)	\$ (2,079)	\$ 15,799	\$ (16,132)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization expense	2,514	14,021	26,047	—	42,582
Loss on derivatives	297	—	—	—	297
Share-based compensation expense	—	—	630	—	630
Equity in (earnings) loss of subsidiaries	15,799	—	—	(15,799)	—
Changes in operating assets and liabilities:					
Accounts receivable, net	845	446	(875)	—	416
Inventories	—	(821)	(1,577)	—	(2,398)
Prepaid expenses and other assets	(3,193)	2,641	16,506	—	15,954
Accounts payable	—	4,071	7,298	—	11,369
Accrued expenses and other liabilities	18,127	6,900	(9,058)	—	15,969
Advance ticket sales	—	—	64,781	—	64,781
Net cash provided by operating activities	<u>18,257</u>	<u>13,538</u>	<u>101,673</u>	<u>—</u>	<u>133,468</u>
Cash flows from investing activities					
Additions to property and equipment	—	(3,689)	(22,835)	—	(26,524)
Net cash used in investing activities	<u>—</u>	<u>(3,689)</u>	<u>(22,835)</u>	<u>—</u>	<u>(26,524)</u>
Cash flows from financing activities					
Repayments of long-term debt	(64,879)	—	(648)	—	(65,527)
Other	46,622	(11,769)	(35,933)	—	(1,080)
Net cash used in financing activities	<u>(18,257)</u>	<u>(11,769)</u>	<u>(36,581)</u>	<u>—</u>	<u>(66,607)</u>
Net increase (decrease) in cash and cash equivalents	—	(1,920)	42,257	—	40,337
Cash and cash equivalents at beginning of period	—	9,903	40,249	—	50,152
Cash and cash equivalents at end of period	<u>\$ —</u>	<u>\$ 7,983</u>	<u>\$ 82,506</u>	<u>\$ —</u>	<u>\$ 90,489</u>

**Management's Discussion and Analysis
of Financial Condition and Results of Operations**

Certain statements under this caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this report on Form 6-K, constitute forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical facts in this report, including, without limitation, those regarding our business strategy, financial position, results of operations, plans, prospects and objectives of management for future operations (including development plans and objectives relating to our activities), are forward-looking statements. Many, but not all of these statements can be found by looking for words like "expect," "anticipate," "goal," "project," "plan," "believe," "seek," "will," "may," "forecast," "estimate," "intend" and "future" and for similar words. Forward-looking statements do not guarantee future performance and may involve risks, uncertainties and other factors which could cause our actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in those forward-looking statements. Examples of these risks, uncertainties and other factors include, but are not limited to:

- the adverse impact of the worldwide economic downturn and related factors such as high levels of unemployment and underemployment, declines in the securities and real estate markets, and perceptions of these conditions that decrease the level of disposable income of consumers or consumer confidence;
- changes in cruise capacity, as well as capacity changes in the overall vacation industry;
- intense competition from other cruise companies as well as non-cruise vacation alternatives which may affect our ability to compete effectively;
- our substantial leverage, including the inability to generate the necessary amount of cash to service our existing debt, repay our credit facilities if payment is accelerated and incur substantial indebtedness in the future;
- changes in fuel prices or other cruise operating expenses such as crew, insurance and security;
- the risks associated with operating internationally;
- the continued borrowing availability under our credit facilities and compliance with our financial covenants;
- our ability to incur significantly more debt despite our substantial existing indebtedness;
- the impact of volatility and disruptions in the global credit and financial markets which may adversely affect our ability to borrow and could increase our counterparty credit risks, including those under our credit facilities, derivative instruments, contingent obligations, insurance contracts and new ship progress payment guarantees;
- adverse events impacting the security of travel that may affect consumer demand for cruises such as terrorist acts, acts of piracy, armed conflict and other international events;
- the impact of any future changes relating to how travel agents sell and market our cruises;
- the impact of any future increases in the price of, or major changes or reduction in, commercial airline services;
- the impact of the spread of contagious diseases;
- accidents and other incidents affecting the health, safety, security and vacation satisfaction of passengers or causing damage to ships, which could cause the modification of itineraries or cancellation of a cruise or series of cruises;
- our ability to attract and retain key personnel, qualified shipboard crew, maintain good relations with employee unions and maintain or renegotiate our collective bargaining agreements on favorable terms;
- the continued availability of attractive port destinations;

Table of Contents

- the control of our Company by certain of our shareholders whose interests may not continue to be aligned with ours;
- the impact of problems encountered at shipyards, as well as, any potential claim, impairment loss, cancellation or breach of contract in connection with our contracts with shipyards;
- changes involving the tax, environmental, health, safety, security and other regulatory regimes in which we operate;
- our ability to obtain insurance coverage on terms that are favorable or consistent with our expectations;
- the lack of acceptance of new itineraries, products or services by our targeted customers;
- our ability to implement brand strategies and our shipbuilding programs, and to continue to expand our brands and business worldwide;
- the costs of new initiatives and our ability to achieve expected cost savings from our new initiatives;
- changes in interest rates and/or foreign currency rates;
- increases in our future fuel expenses related to implementing recently proposed IMO regulations, which require the use of higher priced low sulfur fuels in certain cruising areas;
- the delivery schedules and estimated costs of new ships on terms that are favorable or consistent with our expectations;
- the impact of pending or threatened litigation and investigations;
- the impact of changes in our credit ratings;
- the possibility of environmental liabilities and other damage that is not covered by insurance or that exceeds our insurance coverage;
- our ability to attain and maintain any price increases for our products;
- the impact of delays, costs and other factors resulting from emergency ship repairs as well as scheduled repairs, maintenance and refurbishment of our ships;
- the implementation of regulations in the U.S. requiring U.S. citizens to obtain passports for travel to additional foreign destinations;
- the impact of weather and natural disasters; and
- other factors set forth under “Risk Factors” in our Form 20-F for the year ended December 31, 2010 and other documents we have filed with the Securities and Exchange Commission.

The above examples are not exhaustive and new risks emerge from time to time. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Such forward-looking statements are based on our current beliefs, assumptions, expectations, estimates and projections regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements speak only as of the date of this report. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change of events, conditions or circumstances on which any such statement was based.

The interim consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2010, which are included in our most recently filed Annual Report on Form 20-F.

Terminology

Unless otherwise indicated in this report, the following terms have the meanings set forth below:

- *Adjusted EBITDA* . Earnings before interest, other income (expense) including taxes, impairment loss, depreciation and amortization, and other supplemental adjustments.

Table of Contents

- *Berths* . Double occupancy capacity per cabin even though many cabins can accommodate three or more passengers.
- *Capacity Days*. Berths multiplied by the number of cruise days for the period.
- *Charter*. The hire of a ship for a specified period of time. The contract for a charter is called a charterparty. A ship is “chartered-in” by an end user and “chartered-out” by the provider of the ship.
- *Dry-dock*. A process whereby a ship is positioned in a large basin where all of the fresh/sea water is pumped out in order to carry out cleaning and repairs of those parts of a ship which are below the water line.
- *Gross Cruise Cost*. The sum of total cruise operating expense and marketing, general and administrative expense.
- *Gross Tons*. A unit of enclosed passenger space on a cruise ship, such that one gross ton = 100 cubic feet or 2.831 cubic meters.
- *Gross Yield*. Total revenue per Capacity Day.
- *Net Cruise Cost*. Gross Cruise Cost less commissions, transportation and other expense and onboard and other expense.
- *Net Cruise Cost Excluding Fuel*. Net Cruise Cost less fuel expense.
- *Net Revenue*. Total revenue less commissions, transportation and other expense and onboard and other expense.
- *Net Yield*. Net Revenue per Capacity Day.
- *Occupancy Percentage* . The ratio of Passenger Cruise Days to Capacity Days. A percentage in excess of 100% indicates that three or more passengers occupied some cabins.
- *Passenger Cruise Days* . The number of passengers carried for the period, multiplied by the number of days in their respective cruises.

Non-GAAP Financial Measures

We use certain non-GAAP financial measures, such as Net Revenue, Net Yield, Net Cruise Cost and Adjusted EBITDA to enable us to analyze our performance. We utilize Net Revenue and Net Yield to manage our business on a day-to-day basis and believe that they are the most relevant measures of our revenue performance because they reflect the revenue earned by us net of significant variable costs and are commonly used in the cruise industry to measure revenue performance. In measuring our ability to control costs in a manner that positively impacts net income, we believe changes in Net Cruise Cost and Net Cruise Cost Excluding Fuel to be the most relevant indicators of our performance and are commonly used in the cruise industry as a measurement of costs.

We believe that Adjusted EBITDA is appropriate to provide additional information to investors as it enables us to analyze our performance. You are encouraged to evaluate each adjustment and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

Adjusted EBITDA is not a defined term under GAAP. Adjusted EBITDA is not intended to be a measure of liquidity or cash flows from operations or measures comparable to net income as it does not take into account certain requirements such as capital expenditures and related depreciation, principal and interest payments and tax payments and it includes other supplemental adjustments.

Our non-GAAP financial measures may not be comparable to other companies within our industry. Please see a historical reconciliation of these measures to items in our consolidated financial statements below in the “Results of Operations” section.

Table of Contents

Financial Presentation

Revenue from our cruise and cruise-related activities are categorized by us as “passenger ticket revenue” and “onboard and other revenue.” Passenger ticket revenue and onboard and other revenue vary according to the size of the ship in operation, the length of cruises operated and the markets in which the ship operates. Our revenue is seasonal based on demand for cruises, which has historically been strongest during the summer months.

Passenger ticket revenue primarily consists of revenue for accommodations, meals in certain restaurants on the ship, certain onboard entertainment, service charges and air and land transportation to and from the ship to the extent passengers purchase these items from us.

Onboard and other revenue primarily consists of revenue from gaming, beverage sales, specialty dining, shore excursions, retail sales and spa services. We record onboard revenue from onboard activities we perform directly or that are performed by independent concessionaires, from which we receive a share of their revenue.

Our cruise operating expense is classified as follows:

- Commissions, transportation and other primarily consists of direct costs associated with passenger ticket revenue. These costs include travel agent commissions, air and land transportation expenses, related credit card fees, costs associated with service charges and certain port expenses.
- Onboard and other primarily consists of direct costs that are incurred in connection with onboard and other revenue. These include costs incurred in connection with shore excursions, beverage sales, and gaming.
- Payroll and related consists of the cost of wages and benefits for shipboard employees.
- Fuel includes fuel costs, the impact of certain fuel hedges, and fuel delivery costs.
- Food consists of food costs for passengers and crew.
- Other consists of repairs and maintenance (including Dry-dock costs), ship insurance, Charter costs and other ship expenses.

Executive Overview

Three months ended March 31, 2011 (“2011”) compared to the three months ended March 31, 2010 (“2010”)

Total revenue increased 19.0% to \$495.5 million in 2011 compared to \$416.5 million in 2010. Net Revenue increased to \$368.0 million in 2011 from \$304.9 million in 2010 from the addition of Norwegian Epic to the fleet together with an improvement in Net Yield of 2.4%.

Operating income increased 71.6% to \$34.8 million in 2011 compared to \$20.3 million in 2010 while Adjusted EBITDA increased 37.5% to \$81.9 million. Our cost containment measures and greater economies of scale continued to have a positive impact on our costs per Capacity Day and have been able to mitigate the increase in the price of fuel. We have currently hedged 57% of our remaining 2011 projected fuel consumption.

Table of Contents

Results of Operations

The following table sets forth operating data as a percentage of revenue:

	Three Months Ended March 31,	
	2011	2010
Revenue		
Passenger ticket	67.0%	67.0%
Onboard and other	33.0%	33.0%
Total revenue	<u>100.0%</u>	<u>100.0%</u>
Cruise operating expense		
Commissions, transportation and other	18.1%	18.9%
Onboard and other	7.6%	7.9%
Payroll and related	14.2%	14.9%
Fuel	11.7%	11.4%
Food	6.3%	5.9%
Other	11.6%	11.6%
Total cruise operating expense	<u>69.5%</u>	<u>70.6%</u>
Other operating expense		
Marketing, general and administrative	14.2%	15.4%
Depreciation and amortization	9.3%	9.1%
Total other operating expense	<u>23.5%</u>	<u>24.5%</u>
Operating income	<u>7.0%</u>	<u>4.9%</u>
Non-operating income (expense)		
Interest income	— %	— %
Interest expense, net of capitalized interest	(9.6)%	(8.6)%
Other income (expense)	0.5%	(0.2)%
Total non-operating income (expense)	<u>(9.1)%</u>	<u>(8.8)%</u>
Net income (loss)	<u>(2.1)%</u>	<u>(3.9)%</u>

The following table sets forth selected statistical information:

	Three Months Ended March 31,	
	2011	2010
Passengers Carried	372,700	305,025
Passenger Cruise Days	2,510,738	2,144,546
Capacity Days	2,343,768	1,988,280
Occupancy Percentage	107.1%	107.9%

Table of Contents

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

	Three Months Ended March 31,	
	2011	2010
Passenger ticket revenue	\$ 332,045	\$ 279,032
Onboard and other revenue	163,465	137,470
Total revenue	495,510	416,502
Less:		
Commissions, transportation and other expense	89,614	78,826
Onboard and other expense	37,870	32,822
Net Revenue	\$ 368,026	\$ 304,854
Capacity Days	2,343,768	1,988,280
Gross Yield	\$ 211.42	\$ 209.48
Net Yield	\$ 157.02	\$ 153.33

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 March 31,	
	2011	2010
Total cruise operating expense	\$ 344,239	\$ 294,164
Marketing, general and administrative expense	70,202	64,199
Gross Cruise Cost	414,441	358,363
Less:		
Commissions, transportation and other expense	89,614	78,826
Onboard and other expense	37,870	32,822
Net Cruise Cost	286,957	246,715
Less:		
Fuel	58,026	47,338
Net Cruise Cost Excluding Fuel	\$ 228,931	\$ 199,377
Capacity Days	2,343,768	1,988,280
Gross Cruise Cost per Capacity Day	\$ 176.83	\$ 180.24
Net Cruise Cost per Capacity Day	\$ 122.43	\$ 124.08
Net Cruise Cost Excluding Fuel per Capacity Day	\$ 97.68	\$ 100.28

Adjusted EBITDA was calculated as follows (in thousands):

	Three Months Ended March 31,	
	2011	2010
Net income (loss)	\$ (10,625)	\$ (16,132)
Interest, net	47,869	35,811
Depreciation and amortization expense	46,257	37,857
Other (income) expense	(2,432)	603
Other(1)	792	1,386
Adjusted EBITDA	\$ 81,861	\$ 59,525

(1) Includes non-cash compensation and costs related to our Shipboard Retirement Plan.

Table of Contents

Three months ended March 31, 2011 (“2011”) compared to three months ended March 31, 2010 (“2010”)

Revenue

Total revenue increased 19.0% in 2011 compared to 2010. Net Revenue increased 20.7% in 2011, primarily due to an increase in Capacity Days of 17.9% and an increase in Net Yield of 2.4%. The increase in Capacity Days was due to the addition of Norwegian Epic to the fleet in late June 2010. The increase in Net Yield was due to an increase in passenger ticket pricing and onboard revenue. The increase in onboard revenue was primarily due to an increase in net revenue from our gaming operations.

Expense

Total cruise operating expense increased 17.0% in 2011 compared to 2010 primarily related to an increase in Capacity Days as described above and higher ship operating expenses. The increase in ship operating expenses was primarily due to an increase in fuel expense as a result of a 6.6% increase in average fuel price to \$520 per metric ton in 2011 from \$488 per metric ton in 2010. Total other operating expense increased 14.1% compared to 2010 due to an increase in depreciation expense related to Norwegian Epic which entered service in late June 2010 as well as an increase in marketing expenses. Net Cruise Cost increased 16.3% in 2011 primarily due to an increase in Capacity Days. Net Cruise Cost per Capacity Day decreased 1.3% primarily due to decreases in general and administrative expense, payroll expense and repair and maintenance expense on a Capacity Day basis partially offset by an increase in fuel expense and food expense on a Capacity Day basis.

Interest expense, net of capitalized interest, increased to \$47.9 million in 2011 from \$35.8 million in 2010 primarily due to an increase in average outstanding borrowings related to the financing of Norwegian Epic. Other income (expense) was \$2.4 million in 2011 compared to \$(0.6) million in 2010. The income in 2011 was primarily due to gains on fuel derivatives.

Liquidity and Capital Resources

General

As of March 31, 2011, our liquidity was \$567.3 million consisting of \$49.2 million in cash and cash equivalents and \$518.1 million available under our \$750.0 million senior secured revolving credit facility. Our main ongoing liquidity requirements are to finance working capital, capital expenditures, and debt service.

Sources and Uses of Cash

In this section, references to 2011 refer to the three months ended March 31, 2011 and references to 2010 refer to the three months ended March 31, 2010.

Net cash provided by operating activities was \$136.3 million in 2011 and \$133.5 million in 2010, primarily due to timing differences in cash payments relating to operating assets and liabilities and an increase in advance ticket sales.

Net cash used in investing activities in 2011 was \$19.9 million primarily consisting of additions to property and equipment in connection with construction of two ships, ship improvements and shoreside projects, and \$26.5 million in 2010, which primarily consisted of additions to property and equipment in connection with construction of Norwegian Epic.

Net cash used in financing activities was \$122.2 million in 2011 and \$66.6 million in 2010 primarily due to repayments of our revolving credit facility.

Capitalized interest in 2011 was \$4.9 million associated with the construction of two ships and in 2010 was \$4.6 million due to the construction of Norwegian Epic.

Table of Contents

Future Capital Commitments

Future capital commitments consist of contracted commitments, including ship purchase commitments, and future expected capital expenditures necessary for operations. As of March 31, 2011, anticipated capital expenditures are \$185.6 million, \$244.1 million and \$874.3 million for the years ending December 31, 2011, 2012 and 2013, respectively, of which we have export credit financing in place for the expenditures related to ship purchase commitments in the amounts of \$87.1 million, \$130.6 million and \$684.4 million, respectively, based on the euro/U.S. dollar exchange rate as of March 31, 2011.

The two ships, each at 143,500 Gross Tons and capacity of approximately 4,000 Berths, are scheduled for delivery in the second quarter of 2013 and 2014, respectively. The aggregate contract price of the two ships is approximately €1.2 billion, or \$1.7 billion based on the euro/U.S. dollar exchange rate as of March 31, 2011. In connection with the contracts to build the two ships, we do not anticipate any contractual breaches or cancellation to occur. However, if any would occur, it could result in, among other things, the forfeiture of prior deposits or payments made by us and potential claims and impairment losses which may materially impact our business, financial condition and results of operations.

Contractual Obligations

As of March 31, 2011, our contractual obligations, with initial or remaining terms in excess of one year, including interest payments on long-term debt obligations, were as follows (in thousands):

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt(1)	\$3,072,668	\$ 83,960	\$ 410,738	\$ 677,978	\$1,899,992
Capital leases(2)	9,162	5,070	4,092	—	—
Operating leases(3)	49,348	7,092	12,663	10,877	18,716
Ship purchases(4)	1,668,110	87,072	877,591	703,447	—
Port facilities(5)	151,955	23,408	38,681	42,015	47,851
Interest(6)	930,947	150,795	293,442	263,059	223,651
Other(7)	68,147	39,921	26,588	1,638	—
Total	<u>\$5,950,337</u>	<u>\$397,318</u>	<u>\$1,663,795</u>	<u>\$1,699,014</u>	<u>\$2,190,210</u>

(1) Net of unamortized original issue discount of \$4.5 million.

(2) Primarily for Hawaiian bus operations and equipment for Norwegian Epic.

(3) Primarily for offices, motor vehicles and office equipment.

(4) Contractual obligations for two ships, based on the euro/U.S. dollar exchange rate of 1.4158 as of March 31, 2011. Financing commitments are in place from a syndicate of banks for export credit financing.

(5) Primarily for our usage of a New York City cruise terminal and Islas de la Bahia, Bermuda, New Orleans and Miami port facilities.

(6) Interest includes fixed and variable rates with LIBOR held constant as of March 31, 2011.

(7) Future commitments for service and maintenance contracts and a Charter agreement with an Affiliate.

Other

As a routine part of our business, depending on market conditions, exchange rates, pricing and our strategy for growth, we regularly consider opportunities to enter into contracts for the building of additional ships. We may also consider the sale of ships, potential acquisitions and strategic alliances. If any of these were to occur, they may be financed through the incurrence of additional permitted indebtedness, through cash flows from operations, or through the issuance of debt, equity or equity-related securities.

Funding Sources

Our debt agreements contain covenants that, among other things, require us to maintain a minimum level of liquidity, as well as limit our net funded debt-to-capital ratio, maintain certain other ratios and restrict our ability to pay dividends. Our ships and substantially all other property and equipment are pledged as collateral for our debt. We were in compliance with these covenants as of March 31, 2011.

Table of Contents

The impact of changes in world economies and especially the global credit markets has created a challenging environment and may reduce future consumer demand for cruises and adversely affect our counterparty credit risks. In the event this environment deteriorates, our business, financial condition and results of operations could be adversely impacted.

We believe our cash on hand, expected future operating cash inflows, additional available borrowings under our existing credit facility and our ability to issue debt securities or raise additional equity, including capital contributions, will be sufficient to fund operations, debt payment requirements, capital expenditures and maintain compliance with covenants under our debt agreements over the next twelve-month period. There is no assurance that cash flows from operations and additional financings will be available in the future to fund our future obligations.

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We have evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of March 31, 2011. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed in our reports filed under the Exchange Act, such as this Report on Form 6-K, is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. Our disclosure controls and procedures are also intended to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during the three months ended March 31, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there is only the reasonable assurance that our controls will succeed in achieving their goals under all potential future conditions.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ K EVIN M. S HEEHAN

Name: Kevin M. Sheehan

Title: President and Chief Executive Officer

By: /s/ W ENDY A. B ECK

Name: Wendy A. Beck

Title: Executive Vice President and Chief Financial Officer

Date: May 3, 2011