

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Revenue				
Passenger ticket	\$454,084	\$392,473	\$1,061,799	\$1,005,886
Onboard and other	<u>180,021</u>	<u>158,203</u>	<u>466,723</u>	<u>447,662</u>
Total revenue	<u>634,105</u>	<u>550,676</u>	<u>1,528,522</u>	<u>1,453,548</u>
Cruise operating expense				
Commissions, transportation and other	116,281	113,227	286,783	297,143
Onboard and other	48,001	47,462	118,081	124,173
Payroll and related	69,588	62,351	196,231	191,203
Fuel	54,101	45,038	151,008	113,853
Food	31,778	31,018	83,463	91,422
Other	<u>55,485</u>	<u>45,735</u>	<u>155,226</u>	<u>169,895</u>
Total cruise operating expense	<u>375,234</u>	<u>344,831</u>	<u>990,792</u>	<u>987,689</u>
Other operating expense				
Marketing, general and administrative	74,755	54,202	200,740	179,159
Depreciation and amortization	<u>46,541</u>	<u>38,212</u>	<u>123,294</u>	<u>114,331</u>
Total other operating expense	<u>121,296</u>	<u>92,414</u>	<u>324,034</u>	<u>293,490</u>
Operating income	<u>137,575</u>	<u>113,431</u>	<u>213,696</u>	<u>172,369</u>
Non-operating income (expense)				
Interest income	15	132	80	767
Interest expense, net of capitalized interest ...	(46,213)	(25,813)	(119,099)	(77,860)
Other income (expense)	<u>1,624</u>	<u>(2,125)</u>	<u>(32,748)</u>	<u>10,957</u>
Total non-operating income (expense)	<u>(44,574)</u>	<u>(27,806)</u>	<u>(151,767)</u>	<u>(66,136)</u>
Net income	<u>\$ 93,001</u>	<u>\$ 85,625</u>	<u>\$ 61,929</u>	<u>\$ 106,233</u>

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

	<u>September 30,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 75,262	\$ 50,152
Restricted cash.....	4,313	3,097
Accounts receivable, net	7,254	7,868
Inventories.....	35,176	28,865
Prepaid expenses and other assets.....	<u>28,676</u>	<u>61,580</u>
Total current assets	150,681	151,562
Property and equipment, net.....	4,592,492	3,836,127
Goodwill and tradenames.....	602,792	602,792
Other long-term assets.....	<u>133,234</u>	<u>220,867</u>
	<u>\$5,479,199</u>	<u>\$4,811,348</u>
Liabilities and shareholders' equity		
Current liabilities:		
Current portion of long-term debt.....	\$ 251,826	\$ 3,586
Accounts payable	50,943	28,376
Accrued expenses and other liabilities	234,412	206,419
Due to Affiliate, net.....	966	225
Advance ticket sales	<u>321,132</u>	<u>255,432</u>
Total current liabilities	859,279	494,038
Long-term debt.....	2,796,182	2,554,105
Other long-term liabilities	<u>59,789</u>	<u>58,654</u>
Total liabilities.....	<u>3,715,250</u>	<u>3,106,797</u>
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.....	2,330,189	2,328,302
Accumulated other comprehensive income (loss)	(2,119)	2,299
Retained earnings (deficit)	<u>(564,146)</u>	<u>(626,075)</u>
Total shareholders' equity	<u>1,763,949</u>	<u>1,704,551</u>
	<u>\$5,479,199</u>	<u>\$4,811,348</u>

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

	Nine Months Ended	
	September 30,	
	2010	2009
Cash flows from operating activities		
Net income	\$ 61,929	\$ 106,233
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	138,914	126,258
Loss on translation of debt	-	15,836
Loss (gain) on derivatives	588	(28,637)
Share-based compensation expense	1,887	3,190
Changes in operating assets and liabilities:		
Accounts receivable, net	614	(1,451)
Inventories	(6,311)	(3,402)
Prepaid expenses and other assets	118,557	(52,955)
Accounts payable	22,567	(36,404)
Accrued expenses and other liabilities	26,830	(49,625)
Advance ticket sales	65,700	5,865
Net cash provided by operating activities	431,275	84,908
Cash flows from investing activities		
Additions to property and equipment, net	(879,659)	(135,038)
Restricted cash	4,901	687
Net cash used in investing activities	(874,758)	(134,351)
Cash flows from financing activities		
Repayments of long-term debt	(383,148)	(175,281)
Proceeds from long-term debt	873,086	30,000
Transactions with Affiliate, net	741	71,550
Contribution from Affiliates	-	100,000
Other, primarily deferred financing fees	(22,086)	(18,903)
Net cash provided by financing activities	468,593	7,366
Net increase (decrease) in cash and cash equivalents	25,110	(42,077)
Cash and cash equivalents at beginning of period	50,152	185,717
Cash and cash equivalents at end of period	\$ 75,262	\$ 143,640

NORWEGIAN CRUISE LINE
NON-GAAP RECONCILING INFORMATION
(unaudited)

The following table sets forth selected statistical information:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Passengers Carried	402,619	348,614	1,038,306	1,019,672
Passenger Cruise Days	2,694,665	2,483,300	7,063,425	7,054,434
Capacity Days	2,380,562	2,163,140	6,404,770	6,386,536
Occupancy Percentage	113.2%	114.8%	110.3%	110.5%

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Passenger ticket revenue	\$454,084	\$392,473	\$1,061,799	\$1,005,886
Onboard and other revenue	<u>180,021</u>	<u>158,203</u>	<u>466,723</u>	<u>447,662</u>
Total revenue	634,105	550,676	1,528,522	1,453,548
Less:				
Commissions, transportation and other expense	116,281	113,227	286,783	297,143
Onboard and other expense	<u>48,001</u>	<u>47,462</u>	<u>118,081</u>	<u>124,173</u>
Net Revenue	<u>\$469,823</u>	<u>\$389,987</u>	<u>\$1,123,658</u>	<u>\$1,032,232</u>
Capacity Days	2,380,562	2,163,140	6,404,770	6,386,536
Gross Yield	\$ 266.37	\$ 254.57	\$ 238.65	\$ 227.60
Net Yield	\$ 197.36	\$ 180.29	\$ 175.44	\$ 161.63

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Total cruise operating expense	\$375,234	\$344,831	\$990,792	\$987,689
Marketing, general and administrative expense	<u>74,755</u>	<u>54,202</u>	<u>200,740</u>	<u>179,159</u>
Gross Cruise Cost	449,989	399,033	1,191,532	1,166,848
Less:				
Commissions, transportation and other expense	116,281	113,227	286,783	297,143
Onboard and other expense	<u>48,001</u>	<u>47,462</u>	<u>118,081</u>	<u>124,173</u>
Net Cruise Cost	<u>\$285,707</u>	<u>\$238,344</u>	<u>\$786,668</u>	<u>\$745,532</u>
Capacity Days	2,380,562	2,163,140	6,404,770	6,386,536
Gross Cruise Cost per Capacity Day	\$ 189.03	\$ 184.47	\$ 186.04	\$ 182.70
Net Cruise Cost per Capacity Day	\$ 120.02	\$ 110.18	\$ 122.83	\$ 116.73

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Net Cruise Cost	\$285,707	\$238,344	\$786,668	\$745,532
Less:				
Fuel	<u>54,101</u>	<u>45,038</u>	<u>151,008</u>	<u>113,853</u>
Net Cruise Cost Excluding Fuel	<u>\$231,606</u>	<u>\$193,306</u>	<u>\$635,660</u>	<u>\$631,679</u>
Capacity Days	2,380,562	2,163,140	6,404,770	6,386,536
Net Cruise Cost Excluding Fuel per Capacity Day	\$ 97.29	\$ 89.36	\$ 99.25	\$ 98.91

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Net income	\$ 93,001	\$85,625	\$ 61,929	\$ 106,233
Interest income	(15)	(132)	(80)	(767)
Interest expense, net of capitalized interest	46,213	25,813	119,099	77,860
Other expense (income)	<u>(1,624)</u>	<u>2,125</u>	<u>32,748</u>	<u>(10,957)</u>
Operating income	137,575	113,431	213,696	172,369
Depreciation and amortization expense	<u>46,541</u>	<u>38,212</u>	<u>123,294</u>	<u>114,331</u>
EBITDA	184,116	151,643	336,990	286,700
Legal fees ⁽¹⁾	-	-	-	1,500
Other ⁽²⁾	<u>1,066</u>	<u>196</u>	<u>3,447</u>	<u>2,702</u>
Adjusted EBITDA	<u>\$185,182</u>	<u>\$151,839</u>	<u>\$340,437</u>	<u>\$ 290,902</u>

⁽¹⁾ Legal fees for credit facility amendments.

⁽²⁾ Includes insurance claim recoveries, non-cash compensation and crew pension costs.