

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

	<u>Three Months Ended</u> <u>June 30,</u>		<u>Six Months Ended</u> <u>June 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenue				
Passenger ticket.....	\$328,683	\$330,265	\$607,715	\$613,413
Onboard and other.....	<u>149,232</u>	<u>148,152</u>	<u>286,702</u>	<u>289,459</u>
Total revenue	<u>477,915</u>	<u>478,417</u>	<u>894,417</u>	<u>902,872</u>
Cruise operating expense				
Commissions, transportation and other	75,950	83,239	139,887	150,188
Onboard and other	37,258	41,275	70,080	76,711
Payroll and related.....	80,234	80,317	157,258	162,580
Fuel.....	49,569	36,287	96,907	68,815
Food.....	26,934	30,412	51,685	60,404
Other	<u>51,449</u>	<u>61,078</u>	<u>99,741</u>	<u>124,160</u>
Total cruise operating expense	<u>321,394</u>	<u>332,608</u>	<u>615,558</u>	<u>642,858</u>
Other operating expense				
Marketing, general and administrative	61,786	61,654	125,985	124,957
Depreciation and amortization	<u>38,896</u>	<u>38,135</u>	<u>76,753</u>	<u>76,119</u>
Total other operating expense	<u>100,682</u>	<u>99,789</u>	<u>202,738</u>	<u>201,076</u>
Operating income	<u>55,839</u>	<u>46,020</u>	<u>76,121</u>	<u>58,938</u>
Non-operating income (expense)				
Interest income	37	287	65	635
Interest expense, net of capitalized interest ...	(37,047)	(26,635)	(72,886)	(52,047)
Other income (expense)	<u>(33,769)</u>	<u>(4,253)</u>	<u>(34,372)</u>	<u>13,082</u>
Total non-operating expense	<u>(70,779)</u>	<u>(30,601)</u>	<u>(107,193)</u>	<u>(38,330)</u>
Net income (loss)	<u>\$ (14,940)</u>	<u>\$ 15,419</u>	<u>\$ (31,072)</u>	<u>\$ 20,608</u>

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

	<u>June 30,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 99,441	\$ 50,152
Restricted cash	2,800	3,097
Accounts receivable, net	8,649	7,868
Inventories	34,853	28,865
Prepaid expense and other assets	<u>34,476</u>	<u>61,580</u>
Total current assets	180,219	151,562
Property and equipment, net.....	4,613,368	3,836,127
Goodwill and tradename	602,792	602,792
Other long-term assets	<u>142,042</u>	<u>220,867</u>
	<u>\$5,538,421</u>	<u>\$4,811,348</u>
Liabilities and shareholders' equity		
Current liabilities:		
Current portion of long-term debt.....	\$ 143,583	\$ 3,586
Accounts payable	47,840	28,376
Accrued expense and other liabilities	212,320	206,419
Due to Affiliate, net	748	225
Advance ticket sales.....	<u>385,688</u>	<u>255,432</u>
Total current liabilities	790,179	494,038
Long-term debt	3,024,948	2,554,105
Other long-term liabilities	<u>62,230</u>	<u>58,654</u>
Total liabilities.....	<u>3,877,357</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.....	2,329,559	2,328,302
Accumulated other comprehensive income.....	(11,373)	2,299
Retained earnings (deficit)	<u>(657,147)</u>	<u>(626,075)</u>
Total shareholders' equity.....	<u>1,661,064</u>	<u>1,704,551</u>
	<u>\$5,538,421</u>	<u>\$4,811,348</u>

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

	Six Months Ended	
	June 30,	
	2010	2009
Cash flows from operating activities		
Net income (loss)	\$ (31,072)	\$ 20,608
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	86,238	83,116
Loss on translation of debt	-	1,467
Loss (gain) on derivatives	2,784	(15,192)
Share-based compensation expense	1,260	485
Changes in operating assets and liabilities:		
Accounts receivable, net.....	(781)	(1,380)
Inventories	(5,988)	(3,241)
Prepaid expenses and other assets.....	110,353	(56,988)
Accounts payable	19,464	(27,662)
Accrued expense and other liabilities.....	287	(34,146)
Advance ticket sales	<u>130,256</u>	<u>59,244</u>
Net cash provided by operating activities.....	<u>312,801</u>	<u>26,311</u>
Cash flows from investing activities		
Additions to property and equipment, net	(853,994)	(70,551)
Restricted cash	<u>418</u>	<u>(405)</u>
Net cash used in investing activities.....	<u>(853,576)</u>	<u>(70,956)</u>
Cash flows from financing activities		
Repayments of long-term debt.....	(262,433)	(74,567)
Proceeds from long-term debt	873,273	30,000
Transactions with Affiliate, net	523	71,323
Contributions from Affiliates	-	100,000
Other, primarily deferred financing fees	<u>(21,299)</u>	<u>(14,848)</u>
Net cash provided by financing activities.....	<u>590,064</u>	<u>111,908</u>
Net increase in cash and cash equivalents	49,289	67,263
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>\$ 99,441</u>	<u>\$ 252,980</u>

NORWEGIAN CRUISE LINE
NON-GAAP RECONCILING INFORMATION
(unaudited)

The following table sets forth selected statistical information:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Passengers Carried	330,662	338,097	635,687	671,058
Passenger Cruise Days	2,224,214	2,307,675	4,368,760	4,571,134
Capacity Days	2,035,928	2,105,876	4,024,208	4,223,396
Occupancy Percentage	109.2%	109.6%	108.6%	108.2%

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Passenger ticket revenue	\$328,683	\$330,265	\$607,715	\$613,413
Onboard and other revenue	<u>149,232</u>	<u>148,152</u>	<u>286,702</u>	<u>289,459</u>
Total revenue	477,915	478,417	894,417	902,872
Less:				
Commissions, transportation and other expense	75,950	83,239	139,887	150,188
Onboard and other expense	<u>37,258</u>	<u>41,275</u>	<u>70,080</u>	<u>76,711</u>
Net Revenue	<u>\$364,707</u>	<u>\$353,903</u>	<u>\$684,450</u>	<u>\$675,973</u>
Capacity Days	2,035,928	2,105,876	4,024,208	4,223,396
Gross Yield	\$ 234.74	\$ 227.18	\$ 222.26	\$ 213.78
Net Yield	\$ 179.14	\$ 168.06	\$ 170.08	\$ 160.05

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Total cruise operating expense	\$321,394	\$332,608	\$615,558	\$642,858
Marketing, general and administrative expense	<u>61,786</u>	<u>61,654</u>	<u>125,985</u>	<u>124,957</u>
Gross Cruise Cost	383,180	394,262	741,543	767,815
Less:				
Commissions, transportation and other expense	75,950	83,239	139,887	150,188
Onboard and other expense	<u>37,258</u>	<u>41,275</u>	<u>70,080</u>	<u>76,711</u>
Net Cruise Cost	<u>\$269,972</u>	<u>\$269,748</u>	<u>\$531,576</u>	<u>\$540,916</u>
Capacity Days	2,035,928	2,105,876	4,024,208	4,223,396
Gross Cruise Cost per Capacity Day	\$ 188.21	\$ 187.22	\$ 184.27	\$ 181.80
Net Cruise Cost per Capacity Day	\$ 132.60	\$ 128.09	\$ 132.09	\$ 128.08

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Net Cruise Cost	\$269,972	\$269,748	\$531,576	\$540,916
Less:				
Fuel	<u>49,569</u>	<u>36,287</u>	<u>96,907</u>	<u>68,815</u>
Net Cruise Cost Excluding Fuel	<u>\$220,403</u>	<u>\$233,461</u>	<u>\$434,669</u>	<u>\$472,101</u>
Capacity Days	2,035,928	2,105,876	4,024,208	4,223,396
Net Cruise Cost Excluding Fuel per Capacity Day	\$ 108.26	\$ 110.86	\$ 108.01	\$ 111.78

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Net income (loss)	\$(14,940)	\$15,419	\$ (31,072)	\$ 20,608
Interest income	(37)	(287)	(65)	(635)
Interest expense, net of capitalized interest	37,047	26,635	72,886	52,047
Other expense (income)	<u>33,769</u>	<u>4,253</u>	<u>34,372</u>	<u>(13,082)</u>
Operating income	55,839	46,020	76,121	58,938
Depreciation and amortization expense	<u>38,896</u>	<u>38,135</u>	<u>76,753</u>	<u>76,119</u>
EBITDA	94,735	84,155	152,874	135,057
Legal fees ⁽¹⁾	-	-	-	1,500
Other ⁽²⁾	<u>995</u>	<u>1,251</u>	<u>2,381</u>	<u>2,507</u>
Adjusted EBITDA	<u>\$ 95,730</u>	<u>\$ 85,406</u>	<u>\$155,255</u>	<u>\$ 139,064</u>

⁽¹⁾ Legal fees for credit facility amendments.

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