

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

	Three months ended December 31,		Twelve months ended December 31,	
	2004	2005	2004	2005
<b>Revenues</b>				
Passenger ticket revenues	\$ 231,336	\$ 289,058	\$ 986,394	\$ 1,184,480
Onboard and other revenues	93,133	109,289	351,892	431,674
Total revenues	<u>324,469</u>	<u>398,347</u>	<u>1,338,286</u>	<u>1,616,154</u>
<b>Cruise operating expenses</b>				
Commissions, transportation and other	60,554	84,461	253,583	318,918
Onboard and other	26,355	32,174	118,904	138,369
Payroll and related	66,193	89,979	243,355	320,656
Fuel	22,758	37,859	78,013	119,412
Food	22,187	25,085	81,448	94,105
Ship charter costs	7,556	6,610	22,046	28,603
Other operating	45,613	45,874	184,188	190,442
Total cruise operating expenses	<u>251,216</u>	<u>322,042</u>	<u>981,537</u>	<u>1,210,505</u>
Marketing, general and administrative expenses	50,802	56,772	204,560	228,205
Depreciation and amortization	20,985	30,449	87,397	104,181
Impairment loss	14,500	-	14,500	-
Total operating expenses	<u>337,503</u>	<u>409,263</u>	<u>1,287,994</u>	<u>1,542,891</u>
Operating income	<u>(13,034)</u>	<u>(10,916)</u>	<u>50,292</u>	<u>73,263</u>
<b>Non-operating income (expense)</b>				
Interest income	405	1,031	1,434	4,803
Interest expense, net of capitalized interest	(14,597)	(27,766)	(48,886)	(87,006)
Other (expense) income	(10,508)	8,884	(11,548)	28,096
Total non-operating expense	<u>(24,700)</u>	<u>(17,851)</u>	<u>(59,000)</u>	<u>(54,107)</u>
Net income	<u>\$ (37,734)</u>	<u>\$ (28,767)</u>	<u>\$ (8,708)</u>	<u>\$ 19,156</u>

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

	<b>December 31, 2004</b>	<b>December 31, 2005 (unaudited)</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 172,424	\$ 60,416
Restricted cash	28,520	48,034
Accounts receivable, net	10,806	11,691
Note from Parent	12,325	12,325
Consumable inventories	18,356	29,133
Prepaid expenses and others	20,683	27,203
Deferred drydocking costs	13,497	14,591
Total current assets	276,611	203,393
Property and equipment, net	2,499,790	3,082,165
Deferred drydocking costs	6,943	9,273
Goodwill	392,600	400,254
Tradenames	218,538	218,538
Other assets	90,504	94,468
Total assets	\$ 3,484,986	\$ 4,008,091
<b>Liabilities and Shareholder's Equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 86,198	\$ 140,694
Accounts payable	69,875	73,003
Accrued expenses and other liabilities	113,466	137,634
Amount due to Parent	1,273	3,141
Advance ticket sales	230,601	281,849
Total current liabilities	501,413	636,321
Long-term debt	1,604,331	1,965,983
Other long-term liabilities	5,734	2,631
Total liabilities	2,111,478	2,604,935
Commitments and contingencies	-	-
Shareholder's equity:		
Common stock, \$1.00 par value; 12,000 shares authorized; 12,000 shares issued and outstanding	12	12
Additional paid-in capital	1,491,623	1,501,929
Unamortized stock option expense	(779)	(593)
Accumulated deficit	(117,348)	(98,192)
Total shareholder's equity	1,373,508	1,403,156
Total liabilities and shareholder's equity	\$ 3,484,986	\$ 4,008,091

**NCL CORPORATION LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(dollars in thousands)

	<b>For the years ended December 31,</b>	
	<b>2004</b>	<b>2005</b>
		<b>(unaudited)</b>
<b>Cash flows from operating activities:</b>		
Net (loss) income	\$ (8,708)	\$ 19,156
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	87,397	104,181
Impairment loss	14,500	-
Loss (gain) on translation of debt	9,545	(29,418)
Other	440	3,359
Changes in operating assets and liabilities:		
(Increase) in accounts receivable	(7,559)	(885)
Decrease (increase) in consumable inventories	23	(10,777)
Decrease (increase) in prepaid expenses and other assets	11,323	(4,185)
Increase in deferred drydocking costs	(19,634)	(21,990)
(Decrease) increase in accounts payable	(1,640)	3,128
Increase in accrued expenses and other liabilities	14,210	20,083
Increase in advance ticket sales	42,237	51,248
Net cash provided by operating activities	<u>142,134</u>	<u>133,900</u>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(736,643)	(655,867)
Decrease (increase) in restricted cash	2,204	(19,514)
Cash paid for acquisition of business, net of cash received	(4,647)	-
Net cash used in investing activities	<u>(739,086)</u>	<u>(675,381)</u>
<b>Cash flows from financing activities:</b>		
Principal repayments on long-term debt	(505,029)	(280,440)
Proceeds from debt	1,090,153	715,696
Proceeds from advances from Parent	32,566	1,868
Contribution from Parent	-	461
Payment of debt issuance costs	(47,455)	(8,112)
Net cash provided by financing activities	<u>570,235</u>	<u>429,473</u>
Net (decrease) in cash and cash equivalents	(26,717)	(112,008)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>199,141</u>	<u>172,424</u>
End of year	<u>\$ 172,424</u>	<u>\$ 60,416</u>

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

The following table sets forth selected statistical information for the periods presented:

	<b>Three months ended</b>		<b>Year ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>
Passenger Carried	227,124	250,884	874,926	981,665
Passenger Cruise Days	1,760,244	2,026,754	6,744,609	7,613,100
Capacity Days	1,687,936	1,938,544	6,370,096	7,172,040
Occupancy Percentage	104.3%	104.6%	105.9%	106.1%

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

	<b>Three months ended</b>		<b>Year ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>
Passenger ticket revenues	\$ 231,336	\$ 289,058	\$ 986,394	\$ 1,184,480
Onboard and other revenues	93,133	109,289	351,892	431,674
Total revenues	<u>324,469</u>	<u>398,347</u>	<u>1,338,286</u>	<u>1,616,154</u>
Less:				
Commissions, transportation and other	60,554	84,461	253,583	318,918
Onboard and other	26,355	32,174	118,904	138,369
Net revenues	<u>\$ 237,560</u>	<u>\$ 281,712</u>	<u>\$ 965,799</u>	<u>\$ 1,158,867</u>
Capacity Days	1,687,936	1,938,544	6,370,096	7,172,040
Gross Yields	\$ 192.23	\$ 205.49	\$ 210.09	\$ 225.34
Net Yields	\$ 140.74	\$ 145.32	\$ 151.61	\$ 161.58

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

	<b>Three months ended</b>		<b>Year ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>
Total cruise operating expenses	\$ 251,216	\$ 322,042	\$ 981,537	\$ 1,210,505
Marketing, general and administrative expenses	50,802	56,772	204,560	228,205
Gross Cruise Costs	<u>302,018</u>	<u>378,814</u>	<u>1,186,097</u>	<u>1,438,710</u>
Less:				
Commissions, transportation and other	60,554	84,461	253,583	318,918
Onboard and other	26,355	32,174	118,904	138,369
Net Cruise Costs	<u>\$ 215,109</u>	<u>\$ 262,179</u>	<u>\$ 813,610</u>	<u>\$ 981,423</u>
Capacity Days	1,687,936	1,938,544	6,370,096	7,172,040
Gross Cruise Costs per Capacity Day	\$ 178.93	\$ 195.41	\$ 186.20	\$ 200.60
Net Cruise Costs per Capacity Day	\$ 127.44	\$ 135.25	\$ 127.72	\$ 136.84