

**NCL CORPORATION LTD.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**  
**(in thousands)**

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2005</b>	<b>2006</b>
<b>Revenues</b>		
Passenger ticket revenues	\$ 254,320	\$ 304,712
Onboard and other revenues	94,711	117,824
Total revenues	<u>349,031</u>	<u>422,536</u>
<b>Cruise operating expenses</b>		
Commissions, transportation and other	66,995	86,999
Onboard and other	28,137	37,556
Payroll and related	65,152	89,291
Fuel	22,523	37,773
Food	21,326	22,368
Ship charter costs	7,439	6,467
Other operating	41,237	46,718
Total cruise operating expenses	<u>252,809</u>	<u>327,172</u>
Marketing, general and administrative expenses	55,622	58,991
Depreciation and amortization	22,648	32,798
Total operating expenses	<u>331,079</u>	<u>418,961</u>
Operating income	<u>17,952</u>	<u>3,575</u>
<b>Non-operating (income) expense</b>		
Interest income	(728)	(863)
Interest expense, net of capitalized interest	17,032	28,842
Other (income) expense, net	(4,338)	3,707
Total non-operating expense	<u>11,966</u>	<u>31,686</u>
Net income (loss)	<u>\$ 5,986</u>	<u>\$ (28,111)</u>

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

	<u>December 31,</u> <u>2005</u>	<u>March 31,</u> <u>2006</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 60,416	\$ 76,149
Restricted cash	48,034	58,486
Accounts receivable, net	11,691	12,440
Note from Parent	12,325	-
Amount due from Parent	-	1,801
Consumable inventories	29,133	26,264
Prepaid expenses and others	27,203	33,390
Deferred drydocking costs	14,591	15,670
Total current assets	<u>203,393</u>	<u>224,200</u>
Property and equipment, net	3,096,456	3,133,827
Deferred drydocking costs	9,273	7,830
Goodwill	400,254	400,254
Tradenames	218,538	218,538
Other assets	80,177	78,340
Total assets	<u>\$ 4,008,091</u>	<u>\$ 4,062,989</u>
<b>Liabilities and Shareholder's Equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 140,694	\$ 141,382
Accounts payable	73,003	51,257
Accrued expenses and other liabilities	137,634	149,347
Amount due to Parent	3,141	-
Advance ticket sales	281,849	338,767
Total current liabilities	<u>636,321</u>	<u>680,753</u>
Long-term debt	1,965,983	2,003,636
Other long-term liabilities	2,631	2,474
Total liabilities	<u>2,604,935</u>	<u>2,686,863</u>
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	1,501,929	1,502,022
Unamortized stock option expense	(593)	-
Accumulated other comprehensive income	-	395
Accumulated deficit	(98,192)	(126,303)
Total shareholder's equity	<u>1,403,156</u>	<u>1,376,126</u>
Total liabilities and shareholder's equity	<u>\$ 4,008,091</u>	<u>\$ 4,062,989</u>

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

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2005</b>	<b>2006</b>
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ 5,986	\$ (28,111)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	22,648	32,798
(Gain) loss on translation of debt	(4,745)	4,664
Other	38	191
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	901	(749)
(Increase) decrease in consumable inventories	(572)	2,869
Increase in prepaid expenses and other assets	(4,065)	(2,877)
Increase in deferred drydocking costs	(3,817)	(5,555)
Decrease in accounts payable	(8,523)	(21,746)
Increase in accrued expenses and other liabilities	12,792	11,556
Increase in advance ticket sales	46,794	56,918
Net cash provided by operating activities	<u>67,437</u>	<u>49,958</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(181,374)	(59,737)
Increase in restricted cash	(8,174)	(10,452)
Net cash used in investing activities	<u>(189,548)</u>	<u>(70,189)</u>
<b>Cash flows from financing activities</b>		
Principal repayments on long-term debt	(26,583)	(50,841)
Proceeds from debt	150,642	80,005
(Repayment of advances) proceeds from Parent	(622)	7,074
Contribution from Parent	461	-
Payment of loan arrangement fees	(698)	(274)
Net cash provided by financing activities	<u>123,200</u>	<u>35,964</u>
Net increase in cash and cash equivalents	1,089	15,733
Cash and cash equivalents at the beginning of period	<u>172,424</u>	<u>60,416</u>
Cash and cash equivalents at the end of period	<u>\$ 173,513</u>	<u>\$ 76,149</u>
<b>Non-cash investing activity</b>		
Capital lease obligations	\$ 7,232	\$ 4,513

**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>March 31,</b>	
	<b>2005</b>	<b>2006</b>
Passengers Carried	217,202	239,502
Passenger Cruise Days	1,715,936	2,001,570
Capacity Days	1,643,584	1,894,548
Occupancy Percentage	104.4%	105.6%

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

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2005</b>	<b>2006</b>
Passenger ticket revenues	\$ 254,320	\$ 304,712
Onboard and other revenues	94,711	117,824
Total revenues	<u>349,031</u>	<u>422,536</u>
Less:		
Commissions, transportation and other	66,995	86,999
Onboard and other	28,137	37,556
Net revenues	<u>\$ 253,899</u>	<u>\$ 297,981</u>
Capacity Days	1,643,584	1,894,548
Gross Yields	\$ 212.36	\$ 223.03
Net Yields	\$ 154.48	\$ 157.28

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

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2005</b>	<b>2006</b>
Total cruise operating expenses	\$ 252,809	\$ 327,172
Marketing, general and administrative expenses	55,622	58,991
Gross Cruise Costs	<u>308,431</u>	<u>386,163</u>
Less:		
Commissions, transportation and other	66,995	86,999
Onboard and other	28,137	37,556
Net Cruise Costs	<u>\$ 213,299</u>	<u>\$ 261,608</u>
Capacity Days	1,643,584	1,894,548
Gross Cruise Costs per Capacity Day	\$ 187.66	\$ 203.83
Net Cruise Costs per Capacity Day	\$ 129.78	\$ 138.08