Prologue
It's Christmas Eve in Paris in the early 1920s. Mr. Christian Elias Drosselmeyer, a famous French entertainer and Marie Stahlbaum's godfather, is heading to the Stahlbaum's home for their annual Christmas party. Godfather Drosselmeyer is accompanied by two of his performers, one of whom is his handsome nephew, Charles. The performers plan to charm the guests at the Christmas Party with a presentation of their new play.

Act One, Scene One
The final preparations are taking place in the Stahlbaum's home for the Christmas party. The head maid and the butler are hard at work. The guests arrive and are welcomed by Mr. and Mrs. Stahlbaum. The children are filled with anticipation as boxes of Christmas presents are stacked under the big Christmas tree. But, before they can open their presents, Mr. Stahlbaum presents his wife with a beautiful necklace. The butler, who is in love with the head maid, also gives a rose to his beloved. As the children open their presents, they are thrilled at what they find: beautiful dolls representing different countries of the world. Fritz, who has been mischievous, receives a mouse doll.

Godfather Drosselmeyer arrives at the party, cheered by the guests. His yearly performance is clearly the highlight of the evening. As the children gather around, Charles and his partner perform their new play: The Nutcracker and The Mouse King. The plot unfolds to reveal that the evil Mouse King has transformed a handsome young man into a wooden Nutcracker doll. The spell will only be broken if he defeats the Mouse King in battle and if a young girl promises to love him. If the spell is broken, the Nutcracker will become human again and regain his rightful status as a prince.

Drosselmeyer notices that Marie is clearly fascinated by this story and he decides to give her the Nutcracker doll, the most sought after gift of the celebration. Marie dances around the ballroom with the doll, imagining herself as the young girl in the story who will save the Nutcracker. As the clock strikes midnight, her Nutcracker doll is suddenly transformed into a life-sized soldier who chases off the mice to protect Marie.

Act One, Scene Three
As the Christmas tree in the foyer begins to grow, the Nutcracker's army enters the stage ready to protect Marie. The Mouse King suddenly appears from under the staircase with his army in tow and a battle ensues between the two brigades. The Nutcracker is almost defeated. Desperate to save her hero, Marie takes off her left shoe and hits the Mouse King with it. That action, showing the power of her love, defeats the forces of the Mouse King, and he vanishes with his army.

Act One, Scene Four
Because of Marie's love for the Nutcracker doll, the spell has been broken and he becomes a handsome prince again. Drosselmeyer reappears in her dream and Marie runs to him for comfort. As she looks at herself in the mirror, she discovers that she has grown up to be a beautiful young woman. The Nutcracker soldier removes his mask revealing his handsome looks. A closer look reveals that he is actually Drosselmeyer's nephew, Charles, the actor from the party.

Act One, Scene Five
Marie and Charles dance together, surrounded by snowflakes. As the dance ends, a beautiful Rolls Royce arrives and whisks them away to Charles' castle.

** INTERMISSION **

Act Two, Scene One
Charles and Marie arrive at Charles' castle.

Act Two, Scene Two
Charles and Marie enter the ballroom of the palace and are welcomed by Drosselmeyer. His play has clearly influenced Marie's dream. The dolls she and her friends received during the Christmas party are now life size dancers ready to perform dances from their native country as a tribute to the couple's future together. The bridesmaids and their cavaliers join Marie and Charles in an enchanting waltz. In a formal declaration of their love for each other, Charles and Marie dance a moving duet.

Act Two, Scene Three
The dream is coming to an end. Back at the Stahlbaum home, Marie's parents wake her up to take her to bed. As she begins to enthusiastically recount her dream, Charles walks across the room, having returned to pick up a scarf that he accidentally left at the party. They pass each other exchanging a glance. He stops and looks back, sharing a thought with her: Was it all a dream?