

May 18, 2006

NCL Corporation Reports First Quarter Results for 2006

MIAMI - May 18, 2006 - NCL Corporation Ltd. ("NCL" or the "Company") reported a net loss of \$28.1 million on total revenues of \$422.5 million for its first quarter ended March 31, 2006. This compares to net income of \$6.0 million on total revenues of \$349.0 million for the first quarter ended March 31, 2005. The net loss for the first quarter ended March 31, 2006 included a foreign exchange translation loss of \$5.1 million, as compared to a gain of \$4.3 million for same period of the prior year.

Driven primarily by a 15.3% increase in Capacity Days and a 1.8% increase in Net Yields, total revenues for the first quarter of 2006 increased 21.1% compared to the first quarter of 2005. Net Yields improved in the first quarter of 2006 from the same quarter in 2005 primarily as a result of an increase in onboard spending and higher passenger ticket revenues. Gross Yields increased 5.0% from the first quarter of 2005.

Net Cruise Costs per Capacity Day for the first quarter of 2006 increased 6.4% compared to the first quarter of 2005. The increase in these costs was primarily due to increased payroll and related expenses and higher fuel costs, partially offset by lower SG&A and other operating expenses, on a capacity adjusted basis. Gross Cruise Costs per Capacity Day increased 8.6%.

The growth in payroll and related expenses was primarily attributable to increased payroll costs associated with U.S. crew used in the Company's inter-island cruises in Hawaii, which began operations in June 2004 and expanded to three ships with the delivery of Pride of Hawai'i in April 2006. Cost associated with the crewing of this ship began well ahead of her first revenue cruise which is scheduled at the end May 2006 and were well underway during the first quarter of 2006. The increase in fuel costs was driven by a 52% increase in fuel prices. During the quarter, average fuel prices increased to \$337 per metric ton from \$222 per metric ton in the first quarter of 2005.

"Consistent with our expectations, the first quarter continued to feel the effects of higher fuel costs and the impact of significant start-up costs associated with our NCL America operations," said Colin Veitch, president and chief executive officer of NCL Corporation Ltd. "While the NCL America start-up costs continue to be challenging, we expect to see some stabilization of these costs after Pride of Hawai'i begins revenue service and our three-ship deployment is complete. The first quarter also felt the effects of softer pricing in the winter/spring Caribbean, both from southern ports and New York, as previously indicated in our fourth quarter conference call."

Outlook

Booking levels, adjusted for the 17% increase in capacity, are slightly lower than at the same time last year; however, pricing continues to be ahead. The demand environment is not as robust as last year, suggesting that consumers generally may be feeling some impact of higher fuel prices and increased interest rates. However, with the addition of 17% capacity, the Company has a better year-over-year mix of higher yielding itineraries such as Hawaii and Europe. Therefore, the Company continues to expect Net Yields to increase approximately 5% for the full year of 2006.

The Company has scheduled a conference call at 10 a.m. Eastern Daylight Time today to discuss its earnings. This call can be listened to live or on a delayed basis on the Company's web site at Earnings Call.

Terminology and Non-GAAP Financial Measures

Capacity Days

Capacity Days represent double occupancy per cabin multiplied by the number of cruise days for the period.

Gross Cruise Costs

Gross Cruise Costs represent the sum of total cruise operating expenses and marketing, general and administrative expenses.

Gross Yields

Gross Yields represent total revenues per Capacity Day.

Net Yields

Net Yields represent total revenues less commissions, transportation and other expenses, and onboard and other expenses

per Capacity Day. The Company utilizes Net Yields to manage its business on a day-to-day basis and believe that it is the most relevant measure of its pricing performance and is commonly used in the cruise industry to measure pricing performance. The Company has not provided a quantitative reconciliation of projected Gross Yields to projected Net Yields due to the significant uncertainty in projecting the costs deducted to arrive at this measure. Accordingly, the Company does not believe that reconciling information for such projected figures would be meaningful.

Net Cruise Costs

Net Cruise Costs represent Gross Cruise Costs excluding commissions, transportation and other expenses and onboard and other expenses. In measuring the Company's ability to control costs in a manner that positively impacts net income, the Company believes changes in Net Cruise Costs to be the most relevant indicator of its performance and is commonly used in the cruise industry as a measurement of costs.

Passenger Cruise Days

Passenger Cruise Days represent the number of passengers carried for the period multiplied by the number of days in their respective cruises.

Occupancy Percentage

Occupancy Percentage, in accordance with cruise industry practice, represents the ratio of Passenger Cruise Days to Capacity Days. A percentage in excess of 100 indicates that three or more passengers occupied some cabins.

NCL is an innovative cruise company headquartered in Miami, Florida, with a fleet of 15 ships in service and under construction. The corporation oversees the operations of Norwegian Cruise Line, NCL America, and Orient Lines. The Company is currently building two ships, Norwegian Pearl for delivery in the fourth quarter of 2006 and Norwegian Gem for delivery in the fourth quarter of 2007.

For further information, please contact NCL in the U.S. and Canada at 800.327.7030; visit NCL's website at www.ncl.com or on AOL at keyword: NCL; or to download high-resolution photography, visit www.ncl.com/hires.

This earnings release may contain statements, estimates or projections that constitute "forward-looking statements" as defined under U.S. federal securities laws. Generally, the words "will," "may," "believes," "expects," "intends," "anticipates," "projects," "plans," "seeks," and similar expressions are intended to identify forward-looking statements, which are not historical in nature. Forward-looking statements involve risks and uncertainties that could cause actual results, performance or achievements to differ significantly from NCL's historical results or those implied in forward-looking statements. These risks include, but are not limited to, changes in cruise capacity, as well as capacity changes in the overall vacation industry; introduction of competing itineraries and other products by other companies; changes in general economic, business and geo-political conditions; reduced consumer demand for cruises as a result of any number of reasons, including armed conflict, terrorist attacks, geo-political and economic uncertainties or the unavailability of air service, and the resulting concerns over the safety and security aspects of traveling; lack of acceptance of new itineraries, products or services by our targeted customers; the Company's ability to implement brand strategies and our shipbuilding programs, and to continue to expand our business worldwide; changes in interest rates, fuel costs or foreign currency rates; delivery schedules of new ships; risks associated with operating internationally; the impact of spread of contagious diseases; accidents and other incidents affecting the health, safety, security and vacation satisfaction of passengers and causing damage to ships, which could cause the modification of itineraries or cancellation of a cruise or series of cruises; the Company's ability to attract and retain qualified shipboard crew and maintain good relations with employee unions; changes in other operating costs such as crew, insurance and security costs; continued availability of attractive port destinations; the impact of pending or threatened litigation; the ability to obtain financing on terms that are favorable or consistent with our expectations; changes involving the tax, environmental, health, safety, security and other regulatory regimes in which we operate; emergency ship repairs; the implementation of regulations in the United States requiring United States citizens to obtain passports for travel to additional foreign destinations; weather and natural disasters; and other risks discussed in NCL's filings with the Securities and Exchange Commission. You should not place undue reliance on forward-looking statements as a prediction of actual results. NCL expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based. In addition, certain financial measures in this earnings release constitute non-GAAP financial measures as defined by Regulation G. A reconciliation of these items can be found on the Company's web site at For Investors.

[Click here](#) to view NCL Corporation LTD. Consolidated Statements of Operations, Balance Sheets, Cash Flows, and Non-GAAP Reconciling Information.