

February 28, 2006

February 28, 2006 - NCL Corporation Reports Fourth Quarter and Full Year Results for 2005

MIAMI - February 28, 2006 - NCL Corporation Ltd. ("NCL" or the "Company") reported net income of \$19.2 million on total revenues of \$1.6 billion for its year ended December 31, 2005, as compared to a net loss of \$8.7 million on total revenues of \$1.3 billion for the year ended December 31, 2004. The Company reported a net loss of \$28.8 million for the fourth quarter of 2005 on total revenues of \$398.3 million, compared to a net loss of \$37.7 million on total revenues of \$324.5 million for the same period in 2004.

Quarter Results

Driven primarily by a 14.8% increase in Capacity Days and a 3.3% increase in Net Yields, total revenues for the fourth quarter of 2005 increased 22.8% compared to the fourth quarter of 2004. Net Yields improved in the fourth quarter of 2005 from the same quarter in 2004 primarily as a result of higher cruise ticket prices. Gross Yields increased 6.9% from the fourth quarter of 2004.

Net Cruise Costs per Capacity Day for the fourth quarter of 2005 increased 6.1% compared to the fourth quarter of 2004. The increase in these costs was primarily due to increased payroll and related expenses and higher fuel costs, partially offset by lower other operating expenses, SG&A and ship charter expenses, on a capacity adjusted basis. Gross Cruise Costs per Capacity Day increased 9.2%.

The growth in payroll and related expenses is 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 two ships with the introduction of the *Pride of America* at the end of the second quarter of 2005. During the quarter, average fuel prices increased 50% to \$327 per metric ton from \$218 per metric ton in 2004. Also during the quarter, the Company began managing its fuel costs through entering into fuel swap agreements and as of December 31, 2005 had hedged 25% and 5% of 2006's estimated fuel consumption for its first and second quarters, respectively.

Full Year Results

Total revenues for the year ended December 31, 2005 increased by 20.8% compared to the year ended December 31, 2004. This increase was primarily attributable to a 12.6% increase in Capacity Days and a 6.6% increase in Net Yields. The strong growth in Net Yields for the year ended December 31, 2005 was due to higher cruise ticket prices and an increase in onboard spending. Gross Yields increased 7.3% compared to the year ended December 31, 2004.

Net Cruise Costs per Capacity Day for the year ended December 31, 2005 increased 7.1% compared to the prior year. Consistent with the fourth quarter results, the increase in these costs was primarily due to increases in both payroll and related expenses and fuel costs. Average fuel prices for 2005 increased 40% to \$282 per metric ton from \$202 per metric ton for 2004. The increase in payroll and related expenses and fuel costs accounted for 5.1 and 3.4 percentage points, respectively, of the increase in Net Cruise Costs. These increases were partially offset by other operating efficiencies. Gross Cruise Costs per Capacity Day increased 7.7%.

Earnings for the year ended December 31, 2005 include a foreign exchange translation gain of \$29.4 million compared to a loss of \$9.5 million for the year ended December 31, 2004, associated with the Company's Euro-denominated debt. In December 2005, the Company converted the outstanding balance of the export-credit loan associated with the *Pride of America* from Euro to U.S. dollars at an exchange rate of 1.169625 and simultaneously fixed the interest rate on the loan at a rate of 5.715%.

"We continue to be pleased with the improvement in our Operating Income per Capacity Day" said Colin Veitch, president and chief executive officer of NCL Corporation Ltd. "This metric continues to show improvement despite the effect of higher fuel costs and the significant start-up costs associated with the expansion of our Hawaii trade."

Outlook

After a surge during the fourth quarter, demand for 2006 has stabilized. As a result, the Company, like its competitors, is not seeing as robust a "wave season" as it did in the prior year. Based upon the current demand environment, the Company expects Net Yields for the full year of 2006 to be up roughly 5% but flat for the first quarter of 2006 due to the timing of its fleet expansion in the premium-priced Hawaii trade.

The Company is looking forward to the delivery of the Pride of Hawaii, the newest addition to the NCL America fleet, in April of 2006. Upon its arrival, NCL America will have three modern cruise ships designed specifically for Freestyle Cruising that are unique in offering a 7-day inter-island cruise experience in Hawaii. The Company has two additional ships on order, the Norwegian Pearl and the Norwegian Gem, which are scheduled for delivery in the fourth quarters of 2006 and 2007, respectively.

The Company has scheduled a conference call at 10 a.m. eastern standard 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 represents 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.

Net Cruise Costs

Net Cruise Costs represent Gross Cruise Costs excluding commission, 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.

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

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; our ability to implement brand strategies and our shipbuilding programs, and to continue to expand our business worldwide; changes in interest rates, oil prices 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; our 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 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.