

Norwegian Cruise Line Holdings Ltd.
Form 424B4
December 04, 2013
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Filed Pursuant to Rule 424(b)(4)
Registration No. 333-192417

PROSPECTUS

22,000,000 Ordinary Shares

NORWEGIAN CRUISE LINE HOLDINGS LTD.

This is a public offering of 22,000,000 ordinary shares of Norwegian Cruise Line Holdings Ltd. The Selling Shareholders identified in this prospectus, which include the beneficial owners of a majority of our ordinary shares, are offering all 22,000,000 of the ordinary shares offered hereby, and we will not receive any of the proceeds from this offering. We will bear all of the offering expenses other than underwriting discounts and commissions. The Selling Shareholders identified in this prospectus will pay underwriting discounts and commissions for the sale of these ordinary shares.

Our ordinary shares are listed on the NASDAQ Global Select Market under the symbol NCLH. The last reported sale price of our ordinary shares on December 3, 2013 was \$33.55 per share.

The underwriters have an option for a period of 30 days to purchase an aggregate of up to 3,300,000 additional ordinary shares from the Selling Shareholders at the initial price to the public less the underwriting discounts and commissions. We will not receive any proceeds from the sale of any additional ordinary shares.

Investing in our ordinary shares involves a high degree of risk. See Risk Factors beginning on page 20 to read about certain factors you should consider before buying our ordinary shares.

	Per Share	Total
Public offering price	\$ 33.25	\$ 731,500,000
Underwriting discounts and commissions ⁽¹⁾	\$ 1.0806	\$ 23,773,200
Proceeds, before expenses, to the Selling Shareholders	\$ 32.1694	\$ 707,726,800

(1) See Underwriting for a description of compensation payable to the underwriters. The underwriters expect to deliver the ordinary shares on or about December 9, 2013.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Ordinary shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 1998, which regulates the sale of securities in Bermuda. Further, the Bermuda Monetary Authority (the BMA) must approve all issues and transfers of shares of a Bermuda exempted company under the Exchange Control Act of 1972 and regulations thereunder (together, the ECA). The BMA has given a general permission which will permit the issue of the ordinary shares and the free transferability of such shares under the ECA so long as voting securities of the Company are admitted to trading on the NASDAQ Global Select Market or any other appointed stock exchange.

UBS Investment Bank

Barclays

Citigroup

Deutsche Bank Securities

Goldman, Sachs & Co.

J.P. Morgan

Credit Agricole CIB

DNB Markets

HSBC

Nomura

SunTrust Robinson Humphrey

The date of this prospectus is December 3, 2013.

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You should rely only on the information contained in this prospectus. We, the Selling Shareholders and the underwriters have not authorized anyone to provide you with information that is different from or additional to, that contained in this prospectus. This prospectus may only be used where it is legal to sell our ordinary shares. The information in this prospectus may only be accurate on the date of this prospectus.

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TERMS USED IN THIS PROSPECTUS

Unless otherwise indicated or the context otherwise requires, references in this prospectus to (i) the Company, we, our, us and NCLH refer to Norwegian Cruise Line Holdings Ltd. and/or its subsidiaries, (ii) NCLC refers to NCL Corporation Ltd. and/or its subsidiaries (iii) Norwegian Cruise Line or Norwegian refers to the Norwegian Cruise Line brand and its predecessors and NCL America or NCLA refers to our U.S.-flagged operations, (iv) Apollo refers to Apollo Global Management, LLC and its subsidiaries and the Apollo Funds refers to one or more of AIF VI NCL (AIV), L.P., AIF VI NCL (AIV II), L.P., AIF VI NCL (AIV III), L.P., AIF VI NCL (AIV IV), L.P., AAA Guarantor Co-Invest VI (B), L.P., Apollo Overseas Partners (Delaware) VI, L.P., Apollo Overseas Partners (Delaware 892) VI, L.P., Apollo Overseas Partners VI, L.P. and Apollo Overseas Partners (Germany) VI, L.P., (v) TPG Global refers to TPG Global, LLC, TPG refers to TPG Global and its affiliates and the TPG Viking Funds refers to one or more of TPG Viking, L.P., TPG Viking AIV I, L.P., TPG Viking AIV II, L.P., and TPG Viking AIV III, L.P. and/or certain other affiliated investment funds, each an affiliate of TPG, (vi) Genting HK refers to Genting Hong Kong Limited and/or its affiliates (formerly Star Cruises Limited and/or its affiliates), and (vii) Affiliate(s) or Sponsor(s) refers to Genting HK, the Apollo Funds and/or the TPG Viking Funds. References to the U.S. are to the United States of America, dollars or \$ are to U.S. dollars and euros or are to the official currency of the Eurozone. For a reconciliation of our non-GAAP financial measures we refer you to Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations and Prospectus Summary Summary Consolidated Financial Data. Unless otherwise indicated in this prospectus, the following terms have the meanings set forth below (all principal amounts refer to the original principal amount incurred or issued, as applicable):

\$1.3 billion Senior Secured Credit Facility. \$1.3 billion credit agreement, dated May 24, 2013, by and among NCL Corporation Ltd., as borrower, Deutsche Bank Trust Company Americas, as administrative agent and as collateral agent, and various lenders, and related guarantee by Norwegian Dawn Limited, Norwegian Gem, Ltd., Norwegian Pearl, Ltd., Norwegian Spirit, Ltd., Norwegian Star Limited and Norwegian Sun Limited, providing for a \$675 million term loan facility and a \$625 million revolving credit facility.

\$300 million Senior Notes. \$300.0 million aggregate amount of 5.00% senior unsecured notes due 2018 issued by NCL Corporation Ltd. on February 6, 2013.

\$334.1 million Norwegian Jewel loan. \$334.1 million secured loan agreement, dated as of April 20, 2004, as amended and restated on June 21, 2013, by and among Norwegian Jewel Limited, as borrower, and a syndicate of international banks, and related guarantee by NCL Corporation Ltd.

Adjusted EBITDA. EBITDA adjusted for other income (expense) and other supplemental adjustments.

Adjusted EBITDA Margin. Adjusted EBITDA as a percentage of total revenue.

Adjusted EPS. Diluted earnings (loss) per share adjusted for supplemental adjustments.

Adjusted Net Cruise Cost Excluding Fuel. Net Cruise Cost less fuel expense adjusted for supplemental adjustments.

Adjusted Net Income. Net income adjusted for supplemental adjustments.

Berths. Double occupancy capacity per cabin (single occupancy per studio cabin) even though many cabins can accommodate three or more passengers.

Breakaway Class Ships. Norwegian Breakaway delivered in April 2013 and Norwegian Getaway scheduled for delivery in January 2014.

Breakaway Export Credit Facility. 529.8 million credit agreement, dated November 18, 2010, as amended, by and among Breakaway One, Ltd., as borrower, and a syndicate of international banks and a related guarantee by NCL Corporation Ltd.

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Breakaway/Getaway Credit Facilities. Our Breakaway Export Credit Facility, Getaway Export Credit Facility and Breakaway/Getaway Term Loan Facilities.

Breakaway/Getaway Term Loan Facilities. 126.1 million Pride of Hawaii i Credit Agreement, dated November 18, 2010, as amended and restated on June 21, 2013, by and among Pride of Hawaii LLC and a syndicate of international banks and a related guarantee by NCL Corporation Ltd. and 126.1 million Norwegian Jewel Credit Agreement, dated November 18, 2010, as amended and restated on June 21, 2013, by and among Norwegian Jewel Limited and a syndicate of international banks and a related guarantee by NCL Corporation Ltd.

Breakaway Plus Class Ships. Norwegian Escape and Norwegian Bliss on order with Meyer Werft for delivery in the fourth quarter of 2015 and the first quarter of 2017, respectively, which will be approximately 163,000 Gross Tons and 4,200 Berths each and will be similar in design and innovation to our Breakaway Class Ships.

Breakaway Plus Newbuild Export Credit Facilities. 590.5 million credit agreement, dated October 12, 2012, by and among Breakaway Three, Ltd. and KfW IPEX-Bank GmbH and a related guarantee by NCL Corporation Ltd. and 590.5 million credit agreement, dated October 12, 2012, by and among Breakaway Four, Ltd. and KfW IPEX-Bank GmbH and a related guarantee by NCL Corporation Ltd.

Business Enhancement Capital Expenditures. Capital expenditures other than those related to new ship construction.

Capacity Days. Available Berths multiplied by the number of cruise days for the period.

Charter. The hire of a ship for a specified period of time.

CLIA. Cruise Lines International Association, a non-profit marketing and training organization formed in 1975 to promote cruising.

Constant Currency. A calculation whereby foreign currency-denominated revenue and expenses in a period are converted at the U.S. dollar exchange rate of a comparable period in order to eliminate the effects of the foreign exchange fluctuations.

Dry-dock. A process whereby a ship is positioned in a large basin where all the fresh/sea water is pumped out in order to carry out cleaning and repairs of those parts of a ship which are below the water line.

EBITDA. Earnings before interest, taxes and depreciation and amortization.

258.0 million Pride of America loan. Euro 258.0 million secured loan agreement, dated as of April 4, 2003, as amended and restated on June 21, 2013, by and among Pride of America Ship Holding, LLC, as borrower, and a syndicate of international banks, and related guarantee by NCL Corporation Ltd.

308.1 million Pride of Hawaii i loan. Euro 308.1 million Pride of Hawaii i loan, dated as of April 20, 2004, as amended and restated on June 21, 2013, by and among Pride of Hawaii, LLC, as borrower, and a syndicate of international banks, and related guarantee by NCL Corporation Ltd.

662.9 million Norwegian Epic loan. Euro 662.9 million syndicated loan facility, dated September 22, 2006, as amended and restated on June 1, 2012, by and among Norwegian Epic, Ltd., as borrower, and a syndicate of international banks, and related guarantee by NCL Corporation Ltd.

Existing Senior Secured Credit Facilities. Our \$1.3 billion Senior Secured Credit Facility, our Breakaway Plus Newbuild Export Credit Facilities, our Breakaway/Getaway Credit Facilities, our 308.1 million Pride of Hawaii i loan, our \$334.1 million Norwegian Jewel loan, our 258.0 million Pride of America loan and our 662.9 million Norwegian Epic loan.

GAAP. Generally accepted accounting principles in the U.S.

Getaway Export Credit Facility. 529.8 million Breakaway Two Credit Agreement, dated as of November 18, 2010, as amended, by and among Breakaway Two, Ltd., as borrower, and a syndicate of international banks and a related guarantee by NCL Corporation Ltd.

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Gross Cruise Cost. The sum of total cruise operating expense and marketing, general and administrative expense.

Gross Tons. A unit of enclosed passenger space on a cruise ship, such that one gross ton = 100 cubic feet or 2.831 cubic meters.

Gross Yield. Total revenue per Capacity Day.

IMO. International Maritime Organization, a United Nations agency that sets international standards for shipping.

IPO. The initial public offering of 27,058,824 ordinary shares, par value \$.001 per share, of NCLH, which was consummated on January 24, 2013.

Jewel Class Ships. Norwegian Gem, Norwegian Jade, Norwegian Jewel and Norwegian Pearl.

Major North American Cruise Brands. Norwegian Cruise Line, Carnival Cruise Lines, Royal Caribbean International, Holland America, Princess Cruises and Celebrity Cruises.

Management NCL Corporation Units. NCLC's previously outstanding profits interests issued to management (or former management) of NCLC which have been converted into units in NCLC in connection with the Corporate Reorganization.

Net Cruise Cost. Gross Cruise Cost less commissions, transportation and other expense and onboard and other expense.

Net Cruise Cost Excluding Fuel. Net Cruise Cost less fuel expense.

Net Revenue. Total revenue less commissions, transportation and other expense and onboard and other expense.

Net Yield. Net Revenue per Capacity Day.

Norwegian Sky Agreement. Memorandum of agreement, dated June 1, 2012, between Ample Avenue Limited, as seller, and Norwegian Sky, Ltd., as buyer, related to our purchase of Norwegian Sky.

Occupancy Percentage or Load Factor. The ratio of Passenger Cruise Days to Capacity Days. A percentage in excess of 100% indicates that three or more passengers occupied some cabins.

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

ROI Capital Expenditures. Comprised of project-based capital expenditures which have a quantified return on investment.

SEC. U.S. Securities and Exchange Commission.

Selling Shareholders. The Apollo Funds, the TPG Viking Funds and Star NCLC Holdings Ltd. (Star NCLC). Genting HK owns NCLH s ordinary shares indirectly through Star NCLC, its wholly owned subsidiary. See Principal and Selling Shareholders.

Ship Contribution. Total revenue less total cruise operating expense.

Shipboard Retirement Plan. An unfunded defined benefit pension plan for certain crew members which computes benefits based on years of service, subject to certain requirements.

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MARKET AND INDUSTRY DATA AND FORECASTS

This prospectus includes market share and industry data and forecasts that we obtained from industry publications, third-party surveys and internal company surveys. Industry publications, including those from CLIA, and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. All CLIA information, obtained from the CLIA website cruising.org, relates to CLIA member lines, which currently represents 26 of the major North American cruise lines including Norwegian, which together represent 97% of the North American cruise capacity. All other references to third party information are publicly available at nominal or no cost. We use the most currently available industry and market data to support statements as to our market position.

Although we believe that the industry publications and third-party sources are reliable, we have not independently verified any of the data from industry publications or third-party sources. Similarly, while we believe our internal estimates with respect to our industry are reliable, our estimates have not been verified by any independent sources. While we are not aware of any misstatements regarding any industry data presented herein, our estimates, in particular as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed under Risk Factors, Cautionary Statement Concerning Forward-Looking Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus.

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PROSPECTUS SUMMARY

The following summary includes highlights of the more detailed information and consolidated financial statements included elsewhere in this prospectus. This summary sets forth the material terms of the offering but does not contain all of the information that you should consider before investing in our ordinary shares. For a more complete understanding of us, our business and the offering, we urge you to read this prospectus carefully, including the sections entitled Risk Factors, Cautionary Statement Concerning Forward-Looking Statements and Additional Information and our consolidated financial statements and related notes included elsewhere in this prospectus, before making an investment.

Our Company

We are a leading global cruise line operator, offering cruise experiences for travelers with a wide variety of itineraries in North America (including Alaska and Hawaii), the Mediterranean, the Baltic, Central America, Bermuda and the Caribbean. We strive to offer an innovative and differentiated cruise vacation with the goal of providing our guests the highest levels of overall satisfaction on their cruise experience. In turn, we aim to generate the highest guest loyalty and greatest numbers of repeat guests. We created a distinctive style of cruising called Freestyle Cruising onboard all of our ships, which we believe provides our guests with the freedom and flexibility associated with a resort style atmosphere and experience as well as more dining options than a traditional cruise. We established the very first private island developed by a cruise line in the Bahamas with a diverse offering of activities for guests. We are also the only cruise line operator to offer an entirely inter-island itinerary in Hawaii.

By providing such a distinctive experience and appealing combination of value and service, we straddle both the contemporary and premium segments. As a result, we have been recognized for our achievements as the recipient of multiple honorary awards mainly consisting of reviews tabulated from the readers of travel periodicals such as Travel Weekly, Condé Nast Traveler, and Travel + Leisure. We were rated as the favorite cruise line by Budget Travel, and best for family cruises by Family Circle, Yahoo! Travel, and Today Travel. In addition, we were recognized as Europe's leading cruise line six years in a row by the World Travel Awards and identified as the cruise line with the best use of a social media platform by Travel + Leisure. Norwegian Epic, which was launched in 2010, was recognized as Best Overall Individual Cruise Ship by the Travel Weekly Readers Choice Awards two years in a row.

We offer a wide variety of cruises ranging in length from one day to three weeks. During 2012, we docked at 114 ports worldwide, with itineraries originating from 15 ports of which 11 are in North America. In line with our strategy of innovation, many of these North American ports are part of our Homeland Cruising program in which we have homeports that are close to major population centers, such as New York, Boston and Miami. This reduces the need for vacationers to fly to distant ports to embark on a cruise and helps reduce our guests' overall vacation cost. We offer a wide selection of exotic itineraries outside of the traditional cruising markets of the Caribbean and Mexico; these include cruises in Europe, including the Mediterranean and the Baltic, Bermuda, Alaska, and the industry's only entirely inter-island itinerary in Hawaii with our U.S.-flagged ship, Pride of America. This itinerary is unparalleled in the cruise industry, as all other vessels from competing cruise lines are registered outside the U.S. and are required to dock at a distant foreign port when providing their guests with a Hawaii-based cruise itinerary.

Each of our 12 modern ships has been purpose-built to consistently deliver our Freestyle Cruising product offering across our entire fleet, which we believe provides us with a competitive advantage. By focusing on Freestyle Cruising, we have been able to achieve higher onboard spend levels, greater customer loyalty and the ability to attract a more diverse clientele.

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As a result of our strong operating performance over the last four years, the growing demand we see for our distinctive cruise offering and the rational supply outlook for the industry, we believe that it is an optimal time to add new ships to our fleet. In 2010, we launched a newbuild program for the next generation of Freestyle Cruising vessels. We placed an order with Meyer Werft GmbH of Papenburg, Germany (Meyer Werft) for two new cruise ships: Norwegian Breakaway, which was delivered in April 2013 and Norwegian Getaway, which is scheduled for delivery in January 2014. This ship will be approximately 144,000 Gross Tons with 4,000 Berths at an aggregate cost of approximately 627.7 million, or \$849.1 million based on the euro/U.S. dollar exchange rate as of September 30, 2013.

We also have orders with Meyer Werft for two additional ships for delivery in the fourth quarter of 2015 and the first quarter of 2017. These ships, Norwegian Escape and Norwegian Bliss, will be the largest in our fleet at approximately 163,000 Gross Tons with 4,200 Berths each and will be similar in design and innovation to our Breakaway Class Ships. The combined contract cost of these two additional ships is approximately 1.4 billion, or \$1.9 billion based on the euro/U.S. dollar exchange rate as of September 30, 2013. We have export credit financing in place that provides financing for 80% of their contract price.

As of September 30, 2013, we have one of the most modern fleets of cruise ships in the industry among the Major North American Cruise Brands, with a weighted-average age of 7.8 years. Following the delivery of Norwegian Getaway, we will have the youngest fleet among the Major North American Cruise Brands. Norwegian Getaway joins Norwegian Breakaway as the latest generation of Freestyle Cruising ships and includes some of the most popular elements of our recently delivered ships together with new and differentiated features.

Our senior management team has delivered consistent growth and has driven measurable improvements in operating metrics and cash flow generation across several different operating environments. Under the leadership of our President and Chief Executive Officer, Kevin M. Sheehan, we significantly differentiated the Norwegian brand, largely with the Freestyle Cruising concept that accelerated revenue growth and contributed to improving our operating income margins by approximately 1,370 basis points since the beginning of 2008 through the end of 2012. Our management team was augmented in key areas such as Sales, Marketing, Hotel Operations and Finance and has since implemented major initiatives such as enhancing onboard service and amenities across the fleet, expanding our European presence and overseeing a newbuild program that included the successful launch in April 2013 of our most innovative ship to date, Norwegian Breakaway.

For the twelve months ended September 30, 2013, we generated total revenue of \$2,473.1 million, Net Revenue of \$1,846.1 million, net income of \$66.7 million, Adjusted Net Income of \$256.4 million, Adjusted EBITDA of \$626.6 million and an Adjusted EBITDA Margin of 25.3%. For the nine months ended September 30, 2013, we generated total revenue of \$1,969.9 million, Net Revenue of \$1,468.9 million, net income of \$65.6 million, Adjusted Net Income of \$255.3 million, Adjusted EBITDA of \$523.1 million and an Adjusted EBITDA Margin of 26.6%. For the nine months ended September 30, 2012, we generated total revenue of \$1,773.1 million, Net Revenue of \$1,314.6 million, net income of \$167.5 million, Adjusted Net Income of \$167.5 million and Adjusted EBITDA of \$452.2 million and an Adjusted EBITDA Margin of 25.5%. This represents an increase of approximately 110 basis points in period over period Adjusted EBITDA Margin as a result of improved ticket pricing and onboard spending coupled with various business improvement, product enhancement and cost reduction initiatives. We refer you to note 5 and note 6 under

Summary Consolidated Financial Data included elsewhere in this prospectus for a reconciliation of Adjusted EBITDA and Adjusted Net Income to net income attributable to Norwegian Cruise Line Holdings Ltd.

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Our Industry

We believe that the cruise industry demonstrates the following positive fundamentals:

Strong Growth with Low Penetration and Significant Upside

Cruising is a vacation alternative with broad appeal, as it offers a wide range of products and services to suit the preferences of vacationing guests of all ages, backgrounds and interests. Since 1980, cruising has been one of the fastest growing segments of the North American vacation market. According to CLIA, in 2012 approximately 17.2 million passengers took cruises on CLIA member lines versus 7.2 million passengers in 2000, representing a compound annual growth rate of approximately 7.5%. Based on CLIA's research, we believe that cruising is under-penetrated and represents approximately 12% of the North American vacation market. As measured in Berths, the cruise industry is relatively nascent compared to the wide variety of much more established vacation travel destinations across North America.

According to the Orlando/Orange County Convention & Visitors Bureau and the Las Vegas Convention and Visitors Authority, there are approximately 267,000 rooms in just Orlando and Las Vegas combined. By comparison, the estimated Major North American Cruise Brands' capacity in terms of Berths is approximately 241,000. In addition, according to industry research, only 24% of the U.S. population has ever taken a cruise and we believe this percentage should increase. The European vacation market, the fastest growing market globally, remains under-penetrated by the cruise industry, with approximately 1% of Europeans having taken a cruise in a given year, compared with 3% of the population in the U.S. and Canada. We believe that improving leisure travel trends along with a relatively low supply outlook in the near term from the Major North American Cruise Brands lead to an attractive business environment for our Company to operate in.

Attractive Demographic Trends to Drive Cruising Growth

The cruise market is comprised of a broad spectrum of guests and appeals to virtually all demographic categories. Based on CLIA's 2011 Cruise Market Profile Study, the target North American cruise market, defined as households with income of \$40,000 or more headed by a person who is at least 25 years old, is estimated to be 132.9 million people. Also according to the study, the average cruise customer has a household income of \$109,000. It is our belief that Freestyle Cruising will help us attract the younger generations who we believe are more likely to enjoy greater levels of freedom from our Freestyle Cruising product offering than was traditionally offered within the cruise industry.

Significant Value Proposition and High Level of Guest Satisfaction

We believe that the cost of a cruise vacation, relative to a comparable land-based resort or hotel vacation in Orlando or Las Vegas, offers an exceptional value proposition. When one considers that a typical cruise, for an all-inclusive price, offers its guests transportation to a variety of destinations, hotel-style accommodations, a generous diversity of food choices and a selection of daily entertainment options, this is compelling support for the cruise value proposition relative to other leisure alternatives. Cruises have become even more affordable for a greater number of North American guests over the past few years through the introduction of Homeland Cruising, which eliminates the cost of airfare commonly associated with a vacation. According to CLIA's 2011 study, approximately 70% of persons who have taken a cruise rate cruising as a high-value vacation alternative. In this same survey, CLIA reported that approximately 80% of cruise passengers agree that a cruise vacation is a good way to sample various destinations that they may visit again on a land-based vacation.

High Barriers to Entry

The cruise industry is characterized by high barriers to entry, including the existence of several established and recognizable brands, the large investment to build a new, sophisticated cruise ship, the long lead time

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necessary to construct new ships and limited newbuild shipyard capacity. Based on new ship orders announced over the past several years, the cost to build a cruise ship can range from approximately \$500 million to \$1.4 billion or approximately \$200,000 to \$425,000 per Berth, depending on the ship's size and quality of product offering. The construction time of a newbuild ship is typically between 27 and 36 months and requires significant upfront cash payments to fund construction costs before revenue is generated. In addition, the shipbuilding industry is experiencing tightened capacity as the size of ships increases and the industry consolidates, with virtually all new capacity added in the last 20 years having been built by one of three major European shipbuilders.

Varied Segments and Brands

The different cruise lines that make up the global cruise vacation industry have historically been segmented by product offering and service quality into contemporary, premium and luxury brands. The contemporary segment generally includes cruises on larger ships that last seven days or less, provides a casual ambiance and is less expensive on average than the premium or luxury segments. The premium segment is generally characterized by cruises that last from seven to 14 nights with a higher quality product offering than the contemporary segment, appealing to a more affluent demographic. The luxury segment generally offers the highest level of service and quality, with longer cruises on the smallest ships. In classifying our competitors within the Major North American Cruise Brands, the contemporary segment has historically included Carnival Cruise Lines and Royal Caribbean International. The premium segment has historically included Celebrity Cruises, Holland America and Princess Cruises. We believe that we straddle the contemporary and premium segments as well as offer a unique combination of value and leisure services to cruise guests. Our brand offers our guests a rich stateroom mix, which includes single studios, private balconies, and luxury suites with personal butler and concierge service as more recently enhanced by The Haven. As part of our Freestyle Cruising experience, we also offer various specialty dining venues, some of which are exclusive to our suite and The Haven guests. Based on fleet counts as of September 30, 2013, the Major North American Cruise Brands together represent approximately 90% of the North American cruise market as measured by total Berths.

Our Competitive Strengths

We believe that the following business strengths will enable us to execute our strategy:

Leading Cruise Operator with High-Quality Product Offering

We believe that our modern fleet provides us with operational and strategic advantages as our entire fleet has been purpose-built for Freestyle Cruising with a wider range of passenger amenities relative to many of our competitors.

We believe that in recent years the distinction has been blurred between segments of the market historically known as premium and contemporary, with the Major North American Cruise Brands each offering a wide range of onboard experiences across their respective fleets. With the completion of our fleet renewal initiative, we believe that based on a number of different metrics that directly impact a guest's onboard experience, we compare favorably against the other Major North American Cruise Brands, with many product attributes that are more in line with the premium segment.

Modern Fleet. With a weighted-average age of 7.8 years as of September 30, 2013 and no ships built before 1998, we have one of the most modern fleets among the Major North American Cruise Brands, which we believe allows us to offer a high-quality passenger experience with a significant level of consistency across our entire fleet.

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Rich Stateroom Mix. As of September 30, 2013, 51% of our staterooms had private balconies representing a higher mix of outside balcony staterooms than the other contemporary brands. In addition, six of our ships offer The Haven, with suites of up to 570 square feet each. Guests staying in The Haven are provided with personal butler service and exclusive access to a private courtyard area with a private pool, sundecks, hot tubs, and a fitness center. Six of our ships also offer luxury garden suites of up to 6,694 square feet, making them the largest accommodations at sea.

High-Quality Service. We believe we offer a very high level of onboard service and to further enhance this service we have implemented the Norwegian Platinum Standards program. This program introduces specific standards emphasizing dedicated service, consistency in execution, and overall guest satisfaction which we believe will promote customer loyalty.

Diverse Selection of Premium Itineraries. In 2012, approximately 50% of our itineraries, by Capacity Days, were in more exotic, under-penetrated and less traditional locations, including Alaska, Hawaii, Bermuda and Europe, compared to the other contemporary brands which are focused primarily on itineraries in the Caribbean and Mexico. This mix of destinations is more consistent with the brands in the premium segment, and these itineraries typically attract higher Net Yields than Caribbean and Mexico sailings. We believe that this high-quality product offering positions us well in comparison to the other Major North American Cruise Brands and provides an opportunity for continued Net Yield growth.

Freestyle Cruising

The most important differentiator for our brand is the Freestyle Cruising concept onboard all 12 of our ships. The essence of Freestyle Cruising is to provide a cruise experience that offers more freedom and flexibility than any other traditional cruise alternative. While many cruise lines have historically required guests to dine at assigned group tables and at specified times, Freestyle Cruising offers the flexibility and choice to our guests who prefer to dine when they want, with whomever they want and without having to dress formally. Additionally, we have increased the number of activities and dining facilities available onboard, allowing guests to tailor their onboard experience to their own schedules, desires and tastes.

All of our ships have been custom designed and purpose-built for Freestyle Cruising, which we believe differentiates us significantly from our major competitors. We further believe that Freestyle Cruising attracts a passenger base that prefers the less structured, resort-style experience of our cruises. Building on the success of Freestyle Cruising, we implemented across our fleet Freestyle 2.0 featuring significant enhancements to our onboard product offering. These enhancements include a major investment in the total dining experience; upgrading the stateroom experience across the ship; new wide-ranging onboard activities for all ages; and additional recognition, services and amenities for premium-priced balcony, suite and The Haven guests. With Norwegian Epic and Norwegian Breakaway, we have enhanced Freestyle Cruising by offering what we believe to be unmatched flexibility in entertainment, offering guests a wide variety of activities and performances to choose from at any time of day or night.

Established Brand Recognition

The Norwegian Cruise Line brand is well established in the cruise industry with a long track record of delivering a world class cruise product offering to its guests. We achieve high-quality feedback scores from our guests in the areas of overall service, physical ship attributes, onboard products and services, food and beverage offerings and overall entertainment and land-based excursion quality. Based on recent guest experience and loyalty reports, the quality of our guests' experience generates high levels of customer loyalty, as demonstrated by the fact that approximately 35%

of our guests are repeat guests and approximately 80% say they would recommend Norwegian Cruise Line to their friends and family. Brand recognition is also strong with over 93% of cruisers reporting familiarity with Norwegian. Additionally, our brand is known for freedom, flexibility and choice, all highly valued benefits within the cruise industry demographic.

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Strong Cash Flow

Nearly all of our capital expenditures, other than those related to our newbuild projects (which are substantially financed) and the recent renovation of our private island, relate to the maintenance of our modern fleet and shoreside operations, which includes investments in our IT infrastructure and business intelligence systems. We have export credit financing in place for the Breakaway Plus Class Ships and Norwegian Getaway which will fund approximately 80% to 90% of the required pre-delivery and delivery date construction payments; as such, we expect the cost of our newbuild projects to have a minimal impact on our cash flow in the near term.

We are able to generate significant levels of cash flow due to our ability to pre-sell tickets and receive customer deposits with long lead times ahead of sailing. We also offer our guests the ability to advance book and prepay for certain services. In addition, we believe that the favorable U.S. federal income tax regime applicable to international shipping income enhances our cash flow from operations which continues to contribute significantly to deleveraging our balance sheet.

Highly Experienced Management Team

Our senior management team is comprised of executives with an average of 16 years in the cruise, travel, leisure and hospitality-related industries. Our executive team has streamlined our organization and instilled a results-driven management philosophy that promotes direct accountability and a more nimble decision-making culture that contributed in driving approximately 1,370 basis points of operating income margin expansion since the beginning of 2008 through the end of 2012. We believe our incentive plans closely align the interest of our management team and our shareholders.

Strong Sponsors with Extensive Industry Expertise

Our Sponsors or their affiliates have extensive experience investing in the cruise, leisure and travel-related industries. Affiliates of the Apollo Funds have invested significant equity and resources to the cruise and leisure industry with its investment in Prestige Cruises International, Inc. which operates through two distinct upscale cruise brands, Oceania Cruises and Regent Seven Seas Cruises. In addition, affiliates of both Apollo and TPG have investments in Caesars Entertainment Corporation (Caesars Entertainment), with whom we have created a marketing alliance. Affiliates of TPG are also significant investors in Sabre Holdings, a leading GDS (global distribution system) and parent of Travelocity.com. Genting HK, headquartered in Hong Kong, operates a leading Asian cruise line through its subsidiary, Star Cruises Asia Holding Ltd., with destinations in Malaysia, Singapore, Hong Kong, Taiwan, Japan, Vietnam, China and Thailand. We believe that the synergies and purchasing power obtained through these affiliates have resulted in better price negotiations for us and our affiliates for selected supplies and services.

Our Business Strategies

We seek to attract vacationers by offering new products and services and creating differentiated itineraries in new markets through new and existing modern ships with the aim of delivering a better, value-added, vacation experience to our guests relative to other broad-based or land-based leisure alternatives. Our business strategies include the following:

Attractive Product Offerings

We have a long history of product development and innovation within the cruise industry as one of the most established consumer brands. We became the first cruise operator to purchase a private island in the Bahamas and

offer a private beach experience to our guests; and we were the first to introduce a 2,000-Berth megaship into

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the Caribbean market in 1980. More recently, we pioneered new concepts in cruising over the last decade with the development of Homeland Cruising and the launch of Freestyle Cruising.

We continued to enhance our product offering with the delivery of Norwegian Epic in June 2010, which offers 21 dining options, a diverse range of accommodations and what we believe is the widest array of entertainment at sea. In addition to several differentiated full-service complimentary dining rooms, Norwegian Epic also features specialty restaurants including a classic steakhouse, sushi, Japanese teppanyaki, Brazilian churrascaria, Asian noodle bar, traditional Chinese, fine French and Italian offerings. Guest accommodations on Norwegian Epic include the groundbreaking Studios, 128 staterooms designed for solo travelers centered around the Studio Lounge, a private two-story lounge for Studio guests. On its top decks, Norwegian Epic offers a ship within a ship in the largest suite complex at sea; The Haven includes two decks with 60 suites and penthouses, a private pool with multiple hot tubs and sundecks, a private fitness center and steam rooms, fine dining in the Epic Club restaurant, casual outdoor dining at the Courtyard Grill, and 24-hour concierge service, all exclusively for guests of The Haven. Entertainment onboard Norwegian Epic includes a wide variety of branded entertainment for guests to choose from, including exclusive engagements with Blue Man Group, Cirque Dreams & Dinner, Legends in Concert, Nickelodeon and the improvisational comedy troupe, The Second City.

Building on the success of Norwegian Epic, Norwegian Breakaway includes many of her most popular elements, while maintaining the innovative spirit of Freestyle Cruising by introducing new and differentiated features. These include The Haven and a quarter-mile oceanfront boardwalk, The Waterfront, which creates outdoor seating areas for many dining venues and lounges, including our first seafood restaurant, Ocean Blue by Geoffrey Zakarian. The centrally located 678 Ocean Place connects three entire decks of daytime and nighttime entertainment. Master Baker Buddy Valastro, of the popular TLC series Cake Boss, opened an extension of Carlo's Bake Shop onboard. We offer our guests many of the popular entertainment venues of Norwegian Epic such as the dueling pianos of Howl at the Moon and new jazz and blues venues, and we also feature the 80s-inspired rock musical Rock of Ages, ballroom dance experience Burn the Floor and Cirque Dreams & Dinner Jungle Fantasy. We have a strategic partnership with the Radio City Rockettes®, who christened Norwegian Breakaway. This relationship includes a marketing partnership that names Norwegian as the official cruise line of the Rockettes and Radio City Music Hall® and an exhibit showcasing the Rockettes is integrated into the ship. This relationship also includes two Rockettes sailing on select voyages and offering special fitness classes and photo opportunities.

We have completed a \$25 million renovation to our private island, Great Stirrup Cay, which includes a new marina, dining and bar facility to enhance the guest experience, as well as offers new activities such as wave runners and private cabanas. The enhancements provide us with additional revenue-generating opportunities on the island.

Maximize Net Yields

We are focused on growing our revenue through various initiatives aimed at increasing our ticket prices and occupancy as well as onboard spending to drive higher overall Net Yields. To maximize passenger ticket revenue, our revenue management strategy is focused on optimizing pricing and generating demand throughout the booking curve. We utilize a base-loading strategy to fill our capacity by booking guests as early before sailing as possible. Base-loading is a strategy that focuses on selling inventory further from the cruise departure date by utilizing certain sales and marketing tactics which generate business with longer booking windows. Base-loading allows us to fill our ships earlier, which prevents discounting close to sailing dates, in order to achieve our targeted Occupancy Percentages. Our specific initiatives to achieve this include:

Casino Player Strategy. As part of this strategy, we have non-exclusive arrangements with approximately 130 casino partners worldwide including Caesars Entertainment, in which affiliates of both Apollo and TPG have investments, whereby loyal gaming guests are offered cruise reward certificates redeemable for cruises

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on our ships. Through property sponsored events and joint marketing programs, we have the opportunity to market cruises to Caesars Entertainment's guests. These arrangements with our casino partners have the dual benefit of filling open inventory and reaching guests expected to generate above average onboard revenue through the casino and other onboard spending.

Strategic Relationships. Our base-loading strategy also includes strategic relationships with travel agencies and international tour operators, who commit to purchasing a certain level of inventory with long lead times.

Meetings, Incentives and Charters. We are increasing our focus on the meetings, incentives and charters channel, which typically books very far in advance and can represent a significant portion of the ship, or even an entire sailing, in one transaction.

We continue to focus on various initiatives to drive increased onboard revenue across a variety of areas. From the year ended December 31, 2007 to the twelve months ended September 30, 2013, our net onboard and other revenue yield increased by approximately 31% from \$40.58 to \$52.96 primarily due to strong performance in casino, beverage sales, shore excursions and specialty dining. Our strategy for further driving increased onboard revenue includes, among other things, generating additional casino revenue through our arrangements with our casino partners, including Caesars Entertainment and Genting HK. These arrangements incorporate marketing resources to deliver cross-company advertising and marketing campaigns to promote our brand. We also focus on optimizing the utilization of our specialty restaurants and pre-booking and pre-selling additional onboard activities. In addition, Norwegian Epic and Norwegian Breakaway have created additional onboard revenue opportunities based on our premium entertainment offerings.

Brand Expansion Through Disciplined Newbuild Program

Norwegian Getaway is under construction with Meyer Werft and is scheduled for delivery in January 2014. This ship will be approximately 144,000 Gross Tons with 4,000 Berths at an aggregate cost of approximately 627.7 million, or \$849.1 million based on the euro/U.S. dollar exchange rate as of September 30, 2013. We have export credit financing in place that provides financing for 90% of its contract price.

We also have orders with Meyer Werft for two additional ships for delivery in the fourth quarter of 2015 and the first quarter of 2017. These ships, Norwegian Escape and Norwegian Bliss, will be the largest in our fleet at approximately 163,000 Gross Tons with 4,200 Berths each and will be similar in design and innovation to our Breakaway Class Ships. The combined contract cost of these two additional ships is approximately 1.4 billion, or \$1.9 billion based on the euro/U.S. dollar exchange rate as of September 30, 2013. We have export credit financing in place that provides financing for 80% of their contract price.

We believe that these ships will allow us to continue to expand the reach of our brand while driving shareholder value by positioning our Company for accelerated growth with an optimized return on invested capital.

Improve Operating Efficiency and Lower Costs

We are continually focused on driving financial improvement through a variety of business improvement initiatives. These initiatives are focused on reducing costs while at the same time improving the overall product we deliver to our guests. Since the beginning of 2008, we have significantly reduced our operating cost base through various programs including contract renegotiations, overhead rationalization, and fuel consumption reduction initiatives. We hedge our fuel purchases in order to provide greater visibility of our fuel expense. As of September 30, 2013, we had hedged

approximately 93%, 64%, 51% and 15% of our 2013, 2014, 2015 and 2016 projected metric tons of fuel purchases, respectively. We have also reduced our maintenance expense as a result of our fleet renewal program, as younger, more modern ships are typically less costly to maintain than older ships. Adjusted EBITDA grew to \$626.6 million for the twelve months ended September 30, 2013, from \$332.3

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million for the year ended 2009 with an increase in Adjusted EBITDA Margin to 25.3% from 17.9%, respectively, (we refer you to note 5 under Summary Consolidated Financial Data for a calculation of Adjusted EBITDA). In addition, we expect the economies of scale from Norwegian Breakaway, Norwegian Getaway and the Breakaway Plus Class Ships to drive further operating efficiencies over the long term.

Expand and Strengthen Our Product Distribution Channels

As part of our growth strategy, we are continually looking for ways to deepen and expand our customer sales channels. We continue to invest in our brand by enhancing our website and our reservation department where our travel agents and guests have the ability to book cruise vacations. We also restructured our sales and marketing organization, which included the recruiting of a new executive leadership team, to provide better focus on distribution through our primary channels: Retail/Travel Agent, International, and Meetings, Incentives and Charters.

Retail/Travel Agent. We introduced our Partners First program, in which we have invested in travel partners success with additional booking technology improvements and new marketing tools, improved communication and cooperative marketing initiatives. We also have implemented close to 100 individual projects specifically designed to improve our efficiency with the travel agency channels and our guests, ranging from more timely commission payments to aggressive call center quality monitoring. We restructured our travel agent sales force with specific expertise and we also have gained access to a significantly larger number of travel partners through an outbound call center based in our Miami headquarters. We believe that our travel agent partners have witnessed a material improvement in our business practices and overall communication.

International. We have an international sales presence in Europe and representatives covering Latin America, Australia and Asia. We are primarily focused on increasing our business in the European market, which has grown significantly in recent years but remains under-penetrated. In Europe, we offer local itineraries year-round and our Freestyle Cruising has been well received. We expanded our sales force in Europe which allows us to develop our distribution in Europe in a manner similar to our U.S. operation. In support of this European strategy, we deployed Norwegian Epic in Europe for an extended summer season in 2013. We are forging a closer distribution partnership with Genting HK to develop product distribution across the Asia Pacific region.

Meetings, Incentives and Charters. This channel focuses on full ship Charters as well as corporate meeting and incentive travel. These sales often have very long lead times and can fill a significant portion of the ship's capacity, or even an entire sailing, in one transaction. In addition, this channel strengthens base-loading, which allows us to fill our ships earlier, rather than discounting close to sailing dates, in order to achieve our targeted Occupancy Percentages. In addition, we acquired Sixthman, a company specializing in developing and delivering music-oriented charters, including productions from KISS, Kid Rock and the Cayamo festival, a cruise featuring a wide variety of popular and emerging songwriters.

Across every distribution channel we are undertaking a major effort to grow demand with a targeted sales and marketing program for our premium stateroom categories, including our balcony and other premium stateroom categories, with a particular emphasis on our suites and The Haven, which have increased as a percentage of our total inventory as a result of our fleet renewal.

Our Fleet

Our ships are purpose-built ships that enable us to provide our guests with the ultimate Freestyle Cruising experience. Our ships have state-of-the-art passenger amenities, including up to 28 dining options together with hundreds of private balcony staterooms on each ship. As of September 30, 2013, 51% of our staterooms have

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private balconies representing a higher mix of outside staterooms with balconies than the other contemporary brands. Private balcony staterooms are very popular with guests and offer the opportunity for increased revenue by allowing us to charge a premium. Six of our ships offer accommodations in The Haven, with suites up to 570 square feet, which provide personal butler service and exclusive access to a private courtyard area with private pool, sundecks, hot tubs, and fitness center. In addition, six of our ships have luxury garden suites with up to 6,694 square feet, making them the largest accommodations at sea. These luxury garden suites offer three separate bedroom areas, spacious living and dining room areas, as well as 24-hour, on call butler and concierge service.

We place the utmost importance on the safety of our guests and crew. Every crew member is well trained in the Company's stringent safety protocols and participates in weekly safety drills onboard every one of our ships. In addition, our ships utilize operational closed circuit television systems, and we use an advanced, intranet-based Safety and Environmental Management System (SEMS) for shipboard and shoreside procedures and self-improvement standards.

Our new ships on order are the next-generation of Freestyle Cruising ships and include some of the most popular elements of our recently delivered ships together with new and differentiated features. One such feature is The Haven, which consists of luxury suites included on our Jewel Class Ships, as well as Norwegian Epic and Norwegian Breakaway. We are also introducing The Waterfront, a quarter-mile oceanfront boardwalk which creates outdoor seating areas for many dining venues and lounges. The centrally located 678 Ocean Place connects three entire decks of daytime and nighttime entertainment.

Continuing our tradition of new product development and the extension of the Norwegian Cruise Line brand, Norwegian Breakaway offers our guests many of the popular entertainment venues of Norwegian Epic such as the dueling pianos of Howl at the Moon and new jazz and blues venues, and also features the 80's-inspired rock musical Rock of Ages, ballroom dance experience Burn the Floor and Cirque Dreams & Dinner Jungle Fantasy. Norwegian Breakaway homeports year-round in New York City with many elements of New York incorporated into its offerings.

The hull art design is by famed New York artist Peter Max, New York-based celebrity chef Geoffrey Zakarian has created our first seafood-centric dining venue, Ocean Blue by Geoffrey Zakarian and Master Baker Buddy Valastro of the popular TLC Series Cake Boss, opened an extension of Carlo's Bake Shop onboard. The Radio City Rockettes christened Norwegian Breakaway and an exhibit showcasing the Rockettes is integrated into the ship. This relationship also includes two Rockettes sailing on select voyages and offering special fitness classes and photo opportunities. Continuing our commitment to Miami, Norwegian Getaway, sister ship to Norwegian Breakaway, with hull artwork designed by Miami artist David LEBO LeBatard, will homeport year-round in Miami along with Norwegian Sky.

Our Sponsors

Apollo

Apollo is a leading global alternative investment manager with offices in New York, Los Angeles, Houston, London, Frankfurt, Luxembourg, Singapore, Hong Kong and Mumbai. As of September 30, 2013, Apollo had assets under management of \$112.7 billion invested in its private equity, capital markets and real estate businesses. Apollo owns a controlling interest in Prestige Cruises International, Inc. which operates through two distinct upscale cruise brands, Oceania Cruises and Regent Seven Seas Cruises. Investment funds managed by Apollo also have current and past investments in other travel and leisure companies, including Caesars Entertainment, Great Wolf Resorts, Vail Resorts, AMC Entertainment, Wyndham International and other hotel properties.

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TPG

TPG is a leading global private investment firm founded in 1992 with \$55.3 billion of assets under management and offices in San Francisco, Fort Worth, Austin, Beijing, Chongqing, Hong Kong, London, Luxembourg, Melbourne, Moscow, Mumbai, New York, Paris, São Paulo, Shanghai, Singapore and Tokyo. TPG has extensive experience with global public and private investments executed through leveraged buyouts, recapitalizations, spinouts, growth investments, joint ventures and restructurings.

Genting HK

Genting HK was founded in 1993 and through its subsidiary, Star Cruises Asia Holding Ltd., operates a leading cruise line in the Asia-Pacific region. Its headquarters are located in Hong Kong and it is represented in more than 20 locations worldwide, with offices and representatives in Asia, Australia, Europe, United Arab Emirates and the U.S. Genting HK currently has a fleet of six ships, which offer various cruise itineraries in the Asia Pacific region.

Corporate Reorganization

In February 2011, NCLH, a Bermuda limited company, was formed with the issuance to the Sponsors of, in aggregate, 10,000 ordinary shares, with a par value of \$.001 per share. On January 24, 2013, NCLH completed the IPO. In connection with the consummation of the IPO, the Sponsors' ordinary shares in NCLC were exchanged for the ordinary shares of NCLH, and NCLH became the owner of 100% of the ordinary shares (representing a 97.7% economic interest as of September 30, 2013) and parent company of NCLC (the "Corporate Reorganization"). The Corporate Reorganization was effected solely for the purpose of reorganizing our corporate structure. NCLH had not prior to the completion of the Corporate Reorganization conducted any activities other than those incidental to the formation and to preparations for the Corporate Reorganization and IPO.

NCLC is treated as a partnership for U.S. federal income tax purposes, and the terms of the partnership (including the economic rights with respect thereto) are set forth in an amended and restated tax agreement for NCLC. Economic interests in NCLC are represented by the partnership interests established under the tax agreement, which we refer to as "NCL Corporation Units." The NCL Corporation Units held by NCLH (as a result of its ownership of 100% of the ordinary shares of NCLC) represent a 97.7% economic interest in NCLC as of September 30, 2013.

In connection with the Corporate Reorganization, NCLC's outstanding profits interests granted under the Profits Sharing Agreement to management (or former management) of NCLC, including the Ordinary Profits Units described below in "Compensation Discussion and Analysis," were exchanged for an economically equivalent number of NCL Corporation Units. We refer to the NCL Corporation Units exchanged for profits interests granted under the Profits Sharing Agreement as Management NCL Corporation Units. The Management NCL Corporation Units received upon the exchange of outstanding profits interests are subject to the same time-based vesting requirements and performance-based vesting requirements applicable to the profits interests for which they were exchanged. The Management NCL Corporation Units issued in exchange for the profits interests represent a 2.3% economic interest in NCLC as of September 30, 2013.

NCL Corporation Units are not transferrable without NCLH's prior consent and do not entitle the holders to any voting, pre-emptive, or sinking fund rights. Any distributions (other than the tax distributions described below) made by NCLC are allocated on a pro rata basis to NCLH and the holders of the Management NCL Corporation Units, based upon the total number of NCL Corporation Units (including Management NCL Corporation Units) outstanding. Distributions by NCLC to NCLH or holders of Management NCL Corporation Units do not entitle holders of ordinary shares of NCLH to any portion of such distribution or to any additional distribution by NCLH.

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NCLC does not have any current plans to make any distributions, other than tax distributions which may occur in the future. To the extent funds are legally available, NCLC will make cash distributions, which we refer to as tax distributions, to holders of the NCL Corporation Units (including the Management NCL Corporation Units) if ownership of the NCL Corporation Units gives rise to U.S. taxable income for the holder. The U.S. taxable income attributable to NCLH's ownership of NCL Corporation Units may be different from the relative U.S. taxable income attributable to the Management NCL Corporation Units. In that case, tax distributions may be made on a non-pro rata basis with the holders of Management NCL Corporation Units possibly receiving relative tax distributions greater than the tax distributions received by NCLH.

Holders of NCL Corporation Units (including the Management NCL Corporation Units prior to exchange for ordinary shares of NCLH, as described below) may be entitled to recover on account of the economic interest represented by those units in a bankruptcy or other insolvency event of NCLC or NCLH (even if NCLH incurs debt or other claims that are senior to its ordinary shares). In contrast, the rights of the holders of NCLH's ordinary shares will be potentially junior to the debt or senior claims (if any) incurred by NCLH in a bankruptcy or other insolvency event. In this respect, the NCL Corporation Units (including the Management NCL Corporation Units) may be considered, in some cases, to be potentially structurally superior to those of the holders of ordinary shares of NCLH in a bankruptcy or other insolvency event for NCLH and NCLC.

Subject to certain procedures and restrictions (including the vesting schedules applicable to the Management NCL Corporation Units and any applicable legal and contractual restrictions), each holder of Management NCL Corporation Units has the right to cause NCLC and NCLH to exchange the holder's Management NCL Corporation Units for ordinary shares of NCLH at an exchange rate equal to one ordinary share for every Management NCL Corporation Unit (or, at NCLC's election, a cash payment equal to the value of the exchanged Management NCL Corporation Units), subject to customary adjustments for stock splits, subdivisions, combinations and similar extraordinary events. Any non-pro rata tax distributions made to a Management NCL Corporation Unit holder will reduce the amount of NCLH's ordinary shares (or cash) that the holder would otherwise receive upon exchange. The exchange right described above is subject to (i) the filing and effectiveness of an applicable registration statement by NCLH that, in its determination, contains all the information which is required to effect a registered sale of its ordinary shares and (ii) all applicable legal and contractual restrictions. NCLH has reserved for issuance a number of its ordinary shares corresponding to the number of Management NCL Corporation Units to be outstanding. On August 19, 2013, NCLH filed a registration statement with the SEC, which is effective, to register on a continuous basis the issuance of the ordinary shares to be received by the holders of Management NCL Corporation Units who elected or will elect to exchange.

When any holder of a Management NCL Corporation Unit exchanges such unit for one of NCLH's ordinary shares (or a cash payment equal to the value of one of such ordinary shares), the relative economic interests of the exchanging NCL Corporation Unit holder and the holders of ordinary shares of NCLH will not be altered. No new NCLC profits interests or Management NCL Corporation Units will be issued; however, NCLH has granted, and expects to continue to grant, options to acquire its ordinary shares to our management team under its new long-term incentive plan.

As a result of the Corporate Reorganization, a non-controlling interest was created within NCLH and NCLH's financial statements and financial results will differ from NCLC's in certain respects.

See also Management, Principal and Selling Shareholders, Certain Relationships and Related Party Transactions The Shareholders Agreement and Certain Relationships and Related Party Transactions Tax Agreement and Exchange Agreement.