Norwegian Cruise Line Holdings Ltd.
Form 10-K
February 29, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number: 001-35784

NORWEGIAN CRUISE LINE HOLDINGS LTD.

(Exact name of registrant as specified in its charter)

Bermuda	**98-0691007**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

7665 Corporate Center Drive, Miami, Florida 33126

(Address of principal executive offices) (zip code)

(305) 436-4000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Ordinary shares, par value $.001 per share	**The Nasdaq Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act).

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ¨ No x

As of June 30, 2015, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of voting stock held by non-affiliates of the registrant based upon the closing sales price for the registrant's ordinary shares as reported on The Nasdaq Stock Market was $7.5 billion.

There were 227,310,627 ordinary shares outstanding as of February 24, 2016.

Documents Incorporated by Reference

Portions of the Proxy Statement for the registrant's 2016 Annual General Meeting of Shareholders, to be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2015, are incorporated by reference in Part III herein.

NORWEGIAN CRUISE LINE HOLDINGS LTD.

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Terms Used in this Annual Report

Unless otherwise indicated or the context otherwise requires, references in this report to (i) the "Company," "we," "our" and "us" refer to NCLH (as defined below) and its subsidiaries (including Prestige (as defined below), except for periods prior to the consummation of the Acquisition of Prestige (as defined below)), (ii) "NCLC" refers to NCL Corporation Ltd., (iii) "NCLH" refers to Norwegian Cruise Line Holdings Ltd., (iv) "Norwegian" refers to the Norwegian Cruise Line brand and its predecessors, (v) "Prestige" refers to Prestige Cruises International, Inc., together with its consolidated subsidiaries, (vi) "PCH" refers to Prestige Cruise Holdings, Inc., Prestige's direct wholly-owned subsidiary, which in turn is the parent of Oceania Cruises, Inc. ("Oceania Cruises") and Seven Seas Cruises S. DE R.L. ("Regent") (Oceania Cruises also refers to the brand by the same name and Regent also refers to the brand Regent Seven Seas Cruises), (vii) "Apollo" refers to Apollo Global Management, LLC, its subsidiaries and the affiliated funds it manages and the "Apollo Holders" 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., Apollo Overseas Partners (Germany) VI, L.P., AAA Guarantor — Co-Invest VII, L.P., AIF VI Euro Holdings, L.P., AIF VII Euro Holdings, L.P., Apollo Alternative Assets, L.P., Apollo Management VI, L.P. and Apollo Management VII, L.P., (viii) "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, (ix) "Genting HK" refers to Genting Hong Kong Limited and/or its affiliates (formerly Star Cruises Limited and/or its affiliates) (Genting HK owns NCLH's ordinary shares indirectly through Star NCLC Holdings Ltd., its wholly-owned subsidiary ("Star NCLC")), and (x) "Affiliate(s)" or "Sponsor(s)" refers to the Apollo Holders, Genting HK 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, the "U.K." are to the United Kingdom and "euros" or "€" are to t official currency of the Eurozone.

This annual report includes certain non-GAAP financial measures, such as Net Revenue, Net Yield, Net Cruise Cost, Adjusted Net Revenue, Adjusted Net Yield, Adjusted Net Cruise Cost Excluding Fuel, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS. Definitions of these non-GAAP financial measures are included below. For further information about our non-GAAP financial measures including detailed adjustments made in calculating our non-GAAP financial measures and a reconciliation to the most directly comparable GAAP financial measure, we refer you to "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations."

Unless otherwise indicated in this annual report, the following terms have the meanings set forth below:

- *Acquisition of Prestige*. In November 2014, pursuant to the Merger Agreement, we acquired Prestige in a cash and stock transaction for total consideration of $3.025 billion, including the assumption of debt.

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

- *Adjusted EPS*. Adjusted Net Income divided by the number of diluted weighted-average shares outstanding.
- *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.
- *Adjusted Net Revenue*. Net Revenue adjusted for supplemental adjustments.
- *Adjusted Net Yield*. Net Yield 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 and Norwegian Getaway.
- *Breakaway Plus Class Ships*. The next generation of ships which are similar in design and innovation to Breakaway Class Ships.
- *Business Enhancement Capital Expenditures*. Capital expenditures other than those related to new ship construction and ROI Capital Expenditures.
- *Capacity Days*. Available Berths multiplied by the number of cruise days for the period.
- *Bareboat Charter*. The hire of a ship for a specified period of time whereby no crew or provisions are provided by the Company.
- *CLIA*. Cruise Lines International Association, Inc., a non-profit marketing and training organization formed in 1975 to promote cruising.

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- *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.

- *EPS*. Earnings per share.

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

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

- *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.

- *Management NCL Corporation Units*. NCLC's previously outstanding profits interests issued to management (or former management) of NCLC which were converted into units in NCLC in connection with our corporate reorganization.

- *Merger Agreement.* Agreement and Plan of Merger, dated as of September 2, 2014, by and among Prestige, NCLH, Portland Merger Sub, Inc. and Apollo Management, L.P., as amended, for the Acquisition of Prestige.

- *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 Purchase 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.

- *Norwegian Stand-alone*. Results of operations excluding consolidation of the results of Prestige.

O-Class ship. Oceania Cruises' fleet consists of the O-Class ships, Marina and Riviera, with 1,250 Berths each.

- *Occupancy Percentage*. 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.

- *Regent Seven Seas Transaction*. The transaction that closed on January 31, 2008, pursuant to which PCH purchased substantially all of the assets of Regent Seven Seas Cruises, Inc. and the equity of certain affiliated companies and joint ventures from Carlson Cruises Worldwide, Inc. and Vlasov Shipping Corporation.

- *R-Class ship*. Oceania Cruises' fleet consists of the R-Class ships, Regatta, Insignia and Nautica, with 684 Berths each.

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

- *SEC*. U.S. Securities and Exchange Commission.

- *Secondary Equity Offering(s)*. Secondary public offering(s) of NCLH's ordinary shares.

- *Selling Shareholders*. Certain of the Apollo Holders, the TPG Viking Funds and Star NCLC.

- *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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Industry and Market Data

This annual report 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 “www.cruising.org,” relates to CLIA member lines. All other references to third-party information are to information that is 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 “Item 1A—Risk Factors” and “Item 7— Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this annual report.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this annual report constitute forward-looking statements within the meaning of the U.S. federal securities laws intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained, or incorporated by reference, in this annual report, including, without limitation, those regarding our business strategy, financial position, results of operations, plans, prospects and objectives of management for future operations (including development plans and objectives relating to our activities), are forward-looking statements. Many, but not all, of these statements can be found by looking for words like “expect,” “anticipate,” “goal,” “project,” “plan,” “believe,” “seek,” “will,” “may,” “forecast,” “ “intend” and “future” and similar words. Forward-looking statements do not guarantee future performance and may involve risks, uncertainties and other factors which could cause our actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in those forward-looking statements. Examples of these risks, uncertainties and other factors include, but are not limited to the impact of:

- adverse general economic and related factors, such as fluctuating or increasing levels of unemployment, underemployment and the volatility of fuel prices, declines in the securities and real estate markets, and perceptions of these conditions that decrease the level of disposable income of consumers or consumer confidence;

- the risks and increased costs associated with operating internationally;
- our efforts to expand our business into new markets;
- adverse events impacting the security of travel, such as terrorist acts, acts of piracy, armed conflict and threats thereof and other international events;
- breaches in data security or other disturbances to our information technology and other networks;
- the spread of epidemics and viral outbreaks;
- adverse incidents involving cruise ships;
- changes in fuel prices and/or other cruise operating costs;
- our hedging strategies;
- our inability to obtain adequate insurance coverage;
- our substantial indebtedness, including the ability to raise additional capital to fund our operations, and to generate the necessary amount of cash to service our existing debt;
- restrictions in the agreements governing our indebtedness that limit our flexibility in operating our business;
- the significant portion of our assets pledged as collateral under our existing debt agreements and the ability of our creditors to accelerate the repayment of our indebtedness;
- our ability to incur significantly more debt despite our substantial existing indebtedness;
- volatility and disruptions in the global credit and financial markets, which may adversely affect our ability to borrow and could increase our counterparty credit risks, including those under our credit facilities, derivatives, contingent obligations, insurance contracts and new ship progress payment guarantees;

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- fluctuations in foreign currency exchange rates;
- our inability to recruit or retain qualified personnel or the loss of key personnel;
- future changes relating to how external distribution channels sell and market our cruises;
- our reliance on third parties to provide hotel management services to certain ships and certain other services;
- delays in our shipbuilding program and ship repairs, maintenance and refurbishments;
- future increases in the price of, or major changes or reduction in, commercial airline services;
- seasonal variations in passenger fare rates and occupancy levels at different times of the year;
- our ability to keep pace with developments in technology;
- amendments to our collective bargaining agreements for crew members and other employee relation issues;
- the continued availability of attractive port destinations;
- pending or threatened litigation, investigations and enforcement actions;
- changes involving the tax and environmental regulatory regimes in which we operate;
- our reliance on exemptions from certain corporate governance requirements during a one-year transition period; and
- other factors set forth under “Risk Factors.”

The above examples are not exhaustive and new risks emerge from time to time. Such forward-looking statements are based on our current beliefs, assumptions, expectations, estimates and projections regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements speak only as of the date made. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations with regard thereto or any change of events, conditions or circumstances on which any such statement was based, except as required by law.

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PART I

Item 1. Business

History and Development of the Company

NCLH is a leading global cruise company which operates the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands. We have 22 ships with approximately 45,000 Berths and will introduce five additional ships through 2019. Our ships currently offer itineraries to more than 510 destinations worldwide.

Norwegian commenced operations from Miami in 1966. In February 2000, Genting HK acquired control of and subsequently became the sole owner of the Norwegian operations.

In January 2008, the Apollo Holders acquired 50% of the outstanding ordinary share capital of NCLC. As part of this investment, the Apollo Holders assumed control of NCLC's Board of Directors. Also, in January 2008, the TPG Viking Funds acquired, in the aggregate, 12.5% of NCLC's outstanding share capital from the Apollo Holders.

In January 2013, NCLH completed its IPO, pursuant to which it sold 27,058,824 ordinary shares for net proceeds, after deducting underwriting discounts and commissions and expenses, of approximately $473.9 million.

In November 2014, we completed the Acquisition of Prestige. We believe that the combination of Norwegian and Prestige creates a cruise operating company with a rich product portfolio and strong market presence.

The Sponsors have completed numerous Secondary Equity Offerings and as of December 31, 2015 owned 29.3% of NCLH's ordinary shares.

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. 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 and parent company of NCLC (the "Corporate Reorganization"). At the same time, NCLH contributed $460.0 million to NCLC and the historical financial statements of NCLC became those of NCLH. 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 its formation and to prepare for the Corporate Reorganization and the IPO.

NCLC was treated as a partnership for U.S. federal income tax purposes, and the terms of the partnership (including the economic rights with respect thereto) were set forth in an amended and restated tax agreement for NCLC. Economic interests in NCLC were represented by the partnership interests established under the tax agreement, which we refer to as "NCL Corporation Units."

In connection with the Corporate Reorganization, NCLC's outstanding profits interests granted under the profits sharing agreement to management (or former management) of NCLC 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. As a result of the Corporate Reorganization, the Management NCL Corporation Units created a non-controlling interest within NCLH. The Management NCL Corporation Units received upon the exchange of outstanding profits interests were 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 represented a 2.7% economic interest in NCLC as of the consummation of the IPO.

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 had 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.

When a holder of a Management NCL Corporation Unit exchanged 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 were not altered. As a result of the Corporate Reorganization, a non-controlling interest was created within NCLH and NCLH's financial statements and financial results differed from NCLC's in certain respects.

In the fourth quarter of 2014, all Management NCL Corporation Units were exchanged for NCLH ordinary shares and restricted shares. NCLH became the sole member and 100% owner of the economic interests in NCLC and the non-controlling interest no longer exists. Accordingly, NCLC is now treated as a disregarded entity for U.S. federal income tax purposes. No new NCLC profits interests or Management NCL Corporation Units will be issued; however, NCLH has granted, and expects to continue to grant, equity to its employees and members of its Board of Directors under its long-term incentive plan.

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Additional Information

NCLH is a Bermuda limited company formed as a holding company in 2011, with predecessors dating from 1966. Our registered offices are located at Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM 11, Bermuda. Our principal executive offices are located at 7665 Corporate Center Drive, Miami, Florida 33126. Our telephone number is (305) 436-4000. Our website is located at www.nclhltdinvestor.com. The information that appears on our websites is not part of, and is not incorporated by reference into this annual report or any other report or document filed with or furnished to the SEC. Daniel S. Farkas, the Company's Senior Vice President and General Counsel, is our agent for service of process at our principal executive offices.

Our Company

NCLH Business Overview

NCLH is a leading global cruise company which operates the Norwegian, Oceania Cruises and Regent brands. With a combined fleet of 22 ships with approximately 45,000 Berths, these brands offer itineraries to more than 510 destinations worldwide including Europe, Asia, Australia, New Zealand, South America, Africa, Canada, Bermuda, Caribbean, Alaska and Hawaii. Norwegian's U.S.-flagged ship, Pride of America, provides the industry's only entirely inter-island itinerary in Hawaii.

In October 2015, Norwegian took delivery of our largest ship to date, Norwegian Escape. We will introduce five additional ships through 2019: Regent's Seven Seas Explorer, on order for delivery in the summer of 2016; three Breakaway Plus Class Ships on order for deliveries to the Norwegian fleet in the spring of 2017, spring of 2018 and fall of 2019; and a ship we acquired from a third party to join the Oceania Cruises' fleet, which will be named Sirena. After its current Bareboat Charter ends in March 2016, we will extensively refurbish Sirena to our standards. Sirena is a sister ship to the R-Class ships currently in the Oceania Cruises' fleet and will be placed in service in the spring of 2016. These additions to our fleet will increase our total Berths to approximately 59,000.

All of our brands offer an assortment of features, amenities and activities, including a variety of accommodations, multiple dining venues, bars and lounges, spa, casino and retail shopping areas and numerous entertainment choices. All brands also offer a selection of shore excursions at each port of call as well as hotel packages for stays before or after a voyage.

Norwegian is an innovator in cruise travel with 14 ships that have been purpose-built to consistently deliver the "Freestyle Cruising" product, which offers freedom, flexibility and choice to our guests who prefer to dine when they want, with whomever they want and without having to dress formally. Certain ships in Norwegian's fleet offer The Haven by Norwegian ("The Haven"), a luxurious, key-card access enclave that has spacious accommodations with suites as large as 1,345 square feet and offers a "ship within a ship" experience. The Haven includes two decks of suites, a private pool with multiple hot tubs and sundeck, a private fitness center and steam rooms, fine dining in a private restaurant, casual outdoor dining, 24-hour concierge service and personal butlers. In 2015, Norwegian was named "Europe's Leading Cruise Line" for the eighth consecutive year, as well as "Caribbean's Leading Cruise Line" for the third time and "World's Leading Large Ship Cruise Line" for the fourth straight year by the World Travel Awards.

Oceania Cruises offers the finest cuisine at sea and immersive destination experiences with destination-rich itineraries spanning the globe. Oceania Cruises operates a fleet of five mid-size ships, including two 1,250-Berth O-Class ships, and three 684-Berth R-Class ships. Oceania Cruises is ranked as one of the world's best cruise lines by Condé Nast Traveler and Travel + Leisure. Oceania Cruises' ships received "Best Dining," "Best Public Rooms" and "Best Cabins" from Cruise Critic Cruisers' Choice Awards in 2015.

Regent Seven Seas Cruises is an all-inclusive cruise line which provides all-suite accommodations, round-trip air transportation, highly personalized service, acclaimed cuisine, fine wines and spirits, Wi-Fi, sightseeing excursions in every port and other amenities included in the cruise fare. The brand operates three award-winning ships, totaling 1,890 Berths. Most recently, Regent Seven Seas Cruises won the "Best Cruise Ship, Luxury" award, for Seven Seas Mariner, and the "Best Cruise Line, Luxury" award from the TravAlliance Travvy Awards. Regent Seven Seas Cruises also won the 2015 National Association of Career Travel Agents "Luxury Cruise Line Partner of the Year" award.

Our Fleet

The following table presents information about our ships and their primary areas of operation based on current itineraries, which are subject to change.

Ship[(1)]	**Year Delivered**	**Primary Areas of Operation**
Norwegian		
Norwegian Escape	2015	Caribbean, Bahamas
Norwegian Getaway	2014	Europe, Caribbean, Bahamas
Norwegian Breakaway	2013	Bermuda, Caribbean, Bahamas
Norwegian Epic	2010	Europe
Norwegian Gem	2007	Bahamas, Bermuda, Caribbean, Canada, New England

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Norwegian Jade	2006	Europe
Norwegian Pearl	2006	Alaska, Bahamas, Caribbean, Pacific Coastal, Panama Canal
Norwegian Jewel	2005	Alaska, Bahamas, Caribbean, Pacific Coastal, Panama Canal, Mexico
Pride of America	2005	Hawaii
Norwegian Dawn	2002	Bermuda, Caribbean, Canada, New England
Norwegian Star	2001	Bermuda, Caribbean, Europe, Asia, Australia, New Zealand
Norwegian Sun	2001	Caribbean, Alaska, Mexico, South America, Pacific Coastal
Norwegian Sky	1999	Bahamas
Norwegian Spirit	1998	Caribbean, Bahamas, Europe
Oceania Cruises		
Oceania Riviera	2012	Caribbean, Mediterranean, Black Sea
Oceania Marina	2011	South America, Baltic, Mediterranean, Panama Canal, South Pacific
Oceania Nautica	2000	Asia, Africa, Mediterranean, Baltic
Oceania Regatta	1998	Caribbean, Panama Canal, New England, South America, Alaska, Mexico, Bermuda, Canada
Oceania Insignia	1998	Mediterranean, Black Sea, Baltic, Caribbean, South America, Panama Canal, South Pacific, Asia, Australia
Regent		
Seven Seas Voyager	2003	Asia, Africa, Baltic, Mediterranean
Seven Seas Mariner	2001	South America, Mediterranean, Black Sea, Panama Canal, Canada, Alaska
Seven Seas Navigator	1999	Europe, Caribbean, Panama Canal, Alaska, New England, Asia

(1) The table does not include the three Breakaway Plus Class Ships on order for delivery to the Norwegian fleet in the spring of 2017, spring of 2018 and fall of 2019 nor does it include the Seven Seas Explorer on order for delivery to the Regent fleet in the summer of 2016 or Sirena which will be placed in service to the Oceania Cruises' fleet in the spring of 2016.

Our Competitive Strengths

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

Rich Stateroom Mix

The Norwegian, Oceania Cruises' and Regent fleets offer an attractive mix of staterooms, suites and villas. Norwegian's accommodations include the groundbreaking Studio staterooms designed for solo travelers centered around the Studio Lounge, a private lounge area solely for Studio guests, as well as ocean views, balconies, and connecting accommodations to meet the needs of all types of cruisers. Norwegian's suites range from two bedroom family suites to penthouses and owner suites, as well as three bedroom Garden Villas measuring up to 6,694 square feet. In addition, eight of Norwegian's ships offer The Haven, a key-card access enclave on the upper decks with luxurious suite accommodations, exclusive amenities, and 24/7 butler and concierge service. The Haven suites surround a private courtyard with pool, hot tubs, sundeck, fitness center and steam rooms. Onboard Norwegian Epic and Breakaway Class Ships, The Haven also includes a private lounge and fine dining restaurant. Norwegian Escape, the newest and first of the Breakaway Plus Class Ships, offers the largest Haven complex to date with new outdoor fine dining providing expansive ocean views. The spacious and elegant accommodations on Oceania Cruises' five award-winning ships, the 684-Berth Regatta, Insignia and Nautica, and the 1,250-Berth Marina and Riviera, range from 160-square foot inside staterooms to opulent 2,030-square foot Owner's Suites. Oceania Cruises will add a fourth 684-Berth ship with Sirena being placed in service in the spring of 2016. The Regent fleet is comprised of three ships, Seven Seas Voyager and Seven Seas Mariner, which feature all-suite, all-balcony accommodations, and Seven Seas Navigator, with a majority of accommodations including balconies. Regent's Seven Seas Explorer, to be delivered in the summer of 2016, will also feature all-suite, all-balcony accommodations including sophisticated designer suites ranging from 300 to 3,875 square feet which are amongst the highest space-to-guest and crew-to-guest ratios in the industry.

High-Quality Service

The Norwegian, Oceania Cruises and Regent brands all offer a high level of onboard service. Norwegian continues to enhance the level of service on its ships through the recently launched ("The Norwegian Edge") program. This program introduces specific standards aimed at enhancing the overall guest experience which we believe will promote further customer loyalty. We believe the Acquisition of Prestige allows for collaboration among the Norwegian, Oceania Cruises and Regent brands which will facilitate our ability to provide an enhanced guest experience across all brands. Oceania Cruises and Regent are known for their quality of service, including some of the highest crew-to-guest ratios in the industry and a staff trained to deliver personalized and attentive service in a country club, casual setting.

Diverse Selection of Premium Itineraries

We have expanded our already broad range of premium itineraries. Our fleet has a worldwide deployment, offering one to 180 days itineraries to more than 510 ports, including destinations in Scandinavia, Russia, the Mediterranean, the Greek Isles, Alaska, Canada and New England, Asia, Tahiti and the South Pacific, Australia and New Zealand, Africa, India, South America, the Panama Canal, and the Caribbean.

Strong Cash Flow

We believe our business model will generate a significant amount of cash flow with high revenue visibility. All three of our brands afford the ability to pre-sell tickets, receive customer deposits and sell onboard activities in advance with long lead times ahead of sailing. In terms of newbuild capital expenditures, the cash flow impact is mitigated as we have export credit financing in place for all newbuild ships to fund approximately 80% of the contract price of each ship.

Highly Experienced Management Team

Our senior management team is comprised of executives with extensive experience in the cruise, travel, leisure and hospitality-related industries. Frank J. Del Rio is our President and Chief Executive Officer. Mr. Del Rio has been responsible for the financial and strategic development of Prestige. Mr. Del Rio founded Oceania Cruises in October 2002 and played a vital role in the development of Renaissance Cruises from 1993 to 2001. Andrew Stuart is our President and Chief Operating Officer of our Norwegian brand. Mr. Stuart joined Norwegian in 1988 and has held several Senior Management positions in Sales, Marketing and Passenger Services during his tenure before becoming President and Chief Operating Officer in 2015. Jason M. Montague is our President and Chief Operating Officer for the Regent and Oceania Cruises brands and was instrumental in launching Oceania Cruises in 2002 and is widely regarded as one of its co-founders. Wendy Beck is our Executive Vice President and Chief Financial Officer. Ms. Beck has been with NCLH since 2010 and was instrumental in consummation of the IPO. For more on our senior management, see “Executive Officers” below.

Our Business Strategies

We seek to attract vacationers with our products and services and by creating differentiated itineraries in new markets on our current and upcoming ships with the aim of delivering an enhanced, value-added vacation experience to our guests relative to other vacation alternatives. Our business strategies include the following:

Post-Acquisition of Prestige Strategy

We have implemented a corporate-wide strategy following the Acquisition of Prestige which we believe will deliver a quality product to our guests and generate returns to our shareholders. We termed this strategy the "New Deal" which includes three main tenets:

Organic growth. We capitalize on the knowledge throughout the organization to identify areas where marginal changes can be implemented that promote growth from organic sources. By sharing best practices across brands, our marketing teams find areas of opportunity to more effectively market to past guests not only within each brand, but across brands as well.

Driving higher per diems to deliver higher yields. We are implementing a market-to-fill strategy which maintains pricing integrity by offering both the best price early in the booking cycle and value-added promotions when necessary to avoid compromising on price. Diversification of deployment is another key initiative to drive higher yields. Our destination management team reviews deployments across the fleet, either repositioning ships to new destinations or fine-tuning itineraries, with the goal of creating scarcity which, in turn, leads to higher pricing. We also look to increase demand through effective marketing and an enhanced sales force.

Leveraging scale to suppress costs. We leverage the combined purchasing power of our three brands to reduce costs throughout the organization. In addition, we have created a shared-services model to manage the newly combined company. This model places vessel operations, finance, accounting, purchasing, legal, information technology and human resources, as well as other departments, as a shared-service for all three brands. This shared-services model not only generates expense-related synergies, but also facilitates the sharing of best practices across all areas.

Enhanced Product Offerings and Guest Experience

Norwegian's ships offer up to 28 dining options, a diverse range of accommodations and what we believe is the widest array of entertainment at sea. Norwegian is also enhancing the guest experience with The Norwegian Edge, a program that includes a multi-year, $400 million investment to enhance the guest experience via extensive ship revitalizations and enriched destination experiences. We plan to complete these revitalizations and destination enhancements by the end of 2017, at which time nine Norwegian ships will have undergone stern to bow refurbishments, bringing them to The Norwegian Edge standards. Oceania Cruises' award-winning onboard dining, with multiple open seating dining venues, is a central highlight of its cruise experience. Regent's all-inclusive offering includes air transportation, shore excursions, hotel packages, specialty restaurants, premium spirits and fine wines, gratuities and other amenities. Regent recently announced a $125 million fleet-wide renovation program aimed at upgrading its existing fleet to the same standards as its upcoming Seven Seas Explorer.

Maximize Net Yields

We focus on growing revenue through various initiatives aimed at increasing ticket prices and Occupancy Percentages as well as onboard spending to drive higher overall Net Yields. Our specific base-loading initiatives include:

Strategic Relationships. We developed 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 increased the 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.

Casino Player Strategy. We have non-exclusive arrangements with over 100 casino partners worldwide whereby loyal gaming guests are offered cruise reward certificates redeemable for cruises. Through property sponsored events and joint marketing programs, we have the opportunity to market cruises to these guests. These arrangements with casino partners have the dual benefit of filling open inventory and reaching guests that we expect to generate above average onboard revenue through the casino and other onboard spending.

Disciplined Fleet Expansion

We have orders with Meyer Werft shipyard for three Breakaway Plus Class Ships for delivery in the spring of 2017, spring of 2018 and fall of 2019. These ships will be the largest in our fleet, reaching approximately 164,600 Gross Tons. With approximately 4,100 to 4,350 Berths each, they will be similar in design and innovation to our first Breakaway Plus Class Ship, Norwegian Escape, which was delivered in October 2015. We also have a contract with Fincantieri shipyard to build Seven Seas Explorer to be delivered in the summer of 2016. The all-suite, all-balcony Seven Seas Explorer will feature sophisticated designer suites ranging from 300 to 3,875 square feet with amongst the highest guest-to-space ratio of 76.0 gross ton per guest and a crew-to-guest ratio of 1 to 1.4. The ship will include five open-seating gourmet restaurants, Regent’s signature nine-deck open atrium, a two-story theater, two boutiques and an expansive Canyon Ranch SpaClub. In November 2014, we acquired a ship from a third party to join the Oceania Cruises’ fleet which will be named Sirena. After its current Bareboat Charter ends in March 2016, we will extensively refurbish the ship to meet our standards. The third party provided financing for the contract price. We believe these new ships will allow us to continue expanding the reach of our brands, positioning us for accelerated growth and providing an optimized return on invested capital.

Expand and Strengthen Our Product Distribution Channels

As part of our growth strategy, we continually look for ways to deepen and expand our sales channels. We continue to invest in our brands by enhancing websites and passenger services departments where travel agents and guests have the ability to book cruise vacations.

We focus on distribution through our three primary channels: "Retail/Travel Agent," "International," and "Meetings, Incentives and Charters."

Retail/Travel Agent. The retail/travel agent channel represents the majority of our ticket sales. Our travel partner base is comprised of an extensive network of approximately 23,000 independent travel agencies including brick and mortar, internet-based and home-based operators located in North America, South America, Europe, Asia and Australia. We have made substantial investments with improvements in booking technologies, transparent pricing strategies, effective marketing tools, improved communication and cooperative marketing initiatives. We have expanded sales force teams who work closely with our travel agency partners on maximizing their marketing and sales effectiveness across all three of our brands. Our focused account management is designed to create solutions catered to the individual retailer through product and sales training. This education creates a deeper understanding of all our offerings.

International. We continue to accelerate our international expansion efforts, building on initiatives rolled out in 2015 that focused on increasing our presence in the fast growing Asia Pacific region. We announced the re-deployment of Norwegian Star to the Australasia region, which was followed by the opening of our sales office in Sydney, Australia which services the growing demand from the Asia Pacific region for cruises across our three brands.

Our entry into the Chinese market includes a multi-pronged strategy to expand our presence in what many believe will soon become the world's second largest cruise market. We began with the opening of sales and marketing offices in Shanghai, Beijing and Hong Kong that will serve dual purposes. These offices will look to source Chinese guests for international cruises across our three brands, which together combine to form a broad portfolio of voyages and itineraries to every corner of the globe where a Chinese cruiser would look to sail. These offices will support our travel partners to source locally for our China-dedicated venture, our Breakaway Plus Class Ship being launched in the spring of 2017, which will be purpose-built for Chinese consumers. The ship will be designed to deliver a blend of the Norwegian brand's offering of freedom and flexibility with amenities and features that will resonate with Chinese guests.

For information regarding risks associated with our international operations, see Part I Item 1A-Risk Factors in this annual report on Form 10-K, including the risk factor titled "Conducting business internationally may result in increased costs and risks."

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Meetings, Incentives and Charters. This channel focuses on full ship charters as well as corporate meetings 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. The acquisition of Sixthman in 2012, a company specializing in developing and delivering music-oriented charters, opened up a new market for travel partners to be able to sell high-quality music experiences at sea to guests.

Itineraries

We offer cruise itineraries ranging from one to 180-days calling on over 510 worldwide locations, including destinations in Scandinavia, Russia, the Mediterranean, the Greek Isles, Alaska, Canada and New England, Asia, Tahiti and the South Pacific, Australia and New Zealand, Africa, India, South America, the Panama Canal, and the Caribbean. We have developed, and are continuing to develop, innovative itineraries to position our ships in new and niche markets as well as in the mainstream markets throughout the Americas and Europe.

We believe that these destination-focused itineraries, complemented by a comprehensive shore excursion program (which is included in the all-inclusive fare for cruises on the Regent ships), differentiate our brands from many of our competitors. We call on "must-see" and exotic destinations, many of which include overnight stays in port, allowing guests to have more in-depth experiences than would otherwise be possible in only a single day port call.