
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2018

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
(State or other jurisdiction of
incorporation or organization)

98-0691007
(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)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 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 No

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

Large accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)
Emerging growth company

Accelerated filer
Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

There were 224,689,497 ordinary shares outstanding as of May 1, 2018.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Operations
(Unaudited)
(in thousands, except share and per share data)

	Three Months Ended	
	March 31,	
	2018	2017
Revenue		
Passenger ticket	\$ 889,866	\$ 786,694
Onboard and other	403,537	364,087
Total revenue	<u>1,293,403</u>	<u>1,150,781</u>
Cruise operating expense		
Commissions, transportation and other	218,340	194,140
Onboard and other	70,688	68,411
Payroll and related	209,824	192,636
Fuel	93,431	88,886
Food	50,656	46,178
Other	125,152	129,547
Total cruise operating expense	<u>768,091</u>	<u>719,798</u>
Other operating expense		
Marketing, general and administrative	227,015	192,044
Depreciation and amortization	131,244	119,205
Total other operating expense	<u>358,259</u>	<u>311,249</u>
Operating income	<u>167,053</u>	<u>119,734</u>
Non-operating income (expense)		
Interest expense, net	(59,698)	(52,960)
Other income (expense), net	(1,666)	(2,815)
Total non-operating income (expense)	<u>(61,364)</u>	<u>(55,775)</u>
Net income before income taxes	105,689	63,959
Income tax expense	(2,534)	(2,049)
Net income	<u>\$ 103,155</u>	<u>\$ 61,910</u>
Weighted-average shares outstanding		
Basic	227,343,577	227,468,526
Diluted	<u>229,187,628</u>	<u>228,555,952</u>
Earnings per share		
Basic	\$ 0.45	\$ 0.27
Diluted	<u>\$ 0.45</u>	<u>\$ 0.27</u>

The accompanying notes are an integral part of these consolidated financial statements.

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Comprehensive Income
(Unaudited)
(in thousands)

	Three Months Ended	
	March 31,	
	2018	2017
Net income	\$ 103,155	\$ 61,910
Other comprehensive income:		
Shipboard Retirement Plan	105	105
Cash flow hedges:		
Net unrealized gain (loss)	48,576	(7,283)
Amount realized and reclassified into earnings	(1,785)	9,705
Total other comprehensive income	46,896	2,527
Total comprehensive income	\$ 150,051	\$ 64,437

The accompanying notes are an integral part of these consolidated financial statements.

Norwegian Cruise Line Holdings Ltd.
Consolidated Balance Sheets
(Unaudited)
(in thousands, except share data)

	March 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 301,748	\$ 176,190
Accounts receivable, net	41,159	43,961
Inventories	80,427	82,121
Prepaid expenses and other assets	337,441	216,065
Total current assets	760,775	518,337
Property and equipment, net	11,085,572	11,040,488
Goodwill	1,388,931	1,388,931
Tradenames	817,525	817,525
Other long-term assets	432,182	329,588
Total assets	<u>\$ 14,484,985</u>	<u>\$ 14,094,869</u>
Liabilities and shareholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 772,187	\$ 619,373
Accounts payable	65,573	53,433
Accrued expenses and other liabilities	535,278	513,717
Advance ticket sales	1,720,505	1,303,498
Total current liabilities	3,093,543	2,490,021
Long-term debt	5,580,290	5,688,392
Other long-term liabilities	172,079	166,690
Total liabilities	<u>8,845,912</u>	<u>8,345,103</u>
Commitments and contingencies (Note 9)		
Shareholders' equity:		
Ordinary shares, \$.001 par value; 490,000,000 shares authorized; 234,709,747 shares issued and 224,675,474 shares outstanding at March 31, 2018 and 233,840,523 shares issued and 228,528,562 shares outstanding at December 31, 2017	235	233
Additional paid-in capital	4,020,584	3,998,694
Accumulated other comprehensive income (loss)	73,862	26,966
Retained earnings	2,047,152	1,963,128
Treasury shares (10,034,273 and 5,311,961 ordinary shares at March 31, 2018 and December 31, 2017, respectively, at cost)	(502,760)	(239,255)
Total shareholders' equity	<u>5,639,073</u>	<u>5,749,766</u>
Total liabilities and shareholders' equity	<u>\$ 14,484,985</u>	<u>\$ 14,094,869</u>

The accompanying notes are an integral part of these consolidated financial statements.

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

	Three Months Ended	
	March 31,	
	2018	2017
Cash flows from operating activities		
Net income	\$ 103,155	\$ 61,910
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	134,546	121,593
(Gain) loss on derivatives	(10)	406
Deferred income taxes, net	809	1,186
Provision for bad debts and inventory	1,266	323
Share-based compensation expense	28,102	18,203
Changes in operating assets and liabilities:		
Accounts receivable, net	1,618	14,943
Inventories	1,363	(5,184)
Prepaid expenses and other assets	(45,709)	(9,473)
Accounts payable	13,163	27,423
Accrued expenses and other liabilities	(3,180)	(19,321)
Advance ticket sales	375,638	222,935
Net cash provided by operating activities	<u>610,761</u>	<u>434,944</u>
Cash flows from investing activities		
Additions to property and equipment, net	(143,874)	(117,777)
Promissory note receipts	249	—
Net cash used in investing activities	<u>(143,625)</u>	<u>(117,777)</u>
Cash flows from financing activities		
Repayments of long-term debt	(252,826)	(465,237)
Proceeds from long-term debt	290,878	236,000
Proceeds from employee related plans	5,961	9,466
Net share settlement of restricted share units	(12,171)	(4,550)
Purchases of treasury shares	(263,505)	—
Deferred financing fees	(109,915)	(1,404)
Net cash used in financing activities	<u>(341,578)</u>	<u>(225,725)</u>
Net increase in cash and cash equivalents	<u>125,558</u>	<u>91,442</u>
Cash and cash equivalents at beginning of period	176,190	128,347
Cash and cash equivalents at end of period	<u>\$ 301,748</u>	<u>\$ 219,789</u>

The accompanying notes are an integral part of these consolidated financial statements.

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)
(in thousands)

	Ordinary Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance, December 31, 2016	\$ 232	\$ 3,890,119	\$ (314,473)	\$ 1,201,103	\$ (239,255)	\$ 4,537,726
Share-based compensation	—	18,203	—	—	—	18,203
Issuance of shares under employee related plans	—	9,466	—	—	—	9,466
Change in accounting policy (share-based forfeitures)	—	(2,153)	—	2,153	—	—
Net share settlement of restricted share units	—	(4,550)	—	—	—	(4,550)
Other comprehensive income, net	—	—	2,527	—	—	2,527
Net income	—	—	—	61,910	—	61,910
Balance, March 31, 2017	<u>232</u>	<u>3,911,085</u>	<u>(311,946)</u>	<u>1,265,166</u>	<u>(239,255)</u>	<u>4,625,282</u>
Balance, December 31, 2017	233	3,998,694	26,966	1,963,128	(239,255)	5,749,766
Share-based compensation	—	28,102	—	—	—	28,102
Issuance of shares under employee related plans	2	5,959	—	—	—	5,961
Treasury shares	—	—	—	—	(263,505)	(263,505)
Net share settlement of restricted share units	—	(12,171)	—	—	—	(12,171)
Cumulative change in accounting policy	—	—	(12)	(19,131)	—	(19,143)
Other comprehensive income, net	—	—	46,908	—	—	46,908
Net income	—	—	—	103,155	—	103,155
Balance, March 31, 2018	<u>\$ 235</u>	<u>\$ 4,020,584</u>	<u>\$ 73,862</u>	<u>\$ 2,047,152</u>	<u>\$ (502,760)</u>	<u>\$ 5,639,073</u>

The accompanying notes are an integral part of these consolidated financial statements.

Norwegian Cruise Line Holdings Ltd.
Notes to Consolidated Financial Statements
(Unaudited)

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 Cruise Line” or “Norwegian” refers to the Norwegian Cruise Line brand and its predecessors, (v) “Prestige” refers to Prestige Cruises International S. de R.L. (formerly Prestige Cruises International, Inc.), together with its consolidated subsidiaries, including Prestige Cruise Holdings S. de R.L. (formerly Prestige Cruise Holdings, Inc.), Prestige’s direct wholly-owned subsidiary, which in turn is the parent of Oceania Cruises S. de R.L. (formerly 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), (vi) “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 NCL Athene LLC, 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., 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. and (vii) “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 Bermuda wholly-owned subsidiary (“Star NCLC”). References to the “U.S.” are to the United States of America, and “dollars” or “\$” are to U.S. dollars, the “U.K.” are to the United Kingdom and “euros” or “€” are to the official currency of the Eurozone.

1. Description of Business and Organization

We are a leading global cruise company which operates the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands. As of March 31, 2018, we had 25 ships with approximately 50,400 Berths, excluding Norwegian Bliss, which was delivered on April 19, 2018 (we refer you to Note 12—“Subsequent Events”). We plan to introduce six additional ships through 2025 and we have an option to introduce two additional ships for delivery in 2026 and 2027, subject to certain conditions. Norwegian Encore is on order for delivery in the fall of 2019. We also have an Explorer Class Ship, Seven Seas Splendor, on order for delivery in the winter of 2020. Project Leonardo will introduce an additional four ships with expected delivery dates through 2025. These additions to our fleet (exclusive of the option for two additional ships) will increase our total Berths to approximately 72,300.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are unaudited and, in our opinion, contain all normal recurring adjustments necessary for a fair statement of the results for the periods presented.

Our operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire fiscal year. Historically, demand for cruises has been strongest during the Northern Hemisphere’s summer months. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017, which are included in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Earnings Per Share

A reconciliation between basic and diluted earnings per share was as follows (in thousands, except share and per share data):

	Three Months Ended	
	March 31,	
	2018	2017
Net income	\$ 103,155	\$ 61,910
Basic weighted-average shares outstanding	227,343,577	227,468,526
Dilutive effect of share awards	1,844,051	1,087,426
Diluted weighted-average shares outstanding	229,187,628	228,555,952
Basic earnings per share	\$ 0.45	\$ 0.27
Diluted earnings per share	\$ 0.45	\$ 0.27

For the three months ended March 31, 2018 and 2017, a total of 3.4 million and 7.5 million shares, respectively, have been excluded from diluted weighted-average shares outstanding because the effect of including them would have been anti-dilutive.

Revenue and Expense Recognition

On January 1, 2018, we adopted Accounting Standards Update (“ASU”) No. 2014-09 (“Topic 606”) - Revenue from Contracts with Customers. Topic 606 supersedes the revenue recognition requirements in Accounting Standards Codification 605 - Revenue Recognition. Using the modified retrospective method, we applied the new requirements to those contracts which were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with our historic accounting under Topic 605.

Nature of goods and services

We offer our guests a multitude of cruise fare options when booking a cruise. Our cruise ticket prices generally include cruise fare and a wide variety of onboard activities and amenities, as well as meals and entertainment. In some instances, cruise ticket prices include round-trip airfare to and from the port of embarkation, complimentary beverages, unlimited shore excursions, free internet, pre-cruise hotel packages, and on some of the exotic itineraries, pre or post land packages. Prices vary depending on the particular cruise itinerary, stateroom category selected and the time of year that the voyage takes place. Passenger ticket revenue also includes full ship charters as well as port fees and taxes.

During the voyage, we generate onboard and other revenue for additional products and services which are not included in the cruise fare, including casino operations, certain food and beverage, gift shop purchases, spa services, photo services and other similar items. Food and beverage, casino operations and shore excursions are generally managed directly by us while retail shops, spa services, art auctions and internet services may be managed through contracts with third-party concessionaires. These contracts generally entitle us to a fixed percentage of the gross sales derived from these concessions. While some onboard goods and services may be prepaid prior to the voyage, we utilize point-of-sale systems for discrete purchases made onboard. Certain of our product offerings are bundled and we allocate the value of the bundled goods and services between passenger ticket revenue and onboard and other revenue based upon the relative standalone selling prices of those goods and services.

Timing of satisfaction of performance obligations and significant payment terms

The payment terms and cancellation policies vary by brand, stateroom category, length of voyage, and country of purchase. A deposit for a future booking is required at or soon after the time of booking. Final payment is normally due between 75 days and 180 days before the voyage. Deposits on advance ticket sales are deferred when received, and include amounts that are refundable. Deferred amounts are subsequently recognized as revenue ratably during the voyage sailing days as services are rendered over time on the ship. Deposits are generally cancellable and refundable prior to sailing, but may be subject to penalties, depending on the timing of cancellation. The inception of substantive cancellation penalties generally coincides with the dates that final payment is due, and penalties generally increase as the voyage sail date approaches. Cancellation fees are recognized in passenger ticket revenue in the month of the cancellation. Onboard goods and services rendered may be paid at disembarkation. A receivable is recognized for onboard goods and services rendered when the voyage is not completed before the end of the period.

Cruises that are reserved under full ship charter agreements are subject to the payment terms of the specific agreement and may be either cancelable or non-cancelable. Deposits received on charter voyages are deferred when received and included in advance ticket sales. Deferred amounts are subsequently recognized as revenue ratably over the voyage sailing dates.

Financial statement presentation

As of January 1, 2018, in connection with the adoption of Topic 606, we reclassified \$51.6 million of deferred costs associated with obtaining customer contracts to prepaid expenses and other assets from advance ticket sales.

Segment Reporting

We have concluded that our business has a single reportable segment. Each brand, Norwegian, Oceania Cruises and Regent, constitutes a business for which discrete financial information is available and management regularly reviews the brand level operating results and, therefore, each brand is considered an operating segment. Our operating segments have similar economic and qualitative characteristics, including similar long-term margins and similar products and services; therefore, we aggregate all of the operating segments into one reportable segment.

Although we sell cruises on an international basis, our passenger ticket revenue is primarily attributed to U.S.-sourced guests who make reservations in the U.S. Revenue attributable to U.S.-sourced guests has historically approximated 75-80%. No other individual country’s revenues exceed 10% in any given period.

[Table of Contents](#)*Disaggregation of Revenue*

Revenue and cash flows are affected by economic factors in various geographical regions. Revenues by destination were as follows (in thousands):

	Three Months Ended	
	March 31,	
	2018	2017
North America	\$ 875,179	\$ 850,671
Europe	31,070	26,162
Asia-Pacific	267,718	133,430
Other	119,436	140,518
	<u>\$ 1,293,403</u>	<u>\$ 1,150,781</u>

Contract Balances

Receivables from customers are included within accounts receivables, net. As of March 31, 2018 and January 1, 2018, our receivables from customers were \$12.2 million and \$13.8 million, respectively.

Contract liabilities represent the Company's obligation to transfer goods and services to a customer. A customer deposit held for a future cruise is generally considered a contract liability only when final payment is both due and paid by the customer and is usually recognized in earnings within 180 days of becoming a contract. Other deposits held and included within advance ticket sales or other long-term liabilities are not considered contract liabilities as they are largely cancelable and refundable. Our contract liabilities are included within advance ticket sales. As of March 31, 2018 and January 1, 2018, our contract liabilities were \$1.2 billion and \$1.0 billion, respectively. Of the amounts included within contract liabilities, approximately 50% were refundable in accordance with our cancellation policies. For the three months ended March 31, 2018, \$0.8 billion of revenue recognized was included in the contract liability balance at the beginning of the period.

Our revenue is seasonal and based on the demand for cruises. Historically, the seasonality of the North American cruise industry generally results in the greatest demand for cruises during the Northern Hemisphere's summer months. This predictable seasonality in demand has resulted in fluctuations by quarter in our revenue and results of operations. The seasonality of our results is increased due to ships being taken out of service for regularly scheduled Dry-docks, which we typically schedule during non-peak demand periods. This seasonality will result in higher contract liability balances as a result of an increased number of reservations preceding peak demand periods. The addition of new ships also increases the contract liability balances prior to a new ship's delivery, as staterooms are usually made available for reservation prior to the inaugural cruise. Norwegian Bliss, with approximately 4,000 berths, adding 8% capacity to our fleet, was delivered on April 19, 2018 (we refer you to Note 12— "Subsequent Events").

Practical Expedients and Exemptions

We do not disclose information about remaining performance obligations that have original expected durations of one year or less. We recognize revenue in an amount that corresponds directly with the value to the customer of our performance completed to date. Variable consideration, which will be determined based on a future rate and passenger count, is excluded from the disclosure and these amounts are not material. These variable non-disclosed contractual amounts relate to our non-cancelable charter agreements and a leasing arrangement with a certain port, both of which are long-term in nature. Amounts that are fixed in nature due to the application of minimum guarantees are also not material and are not disclosed.

Contract Costs

Management expects that incremental commissions and credit card fees paid as a result of obtaining ticket contracts are recoverable; therefore, we recognize these amounts as assets when they are paid prior to the voyage. Costs of air tickets and port taxes and fees that fulfill future performance obligations are also considered recoverable and are recorded as assets. As of March 31, 2018, \$115.0 million of costs incurred to obtain customers and \$25.0 million of costs to fulfill contracts with customers are recognized as assets within prepaid expenses and other assets. Incremental commissions, credit card fees, air ticket costs, and port taxes and fees are recognized ratably over the voyage sailing dates, concurrent with associated revenue, and are primarily in commission, transportation and other expense.

[Table of Contents](#)*Impacts on Financial Statements*

The adoption of Topic 606 does not change the timing, classification or amount of revenue recognized from customers in our consolidated financial statements nor does it change the timing, classification or amount of incremental costs to obtain and fulfill those contracts with customers. Therefore, the adoption had no impact on our consolidated statement of operations or consolidated statement of comprehensive income.

The following table summarizes the impacts of Topic 606 adoption on our consolidated balance sheet which has been adjusted for deferred contract costs that would have been included, net, in Advance ticket sales as of March 31, 2018 (in thousands):

	As reported	Adjustments	Balances without adoption of Topic 606
Prepaid expenses and other assets	\$ 337,441	\$ (68,230)	\$ 269,211
Total assets	14,484,985	(68,230)	14,416,755
Advance ticket sales	1,720,505	(68,230)	1,652,275
Total liabilities and shareholders' equity	\$ 14,484,985	\$ (68,230)	\$ 14,416,755

The following table summarizes the impacts of our adoption of Topic 606 on our consolidated statement of cash flows for the three months ended March 31, 2018 (in thousands):

	As reported	Adjustments	Balances without adoption of Topic 606
Changes in operating assets and liabilities:			
Prepaid expenses and other assets	\$ (45,709)	\$ 16,631	\$ (29,078)
Advance ticket sales	375,638	(16,631)	359,007
Net cash provided by operating activities	\$ 610,761	\$ —	\$ 610,761

Foreign Currency

The majority of our transactions are settled in U.S. dollars. We translate assets and liabilities of our foreign subsidiaries at exchange rates in effect at the balance sheet date. Gains or losses resulting from transactions denominated in other currencies are recognized in our consolidated statements of operations within other income (expense), net and such losses were approximately \$1.8 million and \$2.8 million for the three months ended March 31, 2018 and 2017, respectively.

Depreciation and Amortization Expense

The amortization of deferred financing fees is included in depreciation and amortization expense in the consolidated statements of cash flows; however, for purposes of the consolidated statements of operations they are included in interest expense, net.

Recently Issued and Adopted Accounting Guidance

In December 2017, the Tax Cuts and Jobs Act ("the Act") was enacted. Among other provisions, the Act reduces the U.S. federal corporate tax rate from 35% to 21%. The SEC staff issued Staff Accounting Bulletin No. 118, which addresses how a company recognizes provisional amounts when a company does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete its accounting for the effect of the changes required by the Act. The measurement period ends when a company has obtained, prepared and analyzed the information necessary to finalize its accounting, but cannot extend beyond one year. As of March 31, 2018, we have not completed the accounting for the tax effects of enactment of the Act; however, as described below, we have made a reasonable estimate of the effects on existing deferred tax balances. These amounts are provisional and subject to change. The most significant impact of the Act for the Company was a \$7.4 million reduction of the value of net deferred tax liabilities (which represent future tax expenses) that was recorded in 2017 as a discrete tax benefit as a result of lowering the U.S. corporate income tax rate from 35% to 21%. The tax benefit represents a provisional amount and the Company's current best estimates. Any adjustments recorded to the provisional amount through the end of 2018 will be included in income from operations as an adjustment to tax expense. The provisional amounts incorporate assumptions made based upon the Company's current interpretation of the Act and may change as the Company receives additional clarification and implementation guidance. Other aspects of the Act are either not applicable or not expected to have a material impact on the Company's financial statements.

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In January 2017, the Financial Accounting Standards Board issued ASU No. 2017-04 which simplifies the test for goodwill impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. The guidance is effective for annual or any interim goodwill impairment tests in years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. We do not expect to early adopt this guidance. We will evaluate the impact of this guidance to our consolidated financial statements upon adoption of the guidance.

On January 1, 2018, we adopted ASU No. 2016-16 which requires companies to recognize the income-tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs, rather than when the asset has been sold to an outside party. This adoption resulted in a cumulative-effect adjustment of \$19.1 million to retained earnings. This amount captures the write-off of previously unamortized deferred income tax expense from past intra-entity transfers involving assets other than inventory, not previously recognized under U.S. GAAP. The adoption does not have an impact on continuing operations, net income or any other financial statement line items for the current period.

On January 1, 2018, we adopted ASU No. 2017-12 which simplifies the accounting for derivatives. For derivative instruments that are designated and qualify as a cash flow hedge, the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings and is presented in the same income statement line item as the earnings effect of the hedged item. Upon adoption, the guidance required a cumulative effect adjustment, relating to the elimination of the separate measurement of ineffectiveness for cash flow hedges, to accumulated other comprehensive income (loss) with a corresponding adjustment to the opening balance of retained earnings, which was not material to our financial statements (we refer you to Note 7. "Fair Value Measurements and Derivatives").

3. Intangible Assets

The carrying amounts of intangible assets subject to amortization are included within other long-term assets. The gross carrying amounts of intangible assets, the related accumulated amortization, the net carrying amounts and the weighted-average amortization periods of the Company's intangible assets are listed in the following tables (in thousands, except amortization period):

	March 31, 2018			Weighted-Average Amortization Period (Years)
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
Customer relationships	\$ 120,000	\$ (73,088)	\$ 46,912	6.0
Licenses	3,368	(1,883)	1,485	5.6
Total intangible assets subject to amortization	<u>\$ 123,368</u>	<u>\$ (74,971)</u>	<u>\$ 48,397</u>	

	December 31, 2017			Weighted-Average Amortization Period (Years)
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
Customer relationships	\$ 120,000	\$ (66,866)	\$ 53,134	6.0
Licenses	3,368	(1,601)	1,767	5.6
Non-compete agreements	660	(660)	—	1.0
Total intangible assets subject to amortization	<u>\$ 124,028</u>	<u>\$ (69,127)</u>	<u>\$ 54,901</u>	

The aggregate amortization expense is as follows (in thousands):

	Three Months Ended March 31,	
	2018	2017
Amortization expense	<u>\$ 6,504</u>	<u>\$ 7,915</u>

The following table sets forth the Company's estimated aggregate amortization expense for each of the five years below (in thousands):

Year ended December 31,	Amortization Expense
2019	\$ 18,489
2020	9,906
2021	75
2022	75
2023	75

4. Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) for the three months ended March 31, 2018 was as follows (in thousands):

	Accumulated Other Comprehensive Income (Loss)	Change Related to Cash Flow Hedges	Change Related to Shipboard Retirement Plan
Accumulated other comprehensive income (loss) at beginning of period	\$ 26,966	\$ 33,861	\$ (6,895)
Current period other comprehensive income before reclassifications	48,576	48,576	—
Amounts reclassified into earnings	(1,680)	(1,785)(1)	105(2)
Accumulated other comprehensive income (loss) at end of period	<u>\$ 73,862</u>	<u>\$ 80,652(3)</u>	<u>\$ (6,790)</u>

(1) We refer you to Note 7—“Fair Value Measurements and Derivatives” for the affected line items in the consolidated statements of operations.

(2) Amortization of prior-service cost and actuarial loss reclassified to other income (expense).

(3) Includes \$9.5 million of gain expected to be reclassified into earnings in the next 12 months.

Accumulated other comprehensive income (loss) for the three months ended March 31, 2017 was as follows (in thousands):

	Accumulated Other Comprehensive Income (Loss)	Change Related to Cash Flow Hedges	Change Related to Shipboard Retirement Plan
Accumulated other comprehensive income (loss) at beginning of period	\$ (314,473)	\$ (307,618)	\$ (6,855)
Current period other comprehensive income before reclassifications	(7,283)	(7,283)	—
Amounts reclassified into earnings	9,810	9,705(1)	105(2)
Accumulated other comprehensive income (loss) at end of period	<u>\$ (311,946)</u>	<u>\$ (305,196)</u>	<u>\$ (6,750)</u>

(1) We refer you to Note 7—“Fair Value Measurements and Derivatives” for the affected line items in the consolidated statements of operations.

(2) Amortization of prior-service cost and actuarial loss reclassified to payroll and related expense.

5. Property and Equipment, net

Property and equipment, net increased \$45.1 million for the three months ended March 31, 2018 primarily due to ships under construction and ship improvement projects. Norwegian Bliss was delivered on April 19, 2018 (we refer you to Note 12—“Subsequent Events”).

6. Related Party Disclosures

In March 2018, as part of a public equity offering of our ordinary shares owned by the Apollo Holders and Genting HK, we repurchased 4,722,312 of our ordinary shares sold in the offering for approximately \$263.5 million pursuant to our then existing share repurchase program. As of March 31, 2018, the ownership percentages of NCLH’s ordinary shares were as follows:

Shareholder	Number of Shares	Percentage Ownership
Apollo Holders	15,728,782	7.0%
Genting HK	3,148,307	1.4%

7. Fair Value Measurements and Derivatives

Fair value is defined as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Fair Value Hierarchy

The following hierarchy for inputs used in measuring fair value should maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the most observable inputs be used when available:

Level 1 — Quoted prices in active markets for identical assets or liabilities that are accessible at the measurement dates.

Level 2 — Significant other observable inputs that are used by market participants in pricing the asset or liability based on market data obtained from independent sources.

Level 3 — Significant unobservable inputs we believe market participants would use in pricing the asset or liability based on the best information available.

Derivatives

We are exposed to market risk attributable to changes in interest rates, foreign currency exchange rates and fuel prices. We attempt to minimize these risks through a combination of our normal operating and financing activities and through the use of derivatives. We assess whether derivatives used in hedging transactions are “highly effective” in offsetting changes in the cash flow of our hedged forecasted transactions. We use regression analysis for this hedge relationship and high effectiveness is achieved when a statistically valid relationship reflects a high degree of offset and correlation between the fair values of the derivative and the hedged forecasted transaction. There are no amounts excluded from the assessment of hedge effectiveness and there are no credit-risk-related contingent features in our derivative agreements. We monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. Credit risk, including but not limited to counterparty non-performance under derivatives, is not considered significant, as we primarily conduct business with large, well-established financial institutions that we have established relationships with and that have credit risks acceptable to us or the credit risk is spread out among a large number of creditors. We do not anticipate non-performance by any of our significant counterparties.

As of March 31, 2018, we had fuel swaps maturing through December 31, 2020 which are used to mitigate the financial impact of volatility of fuel prices pertaining to approximately 1.1 million metric tons of our projected fuel purchases.

As of March 31, 2018, we had foreign currency forward contracts, matured foreign currency options and matured foreign currency collars which are used to mitigate the financial impact of volatility in foreign currency exchange rates related to our ship construction contracts denominated in euros. The notional amount of our foreign currency forward contracts was €1.9 billion, or \$2.3 billion based on the euro/U.S. dollar exchange rate as of March 31, 2018.

As of March 31, 2018, we had interest rate swap agreements to hedge our exposure to interest rate movements and to manage our interest expense. The notional amount of outstanding debt associated with the interest rate swap agreements was \$218.6 million as of March 31, 2018.

The following table sets forth our derivatives measured at fair value and discloses the balance sheet location (in thousands):

	Balance Sheet location	Asset		Liability	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Fuel contracts designated as hedging instruments					
	Prepaid expenses and other assets	\$ 17,637	\$ 19,220	\$ 3,089	\$ 2,406
	Other long-term assets	14,540	19,854	4,152	3,469
	Accrued expenses and other liabilities	60	—	3,107	3,348
	Other long-term liabilities	130	576	2,913	2,148
Foreign currency contracts designated as hedging instruments					
	Prepaid expenses and other assets	78,438	52,300	71	730
	Other long-term assets	112,777	85,081	—	—
Interest contracts designated as hedging instruments					
	Accrued expenses and other liabilities	—	—	332	1,020
Total derivatives designated as hedging instruments		\$ 223,582	\$ 177,031	\$ 13,664	\$ 13,121

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The fair values of swap and forward contracts are determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. The Company determines the value of options and collars utilizing an option pricing model based on inputs that are either readily available in public markets or can be derived from information available in publicly quoted markets. The option pricing model used by the Company is an industry standard model for valuing options and is used by the broker/dealer community. The inputs to this option pricing model are the option strike price, underlying price, risk-free rate of interest, time to expiration, and volatility. The fair value of option contracts considers both the intrinsic value and any remaining time value associated with those derivatives that have not yet settled. The Company also considers counterparty credit risk and its own credit risk in its determination of all estimated fair values. Our derivatives and financial instruments were categorized as Level 2 in the fair value hierarchy, and we had no derivatives or financial instruments categorized as Level 1 or Level 3. Our derivative contracts include rights of offset with our counterparties. We have elected to net certain assets and liabilities within counterparties when the rights of offset exist. We are not required to post cash collateral related to our derivative instruments.

The following table discloses the gross and net amounts recognized within assets and liabilities (in thousands):

	Gross Amounts	Gross Amounts Offset	Total Net Amounts	Gross Amounts Not Offset	Net Amounts
March 31, 2018					
Assets	\$ 223,392	\$ (7,312)	\$ 216,080	\$ (117,233)	\$ 98,847
Liabilities	6,352	(190)	6,162	(332)	5,830
December 31, 2017					
Assets	\$ 176,455	\$ (6,605)	\$ 169,850	\$ (127,924)	\$ 41,926
Liabilities	6,516	(576)	5,940	(1,020)	4,920

The effects of cash flow hedge accounting on accumulated other comprehensive income (loss) were as follows (in thousands):

Derivatives	Amount of gain or (loss) recognized in other comprehensive income		Location of gain or (loss) reclassified from accumulated other comprehensive income (loss) into income	Amount of gain or (loss) reclassified from accumulated other comprehensive income (loss) into income	
	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017		Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
	Fuel contracts	\$ (6,012)		\$ (26,203)	Fuel
Foreign currency contracts	54,493	18,636	Depreciation and amortization expense	(1,159)	(857)
Interest rate contracts	95	284	Interest expense, net	(581)	(845)
Total gain (loss) recognized in other comprehensive income	<u>\$ 48,576</u>	<u>\$ (7,283)</u>		<u>\$ 1,785</u>	<u>\$ (9,705)</u>

The effects of cash flow hedge accounting on the consolidated financial statements of operations were as follows (in thousands):

	For the three months ended March 31, 2018			For the three months ended March 31, 2017		
	Fuel	Depreciation and amortization	Interest expense, net	Fuel	Depreciation and amortization	Interest expense, net
Total amounts of income and expense line items presented in the consolidated statements of operations in which the effects of cash flow hedges are recorded	\$ 93,431	\$ 131,244	\$ 59,698	\$ 88,886	\$ 119,205	\$ 52,960

The effects of cash flow hedges:

Fuel contracts:					
Amount of gain or (loss) reclassified from accumulated other comprehensive income (loss) into income	3,525	—	—	(8,003)	—
Foreign currency contracts:					
Amount of gain or (loss) reclassified from accumulated other comprehensive income (loss) into income	—	(1,159)	—	—	(857)
Interest rate contracts:					
Amount of gain or (loss) reclassified from accumulated other comprehensive income (loss) into income	—	—	(581)	—	(845)

Long-Term Debt

As of March 31, 2018 and December 31, 2017, the fair value of our long-term debt, including the current portion, was \$6,457.9 million and \$6,448.6 million, respectively, which was \$5.8 million lower and \$23.5 million higher, respectively, than the carrying values. The difference between the fair value and carrying value of our long-term debt is due to our fixed and variable rate debt obligations carrying interest rates that are above or below market rates at the measurement dates. The fair value of our long-term debt was calculated based on estimated rates for the same or similar instruments with similar terms and remaining maturities resulting in Level 2 inputs in the fair value hierarchy. Market risk associated with our long-term variable rate debt is the potential increase in interest expense from an increase in interest rates. The calculation of the fair value of our long-term debt is considered a Level 2 input.

Other

The carrying amounts reported in the consolidated balance sheets of all other financial assets and liabilities approximate fair value.

8. Employee Benefits and Compensation Plans

Share Option Awards

The following is a summary of option activity under NCLH's Amended and Restated 2013 Performance Incentive Plan for the three months ended March 31, 2018:

	Number of Share Option Awards			Weighted-Average Exercise Price			Weighted-Average Contractual Term	Aggregate Intrinsic Value
	Time-Based Awards	Performance-Based Awards	Market-Based Awards	Time-Based Awards	Performance-Based Awards	Market-Based Awards	(years)	(in thousands)
Outstanding as of January 1, 2018	6,580,898	373,969	208,333	\$ 49.18	\$ 31.39	\$ 59.43	6.99	\$ 50,021
Granted	—	208,335	—	—	59.43	—	—	—
Exercised	(117,805)	—	—	39.27	—	—	—	—
Forfeited and cancelled	(60,083)	(52,084)	—	52.08	59.43	—	—	—
Outstanding as of March 31, 2018	<u>6,403,010</u>	<u>530,220</u>	<u>208,333</u>	<u>\$ 49.34</u>	<u>\$ 39.65</u>	<u>\$ 59.43</u>	<u>6.77</u>	<u>\$ 47,171</u>

Restricted Ordinary Share Awards

The following is a summary of restricted NCLH ordinary share activity for the three months ended March 31, 2018:

	Number of Time-Based Awards	Weighted-Average Grant Date Fair Value
Non-vested as of January 1, 2018	858	\$ 58.33
Granted	—	—
Vested	(429)	58.25
Forfeited or expired	—	—
Non-vested and expected to vest as of March 31, 2018	<u>429</u>	<u>\$ 58.41</u>

Restricted Share Unit Awards

On March 1, 2018, NCLH granted 1.6 million time-based restricted share unit awards to our employees which vest equally over three years. Additionally, on February 27, 2018 and March 1, 2018, NCLH granted 0.3 million and 0.5 million performance-based restricted share units, respectively, to certain members of our management team which vest upon the achievement of certain pre-established performance targets.

The following is a summary of restricted share unit activity for the three months ended March 31, 2018:

	Number of Time-Based Awards	Weighted-Average Grant Date Fair Value	Number of Performance-Based Awards	Weighted-Average Grant Date Fair Value	Number of Market-Based Awards	Weighted-Average Grant Date Fair Value
Non-vested as of January 1, 2018	2,555,477	\$ 50.86	—	\$ —	50,000	\$ 59.43
Granted	1,606,156	56.74	843,998	56.58	—	—
Vested	(938,637)	56.68	—	—	—	—
Forfeited or expired	(39,872)	52.72	(12,500)	59.43	—	—
Non-vested and expected to vest as of March 31, 2018	3,183,124	\$ 53.90	831,498	\$ 55.94	50,000	\$ 59.43

The share-based compensation expense for the three months ended March 31, 2018 was \$28.1 million of which \$24.7 million was recorded in marketing, general and administrative expense and \$3.4 million was recorded in payroll and related expense. The share-based compensation expense for the three months ended March 31, 2017 was \$18.2 million of which \$17.4 million was recorded in marketing, general and administrative expense and \$0.8 million was recorded in payroll and related expense.

9. Commitments and Contingencies

Ship Construction Contracts

Project Leonardo will introduce an additional four ships with expected delivery dates through 2025 and we have an option to introduce two additional ships for delivery in 2026 and 2027, subject to certain conditions. Each of the four Project Leonardo ships is approximately 140,000 Gross Tons with approximately 3,300 Berths. We have an Explorer Class Ship, Seven Seas Splendor, on order for delivery in the winter of 2020. This ship is approximately 55,000 Gross Tons and 750 Berths. Norwegian Bliss was delivered on April 19, 2018 (we refer you to Note 12—“Subsequent Events”). We have one additional Breakaway Plus Class Ship, Norwegian Encore, on order for delivery in the fall of 2019. Each of Norwegian Bliss and Norwegian Encore is approximately 168,000 Gross Tons with approximately 4,000 Berths. The combined contract price of these seven ships (exclusive of the option for two additional ships) was approximately €5.6 billion, or \$6.9 billion based on the euro/U.S. dollar exchange rate as of March 31, 2018. We have obtained export credit financing for the ships which is expected to fund approximately 80% of the contract price of each ship expected to be delivered through 2025, subject to certain conditions. For ships expected to be delivered after 2023, the contract prices are subject to adjustment under certain circumstances.

In connection with the contracts to build these ships, we do not anticipate any contractual breach or cancellation to occur. However, if any were to occur, it could result in, among other things, the forfeiture of prior deposits or payments made by us, subject to certain refund guarantees, and potential claims and impairment losses which may materially impact our business, financial condition and results of operations.

Litigation

In the normal course of our business, various claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability is typically limited to our deductible amount.

Nonetheless, the ultimate outcome of these claims and lawsuits that are not covered by insurance cannot be determined at this time. We have evaluated our overall exposure with respect to all of our threatened and pending litigation and, to the extent required, we have accrued amounts for all estimable probable losses associated with our deemed exposure. We are currently unable to estimate any other potential contingent losses beyond those accrued, as discovery is not complete nor is adequate information available to estimate such range of loss or potential recovery. However, based on our current knowledge, we do not believe that the aggregate amount or range of reasonably possible losses with respect to these matters will be material to our consolidated results of operations, financial condition or cash flows. We intend to vigorously defend our legal position on all claims and, to the extent necessary, seek recovery.

10. Other Income (Expense), Net

For the three months ended March 31, 2018, other income (expense), net was a \$1.7 million expense, primarily due to foreign currency exchange losses. For the three months ended March 31, 2017, the \$2.8 million expense was due to foreign currency exchange and fuel swap derivative losses.

11. Supplemental Cash Flow Information

For the three months ended March 31, 2018 and 2017, we had non-cash investing activities in connection with property and equipment of \$25.7 million and \$23.0 million, respectively.

12. Subsequent Events

On April 19, 2018, we took delivery of Norwegian Bliss. To finance the payment due upon delivery, we had export financing in place for 80% of the contract price. The associated \$850.0 million term loan bears interest at 3.92% with a maturity date of April 19, 2030. Principal and interest payments shall be paid semiannually.

On April 17, 2018, the Board of Directors of NCLH approved a three-year share repurchase program under which NCLH may purchase up to \$1.0 billion of its ordinary shares (the "Repurchase Program"). Pursuant to the Repurchase Program, NCLH may repurchase its ordinary shares from time to time, in amounts, at prices and at such times as it deems appropriate, subject to market conditions and other considerations.

On April 4, 2018, we redeemed \$135.0 million principal amount of the \$700.0 million aggregate principal amount of outstanding 4.750% Senior Notes due 2021 (the "Notes") at a price equal to 100% of the principal amount of the Notes being redeemed and paid the premium of \$5.2 million and accrued interest of \$1.9 million. The redemption also resulted in a write off of \$1.2 million of certain fees. Following the partial redemption, \$565.0 million aggregate principal amount of Notes remained outstanding. The redemption of the Notes resulted in a reclassification of \$135.0 million to short-term debt in the consolidated balance sheet as of March 31, 2018.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this 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 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," "estimate," "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 events impacting the security of travel, such as terrorist acts, armed conflict and threats thereof, acts of piracy, and other international events;
- adverse incidents involving cruise ships;
- 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 spread of epidemics and viral outbreaks;
- our expansion into and investments in new markets;
- the risks and increased costs associated with operating internationally;
- breaches in data security or other disturbances to our information technology and other networks;
- changes in fuel prices and/or other cruise operating costs;
- fluctuations in foreign currency exchange rates;
- overcapacity in key markets or globally;
- the unavailability of attractive port destinations;
- our indebtedness and 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;
- 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;
- our inability to recruit or retain qualified personnel or the loss of key personnel;
- delays in our shipbuilding program and ship repairs, maintenance and refurbishments;
- our reliance on third parties to provide hotel management services to certain ships and certain other services;
- future increases in the price of, or major changes or reduction in, commercial airline services;
- amendments to our collective bargaining agreements for crew members and other employee relation issues;

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- our inability to obtain adequate insurance coverage;
- future changes relating to how external distribution channels sell and market our cruises;
- pending or threatened litigation, investigations and enforcement actions;
- our ability to keep pace with developments in technology;
- seasonal variations in passenger fare rates and occupancy levels at different times of the year;
- changes involving the tax and environmental regulatory regimes in which we operate; 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 expect to 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.

Terminology

This report includes certain non-GAAP financial measures, such as Net Revenue, Net Yield, Net Cruise Cost, 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 “Results of Operations” below.

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

- *Acquisition of Prestige*. In November 2014, 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), net 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 Excluding 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 Plus Class Ships*. Norwegian Escape, Norwegian Joy, Norwegian Bliss and a fourth ship on order, Norwegian Encore.
- *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.
- *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 of 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.
- *EPS*. Earnings per share.

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- *Explorer Class Ships*. Regent's Seven Seas Explorer and a second ship on order, Seven Seas Splendor.
- *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.
- *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.
- *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.
- *Project Leonardo*. The next generation of ships for our Norwegian brand.
- *Revolving Loan Facility*. \$875.0 million senior secured revolving credit facility maturing on June 6, 2021.
- *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 in March 2018, November 2017, August 2017, December 2015, August 2015, May 2015, March 2015, March 2014, December 2013 and August 2013.
- *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.

Non-GAAP Financial Measures

We use certain non-GAAP financial measures, such as Net Revenue, Net Yield, Net Cruise Cost, Adjusted Net Cruise Cost Excluding Fuel, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS, to enable us to analyze our performance. See "Terminology" for the definitions of these non-GAAP financial measures. We utilize Net Revenue and Net Yield to manage our business on a day-to-day basis and believe that they are the most relevant measures of our revenue performance because they reflect the revenue earned by us net of significant variable costs. In measuring our ability to control costs in a manner that positively impacts net income, we believe changes in Net Cruise Cost and Adjusted Net Cruise Cost Excluding Fuel to be the most relevant indicators of our performance.

As our business includes the sourcing of passengers and deployment of vessels outside of the U.S., a portion of our revenue and expenses are denominated in foreign currencies, particularly British pound, Canadian dollar, euro and Australian dollar which are subject to fluctuations in currency exchange rates versus our reporting currency, the U.S. dollar. In order to monitor results excluding these fluctuations, we calculate certain non-GAAP measures on a Constant Currency basis, whereby current period revenue and expenses denominated in foreign currencies are converted to U.S. dollars using currency exchange rates of the comparable period. We believe that presenting these non-GAAP measures on both a reported and Constant Currency basis is useful in providing a more comprehensive view of trends in our business.

We believe that Adjusted EBITDA is appropriate as a supplemental financial measure as it is used by management to assess operating performance. We also believe that Adjusted EBITDA is a useful measure in determining our performance as it reflects certain operating drivers of our business, such as sales growth, operating costs, marketing, general and administrative expense and other operating income and expense. Adjusted EBITDA is not a defined term under GAAP nor is it intended to be a measure of liquidity or cash flows from operations or a measure comparable to net income, as it does not take into account certain requirements such as capital expenditures and related depreciation, principal and interest payments and tax payments and it includes other supplemental adjustments.

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Adjusted Net Income and Adjusted EPS are non-GAAP financial measures that exclude certain amounts and are used to supplement GAAP net income and EPS. We use Adjusted Net Income and Adjusted EPS as key performance measures of our earnings performance. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparison to our historical performance. In addition, management uses Adjusted EPS as a performance measure for our incentive compensation. The amounts excluded in the presentation of these non-GAAP financial measures may vary from period to period; accordingly, our presentation of Adjusted Net Income and Adjusted EPS may not be indicative of future adjustments or results.

You are encouraged to evaluate each adjustment used in calculating our non-GAAP financial measures and the reasons we consider our non-GAAP financial measures appropriate for supplemental analysis. In evaluating our non-GAAP financial measures, you should be aware that in the future we may incur expenses similar to the adjustments in our presentation. Our non-GAAP financial measures have limitations as analytical tools, and you should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP. Our presentation of our non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our non-GAAP financial measures may not be comparable to other companies. Please see a historical reconciliation of these measures to the most comparable GAAP measure presented in our consolidated financial statements below in the "Results of Operations" section.

Financial Presentation

Revenue from our cruise and cruise-related activities are categorized by us as "passenger ticket revenue" and "onboard and other revenue." Passenger ticket revenue and onboard and other revenue vary according to product offering, the size of the ship in operation, the length of cruises operated and the markets in which the ship operates. Our revenue is seasonal based on demand for cruises, which has historically been strongest during the Northern Hemisphere's summer months. Passenger ticket revenue primarily consists of revenue for accommodations, meals in certain restaurants on the ship, certain onboard entertainment, and includes revenue for service charges and air and land transportation to and from the ship to the extent guests purchase these items from us. Onboard and other revenue primarily consists of revenue from casino, beverage sales, shore excursions, specialty dining, retail sales, spa services and photo services. Our onboard revenue is derived from onboard activities we perform directly or that are performed by independent concessionaires, from which we receive a share of their revenue.

Our cruise operating expense is classified as follows:

- Commissions, transportation and other primarily consists of direct costs associated with passenger ticket revenue. These costs include travel agent commissions, air and land transportation expenses, related credit card fees, certain port expenses and the costs associated with shore excursions and hotel accommodations included as part of the overall cruise purchase price.
- Onboard and other primarily consists of direct costs that are incurred in connection with onboard and other revenue. These include costs incurred in connection with casino, beverage sales and shore excursions.
- Payroll and related consists of the cost of wages and benefits for shipboard employees and costs of certain inventory items, including food, for a third party that provides crew and other hotel services for certain ships.
- Fuel includes fuel costs, the impact of certain fuel hedges and fuel delivery costs.
- Food consists of food costs for passengers and crew on certain ships.
- Other consists of repairs and maintenance (including Dry-dock costs), ship insurance and other ship expenses.

Critical Accounting Policies

For a discussion of our critical accounting policies and estimates, see “Critical Accounting Policies” included in our Annual Report on Form 10-K for the year ended December 31, 2017 under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” We have made no significant changes to our critical accounting policies and estimates from those described in our Annual Report on Form 10-K for the year ended December 31, 2017.

Quarterly Overview

Three months ended March 31, 2018 (“2018”) compared to three months ended March 31, 2017 (“2017”)

- Total revenue increased 12.4% to \$1.3 billion compared to \$1.2 billion.
- Net Revenue increased 13.1% to \$1.0 billion compared to \$0.9 billion.
- Net income and diluted EPS was \$103.2 million and \$0.45, respectively, compared to \$61.9 million and \$0.27, respectively.
- Operating income was \$167.1 million compared to \$119.7 million.
- Adjusted Net Income and Adjusted EPS were \$137.8 million and \$0.60, respectively, in 2018, which included \$34.7 million of adjustments primarily consisting of expenses related to non-cash compensation, amortization of intangible assets and certain other adjustments. Adjusted Net Income and Adjusted EPS were \$91.2 million and \$0.40, respectively, in 2017, which included \$29.2 million of adjustments primarily consisting of expenses related to non-cash compensation, amortization of intangible assets and certain other adjustments.
- Adjusted EBITDA improved 25.3% to \$326.4 million compared to \$260.6 million.

We refer you to our “Results of Operations” below for a calculation of Net Revenue, Adjusted Net Income, Adjusted EPS and Adjusted EBITDA.

Results of Operations

The following table sets forth operating data as a percentage of total revenue:

	Three Months Ended March 31,	
	2018	2017
Revenue		
Passenger ticket	68.8%	68.4%
Onboard and other	31.2%	31.6%
Total revenue	<u>100.0%</u>	<u>100.0%</u>
Cruise operating expense		
Commissions, transportation and other	16.9%	16.9%
Onboard and other	5.5%	5.9%
Payroll and related	16.2%	16.7%
Fuel	7.2%	7.7%
Food	3.9%	4.0%
Other	9.7%	11.3%
Total cruise operating expense	<u>59.4%</u>	<u>62.5%</u>
Other operating expense		
Marketing, general and administrative	17.6%	16.7%
Depreciation and amortization	10.1%	10.4%
Total other operating expense	<u>27.7%</u>	<u>27.1%</u>
Operating income	<u>12.9%</u>	<u>10.4%</u>
Non-operating income (expense)		
Interest expense, net	(4.6)%	(4.6)%
Other income (expense), net	(0.1)%	(0.2)%
Total non-operating income (expense)	<u>(4.7)%</u>	<u>(4.8)%</u>
Net income before income taxes	8.2%	5.6%
Income tax expense	(0.2)%	(0.2)%
Net income	<u>8.0%</u>	<u>5.4%</u>

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The following table sets forth selected statistical information:

	Three Months Ended March 31,	
	2018	2017
Passengers carried	617,440	528,354
Passenger Cruise Days	4,724,604	4,230,518
Capacity Days	4,466,471	4,030,616
Occupancy Percentage	105.8%	105.0%

Net Revenue, Gross Yield and Net Yield were calculated as follows (in thousands, except Capacity Days and Yield data):

	Three Months Ended March 31,		
	2018	2018 Constant Currency	2017
Passenger ticket revenue	\$ 889,866	\$ 876,793	\$ 786,694
Onboard and other revenue	403,537	403,537	364,087
Total revenue	1,293,403	1,280,330	1,150,781
Less:			
Commissions, transportation and other expense	218,340	215,291	194,140
Onboard and other expense	70,688	70,688	68,411
Net Revenue	1,004,375	994,351	888,230
Capacity Days	4,466,471	4,466,471	4,030,616
Gross Yield	\$ 289.58	\$ 286.65	\$ 285.51
Net Yield	\$ 224.87	\$ 222.63	\$ 220.37

Gross Cruise Cost, Net Cruise Cost, Net Cruise Cost Excluding Fuel and Adjusted Net Cruise Cost Excluding Fuel were calculated as follows (in thousands, except Capacity Days and per Capacity Day data):

	Three Months Ended March 31,		
	2018	2018 Constant Currency	2017
Total cruise operating expense	\$ 768,091	\$ 763,593	\$ 719,798
Marketing, general and administrative expense	227,015	224,692	192,044
Gross Cruise Cost	995,106	988,285	911,842
Less:			
Commissions, transportation and other expense	218,340	215,291	194,140
Onboard and other expense	70,688	70,688	68,411
Net Cruise Cost	706,078	702,306	649,291
Less: Fuel expense	93,431	93,431	88,886
Net Cruise Cost Excluding Fuel	612,647	608,875	560,405
Less Non-GAAP Adjustments:			
Non-cash deferred compensation (1)	542	542	823
Non-cash share-based compensation (2)	28,102	28,102	18,203
Secondary Equity Offering expenses (3)	482	482	—
Severance payments and other fees (4)	—	—	2,399
Acquisition of Prestige expenses (5)	—	—	250
Other (6)	(992)	(992)	—
Adjusted Net Cruise Cost Excluding Fuel	\$ 584,513	\$ 580,741	\$ 538,730
Capacity Days	4,466,471	4,466,471	4,030,616
Gross Cruise Cost per Capacity Day	\$ 222.79	\$ 221.27	\$ 226.23
Net Cruise Cost per Capacity Day	\$ 158.08	\$ 157.24	\$ 161.09
Net Cruise Cost Excluding Fuel per Capacity Day	\$ 137.17	\$ 136.32	\$ 139.04
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	\$ 130.87	\$ 130.02	\$ 133.66

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- (1) Non-cash deferred compensation expenses related to the crew pension plan and other crew expenses, which are included in payroll and related expense.
- (2) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense and payroll and related expense.
- (3) Expenses related to a Secondary Equity Offering, which are included in marketing, general and administrative expense.
- (4) Severance payments and other fees related to restructuring costs and other severance arrangements, which are included in marketing, general and administrative expense.
- (5) Expenses related to the Acquisition of Prestige, which are included in marketing, general and administrative expense.
- (6) Primarily related to reimbursements of certain legal costs, which are included in marketing, general and administrative expense.

Adjusted Net Income and Adjusted EPS were calculated as follows (in thousands, except share and per share data):

	Three Months Ended March 31,	
	2018	2017
Net income	\$ 103,155	\$ 61,910
Non-GAAP Adjustments:		
Non-cash deferred compensation (1)	863	823
Non-cash share-based compensation (2)	28,102	18,203
Secondary Equity Offering expenses (3)	482	—
Severance payments and other fees (4)	—	2,399
Acquisition of Prestige expenses (5)	—	250
Amortization of intangible assets (6)	6,222	7,568
Other (7)	(992)	—
Adjusted Net Income	<u>\$ 137,832</u>	<u>\$ 91,153</u>
Diluted weighted-average shares outstanding – Net income and Adjusted Net Income	<u>229,187,628</u>	<u>228,555,952</u>
Diluted earnings per share	<u>\$ 0.45</u>	<u>\$ 0.27</u>
Adjusted EPS	<u>\$ 0.60</u>	<u>\$ 0.40</u>

- (1) Non-cash deferred compensation expenses related to the crew pension plan and other crew expenses, which are included in payroll and related expense and other income (expense).
- (2) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense and payroll and related expense.
- (3) Expenses related to a Secondary Equity Offering, which are included in marketing, general and administrative expense.
- (4) Severance payments and other fees related to restructuring costs and other severance arrangements, which are included in marketing, general and administrative expense.
- (5) Expenses related to the Acquisition of Prestige, which are included in marketing, general and administrative expense.
- (6) Amortization of intangible assets related to the Acquisition of Prestige, which are included in depreciation and amortization expense.
- (7) Primarily related to reimbursements of certain legal costs, which are included in marketing, general and administrative expense.

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EBITDA and Adjusted EBITDA were calculated as follows (in thousands):

	Three Months Ended March 31,	
	2018	2017
Net income	\$ 103,155	\$ 61,910
Interest expense, net	59,698	52,960
Income tax expense	2,534	2,049
Depreciation and amortization expense	131,244	119,205
EBITDA	296,631	236,124
Other (income) expense, net (1)	1,666	2,815
Non-GAAP Adjustments:		
Non-cash deferred compensation (2)	542	823
Non-cash share-based compensation (3)	28,102	18,203
Secondary Equity Offering expenses (4)	482	—
Severance payments and other fees (5)	—	2,399
Acquisition of Prestige expenses (6)	—	250
Other (7)	(992)	—
Adjusted EBITDA	\$ 326,431	\$ 260,614

- (1) Primarily consists of gains and losses, net for derivative contracts and foreign currency exchanges.
- (2) Non-cash deferred compensation expenses related to the crew pension plan and other crew expenses, which are included in payroll and related expense.
- (3) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense and payroll and related expense.
- (4) Expenses related to a Secondary Equity Offering, which are included in marketing, general and administrative expense.
- (5) Severance payments and other fees related to restructuring costs and other severance arrangements, which are included in marketing, general and administrative expense.
- (6) Expenses related to the Acquisition of Prestige, which are included in marketing, general and administrative expense.
- (7) Primarily related to reimbursements of certain legal costs, which are included in marketing, general and administrative expense.

Three months ended March 31, 2018 (“2018”) compared to three months ended March 31, 2017 (“2017”)

Revenue

Total revenue increased 12.4% to \$1.3 billion in 2018 compared to \$1.2 billion in 2017. Gross Yield increased 1.4%. Net Revenue increased 13.1% to \$1.0 billion in 2018 from \$0.9 billion in 2017 due to an increase in Capacity Days of 10.8% and an increase in Net Yield of 2.0%. The increase in Capacity Days was primarily due to Norwegian Joy joining our fleet in the second quarter of 2017. The increase in Gross Yield and Net Yield was primarily due to an increase in passenger ticket pricing. On a Constant Currency basis, Net Yield increased 1.0%.

Expense

Total cruise operating expense increased 6.7% in 2018 compared to 2017 primarily due to the increase in Capacity Days as discussed above. Gross Cruise Cost increased 9.1% in 2018 compared to 2017 due to an increase in total cruise operating expense and marketing, general and administrative expenses. Total other operating expense increased 15.1% in 2018 compared to 2017. Marketing, general and administrative expenses increased primarily due to incentive compensation. Depreciation and amortization expenses increased primarily due to the addition of Norwegian Joy and ship improvement projects. On a Capacity Day basis, Net Cruise Cost decreased 1.9% (2.4% on a Constant Currency basis) due to a decrease in maintenance and repairs including Dry-dock expenses partially offset by an increase in marketing, general and administrative expenses. Adjusted Net Cruise Cost Excluding Fuel per Capacity Day decreased 2.1% (2.7% on a Constant Currency basis).

Interest expense, net was \$59.7 million in 2018 compared to \$53.0 million in 2017. The increase in interest expense reflects additional debt in connection with the delivery of Norwegian Joy in April 2017, Project Leonardo financing, as well as higher interest rates due to an increase in LIBOR, partially offset by the benefit from the full redemption in October 2017 of our 4.625% Senior Notes due 2020.

Other income (expense), net was an expense of \$1.7 million in 2018 compared to an expense of \$2.8 million in 2017. In 2018, the expense was primarily related to losses on foreign currency exchange. In 2017, the expense was primarily related to losses on foreign currency exchange and unrealized and realized losses on derivatives.

In 2018, we had an income tax expense of \$2.5 million compared to \$2.0 million in 2017.

Liquidity and Capital Resources

General

As of March 31, 2018, our liquidity was \$1.2 billion consisting of \$301.7 million in cash and cash equivalents and \$875.0 million available under our Revolving Loan Facility. Our primary ongoing liquidity requirements are to finance working capital, capital expenditures and debt service.

As of March 31, 2018, we had a working capital deficit of \$2.3 billion. This deficit included \$1.7 billion of advance ticket sales, which represents the total revenue we collect in advance of sailing dates and accordingly is substantially more like deferred revenue balances rather than actual current cash liabilities. Our business model, along with our Revolving Loan Facility, allows us to operate with a working capital deficit and still meet our operating, investing and financing needs.

We evaluate potential sources of additional liquidity, including the capital markets, in the ordinary course of business. We will continue to evaluate opportunities to optimize our capital structure, taking into consideration our current and expected capital requirements, our assessment of prevailing market conditions and expectations regarding future conditions, and the contractual and other restrictions to which we are subject.

Sources and Uses of Cash

In this section, references to “2018” refer to the three months ended March 31, 2018 and references to “2017” refer to the three months ended March 31, 2017.

Net cash provided by operating activities was \$610.8 million in 2018 as compared to \$434.9 million in 2017. The net cash provided by operating activities included timing differences in cash receipts and payments relating to operating assets and liabilities. Advance ticket sales increased by \$375.6 million in 2018 compared to \$222.9 million in 2017. Without the adoption of ASU No. 2014-09, the Advance ticket sales would have increased by \$359.0 million in 2018 (we refer you to Note 2— “Summary of Significant Accounting Policies— Revenue and Expense Recognition” of the Notes to Consolidated Financial Statements for more on the effects of adoption of ASU No. 2014-09).

Net cash used in investing activities was \$143.6 million in 2018 and \$117.8 million in 2017, primarily related to payments for ships under construction and ship improvement projects.

Net cash used in financing activities was \$341.6 million in 2018 primarily due to net repayments of our Revolving Loan Facility and other loan facilities. Additionally, in 2018, we repurchased \$263.5 million of our ordinary shares and incurred deferred financing fees related to financing of newbuild ships. In 2017, net cash used in financing activities was \$225.7 million primarily due to net repayments of our then existing revolving loan facility and other loan facilities.

Future Capital Commitments

Future capital commitments consist of contracted commitments, including ship construction contracts, and future expected capital expenditures necessary for operations as well as our ship refurbishment projects. As of March 31, 2018, our anticipated capital expenditures were \$1.4 billion for the remainder of 2018, \$1.3 billion and \$0.9 billion for the years ending December 31, 2019 and 2020, respectively. We have export credit financing in place for the anticipated expenditures related to ship construction contracts of \$0.7 billion for the remainder of 2018, \$0.6 billion for 2019 and \$0.5 billion for 2020. These future expected capital expenditures will significantly increase our depreciation and amortization expense as we take delivery of the ships.

Project Leonardo will introduce an additional four ships with expected delivery dates through 2025 and we have an option to introduce two additional ships for delivery in 2026 and 2027, subject to certain conditions. Each of the four Project Leonardo ships is approximately 140,000 Gross Tons with approximately 3,300 Berths. We have an Explorer Class Ship, Seven Seas Splendor, on order for delivery in the winter of 2020. This ship is approximately 55,000 Gross Tons and 750 Berths. Norwegian Bliss was delivered on April 19, 2018 (we refer you to Note 12— “Subsequent Events”). We have one additional Breakaway Plus Class Ship, Norwegian Encore, on order for delivery in the fall of 2019. Each of Norwegian Bliss and Norwegian Encore is approximately 168,000 Gross Tons with approximately 4,000 Berths. The combined contract price of these seven ships (exclusive of the option for two additional ships) was approximately €5.6 billion, or \$6.9 billion based on the euro/U.S. dollar exchange rate as of March 31, 2018. We have obtained export credit financing for the ships which is expected to fund approximately 80% of the contract price of each ship expected to be delivered through 2025, subject to certain conditions. For ships expected to be delivered after 2023, the contract prices are subject to adjustment under certain circumstances.

In connection with the contracts to build these ships, we do not anticipate any contractual breach or cancellation to occur. However, if any were to occur, it could result in, among other things, the forfeiture of prior deposits or payments made by us, subject to certain refund guarantees, and potential claims and impairment losses which may materially impact our business, financial condition and results of operations.

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Capitalized interest for the three months ended March 31, 2018 and 2017 was \$10.1 million and \$8.5 million, respectively, primarily associated with the construction of our newbuild ships.

Off-Balance Sheet Transactions

None.

Contractual Obligations

As of March 31, 2018, our contractual obligations with initial or remaining terms in excess of one year, including interest payments on long-term debt obligations, were as follows (in thousands):

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt (1)	\$ 6,463,202	772,187	1,248,165	2,753,129	1,689,721
Operating leases (2)	128,428	15,404	28,872	26,206	57,946
Ship construction contracts (3)	6,255,252	1,051,336	1,345,138	1,171,738	2,687,040
Port facilities (4)	306,293	44,108	78,846	55,565	127,774
Interest (5)	935,758	224,407	378,589	188,192	144,570
Other (6)(7)	1,504,037	237,267	436,407	356,971	473,392
Total	\$ 15,592,970	\$ 2,344,709	\$ 3,516,017	\$ 4,551,801	\$ 5,180,443

- (1) Includes discounts and premiums aggregating \$0.5 million. Also includes capital leases. The amount excludes deferred financing fees which are included in the consolidated balance sheets as an offset to long-term debt.
- (2) Primarily for offices, motor vehicles and office equipment.
- (3) For our newbuild ships based on the euro/U.S. dollar exchange rate as of March 31, 2018. Export credit financing is in place from syndicates of banks.
- (4) Primarily for our usage of certain port facilities.
- (5) Includes fixed and variable rates with LIBOR held constant as of March 31, 2018.
- (6) Future commitments for service, maintenance and other Business Enhancement Capital Expenditure contracts.
- (7) The table has been updated to reflect revisions to amounts previously included in the Annual Report on Form 10-K for the year ended December 31, 2017 for the periods less than 3 years in the "Other" category.

The table above does not include \$0.5 million of unrecognized tax benefits.

Other

Certain service providers may require collateral in the normal course of our business. The amount of collateral may change based on certain terms and conditions.

As a routine part of our business, depending on market conditions, exchange rates, pricing and our strategy for growth, we regularly consider opportunities to enter into contracts for the building of additional ships. We may also consider the sale of ships, potential acquisitions and strategic alliances. If any of these were to occur, they may be financed through the incurrence of additional permitted indebtedness, through cash flows from operations, or through the issuance of debt, equity or equity-related securities.

Funding Sources

Certain of our debt agreements contain covenants that, among other things, require us to maintain a minimum level of liquidity, as well as limit our net funded debt-to-capital ratio, maintain certain other ratios and restrict our ability to pay dividends. Substantially all of our ships and other property and equipment are pledged as collateral for certain of our debt. We believe we were in compliance with these covenants as of March 31, 2018.

In addition, our existing debt agreements restrict, and any of our future debt arrangements may restrict, among other things, the ability of our subsidiaries, including NCLC, to make distributions and/or pay dividends to NCLH and our ability to pay cash dividends to our shareholders. We are a holding company and depend upon our subsidiaries for their ability to pay distributions to us to finance any dividend or pay any other obligations of NCLH. However, we do not believe that these restrictions have had or are expected to have an impact on our ability to meet any cash obligations.

The impact of changes in world economies and especially the global credit markets can create a challenging environment and may reduce future consumer demand for cruises and adversely affect our counterparty credit risks. In the event this environment deteriorates, our business, financial condition and results of operations could be adversely impacted.

We believe our cash on hand, expected future operating cash inflows, additional available borrowings under our Revolving Loan Facility and our ability to issue debt securities or additional equity securities, will be sufficient to fund operations, debt payment requirements, capital expenditures and maintain compliance with covenants under our debt agreements over the next twelve-month period. There is no assurance that cash flows from operations and additional financings will be available in the future to fund our future obligations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

General

We are exposed to market risk attributable to changes in interest rates, foreign currency exchange rates and fuel prices. We attempt to minimize these risks through a combination of our normal operating and financing activities and through the use of derivatives. The financial impacts of these derivative instruments are primarily offset by corresponding changes in the underlying exposures being hedged. We achieve this by closely matching the notional, term and conditions of the derivatives with the underlying risk being hedged. We do not hold or issue derivatives for trading or other speculative purposes. Derivative positions are monitored using techniques including market valuations and sensitivity analyses.

Interest Rate Risk

As of March 31, 2018, we had interest rate swap agreements to hedge our exposure to interest rate movements and to manage our interest expense. As of March 31, 2018, 56% of our debt was fixed and 44% was variable, which includes the effects of the interest rate swaps. The notional amount of outstanding debt associated with the interest rate swap agreements as of March 31, 2018 was \$218.6 million. Based on our March 31, 2018 outstanding variable rate debt balance, a one percentage point increase in annual LIBOR interest rates would increase our annual interest expense by approximately \$28.2 million excluding the effects of capitalization of interest.

Foreign Currency Exchange Rate Risk

As of March 31, 2018, we had foreign currency derivatives to hedge the exposure to volatility in foreign currency exchange rates related to our ship construction contracts denominated in euros. These derivatives hedge the foreign currency exchange rate risk on a portion of the payments on our ship construction contracts. The payments not hedged aggregate €3.3 billion, or \$4.1 billion based on the euro/U.S. dollar exchange rate as of March 31, 2018. We estimate that a 10% change in the euro as of March 31, 2018 would result in a \$0.4 billion change in the U.S. dollar value of the foreign currency denominated remaining payments.

Fuel Price Risk

Our exposure to market risk for changes in fuel prices relates to the forecasted purchases of fuel on our ships. Fuel expense, as a percentage of our total cruise operating expense, was 12.2% and 12.3% for the three months ended March 31, 2018 and 2017, respectively. We use fuel derivative agreements to mitigate the financial impact of fluctuations in fuel prices and as of March 31, 2018, we had hedged approximately 64%, 48% and 26% of our remaining 2018, 2019 and 2020, respectively, projected metric tons of fuel purchases. We estimate that a 10% increase in our weighted-average fuel price would increase our anticipated 2018 fuel expense by \$31.6 million. This increase would be partially offset by an increase in the fair value of our fuel swap agreements of \$15.9 million. Fair value of our derivative contracts is derived using valuation models that utilize the income valuation approach. These valuation models take into account the contract terms such as maturity, as well as other inputs such as fuel types, fuel curves, creditworthiness of the counterparty and the Company, as well as other data points.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management has evaluated, with the participation of our Chief Executive Officer and Interim Chief Financial Officer, the effectiveness of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of March 31, 2018. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon management's evaluation, our Chief Executive Officer and Interim Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2018 to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Interim Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there is only the reasonable assurance that our controls will succeed in achieving their goals under all potential future conditions.

PART II. OTHER INFORMATION**Item 1. Legal Proceedings**

In the normal course of our business, various claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability is typically limited to our deductible amount.

Nonetheless, the ultimate outcome of these claims and lawsuits that are not covered by insurance cannot be determined at this time. We have evaluated our overall exposure with respect to all of our threatened and pending litigation and, to the extent required, we have accrued amounts for all estimable probable losses associated with our deemed exposure. We are currently unable to estimate any other potential contingent losses beyond those accrued, as discovery is not complete nor is adequate information available to estimate such range of loss or potential recovery. However, based on our current knowledge, we do not believe that the aggregate amount or range of reasonably possible losses with respect to these matters will be material to our consolidated results of operations, financial condition or cash flows. We intend to vigorously defend our legal position on all claims and, to the extent necessary, seek recovery.

Item 1A. Risk Factors

We refer you to our 2017 Annual Report on Form 10-K for a discussion of the risk factors that affect our business and financial results. There have been no material changes in our risk factors from those disclosed in our 2017 Annual Report on Form 10-K. We wish to caution the reader that the risk factors discussed in “Item 1A. Risk Factors” in our 2017 Annual Report on Form 10-K, elsewhere in this report or other SEC filings, could cause future results to differ materially from those stated in any forward-looking statements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**Purchases of Equity Securities by the Issuer**

On April 29, 2014, NCLH’s Board of Directors authorized, and NCLH announced, a three-year share repurchase program for up to \$500.0 million. The share repurchase program was scheduled to expire on April 29, 2017, but was extended through April 29, 2020 (the “Original Repurchase Program”). As of March 31, 2018, there was no cash remaining available for repurchases under the Original Repurchase Program.

Share repurchase activity during the three months ended March 31, 2018 was as follows (in thousands):

Period	Total Number of Shares Purchased as Part of a Publicly Announced Program	Average Price Paid per Share	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program (in thousands)
January 1, 2018– January 31, 2018	—	\$ —	\$ 263,505
February 1, 2018 – February 28, 2018	—	\$ —	\$ 263,505
March 1, 2018 – March 31, 2018	4,722(1)	\$ 55.80	\$ —
Total for the three months ended March 31, 2018	<u>4,722</u>	\$ 55.80	\$ —

(1) Represent the repurchase of 4,722,312 of our ordinary shares sold in a Secondary Equity Offering by the Apollo Holders and Genting HK on March 2, 2018.

On April 17, 2018, the Board of Directors of NCLH approved a three-year share repurchase program under which NCLH may purchase up to \$1.0 billion of its ordinary shares (the “Repurchase Program”). Pursuant to the Repurchase Program, NCLH may repurchase its ordinary shares from time to time, in amounts, at prices and at such times as it deems appropriate, subject to market conditions and other considerations. Repurchases under the Repurchase Program may take place in the open market or in privately negotiated transactions, including structured and derivative transactions such as accelerated share repurchase transactions and may be made under a Rule 10b5-1 plan.

Item 5. Other Information

None.

Item 6. Exhibits

[10.1*](#) [Amendment No. 15, dated March 1, 2018, to Office Lease Agreement, dated December 1, 2006, as amended, by and between SPUS7 Miami ACC, LP and NCL \(Bahamas\) Ltd.+](#)

[10.2*](#) [Transition, Release and Consulting Agreement by and between NCL \(Bahamas\) Ltd. and Wendy A. Beck, dated February 2, 2018†](#)

[31.1*](#) [Certification of the President and Chief Executive Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934](#)

[31.2*](#) [Certification of the Interim Chief Financial Officer and Senior Vice President, Finance pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934](#)

[32.1**](#) [Certifications of the President and Chief Executive Officer and the Interim Chief Financial Officer and Senior Vice President, Finance pursuant to Rule 13a-14\(b\) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code](#)

101* The following unaudited consolidated financial statements are from Norwegian Cruise Line Holdings Ltd.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, formatted in Extensible Business Reporting Language (XBRL), as follows:

- (i) the Consolidated Statements of Operations for the three months ended March 31, 2018 and 2017;
- (ii) the Consolidated Statements of Comprehensive Income for the three months ended March 31, 2018 and 2017;
- (iii) the Consolidated Balance Sheets as of March 31, 2018 and December 31, 2017;
- (iv) the Consolidated Statements of Cash Flows for the three months ended March 31, 2018 and 2017;
- (v) the Consolidated Statements of Changes in Shareholders' Equity for the three months ended March 31, 2018 and 2017; and
- (vi) the Notes to the Consolidated Financial Statements, tagged in summary and detail.

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan.

+ Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NORWEGIAN CRUISE LINE HOLDINGS LTD.
(Registrant)

By: /s/ FRANK J. DEL RIO
Name: Frank J. Del Rio
Title: President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ MARK A. KEMPA
Name: Mark A. Kempa
Title: Interim Chief Financial Officer and Senior Vice President, Finance
(Principal Financial Officer)

Dated: May 7, 2018

[*]: THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

Exhibit 10.1

FIFTEENTH AMENDMENT TO LEASE

(Norwegian Cruise Line – The Landing at MIA)

THIS FIFTEENTH AMENDMENT TO LEASE (“Amendment”) is dated effective and for identification purposes as of March 1, 2018 (“Effective Date”), and is made by and between SPUS7 MIAMI ACC, LP, a Delaware limited partnership (“Landlord”), and NCL (BAHAMAS) LTD., a Bermuda company, d/b/a Norwegian Cruise Line (“Tenant”).

RECITALS:

WHEREAS, Landlord’s predecessor-in-interest (Hines REIT Airport Corporate Center LLC) and Tenant entered into that certain Airport Corporate Center Office Lease Agreement dated December 1, 2006 (“Original Lease”), as amended by that certain First Amendment to Airport Corporate Center Office Lease dated November 27, 2006, Second Amendment to Airport Corporate Center Office Lease dated March 22, 2007, Third Amendment to Airport Corporate Center Office Lease dated July 31, 2007, Letter Agreement dated August 1, 2007, Fourth Amendment to Airport Corporate Center Office Lease dated December 10, 2007, Fifth Amendment to Airport Corporate Center Office Lease dated February 2, 2010, Sixth Amendment to Airport Corporate Center Office Lease dated April 1, 2012, Seventh Amendment to Airport Corporate Center Office Lease dated June 29, 2012, Eighth Amendment to Lease dated January 28, 2015, Ninth Amendment to Lease dated June 30, 2015, Tenth Amendment to Lease dated March 31, 2016, Eleventh Amendment to Lease dated February 8, 2017 (“Eleventh Amendment”), Twelfth Amendment to Lease dated August 24, 2017, Thirteenth Amendment to Lease dated November 30, 2017 (“Thirteenth Amendment”), and Fourteenth Amendment to Lease dated January 16, 2018 (“Fourteenth Amendment”) (collectively, the “Lease”), pertaining to the premises currently comprised of a total of approximately 322,781 rentable square feet of space located at 7665 Corporate Center Drive (“Building 11”), 7650 Corporate Center Drive (“Building 10”), 7245 Corporate Center Drive (“Building 3”), and 7300 Corporate Center Drive (“Building 8”) (collectively, the “Total Premises”), Miami, Florida;

WHEREAS, Landlord and Tenant desire to enter into this Amendment to expand the premises located at Building 3 and Building 8, and provide for certain other matters as more fully set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the parties agree that the Lease shall be amended in accordance with the terms and conditions set forth below.

1. **Definitions.** The capitalized terms used herein shall have the same definitions as set forth in the Lease, unless otherwise defined herein.
2. **Expansion.**

(a) **Building 8.**

(i) **Building 8 Expansion Premises.** The term “Building 8 Expansion Premises” is hereby defined to be and to mean that certain space located on the sixth (6th) floor of Building 8 commonly known as Suite 602, consisting of approximately 4,021 rentable square feet of space, and the hallway to be converted by Landlord to 490 rentable square feet of space (which is the final agreement of the parties and not subject to adjustment), as outlined on **Exhibit A**, attached hereto and incorporated herein by this reference. Accordingly, effective as of the Thirteenth Amendment Commencement Date (as defined in Section 2(b) of the Thirteenth Amendment), the Total Premises, as expanded, shall be deemed to consist of a collective total of approximately 327,292 rentable square feet of space.

(ii) Delivery of Building 8 Expansion Premises. Landlord shall deliver the Building 8 Expansion Premises to Tenant on the Thirteenth Amendment Commencement Date (anticipated to be April 1, 2018) in its present, as-is condition as of the Effective Date of this Amendment. If Landlord is unable to deliver the Building 8 Expansion Premises on the Thirteenth Amendment Commencement Date solely as a result of any existing tenant failing to vacate the applicable space by March 31, 2018, Landlord shall use reasonable efforts at its sole cost to obtain exclusive possession of the Building 8 Expansion Premises and if Landlord fails to deliver both the Expansion Premises (as defined in Section 2(a) of the Thirteenth Amendment) and the Building 8 Expansion Premises on April 1, 2018, then the Thirteenth Amendment Commencement Date shall be extended until such time as Landlord delivers both the Expansion Premises (as defined in Section 2(a) of the Thirteenth Amendment) and the Building 8 Expansion Premises (and Tenant shall have six (6) months from that date, as extended, to construct the Tenant Improvements). If Tenant is allowed to occupy, use, work in or otherwise enter the Building 8 Expansion Premises prior to the Thirteenth Amendment Commencement Date, the terms and conditions of the Lease as hereby amended shall apply, except that Tenant shall not be required to pay Rental for any period(s) prior to the Thirteenth Amendment Rent Commencement Date (as defined in Section 2(b) of the Thirteenth Amendment) for the Building 8 Expansion Premises. Subject to the terms and conditions of the Work Letter attached hereto as Exhibit B, Tenant shall be permitted entry onto the Building 8 Expansion Premises commencing on the Thirteenth Amendment Commencement Date for the purpose of conducting and performing (or causing to be performed) the Tenant Improvements (as defined in the Work Letter), installing Tenant's furniture, fixtures, and equipment, and upon substantial completion of the Tenant Improvements, for all uses permitted by the Lease. Tenant's obligation to pay Rental for the Building 8 Expansion Premises shall commence on the Thirteenth Amendment Rent Commencement Date (even if Tenant obtains its certificate of occupancy on an earlier date), subject to six (6) months of conditional abatement of Base Rental as further set forth in Section 3(a) below.

(iii) Building 8 Expansion Term. The "Building 8 Expansion Term" shall be coterminous with the Expansion Term, as defined in Section 2(c) of the Thirteenth Amendment.

(iv) Acceptance. Effective on the Thirteenth Amendment Commencement Date, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, on the terms and conditions set forth in the Lease and herein, the Building 8 Expansion Premises. Tenant shall accept the Building 8 Expansion Premises in its present "as is" condition as of the Effective Date of this Amendment. Tenant shall install the work set forth in the Work Letter, attached hereto as Exhibit B and incorporated herein by this reference.

(v) Compliance with Laws. Notwithstanding anything herein to the contrary, if, in order for Tenant to receive a building permit for Tenant Improvements (as defined in Exhibit B) or a certificate of occupancy or completion for the Tenant Improvements, any portion of the existing building systems located outside of and serving any portion of the Building 8 Expansion Premises or any portion of the existing common areas containing any portion of the Building 8 Expansion Premises are required by applicable governmental authority, to be made compliant with the currently applicable building code or fire code or applicable requirements of the Americans with Disabilities Act ("ADA"), then Landlord agrees that it is Landlord's responsibility, at its cost, to perform the necessary work to make said portion of the existing building systems and/or existing common areas compliant; however, Tenant acknowledges and agrees that Landlord is only responsible for the building systems up to the point of common connection where the applicable portion of the Building 8 Expansion Premises are located.

(b) Building 3.

(i) Building 3 Expansion Premises. The term “Building 3 Expansion Premises” is hereby defined to be and to mean that certain space commonly known as Bay F located at Building 3, consisting of approximately 8,563 rentable square feet of space (which is the final agreement of the parties and not subject to adjustment), as outlined on Exhibit A, attached hereto and incorporated herein by this reference. Accordingly, effective as of the Fifteenth Amendment Commencement Date (defined below), the Total Premises, as expanded, shall be deemed to consist of a collective total of approximately 335,855 rentable square feet of space.

(ii) Fifteenth Amendment Commencement Date. Landlord shall deliver the Building 3 Expansion Premises to Tenant on April 1, 2018 (the “Fifteenth Amendment Commencement Date”) in its present, as-is condition as of the Effective Date of this Amendment. If Tenant is allowed to occupy, use, work in or otherwise enter the Building 3 Expansion Premises prior to the Fifteenth Amendment Commencement Date, the terms and conditions of the Lease as hereby amended shall apply, except that Tenant shall not be required to pay Rental for any period(s) prior to the Fifteenth Amendment Rent Commencement Date (as defined below) for the Building 3 Expansion Premises. Subject to the terms and conditions of the Work Letter attached hereto as Exhibit B, Tenant shall be permitted entry onto the Building 3 Expansion Premises commencing on the Fifteenth Amendment Commencement Date for the purpose of conducting and performing (or causing to be performed) the Tenant Improvements (as defined in the Work Letter), installing Tenant’s furniture, fixtures, and equipment, and upon substantial completion of the Tenant Improvements, for all uses permitted by the Lease. The “Fifteenth Amendment Rent Commencement Date” shall be and shall mean June 1, 2018, and accordingly, Tenant’s obligation to pay Rental for the Building 3 Expansion Premises commences on that date (even if Tenant obtains its certificate of occupancy on an earlier date), subject to four (4) months of conditional abatement of Base Rental as further set forth in Section 3 below.

(iii) Building 3 Expansion Term. The term “Building 3 Expansion Term” is hereby defined to be and to mean seventy-eight (78) full calendar months and any partial calendar month, commencing on the Fifteenth Amendment Commencement Date and expiring on September 30, 2024 (“Fifteenth Amendment Expansion Expiration Date”).

(iv) Acceptance. Effective on the Fifteenth Amendment Commencement Date, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, on the terms and conditions set forth in the Lease and herein, the Building 3 Expansion Premises. Tenant shall accept the Building 3 Expansion Premises in its present “as is” condition as of the Effective Date of this Amendment. Tenant shall install the work set forth in the Work Letter, attached hereto as Exhibit B and incorporated herein by this reference.

(v) Compliance with Laws. Notwithstanding anything herein to the contrary, if, in order for Tenant to receive a building permit for Tenant Improvements (as defined in Exhibit B) or a certificate of occupancy or completion for the Tenant Improvements, any portion of the existing building systems located outside of and serving any portion of the Building 3 Expansion Premises or any portion of the existing common areas containing any portion of the Building 3 Expansion Premises are required by applicable governmental authority, to be made compliant with the currently applicable building code or fire code or applicable requirements of the ADA, then Landlord agrees that it is Landlord’s responsibility, at its cost, to perform the necessary work to make said portion of the existing building systems and/or existing common areas compliant; however, Tenant acknowledges and agrees that Landlord is only responsible for the building systems up to the point of common connection where the applicable portion of the Building 3 Expansion Premises are located.

3. Base Rental.

(a) Building 8. Section 3 of the Thirteenth Amendment and Section 2 of the Fourteenth Amendment are hereby deleted in their entirety. Commencing on the Thirteenth Amendment Rent Commencement Date, Tenant shall pay to Landlord Base Rental for the Expansion Premises (as defined in Section 2(a) of the Thirteenth Amendment) and the Building 8 Expansion Premises (in addition to its Base Rental obligations for the original Premises), which shall be payable in monthly installments as set forth below. As used in this Section 3, "Expansion Year" means the 12 month period commencing on the Thirteenth Amendment Rent Commencement Date, and each consecutive 12 month period thereafter through the Expansion Expiration Date (and, therefore, the final Expansion Year will contain less than 12 months).

EXPANSION PREMISES AND BUILDING 8 EXPANSION PREMISES

Expansion Year	Annual Rate/RSF	Expansion Premises Monthly Installment	Building 8 Expansion Premises Monthly Installment	TOTAL PER MONTH
1 (1 st 6 months after the Thirteenth Amendment Rent Commencement Date)	[*]	[*]*	[*]*	[*]*
1 (2 nd 6 months)	[*]	[*]	[*]	[*]
2	[*]	[*]	[*]	[*]
3	[*]	[*]	[*]	[*]
4	[*]	[*]	[*]	[*]
5	[*]	[*]	[*]	[*]
6	[*]	[*]	[*]	[*]
7	[*]	[*]	[*]	[*]
8	[*]	[*]	[*]	[*]
9	[*]	[*]	[*]	[*]
10	[*]	[*]	[*]	[*]

* Such abatement shall apply solely to payment of the monthly installments of Base Rental and Tenant's Percentage Share of Operating Expenses, and shall not be applicable to any other charges, expenses or costs payable by Tenant under the Lease. Landlord and Tenant agree that the abatement of Base Rental and Tenant's Percentage Share of Operating Expenses in this Section is conditional and is made by Landlord in reliance upon Tenant's faithful and continued performance of the terms, conditions and covenants of this Amendment and the Lease and the payment of all monies due Landlord hereunder. In the event that Tenant defaults under the terms and conditions of the Lease or this Amendment beyond any applicable notice and cure period, all conditionally abated Base Rental and Tenant's Percentage Share of Operating Expenses shall become fully liquidated and immediately due and payable (without limitation and in addition to any and all other rights and remedies available to Landlord provided herein or at law and in equity).

Except as otherwise expressly set forth herein, Base Rental shall be payable pursuant to the terms and conditions of Article 2 of the Original Lease.

(b) Building 3. Commencing on the Fifteenth Amendment Rent Commencement Date, Tenant shall pay to Landlord Base Rental for the Building 3 Expansion Premises (in addition to its Base Rental obligations for the original Premises), which shall be payable in monthly installments as set forth below:

BUILDING 3 EXPANSION PREMISES

Dates	Annual Rate/RSF	Monthly Installment
06/01/18 – 09/30/18	[*]	[*]*
10/01/18 – 05/31/19	[*]	[*]
06/01/19 – 05/31/20	[*]	[*]
06/01/20 – 05/31/21	[*]	[*]
06/01/21 – 05/31/22	[*]	[*]
06/01/22 – 05/31/23	[*]	[*]
06/01/23 – 05/31/24	[*]	[*]
06/01/24 – 09/30/24	[*]	[*]

* Such abatement shall apply solely to payment of the monthly installments of Base Rental and Tenant’s Percentage Share of Operating Expenses, and shall not be applicable to any other charges, expenses or costs payable by Tenant under the Lease. Landlord and Tenant agree that the abatement of Base Rental and Tenant’s Percentage Share of Operating Expenses in this Section is conditional and is made by Landlord in reliance upon Tenant’s faithful and continued performance of the terms, conditions and covenants of this Amendment and the Lease and the payment of all monies due Landlord hereunder. In the event that Tenant defaults under the terms and conditions of the Lease or this Amendment beyond any applicable notice and cure period resulting in the loss of Tenant’s right to possess the Total Premises, Landlord shall have a claim for the unamortized portion of all conditionally abated rental (without limitation and in addition to any and all other rights and remedies available to Landlord provided herein or at law and in equity).

Except as otherwise expressly set forth herein, Base Rental shall be payable pursuant to the terms and conditions of Article 2 of the Original Lease.

4. Tenant’s Percentage Share and Operating Expenses.

(a) Building 8. Beginning on the Thirteenth Amendment Rent Commencement Date, Tenant’s Percentage Share, as defined in Section 2.3(c) of the Original Lease, applicable to Building 8 shall equal the fraction, the numerator of which is the total number of Rentable Square Feet then leased by Tenant in Building 8, and the denominator of which is the greater of (i) ninety-five percent (95%) of the total Rentable Square Feet in Building 8, or (ii) the total Rentable Square Feet in Building 8 actually leased or occupied by tenants. Operating Expenses applicable to Building 8 for calendar year 2018 are currently estimated to be \$[*] per rentable square foot of space.

(b) Building 3. Beginning on the Fifteenth Amendment Rent Commencement Date, Tenant’s Percentage Share, as defined in Section 2.3(c) of the Original Lease, applicable to Building 3 shall equal the fraction, the numerator of which is the total number of Rentable Square Feet then leased by Tenant in Building 3, and the denominator of which is the greater of (i) ninety-five percent (95%) of the total Rentable Square Feet in Building 3, or (ii) the total Rentable Square Feet in Building 3 actually leased or occupied by tenants. Operating Expenses applicable to Building 3 for calendar year 2018 are currently estimated to be \$[*] per rentable square foot of space. In addition to the foregoing and notwithstanding anything to the contrary contained in the Lease, effective on the Fifteenth Amendment Commencement Date, Tenant shall be responsible for the cost of electricity, water and sewer, trash removal, janitorial service, and the monthly repair and maintenance of the HVAC system(s) servicing the Expansion Premises or any other portion of Building 3 leased by Tenant for storage and/or warehouse use (the “HVAC System”); provided, however, if all or any portion of the major components of the HVAC System serving the Building 3 Expansion Premises only needs to be replaced, Landlord shall be responsible for such replacement and the actual cost thereof shall be amortized over the useful life of such item according to generally accepted accounting principles and Tenant agrees to pay annually during the Building 3 Expansion Term hereof an amount equal to the annual amortized amount of such replacement with interest thereon at an annual rate of [*] percent ([*]%). Such payment will be made by Tenant once annually after receipt of written notice thereof from Landlord. The Building 3 Expansion Premises are separately metered and Tenant shall contract directly with Florida Power and Light and Miami-Dade Water & Sewer for its use of electricity and water, respectively. Additionally, Tenant shall maintain all areas of the interior of the Building 3 Expansion Premises and all systems exclusively serving the Building 3 Expansion Premises in good condition throughout the Building 3 Expansion Term.

5. Tenant's Parking Spaces.

(a) Building 8. Beginning on the Thirteenth Amendment Commencement Date and throughout the Building 8 Expansion Term, Tenant shall have the right to use an additional eighteen (18) parking spaces (*i.e.*, 4 parking spaces per 1,000 RSF of space in the Building 8 Expansion Premises), to be allocated as follows:

- (i) Eight (8) uncovered unreserved parking spaces in the parking area around Building 8 at no charge;
- (ii) Three (3) covered parking spaces in the Building 8 Garage at no charge; and
- (iii) Seven (7) parking spaces, which shall at Tenant's election be either: (i) covered parking spaces in the Building 8 Garage ("Paid Garage Spaces") at the rate of [*] per parking space per month ("Monthly Parking Rent"); or (ii) uncovered unreserved parking spaces in the parking area around Building 8 at no charge. If Tenant elects to use the Paid Garage Spaces, Tenant's obligation to pay Monthly Parking Rent for the Paid Garage Spaces shall be abated through March 31, 2019, pursuant to the same conditions set forth in Section 3(a) of this Amendment with respect to the abatement of Base Rental, and, accordingly, Tenant's first payment of Monthly Parking Rent for the Paid Garage Spaces shall be due on April 1, 2019. Tenant shall provide written notice to Landlord of its election hereunder on or before the Thirteenth Amendment Commencement Date.

(b) Building 3. Beginning on the Fifteenth Amendment Commencement Date and throughout the Building 3 Expansion Term, Tenant shall have the right to use an additional eight (8) uncovered unreserved parking spaces in the parking area around Building 3 at no charge.

(c) Building 9. Landlord and Tenant acknowledge and agree that, pursuant to Section 5 of the Eleventh Amendment, Tenant desires to terminate its right to use the twenty-five (25) Unreserved Spaces (as defined in Section 4 of the Eleventh Amendment) at the garage adjacent to the building located at 7600 Corporate Center Drive, Miami, Florida, as set forth in Section 4 of the Eleventh Amendment. Accordingly, beginning on the Effective Date of this Amendment, Landlord and Tenant acknowledge and agree that the twenty-five (25) Unreserved Spaces are hereby surrendered to Landlord, and accordingly, Tenant shall have no further rights to use the Unreserved Spaces and shall no longer be obligated to pay Unreserved Monthly Parking Rent for such spaces.

6. **Deletion of Right of Offer.** Landlord and Tenant hereby acknowledge and agree that by entering into this Amendment, Tenant is exercising its Right of Offer set forth in Section 9 of the Thirteenth Amendment, and accordingly, the Right of Offer set forth in Section 9 of the Thirteenth Amendment is hereby deleted in its entirety and of no further force or effect.

7. **Brokers.** Tenant hereby represents and warrants to Landlord that Tenant has not dealt with any real estate brokers or leasing agents, and Landlord hereby represents and warrants to Tenant that CBRE, Inc. is the sole real estate broker or leasing agent representing Landlord ("Broker"). No commissions are payable to any party claiming through Landlord or Tenant as a result of the consummation of the transaction contemplated by this Amendment, except to Broker, as applicable. Landlord and Tenant hereby agree to indemnify and to hold each other harmless against any loss, expense, or liability with respect to any claims for commissions or brokerage fees arising from or out of any breach of the foregoing representation and warranty. Landlord shall pay all brokerage commissions due to the Broker pursuant to a separate agreement.

8. **Counterparts; Electronic Signatures.** This Amendment may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment had been delivered and had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Amendment based on the foregoing forms of signature. If this Amendment has been executed by electronic signature, all parties executing this document are expressly consenting under the Electronic Signatures in Global and National Commerce Act ("E-SIGN"), and Uniform Electronic Transactions Act ("UETA"), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

9 . **Miscellaneous.** With the exception of those matters set forth in this Amendment, Tenant's leasing of the Leased Premises (including the Building 8 Expansion Premises and the Building 3 Expansion Premises set forth herein) shall be subject to all terms, covenants and conditions of the Lease. In the event of any express conflict or inconsistency between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall control and govern. Except as expressly modified by this Amendment, all other terms and conditions of the Lease are hereby ratified and affirmed. The parties acknowledge that the Lease is a valid and enforceable agreement and that, as of the date hereof to the best of Tenant's actual knowledge, Tenant holds no claims against Landlord or its agents which might serve as the basis of any other set-off against accruing rent and other charges or any other remedy at law or in equity.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the foregoing Fifteenth Amendment to Lease is dated effective as of the date and year first written above.

WITNESS:

LANDLORD:

SPUS7 MIAMI ACC, LP,
a Delaware limited partnership

By: /s/David Witham
Name: David Witham

By: /s/Mark Zikakis
Name: Mark Zikakis
Title: Vice President
Date: 3/5/2018

By: /s/Desiree Ammons
Name: Desiree Ammons

By: /s/Ming Lee
Name: Ming Lee
Title: Vice President
Date: 3/5/2018

By: /s/David Witham
Name: David Witham

By: /s/Desiree Ammons
Name: Desiree Ammons

TENANT:

NCL (BAHAMAS) LTD.,
a Bermuda company, d/b/a Norwegian Cruise Line

By: /s/Wendy Beck
Name: Wendy Beck
Title: Executive Vice President and
Chief Financial Officer
Date: 3/5/2018

CONSENT OF GUARANTOR

The undersigned Guarantor under the original Guaranty of Lease dated November 27, 2006 (the "Guaranty"), does hereby consent to the foregoing Amendment. Guarantor acknowledges and agrees that the Guaranty is in full force and effect and shall continue to apply to the Lease, as amended by this Amendment.

NCL CORPORATION LTD.,
a Bermuda company

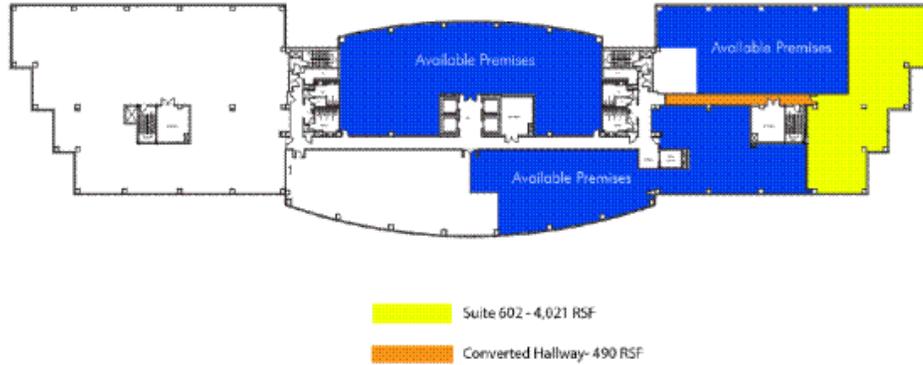
By: /s/Wendy Beck
Name: Wendy Beck
Title: Executive Vice President and
Chief Financial Officer

EXHIBIT A

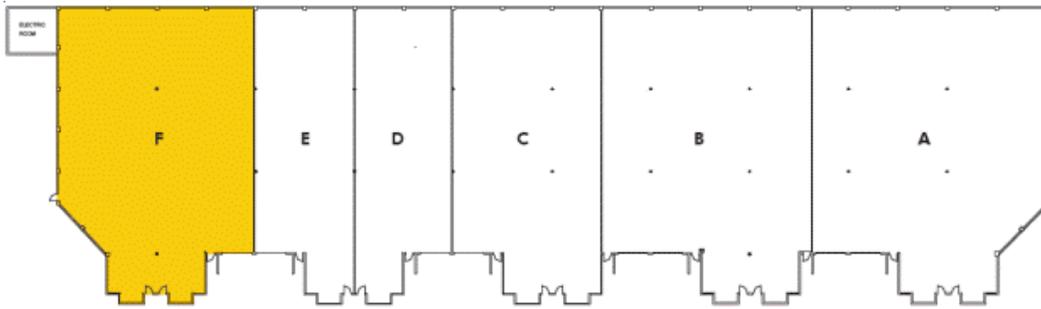
Floor Plan of Building 8 Expansion Premises

[Indicated as Suite 602 and Converted Hallway on the below Plan.]

Exhibit "A"
Landing @ MIA
7300 Corporate Center Drive
(Bldg. 8)
6th Floor
16,231 RSF



Floor Plan of Building 3 Expansion Premises



7245 Building - Bay F - 8,563 RSF

EXHIBIT B
WORK LETTER

This is the Work Letter referred to in and specifically made a part of the Fifteenth Amendment to Lease (hereinafter, the "Amendment") to which this **Exhibit B** is annexed, covering the Building 8 Expansion Premises and the Building 3 Expansion Premises (hereinafter referred to collectively as the "Expansion Premises"), as more particularly described in the Amendment. Landlord and Tenant agree as follows:

1. **Defined Terms.** The following defined terms shall have the meaning set forth below and, unless provided to the contrary herein, the remaining defined terms shall have the meaning set forth in the Amendment:

Landlord's Representative: Suzanne Russo and/or Kim Gorrin. Landlord has designated Landlord's Representative as its sole representative with respect to the matters set forth in this Work Letter, who shall have full authority and responsibility to act on behalf of Landlord as required in this Work Letter. Landlord shall not change Landlord's Representative except upon prior written notice to Tenant's Representative. Tenant acknowledges that neither Tenant's architect nor any contractor engaged by Tenant is Landlord's agent and neither entity has authority to enter into agreements on Landlord's behalf or otherwise bind Landlord.

Tenant's Representative: Carl Robie. Tenant has designated Tenant's Representative as its representative with respect to the matters set forth in this Work Letter, who shall have full authority and responsibility to act on behalf of Tenant as required in this Work Letter. Tenant shall not change Tenant's Representative except upon prior written notice to Landlord's Representative.

Allowance:

Building 8: [*] (i.e., \$[*] per RSF in the Building 8 Expansion Premises). Tenant may use the Allowance towards design, architectural and engineering plans, specialty consultants, demolition, and permitting and expeditor fees. Tenant may use an amount up to [*] (i.e., [*] percent ([*]%) of the Allowance) towards Tenant's soft costs, including Tenant's furniture, fixtures, and equipment, data cabling and wiring, telecommunications systems, and relocation expenses. Additionally, Tenant shall be permitted to apply up to a maximum of [*] (i.e., \$[*] per RSF in the Building 8 Expansion Premises) of the Allowance against the next payment(s) of Base Rental and Tenant's Percentage Share of Operating Expenses due, until such sum is exhausted. If Tenant elects to apply any amount of the Allowance towards the payment of Base Rental and Operating Expenses, the amount of the Allowance available for the Tenant Improvements shall be reduced by such amount. Any portion of the Allowance not used and a request therefor submitted in writing to Landlord's Representative on or before March 31, 2019 shall be deemed to be forfeited by Tenant.

Building 3:

[*] (i.e., \$[*] per RSF in the Building 3 Expansion Premises). Tenant may use the Allowance towards design, architectural and engineering plans, specialty consultants, demolition, and permitting and expeditor fees. Tenant may use an amount up to [*] (i.e., [*] percent ([*]%) of the Allowance) towards Tenant's soft costs, including Tenant's furniture, fixtures, and equipment, data cabling and wiring, telecommunications systems, and relocation expenses. Additionally, Tenant shall be permitted to apply up to a maximum of [*] (i.e., \$[*] per RSF in the Building 3 Expansion Premises) of the Allowance against the next payment(s) of Base Rental and Tenant's Percentage Share of Operating Expenses due, until such sum is exhausted. If Tenant elects to apply any amount of the Allowance towards the payment of Base Rental and Operating Expenses, the amount of the Allowance available for the Tenant Improvements shall be reduced by such amount. Any portion of the Allowance not used and a request therefor submitted in writing to Landlord's Representative on or before March 31, 2019 shall be deemed to be forfeited by Tenant.

Construction Management Fee: None.

General Contractor: A general contractor approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

2. Landlord's Work. Subject to Section 2(d) of the Amendment, Tenant accepts the Expansion Premises in its current "AS IS" condition and acknowledges that Landlord shall have no obligation to do any work in or on the Expansion Premises to render it ready for Tenant's use or occupancy.

3. Tenant Improvements. The "Tenant Improvements" shall mean the interior walls, partitions, doors, door hardware, wall coverings, wall base, counters, lighting fixtures, electrical and telephone wiring, cabling for computers, electrical outlets, ceilings, floor and window coverings, that portion of the HVAC system located within any portion of the Expansion Premises, that portion of the fire sprinklers system located within any portion of the Total Premises (including the Expansion Premises), and other items of general applicability that Tenant desires to be installed in the interior of the Expansion Premises. Tenant shall promptly commence and diligently prosecute to full completion Tenant Improvements in accordance with the Drawings. The parties agree that no demolition work or other Tenant Improvements shall be commenced within the Expansion Premises until such time as Tenant's Representative has provided to Landlord's Representative copies of the building permits required to be obtained from all applicable governmental authorities. All materials, work, installations, equipment and decorations of any nature whatsoever brought on or installed in the Expansion Premises before the commencement of the Building 8 Expansion Term or Building 3 Expansion Term, as applicable (hereinafter referred to as the "Expansion Term") or during the applicable Expansion Term shall be at Tenant's risk, and neither Landlord nor any party acting on Landlord's behalf shall be responsible for any damage thereto or loss or destruction thereof due to any reason or cause whatsoever, excluding by reason of Landlord's negligence or willful or criminal misconduct.

4 . Drawings. Tenant shall engage and pay for the services of a licensed architect to prepare a space layout, drawings and specifications for all Tenant Improvements (“Drawings”), which architect shall be subject to Landlord’s Representative’s reasonable approval, not to be unreasonably withheld, conditioned or delayed (“Architect”). Tenant’s Representative shall devote such time in consultation with the Architect as shall be necessary to enable the Architect to develop complete and detailed architectural, mechanical and engineering drawings and specifications, as necessary, for the construction of Tenant Improvements, showing thereon all Tenant Improvements. Tenant hereby acknowledges and agrees that it is Tenant’s sole and exclusive responsibility to cause the Expansion Premises and the Drawings to comply with all applicable laws, including the Americans with Disabilities Act and other ordinances, orders, rules, regulations and requirements of all governmental authorities having jurisdiction thereof.

5 . Landlord’s Approval. On or before the applicable Time Limit set forth below, Tenant’s Representative shall submit to Landlord’s Representative an electronic PDF copy, electronic CAD copy and hard copy of the complete and final Drawings for Tenant Improvements. The Drawings shall be subject to the approval of Landlord’s Representative, which approval shall not be unreasonably withheld, conditioned or delayed. If Landlord’s Representative should disapprove such Drawings, Landlord’s Representative shall specify to Tenant’s Representative in writing, the reasons for its disapproval and Tenant’s Representative shall cause the same to be revised to meet the mutual reasonable satisfaction of Landlord’s Representative and Tenant’s Representative and shall resubmit the same to Landlord’s Representative, as so revised, on or before the applicable Time Limit set forth below.

6 . Changes. Tenant’s Representative may request reasonable changes in the Drawings; provided, however, that (a) no change shall be made to the Drawings without Landlord’s Representative’s prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed, (b) no such request shall effect any structural change in the Building or otherwise render any portion of the Expansion Premises or the Building within which such portion is situated in violation of applicable laws, (c) Tenant shall pay any additional costs required to implement such change, including, without limitation, architecture and other consultant fees, and increases in construction costs, and (d) such requests shall constitute an agreement by Tenant to any delay in completion caused by Landlord’s reviewing and processing such change. If Tenant’s Representative requests or causes any change, addition or deletion to the Expansion Premises to be necessary after approval of the Drawings, a request for the change shall be submitted to Landlord’s Representative, accompanied by revised plans prepared by the Architect, all at Tenant’s sole expense.

7 . Tenant’s Contractor’s Work. It is understood and agreed by the parties that, as hereinafter set forth, Tenant has elected to retain a General Contractor and arrange for the construction and installation of Tenant Improvements itself in a good and workmanlike manner by contractors and subcontractors. On or before the applicable Time Limit set forth below, Tenant’s Representative shall submit to Landlord’s Representative the names of the General Contractor, electrical, ventilation, plumbing and heating subcontractors (hereinafter “Major Subcontractors”), as applicable, for Landlord’s Representative’s approval, which approval shall not be unreasonably withheld, conditioned or delayed. If Landlord’s Representative shall reject any Major Subcontractor, Landlord’s Representative shall advise Tenant’s Representative in writing of the reason(s) and Tenant’s Representative shall choose another Major Subcontractor. Along with Tenant’s Representative’s notice of its Major Subcontractors, Tenant’s Representative shall notify Landlord’s Representative of its estimate of the total costs for Tenant Improvements.

8. Tenant's Construction of Tenant Improvements.

(a) Payment; Liens. Tenant shall promptly pay any and all costs and expenses in connection with or arising out of the performance of Tenant Improvements and shall furnish to Landlord's Representative evidence of such payment upon request. In the event any lien is filed against the Building within which any Tenant Improvements are performed by Tenant as set forth herein, or any portion thereof or against Tenant's leasehold interest therein, the provisions of Article 5.1(g) of the Original Lease shall apply.

(b) Indemnity. Tenant shall indemnify, defend (with counsel reasonably satisfactory to Landlord and Tenant) and hold Landlord harmless from and against any and all suits, claims, actions, loss, cost or expense (including claims for workers' compensation, attorneys' fees and costs) based on personal injury, property damage or contract claims (including, but not limited to claims for breach of warranty) arising from Tenant Improvements. Tenant shall repair or replace (or, at Landlord's election, reimburse Landlord for the commercially reasonable cost of repairing or replacing) any portion of the Building within which any Tenant Improvements are performed by Tenant as set forth herein, or item of Landlord's equipment or any of Landlord's real or personal property damaged, lost or destroyed by Tenant's contractors during the construction of Tenant Improvements.

(c) Contractors. The Major Subcontractors employed by Tenant and any subcontractors thereof shall be (i) duly licensed in the state in which the Expansion Premises are located, and (ii) except as otherwise approved herein, subject to Landlord's Representative's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. On or before ten (10) business days prior to the commencement of any construction activity in the applicable portion of the Expansion Premises, Tenant and Tenant's contractors shall obtain and provide Landlord's Representative with certificates evidencing Workers' Compensation, public liability and property damage insurance in amounts and forms and with companies reasonably satisfactory to Landlord's Representative. If Landlord's Representative should disapprove such insurance, Landlord's Representative shall specify to Tenant's Representative the reasons for its disapproval within five (5) business days after delivery of such certificates. Tenant's agreement with its contractors shall require such contractors to provide daily clean up of the construction area to the extent such clean up is necessitated by the construction of Tenant Improvements, and to take reasonable steps to minimize interference with other tenants' use and occupancy of the Building. Nothing contained herein shall make or constitute Tenant as the agent of Landlord. Tenant and Tenant's contractors shall comply with any other reasonable rules, regulations or requirements that Landlord's Representative may impose. Notwithstanding anything to the contrary, Tenant's contractors shall not be charged for the use of parking, utilities, elevators use or security costs. To the extent reasonably required by Tenant during construction of Tenant Improvements, Landlord shall use commercially reasonable efforts to provide Tenant with space for a storage container, the exact location and size of which shall be subject to Landlord's reasonable approval and discretion. Tenant shall be responsible to ensure that the storage container satisfies all applicable laws. The storage container may only be used for temporarily storing building materials or equipment which will be incorporated into the Expansion Premises. All of the foregoing shall be maintained by Tenant in a neat and orderly manner and shall not affect other tenants in the Project. Tenant shall be solely responsible for all costs in connection with the foregoing and the same shall only be in place for a reasonable period of time as necessary to facilitate the Tenant Improvements.

(d) Use of Common Areas. During the construction period and installation of fixtures period, Tenant shall be allowed to use, at no cost to Tenant, a freight elevator for the purpose of hoisting materials, equipment and personnel to the Expansion Premises. Also during the construction period, Tenant shall ensure that the Building and all common areas and the Expansion Premises are kept in a clean and safe condition at all times. Further, all construction activities shall be conducted so as to use reasonable efforts to minimize interference with the use and occupancy of the Building by the tenants thereof. Such entry shall be deemed to be under all the terms, covenants, provisions and conditions of the Lease, as amended.

(e) Coordination. All work performed by Tenant shall be coordinated with Landlord's Representative. Tenant's Representative shall use commercially reasonable efforts to timely notify and invite Landlord's Representative to construction meetings (with contractors, engineers, architects and others), and supply all documentation reasonably requested by Landlord's Representative.

(f) Assumption of Risk. All materials, work, installations, equipment and decorations of any nature whatsoever brought on or installed in the Expansion Premises pursuant to the provisions of this Work Letter before the commencement of the applicable Expansion Term or throughout the applicable Expansion Term shall be at Tenant's risk, and neither Landlord nor any party acting on Landlord's behalf shall be responsible for any damage thereto or loss or destruction thereof due to any reason or cause whatsoever, excluding by reason of Landlord or such other party's negligence or willful or criminal misconduct.

9. Time Limits. The following maximum time limits and periods shall be allowed for the indicated matters:

<u>Action</u>	<u>Time Limit</u>
Tenant's Representative submits Drawings to Landlord's Representative for review and approval.	On or before 60 days after the date of mutual execution of the Amendment.
Landlord's Representative notifies Tenant's Representative and the Architect of its approval of the Drawings with any required changes in detail.	On or before 10 business days after the date of Landlord's Representative's receipt of the Drawings.
Tenant's Representative notifies Landlord's Representative of its selection of major subcontractors.	On or before 60 days after the date of mutual execution of the Amendment.
Landlord's Representative approves/disapproves Tenant's major subcontractors.	On or before 7 business days after the date of Landlord's Representative's receipt of the list of major subcontractors.
If applicable, Landlord's Representative and Tenant's Representative mutually approve the final revised list of major subcontractors.	On or before 3 business days after the date of Landlord's Representative's receipt of a revised list of major subcontractors.
If applicable, Landlord's Representative and Tenant's Representative mutually approve the final revised Drawings.	On or before 5 business days after the date of Landlord's Representative's receipt of revised Drawings.
Tenant's Representative submits Drawings for building permit, if applicable.	On or after the date Tenant's Representative and Landlord's Representative mutually approve the final, revised Drawings.
Tenant allowed access to the applicable portion of the Expansion Premises to commence construction of Tenant Improvements	After providing copies of the building permit(s) and the contractors meeting all of Landlord's Representative's insurance requirements.
Allowance Expiration Deadline.	March 31, 2019.

Except as may be otherwise specifically provided for herein, in all instances where either Tenant's Representative's or Landlord's Representative's approval is required, if no written notice of disapproval is given within the applicable Time Limit, at the end of such period the applicable party shall be deemed to have given its approval and the next succeeding time period shall commence. Any delay in any of the foregoing dates (including any "re-do", continuation or abatement of any item due to Tenant's Representative's or Landlord's Representative's disapproval thereof) shall automatically delay all subsequent deadlines by a like amount of time.

10. Allowance. Landlord shall contribute to the costs and expenses of all costs for the planning and design of Tenant Improvements, including all permits, licenses and construction fees and constructing Tenant Improvements in an amount not to exceed the Allowance. If the final costs for Tenant Improvements exceed the Allowance, Tenant shall be responsible for such excess costs. If the total cost of performing Tenant Improvements is less than the Allowance, portions of the Allowance may be used towards Tenant's soft costs and existing Lease or Amendment obligations in accordance with Section 1 of this Work Letter. Landlord shall pay the Allowance to Tenant consistent with the terms and conditions of this Section. After Tenant Improvements are complete (as provided under Section 11 hereof), Tenant's Representative may submit to Landlord's Representative a request in writing ("Draw Request") for the Allowance which request shall include: (a) "as-built" drawings showing all of Tenant Improvements; (b) a detailed breakdown of Tenant's final and total construction costs, together with receipted invoices showing payment thereof; (c) a certified, written statement from the Architect that all of Tenant Improvements has been completed in accordance with the Drawings; (d) all required AIA forms, supporting final lien waivers, and releases executed by the Architect, General Contractor, the Major Subcontractors and all subcontractors and suppliers in connection with Tenant Improvements; (e) a copy of a certificate of occupancy or amended certificate of occupancy required with respect to the Expansion Premises, if applicable, together with all licenses, certificates, permits and other government authorizations necessary in connection with Tenant Improvements and the operation of Tenant's business from the Expansion Premises; and (f) proof reasonably satisfactory to Landlord's Representative that Tenant has complied with all of the conditions set forth in this Work Letter and has satisfactorily completed Tenant Improvements. Upon Landlord's Representatives receipt and approval of the Draw Request, Landlord shall pay the balance of the Allowance. Payment by Landlord shall be made within thirty (30) days, unless Landlord's Representative notifies Tenant's Representative, in writing, of its rejection (and the reasons therefor) of any or all of the Draw Request. To the extent Landlord does not so reject any portion of said Draw Request, Landlord shall timely pay the Draw Request. Notwithstanding the foregoing to the contrary, but subject to Section 1 of this Work Letter, Landlord will pay the amount of the Allowance to Tenant in progress payments (not more often than monthly). Such progress payments will be made not later than thirty (30) days after receipt by Landlord's Representative from Tenant's Representative of copies of Tenant's invoices from its Architect or General Contractor together with a certificate from Tenant's Representative indicating that the work to which such invoices relate has been substantially completed and/or the materials to which such invoices relate have been installed in, or delivered to, the applicable portion of the Expansion Premises. Such progress payments will be made payable to Tenant and will be for the undisputed amount of the submitted invoices, less a ten percent (10%) retainage (which shall not be released until such time as Landlord's Representative has received the Draw Request). As a condition precedent to Landlord's issuing any such progress payment subsequent to the first such progress payment, Tenant's Representative will deliver to Landlord's Representative an original lien waiver from its General Contractor waiving any claim for a mechanic's or materialman's lien with respect to the labor and materials reflected in the invoices submitted for the immediately preceding progress payment.

11. Substantial Completion. Tenant Improvements shall be deemed substantially complete when all work called for by the Drawings has been finished and the Expansion Premises is ready to be used and occupied by Tenant, even though minor items may remain to be installed, finished or corrected ("Substantial Completion Date" or the "Date of Substantial Completion"). Tenant shall cause the contractors to diligently complete any items of work not completed when the Expansion Premises are substantially complete. Substantial completion shall have occurred notwithstanding punch list items. Promptly after the Substantial Completion Date, the parties will execute an instrument in the form attached hereto as Exhibit C, setting forth the Substantial Completion Date for the Building 8 Expansion Premises and the Substantial Completion Date for the Building 3 Expansion Premises, so that said dates are certain and such instrument, when executed, is hereby made a part of this Amendment and incorporated herein by reference.

12. No Representations or Warranties. Notwithstanding anything to the contrary contained in the Lease, as amended, or herein, Landlord's participation in the preparation of the Drawings, the cost estimates for Tenant and the construction of Tenant Improvements shall not constitute any representation or warranty, express or implied, that (i) the Drawings are in conformity with applicable governmental codes, regulations or rules or (ii) Tenant Improvements, if built in accordance with the Drawings, will be suitable for Tenant's intended purpose. Landlord's obligations shall be to review the Drawings; and any additional cost or expense required for the modification thereof to more adequately meet Tenant's use, whether during or after construction thereof, shall be borne entirely by Tenant.

EXHIBIT C

CONFIRMATION OF LEASE TERMS AND DATES

Re: Fifteenth Amendment to Lease dated March 1, 2018 (“Amendment”), between SPUS7 MIAMI ACC, LP, a Delaware limited partnership (“Landlord”), and NCL (BAHAMAS) LTD., a Bermuda company, d/b/a Norwegian Cruise Line (“Tenant”) for the premises located at 7300 Corporate Center Drive, Miami, Florida 33126 (“Building 8 Expansion Premises”), and 7245 Corporate Center Drive, Miami, Florida 33126 (“Building 3 Expansion Premises”)

The undersigned, as Tenant, hereby confirms as of this ____ day of _____, 20____, the following:

1. The Substantial Completion Date of the Building 8 Expansion Premises is hereby deemed to be _____.
2. The Substantial Completion Date of the Building 3 Expansion Premises is hereby deemed to be _____.
3. The Fifteenth Amendment Commencement Date is hereby deemed to be April 1, 2018.
4. The Fifteenth Amendment Rent Commencement Date is hereby deemed to be June 1, 2018.
5. The Fifteenth Amendment Expansion Expiration Date is hereby deemed to be September 30, 2024.
6. The schedule of Base Rental for the Building 8 Expansion Term is:

EXPANSION PREMISES AND BUILDING 8 EXPANSION PREMISES

Dates	Annual Rate/RSF		Expansion Premises Monthly Installment	Building 8 Expansion Premises Monthly Installment	TOTAL PER MONTH
-	[*]	[*]*		[*]*	[*]*
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]
-	[*]	[*]		[*]	[*]

* Abatement subject to conditions set forth in the Amendment.

7. The schedule of Base Rental for the Building 3 Expansion Term is:

BUILDING 3 EXPANSION PREMISES

Dates	Annual Rate/RSF	Monthly Installment
04/01/18 – 05/31/18	[*]	[*]
06/01/18 – 09/30/18	[*]	[*]*
10/01/18 – 05/31/19	[*]	[*]
06/01/19 – 05/31/20	[*]	[*]
06/01/20 – 05/31/21	[*]	[*]
06/01/21 – 05/31/22	[*]	[*]
06/01/22 – 05/31/23	[*]	[*]
06/01/23 – 05/31/24	[*]	[*]
06/01/24 – 09/30/24	[*]	[*]

* Abatement subject to conditions set forth in the Amendment.

8. Tenant has the right to use ____ parking spaces associated with the Building 8 Expansion Premises. Of which, ____ are located in the covered portion of the parking garage adjacent to Building 8, ____ are uncovered parking spaces in the parking lot associated with Building 8 and ____ are located at _____.

9. Tenant has the right to use eight (8) uncovered parking spaces in the parking lot associated with Building 3.

10. All alterations and improvements required to be performed by Landlord pursuant to the terms of the Amendment to prepare the Building 8 Expansion Premises and the Building 3 Expansion Premises for Tenant’s initial occupancy have been satisfactorily completed. There are no offsets or credits against Rent or other amounts owed by Tenant to Landlord, except: _____. As of the date hereof, Landlord has fulfilled all of its obligations under the Lease, as amended. The Lease, as amended, is in full force and effect and has not been modified, altered, or amended. There are no defaults by Landlord.

TENANT:

NCL (BAHAMAS) LTD.,
a Bermuda company, d/b/a Norwegian Cruise Line

By: _____
Name: _____
Title: _____
Date: _____

TRANSITION, RELEASE AND CONSULTING AGREEMENT

This Transition, Release and Consulting Agreement (this "Agreement") is entered into this 2nd day of February 2018, by and between Wendy A. Beck, an individual ("Executive"), and NCL (Bahamas) Ltd., a company organized under the laws of Bermuda (the "Company").

WHEREAS, Executive is employed by the Company or one of its subsidiaries pursuant to the terms of Executive's Employment Agreement with the Company, dated as of September 2, 2015 (the "Employment Agreement");

WHEREAS, Executive and the Company desire for Executive's employment by the Company to continue for a transitional period on the terms set forth in this Agreement, and at the end of the transitional period, for Executive to continue providing consulting services to the Company pursuant to the terms set forth in this Agreement; and

WHEREAS, the Company and Executive desire to enter into this Agreement upon the terms set forth herein.

NOW, THEREFORE, in consideration of the covenants undertaken, benefits provided and the releases contained in this Agreement, Executive and the Company hereby agree as follows. Capitalized terms used in this Agreement without definition shall have the same meanings as in the Employment Agreement.

1. **Transition Period.** The Company and Executive hereby agree that Executive shall remain employed as the Company's Executive Vice President and Chief Financial Officer for the period (the "Transition Period") beginning on the date hereof and continuing until September 30, 2018 or any earlier date as may be determined by the Company (the "Separation Date"). During the Transition Period, Executive shall continue to have the same duties set forth in Section 1.2 of the Employment Agreement or as such duties may be modified by the Chief Executive Officer and shall continue to comply with Executive's duties and obligations under the Employment Agreement. During the Transition Period, Executive shall continue to receive her current Base Salary of \$700,000, the same Incentive Bonus opportunity set forth in Section 3.2 of the Employment Agreement and shall be entitled to receive the same benefits set forth in Section 4 of the Employment Agreement. However, Executive shall not be entitled to receive any new grants of equity awards under the Parent Equity Plan during the Transition Period or at any time after the date hereof.

2. **Termination of Employment.** Executive's employment with the Company will terminate on the Separation Date. Effective as of the Separation Date, Executive hereby waives any right or claim to reinstatement as an employee of the Company and each of its affiliates. Effective as of the Separation Date, Executive hereby confirms that Executive will not hold any position as an officer, director or employee with the Company and each of its affiliates, and Executive hereby agrees to resign as an officer and director of the Company and each of its affiliates, and as a fiduciary of any benefit plan of the Company and each of its affiliates, effective as of the Separation Date. Upon or promptly following the Separation Date (and in any event within twenty-one (21) days following the Separation Date), Executive hereby agrees to execute an additional release in the same form as included in this Agreement (the "Bring-Down Release") in order to cover the Transition Period. Executive hereby agrees that the Bring-Down Release will require Executive to acknowledge and agree that (subject to the payment of such amounts) Executive has received all amounts owed for Executive's regular and usual salary (including, but not limited to, any overtime, bonus, accrued vacation, commissions, or other wages), reimbursement of expenses, sick pay and usual benefits.

3. Termination Benefits. Subject to (1) Executive's execution of the Bring-Down Release and Executive not revoking the Bring Down-Release pursuant to any revocation rights afforded by applicable law and (2) Executive not voluntarily resigning and terminating her employment from the Company prior to the Separation Date, Executive (or her heirs or estate if she dies during or after the Transition Period) shall be entitled to the following benefits set forth in Sections 3(a)-(h) below in connection with her termination of employment (the "Termination Benefits"). The Termination Benefits shall be paid to Executive in lieu of the benefits set forth in Section 5.3 of the Employment Agreement, and upon and following the Separation Date, the Company and each of its affiliates shall have no further obligation to make or provide to Executive, and Executive shall have no further right to receive or obtain from the Company and each of its affiliates, and payments or benefits other than the following Termination Benefits.

a. Accrued Obligations. The Company shall pay Executive any Accrued Obligations on the next regularly scheduled payroll date of the Company following the Separation Date, but in no event later than fifteen (15) days following the Separation Date.

b. Severance Benefit. The Company shall pay Executive the Severance Benefit at two times her current Base Salary in substantially equal installments in accordance with the Company's standard payroll practices over a period of twelve (12) consecutive months, with the first installment payable in the month following the month in which the Separation Date occurs. (For purposes of clarity, each such installment shall equal the applicable fraction of the aggregate Severance Benefit.)

c. COBRA Benefit. Subject to Executive completing the applicable continuation enrollment procedures the Company has in place on the Separation Date, the Company shall provide Executive with the COBRA Benefit (including MERP benefits) (which, for the avoidance of doubt, requires Executive to continue paying the same percentage of the applicable premiums as she was paying on the Separation Date) for the period beginning with the month following the month in which the Separation Date occurs and ending with coverage for the thirty-sixth (36th) month following the month in which the Separation Date occurs (or, if earlier, ending upon the first to occur of Executive's death or the date Executive becomes eligible for coverage under the health plan of a future employer). In the event the Company is unable to provide Executive with continuation coverage under COBRA or with continued participation in the MERP for any month(s) during the 36-month period in which Executive is entitled to receive the COBRA Benefit under this Section 3(c), the Company shall pay Executive a cash payment each month in such amount as may be necessary for Executive to procure health insurance coverage which is reasonably comparable to the COBRA Benefit and the MERP benefits (after taking into account the same percentage of the applicable premiums that is required to be paid by Executive as of the Separation Date).

d. Equity Acceleration. On the Separation Date, all then outstanding and unvested equity awards granted under the Parent Equity Plan or any predecessor equity incentive plan shall be treated as follows: (1) any outstanding and unvested equity awards then subject to vesting conditions based on continued employment but not performance-based vesting conditions shall vest immediately after the Separation Date, and (2) any outstanding and unvested equity awards then subject to performance-based vesting conditions shall remain outstanding and eligible to vest subject to satisfaction of the applicable performance-based vesting conditions as if Executive's employment had not terminated, provided that any such performance-based equity award otherwise scheduled to vest after December 31, 2019 shall be settled no later than December 31, 2019 based on the Company's reasonable best estimate of the number of shares subject to the award that will be eligible to vest based on performance.

e. Pro-Rata Bonus. The Company shall pay Executive the Pro-Rata Bonus for the 2018 calendar year if and when (and at the same achievement or performance level) in the 2019 calendar year that Incentive Bonuses for active senior executive employees are paid (following the completion of the audit of the 2018 financial statements in 2019).

f. Enhanced Severance Benefit. The Company shall pay Executive an additional severance amount equal to four million dollars (\$4,000,000), payable in six (6) equal installments of six hundred sixty-six thousand six hundred sixty-six dollars (\$666,666) on September 30, 2018, December 30, 2018, March 30, 2019, June 30, 2019, September 30, 2019 and December 30, 2019.

g. Consulting Fees. In consideration for the Consulting Services described in Section 6 of this Agreement, the Company shall pay Executive a consulting fee equal to two million dollars (\$2,000,000), payable in six (6) equal installments of three hundred thirty-three thousand three hundred thirty-four dollars (\$333,334) on September 30, 2018, December 30, 2018, March 30, 2019, June 30, 2019, September 30, 2019 and December 30, 2019 (the "Consulting Fee").

h. Cruise Benefit. The Company will provide Executive two (2) cabins for up to a fourteen (14) night cruise with the Company brand of Executive's choice. Executive and her family (up to six (6) persons total) will be accommodated in penthouse level (or Haven equivalent) cabins (excluding Oceania's penthouse and Regent's owners suites) to be assigned by the Company's revenue management department. Executive must use this cruise benefit during the 2019 calendar year prior to December 31, 2019.

4. Release. Executive, on behalf of Executive, Executive's descendants, dependents, heirs, executors, administrators, assigns, and successors, and each of them, hereby covenants not to sue and fully releases and discharges the Company and each of its parents, subsidiaries and affiliates, past and present, as well as its and their trustees, directors, officers, members, managers, partners, agents, attorneys, insurers, employees, stockholders, representatives, assigns, and successors, past and present (and including, without limitation, any current or former Chief Executive Officers to whom Executive reported), and each of them, hereinafter together and collectively referred to as the "Releasees," with respect to and from any and all claims, wages, demands, rights, liens, agreements or contracts (written or oral), covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden (each, a "Claim"), which she now owns or holds or she has at any time heretofore owned or held as against any of said Releasees (including, without limitation, any Claim arising out of or in any way connected with Executive's service as an officer, director, employee, member or manager of any Releasee, Executive's separation from Executive's position as an officer, director, employee, manager and/or member, as applicable, of any Releasee, or any other transactions, occurrences, acts or omissions or any loss, damage or injury whatever), whether known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of said Releasees, or any of them, committed or omitted prior to the date of this Release Agreement including, without limiting the generality of the foregoing, any Claim under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, or any other federal, state or local law, regulation, or ordinance, or any Claim for severance pay, equity compensation, bonus, sick leave, holiday pay, vacation pay, life insurance, health or medical insurance or any other fringe benefit, workers' compensation or disability (the "Release"); provided, however, that the foregoing Release does not apply to any obligation of the Company to Executive pursuant to any of the following: (1) any equity-based awards previously granted by the Company or its affiliates to Executive, to the extent that such awards continue after the termination of Executive's employment with the Company in accordance with the applicable terms of such awards (and subject to any limited period in which to exercise such awards following such termination of employment); (2) any right to indemnification that Executive may have pursuant to the Bylaws of the Company, its Articles of Incorporation or under any written indemnification agreement with the Company (or any corresponding provision of any subsidiary or affiliate of the Company) or applicable state law with respect to any loss, damages or expenses (including but not limited to attorneys' fees to the extent otherwise provided) that Executive may in the future incur with respect to Executive's service as an employee, officer or director of the Company or any of its subsidiaries or affiliates; (3) with respect to any rights that Executive may have to insurance coverage for such losses, damages or expenses under any Company (or subsidiary or affiliate) directors and officers liability insurance policy; (4) any rights to continued medical or dental coverage that Executive may have under COBRA (or similar applicable state law); (5) any rights to the Termination Benefits and other benefits provided under this Agreement; or (6) any rights to payment of benefits that Executive may have under a retirement plan sponsored or maintained by the Company or its affiliates that is intended to qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended. In addition, this Release does not cover any Claim arising after the date of this Agreement or Claim that cannot be so released as a matter of applicable law. Executive acknowledges and agrees that she has received any and all leave and other benefits that she has been and is entitled to pursuant to the Family and Medical Leave Act of 1993.

5. ADEA Waiver. Executive expressly acknowledges and agrees that by entering into this Agreement, Executive is waiving any and all rights or Claims that she may have arising under the Age Discrimination in Employment Act of 1967, as amended (the “ADEA”), which have arisen on or before the date of execution of this Agreement. Executive further expressly acknowledges and agrees that:

- A. In return for this Agreement, Executive will receive consideration beyond that which the Executive was already entitled to receive before entering into this Agreement;
- B. Executive is hereby advised in writing by this Agreement to consult with an attorney before signing this Agreement;
- C. Executive has voluntarily chosen to enter into this Agreement and has not been forced or pressured in any way to sign it;
- D. Executive was given a copy of this Agreement on February 2, 2018 and informed that she had twenty one (21) days within which to consider this Agreement and that if she wished to execute this Agreement prior to expiration of such 21-day period, she should execute the Endorsement attached hereto;
- E. Executive was informed that she had seven (7) days following the date of execution of this Agreement in which to revoke this Agreement, and this Agreement will become null and void if Executive elects revocation during that time. Any revocation must be in writing and must be received by the Company during the seven-day revocation period. In the event that Executive exercises Executive’s right of revocation, neither the Company nor Executive will have any obligations under this Agreement (including, without limitation, any obligations to pay or provide the Termination Benefits);
- F. Nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs from doing so, unless specifically authorized by federal law.

6. Consulting Term. Beginning on the Separation Date and continuing until the second (2nd) anniversary of the Separation Date, Executive agrees to provide consulting services during normal business hours to the Company as may be reasonably requested by either the Board of Directors or Chief Executive Officer or new Chief Financial Officer of the Company from time to time; provided that Executive and the Company agree that in no event will the Company require, nor will Executive perform, a level of services during such period that would result in Executive not having a “separation from service” (within the meaning of Section 409A of the Code) from the Company and its affiliates on the Separation Date. These services may include but are not limited to performing reasonable transition and integration services related to the Company’s business and financial reporting and reasonably cooperating with the Company regarding any litigation initiated involving matters of which Executive has particular knowledge (the “Consulting Services”). Executive agrees to be available up to fifteen (15) days per month during the consulting term to perform the Consulting Services. The Consulting Services will be performed during normal business hours as may reasonably be requested by the Company after reasonable consultation with Executive. Executive acknowledges and agrees that her status at all times during the consulting term shall be that of an independent contractor, and that Executive shall have the right to control and determine the method and means of performing the Consulting Services. Executive hereby waives any rights to be treated as an employee or deemed employee of the Company or any of its affiliates for any purpose during the consulting term. Executive and the Company hereby agree that Executive shall not be entitled to any additional remuneration or fees of any kind for performing the Consulting Services other than the Consulting Fee.

7. Non-Disparagement. Executive agrees not to make, directly or indirectly, whether verbal or in writing, any damaging or disparaging statements, representations or remarks about or concerning Employer or any of the Released Parties. The Company agrees that its senior executive management and board of directors shall not make, directly or indirectly, whether verbal or in writing, any damaging or disparaging statements, representations or remarks about or concerning Executive.

8. No Transferred Claims. Executive warrants and represents that Executive has not heretofore assigned or transferred to any person not a party to this Agreement any released matter or any part or portion thereof and she shall defend, indemnify and hold the Company and each of its affiliates harmless from and against any claim (including the payment of attorneys' fees and costs actually incurred whether or not litigation is commenced) based on or in connection with or arising out of any such assignment or transfer made, purported or claimed.

9. Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable under any present or future law, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction; furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

10. Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic or other electronic copies of such signed counterparts may be used in lieu of the originals for any purpose.

11. Successors. This Agreement is personal to Executive and shall not, without the prior written consent of the Company, be assignable by Executive. This Agreement shall inure to the benefit of and be binding upon the Company and its respective successors and assigns and any such successor or assignee shall be deemed substituted for the Company under the terms of this Agreement for all purposes. As used herein, "successor" and "assignee" shall include any person, firm, corporation or other business entity which at any time, whether by purchase, merger, acquisition of assets, or otherwise, directly or indirectly acquires the ownership of the Company, acquires all or substantially all of the Company's assets, or to which the Company assigns this Agreement by operation of law or otherwise.

12. Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH UNITED STATES FEDERAL LAW AND, TO THE EXTENT NOT PREEMPTED BY UNITED STATES FEDERAL LAW, THE LAWS OF THE STATE OF FLORIDA, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF FLORIDA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN UNITED STATES FEDERAL LAW AND THE LAW OF THE STATE OF FLORIDA TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, APPLICABLE FEDERAL LAW AND, TO THE EXTENT NOT PREEMPTED BY APPLICABLE FEDERAL LAW, THE INTERNAL LAW OF THE STATE OF FLORIDA, WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

13. Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

14. Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

15. Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

16. Nouns and Pronouns. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice-versa.

17. Withholding. Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such federal, state and local income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

18. Compliance with Protective Covenants. Executive hereby agrees to comply with all of the protective covenants set forth in Section 6 of the Employment Agreement following the Separation Date. If Executive breaches Executive's obligations under Section 6 of the Employment Agreement or Section 7 of this Agreement at any time, from and after the date of such breach and not in any way in limitation of any right or remedy otherwise available to the Company, the Executive will no longer be entitled to, and the Company will no longer be obligated to pay or provide, any remaining unpaid portion of the Termination Benefits.

19. Section 280G. The Excise Tax provisions in Section 5.8 of the Employment Agreement shall continue to apply following the Separation Date.

20. Section 409A. Company and Executive intend that any compensation, benefits and other amounts payable or provided to the Executive under this Agreement shall be exempt from, or shall be paid or provided in compliance with, Section 457A and Section 409A of the Code and all regulations, guidance, and other interpretative authority issued thereunder (collectively, "Section 409A"), to avoid adverse tax consequences, interest or penalties for Executive under Section 457A and Section 409A as a result of the payments and benefits so paid or provided to her and this Agreement shall be interpreted consistently with such intent. Notwithstanding anything to the contrary contained in any other provision of this Agreement, if any payments or benefits provided to the Executive by the Company, either per this Agreement or otherwise, are non-qualified deferred compensation subject to, and not exempt from, Section 409A ("Subject Payments"), the following provisions shall apply to such payments and/or benefits:

a. Each amount to be paid or benefit to be provided will be construed as a separate identified payment for purposes of Section 409A, even if part of an installment payment.

b. Whenever a Subject Payment specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

c. Neither the Company nor Executive will have the right to accelerate or defer the delivery of any Subject Payments except to the extent specifically permitted or required by Section 409A.

d. If and to the extent any portion of any payment, compensation or other benefit provided to Executive in connection with her separation from service is determined to constitute a Subject Payment and she is a "specified employee" within the meaning of Section 409A, such portion of the payment, compensation or other benefit will not be paid before the earlier of (i) the day that is six (6) months plus one day after the date of separation from service or (ii) the tenth (10th) day after the date of her death (as applicable, the "New Payment Date"). The aggregate of any payments that otherwise would have been paid to Executive during the period between the date of separation from service and the New Payment Date will be paid to her in a lump sum in the first payroll period beginning after such New Payment Date, and any remaining payments will be paid on their original schedule.

e. Any payments that are exempt from Section 409A, including amounts exempt under the “short-term deferral” exemption or the “involuntary separation pay plan” exemption, each as provided for under Section 409A, will not be treated as Subject Payments unless applicable law requires otherwise.

21. Legal Protections. Nothing in this Agreement or the Employment Agreement prohibits Executive from filing a charge with or participating in an investigation conducted by any state or federal government agencies. This Agreement and the Employment Agreement are both subject to compliance with law and, for clarity, do not prevent Executive from accepting a whistleblower award from the Securities and Exchange Commission pursuant to Section 21F of the Securities Exchange Act of 1934, as amended. Notwithstanding any provision in this Agreement or the Employment Agreement, Executive may truthfully respond to a lawful and valid subpoena or other legal process, but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought, and shall assist the Company and such counsel in resisting or otherwise responding to such process. Executive understands that nothing in this Agreement or the Employment Agreement is intended to limit Executive’s right (i) to discuss the terms, wages, and working conditions of her employment to the extent permitted and/or protected by applicable labor laws, (ii) to report confidential information in a confidential manner either to a federal, state or local government official or to an attorney where such disclosure is solely for the purpose of reporting or investigating a suspected violation of law, or (iii) to disclose confidential information in an anti-retaliation lawsuit or other legal proceeding, so long as that disclosure or filing is made under seal and Executive does not otherwise disclose such confidential information, except pursuant to court order. The Company encourages Executive, to the extent legally permitted, to give the Company the earliest possible notice of any such report or disclosure. Pursuant to the Defend Trade Secrets Act of 2016, Executive acknowledges that she may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of confidential information that: (a) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed in a lawsuit or other proceeding, provided that such filing is made under seal. Further, Executive understands that the Company will not retaliate against her in any way for any such disclosure made in accordance with the law. In the event a disclosure is made, and Executive files any type of proceeding against the Company alleging that the Company retaliated against her because of her disclosure, Executive may disclose the relevant confidential information to her attorney and may use the confidential information in the proceeding if (x) she files any document containing the confidential information under seal, and (y) she does not otherwise disclose the confidential information except pursuant to court order.

22. Legal Counsel. Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Executive acknowledges and agrees that she has read and understands this Agreement completely, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and she has had ample opportunity to do so.

The undersigned have read and understand the consequences of this Agreement and voluntarily sign it. The undersigned declare under penalty of perjury under the laws of the State of Florida that the foregoing is true and correct.

EXECUTED this 2nd day of February 2018, at Miami-Dade County, Florida

“Executive”

/s/ Wendy A. Beck

Print Name: Wendy A. Beck

NCL (BAHAMAS), LTD.,
a company organized under the laws of Bermuda,

By: /s/Frank J. Del Rio

Name: Frank J. Del Rio

Title: Chairman

ENDORSEMENT

I, Wendy A. Beck, hereby acknowledge that I was given 21 days to consider the foregoing Agreement and voluntarily chose to sign the Agreement prior to the expiration of the 21-day period.

I declare under penalty of perjury under the laws of the United States and the State of Florida that the foregoing is true and correct.

EXECUTED this 2nd day of February 2018.

/s/ Wendy A. Beck

Print Name: Wendy A. Beck

BRING-DOWN RELEASE AGREEMENT

This Bring-Down Release Agreement (this "Agreement") is entered into this 5th day of March, 2018, by and between Wendy A. Beck, an individual ("Executive"), and NCL (Bahamas) Ltd., a company organized under the laws of Bermuda (the "Company").

WHEREAS, Executive is a party to a Transition, Release and Consulting Agreement with the Company, dated as of February 2, 2018 (the "Transition Agreement");

WHEREAS, Executive's employment by the Company or one of its subsidiaries has terminated and Executive is required to enter into this Agreement pursuant to the Transition Agreement in order to receive the termination benefits provided for under the Transition Agreement; and

WHEREAS, the Company and Executive desire to enter into this Agreement upon the terms set forth herein.

NOW, THEREFORE, in consideration of the covenants undertaken, benefits provided and the releases contained in this Agreement, Executive and the Company hereby agree as follows. Capitalized terms used in this Agreement without definition shall have the same meanings as in the Transition Agreement.

1. **Termination of Employment.** (a) Executive's employment with the Company terminated on March 5, 2018 (the "Separation Date"). Executive hereby waives any right or claim to reinstatement as an employee of the Company and each of its affiliates. Executive hereby confirms that Executive does not hold any position as an officer, director or employee with the Company and each of its affiliates. Executive hereby acknowledges and agrees that Executive has received all amounts owed for Executive's regular and usual salary (including, but not limited to, any overtime, bonus, accrued vacation, commissions, or other wages), reimbursement of expenses, sick pay and usual benefits.

(b) Notwithstanding the foregoing, (i) the Company agrees to continue to pay Executive's salary at its current rate during the period from the date hereof through September 30, 2018, in accordance with its normal payroll practices, as though Executive remained employed through such date and (ii) solely for purposes of the pro ration calculation described in Section 3(e) of the Transition Agreement, Executive will be deemed to have remained employed by the Company through September 30, 2018.

2. **Release.** Executive, on behalf of Executive, Executive's descendants, dependents, heirs, executors, administrators, assigns, and successors, and each of them, hereby covenants not to sue and fully releases and discharges the Company and each of its parents, subsidiaries and affiliates, past and present, as well as its and their trustees, directors, officers, members, managers, partners, agents, attorneys, insurers, employees, stockholders, representatives, assigns, and successors, past and present (and including, without limitation, any current or former Chief Executive Officers to whom Executive reported), and each of them, hereinafter together and collectively referred to as the "Releasees," with respect to and from any and all claims, wages, demands, rights, liens, agreements or contracts (written or oral), covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden (each, a "Claim"), which she now owns or holds or she has at any time heretofore owned or held as against any of said Releasees (including, without limitation, any Claim arising out of or in any way connected with Executive's service as an officer, director, employee, member or manager of any Releasee, Executive's separation from Executive's position as an officer, director, employee, manager and/or member, as applicable, of any Releasee, or any other transactions, occurrences, acts or omissions or any loss, damage or injury whatever), whether known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of said Releasees, or any of them, committed or omitted prior to the date of this Release Agreement including, without limiting the generality of the foregoing, any Claim under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, or any other federal, state or local law, regulation, or ordinance, or any Claim for severance pay, equity compensation, bonus, sick leave, holiday pay, vacation pay, life insurance, health or medical insurance or any other fringe benefit, workers' compensation or disability (the "Release"); provided, however, that the foregoing Release does not apply to any obligation of the Company to Executive pursuant to any of the following: (1) any equity-based awards previously granted by the Company or its affiliates to Executive, to the extent that such awards continue after the termination of Executive's employment with the Company in accordance with the applicable terms of such awards (and subject to any limited period in which to exercise such awards following such termination of employment); (2) any right to indemnification that Executive may have pursuant to the Bylaws of the Company, its Articles of Incorporation or under any written indemnification agreement with the Company (or any corresponding provision of any subsidiary or affiliate of the Company) or applicable state law with respect to any loss, damages or expenses (including but not limited to attorneys' fees to the extent otherwise provided) that Executive may incur with respect to Executive's service as an employee, officer or director of the Company or any of its subsidiaries or affiliates; (3) with respect to any rights that Executive may have to insurance coverage for such losses, damages or expenses under any Company (or subsidiary or affiliate) directors and officers liability insurance policy; (4) any rights to continued medical or dental coverage that Executive may have under COBRA (or similar applicable state law); (5) any rights to the Termination Benefits provided under the Transition Agreement or the additional compensation described in Section 1(b) hereof; or (6) any rights to payment of benefits that Executive may have under a retirement plan sponsored or maintained by the Company or its affiliates that is intended to qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended. In addition, this Release does not cover any Claim arising after the date of this Agreement or Claim that cannot be so released as a matter of applicable law. Executive acknowledges and agrees that she has received any and all leave and other benefits that she has been and is entitled to pursuant to the Family and Medical Leave Act of 1993.

3. ADEA Waiver. Executive expressly acknowledges and agrees that by entering into this Agreement, Executive is waiving any and all rights or Claims that she may have arising under the Age Discrimination in Employment Act of 1967, as amended (the "ADEA"), which have arisen on or before the date of execution of this Agreement. Executive further expressly acknowledges and agrees that:

- A. In return for this Agreement, Executive will receive consideration beyond that which the Executive was already entitled to receive before entering into this Agreement;
- B. Executive is hereby advised in writing by this Agreement to consult with an attorney before signing this Agreement;
- C. Executive has voluntarily chosen to enter into this Agreement and has not been forced or pressured in any way to sign it;
- D. Executive was given a copy of this Release Agreement on [●], 2018 and informed that she had twenty one (21) days within which to consider this Agreement and that if she wished to execute this Agreement prior to expiration of such 21-day period, she should execute the Endorsement attached hereto;
- E. Executive was informed that she had seven (7) days following the date of execution of this Agreement in which to revoke this Agreement, and this Agreement will become null and void if Executive elects revocation during that time. Any revocation must be in writing and must be received by the Company during the seven-day revocation period. In the event that Executive exercises Executive's right of revocation, neither the Company nor Executive will have any obligations under this Agreement (including, without limitation, any obligations to pay or provide the Termination Benefits);
- F. Nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs from doing so, unless specifically authorized by federal law.

4. No Transferred Claims. Executive warrants and represents that Executive has not heretofore assigned or transferred to any person not a party to this Agreement any released matter or any part or portion thereof and she shall defend, indemnify and hold the Company and each of its affiliates harmless from and against any claim (including the payment of attorneys' fees and costs actually incurred whether or not litigation is commenced) based on or in connection with or arising out of any such assignment or transfer made, purported or claimed.

5. Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable under any present or future law, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction; furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

6. Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic or other electronic copies of such signed counterparts may be used in lieu of the originals for any purpose.

7. Successors. This Agreement is personal to Executive and shall not, without the prior written consent of the Company, be assignable by Executive. This Agreement shall inure to the benefit of and be binding upon the Company and its respective successors and assigns and any such successor or assignee shall be deemed substituted for the Company under the terms of this Agreement for all purposes. As used herein, "successor" and "assignee" shall include any person, firm, corporation or other business entity which at any time, whether by purchase, merger, acquisition of assets, or otherwise, directly or indirectly acquires the ownership of the Company, acquires all or substantially all of the Company's assets, or to which the Company assigns this Agreement by operation of law or otherwise.

8. Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH UNITED STATES FEDERAL LAW AND, TO THE EXTENT NOT PREEMPTED BY UNITED STATES FEDERAL LAW, THE LAWS OF THE STATE OF FLORIDA, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF FLORIDA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN UNITED STATES FEDERAL LAW AND THE LAW OF THE STATE OF FLORIDA TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, APPLICABLE FEDERAL LAW AND, TO THE EXTENT NOT PREEMPTED BY APPLICABLE FEDERAL LAW, THE INTERNAL LAW OF THE STATE OF FLORIDA, WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

9. Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

10. Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11. Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

12. Nouns and Pronouns. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice-versa.

13. Relationship to Transition Agreement. This Agreement is being entered into pursuant to the Transition Agreement. This Agreement shall in no way amend, terminate or supersede the Transition Agreement in any respect, and the Transition Agreement and each of the Company's and Executive's obligations under the Transition Agreement shall continue in full force and effect.

14. Legal Counsel. Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Executive acknowledges and agrees that she has read and understands this Agreement completely, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and she has had ample opportunity to do so.

The undersigned have read and understand the consequences of this Agreement and voluntarily sign it. The undersigned declare under penalty of perjury under the laws of the State of Florida that the foregoing is true and correct.

EXECUTED this 5th day of March, 2018, at Miami, Florida

"Executive"

/s/Wendy A. Beck

Print Name: Wendy A. Beck

NCL (BAHAMAS), LTD.,
a company organized under the laws of Bermuda,

By: /s/Lynn White

Name: Lynn White

Title: SVP, Corporate Human Resources

ENDORSEMENT

I, Wendy A. Beck, hereby acknowledge that I was given 21 days to consider the foregoing Agreement and voluntarily chose to sign the Agreement prior to the expiration of the 21-day period.

I declare under penalty of perjury under the laws of the United States and the State of Florida that the foregoing is true and correct.

EXECUTED this 5th day of March, 2018.

/s/ Wendy A. Beck

Print Name: Wendy A. Beck

CERTIFICATION

I, Frank J. Del Rio, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Norwegian Cruise Line Holdings Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Frank J. Del Rio

Name: Frank J. Del Rio

Title: President and Chief Executive Officer

Dated: May 7, 2018

CERTIFICATION

I, Mark A. Kempa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Norwegian Cruise Line Holdings Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mark A. Kempa

Name: Mark A. Kempa

Title: Interim Chief Financial Officer and Senior Vice President, Finance

Dated: May 7, 2018

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of Frank J. Del Rio, the President and Chief Executive Officer, and Mark A. Kempa, the Interim Chief Financial Officer and Senior Vice President, Finance, of Norwegian Cruise Line Holdings Ltd. (the "Company"), does hereby certify, that, to such officer's knowledge:

The Quarterly Report on Form 10-Q of the Company, for the quarter ended March 31, 2018 (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2018

By: /s/ Frank J. Del Rio
Name: Frank J. Del Rio
Title: President and Chief Executive Officer

By: /s/ Mark A. Kempa
Name: Mark A. Kempa
Title: Interim Chief Financial Officer and Senior Vice President, Finance
