UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 19, 2014

NORWEGIAN CRUISE LINE HOLDINGS LTD.

(Exact name of Registrant as specified in its charter)

Bermuda
(State of Incorporation)

001-35784
(Commission File Number)

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)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

1. Indenture and 5.25% Senior Notes due 2019

On November 19, 2014, NCL Corporation Ltd. ("NCLC"), a subsidiary of Norwegian Cruise Line Holdings Ltd. ("Norwegian"), issued $680.0 million aggregate principal amount of 5.25% senior unsecured notes due 2019 (the "5.25% Notes"), which mature on November 15, 2019, pursuant to an indenture, dated as of November 19, 2014, between NCLC and U.S. Bank National Association, as trustee (the "Indenture"). NCLC used the net proceeds from the offering of the 5.25% Notes to fund a portion of the purchase price and related fees and expenses for the Acquisition (as defined below) by Norwegian of Prestige Cruises International, Inc. ("Prestige"). NCLC financed the remaining portion of the Acquisition, as well as refinanced credit facilities of Seven Seas Cruises S. DE R.L. ("Regent") and Oceania Cruises, Inc., each a subsidiary of Prestige, and satisfied and discharged the indenture governing Regent's Second-Priority Senior Secured Notes due 2019, using $1.05 billion of borrowings under its New Term Loan A Facility and New Term Loan B Facility (each as defined below), available cash and the issuance of additional Norwegian Ordinary Shares (as defined below).

NCLC will pay interest on the 5.25% Notes at 5.25% per annum, semiannually on May 15 and November 15 of each year, commencing on May 15, 2015, to holders of record at the close of business on the immediately preceding May 1 and November 1, respectively.

NCLC may redeem the 5.25% Notes, in whole or part, at any time prior to November 15, 2016, at a price equal to 100% of the principal amount of the 5.25% Notes redeemed plus accrued and unpaid interest to, but not including, the redemption date and a "make-whole premium." NCLC may redeem the 5.25% Notes, in whole or in part, on or after November 15, 2016, at the redemption prices set forth in the Indenture. At any time (which may be more than once) on or prior to November 15, 2016, NCLC may choose to redeem up to 40% of the aggregate principal amount of the 5.25% Notes at a redemption price equal to 105.250% of the face amount thereof with an amount equal to the net proceeds of one or more equity offerings, so long as at least 60% of the aggregate principal amount of the 5.25% Notes issued remains outstanding following such redemption.

The Indenture contains covenants that limit NCLC's ability (and its restricted subsidiaries' ability) to, among other things: (i) incur or guarantee additional indebtedness or issue certain preferred shares; (ii) pay dividends and make certain other restricted payments; (iii) create restrictions on the payment of dividends or other distributions to NCLC from its restricted subsidiaries; (iv) create liens on certain assets to secure debt; (v) make certain investments; (vi) engage in transactions with affiliates; (vii) engage in sales of assets and subsidiary stock; and (viii) transfer all or substantially all of its assets or enter into merger or consolidation transactions. The Indenture also provides for events of default, which, if any of them occurs, would permit or require the principal, premium (if any), interest and other monetary obligations on all of the then-outstanding 5.25% Notes to become due and payable immediately.

The foregoing summary is qualified entirely by reference to the full text of the Indenture, a copy of which is attached hereto as Exhibit 4.1 and incorporated by reference herein.

2. Incremental Term Loans under the Senior Secured Credit Facility

Amendment to Senior Secured Credit Facility

In contemplation of the Acquisition, NCLC amended and restated its credit agreement dated May 24, 2013 (the "Existing Senior Secured Credit Facility"), pursuant to an amended and restated credit agreement, dated as of October 31, 2014, but effective as of the closing of the Acquisition, with JPMorgan Chase Bank, N.A. ("JPM"), as administrative agent and as collateral agent, and a syndicate of other banks party thereto as joint bookrunners, arrangers, co-documentation agents and lenders (the "Amended and Restated Senior Secured Credit Facility") in order to, among other things, provide for the New Term Loan A Facility (as defined below) and the addition of guarantors and collateral to what previously secured NCLC's obligations under the Existing Senior Secured Credit Facility. Consequently, with the consummation of the Acquisition, the Amended and Restated Senior Secured Credit Facility has additional guarantees from Insignia Vessel Acquisition, LLC, Nautica Acquisition, LLC, Regatta Acquisition, LLC, Mariner, LLC, Voyager Vessel Company, LLC and Navigator Vessel Company, LLC (all subsidiaries of Prestige) and additional collateral in respect of the following ships: Insignia, Nautica, Regatta, Seven Seas Mariner, Seven Seas Voyager and Seven Seas Navigator, and the related stock pledges of the additional guarantors.

Overview of New Term Loan A Facility

On November 19, 2014, concurrently with the closing of the Acquisition, NCLC borrowed an incremental $700.0 million (the "New Term Loan A Facility") under the Amended and Restated Senior Secured Credit Facility, which has

substantially the same terms as the existing term loans under the Existing Senior Secured Credit Facility.

Interest Rate and Fees. Borrowings under the New Term Loan A Facility bear interest at a rate per annum equal to (i) an adjusted LIBOR rate or (ii) a base rate determined by reference to the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate of JPM and (c) the one-month adjusted LIBOR rate, in each case plus an applicable margin that is determined by reference to a total leverage ratio, with an applicable margin of between 2.25% and 1.50% with respect to Eurocurrency loans and between 1.25% and 0.50% with respect to base rate loans. The initial applicable margin for borrowings is 2.25% with respect to Eurocurrency borrowings and 1.25% with respect to base rate borrowings.

Voluntary Prepayments. NCLC may voluntarily repay outstanding loans under the New Term Loan A Facility at any time without premium or penalty, subject to customary breakage costs with respect to Eurocurrency loans.

Amortization. NCLC is required to repay the loans under the New Term Loan A Facility in quarterly installments commencing in December 2014, in an aggregate principal amount equal to (i) in the case of installments payable on or prior to May 24, 2015, 1.25% of outstanding loans originally funded under the New Term Loan A Facility and (ii) in the case of installments payable after May 24, 2015, 2.50% of outstanding loans originally funded under the New Term Loan A Facility, with the remaining unpaid principal amount of loans under the New Term Loan A Facility due and payable in full at maturity, on May 24, 2018.

Overview of New Term Loan B Facility

Also concurrently with the closing of the Acquisition, NCLC entered into a new $350.0 million senior secured term B facility (the "New Term Loan B Facility") under an incremental assumption agreement. Such New Term Loan B Facility was implemented as an incremental facility to the Amended and Restated Senior Secured Credit Facility and has substantially the same terms as the existing term loans and the New Term Loan A Facility, other than with respect to interest rates, voluntary prepayments, amortization and maturity. The applicable margin under the New Term Loan B Facility is 3.25% with respect to Eurocurrency loans (with a LIBOR floor of 0.75%) and 2.25% with respect to base rate loans. NCLC may voluntarily repay outstanding loans under the New Term Loan B Facility at any time subject to a 1% premium to the extent the prepayment occurs within 12 months of the closing date in connection with a repricing transaction. NCLC is required to repay the loans under the New Term Loan B Facility in quarterly installments, commencing in March 2015, in an aggregate principal amount equal to 0.25% of the loans outstanding immediately after the Closing Date (as defined below), with the remaining unpaid principal amount of loans under the New Term Loan B Facility due and payable in full at maturity. The New Term Loan B Facility has a term of seven years (provided that the New Term Loan B Facility will mature on any earlier date that is 91 days prior to the maturity date of the 5.25% Notes if the 5.25% Notes have not been repaid or refinanced with debt maturing after the maturity date of the New Term Loan B Facility by such date).

3. Amendment to Amended and Restated Shareholders' Agreement

In connection with the closing of the Acquisition, as of the Closing Date, Norwegian entered into Amendment No. 1 to the Amended and Restated Shareholders' Agreement, dated as of January 24, 2013 (the "Amendment"). The primary purpose of the Amendment was to add certain parties as shareholders of Norwegian, and to include a lock-up prohibiting certain shareholders from selling Norwegian Ordinary Shares obtained in connection with the Acquisition through January 1, 2016.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is attached hereto as Exhibit 10.1 and incorporated by reference herein.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On November 19, 2014 (the "Closing Date"), Norwegian completed its previously announced acquisition of Prestige (the "Acquisition") through the merger of Portland Merger Sub, Inc., a corporation organized under the laws of the Republic of Panama and a wholly-owned, indirect subsidiary of Norwegian ("Merger Sub"), with and into Prestige (the "Merger"), with Prestige continuing as the surviving corporation and becoming a wholly-owned, indirect subsidiary of Norwegian, pursuant to the Agreement and Plan of Merger, dated as of September 2, 2014, by and among Norwegian, Prestige, Merger Sub and Apollo Management, L.P., a Delaware limited partnership, as the stockholders' representative (as amended, the "Merger Agreement").

Pursuant to the Merger Agreement, on the Closing Date, (i) each share of common stock, par value $0.01 per share, of Prestige (the "Prestige Common Stock") issued and outstanding immediately prior to the effective time of the Merger

(other than shares owned by Prestige as treasury stock), (ii) each share of Class B common stock, par value $0.01 per share, of Prestige (the "Prestige Class B Common Stock") issued and outstanding immediately prior to the effective time of the Merger (other than shares owned by Prestige as treasury stock), and (iii) each outstanding eligible option to purchase Prestige Common Stock ("Prestige Options"), was cancelled and automatically converted into the right to receive, in the aggregate, an amount of cash equal to approximately $1,108,798,350 and approximately 20,296,880 ordinary shares of Norwegian, par value $0.001 per share ("Norwegian Ordinary Shares," and such issuance of Norwegian Ordinary Shares, the "Share Issuance") (valued at approximately $670,000,000 as of September 2, 2014, based on the volume weighted average trading price of the Norwegian Ordinary Shares for the twenty trading days preceding August 29, 2014 of $33.01 per share), and in the case of each share of Prestige Common Stock and each Prestige Option, a pro rata portion of a contingent payment, if any, of up to $50,000,000 in cash subject to the achievement of certain milestones set forth in the Merger Agreement. Pursuant to the terms and conditions set forth in the Merger Agreement, a portion of the aggregate consideration is being held in escrow to secure the indemnification obligations of Prestige's securityholders under the Merger Agreement.

Prior to the Merger, investment funds affiliated with Apollo Global Management, LLC owned a majority of the issued and outstanding shares of Prestige Common Stock and also had (and following the Merger, continue to have) the ability to appoint a majority of the board of directors of Norwegian (the "Board"). The Merger Agreement and the transactions contemplated thereby were approved by a special transaction committee of the Board composed entirely of disinterested directors.

The foregoing description of the Merger Agreement and the Merger does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which was filed as Exhibit 2.1 to Norwegian's Current Report on Form 8-K filed with the SEC on September 4, 2014 and is incorporated by reference herein. Amendment No. 1 to the Merger Agreement was filed as Exhibit 2.1 to Norwegian's Current Report on Form 8-K filed with the SEC on October 8, 2014 and is incorporated by reference herein.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under subheadings 1 and 2 under Item 1.01 above is incorporated into this Item 2.03 by reference.

Item 3.02 Unregistered Sales of Equity Securities.

In connection with the transactions contemplated by the Merger Agreement, Norwegian effected the Share Issuance described under Item 2.01 above in reliance upon the exemptions from registration afforded by Section 4(a)(2) and Rule 506 promulgated under Regulation D under the Securities Act of 1933, as amended (the "Securities Act").

Item 2.01 of this Current Report on Form 8-K contains a detailed description of the nature of this transaction (including the nature and aggregate consideration received), including the Share Issuance, and such description set forth in Item 2.01 is incorporated into this Item 3.02 by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

1. Appointment of Frank J. Del Rio

In connection with the Acquisition, effective as of the effective time of the Merger, Frank J. Del Rio, age 60, will continue in his role as Chief Executive Officer of Prestige. There are no arrangements or understandings between Mr. Del Rio and any other persons pursuant to which he was selected as an officer, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404 (a) of Regulation S-K.

Prior to joining Norwegian, Mr. Del Rio founded Oceania Cruises, Inc. ("Oceania") in October 2002 and has served as Chief Executive Officer and Chairman of the Board of Directors of Prestige or its predecessor since October 2002. Based in Miami, Florida, Mr. Del Rio has been responsible for the financial and strategic development of Prestige. Between 2003 and 2007, Mr. Del Rio was instrumental in the development and growth of Oceania. Prior to founding Oceania, Mr. Del Rio played a vital role in the development of Renaissance Cruises, serving as Co-Chief Executive Officer, Executive Vice President and

CFO from 1993 to April 2001. Mr. Del Rio holds a B.S. in Accounting from the University of Florida and is a Certified Public Accountant (inactive license).

Employment Agreement.

Mr. Del Rio will continue to remain employed by Prestige pursuant to the terms of an employment agreement entered into with Prestige and Oceania on June 5, 2014. The agreement has a term that continues until December 31, 2018. The material terms of the employment agreement are summarized below.

Base Salary and Bonus. Mr. Del Rio will receive an annual base salary of $1,750,000, subject to annual 5% increases beginning in calendar 2015. Beginning with the 2014 calendar year, he will be eligible for an annual bonus with a target amount equal to 100% of base salary.

Equity Awards. Beginning with the 2015 calendar year, Mr. Del Rio will be eligible to receive an annual award of options to purchase Norwegian Ordinary Shares under Norwegian's 2013 Performance Incentive Plan. Subject to his continued employment through each vesting date and accelerated vesting upon a change in control of Norwegian, all of these option grants will vest over a period of four years, with 50% of each option grant vesting on the second anniversary of the grant date, and 25% of each option grant vesting on the third and fourth anniversaries of the grant date.

Other Benefits. Mr. Del Rio will be eligible to participate in the benefit plans and programs generally available to other senior executives, including Norwegian's medical executive reimbursement plan. He will also be entitled to a $2,000 monthly car allowance, 40 days of vacation per year, and certain annual fringe and tax preparation benefits having an annual value of approximately $80,000 per year.

Severance Terms. If Norwegian terminates Mr. Del Rio's employment without cause or if he terminates his employment for a good reason, he will be entitled to receive (i) a severance payment equal to two times his base salary plus target annual bonus, (ii) payment of a pro-rata portion of any annual bonus becoming earned for the year in which his termination occurs based on performance through his termination date, (iii) accelerated vesting in the next installment of each outstanding option grant scheduled to vest following his termination date, and (iv) continued provision of health and medical benefits and certain fringe and tax preparation benefits until the second anniversary of his termination date.

Mr. Del Rio's receipt of the severance benefits described above is subject to his execution of a release of claims and compliance with the noncompetition, nonsolicitation and nondisclosure restrictions contained in his employment agreement.

2. Appointment of Kunal S. Kamlani

In connection with the Acquisition, effective as of the effective time of the Merger, Kunal S. Kamlani, age 42, was appointed President of Prestige and will continue in his role as Chief Operating Officer of Prestige. There are no arrangements or understandings between Mr. Kamlani and any other persons pursuant to which he was selected as an officer, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404 (a) of Regulation S-K.

Prior to joining Norwegian, Mr. Kamlani served as the President and Chief Operating Officer of Prestige Cruise Holdings, Inc. ("PCH"), the Chief Operating Officer of Prestige and the President of Oceania since September 2011, and the President of Regent since February 2013. Mr. Kamlani rejoined Oceania in September 2011 from Bank of America/Merrill Lynch, where he served as head of the multi-billion dollar Global Investment Solutions division with approximately 1,000 employees worldwide. Prior to that, Mr. Kamlani was Chief Financial Officer of PCH from August 2009 through March 2010. His past experiences also include serving as the Chief Operating Officer of Smith Barney and Vice President of corporate development for Starwood Hotels & Resorts. Mr. Kamlani earned his M.B.A. from Columbia University and a bachelor's degree in Economics and Political Science from Colgate University.

Employment Agreement.

PCH entered into an employment agreement with Mr. Kamlani dated November 19, 2014. The agreement has an initial term of one year, which will automatically renew each anniversary thereafter for additional one-year terms unless either Norwegian or Mr. Kamlani gives notice of non-renewal within sixty days prior to the end of the term. The material terms of the employment agreement are summarized below.

Base Salary and Bonus. Mr. Kamlani will receive an annual base salary of $750,000, subject to annual review. Beginning with the 2015 calendar year, he will be eligible for an annual bonus with a target amount equal to 75% of base salary. Mr. Kamlani's annual bonus for 2015 will be equal to a minimum of $562,500. Mr. Kamlani's annual bonus for 2014 will become payable pursuant to the terms in effect on the Closing Date.

Equity Awards. On the Closing Date, Mr. Kamlani will be eligible to receive an award of options to purchase 150,000 Norwegian Ordinary Shares under Norwegian's 2013 Performance Incentive Plan. All of these option grants will have an ordinary term of 10 years and will vest in four equal annual installments on each of the first four anniversaries of the grant date, subject to his continued employment through each vesting date and accelerated vesting upon a change in control of Norwegian. Beginning with the 2015 calendar year, Mr. Kamlani will be eligible to receive equity awards on a basis that is generally consistent with other senior executives.

Transaction Bonus. In connection with the Acquisition, Mr. Kamlani became entitled to receive a $500,000 transaction success payment. On the date that Norwegian pays annual bonuses for its 2015 and 2016 calendar years, Mr. Kamlani will be entitled to receive a subsequent installment of his transaction success payment, with each installment equal to $250,000 and payable subject to his continued employment through the payment date.

Severance Terms. If Norwegian terminates Mr. Kamlani's employment without cause, he will be entitled to receive (i) a severance payment equal to one times his base salary, (ii) payment of any unpaid installments of his transaction success payments described above, and (iii) reimbursement of premiums to continue medical coverage under COBRA for 12 months. If Mr. Kamlani terminates his employment for any reason during the four-month period beginning on the Closing Date, he will be entitled to a severance payment equal to $1,150,000 and reimbursement of premiums to continue medical coverage under COBRA for 12 months, in lieu of any other severance benefits.

Other Benefits. Mr. Kamlani will be eligible to participate in the benefit plans and programs generally available to other senior executives, including Norwegian's medical executive reimbursement plan. He will also be entitled to a $1,500 monthly car allowance and 4 weeks of vacation per year.

Mr. Kamlani's receipt of the severance benefits described above is subject to his execution of a release of claims and compliance with the noncompetition, nonsolicitation and nondisclosure restrictions contained in his employment agreement.

Item 7.01 Regulation FD Disclosure.

On November 19, 2014, Norwegian issued a press release announcing the closing of the Merger. A copy of the press release is furnished as Exhibit 99.3 hereto. Such press release shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. The information in this Item 7.01, including Exhibit 99.3, shall not be deemed incorporated by reference in any filing of Norwegian under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(a) *Financial Statements of Business Acquired*

The following consolidated financial data of Prestige required by Rule 3-05(b) of Regulation S-X, promulgated pursuant to the Exchange Act, is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K:

Report of Independent Registered Certified Public Accounting Firm
Consolidated Balance Sheets as of December 31, 2013 and 2012
Consolidated Statements of Operations for the years ended December 31, 2013, 2012 and 2011
Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2013, 2012 and 2011
Consolidated Statements of Stockholders' Equity (Deficit) for the years ended December 31, 2013, 2012 and 2011
Consolidated Statements of Cash Flows for the years ended December 31, 2013, 2012 and 2011
Notes to Consolidated Financial Statements
Consolidated Balance Sheets as of September 30, 2014 and December 31, 2013
Consolidated Statements of Operations for the nine months ended September 30, 2014 and 2013
Consolidated Statements of Comprehensive Income for the nine months ended September 30, 2014 and 2013
Consolidated Statements of Cash Flows for the nine months ended September 30, 2014 and 2013

Notes to Consolidated Financial Statements

(b) *Pro Forma Financial Information*

The following unaudited pro forma condensed consolidated financial information required by Article 11 of Regulation S-X, promulgated pursuant to the Exchange Act, is attached hereto as Exhibit 99.2 to this Current Report on Form 8-K and incorporated herein by reference:

Unaudited Pro Forma Condensed Consolidated Balance Sheet as of September 30, 2014
Unaudited Pro Forma Condensed Consolidated Statement of Operations for the nine months ended September 30, 2014
Unaudited Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 2013

(d) *Exhibits.*

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of September 2, 2014, by and among Prestige Cruises International, Inc., Norwegian Cruise Line Holdings Ltd., Portland Merger Sub, Inc. and Apollo Management, L.P. (incorporated herein by reference to Exhibit 2.1 to Norwegian Cruise Line Holdings Ltd.'s Form 8-K filed on September 4, 2014 (File No. 001-35784))
2.2	Amendment No. 1 to the Agreement and Plan of Merger, dated as of October 6, 2014, by and among Prestige Cruises International, Inc., Norwegian Cruise Line Holdings Ltd., Portland Merger Sub, Inc. and Apollo Management, L.P. (incorporated herein by reference to Exhibit 2.1 to Norwegian Cruise Line Holdings Ltd.'s Form 8-K filed on October 8, 2014 (File No. 001-35784))
4.1	Indenture, dated as of November 19, 2014, between NCL Corporation Ltd. and U.S. Bank National Association, as trustee
10.1	Amendment No. 1 to Amended and Restated Shareholders' Agreement of Norwegian Cruise Line Holdings, Ltd., dated as of November 19, 2014, by and among Norwegian Cruise Line Holdings, Ltd., Genting Honk Kong Limited, STAR NCLC Holdings Ltd., AAA Guarantor Co-Invest VI(B), L.P., AIF VI NCL (AIV), L.P., AIF VI NCL (AIV II), L.P., AIF VI NCL (AIV III), L.P., AIG 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., TPG Viking, L.P., TPG Viking AIV I, L.P., TPG Viking AIV II, L.P., TPG Viking AIV III, L.P., AIF VI Euro Holdings, L.P., AAA Guarantor – Co-Invest VII, L.P., AIF VII Euro Holdings, L.P., Apollo Alternative Assets, L.P., Apollo Management VI, L.P. and Apollo Management VII, L.P.
99.1	Consolidated Financial Data of Prestige Cruises International, Inc.
99.2	Unaudited Pro Forma Condensed Consolidated Financial Information.
99.3	Press Release, dated November 19, 2014

SIGNATURE

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

Norwegian Cruise Line Holdings Ltd.

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

Date: November 19, 2014

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99.1	Consolidated Financial Data of Prestige Cruises International, Inc.
99.2	Unaudited Pro Forma Condensed Consolidated Financial Information.
99.3	Press Release, dated November 19, 2014

Exhibit 4.1

EXECUTION VERSION

NCL CORPORATION LTD.

as Issuer

5.25% Senior Notes due 2019

INDENTURE

Dated as of November 19, 2014

and

U.S. Bank National Association
as Trustee

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INDENTURE dated as of November 19, 2014, between NCL CORPORATION LTD., a company organized under the laws of Bermuda (the "Issuer"), and U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the holders of (i) $680,000,000 aggregate principal amount of the Issuer's 5.25% Senior Notes due 2019 issued on the date hereof (the "Initial Notes") and (ii) Additional Notes issued from time to time (together with the Initial Notes, the "Notes"):

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01 Definitions.

"Acquired Indebtedness" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of Vessels or other assets.

"Acquisition Documents" means the Agreement and Plan of Merger, dated as of September 2, 2014, among Norwegian Cruise Line Holdings Ltd., Portland Merger Sub, Inc., Prestige Cruises International, Inc. and Apollo Management, L.P., and any other agreements or instruments contemplated thereby, in each case, as amended, restated, supplemented or otherwise modified from time to time.

"Additional Notes" means the Notes issued under the terms of this Indenture subsequent to the Issue Date.

"Additional Refinancing Amount" means, in connection with the Incurrence of any Refinancing Indebtedness, the aggregate principal amount of additional Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay accrued interest, premiums (including tender premiums), expenses, defeasance costs and fees in respect thereof.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with

correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Applicable Premium" means, with respect to any Note on any applicable redemption date, the greater of:

(1) 1% of the then outstanding principal amount of the Note; and

(2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of the Note at November 15, 2016 (such redemption price being set forth in Paragraph 6 of the Note) *plus* (ii) all required interest payments due on the Note through November 15, 2016 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date (or in the case of a satisfaction and discharge or defeasance, as of the date on which funds are deposited with the Trustee) *plus* 50 basis points; over

(b) the then outstanding principal amount of the Note.

"Asset Sale" means:

(1) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a Sale/ Leaseback Transaction) outside the ordinary course of business of the Issuer or any Restricted Subsidiary of the Issuer (each referred to in this definition as a "disposition"); or

(2) the issuance or sale of Equity Interests (other than directors' qualifying shares and shares issued to foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Issuer or another Restricted Subsidiary of the Issuer) (whether in a single transaction or a series of related transactions),

in each case other than:

(a) a disposition of Cash Equivalents or Investment Grade Securities or obsolete, damaged or worn out property or equipment in the ordinary course of business;

(b) the disposition of all or substantially all of the assets of the Issuer in a manner permitted pursuant to Section 5.01 or any disposition that constitutes a Change of Control;

(c) any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under Section 4.04;

(d) any disposition of assets of the Issuer or any Restricted Subsidiary or issuance or sale of Equity Interests of any Restricted Subsidiary, which assets or Equity Interests so disposed or issued have an aggregate Fair Market Value (as determined in good faith by the Issuer) of less than $50 million;

(e) any disposition of property or assets, or the issuance of securities, by a Restricted Subsidiary of the Issuer to the Issuer or by the Issuer or a Restricted Subsidiary of the Issuer to a Restricted Subsidiary of the Issuer;

(f) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Similar Business of comparable or greater market value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer;

(g) foreclosure or any similar action with respect to any property or other asset of the Issuer or any of its Restricted Subsidiaries;

(h) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(i) the lease, assignment or sublease of any real or personal property in the ordinary course of business;

(j) any sale of inventory or other assets in the ordinary course of business;

(k) any grant in the ordinary course of business of any license of patents, trademarks, know-how or any other intellectual property;

(l) in the ordinary course of business, any swap of assets, or lease, assignment or sublease of any real or personal property, in exchange for services (including in connection with any outsourcing arrangements) of comparable or greater value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer;

(m) a transfer of accounts receivable and related assets of the type specified in the definition of "Receivables Financing" (or a fractional undivided interest therein), including by a Receivables Subsidiary in a Qualified Receivables Financing;

(n) any financing transaction with respect to property built or acquired by the Issuer or any Restricted Subsidiary after the Issue Date, including any Sale/Leaseback Transaction or asset securitization permitted by this Indenture;

(o) dispositions in connection with Permitted Liens;

(p) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(q) the sale of any property in a Sale/Leaseback Transaction within six months of the acquisition of such property;

(r) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(s) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(t) time charters and other similar arrangements; and

(u) any disposition made pursuant to the Acquisition Documents (as in effect on the Issue Date).

"Bankruptcy Law" means Title 11, United States Code, or any similar Federal or state law for the relief of debtors.

"Bank Indebtedness" means any and all amounts payable under or in respect of (a)(i) the NCLC Group Credit Facilities, and the letters of credit and bankers' acceptances thereunder and related documents and (ii) New Vessel Financings and related documents, in case of each clause (i) and (ii) as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time (including after termination of the NCLC Group Credit Facilities or the New Vessel Financings), including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof, including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees and all other amounts payable thereunder or in respect thereof and (b) whether or not the Indebtedness referred to in clause (a) remains outstanding, if designated by the Issuer to be included in this definition, one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including

convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances), or (C) instruments or agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

"Board of Directors" means, as to any Person, the board of directors or managers, as applicable, of such Person or any direct or indirect parent company of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

"Breakaway Credit Facilities" means the Breakaway One Facility, the Breakaway Two Facility and the Breakaway Term Facilities.

"Breakaway Four Facility" means the €590.5 million credit agreement dated October 12, 2012, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"Breakaway One Facility" means the €529.8 million credit agreement dated November 18, 2010, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"Breakaway Plus Newbuild Facility" means the export credit facility dated October 12, 2012 incurred by Breakaway Three, Ltd. with aggregate commitments of up to €590.5 million, with such new special-purpose subsidiary to be the borrower, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"Breakway Plus Newbuild Facility Secured Debt Cap" means €590.5 million.

"Breakaway Term Facilities" means the (i) €126.1 million Pride of Hawai'i credit agreement, dated November 18, 2010 and (ii) the €126.1 million Norwegian Jewel credit agreement, dated November 18, 2010, in each case, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"Breakaway Two Facility" means the €529.8 million credit agreement dated November 18, 2010, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"Business Day" means a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law to close in New York City.

"Capital Stock" means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Capitalized Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

"Capitalized Software Expenditures" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of such Person and such Restricted Subsidiaries.

"Cash Equivalents" means:

(1) U.S. dollars, pounds sterling, euros, the national currency of any member state in the European Union or such local currencies held by an entity from time to time in the ordinary course of business;

(2) securities issued or directly and fully guaranteed or insured by the U.S. government or any country that is a member of the European Union or any agency or instrumentality thereof in each case maturing not more than two years from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances, in each case with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and su*rplus* in excess of $250.0 million and whose long-term debt is rated "A" or the equivalent thereof by Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency);

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper issued by a corporation (other than an Affiliate of the Issuer) rated at least "A-1" or the equivalent thereof by Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within one year after the date of acquisition;

(6) readily marketable direct obligations issued by any state of the United States of America or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition;

(7) Indebtedness issued by Persons (other than the Sponsors or any of their Affiliates) with a rating of "A" or higher from S&P or "A-2" or higher from Moody's (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition;

(8) investment funds investing at least 95% of their assets in securities of the types described in clauses (1) through (7) above; and

(9) instruments equivalent to those referred to in clauses (1) through (8) above denominated in any foreign currency comparable in credit quality and tenor to those referred to above and commonly used by corporations for cash management purposes in any jurisdiction outside the United States of America to the extent reasonably required in connection with any business conducted by the Issuer or any Subsidiary organized in such jurisdiction.

"Change of Control" means the occurrence of either of the following:

(1) the sale, lease or transfer (other than by way of merger or consolidation, including any merger or consolidation involving an Affiliate of the Issuer solely for the purpose of reorganizing the Issuer in another jurisdiction to realize tax or other benefits), in one or a series of related transactions, of all or substantially all the assets of the Issuer and its Subsidiaries, taken as a whole, to a Person other than any of the Permitted Holders; or

(2) the Issuer becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than any of the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation, amalgamation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of more than 50% of the total voting power of the Voting Stock of the Issuer.

"Code" means the Internal Revenue Code of 1986, as amended.

"Consolidated Depreciation and Amortization Expense" means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of intangible assets, deferred financing fees and Capitalized Software Expenditures and amortization of unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits, of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted in computing Consolidated Net Income (including amortization of original issue discount, the interest component of Capitalized Lease Obligations, and net

payments and receipts (if any) pursuant to interest rate Hedging Obligations and excluding amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any bridge, commitment or other financing fees); *plus*

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; *plus*

(3) commissions, discounts, yield and other fees and charges Incurred in connection with any Receivables Financing which are payable to Persons other than the Issuer and its Restricted Subsidiaries; *minus*

(4) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"Consolidated Leverage Ratio" means, with respect to any Person, at any date the ratio of (i) Indebtedness (other than Qualified Non-Recourse Debt) of such Person and its Restricted Subsidiaries as of such date of calculation (determined on a consolidated basis in accordance with GAAP) less the amount of cash and Cash Equivalents in excess of any Restricted Cash that would be stated on the balance sheet of such Person and its Restricted Subsidiaries and held by such Person and its Restricted Subsidiaries as of such date of determination to (ii) EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is Incurred. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness subsequent to the commencement of the period for which the Consolidated Leverage Ratio is being calculated but prior to the event for which the calculation of the Consolidated Leverage Ratio is made (the "Consolidated Leverage Calculation Date"), then the Consolidated Leverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period; *provided* that the Issuer may elect pursuant to an Officer's Certificate delivered to the Trustee to treat all or any portion of the commitment under any Indebtedness as being Incurred at such time, in which case any subsequent Incurrence of Indebtedness under such commitment shall not be deemed, for purposes of this calculation, to be an Incurrence at such subsequent time.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes, business realignment projects or initiatives, restructurings or reorganizations that the Issuer or any of its Restricted Subsidiaries has determined to make and/or made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Consolidated Leverage Calculation Date shall be calculated on a pro forma basis

assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations, operational changes, business realignment projects or initiatives, restructurings or reorganizations (and the change of any associated Indebtedness and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation, amalgamation, discontinued operation, operational change, business realignment project or initiative, restructuring or reorganization, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Consolidated Leverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation, operational change, business realignment project or initiative, restructuring or reorganization had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer as set forth in an Officer's Certificate, to reflect (1) operating expense reductions and other operating improvements or synergies (x) reasonably expected to result from the applicable event and (y) that are expected to be realized within 12 months from the date of the transaction giving rise to the calculation, and (2) all adjustments of the nature used in connection with the calculation of "Adjusted EBITDA" as set forth in footnote 4 to the "Summary Condensed Historical Consolidated Financial Data of NCLC" under "Summary" in the Offering Memorandum to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

For purposes of this definition, any amount in a currency other than U.S. dollars will be converted to U.S. dollars based on the average exchange rate for such currency for the most recent 12-month period immediately prior to the date of determination in a manner consistent with that used in calculating EBITDA for the applicable period.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis; *provided*, *however*, that:

(1) any net after-tax extraordinary, nonrecurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses or charges, any severance expenses, relocation expenses, curtailments or modifications to pension and post-retirement employee benefit plans, any expenses related to any reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternate uses and fees, expenses or charges relating to facilities closing costs, acquisition integration costs, facilities opening costs, project start-up costs, business optimization costs, signing, retention or completion bonuses, expenses or

charges related to any issuance of Equity Interests, Investment, acquisition, disposition, recapitalization or issuance, repayment, refinancing, amendment or modification of Indebtedness (in each case, whether or not successful), and any fees, expenses, charges or change in control payments related to the Transactions, in each case, shall be excluded;

(2) effects of purchase accounting adjustments (including the effects of such adjustments pushed down to such Person and such Restricted Subsidiaries) in amounts required or permitted by GAAP, or any consummated acquisition or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded;

(3) the Net Income for such period shall not include the cumulative effect of a change in accounting principles during such period;

(4) any net after-tax income or loss from disposed, abandoned, transferred, closed or discontinued operations and any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued operations shall be excluded;

(5) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to business dispositions or asset dispositions other than in the ordinary course of business (as determined in good faith by management of the Issuer) shall be excluded;

(6) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of indebtedness, Hedging Obligations or other derivative instruments shall be excluded;

(7) (a) the Net Income for such period of any Person that is not a Subsidiary of such Person, or is an Unrestricted Subsidiary or a Qualified Non-Recourse Subsidiary, or that is accounted for by the equity method of accounting, shall be included only to the extent of the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof (other than a Qualified Non-Recourse Subsidiary of such referent Person) in respect of such period and (b) the Net Income for such Period shall include any dividend, distribution or other payment in cash (or to the extent converted into cash) received by the referent Person or a Subsidiary thereof (other than an Unrestricted Subsidiary of such referent Person) from any Person in excess of, but without duplication of, the amounts included in subclause (a);

(8) solely for the purpose of determining the amount available for Restricted Payments under clause (1) of the definition of "Cumulative Credit," the Net Income for such period of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of its Net Income is not at the date of determination

permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restrictions with respect to the payment of dividends or similar distributions have been legally waived; *provided* that the Consolidated Net Income of such Person shall be increased by the amount of dividends or other distributions or other payments actually paid in cash (or converted into cash) by any such Restricted Subsidiary to such Person, to the extent not already included therein;

(9) an amount equal to the amount of Permitted Tax Distributions actually made to any parent or equity holder of such Person in respect of such period in accordance with Section 4.04(b)(xii) shall be included as though such amounts had been paid as income taxes directly by such Person for such period;

(10) any impairment charges or asset write-offs, in each case pursuant to GAAP, and the amortization of intangibles and other fair value adjustments arising pursuant to GAAP shall be excluded;

(11) any non-cash expense realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, or grants or sales of stock, stock appreciation or similar rights, stock options, restricted stock, preferred stock or other rights, shall be excluded;

(12) any (a) one-time non-cash compensation charges, (b) costs and expenses after the Issue Date related to employment of terminated employees, or (c) costs or expenses realized in connection with or resulting from stock appreciation or similar rights, stock options or other rights existing on the Issue Date of officers, directors, managers and employees, in each case of such Person or any of its Restricted Subsidiaries, shall be excluded;

(13) accruals and reserves that are established or adjusted within 12 months after the Issue Date and that are so required to be established or adjusted in accordance with GAAP or as a result of adoption or modification of accounting policies shall be excluded;

(14) solely for purposes of calculating EBITDA, (a) the Net Income of any Person and its Restricted Subsidiaries shall be calculated without deducting the income attributable to, or adding the losses attributable to, the minority equity interests of third parties in any non-Wholly Owned Restricted Subsidiary except to the extent of dividends declared or paid in respect of such period or any prior period on the shares of Capital Stock of such Restricted Subsidiary held by such third parties and (b) any ordinary course dividend, distribution or other payment paid in cash and received from any Person in excess of amounts included in clause (7) above shall be included;

(15) (a)(i) the non-cash portion of "straight-line" rent expense shall be excluded and (ii) the cash portion of "straight-line" rent expense which exceeds the amount expensed in respect of such rent expense shall be included and (b) non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP and related interpretations shall be excluded;

(16) any currency translation gains and losses related to currency remeasurements of Indebtedness, and any net loss or gain resulting from hedging transactions for currency exchange risk, shall be excluded; and

(17) (i) to the extent covered by insurance and actually reimbursed, or, so long as such Person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (a) not denied by the applicable carrier in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), expenses with respect to liability or casualty events or business interruption shall be excluded (to the extent not previously included pursuant to clause (ii) hereof) and (ii) amounts estimated in good faith to be received from insurance in respect of lost revenues or earnings in respect of liability or casualty events or business interruption shall be included (with a deduction (a) for amounts actually received up to such estimated amount to the extent included in Net Income in a future period and (b) for estimated amounts in excess of amounts actually received in a future period);

(18) Capitalized Software Expenditures shall be excluded; and

(19) non-cash charges for deferred tax asset valuation allowances shall be excluded (except to the extent reversing a previously recognized increase to net income).

Notwithstanding the foregoing, for the purpose of Section 4.04 only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries of the Issuer or a Restricted Subsidiary of the Issuer to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such Section pursuant to clauses (4) and (5) of the definition of "Cumulative Credit."

"Consolidated Non-cash Charges" means, with respect to any Person for any period, the non-cash expenses (other than Consolidated Depreciation and Amortization Expense) of such Person and its Restricted Subsidiaries reducing Consolidated Net Income of such Person for such period on a consolidated basis and otherwise determined in accordance with GAAP, *provided* that if any such non-cash expenses represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from EBITDA

in such future period to the extent paid, but excluding from this proviso, for the avoidance of doubt, amortization of a prepaid cash item that was paid in a prior period.

"Consolidated Taxes" means, with respect to any Person for any period, the provision for taxes based on income, profits or capital, including, without limitation, state, franchise, property and similar taxes, foreign withholding taxes (including penalties and interest related to such taxes or arising from tax examinations) and any Permitted Tax Distributions taken into account in calculating Consolidated Net Income.

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds;

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Credit Agreements" means (i) any of the NCLC Group Credit Facilities, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof (except to the extent any such refinancing, replacement or restructuring is designated by the Issuer to not be included in the definition of "Credit Agreements") and (ii) whether or not any credit agreement referred to in clause (i) remains outstanding, if designated by the Issuer to be included in the definition of "Credit Agreements," one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, securitization or receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances), or (C) instruments or

agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

"Credit Agreement Documents" means the collective reference to any of the Credit Agreements, any notes issued pursuant thereto and the guarantees thereof, and the collateral documents relating thereto, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified, in whole or in part, from time to time.

"Credit Agreement Indebtedness" means any and all amounts payable under or in respect of the Credit Agreements and the other Credit Agreement Documents, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"Cumulative Credit" means the sum of (without duplication):

(1) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period), from June 30, 2009 to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit), *plus*

(2) 100% of the aggregate net proceeds, including cash and the Fair Market Value (as determined in good faith by the Issuer or, if the fair market value of such investment shall exceed $100 million, by the Board of Directors of the Issuer, a copy of the resolution of which with respect thereto shall be delivered to the Trustee) of property other than cash, received by the Issuer after June 30, 2009 (other than net proceeds to the extent such net proceeds have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to Section 4.03(b)(xii)) from the issue or sale of Equity Interests of the Issuer (excluding Refunding Capital Stock, Designated Preferred Stock, Excluded Contributions and Disqualified Stock), including Equity Interests issued upon exercise of warrants or options (other than an issuance or sale to a Restricted Subsidiary of the Issuer), *plus*

(3) 100% of the aggregate amount of contributions to the capital of the Issuer, including the contribution of cash proceeds of the IPO, received in cash and the Fair Market Value (as determined in good faith by the Issuer) of property

other than cash after June 30, 2009 (other than Excluded Contributions, Refunding Capital Stock, Designated Preferred Stock and Disqualified Stock and other than contributions to the extent such contributions have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to Section 4.03(b)(xii)), *plus*

(4) 100% of the principal amount of any Indebtedness or the liquidation preference or maximum fixed repurchase price, as the case may be, of any Disqualified Stock of the Issuer or any Restricted Subsidiary thereof issued after June 30, 2009 (other than Indebtedness or Disqualified Stock issued to a Restricted Subsidiary) which has been converted into or exchanged for Equity Interests in the Issuer (other than Disqualified Stock) or any direct or indirect parent of the Issuer (*provided* in the case of any parent, such Indebtedness or Disqualified Stock is retired or extinguished),*plus*

(5) 100% of the aggregate amount received by the Issuer or any Restricted Subsidiary in cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash received by the Issuer or any Restricted Subsidiary after June 30, 2009 from:

(A) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary of the Issuer) of Restricted Investments made by the Issuer and its Restricted Subsidiaries after June 30, 2009 and from repurchases and redemptions of such Restricted Investments from the Issuer and its Restricted Subsidiaries by any Person (other than the Issuer or any of its Restricted Subsidiaries) and from repayments of loans or advances, and releases of guarantees, which constituted Restricted Investments made after June 30, 2009 (other than in each case to the extent that the Restricted Investment was made pursuant to Section 4.04(b)(vii)),

(B) the sale (other than to the Issuer or a Restricted Subsidiary of the Issuer) of the Capital Stock of an Unrestricted Subsidiary, or

(C) a distribution or dividend from an Unrestricted Subsidiary,*plus*

(6) in the event any Unrestricted Subsidiary of the Issuer has been redesignated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary, in each case, after June 30, 2009, the Fair Market Value (as determined in good faith by the Issuer) of the Investment of the Issuer in such Unrestricted Subsidiary (which, if the Fair Market Value of such Investment shall exceed $50.0 million, shall be determined by the Board of Directors of the Issuer, a copy of the resolution of which with respect thereto shall be delivered to the Trustee) at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable) (other than in

each case to the extent that the designation of such Subsidiary as an Unrestricted Subsidiary was made pursuant to Section 4.04(b)(vii) or constituted a Permitted Investment).

"Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Designated Non-cash Consideration" means the Fair Market Value (as determined in good faith by the Issuer) of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"Designated Preferred Stock" means Preferred Stock of the Issuer or any direct or indirect parent of the Issuer (other than Disqualified Stock), that is issued for cash (other than to the Issuer or any of its Subsidiaries or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate, on the issuance date thereof.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable), or upon the happening of any event:

(1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a change of control or asset sale),

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock of such Person, or

(3) is redeemable at the option of the holder thereof, in whole or in part (other than solely as a result of a change of control or asset sale), in each case prior to 91 days after the earlier of the maturity date of the Notes or the date the Notes are no longer outstanding; *provided*, *however*, that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock; *provided*, *further*, *however*, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of the Issuer or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability; *provided*, *further*, that any class of Capital Stock of such Person that by

its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

"EBITDA" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period *plus*, without duplication, to the extent the same was deducted in calculating Consolidated Net Income:

(1) Consolidated Taxes; *plus*

(2) Fixed Charges; *plus*

(3) Consolidated Depreciation and Amortization Expense; *plus*

(4) Consolidated Non-cash Charges; *plus*

(5) any expenses or charges (other than Consolidated Depreciation or Amortization Expense) related to any issuance of Equity Interests, Investment, acquisition, disposition, recapitalization or the incurrence, modification or repayment of Indebtedness permitted to be incurred by this Indenture (including a refinancing thereof) (whether or not successful), including (i) such fees, expenses or charges related to the Transactions, the offering of the Notes and any other Indebtedness, (ii) any amendment or other modification of the Notes or other Indebtedness and (iii) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Qualified Receivables Financing; *plus*

(6) business optimization expenses and other restructuring charges, reserves or expenses (which, for the avoidance of doubt, shall include, without limitation, the effect of inventory optimization programs, facility consolidations, retention, systems establishment costs, contract termination costs, future lease commitments and excess pension charges); *plus*

(7) the amount of management, monitoring, consulting, transaction and advisory fees and related expenses paid to the Sponsors (or any accruals relating to such fees and related expenses) during such period to the extent otherwise permitted by Section 4.07, including, if applicable, the amount of termination fees paid pursuant to Section 4.07(b)(iii)(B); *plus*

(8) the amount of loss on sale of receivables and related assets to a Receivables Subsidiary in connection with a Qualified Receivables Financing *plus*

(9) any costs or expense incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Issuer or net cash proceeds of an issuance of Equity Interests of the Issuer

(other than Disqualified Stock) solely to the extent that such net cash proceeds are excluded from the calculation of the Cumulative Credit*plus*

(10) Pre-Launch Expenses; *less*, without duplication,

(11) non-cash items increasing Consolidated Net Income for such period (excluding the recognition of deferred revenue or any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced EBITDA in any prior period and any items for which cash was received in a prior period).

"Epic Facility" means the €662,905,320 Secured Loan Agreement dated September 22, 2006, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Equity Offering" means any public or private sale after the Issue Date of common stock or Preferred Stock of the Issuer or any direct or indirect parent of the Issuer, as applicable (other than Disqualified Stock), other than:

(1) public offerings with respect to the Issuer's or such direct or indirect parent's common stock registered on Form S-4 or Form S-8;

(2) issuances to any Subsidiary of the Issuer; and

(3) any such public or private sale that constitutes an Excluded Contribution.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Excluded Contributions" means the Cash Equivalents or other assets (valued at their Fair Market Value as determined in good faith by senior management or the Board of Directors of the Issuer) received by the Issuer after the Issue Date from:

(1) contributions to its common equity capital, and

(2) the sale (other than to a Subsidiary of the Issuer or to any Subsidiary management equity plan or stock option plan or any other

management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer,

in each case designated as Excluded Contributions pursuant to an Officer's Certificate executed by an Officer of the Issuer on or promptly after the date such capital contributions are made or the date such Capital Stock is sold, as the case may be.

"Explorer Newbuild Facility" means the $440.3 million credit agreement dated July 31, 2013, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"Fair Market Value" means, with respect to any asset or property, the price which could be negotiated in an arm's-length transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction.

"First Lien Collateral Agent" means any administrative agent or collateral agent for the lenders and other secured parties under any NCLC Group Credit Facility.

"Fixed Charge Coverage Ratio" means, with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges (other than Fixed Charges in respect of Qualified Non-Recourse Debt) of such Person for such period. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness (other than in the case of revolving credit borrowings or revolving advances under any Qualified Receivables Financing, in which case interest expense shall be computed based upon the average daily balance of such Indebtedness during the applicable period) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such Incurrence, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes, business realignment projects or initiatives, restructurings or reorganizations that the Issuer or any of its Restricted Subsidiaries has determined to make and/or made during the four-quarter reference

period or subsequent to such reference period and on or prior to or simultaneously with the Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations, operational changes, business realignment projects or initiatives, restructurings or reorganizations (and the change of any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation, amalgamation, discontinued operation, operational change, business realignment project or initiative, restructuring or reorganization, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation, operational change, business realignment project or initiative, restructuring or reorganization had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to any event, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such *pro forma* calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer as set forth in an Officer's Certificate, to reflect (1) operating expense reductions and other operating improvements or synergies (x) reasonably expected to result from the applicable event and (y) that are expected to be realized within 12 months from the date of the transaction giving rise to the calculation, and (2) all adjustments of the nature used in connection with the calculation of "Adjusted EBITDA" as set forth in footnote 4 to the "Summary Condensed Historical Consolidated Financial Data of NCLC" under "Summary" in the Offering Memorandum to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness if such Hedging Obligation has a remaining term in excess of 12 months). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

For purposes of this definition, any amount in a currency other than U.S. dollars will be converted to U.S. dollars based on the average exchange rate for such currency for the most recent twelve-month period immediately prior to the date of determination in a manner consistent with that used in calculating EBITDA for the applicable period.

"Fixed Charges" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense of such Person for such period, and

(2) all cash dividend payments (excluding items eliminated in consolidation) on any series of Preferred Stock or Disqualified Stock of such Person and its Restricted Subsidiaries.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the Issue Date. For the purposes of this Indenture, the term "consolidated" with respect to any Person shall mean such Person consolidated with its Restricted Subsidiaries, and shall not include any Unrestricted Subsidiary, but the interest of such Person in an Unrestricted Subsidiary will be accounted for as an Investment.

"guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under:

(1) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

"holder" or "noteholder" means the Person in whose name a Note is registered on the Registrar's books.

"Incur" means issue, assume, guarantee, incur or otherwise become liable for;*provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such person becomes a Subsidiary (whether by merger, amalgamation,

consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary.

"Indebtedness" means, with respect to any Person:

(1) the principal of any indebtedness of such Person, whether or not contingent, (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof), (c) representing the deferred and unpaid purchase price of any property (except any such balance that constitutes (i) a trade payable or similar obligation to a trade creditor Incurred in the ordinary course of business, (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and (iii) liabilities accrued in the ordinary course of business), which purchase price is due more than twelve months after the date of placing the property in service or taking delivery and title thereto, (d) in respect of Capitalized Lease Obligations, or (e) representing any Hedging Obligations, if and to the extent that any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, the obligations referred to in clause (1) of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business); and

(3) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); *provided*, *however*, that the amount of such Indebtedness will be the lesser of: (a) the Fair Market Value (as determined in good faith by the Issuer) of such asset at such date of determination, and (b) the amount of such Indebtedness of such other Person;

provided, *however*, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations incurred in the ordinary course of business and not in respect of borrowed money; (2) deferred or prepaid revenues; (3) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller; (4) Obligations under or in respect of Qualified Receivables Financing; (5) any obligations under Hedging Obligations; *provided* that such agreements are entered into for bona fide hedging purposes of the Issuer or its Restricted Subsidiaries (as determined in good faith by the board of directors or senior management of the Issuer, whether or not accounted for as a hedge in accordance with GAAP) and, in the case of any foreign exchange contract, currency swap agreement, futures contract, option contract or other similar agreement, such agreements are related to business transactions of the Issuer or its Restricted Subsidiaries entered into in the ordinary course of business and, in the case of any interest rate protection

agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement, such agreements substantially correspond in terms of notional amount, duration and interest rates, as applicable, to Indebtedness of the Issuer or its Restricted Subsidiaries Incurred without violation of this Indenture; (6) obligations in respect of surety and bonding requirements of the Issuer and its Restricted Subsidiaries; (7) trade and other ordinary course payables, accrued expenses and intercompany liabilities arising in the ordinary course of business; (8) in the case of the Issuer and its Restricted Subsidiaries (x) all intercompany Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business and (y) intercompany liabilities in connection with cash management, tax and accounting operations of the Issuer and its Restricted Subsidiaries; and (9) obligations under the Acquisition Documents.

Notwithstanding anything in this Indenture to the contrary, Indebtedness shall not include, and shall be calculated without giving effect to, the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness; and any such amounts that would have constituted Indebtedness under this Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under this Indenture.

"Indenture" means this Indenture as amended or supplemented from time to time.

"Independent Financial Advisor" means an accounting, appraisal or investment banking firm or consultant, in each case of nationally recognized standing, that is, in the good faith determination of the Issuer, qualified to perform the task for which it has been engaged.

"Interest Payment Date" has the meaning set forth in Exhibit A hereto.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

"Investment Grade Securities" means:

(1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents),

(2) securities that have a rating equal to or higher than Baa3 (or equivalent) by Moody's and BBB- (or equivalent) by S&P, but excluding any debt securities or loans or advances between and among the Issuer and its Subsidiaries,

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment and/or distribution, and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments and in each case with maturities not exceeding two years from the date of acquisition.

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers and commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business and any assets or securities received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss and any prepayments and other credits to suppliers made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of "Unrestricted Subsidiary" and Section 4.04:

(1) "Investments" shall include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value (as determined in good faith by the Issuer) of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to:

(a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation less

(b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value (as determined in good faith by the Issuer) of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value (as determined in good faith by the Issuer) at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Issuer.

"IPO" means the initial public offering of 27,058,824 ordinary shares, par value $.001 per share, of NCL Holdings, which was consummated on January 24, 2013.

"Issue Date" means the date on which the Notes are originally issued.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction); *provided* that in no event shall an operating lease or an agreement to sell be deemed to constitute a Lien.

"Management Group" means the group consisting of the directors, managers, executive officers and other management personnel of the Issuer or any direct or indirect parent of the Issuer, as the case may be, on the Issue Date together with (1) any new directors or managers whose election by such boards of directors or whose nomination for election by the shareholders of the Issuer or any direct or indirect parent of the Issuer, as applicable, was approved by a vote of a majority of the directors or managers of the Issuer or any direct or indirect parent of the Issuer, as applicable, then still in office who were either directors or managers on the Issue Date or whose election or nomination was previously so approved and (2) executive officers and other management personnel of the Issuer or any direct or indirect parent of the Issuer, as applicable, hired at a time when the directors or managers on the Issue Date together with the directors or managers so approved constituted a majority of the directors or managers of the Issuer or any direct or indirect parent of the Issuer, as applicable.

"Meyer Facility Secured Debt Cap" means €1,325 million.

"Moody's" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"NCLC Group Credit Facilities" means (i) the Senior Secured Credit Agreement, dated as of May 24, 2013 (as amended and restated in connection with the Transactions); (ii) the €258 million Pride of America Secured Loan Agreement dated as of April 4, 2003; (iii) the $334.1 million Norwegian Jewel Secured Loan Agreement dated as of April 20, 2004; (iv) the €308.1 million Pride of Hawaii Secured Loan Agreement dated as of April 20, 2004; (v) the €662.9 million Epic Secured Loan Agreement, dated as of September 22, 2006; (vi) the Breakaway Credit Facilities; (vii) the Breakaway Plus Newbuild Facility; (viii) the Breakaway Four Facility; (ix) the Seahawk Newbuild Facilities; (x) the Indebtedness payable pursuant to the memorandum of agreement, dated May 31, 2012, between Ample Avenue Limited, as seller, and Norwegian Sky, Ltd., as buyer; (xi) the Oceania Newbuild Facilities; and (xii) the Explorer Newbuild Facility, each as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"NCL Holdings" means Norwegian Cruise Line Holdings Ltd., the direct parent company of the Issuer.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"Net Proceeds" means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received in respect of or upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale and any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding the assumption by the acquiring Person of Indebtedness relating to the disposed assets or other consideration received in any other non-cash form), net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration (including, without limitation, legal, accounting and investment banking fees, and brokerage and sales commissions), and any relocation expenses Incurred as a result thereof, taxes paid or payable as a result thereof (including Permitted Tax Distributions and after taking into account any available tax credits or deductions and any tax sharing arrangements related thereto), amounts required to be applied to the repayment of principal, premium (if any) and interest on Indebtedness required (other than pursuant to Section 4.06(b)(i) or (b)(ii)) to be paid as a result of such transaction, all expenditures incurred to inspect, repair or modify a Vessel and bring such Vessel to the condition and place of delivery in connection with the sale of such Vessel as may be specified in the related purchase and sale agreement or otherwise as the Board of Directors of the Issuer shall determine advisable in connection with such sale, and any deduction of appropriate amounts to be provided by the Issuer as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer after such sale or other disposition thereof, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

"New Vessel Aggregate Secured Debt Cap" means the sum of each of the New Vessel Secured Debt Caps (with such New Vessel Aggregate Secured Debt Cap to be expressed as the sum of the euro and U.S. dollar denominations of the New Vessel Secured Debt Caps reflected in this New Vessel Aggregate Secured Debt Cap).

"New Vessel Financing" means any financing arrangement entered into by any New Vessel Subsidiary in connection with any acquisition of one or more Vessels.

"New Vessel Secured Debt Cap" means, in respect of a New Vessel Financing, 90% of the contract price for the acquisition and any other Ready for Sea Cost of the related Vessel (and 100% of any related export credit insurance premium), expressed in euros or U.S. dollars, as the case may be.

"New Vessel Subsidiary" means any Subsidiary of the Issuer that is formed for the purpose of acquiring one or more Vessels.

"Notes Obligations" means Obligations in respect of the Notes and this Indenture, including, for the avoidance of doubt, Obligations in respect of any future guarantees thereof.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any Indebtedness; *provided* that Obligations with respect to the Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the Notes.

"Oceania Newbuild Facilities" means the (i) €349.5 million Marina Loan Agreement, dated July 18, 2008 and (ii) the €349.5 million Riviera Loan Agreement, dated July 18, 2008, in each case, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"Offering Memorandum" means the confidential offering memorandum, dated November 5, 2014, relating to the issuance of the Initial Notes.

"Officer" means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of the Issuer.

"Officer's Certificate" means a certificate signed on behalf of the Issuer by an Officer of the Issuer, who must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Issuer, which meets the requirements set forth in this Indenture.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer or the Trustee.

"Other Facilities Secured Debt Cap" means €1,923.0 million.

"Pari Passu Indebtedness" means with respect to the Issuer, the Notes and any Indebtedness which ranks pari passu in right of payment to the Notes.

"Permitted Holders" means, at any time, each of (i) the Sponsors, (ii) the Management Group, (iii) any Person that has no material assets other than the Capital

Stock of the Issuer and, directly or indirectly, holds or acquires 100% of the total voting power of the Voting Stock of the Issuer, and of which no other Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), other than any of the other Permitted Holders, holds more than 50% of the total voting power of the Voting Stock thereof and (iv) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) the members of which include any of the Permitted Holders and that, directly or indirectly, hold or acquire beneficial ownership of the Voting Stock of the Issuer (a "Permitted Holder Group"), so long as (1) each member of the Permitted Holder Group has voting rights proportional to the percentage of ownership interests held or acquired by such member (or less in the case of a member that is not a Permitted Holder) and (2) no Person or other "group" (other than Permitted Holders) beneficially owns more than 50% on a fully diluted basis of the Voting Stock held by the Permitted Holder Group. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"Permitted Investments" means:

(1) any Investment in the Issuer or any Restricted Subsidiary;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person if as a result of such Investment (a) such Person becomes a Restricted Subsidiary of the Issuer, or (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;

(4) any Investment in securities or other assets not constituting Cash Equivalents and received in connection with an Asset Sale made pursuant to the provisions of Section 4.06 or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided* that the amount of any such Investment may be increased (x) as required by the terms of such Investment as in existence on the Issue Date or (y) as otherwise permitted under this Indenture;

(6) loans and advances to officers, directors, managers, employees or consultants of the Issuer or any Restricted Subsidiary, taken together with all

other loans and advances made pursuant to this clause (6), not to exceed the greater of $25 million and 0.375% of Total Assets at any one time outstanding;

(7) any Investment acquired by the Issuer or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable, or (b) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) Hedging Obligations permitted under Section 4.03(b)(ix);

(9) any Investment by the Issuer or any of its Restricted Subsidiaries in a Similar Business having an aggregate Fair Market Value (as determined in good faith by the Issuer), taken together with all other Investments made pursuant to this clause (9) that are at that time outstanding, not to exceed the greater of (x) $300 million and (y) 5.0% of Total Assets at the time of such Investment, *plus* an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in respect of any such Investment made pursuant to this clause (9) (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value) that does not otherwise increase the Cumulative Credit; *provided*, *however*, that if any Investment pursuant to this clause (9) is made in any Person that is not the Issuer or a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes the Issuer or a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (9) for so long as such Person continues to be the Issuer or a Restricted Subsidiary;

(10) additional Investments by the Issuer or any of its Restricted Subsidiaries having an aggregate Fair Market Value (as determined in good faith by the Issuer), taken together with all other Investments made pursuant to this clause (10) that are at that time outstanding, not to exceed the greater of (x) $300 million and (y) 5.0% of Total Assets at the time of such Investment, *plus* an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in respect of any such Investment made pursuant to this clause (10) (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided* that an amount equal to any such Investment made as a result of such increase of this clause (10) from any returns shall decrease the Cumulative Credit only to the extent such return previously increased the Cumulative Credit; *provided*, *however*, that if any Investment pursuant to this clause (10) is made in any Person that is not the Issuer or a Restricted Subsidiary of the Issuer at the date of the

making of such Investment and such Person becomes the Issuer or a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (10) for so long as such Person continues to be the Issuer or a Restricted Subsidiary;

(11) loans and advances to officers, directors, managers, employees or consultants for business-related travel expenses, moving expenses, payroll payments and other similar expenses, in each case Incurred in the ordinary course of business or consistent with past practice or to fund such person's purchase of Equity Interests of the Issuer or any direct or indirect parent of the Issuer;

(12) Investments the payment for which consists of Equity Interests of the Issuer (other than Disqualified Stock) or any direct or indirect parent of the Issuer, as applicable; *provided*, *however*, that such Equity Interests will not increase the amount available for Restricted Payments under clause (3) of the definition of "Cumulative Credit";

(13) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of Section 4.07(b) (except transactions described in clauses (ii), (vi), (vii) and (xi)(B) of such Section);

(14) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(15) guarantees issued in accordance with Section 4.03, including, without limitation, any guarantee or other obligation issued or incurred under the Credit Agreements in connection with any letter of credit issued for the account of the Issuer or any of its Subsidiaries (including with respect to the issuance of, or payments in respect of drawings under, such letters of credit);

(16) Investments consisting of or to finance purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property;

(17) any Investment in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Financing or any related Indebtedness;

(18) any Investment in an entity or purchase of a business or assets in each case owned (or previously owned) by a customer of a Restricted Subsidiary as a condition or in connection with such customer (or any member of such customer's group) contracting with a Restricted Subsidiary, in each case in the ordinary course of business;

(19) any Investment in an entity which is not a Restricted Subsidiary to which a Restricted Subsidiary sells accounts receivable pursuant to a Receivable Financing;

(20) additional Investments in joint ventures not to exceed at any one time in the aggregate outstanding under this clause (20), the greater of (x) $150 million and (y) 2.5% of Total Assets at the time of such Investment, plus an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in respect of any such Investment made pursuant to this clause (20) (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value) that does not otherwise increase the Cumulative Credit; *provided, however,* that if any Investment pursuant to this clause (20) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (20) for so long as such Person continues to be a Restricted Subsidiary;

(21) Investments of a Restricted Subsidiary of the Issuer acquired after the Issue Date or of an entity merged into, amalgamated with or consolidated with the Issuer or a Restricted Subsidiary of the Issuer in a transaction that is not prohibited by Section 5.01 after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation; and

(22) any Investment in any Subsidiary of the Issuer or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business.

"Permitted Jurisdiction" means (i) any state of the United States, the District of Columbia or any territory of the United States, (ii) Bermuda, (iii) the Bahamas, (iv) the Isle of Man, (v) Panama, (vi) Liberia, (vii) the Marshall Islands, or (viii) any other jurisdiction approved by the First Lien Collateral Agent.

"Permitted Liens" means, with respect to any Person:

(1) pledges or deposits and other Liens granted by such Person under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import

duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as landlord's, carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction or other like Liens arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or that are being contested in good faith by appropriate proceedings and in respect of which, if applicable, the Issuer or any Restricted Subsidiary shall have set aside on its books reserves in accordance with GAAP; and with respect to the Vessels: (i) Liens fully covered (in excess of customary deductibles) by valid policies of insurance, (ii) Liens for master's and crew's wages on the current voyage, if not yet due and payable, (iii) Liens for trade debt incurred in the ordinary course of business over a period not exceeding thirty (30) days and not by its terms overdue, and (iv) Liens for general average and salvage, including contract salvage, and *provided* that (x) Permitted Liens shall not include any Liens described in clauses (i) through (iv) of this paragraph unless such Liens are subordinate to the Liens created under the applicable Vessel Mortgage, or constitute maritime liens that would in any event be entitled to priority over the applicable Vessel Mortgage under applicable law;

(3) Liens for taxes, assessments or other governmental charges (i) that are not yet overdue by more than 30 days or (ii) if overdue by more than 30 days, that are being contested in good faith by appropriate proceedings that have the effect of preventing the forfeiture or sale of the property subject to any such Lien and for which adequate reserves are being maintained to the extent required by GAAP;

(4) Liens (A) in favor of issuers of performance and surety bonds or bid bonds or with respect to other regulatory requirements or letters of credit, bankers' acceptances or similar obligations issued pursuant to the request of and for the account of such Person in the ordinary course of its business (including as required by the U.S. Federal Maritime Commission or other similar U.S. or foreign government authority) and (B) securing other obligations in respect of surety and bonding requirements;

(5) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, servicing agreements, development agreements, site plan agreements and other similar encumbrances incurred in the ordinary course of business or zoning or other restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6) Liens on assets of a Restricted Subsidiary securing Indebtedness of such Restricted Subsidiary or any other Restricted Subsidiary permitted to be Incurred pursuant to Section 4.03;

(7) [Reserved];

(8) Liens securing Hedging Obligations;

(9) [Reserved];

(10) [Reserved];

(11) Liens securing Indebtedness permitted to be Incurred pursuant to Section 4.03(b)(iii);*provided* that such Lien extends only to the assets and/or Capital Stock, the acquisition, lease, construction, repair, replacement or improvement of which is financed thereby and any proceeds or products thereof;

(12) Liens existing on the Issue Date;

(13) Liens on assets, property or shares of stock of a Person at the time such Person becomes a Subsidiary*provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary;

(14) Liens on assets or property at the time the Issuer or a Restricted Subsidiary of the Issuer acquired the assets or property, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuer or any Restricted Subsidiary of the Issuer; *provided, however,* that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; *provided, further, however*, that the Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary of the Issuer (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition of such Person on property of such Person of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);

(15) Liens securing Indebtedness or other obligations of the Issuer or a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary of the Issuer permitted to be Incurred in accordance with Section 4.03;

(16) [Reserved];

(17) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of documentary letters of credit, bank guarantees or bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(18) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries;

(19) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases or other obligations not constituting Indebtedness in the ordinary course of business;

(20) Liens in favor of the Issuer or any Restricted Subsidiary;

(21) Liens on accounts receivable and related assets of the type specified in the definition of "Receivables Financing" Incurred in connection with a Qualified Receivables Financing;

(22) pledges, deposits and other Liens in the ordinary course of business to secure liability to insurance carriers;

(23) Liens on the Equity Interests of Unrestricted Subsidiaries;

(24) leases or subleases, and licenses or sublicenses (including with respect to intellectual property) granted to others in the ordinary course of business;

(25) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clauses (6), (8), (9), (11), (12), (13), (14), (15), (20) and (35), *provided* that in the case of Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (iii), (xi) and (xv) of Section 4.03(b), (i) such new Lien shall be limited to all or part of the same property (including any after acquired property to the extent it would have been subject to the original Lien) that secured the original Lien (plus improvements on and accessions to such property, proceeds and products thereof, customary security deposits and any other assets pursuant to the after-acquired property clauses to the extent such assets secured (or would have secured) the Indebtedness being refinanced, refunded, extended, renewed or replaced) and (ii) the Indebtedness secured by such Liens is not increased to any amount greater than the sum of (A) the outstanding principal amount (or accreted value, if applicable) or, if greater, committed amount of the Indebtedness described under such clauses at the time the original Lien became a Permitted Lien under this Indenture, (B) unpaid accrued interest and premiums (including tender premiums) and (C) an amount necessary to pay any underwriting discounts, defeasance costs, commissions, fees and expenses, related to such refinancing, refunding, extension, renewal or replacement;

(26) Liens on equipment of the Issuer or any Restricted Subsidiary granted in the ordinary course of business to the Issuer's or such Restricted Subsidiary's client at which such equipment is located;

(27) judgment and attachment Liens not giving rise to an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(28) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into in the ordinary course of business;

(29) Liens (A) incurred to secure cash management services or to implement cash pooling arrangements in the ordinary course of business and (B) on cash and Cash Equivalents and letters of credit securing any surety and bonding requirements;

(30) other Liens securing obligations the outstanding principal amount of which does not, taken together with the principal amount of all other obligations secured by Liens incurred under this clause (30) that are at that time outstanding, exceed the greater of $100 million and 1.0% of Total Assets at the time of Incurrence;

(31) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement securing obligations of such joint venture or pursuant to any joint venture or similar agreement;

(32) any amounts held by a trustee in the funds and accounts under an indenture securing any revenue bonds issued for the benefit of the Issuer or any Restricted Subsidiary, under any indenture issued in escrow pursuant to customary escrow arrangements pending the release thereof, or under any indenture pursuant to customary discharge, redemption or defeasance provisions;

(33) Liens (i) arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository or financial institution, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business or (iii) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(34) Liens in favor of any counterparty to a Vessel operations agreement (other than the Restricted Subsidiary that is the record owner of the related Vessel) arising in connection with such Vessel operations agreement;

(35) pledges of, and other Liens on, the Equity Interests in and the assets of New Vessel Subsidiaries in favor of lenders under and in connection with New Vessel Financing permitted to be incurred under Section 4.03(b)(i);

(36) Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with any appeal or other proceedings for review;

(37) Liens on Unearned Customer Deposits (i) in favor of credit card companies pursuant to agreements therewith consistent with industry practice and (ii) in favor of customers; and

(38) Liens incurred in the ordinary course of business of the Issuer or any Restricted Subsidiary arising from vessel purchasing, vessel chartering, drydocking, maintenance, the furnishing of supplies and bunkers to vessels, repairs and improvements to Vessels, crews' wages and maritime Liens.

"Permitted Tax Distributions" means dividends to pay any U.S. federal, state or local income taxes actually payable by the holders of the Issuer's capital stock (or, in the case of any such holder that owns any assets other than the Issuer's capital stock at any applicable time, the U.S. federal, state or local income taxes that would have been actually payable had such holder owned no other assets) by virtue of the fact that the Issuer is a pass-through entity for U.S. federal, state or local income tax purposes (as applicable), for any such taxable year (or portion thereof) ending after December 31, 2011 and, to the extent resulting from audit adjustments after the Issue Date, for any such taxable year (or portion thereof) ending prior to December 31, 2011.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock" means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding up.

"Pre-Launch Expenses" means, with respect to any fiscal period, the amount of expenses (other than interest expense) incurred with respect to any new Vessels incurred prior to the commencement of ordinary course revenue generating cruises and directly related to such commencement of the new Vessel.

"Prestige Facilities Secured Debt Cap" means $2,341.3 million.

"Qualified Non-Recourse Debt" means Indebtedness that (1) is (a) incurred by a Qualified Non-Recourse Subsidiary to finance (whether prior to or within 270 days after) the acquisition, lease, construction, repair, replacement or improvement of any property (real or personal) or equipment (whether through the direct purchase of property or the Equity Interests of any person owning such property and whether in a single acquisition or a series of related acquisitions) or (b) assumed by a

Qualified Non-Recourse Subsidiary, (2) is non-recourse to the Issuer and (3) is non-recourse to any Restricted Subsidiary that is not a Qualified Non-Recourse Subsidiary.

"Qualified Non-Recourse Subsidiary" means (1) a Restricted Subsidiary that is formed or created after the Issue Date in order to finance an acquisition, lease, construction, repair, replacement or improvement of any property or equipment (directly or through one of its Subsidiaries) that secures Qualified Non-Recourse Debt and (2) any Restricted Subsidiary of a Qualified Non-Recourse Subsidiary.

"Qualified Receivables Financing" means any Receivables Financing of a Receivables Subsidiary that meets the following conditions:

(1) the Board of Directors of the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Receivables Subsidiary;

(2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at Fair Market Value (as determined in good faith by the Issuer); and

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Bank Indebtedness, Indebtedness in respect of the Notes or any Refinancing Indebtedness with respect to the Notes shall not be deemed a Qualified Receivables Financing.

"Rating Agency" means (1) each of Moody's and S&P and (2) if Moody's or S&P ceases to rate the Notes for reasons outside of the Issuer's control, a "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer or any direct or indirect parent of the Issuer as a replacement agency for Moody's or S&P, as the case may be.

"Ready for Sea Cost" means with respect to a vessel or vessels to be acquired, constructed or leased (pursuant to a Capitalized Lease Obligation) by the Issuer or any Restricted Subsidiary of the Issuer, the aggregate amount of all expenditures incurred to acquire or construct and bring such vessel or vessels to the condition and location necessary for its intended use, including any and all inspections, appraisals, repairs, modifications, additions, permits and licenses in connection with such acquisition or lease, which would be classified and accounted for as "property, plant and equipment" in accordance with GAAP and any assets relating to such vessel or vessels.

"Receivables Fees" means distributions or payments made directly or by means of discounts with respect to any participation interests issued or sold in connection

with, and all other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"Receivables Financing" means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Issuer or any of its Subsidiaries); and (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such accounts receivable.

"Receivables Repurchase Obligation" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"Receivables Subsidiary" means a Wholly Owned Restricted Subsidiary of the Issuer (or another Person formed for the purposes of engaging in Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Issuer or any other Subsidiary of the Issuer in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Issuer or any other Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(b) with which neither the Issuer nor any other Subsidiary of the Issuer has any material contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(c) to which neither the Issuer nor any other Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"Record Date" has the meaning specified in Exhibit A hereto.

"Reimbursement and Distribution Agreement" means the Reimbursement and Distribution Agreement, dated August 17, 2007, by and among NCL Investment Ltd., Star Cruises Limited and the Issuer, as amended, supplemented or modified from time to time.

"Representative" means the trustee, agent or representative (if any) for an issue of Indebtedness; *provided* that if, and for so long as, such Indebtedness lacks such a Representative, then the Representative for such Indebtedness shall at all times constitute the holder or holders of a majority in outstanding principal amount of obligations under such Indebtedness.

"Responsible Officer" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such Person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Restricted Cash" means cash and Cash Equivalents held by Restricted Subsidiaries that are contractually restricted from being distributed to the Issuer, except for such cash and Cash Equivalents subject only to such restrictions that are contained in agreements governing Indebtedness permitted under this Indenture and that are secured by such cash or Cash Equivalents.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Subsidiary" means, with respect to any Person, any Subsidiary of such Person other than an Unrestricted Subsidiary of such Person. Unless otherwise

indicated in this Indenture, all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of the Issuer.

"Sale/Leaseback Transaction" means an arrangement relating to property now owned or hereafter acquired by the Issuer or a Restricted Subsidiary whereby the Issuer or a Restricted Subsidiary transfers such property to a Person and the Issuer or such Restricted Subsidiary leases it from such Person, other than leases between the Issuer and a Restricted Subsidiary of the Issuer or between Restricted Subsidiaries of the Issuer.

"S&P" means Standard & Poor's Ratings Group or any successor to the rating agency business thereof.

"Seahawk Newbuild Facilities" means two export credit facilities, each related to the financing of one new Vessel to be owned by a special-purpose subsidiary of the Issuer and each with aggregate commitments of up to €666.0 million, in each case, with such new special-purpose subsidiary to be the borrower, and in each case, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"SEC" means the Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness secured by a Lien.

"Secured Vessel Debt Cap" means the U.S. dollar equivalent of the sum of (i) $3,550 million, (ii) the Meyer Facility Secured Debt Cap, (iii) the Breakaway Plus Newbuild Facility Secured Debt Cap, (iv) the Prestige Facilities Secured Debt Cap, (v) the Other Facilities Secured Debt Cap and (vi) the New Vessel Aggregate Secured Debt Cap.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Shareholders' Agreement" means the Amended and Restated Shareholders' Agreement, dated January 24, 2013, by and among Norwegian Cruise Line Holdings Ltd., Genting Hong Kong Limited, Star NCLC Holdings Ltd. and the other parties thereto, as amended, supplemented or modified from time to time.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Issuer within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC (or any successor provision).

"Similar Business" means any business, the majority of whose revenues are derived from (i) the business or activities of the Issuer and its Subsidiaries anticipated to be conducted as of the Issue Date, (ii) any business that is a natural outgrowth or a reasonable extension, development or expansion of any such business or any business similar, reasonably related, incidental, complementary or ancillary to any of the foregoing or (iii) any business that in the Issuer's good faith business judgment constitutes a reasonable diversification of business conducted by the Issuer and its Subsidiaries.

"Sponsors" means (i) Apollo Management, L.P. and any of its respective Affiliates other than any portfolio companies not primarily engaged in the cruise business (collectively, the "Apollo Sponsors"), (ii) TPG Global, LLC and any of its respective Affiliates other than any portfolio companies (collectively, the "TPG Sponsors"), (iii) Genting Hong Kong Limited, and any of its respective Affiliates (collectively, the "Genting HK"), and (iv) any Person that forms a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) with any Apollo Sponsors, TPG Sponsors and/or Genting HK; *provided* that the Apollo Sponsors, TPG Sponsors and/or Genting HK (x) own a majority of the voting power and (y) control a majority of the Board of Directors of such group.

"Standard Securitization Undertakings" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Receivables Financing including, without limitation, those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"Subordinated Indebtedness" means with respect to the Issuer, any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the Notes.

"Subsidiary" means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, and (2) any partnership, joint venture or limited liability company of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or

one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (y) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Subsidiary Guarantee" means any guarantee of the obligations of the Issuer under this Indenture and the Notes by a Restricted Subsidiary in accordance with the provisions of this Indenture.

"Subsidiary Guarantor" means any Restricted Subsidiary that Incurs a Subsidiary Guarantee pursuant to Section 4.11 or otherwise Incurs a Subsidiary Guarantee; *provided* that upon the release or discharge of such Subsidiary from its Subsidiary Guarantee in accordance with this Indenture, such Subsidiary ceases to be a Subsidiary Guarantor.

"Suspension Period" means the period of time between a Covenant Suspension Event and the related Reversion Date.

"TIA" or "Trustee Indenture Act" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date of this Indenture.

"Total Assets" means the total consolidated assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Issuer, without giving effect to any amortization of the amount of intangible assets since June 30, 2009.

"Transactions" means the transactions described under "Summary—The Transactions" in the Offering Memorandum.

"Transfer Restricted Notes" means, each and collectively, the Transfer Restricted Definitive Notes and the Transfer Restricted Global Notes.

"Treasury Rate" means, as of the applicable redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to either, at the sole discretion of the Issuer, (a) such redemption date or (b) the date a notice of redemption is delivered or, in the case of a satisfaction and discharge or defeasance, two Business Days prior to the date on which funds are deposited with the Trustee (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to November 15, 2016; *provided, however,* that if the period from such redemption date to November 15, 2016 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Trust Officer" means:

(1) any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant

treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such Person's knowledge of and familiarity with the particular subject, and

(2) who shall have direct responsibility for the administration of this Indenture.

"Trustee" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

"Unearned Customer Deposits" means amounts paid to the Issuer or any of its Subsidiaries representing customer deposits for unsailed bookings (whether paid directly by the customer or by a credit card company).

"Uniform Commercial Code" or "UCC" means the New York Uniform Commercial Code as in effect from time to time.

"Unrestricted Subsidiary" means:

(1) any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary;

The Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary of the Issuer) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, the Issuer or any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated; *provided*, *however*, that the Subsidiary to be so designated and its Subsidiaries do not at the time of designation have and do not thereafter Incur any Indebtedness pursuant to which the lender has recourse to any of the assets of the Issuer or any of its Restricted Subsidiaries, unless otherwise permitted by Section 4.04; *provided*, *further*, *however*, that either:

(a) the Subsidiary to be so designated has total consolidated assets of $1,000 or less; or

(b) if such Subsidiary has consolidated assets greater than $1,000, then such designation would be permitted under Section 4.04.

The Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary;*provided*, *however*, that immediately after giving effect to such designation:

(x) (1) the Issuer could Incur $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.03(a), or (2) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would be no less than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such designation, in each case on a *pro forma* basis taking into account such designation, and

(y) no Event of Default shall have occurred and be continuing.

Any such designation by the Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors or any committee thereof of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Government Obligations" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in each case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Vessel" means a passenger cruise vessel.

"Vessel Mortgages" means each first priority statutory ship mortgage granting a Lien on a Vessel owned by a Subsidiary of the Issuer.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness or Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing (1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of

such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock multiplied by the amount of such payment, by (2) the sum of all such payments.

"Wholly Owned Restricted Subsidiary" is any Wholly Owned Subsidiary that is a Restricted Subsidiary.

"Wholly Owned Subsidiary" of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares or shares required pursuant to applicable law) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

SECTION 1.02 Other Definitions.

Term	Section
Agent Members	Appendix A
Asset Sale Offer	4.06(b)(ii)
Covenant Suspension Event	4.16
Definitive Note	Appendix A
Depository	Appendix A
Event of Default	6.01
Global Notes	Appendix A
Global Notes Legend	Appendix A
IAI	Appendix A
Increased Amount	4.12(c)
Initial Notes	Preamble
Initial Purchasers	Appendix A
Issuer	Preamble
Notes Custodian	Appendix A
protected purchaser	2.08
QIB	Appendix A
Regulation S	Appendix A
Regulation S Global Notes	Appendix A
Regulation S Notes	Appendix A
Restricted Notes Legend	Appendix A
Restricted Payments	4.04(a)(iv)
Restricted Period	Appendix A
Reversion Date	4.16
Rule 144A	Appendix A
Rule 144A Global Notes	Appendix A
Rule 144A Notes	Appendix A
Rule 501	Appendix A
Second Commitment	4.06(b)(ii)
Successor Issuer	5.01(a)(i)
Suspended Covenants	4.16
Transfer Restricted Definitive Notes	Appendix A

Term	Section
Transfer Restricted Global Notes	Appendix A
Trustee	Preamble
U.S.A. Patriot Act	13.20
Unrestricted Definitive Notes	Appendix A
Unrestricted Global Notes	Appendix A

SECTION 1.03 Incorporation by Reference of Trust Indenture Act. This Indenture is not qualified under the TIA, and the TIA shall not apply to or in any way govern the terms of this Indenture. As a result, no provisions of the TIA are incorporated into this Indenture unless expressly incorporated pursuant to this Indenture.

SECTION 1.04 Rules of Construction. Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) "including" means including without limitation;

(e) words in the singular include the plural and words in the plural include the singular;

(f) unsecured Indebtedness shall not be deemed to be subordinate or junior to Secured Indebtedness merely by virtue of its nature as unsecured Indebtedness;

(g) the principal amount of any non-interest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP;

(h) the principal amount of any Preferred Stock shall be (i) the maximum liquidation value of such Preferred Stock or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock, whichever is greater;

(i) unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP;

(j) "$" and "U.S. dollars" each refer to United States dollars, or such other money of the United States of America that at the time of payment is legal tender for payment of public and private debts; and

(k) whenever in this Indenture or the Notes there is mentioned, in any context, principal, interest or any other amount payable under or with respect to any Notes, such mention shall be deemed to include mention of the payment of Additional Amounts, to the extent that, in such context, Additional Amounts is, were or would be payable in respect thereof.

ARTICLE II

THE NOTES

SECTION 2.01 Amount of Notes. The aggregate principal amount of Notes which may be authenticated and delivered under this Indenture on the Issue Date is $680,000,000.

The Issuer may from time to time after the Issue Date issue Additional Notes under this Indenture in an unlimited principal amount, so long as (i) the Incurrence of the Indebtedness represented by such Additional Notes is at such time permitted by Section 4.03 and (ii) such Additional Notes are issued in compliance with the other applicable provisions of this Indenture. With respect to any Additional Notes issued after the Issue Date (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 2.07, 2.08, 2.09, 3.08, 4.06(f), 4.08(c) or Appendix A), there shall be (a) established in or pursuant to a resolution of the Board of Directors of the Issuer and (b) (i) set forth or determined in the manner provided in an Officer's Certificate or (ii) established in one or more indentures supplemental hereto, prior to the issuance of such Additional Notes:

(1) the aggregate principal amount of such Additional Notes which may be authenticated and delivered under this Indenture;

(2) the issue price and issuance date of such Additional Notes, including the date from which interest on such Additional Notes shall accrue; and

(3) if applicable, that such Additional Notes shall be issuable in whole or in part in the form of one or more Global Notes and, in such case, the respective depositaries for such Global Notes, the form of any legend or legends which shall be borne by such Global Notes in addition to or in lieu of those set forth in Exhibit A hereto and any circumstances in addition to or in lieu of those set forth in Section 2.2 of Appendix A in which any such Global Note may be exchanged in whole or in part for Additional Notes registered, or any transfer of such Global Note in whole or in part may be registered, in the name or names of Persons other than the depositary for such Global Note or a nominee thereof.

If any of the terms of any Additional Notes are established by action taken pursuant to a resolution of the Board of Directors of the Issuer, a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Issuer and delivered to the Trustee at or prior to the delivery of the Officer's Certificate or an indenture supplemental hereto setting forth the terms of the Additional Notes.

The Initial Notes, including any Additional Notes, may, at the Issuer's option, be treated as a single class for all purposes under this Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase; *provided* that if the Additional Notes are not fungible with the Initial Notes for U.S. federal income tax purposes or U.S. securities laws purposes, the Additional Notes will have a separate CUSIP number, if applicable.

SECTION 2.02 Form and Dating. Provisions relating to the Initial Notes are set forth in Appendix A, which is hereby incorporated in and expressly made a part of this Indenture. The (i) Initial Notes and the Trustee's certificate of authentication and (ii) any Additional Notes and the Trustee's certificate of authentication shall each be substantially in the form of Exhibit A hereto, which is hereby incorporated in and expressly made a part of this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the Issuer or any Subsidiary Guarantor is subject, if any, or usage (*provided* that any such notation, legend or endorsement is in a form acceptable to the Issuer). Each Note shall be dated the date of its authentication. The Notes shall be issuable only in registered form without interest coupons and in denominations of $2,000 and any integral multiples of $1,000.

SECTION 2.03 Execution and Authentication. The Trustee shall authenticate and make available for delivery upon a written order of the Issuer signed by one Officer of the Issuer (a) Initial Notes for original issue on the date hereof in an aggregate principal amount of $680,000,000 and (b) subject to the terms of this Indenture, Additional Notes in an aggregate principal amount to be determined at the time of issuance and specified therein. Such order shall specify the amount of separate Note certificates to be authenticated, the principal amount of each of the Notes to be authenticated, the date on which the original issue of Notes is to be authenticated, the registered holder of each of the Notes and delivery instructions and whether the Notes are to be Initial Notes. Notwithstanding anything to the contrary in this Indenture or Appendix A, any issuance of Additional Notes after the Issue Date shall be in a principal amount of at least $2,000 and integral multiples of $1,000 in excess thereof.

One Officer shall sign the Notes for the Issuer by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

A Note shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee may appoint one or more authenticating agents reasonably acceptable to the Issuer to authenticate the Notes. Any such appointment shall be evidenced by an instrument signed by a Trust Officer, a copy of which shall be furnished to the Issuer. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this

Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

SECTION 2.04 Registrar and Paying Agent.

(a) The Issuer shall maintain (i) an office or agency where Notes may be presented for registration of transfer or for exchange (the "Registrar") and (ii) an office or agency where Notes may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Issuer may have one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrars. The term "Paying Agent" includes the Paying Agent and any additional paying agents. The Issuer initially appoints the Trustee as Registrar, Paying Agent and the Notes Custodian with respect to the Global Notes.

(b) The Issuer may enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Issuer shall notify the Trustee in writing of the name and address of any such agent. If the Issuer fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. The Issuer or any of its domestically organized Wholly Owned Subsidiaries may act as Paying Agent or Registrar.

(c) The Issuer may remove any Registrar or Paying Agent upon written notice to such Registrar or Paying Agent and to the Trustee;*provided*, *however*, that no such removal shall become effective until (i) if applicable, acceptance of an appointment by a successor as evidenced by an appropriate agreement entered into by the Issuer and such successor Registrar or Paying Agent, as the case may be, and delivered to the Trustee or (ii) notification to the Trustee that the Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (i) above. The Registrar or Paying Agent may resign at any time upon written notice to the Issuer and the Trustee; *provided*, *however*, that the Trustee may resign as Paying Agent or Registrar only if the Trustee also resigns as Trustee in accordance with Section 7.08.

SECTION 2.05 Paying Agent to Hold Money in Trust. Prior to each due date of the principal of and interest on any Note, the Issuer shall deposit with each Paying Agent (or if the Issuer or a Wholly Owned Subsidiary is acting as Paying Agent, segregate and hold in trust for the benefit of the Persons entitled thereto) a sum sufficient to pay such principal and interest when so becoming due. The Issuer shall require each Paying Agent (other than the Trustee) to agree in writing that a Paying Agent shall hold in trust for the benefit of holders or the Trustee all money held by a Paying Agent for the payment of principal of and interest on the Notes, and shall notify the Trustee of any default by the Issuer in making any such payment. If the Issuer or a Wholly Owned Subsidiary of the Issuer acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it in trust for the benefit of the Persons entitled thereto. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee

and to account for any funds disbursed by such Paying Agent. Upon complying with this Section 2.05, a Paying Agent shall have no further liability for the money delivered to the Trustee.

SECTION 2.06 Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of holders. If the Trustee is not the Registrar, the Issuer shall furnish, or cause the Registrar to furnish, to the Trustee, in writing at least five Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of holders.

SECTION 2.07 Transfer and Exchange. The Notes shall be issued in registered form and shall be transferable only upon the surrender of a Note for registration of transfer and in compliance with Appendix A. When a Note is presented to the Registrar with a request to register a transfer, the Registrar shall register the transfer as requested if its requirements therefor are met. When Notes are presented to the Registrar with a request to exchange them for an equal principal amount of Notes of other denominations, the Registrar shall make the exchange as requested if the same requirements are met. To permit registration of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Notes at the Registrar's request. The Issuer may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges in connection with any transfer or exchange pursuant to this Section. The Issuer shall not be required to make, and the Registrar need not register, transfers or exchanges of Notes selected for redemption (except, in the case of Notes to be redeemed in part, the portion thereof not to be redeemed) or of any Notes for a period of 15 days before a selection of Notes to be redeemed.

Prior to the due presentation for registration of transfer of any Note, the Issuer, the Trustee, the Paying Agent and the Registrar may deem and treat the Person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest, if any, on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Issuer, the Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

Any holder of a beneficial interest in a Global Note shall, by acceptance of such beneficial interest, agree that transfers of beneficial interests in such Global Note may be effected only through a book-entry system maintained by (a) the holder of such Global Note (or its agent) or (b) any holder of a beneficial interest in such Global Note, and that ownership of a beneficial interest in such Global Note shall be required to be reflected in a book entry.

All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

SECTION 2.08 Replacement Notes. If a mutilated Note is surrendered to the Registrar or if the holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Issuer shall issue and the Trustee shall authenticate a replacement Note if the requirements of Section 8-405 of the Uniform Commercial Code are met, such that the holder (a) satisfies the Issuer and the Trustee within a reasonable time after such holder has notice of such loss, destruction or wrongful taking and the Registrar does not register a transfer prior to receiving such notification, (b) makes such request to the Issuer and the Trustee prior to the Note being acquired by a protected purchaser as defined in Section 8-303 of the Uniform Commercial Code (a "protected purchaser") and (c) satisfies any other reasonable requirements of the Issuer and the Trustee. If required by the Trustee or the Issuer, such holder shall furnish an indemnity bond sufficient in the judgment of the Trustee and the Issuer to protect the Issuer, the Trustee, a Paying Agent and the Registrar from any loss or liability that any of them may suffer if a Note is replaced and subsequently presented or claimed for payment. The Issuer and the Trustee may charge the holder for their expenses in replacing a Note (including without limitation, attorneys' fees and disbursements in replacing such Note). In the event any such mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Issuer in its discretion may pay such Note instead of issuing a new Note in replacement thereof.

Every replacement Note is an additional obligation of the Issuer.

The provisions of this Section 2.08 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, lost, destroyed or wrongfully taken Notes.

SECTION 2.09 Outstanding Notes. Notes outstanding at any time are all Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation and those described in this Section as not outstanding. Subject to Section 13.06, a Note does not cease to be outstanding because the Issuer or an Affiliate of the Issuer holds the Note.

If a Note is replaced pursuant to Section 2.08 (other than a mutilated Note surrendered for replacement), it ceases to be outstanding unless the Trustee and the Issuer receive proof satisfactory to them that the replaced Note is held by a protected purchaser. A mutilated Note ceases to be outstanding upon surrender of such Note and replacement thereof pursuant to Section 2.08.

If a Paying Agent segregates and holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal and interest payable on that date with respect to the Notes (or portions thereof) to be redeemed or maturing, as the case may be, and no Paying Agent is prohibited from paying such money to the holders on that date pursuant to the terms of this Indenture, then on and after that date such Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.10 [Reserved].

SECTION 2.11 Cancellation. The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar and each Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment or cancellation and shall dispose of canceled Notes in accordance with its customary procedures. The Issuer may not issue new Notes to replace Notes it has redeemed, paid or delivered to the Trustee for cancellation. The Trustee shall not authenticate Notes in place of canceled Notes other than pursuant to the terms of this Indenture.

SECTION 2.12 Defaulted Interest. If the Issuer defaults in a payment of interest on the Notes, the Issuer shall pay the defaulted interest then borne by the Notes (plus interest on such defaulted interest to the extent lawful) in any lawful manner. The Issuer may pay the defaulted interest to the Persons who are holders on a subsequent special record date. The Issuer shall fix or cause to be fixed any such special record date and payment date to the reasonable satisfaction of the Trustee and shall promptly mail or cause to be mailed to each affected holder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

SECTION 2.13 CUSIP Numbers, ISINs, Etc. The Issuer in issuing the Notes may use CUSIP numbers, ISINs and "Common Code" numbers (if then generally in use) and, if so, the Trustee shall use any such CUSIP numbers, ISINs and "Common Code" numbers in notices of redemption as a convenience to holders; *provided*, *however*, that any such notice may state that no representation is made as to the correctness of such numbers, either as printed on the Notes or as contained in any notice of a redemption that reliance may be placed only on the other identification numbers printed on the Notes and that any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer shall advise the Trustee of any change in any such CUSIP numbers, ISINs and "Common Code" numbers.

SECTION 2.14 Calculation of Principal Amount of Notes. The aggregate principal amount of the Notes, at any date of determination, shall be the principal amount of the Notes at such date of determination. With respect to any matter requiring consent, waiver, approval or other action of the holders of a specified percentage of the principal amount of all the Notes, such percentage shall be calculated, on the relevant date of determination, by dividing (a) the principal amount, as of such date of determination, of Notes, the holders of which have so consented, by (b) the aggregate principal amount, as of such date of determination, of the Notes then outstanding, in each case, as determined in accordance with the preceding sentence, Section 2.09 and Section 13.06 of this Indenture. Any such calculation of the applicable premium made pursuant to this Section 2.14 shall be made by the Issuer and delivered to the Trustee pursuant to an Officer's Certificate.

SECTION 2.15 Depositary. None of the Trustee, any Paying Agent or the Registrar shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Note in global form or for maintaining, supervising or reviewing any records relating to such

beneficial ownership interests. The Trustee, Paying Agent and the Registrar shall be entitled to deal with any depositary (including any Depository), and any nominee thereof, that is the holder of any such global Note for all purposes of this Indenture relating to such global Note (including the payment of principal, premium, if any, and interest and Additional Amounts, if any, the giving of instructions or directions by or to the owner or holder of a beneficial ownership interest in such global Note) as the sole holder of such global Note and shall have no obligations to the beneficial owners thereof. None of the Trustee, any Paying Agent or the Registrar shall have any responsibility or liability for any acts or omissions of any such depositary with respect to such global Note, for the records of any such depositary, including records in respect of beneficial ownership interests in respect of any such global Note, for any transactions between such depositary and any participant in such depositary or between or among any such depositary, any such participant and/or any holder or owner of a beneficial interest in such global Note or for any transfers of beneficial interests in any such global Note.

ARTICLE III

REDEMPTION

SECTION 3.01 Redemption. The Notes may be redeemed, in whole or from time to time in part, subject to the conditions and at the redemption prices set forth in Paragraph 6 of the forms of Note set forth in Exhibit A hereto, which are hereby incorporated by reference and made a part of this Indenture, together with accrued and unpaid interest to the redemption date.

SECTION 3.02 Applicability of Article. Redemption of Notes at the election of the Issuer or otherwise, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article III.

SECTION 3.03 Notices to Trustee. If the Issuer elects to redeem Notes pursuant to the optional redemption provisions of Paragraph 6 of the Note, it shall notify the Trustee in an Officer's Certificate of (i) the Section of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price. The Issuer shall give notice to the Trustee provided for in this paragraph at least 30 days but not more than 60 days before a redemption date if the redemption is pursuant to Paragraph 6 of the Note, unless a shorter period is acceptable to the Trustee. The Issuer may also include a request in such Officer's Certificate that the Trustee give the notice of redemption in the Issuer's name and at its expense and setting forth the information to be stated in such notice as provided in Section 3.05. If fewer than all the Notes are to be redeemed, the record date relating to such redemption shall be selected by the Issuer and given to the Trustee, which record date shall be not fewer than 15 days after the date of notice to the Trustee. Any such notice may be canceled at any time prior to notice of such redemption being mailed to any holder and shall thereby be void and of no effect.

SECTION 3.04 Selection of Notes to Be Redeemed. In the case of any partial redemption, selection of the Notes for redemption will be made by the Trustee on

a by lot basis to the extent practicable subject to the procedures of the Depository;*provided* that no Notes of $2,000 (and integral multiples in excess thereof) or less shall be redeemed in part. The Trustee shall make the selection from outstanding Notes not previously called for redemption. The Trustee may select for redemption portions of the principal of Notes that have denominations larger than $2,000. Notes and portions of them the Trustee selects shall be in amounts of $2,000 or any integral multiple of $1,000 in excess thereof. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee shall notify the Issuer promptly of the Notes or portions of Notes to be redeemed.

SECTION 3.05 Notice of Optional Redemption.

(a) At least 30 days but not more than 60 days before a redemption date pursuant to Paragraph 6 of the Note, the Issuer shall mail or cause to be mailed by first-class mail, or delivered electronically if held by the Depository, a notice of redemption to each holder whose Notes are to be redeemed.

Any such notice shall identify the Notes to be redeemed and shall state:

(i) the redemption date;

(ii) the redemption price and the amount of accrued interest to the redemption date;

(iii) the name and address of the Paying Agent;

(iv) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price*plus* accrued interest;

(v) if fewer than all the outstanding Notes are to be redeemed, the certificate numbers and principal amounts of the particular Notes to be redeemed, the aggregate principal amount of Notes to be redeemed and the aggregate principal amount of Notes to be outstanding after such partial redemption;

(vi) that, unless the Issuer defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Notes (or portion thereof) called for redemption ceases to accrue on and after the redemption date;

(vii) the CUSIP number, ISIN and/or "Common Code" number, if any, printed on the Notes being redeemed;

(viii) that no representation is made as to the correctness or accuracy of the CUSIP number or ISIN and/or "Common Code" number, if any, listed in such notice or printed on the Notes; and

(ix) if such redemption is subject to conditions precedent, how the Issuer intends to proceed in the event that one or more of such conditions are not met.

(b) At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's name and at the Issuer's expense. In such event, the Issuer shall provide the Trustee with the information required by this Section at least one Business Day prior to the date such notice is to be provided to holders in the final form such notice is to be delivered to holders and such notice may not be canceled once delivered to holders of Notes.

SECTION 3.06 Effect of Notice of Redemption. Once notice of redemption is mailed or otherwise delivered in accordance with Section 3.05, Notes called for redemption become due and payable on the redemption date and at the redemption price stated in the notice, except as provided in the penultimate sentence of paragraph 6 of the Notes. Upon surrender to the Paying Agent, such Notes shall be paid at the redemption price stated in the notice, *plus* accrued interest, to, but not including, the redemption date; *provided*, *however*, that if the redemption date is after a regular Record Date and on or prior to the Interest Payment Date, the accrued interest shall be payable to the holder of the redeemed Notes registered on the relevant Record Date. Failure to give notice or any defect in the notice to any holder shall not affect the validity of the notice to any other holder.

SECTION 3.07 Deposit of Redemption Price. With respect to any Notes, prior to 10:00 a.m., New York City time, on the redemption date, the Issuer shall deposit with the Paying Agent (or, if the Issuer or a Wholly Owned Subsidiary is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued interest on all Notes or portions thereof to be redeemed on that date other than Notes or portions of Notes called for redemption that have been delivered by the Issuer to the Trustee for cancellation. On and after the redemption date, interest shall cease to accrue on Notes or portions thereof called for redemption so long as the Issuer has deposited with the Paying Agent funds sufficient to pay the principal of, *plus* accrued and unpaid interest on, the Notes or portions thereof to be redeemed, unless the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture.

SECTION 3.08 Notes Redeemed in Part. Upon surrender of a Note that is redeemed in part, the Issuer shall execute and the Trustee shall authenticate for the holder (at the Issuer's expense) a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

SECTION 3.09 Redemption for Changes in Withholding Taxes.

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 30 nor more than 60 days' prior written notice to the holders, at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the redemption date and all Additional Amounts, (if any), which otherwise would be payable, if on the next date on

which any amount would be payable in respect of the Notes, the Issuer would be required to pay Additional Amounts, and the Issuer cannot avoid any such payment obligation by taking reasonable measures available to it, as a result of:

(a) any amendment to, or change in, the laws or any regulations or rulings promulgated thereunder of a relevant Tax Jurisdiction which is announced and becomes effective after the date of the Offering Memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of the Offering Memorandum, such later date); or

(b) any amendment to, or change in, an official interpretation or application regarding such laws, regulations or rulings, including by virtue of a holding, judgment or order by a court of competent jurisdiction which is announced and becomes effective after the date of the Offering Memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of the Offering Memorandum, such later date).

The Issuer will not give any such notice of redemption earlier than 90 days prior to the earliest date on which the Issuer would be obligated to make such payment or withholding if a payment in respect of the Notes were then due, and, at the time such notice is given, the obligation to pay Additional Amounts must remain in effect.

Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (i) an opinion of independent tax counsel, the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld) to the effect that there has been such change or amendment which would entitle the Issuer to redeem the Notes hereunder and (ii) a certificate signed by an officer of the Issuer stated that the Issuer cannot avoid any obligation to pay Additional Amounts by taking reasonable measures available to it.

ARTICLE IV

COVENANTS

SECTION 4.01 Payment of Notes.

(a) The Issuer shall promptly pay the principal of and interest on the Notes on the dates and in the manner provided in the Notes and in this Indenture. An installment of principal of or interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent holds as of 12:00 p.m. New York City time money sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the holders on that date pursuant to the terms of this Indenture.

(b) The Issuer shall pay interest on overdue principal at the rate specified therefor in the Notes, and it shall pay interest on overdue installments of interest at the same rate borne by the Notes to the extent lawful.

(c) All payments made by the Issuer under or with respect to the Notes will be made free and clear of and without withholding or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, "Taxes") unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which the Issuer is then incorporated, or resident or doing business for tax purposes or any department or political subdivision thereof or therein or (2) any jurisdiction from or through which payment is made or any department or political subdivision thereof or therein (each, a "Tax Jurisdiction"), will at any time be required to be made from any payments made by the Issuer under or with respect to the Notes, including payments of principal, redemption price, purchase price, interest or premium, the Issuer will pay such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments by each holder after such withholding or deduction (including any such deduction or withholding from such Additional Amounts) will equal the respective amounts which would have been received in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no Additional Amounts will be payable with respect to:

(i) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any present or former connection between the holder or the beneficial owner of the Notes and the relevant Tax Jurisdiction (other than solely from the mere acquisition, ownership, holding or disposition of such Note, the enforcement of rights under such Note and/or the receipt of any payments in respect of such Note);

(ii) any Taxes, to the extent such Taxes would not have been imposed but for the failure of the holder or the beneficial owner of the Notes, following the Issuer's written request to the holder, at least 30 days before any such withholding or deduction would be payable, to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or the beneficial owner is legally entitled to provide such certification or documentation;

(iii) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the note been presented on the last day of such 30 day period);

(iv) any estate, inheritance, gift, sales, transfer, personal property or similar tax or assessment;

(v) any Taxes payable otherwise than by deduction or withholding from payments made under or with respect to any Note; or

(vi) any combination of the above clauses (i) through (v).

(d) The Issuer will pay and indemnify the holder for any present or future stamp, issue, registration, transfer, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and other liabilities related thereto) which are levied by any jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, this Indenture, or any other document or instrument referred to therein, or the receipt of any payments with respect to, or enforcement of, the Notes (such sum being recoverable from the Issuer as a liquidated sum payable as a debt).

(e) If the Issuer becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes, the Issuer will deliver to the Trustee on a date which is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Issuer shall notify the Trustee promptly thereafter) notice stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The notice must also set forth any other information reasonably necessary to enable the Paying Agents to pay Additional Amounts to holders on the relevant payment date. The Issuer will provide the Trustee with documentation evidencing the payment of Additional Amounts.

(f) The Issuer will make all withholdings and deductions (within the time period and in the minimum amount) required by law and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer will furnish to the Trustee (or to a holder upon request), within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to Trustee) by such entity.

(g) The obligations described under Sections 4.01(c), (d), (e) and (f) shall survive any termination, defeasance or discharge of this Indenture and shall apply, mutatis mutandis, to any jurisdiction in which any successor Person to the Issuer is incorporated, or resident or doing business for tax purposes or any jurisdiction from or through which such Person makes any payment on the Notes and any department or political subdivision thereof or therein.

SECTION 4.02 Reports and Other Information.

(a) For so long as any Notes are outstanding, the Issuer shall provide the Trustee and, upon request, to beneficial owners of the Notes a copy of all of the information and reports referred to below:

(i) within 15 days after the time period specified in the SEC's rules and regulations for non-accelerated filers, annual reports of the Reporting Entity for such fiscal year containing the information that would have been required to be contained in an annual report on Form 20-F or Form 10-K (or any successor or comparable form) if the Reporting Entity had been a reporting company under the Exchange Act, except to the extent permitted to be excluded by the SEC;

(ii) within 15 days after the time period specified in the SEC's rules and regulations for non-accelerated filers, quarterly reports of the Reporting Entity for such fiscal quarter containing the information that would have been required to be contained in a quarterly report on Form 6-K or 10-Q (or any successor or comparable form) if the Reporting Entity had been a reporting company under the Exchange Act, except to the extent permitted to be excluded by the SEC; and

(iii) within 15 days after the time period specified in the SEC's rules and regulations for filing current reports on Form 8-K, current reports of the Reporting Entity containing substantially all of the information that would be required to be filed in a Current Report on Form 8-K under the Exchange Act on the Issue Date pursuant to Sections 1, 2 and 4, Items 5.01, 5.02 (other than compensation information), 5.03(b) and Item 9.01 (only to the extent relating to any of the foregoing) of Form 8-K if the Reporting Entity had been a reporting company under the Exchange Act; *provided*, *however*, that no such current reports will be required to be furnished if the Issuer determines in its good faith judgment that such event is not material to holders or the business, assets, operations, financial position or prospects of the Issuer and its Restricted Subsidiaries, taken as a whole; *provided further* that the Reporting Entity shall not be obligated to file or provide Current Reports on Form 8-K until after such time as the Issuer has determined that it is no longer a "foreign private issuer" under the Securities Act, or such determination is otherwise made by the SEC;

In addition to providing such information to the Trustee, the Issuer shall make available to the holders, prospective investors, market makers affiliated with any initial purchaser of the Notes and securities analysts the information required to be provided pursuant to the foregoing clauses (i), (ii) and (iii), by posting such information to its website (or any of the Issuer's parent companies) or on IntraLinks or any comparable online data system or website.

Notwithstanding the foregoing, (A) neither the Issuer nor another Reporting Entity will be required to furnish any information, certificates or reports that would otherwise be required by Section 302 or Section 404 of the Sarbanes-Oxley Act of

2002, or related Items 307 or 308 of Regulation S-K, (B) such reports will not be required to contain financial information required by Rule 3-10 or Rule 3-16 of Regulation S-X, (C) such reports shall be subject to exceptions and exclusions consistent with the presentation of financial and other information in this offering memorandum and shall not be required to present compensation or beneficial ownership information and (D) the Issuer's determination that it is a "foreign private issuer" (as such term is defined in the Securities Act or the Exchange Act) shall be conclusive with respect to the determination of which Exchange Act form or forms of reports, information and documents are required to be provided pursuant to this covenant, until such time as the Issuer or the SEC determines that the Issuer does not qualify as a "foreign private issuer" (as so defined) for purposes of providing such reports, information and documents.

(b) The financial statements, information and other documents required to be provided as described in Section 4.02(a), may be those of (i) the Issuer or (ii) any direct or indirect parent of the Issuer (any such entity, a "Reporting Entity"), so long as in the case of (ii) such direct or indirect parent of the Issuer shall not conduct, transact or otherwise engage, or commit to conduct, transact or otherwise engage, in any business or operations other than its direct or indirect ownership of all of the Equity Interests in, and its management of the Issuer; provided that, if the financial information so furnished relates to such direct or indirect parent of the Issuer, the same is accompanied by a reasonably detailed description of the quantitative differences between the information relating to such parent, on the one hand, and the information relating to the Issuer and its Restricted Subsidiaries on a standalone basis, on the other hand.

(c) The Issuer will make such information available to prospective investors upon request. The Issuer has agreed that, for so long as any Notes remain outstanding during any period when neither it nor another Reporting Person is subject to Section 13 or 15(d) of the Exchange Act, or otherwise permitted to furnish the SEC with certain information pursuant to Rule 12g3-2(b) of the Exchange Act, it will furnish to the holders of the Notes and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Notwithstanding the foregoing, the Issuer will be deemed to have furnished such reports referred to above to the Trustee and the holders if the Issuer or another Reporting Entity has filed such reports with the SEC via the EDGAR filing system (or any successor system) and such reports are publicly available. In addition, the requirements of this Section 4.02 shall be deemed satisfied by the posting of reports that would be required to be provided to the holders on the Issuer's website (or that of any of the Issuer's parent companies).

The Issuer will also hold a quarterly conference call to discuss its financial results with holders of the Notes, beginning with a discussion of the fiscal year ended December 31, 2014. The conference call will not be later than five business days from the date on which the Issuer's financial information is filed or otherwise made available to holders of the Notes in accordance with this Indenture. No fewer than two days prior to the conference call, the Issuer shall issue a press release to the appropriate wire services announcing the time, date and access details of such conference call.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely conclusively on the Officer's Certificates). The Trustee is under no duty to examine such reports, information or documents to ensure compliance with the provision of this Indenture or to ascertain the correctness or otherwise of the information or the statements contained therein.

SECTION 4.03 Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.

(a) (i) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) or issue any shares of Disqualified Stock; and (ii) the Issuer shall not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock; *provided*, *however*, that the Issuer may Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary of the Issuer may Incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock or issue shares of Preferred Stock, in each case if the Fixed Charge Coverage Ratio of the Issuer for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 2.00 to 1.00 determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

(b) The limitations set forth in Section 4.03(a) shall not apply to:

(i) the Incurrence by the Issuer or its Restricted Subsidiaries of Bank Indebtedness in an aggregate principal amount not exceeding the Secured Vessel Debt Cap (as calculated on the date of the relevant Incurrence under this Section 4.03(b)(i)) at the time of Incurrence;

(ii) Indebtedness existing on the Issue Date (other than Indebtedness described in clause (i) of this Section 4.03(b)), including the Notes;

(iii) Indebtedness (including Capitalized Lease Obligations) Incurred by the Issuer or any of its Restricted Subsidiaries, Disqualified Stock issued by the Issuer or any of its Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiaries of the Issuer to finance (whether prior to or within 270 days after) the acquisition, lease, construction, repair, replacement or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) in

an aggregate principal amount or liquidation preference, which when aggregated with the principal amount or liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding (including any Refinancing Indebtedness with respect thereto) and Incurred pursuant to this clause (iii), does not exceed the greater of $150 million or 2.5% of Total Assets at the time of Incurrence (it being understood that any Indebtedness Incurred pursuant to this clause (iii) shall cease to be deemed Incurred or outstanding for purposes of this clause (iii) but shall be deemed Incurred for purposes of Section 4.03(a) and after the first date on which the Issuer, or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under Section 4.03(a) without reliance upon this clause (iii));

(iv) Indebtedness Incurred by the Issuer or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit and bank guarantees issued in the ordinary course of business, including without limitation letters of credit in respect of workers' compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims;

(v) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with the Transactions, any Investments or any other acquisition or disposition of any business, assets or a Subsidiary of the Issuer in accordance with the terms of this Indenture, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

(vi) Indebtedness of the Issuer to a Restricted Subsidiary; *provided* that (except in respect of intercompany current liabilities Incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Subsidiaries) any such Indebtedness owed to a Restricted Subsidiary is subordinated in right of payment to the obligations of the Issuer under the Notes; *provided*, *further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (vi);

(vii) shares of Preferred Stock of a Restricted Subsidiary issued to the Issuer or another Restricted Subsidiary;*provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary that holds such shares of Preferred Stock of another Restricted

Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or another Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock not permitted by this clause (vii);

(viii) Indebtedness of a Restricted Subsidiary to the Issuer or another Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary holding such Indebtedness ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (viii);

(ix) Hedging Obligations that are not incurred for speculative purposes but (A) for the purpose of fixing or hedging interest rate risk with respect to any Indebtedness that is permitted by the terms of this Indenture to be outstanding; (B) for the purpose of fixing or hedging currency exchange rate risk with respect to any currency exchanges; or (C) for the purpose of fixing or hedging commodity price risk with respect to any commodity purchases or sales and, in each case, extensions or replacements thereof;

(x) obligations (including reimbursement obligations with respect to letters of credit, bank guarantees, warehouse receipts and similar instruments) in respect of performance, bid, appeal, surety bonds, completion guarantees and similar obligations provided by the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with past practice or industry practice (including as required by the U.S. Federal Maritime Commission, or other similar U.S. or foreign government authority);

(xi) Indebtedness or Disqualified Stock of the Issuer or Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary of the Issuer in an aggregate principal amount or liquidation preference which, when aggregated with the principal amount or liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding (including any Refinancing Indebtedness with respect thereto) and Incurred pursuant to this clause (xi), does not exceed the greater of $300 million and 5.0% of Total Assets at the time of Incurrence (plus, in the case of any Refinancing Indebtedness, the Additional Refinancing Amount) (it being understood that any Indebtedness Incurred pursuant to this clause (xi) shall cease to be deemed Incurred or outstanding for purposes of this clause (xi) but shall be deemed Incurred for purposes of Section 4.03(a) from and after the first date on which the Issuer, or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under Section 4.03(a) without reliance upon this clause (xi));

(xii) Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary of the Issuer and Preferred Stock of any Restricted Subsidiary of the

Issuer in an aggregate principal amount or liquidation preference not greater than 100.0% of the net cash proceeds received by the Issuer and its Restricted Subsidiaries since immediately after the Issue Date (other than from Excluded Contributions) from the issue or sale of Equity Interests of the Issuer or any direct or indirect parent entity of the Issuer (which proceeds are contributed to the Issuer or its Restricted Subsidiary) or cash contributed to the capital of the Issuer (in each case other than proceeds of Disqualified Stock or sales of Equity Interests to, or contributions received from, the Issuer or any of its Subsidiaries) as determined in accordance with clauses (2) and (3) of the definition of "Cumulative Credit" to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to Section 4.04(b) or to make Permitted Investments (other than Permitted Investments specified in clauses (1) and (3) of the definition thereof) (plus, in the case of any Refinancing Indebtedness, the Additional Refinancing Amount) (it being understood that any Indebtedness Incurred pursuant to this clause (xii) shall cease to be deemed Incurred or outstanding for purposes of this clause (xii) but shall be deemed Incurred for purposes of the first paragraph of this covenant from and after the first date on which the Issuer, or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under the first paragraph of this covenant without reliance upon this clause (xii));

(xiii) any guarantee by the Issuer or any Restricted Subsidiary of the Issuer of Indebtedness or other obligations of the Issuer or any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by the Issuer or such Restricted Subsidiary is permitted under the terms of this Indenture; *provided* that if such Indebtedness is by its express terms subordinated in right of payment to the Notes, any such guarantee with respect to such Indebtedness shall be subordinated in right of payment substantially to the same extent as such Indebtedness is subordinated to the Notes;

(xiv) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary of the Issuer which serves to refund, refinance or defease any Indebtedness Incurred or Disqualified Stock or Preferred Stock issued as permitted under Section 4.03(a) and clauses (ii), (iii), (xi), (xii), (xiv), (xv) and (xxii) of this Section 4.03(b) up to the outstanding principal amount (or, if applicable, the liquidation preference face amount, or the like) or, if greater, committed amount (only to the extent the committed amount could have been Incurred on the date of initial Incurrence) of such Indebtedness or Disqualified Stock or Preferred Stock, in each case at the time such Indebtedness was Incurred or Disqualified Stock or Preferred Stock was issued pursuant to Section 4.03(a) or clauses (ii), (iii), (xi), (xii), (xiv), (xv) and (xxii) of this Section 4.03(b), or any Indebtedness, Disqualified Stock or Preferred Stock Incurred to so refund or refinance such Indebtedness, Disqualified Stock or Preferred Stock, including any additional Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay premiums (including tender premiums), accrued and unpaid interest, expenses, defeasance costs and fees in connection therewith (subject to the following proviso,

"Refinancing Indebtedness") prior to its respective maturity; *provided*, *however*, that such Refinancing Indebtedness:

(1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred which is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded, refinanced or defeased and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Indebtedness, Disqualified Stock and Preferred Stock being refunded or refinanced that were due on or after the date that is one year following the last maturity date of any Notes then outstanding were instead due on such date;

(2) to the extent such Refinancing Indebtedness refinances (a) Indebtedness junior to the Notes, such Refinancing Indebtedness is junior to the Notes, or (b) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Disqualified Stock or Preferred Stock;

(3) shall not include Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary; and

(4) shall not include Indebtedness of a Restricted Subsidiary (that is not a Subsidiary Guarantor) that refinances Indebtedness of the Issuer;

provided, further, that subclause (1) of this clause (xiv) will not apply to any refunding or refinancing of any Secured Indebtedness;

(xv) Indebtedness, Disqualified Stock or Preferred Stock of (A) the Issuer or any of its Restricted Subsidiaries incurred to finance an acquisition or (B) Persons that are acquired by the Issuer or any of its Restricted Subsidiaries or merged, consolidated or amalgamated with or into the Issuer or any of its Restricted Subsidiaries in accordance with the terms of this Indenture; *provided* that after giving effect to such acquisition or merger, consolidation or amalgamation, either:

(1) the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.03(a); or

(2) the Fixed Charge Coverage Ratio of the Issuer would be no less than immediately prior to such acquisition or merger, consolidation or amalgamation;

(xvi) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing that is not recourse to the Issuer or any Restricted Subsidiary other than a Receivables Subsidiary (except for Standard Securitization Undertakings);

(xvii) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five Business Days of its Incurrence;

(xviii) Indebtedness of the Issuer or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to the Bank Indebtedness, in a principal amount not in excess of the stated amount of such letter of credit (so long as such letter of credit is treated as outstanding for the purposes of calculating outstanding amounts of Bank Indebtedness);

(xix) Indebtedness of the Issuer or any Restricted Subsidiary consisting of (A) the financing of insurance premiums or (B) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(xx) Indebtedness consisting of Indebtedness issued by the Issuer or a Restricted Subsidiary of the Issuer to current or former officers, directors, managers and employees thereof or any direct or indirect parent thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any of its direct or indirect parent companies to the extent described in Section 4.04(b)(iv);

(xxi) Indebtedness of the Issuer or any Restricted Subsidiary Incurred in connection with credit card processing arrangements entered into in the ordinary course of business; and

(xxii) Indebtedness Incurred on behalf of, or representing guarantees of Indebtedness of, joint ventures of the Issuer and any Restricted Subsidiary in an aggregate principal amount, which when aggregated with the principal amount of all other Indebtedness then outstanding (including any Refinancing Indebtedness with respect thereto) and Incurred pursuant to this clause (xxii), does not exceed the greater of $150 million and 2.5% of Total Assets at the time of Incurrence (plus, in the case of any Refinancing Indebtedness, the Additional Refinancing Amount) (it being understood that any Indebtedness Incurred pursuant to this clause (xi) shall cease to be deemed Incurred or outstanding for purposes of this clause (xi) but shall be deemed Incurred for purposes of Section 4.03(a) from and after the first date on which the Issuer, or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under Section 4.03(a) without reliance upon this clause (xxii)).

(c) Notwithstanding anything to the contrary, no Restricted Subsidiary may Incur unsecured Indebtedness or issue shares of Disqualified Stock or Preferred Stock pursuant to Section 4.03(a), unless such Restricted Subsidiary shall have guaranteed the Notes.

(d) For purposes of determining compliance with this Section 4.03:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness described in clauses (i) through (xxii) of Section 4.03(b) or is entitled to be Incurred pursuant to Section 4.03(a), the Issuer shall, in its sole discretion, classify or reclassify, or later divide, classify or reclassify (as if Incurred at such later time), such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in any manner that complies with this Section 4.03;

(2) at the time of Incurrence, the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in Section 4.03(a) and (b) (or any portion thereof) without giving *pro forma* effect to the Indebtedness Incurred pursuant to any other clause or Section 4.03(b) (or any portion thereof) when calculating the amount of Indebtedness that may be Incurred pursuant to any such clause or Section 4.03(a) (or any portion thereof);

(3) in connection with the Incurrence or issuance, as applicable, of (x) revolving loan Indebtedness under the first paragraph of this covenant or (y) any Indebtedness, Disqualified Stock or Preferred Stock under clause (xv) above, the Issuer or applicable Restricted Subsidiary may elect at any time prior to the actual Incurrence of such Indebtedness or issuance of such Disqualified Stock or Preferred Stock, as applicable, to designate such Incurrence or issuance as having occurred on the date of such election, and any related subsequent actual Incurrence or issuance will be deemed for all purposes under the Indenture to have been Incurred on the date of such election;

(4) if any Indebtedness denominated in U.S. dollars is exchanged, converted or refinanced into Indebtedness denominated in euros, then (in connection with such exchange, conversion or refinancing, and thereafter), the U.S. dollar amount limitations set forth in any of clauses (i) through (xxii) above with respect to such exchange, conversion or refinancing shall be deemed to be the amount of euros into which such Indebtedness has been exchanged, converted or refinanced at the time of such exchange, conversion or refinancing; and

(5) if any Indebtedness denominated in euros is exchanged, converted or refinanced into Indebtedness denominated in U.S. dollars, then (in connection with such exchange, conversion or refinancing, and thereafter), the euro amount limitations set forth in any of clauses (i) through (xxii) above with respect to such exchange, conversion or refinancing shall be deemed to be the amount of U.S. dollars into which such Indebtedness has been exchanged, converted or refinanced at the time of such exchange, conversion or refinancing.

Accrual of interest, the accretion of accreted value, the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock, as applicable, amortization of original issue discount, the accretion of liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of

fluctuations in the exchange rate of currencies will not be deemed to be an Incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this Section 4.03. Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness; *provided* that the Incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this Section 4.03.

For purposes of determining compliance with any U.S. dollar- or Euro-denominated restriction on the Incurrence of Indebtedness other than as provided in clauses (4) and (5) above, the U.S. dollar- or Euro-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term debt, or first committed or first Incurred (whichever yields the lower U.S. dollar or euro equivalent, as applicable), in the case of revolving credit debt.

(e) Notwithstanding any other provision of this Section 4.03, the maximum amount of Indebtedness that the Issuer and its Restricted Subsidiaries may Incur pursuant to this Section 4.03 shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies.

SECTION 4.04 Limitation on Restricted Payments.

(a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests, including any payment made in connection with any merger, amalgamation or consolidation involving the Issuer (other than (A) dividends or distributions by the Issuer payable solely in Equity Interests (other than Disqualified Stock) of the Issuer; or (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, the Issuer or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities);

(ii) purchase or otherwise acquire or retire for value any Equity Interests of the Issuer or any direct or indirect parent of the Issuer;

(iii) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment or scheduled maturity, any Subordinated Indebtedness of the Issuer or any of its Subsidiary Guarantors (other than the payment, redemption, repurchase, defeasance, acquisition or retirement of (A) Subordinated Indebtedness in

anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement and (B) Indebtedness permitted under clauses (vi) and (viii) of Section 4.03(b)); or

(iv) make any Restricted Investment

(all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "Restricted Payments"), unless, at the time of such Restricted Payment:

(1) no Default shall have occurred and be continuing or would occur as a consequence thereof;

(2) immediately after giving effect to such transaction on a *pro forma* basis, the Issuer could Incur $1.00 of additional Indebtedness under Section 4.03(a); and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries after the June 30, 2009 (including Restricted Payments permitted by clauses (i), (ii) (with respect to the payment of dividends on Refunding Capital Stock (as defined below) pursuant to clause (C) thereof), (vi)(C), (viii), (xiii)(B) and (xvii) of Section 4.04(b), but excluding all other Restricted Payments permitted by Section 4.04(b)), is less than the amount equal to the Cumulative Credit.

(b) The provisions of Section 4.04(a) shall not prohibit:

(i) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of this Indenture;

(ii) (A) the redemption, repurchase, retirement or other acquisition of any Equity Interests ("Retired Capital Stock") or Subordinated Indebtedness of the Issuer, any direct or indirect parent of the Issuer in exchange for, or out of the proceeds of, the substantially concurrent sale of, Equity Interests of the Issuer or any direct or indirect parent of the Issuer or contributions to the equity capital of the Issuer (other than any Disqualified Stock or any Equity Interests sold to a Subsidiary of the Issuer) (collectively, including any such contributions, "Refunding Capital Stock"),

(B) the declaration and payment of dividends on the Retired Capital Stock out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of Refunding Capital Stock, and

(C) if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under clause (vi) of this Section 4.04(b) and not made pursuant to

clause (ii)(B), the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any direct or indirect parent of the Issuer) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(iii) the redemption, repurchase, defeasance, or other acquisition or retirement of Subordinated Indebtedness of the Issuer made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of the Issuer which is Incurred in accordance with Section 4.03 so long as:

(A) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount (or accreted value, if applicable), plus any accrued and unpaid interest, of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired for value (plus the amount of any premium required to be paid under the terms of the instrument governing the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired, any tender premiums, plus any defeasance costs, fees and expenses incurred in connection therewith),

(B) such Indebtedness is subordinated to the Notes, at least to the same extent as such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, defeased, acquired or retired for value,

(C) such Indebtedness has a final scheduled maturity date equal to or later than the earlier of (x) the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired and (y) 91 days following the last maturity date of any Notes then outstanding, and

(D) such Indebtedness has a Weighted Average Life to Maturity at the time Incurred which is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Subordinated Indebtedness being redeemed, repurchased, defeased, acquired or retired that were due on or after the date that is one year following the last maturity date of any Notes then outstanding were instead due on such date;

(iv) a Restricted Payment to pay for the repurchase, retirement or other acquisition for value of Equity Interests of the Issuer or any direct or indirect parent of the Issuer held by any future, present or former employee, director, officer, manager or consultant of the Issuer or any direct or indirect parent of the

Issuer or any Subsidiary of the Issuer pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement; *provided*, *however*, that the aggregate Restricted Payments made under this clause (iv) do not exceed the greater of $100 million and 1.0% of Total Assets in any calendar year (with unused amounts in any calendar year being permitted to be carried over to succeeding calendar years); *provided*, *further*, *however*, that such amount in any calendar year may be increased by an amount not to exceed:

(A) the cash proceeds received by the Issuer or any of its Restricted Subsidiaries from the sale of Equity Interests (other than Disqualified Stock) of the Issuer or any direct or indirect parent of the Issuer (to the extent contributed to the Issuer) to employees, officers, directors, managers or consultants of the Issuer and its Restricted Subsidiaries or any direct or indirect parent of the Issuer that occurs after the Issue Date (*provided* that the amount of such cash proceeds utilized for any such repurchase, retirement, other acquisition or dividend will not increase the amount available for Restricted Payments under Section 4.04(a)(iii)), plus

(B) the cash proceeds of key man life insurance policies received by the Issuer or any direct or indirect parent of the Issuer (to the extent contributed to the Issuer) or the Issuer's Restricted Subsidiaries after the Issue Date;

provided that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (A) and (B) above in any calendar year; and*provided*, *further*, that cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from any present or former employees, directors, officers, managers or consultants of the Issuer, any of its Restricted Subsidiaries or its direct or indirect parents in connection with a repurchase of Equity Interests of the Issuer or any of its direct or indirect parents will not be deemed to constitute a Restricted Payment for purposes of this Section 4.04 or any other provision of this Indenture;

(v) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or any of its Restricted Subsidiaries issued or incurred in accordance with Section 4.03 to the extent such dividends are included in the definition of "Fixed Charges";

(vi) (A) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after the Issue Date;

(B) a Restricted Payment to any direct or indirect parent of the Issuer, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of any direct or indirect parent of the

Issuer issued after the Issue Date; *provided* that the aggregate amount of dividends declared and paid pursuant to this clause (B) does not exceed the net cash proceeds actually received by the Issuer from any such sale of Designated Preferred Stock (other than Disqualified Stock) issued after the Issue Date; and

(C) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to Section 4.04(b)(ii);

provided, *however*, in the case of each of (A) and (C) above of this clause (vi), that for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock, after giving effect to such issuance (and the payment of dividends or distributions) on a pro forma basis, the Issuer would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00;

(vii) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value (as determined in good faith by the Issuer), taken together with all other Investments made pursuant to this clause (vii) that are at that time outstanding, not to exceed the greater of $100 million and 1.0% of Total Assets at the time of such Investment, *plus* an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in respect of any such Investment made pursuant to this clause (vii) (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value) that does not otherwise increase the Cumulative Credit; *provided*, *however*, that if any Investment pursuant to this clause (vii) is made in any Person that is not an Issuer or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes an Issuer or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) of the definition of Permitted Investments and shall cease to have been made pursuant to this clause (vii) for so long as such Person continues to be an Issuer or a Restricted Subsidiary;

(viii) the payment of dividends on the Issuer's common stock (or a Restricted Payment to any direct or indirect parent of the Issuer to fund the payment by such direct or indirect parent of the Issuer of dividends on such entity's common stock) of up to 6% per annum of the net proceeds received by the Issuer from any public offering of common stock of the Issuer or any direct or indirect parent of the Issuer, other than public offerings with respect to the Issuer's (or such direct or indirect parent's) common stock registered on Form S-4, Form F-4 or Form S-8 and other than any public sale constituting an Excluded Contribution;

(ix) Restricted Payments in an aggregate amount not to exceed the aggregate amount of Excluded Contributions;

(x) other Restricted Payments in an aggregate amount, when taken together with all other Restricted Payments made pursuant to this clause (x) that are at that time outstanding, not to exceed the greater of $300 million and 5.0% of Total Assets at the time of such Restricted Payment, *plus*, in the case of Restricted Payments constituting Investments, an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in respect of any such Restricted Payments made pursuant to this clause (x) constituting Investments; *provided* that an amount equal to any such Restricted Payment made as a result of such increase of this clause (x) from any returns shall decrease the Cumulative Credit only to the extent such return previously increased the Cumulative Credit;

(xi) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Issuer or a Restricted Subsidiary of the Issuer by, Unrestricted Subsidiaries;

(xii) Permitted Tax Distributions;

(xiii) the payment of any Restricted Payment, if applicable:

(A) in amounts required for any direct or indirect parent of the Issuer to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of any direct or indirect parent of the Issuer and general corporate operating and overhead expenses of any direct or indirect parent of the Issuer in each case to the extent such fees and expenses are attributable to the ownership or operation of the Issuer, if applicable, and its Subsidiaries;

(B) in amounts required for any direct or indirect parent of the Issuer, if applicable, to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Issuer or any of its Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer Incurred in accordance with Section 4.03; and

(C) in amounts required for any direct or indirect parent of the Issuer to pay fees and expenses, other than to Affiliates of the Issuer, related to any unsuccessful equity or debt offering of such parent;

(xiv) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(xv) purchases of receivables pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing and the payment or distribution of Receivables Fees;

(xvi) Restricted Payments by the Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of any such Person;

(xvii) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness pursuant to the provisions similar to those described under Sections 4.06 and 4.08; *provided* that all Notes tendered by holders of the Notes in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value; and

(xviii) payments or distributions to dissenting stockholders pursuant to applicable law, pursuant to or in connection with a consolidation, amalgamation, merger or transfer of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, that complies with Section 5.01; *provided* that as a result of such consolidation, amalgamation, merger or transfer of assets, the Issuer shall have made a Change of Control Offer (if required by this Indenture) and that all Notes tendered by holders in connection with such Change of Control Offer have been repurchased, redeemed or acquired for value;

provided, *however*, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (vi)(B), (vii), (x), (xi) and (xiii)(B) of this Section 4.04(b), no Default shall have occurred and be continuing or would occur as a consequence thereof; *provided further* that any Restricted Payments made with property other than cash shall be calculated using the Fair Market Value (as determined in good faith by the Issuer) of such property.

(c) The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of "Investments." Such designation will only be permitted if a Restricted Payment or Permitted Investment in such amount would be permitted at such time and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

SECTION 4.05 Dividend and Other Payment Restrictions Affecting Subsidiaries. The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to the Issuer or any of its Restricted Subsidiaries (1) on its Capital Stock; or (2) with respect to any other interest or participation in, or measured by, its profits; or (ii) pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries;

(b) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries;

except in each case for such encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect on the Issue Date, including pursuant to the NCLC Group Credit Facilities and any related documents, and any similar contractual encumbrances or restrictions effected by any amendments, modifications, restatements, renewals, supplements, refundings, replacements or refinancings of such agreements or instruments;

(2) this Indenture or the Notes;

(3) applicable law or any applicable rule, regulation or order;

(4) any agreement or other instrument of a Person acquired by the Issuer or any Restricted Subsidiary which was in existence at the time of such acquisition (but not created in contemplation thereof or to provide all or any portion of the funds or credit support utilized to consummate such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired;

(5) contracts or agreements for the sale of assets, including any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of the Capital Stock or assets of such Restricted Subsidiary;

(6) Secured Indebtedness otherwise permitted to be Incurred pursuant to Sections 4.03 and 4.12 that limit the right of the debtor to dispose of the assets securing such Indebtedness;

(7) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(8) customary provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business;

(9) purchase money obligations for property acquired and Capitalized Lease Obligations in the ordinary course of business;

(10) customary provisions contained in leases, licenses and other similar agreements entered into in the ordinary course of business;

(11) any encumbrance or restriction of a Receivables Subsidiary effected in connection with a Qualified Receivables Financing; *provided*, *however*, that such restrictions apply only to such Receivables Subsidiary;

(12) other Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary so long as such encumbrances or restrictions contained in any agreement or instrument will not materially affect the Issuer's ability to make anticipated principal or interest payments on the Notes (as determined in good faith by the Issuer), *provided* that such Indebtedness, Disqualified Stock or Preferred Stock is permitted to be Incurred subsequent to the Issue Date pursuant to Section 4.03;

(13) any Restricted Investment not prohibited by Section 4.04 and any Permitted Investment; or

(14) any encumbrances or restrictions of the type referred to in clauses (a), (b) or (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this Section 4.05, (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (ii) the subordination of loans or advances made to the Issuer or a Restricted Subsidiary of the Issuer to other Indebtedness Incurred by the Issuer or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

SECTION 4.06 Asset Sales.

(a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, cause or make an Asset Sale, unless (x) the Issuer or any of its Restricted Subsidiaries, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value (as determined in good faith by the Issuer) of the assets sold or otherwise disposed of, and (y) at least 75% of the consideration therefor received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents; *provided* that the amount of:

(i) any liabilities (as shown on the Issuer's or such Restricted Subsidiary's most recent balance sheet or in the Notes thereto) of the Issuer or any

Restricted Subsidiary of the Issuer (other than liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets,

(ii) any notes or other obligations or other securities or assets received by the Issuer or such Restricted Subsidiary of the Issuer from such transferee that are converted by the Issuer or such Restricted Subsidiary of the Issuer into cash within 180 days of the receipt thereof (to the extent of the cash received),

(iii) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Issuer and each other Restricted Subsidiary are released from any guarantee of payment of such Indebtedness in connection with the Asset Sale,

(iv) consideration consisting of Indebtedness of the Issuer or any Restricted Subsidiary (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Issuer or any Restricted Subsidiary in connection with the Asset Sale and that is cancelled (without duplication of clause (i) hereto), and

(v) any Designated Non-cash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value (as determined in good faith by the Issuer), taken together with all other Designated Non-cash Consideration received pursuant to this Section 4.06(a)(v) that is at that time outstanding, not to exceed the greater of 5.0% of Total Assets and $300 million at the time of the receipt of such Designated Non-cash Consideration (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value),

shall be deemed to be Cash Equivalents for the purposes of this Section 4.06(a).

(b) Within 12 months after the Issuer's or any Restricted Subsidiary of the Issuer's receipt of the Net Proceeds of any Asset Sale, the Issuer or such Restricted Subsidiary of the Issuer may apply the Net Proceeds from such Asset Sale, at its option:

(i) to repay (A) Indebtedness constituting Secured Indebtedness (including Indebtedness under any Bank Indebtedness) and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto, (B) Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor and/or Indebtedness of the Issuer that is guaranteed by a Subsidiary that is not a Subsidiary Guarantor, (C) Notes Obligations, or (D) other Pari Passu Indebtedness (*provided* that if the Issuer shall so reduce Obligations under unsecured Pari Passu Indebtedness, the Issuer will equally and ratably reduce Notes Obligations as provided under the Notes pursuant to Section 3.01, through open-market purchases (*provided* that such purchases are at or above 100% of the principal amount thereof or, in the event that the Notes were issued with significant original issue discount, 100% of the accreted value thereof) or by

making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all holders to purchase, at a purchase price equal to 100% of the principal amount thereof or, in the event that the Notes were issued with significant original issue discount, 100% of the accreted value thereof, plus accrued and unpaid interest, the pro rata principal amount of Notes; or

(ii) to make an Investment in any one or more businesses (*provided* that if such Investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Issuer), assets, or property or capital expenditures, in each case (A) used or useful in a Similar Business or (B) that replace the properties and assets that are the subject of such Asset Sale or to reimburse the cost of any of the foregoing incurred on or after the date on which the Asset Sale giving rise to such Net Proceeds was contractually committed.

In the case of Section 4.06(b)(ii), a binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment; *provided* that in the event such binding commitment is later canceled or terminated for any reason before such Net Proceeds are so applied, the Issuer or such Restricted Subsidiary enters into another binding commitment (a "Second Commitment") within six months of such cancellation or termination of the prior binding commitment;*provided*, *further* that the Issuer or such Restricted Subsidiary may only enter into a Second Commitment under the foregoing provision one time with respect to each Asset Sale and to the extent such Second Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied, then such Net Proceeds shall constitute Excess Proceeds.

Pending the final application of any such Net Proceeds, the Issuer or such Restricted Subsidiary of the Issuer may temporarily reduce Indebtedness under a revolving credit facility, if any, or otherwise invest such Net Proceeds in any manner not prohibited by this Indenture. Any Net Proceeds from any Asset Sale that are not invested or applied as provided and within the time period set forth in the first sentence of this Section 4.06(b) (it being understood that any portion of such Net Proceeds used to make an offer to purchase Notes, as described in clause (i) of this Section 4.06(b), shall be deemed to have been invested whether or not such offer is accepted) will be deemed to constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $50 million, the Issuer shall make an offer to all holders of Notes (and, at the option of the Issuer, to holders of any Pari Passu Indebtedness) (an "Asset Sale Offer") to purchase the maximum principal amount of Notes (and such Pari Passu Indebtedness), that is at least $2,000 and an integral multiple of $1,000 in excess thereof that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof (or, in the event such Pari Passu Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof), plus accrued and unpaid interest, if any (or, in respect of such Pari Passu Indebtedness, such lesser price, if any, as may be provided for by the terms of such Pari Passu Indebtedness), to the date fixed for the closing of such offer, in accordance with the procedures set forth in this Section 4.06. The Issuer will commence an Asset Sale Offer with respect to Excess Proceeds within ten (10) Business Days after the date that Excess Proceeds exceed $50

million by mailing, or delivering electronically if held by the Depository, the notice required pursuant to the terms of Section 4.06(g), with a copy to the Trustee. To the extent that the aggregate amount of Notes (and such Pari Passu Indebtedness) tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for any purpose that is not prohibited by this Indenture. If the aggregate principal amount of Notes (and such Pari Passu Indebtedness) surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased in the manner described in Section 4.06(f). Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds, as the case may be, shall be reset at zero.

(c) The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Issuer shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in this Indenture by virtue thereof. If more Notes (and Pari Passu Indebtedness) are tendered pursuant to an Asset Sale Offer than the Issuer is required to purchase, selection of such Notes for purchase will be made by the Trustee; *provided* that no Notes of $2,000 or less shall be purchased in part. Selection of such Pari Passu Indebtedness will be made pursuant to the terms of such Pari Passu Indebtedness.

(d) Not later than the date upon which written notice of an Asset Sale Offer is delivered to the Trustee as provided above, the Issuer shall deliver to the Trustee an Officer's Certificate as to (i) the amount of the Excess Proceeds, (ii) the allocation of the Net Proceeds from the Asset Sales pursuant to which such Asset Sale Offer is being made and (iii) the compliance of such allocation with the provisions of Section 4.06(b). On such date, the Issuer shall also irrevocably deposit with the Trustee or with a paying agent (or, if the Issuer or a Wholly Owned Subsidiary is acting as the Paying Agent, segregate and hold in trust) an amount equal to the Excess Proceeds to be invested in Cash Equivalents, as directed in writing by the Issuer, and to be held for payment in accordance with the provisions of this Section 4.06. Upon the expiration of the period for which the Asset Sale Offer remains open (the "Offer Period"), the Issuer shall deliver to the Trustee for cancellation the Notes or portions thereof that have been properly tendered to and are to be accepted by the Issuer. The Trustee (or the Paying Agent, if not the Trustee) shall, on the date of purchase, mail or deliver payment to each tendering holder in the amount of the purchase price. In the event that the Excess Proceeds delivered by the Issuer to the Trustee are greater than the purchase price of the Notes tendered, the Trustee shall deliver the excess to the Issuer immediately after the expiration of the Offer Period for application in accordance with this Section 4.06.

(e) [Reserved];

(f) Holders electing to have a Note purchased shall be required to surrender such Note, with an appropriate form duly completed, to the Issuer at the address specified in the notice at least three Business Days prior to the purchase date.

Holders shall be entitled to withdraw their election if the Trustee or the Issuer receives not later than one Business Day prior to the purchase date, a telegram, telex, facsimile transmission or letter setting forth the name of the holder, the principal amount of the Note which was delivered by the holder for purchase and a statement that such holder is withdrawing his election to have such Note purchased. If at the end of the Offer Period more Notes (and Pari Passu Indebtedness) are tendered pursuant to an Asset Sale Offer than the Issuer is required to purchase, selection of such Notes for purchase shall be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which such Notes are listed, or if such Notes are not so listed, on a pro rata basis, by lot or by such other method as the Trustee shall deem fair and appropriate (and in such manner as complies with applicable legal requirements); *provided* that no Notes of $2,000 or less shall be purchased in part. Selection of such Pari Passu Indebtedness shall be made pursuant to the terms of such Pari Passu Indebtedness.

(g) Notices of an Asset Sale Offer shall be mailed by first class mail, postage prepaid, or delivered electronically if held by the Depository, at least 30 but not more than 60 days before the purchase date to each holder of Notes at such holder's registered address. If any Note is to be purchased in part only, any notice of purchase that relates to such Note shall state the portion of the principal amount thereof that has been or is to be purchased.

SECTION 4.07 Transactions with Affiliates.

(a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of transactions, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each of the foregoing, an "Affiliate Transaction") involving aggregate consideration in excess of $25 million, unless:

(i) such Affiliate Transaction is on terms that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that could have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person; and

(ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $50 million, the Issuer delivers to the Trustee a resolution adopted in good faith by the majority of the Board of Directors of the Issuer, approving such Affiliate Transaction and set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with clause (i) above.

(b) The provisions of Section 4.07(a) shall not apply to the following:

(i) transactions between or among the Issuer and/or any of its Restricted Subsidiaries (or an entity that becomes a Restricted Subsidiary as a result of such transaction) and any merger, consolidation or amalgamation of the Issuer and any direct parent of the Issuer; *provided* that such parent shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of the Issuer and such merger, consolidation or amalgamation is otherwise in compliance with the terms of this Indenture and effected for a bona fide business purpose;

(ii) Restricted Payments permitted by Section 4.04 and Permitted Investments;

(iii) (A) the entering into of any agreement (and any amendment or modification of any such agreement so long as, in the good faith judgment of the Board of Directors of the Issuer, any such amendment is not disadvantageous to the holders when taken as a whole, as compared to such agreement as in effect on the Issue Date) to pay, and the payment of, management, consulting, monitoring and advisory fees to the Sponsors (1) in an aggregate amount in any fiscal year not to exceed the greater of (x) $7.5 million and (y) 2.0% of EBITDA of the Issuer and its Restricted Subsidiaries for the immediately preceding fiscal year, *plus* out-of-pocket expense reimbursement; *provided, however,* that any payment not made in any fiscal year may be carried forward and paid in the following two fiscal years and (2) 2.0% of the value of transactions with respect to which any Affiliate provides any transaction, advisory or other services and (B) the payment of the present value of all amounts payable pursuant to any agreement described in clause (iii)(A) of this Section 4.07(b) in connection with the termination of such agreement;

(iv) the payment of reasonable and customary fees and reimbursement of expenses paid to, and indemnity provided on behalf of, officers, directors, managers, employees or consultants of the Issuer or any Restricted Subsidiary, any direct or indirect parent of the Issuer;

(v) payments by the Issuer or any of its Restricted Subsidiaries to the Sponsors made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures, which payments are (A) made pursuant to the agreements with the Sponsors described in the Offering Memorandum (as in effect on the Issue Date, or any amendment thereto that is not materially adverse as a whole to the Issuer) or (B) approved by a majority of the Board of Directors of the Issuer in good faith;

(vi) transactions in which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (i) of Section 4.07(a);

(vii) payments or loans (or cancellation of loans) to officers, directors, managers, employees or consultants which are approved by a majority of the Board of Directors of the Issuer in good faith;

(viii) any agreement as in effect as of the Issue Date or any amendment thereto or replacement thereof (so long as any such agreement together with all amendments thereto and replacements thereof, taken as a whole, is not more disadvantageous to the Issuer and its Restricted Subsidiaries in any material respect than the original agreement as in effect on the Issue Date) or any transaction contemplated thereby, in each case as determined in good faith by the Issuer;

(ix) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of the Shareholders' Agreement, the Reimbursement and Distribution Agreement, any other stockholders agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date, and any transaction, agreement or arrangement described in the Offering Memorandum and, in each case, any amendment thereto or similar transactions, agreements or arrangements which it may enter into thereafter; *provided*, *however*, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under, any future amendment to any such existing transaction, agreement or arrangement or under any similar transaction, agreement or arrangement entered into after the Issue Date shall only be permitted by this clause (ix) to the extent that the terms of any such existing transaction, agreement or arrangement together with all amendments thereto, taken as a whole, or new transaction, agreement or arrangement are not otherwise more disadvantageous to the Issuer and its Restricted Subsidiaries in any material respect than the original transaction, agreement or arrangement as in effect on the Issue Date, as determined in good faith by the Issuer;

(x) [Reserved];

(xi) (A) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture, which are fair to the Issuer and its Restricted Subsidiaries in the reasonable determination of the Board of Directors or the senior management of the Issuer, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party or (B) transactions with joint ventures or Unrestricted Subsidiaries entered into in the ordinary course of business and consistent with past practice or industry custom;

(xii) any transaction effected as part of a Qualified Receivables Financing;

(xiii) the issuance of Equity Interests (other than Disqualified Stock) of the Issuer to any Person;

(xiv) the issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock option and stock ownership plans or similar employee benefit plans approved by the Board of Directors of the Issuer or any direct or indirect parent of the Issuer or of a Restricted Subsidiary of the Issuer, as appropriate, in good faith;

(xv) the entering into of any tax sharing agreement or arrangement that complies with Section 4.04(b)(xii) and the performance under any such agreement or arrangement;

(xvi) any contribution to the capital of the Issuer;

(xvii) transactions permitted by, and complying with, Section 5.01;

(xviii) transactions between the Issuer or any of its Restricted Subsidiaries and any Person, a director or manager of which is also a director or manager of the Issuer or any direct or indirect parent of the Issuer; *provided*, *however*, that such director or manager abstains from voting as a director or manager of the Issuer or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(xix) pledges of Equity Interests of Unrestricted Subsidiaries;

(xx) the formation and maintenance of any consolidated group or subgroup for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(xxi) any employment agreements entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;

(xxii) transactions undertaken in good faith (as certified by a responsible financial or accounting officer of the Issuer in an Officer's Certificate) for the purpose of improving the consolidated tax efficiency of the Issuer and its Subsidiaries and not for the purpose of circumventing any covenant set forth in this Indenture;

(xxiii) investments by the Sponsors in securities of the Issuer or any Restricted Subsidiary (and payment of reasonable out-of-pocket expenses incurred by the Sponsors in connection therewith) so long as (A) the investment is being generally offered to other investors on the same or more favorable terms and (B) the investment constitutes less than 5% of the proposed or outstanding issue amount of such class of securities; and

(xxiv) the execution of the Transactions, and the payment of all fees, expenses, bonuses and awards related to the Transactions, including fees to the Sponsors.

SECTION 4.08 Change of Control.

(a) Upon a Change of Control, each holder shall have the right to require the Issuer to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to, but excluding, the date of repurchase (the "Change of Control Payment") (subject to the right of the holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date), in accordance with the terms contemplated in this Section 4.08; *provided*, *however*, that notwithstanding the occurrence of a Change of Control, the Issuer shall not be obligated to purchase any Notes pursuant to this Section 4.08 in the event that it has exercised its right to redeem such Notes in accordance with Article III of this Indenture. In the event that at the time of such Change of Control the terms of the Bank Indebtedness restrict or prohibit the repurchase of Notes pursuant to this Section 4.08, then prior to the delivery of the notice to the holders provided for in Section 4.08(b) but in any event within 30 days following any Change of Control, the Issuer shall (i) repay in full all Bank Indebtedness or, if doing so will allow the purchase of Notes, offer to repay in full all Bank Indebtedness and repay the Bank Indebtedness of each lender and/or noteholder who has accepted such offer, or (ii) obtain the requisite consent under the agreements governing the Bank Indebtedness to permit the repurchase of the Notes as provided for in Section 4.08(b).

(b) Within 30 days following any Change of Control, except to the extent that the Issuer has exercised its right to redeem the Notes in accordance with Article III of this Indenture, the Issuer shall mail (or deliver pursuant to the procedures of the Depository) a notice (a "Change of Control Offer") to each holder with a copy to the Trustee stating:

(i) that a Change of Control has occurred and that such holder has the right to require the Issuer to repurchase such holder's Notes for the Change of Control Payment (subject to the right of the holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date);

(ii) the circumstances regarding such Change of Control;

(iii) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is sent); and

(iv) the instructions determined by the Issuer, consistent with this Section 4.08, that a holder must follow in order to have its Notes purchased.

(c) Holders electing to have a Note purchased shall be required to surrender the Note, with an appropriate form duly completed, to the Issuer at the address specified in the notice at least three Business Days prior to the purchase date. The holders shall be entitled to withdraw their election if the Trustee or the Issuer receives not

later than one Business Day prior to the purchase date a telegram, telex, facsimile transmission or letter setting forth the name of the holder, the principal amount of the Note which was delivered for purchase by the holder and a statement that such holder is withdrawing his election to have such Note purchased. Holders whose Notes are purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered.

(d) On the purchase date, all Notes purchased by the Issuer under this Section 4.08 shall be delivered to the Trustee for cancellation, and the Issuer shall pay the purchase price *plus* accrued and unpaid interest to the holders entitled thereto.

(e) A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

(f) Notwithstanding the foregoing provisions of this Section 4.08, the Issuer shall not be required to make a Change of Control Offer upon a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under such Change of Control Offer; (ii) a notice of redemption of all outstanding Notes has been given pursuant to the Indenture as described in Paragraph 6 of the Notes unless and until there is a default in payment of the applicable redemption price; or (iii) in connection with or in contemplation of any Change of Control, the Issuer has made an offer to purchase (an "Alternate Offer") any and all Notes validly tendered at a cash price equal to or higher than the Change of Control Payment and has purchased all Notes properly tendered in accordance with the terms of the Alternate Offer, and, in the case of an Alternate Offer made in contemplation of any Change of Control, such Change of Control occurs.

(g) If holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as described in Section 4.08(f) above, purchases all of the Notes validly tendered and not withdrawn by such holders, the Issuer or such third party will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to the Change of Control Payment.

(h) Notes repurchased by the Issuer pursuant to a Change of Control Offer will have the status of Notes issued but not outstanding or will be retired and canceled at the option of the Issuer. Notes purchased by a third party pursuant to the preceding clauses (f) and (g) will have the status of Notes issued and outstanding.

(i) At the time the Issuer delivers Notes to the Trustee which are to be accepted for purchase, the Issuer shall also deliver an Officer's Certificate stating that

such Notes are to be accepted by the Issuer pursuant to and in accordance with the terms of this Section 4.08. A Note shall be deemed to have been accepted for purchase at the time the Trustee, directly or through an agent, mails or delivers payment therefor to the surrendering holder.

(j) Prior to any Change of Control Offer, the Issuer shall deliver to the Trustee an Officer's Certificate stating that all conditions precedent contained herein to the right of the Issuer to make such offer have been complied with.

(k) The Issuer shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this Section 4.08. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section 4.08, the Issuer shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section 4.08 by virtue thereof.

SECTION 4.09 Compliance Certificate. The Issuer shall deliver to the Trustee within 120 days after the end of each fiscal year of the Issuer, beginning with the fiscal year ending on December 31, 2014, an Officer's Certificate stating that in the course of the performance by the signer of his or her duties as an Officer of the Issuer he or she would normally have knowledge of any Default and whether or not the signer knows of any Default that occurred during such period. If he or she does, the certificate shall describe the Default, its status and what action the Issuer is taking or proposes to take with respect thereto. Except with respect to receipt of payments of principal and interest on the Notes and any Default or Event of Default information contained in the Officer's Certificate delivered to it pursuant to this Section 4.09, the Trustee shall have no duty to review, ascertain or confirm the Issuer's compliance with or the breach of any representation, warranty or covenant made in this Indenture.

SECTION 4.10 Further Instruments and Acts. Upon request of the Trustee, the Issuer shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 4.11 Future Subsidiary Guarantors.

(a) The Issuer shall cause each of its Wholly Owned Restricted Subsidiaries that guarantees any Indebtedness of the Issuer to execute and deliver to the Trustee a supplemental indenture pursuant to which such Restricted Subsidiary shall guarantee payment of the Notes on the terms and conditions set forth in this Indenture, except (x) with respect to Indebtedness of the Issuer consisting of Bank Indebtedness or guarantees of Bank Indebtedness and other Indebtedness of the Issuer consisting of guarantees of Indebtedness of one or more of the Issuer's Restricted Subsidiaries and (y) to the extent that providing such guarantee would violate a debt agreement of such Restricted Subsidiary which was entered into not in contemplation of the subject transaction. Each future Subsidiary Guarantee will be limited to an amount not to exceed

the maximum amount that can be guaranteed by that Restricted Subsidiary without rendering the Subsidiary Guarantee, as it relates to such Restricted Subsidiary, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(b) Any Subsidiary Guarantor of the Notes shall be released in accordance with the terms of this Indenture, including upon release of the guarantee triggering issuance of such Subsidiary Guarantee of the Notes.

SECTION 4.12 Liens.

(a) The Issuer shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create or Incur any Lien (except Permitted Liens) that secures any Indebtedness on any asset or property of the Issuer or any Restricted Subsidiary, unless the Notes are equally and ratably secured with (or on a senior basis to, in the case of obligations subordinated in right of payment to the Notes) the obligations so secured until such time as such obligations are no longer secured by a Lien. Any Lien which is granted to secure the Notes pursuant to this Section 4.12 shall be automatically released and discharged at the same time as the release of the Lien that gave rise to the obligation to secure the Notes.

(b) For purposes of determining compliance with this covenant, (i) a Lien securing an item of Indebtedness need not be permitted solely by reference to one category of permitted Liens (or any portion thereof) described in the definition of "Permitted Liens" or pursuant to Section 4.12(a) but may be permitted in part under any combination thereof and (ii) in the event that a Lien securing an item of Indebtedness (or any portion thereof) meets the criteria of one or more of the categories of permitted Liens (or any portion thereof) described in the definition of "Permitted Liens" or pursuant to Section 4.12(a), the Issuer shall, in its sole discretion, classify or reclassify, or later divide, classify or reclassify (as if Incurred at such later time), such Lien securing such item of Indebtedness (or any portion thereof) in any manner that complies with this covenant and will be entitled to include the amount and type of such Lien or such item of Indebtedness secured by such Lien (or portion thereof) in one of the categories of permitted Liens (or any portion thereof) described in the definition of "Permitted Liens" or pursuant to Section 4.12(a) and, in such event, such Lien securing such item of Indebtedness (or any portion thereof) will be treated as being Incurred or existing pursuant to only such clause or clauses (or any portion thereof) or pursuant to Section 4.12(a) without giving *pro forma* effect to such item (or portion thereof) when calculating the amount of Liens or Indebtedness that may be Incurred pursuant to any other clause or paragraph.

(c) With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "Increased Amount" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of

additional Indebtedness with the same terms or in the form of common stock of the Issuer, the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock of the same class, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness described in clause (3) of the definition of "Indebtedness."

SECTION 4.13 Re-flagging of Vessels. Notwithstanding anything to the contrary herein, a Restricted Subsidiary may reconstitute itself in another jurisdiction, or merge with or into another Restricted Subsidiary, for the purpose of reflagging a vessel that it owns or bareboat charters so long as at all times each Restricted Subsidiary remains organized under the laws of any country recognized by the United States of America with an investment grade credit rating from either Standard & Poor's Ratings Services or Moody's Investors Service, Inc. or any Permitted Jurisdiction.

SECTION 4.14 Maintenance of Office or Agency.

(a) The Issuer shall maintain an office or agency (which may be an office of the Trustee or an affiliate of the Trustee or Registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the corporate trust office of the Trustee as set forth in Section 13.02.

(b) The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided*, *however*, that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain an office or agency for such purposes. The Issuer shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

(c) The Issuer hereby designates the corporate trust office of the Trustee or its agent as such office or agency of the Issuer in accordance with Section 2.04.

SECTION 4.15 [Reserved].

SECTION 4.16 Covenant Suspension. If on any date following the Issue Date, (i) the Notes have Investment Grade Ratings from both Rating Agencies, and (ii) no Default has occurred and is continuing under this Indenture, then, beginning on that day (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event"), and subject to the provisions of the following paragraph, the Issuer and the Restricted Subsidiaries shall not be subject

to Sections 4.03, 4.04, 4.05, 4.06, 4.07 and 5.01(a)(iv) (collectively the "Suspended Covenants").

If and while the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants, the Notes will be entitled to substantially less covenant protection. In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants under this Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under this Indenture with respect to future events.

No Default, Event of Default or breach of any kind shall be deemed to exist under the Indenture or the Notes with respect to the Suspended Covenants based on, and neither the Issuer nor any of its Subsidiaries shall bear any liability for, any actions taken or events occurring during the Suspension Period, or any actions taken at any time pursuant to any contractual obligation arising during the Suspension Period, regardless of whether such actions or events would have been permitted if the applicable Suspended Covenants remained in effect during such period.

On each Reversion Date, all Indebtedness Incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period will be classified as having been Incurred or issued pursuant to Section 4.03(a) or 4.03(b) (to the extent such Indebtedness or Disqualified Stock or Preferred Stock would be permitted to be Incurred or issued thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred or issued prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness or Disqualified Stock or Preferred Stock would not be so permitted to be Incurred or issued pursuant to Section 4.03(a) or 4.03(b) such Indebtedness or Disqualified Stock or Preferred Stock will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under Section 4.03(b)(ii). Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under Section 4.04 will be made as though Section 4.04 had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under Section 4.04(a). As described above, however, no Default or Event of Default will be deemed to have occurred on the Reversion Date as a result of any actions taken by the Issuer or its Restricted Subsidiaries during the Suspension Period.

For purposes of Section 4.06, on the Reversion Date, the unutilized Excess Proceeds amount will be reset to zero.

During a Suspension Period, the Issuer shall not designate any of its Subsidiaries as an Unrestricted Subsidiary.

The Issuer shall deliver an Officer's Certificate to the Trustee specifying if a Covenant Suspension Event has occurred, the date of any Covenant Suspension Date, if a Reversion Date has occurred and when a Reversion Date has occurred. The Issuer shall deliver any such Officer's Certificate within 5 Business Days of the occurrence of a Covenant Suspension Event or a Reversion Date, as the case may be. The Trustee shall not have any duty to monitor whether or not a Suspension Event or Reversion Date has occurred or to notify the holders thereof.

ARTICLE V

SUCCESSOR COMPANY

SECTION 5.01 When Issuer May Merge or Transfer Assets.

(a) The Issuer shall not, directly or indirectly, consolidate, amalgamate or merge with or into or wind up or convert into (whether or not the Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to any Person unless:

(i) the Issuer is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation, merger, winding up or conversion (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a company organized or existing under the laws of Bermuda or a corporation, partnership, limited liability company or similar entity organized or existing under the laws of any Permitted Jurisdiction (the Issuer or such Person, as the case may be, being herein called the "Successor Issuer"), *provided* that in the case where the surviving person is not a company organized under the laws of Bermuda, a co-obligor of the Notes is a company organized under the laws of Bermuda or a corporation organized under the laws of the U.S.;

(ii) the Successor Issuer (if other than the Issuer) expressly assumes all the obligations of the Issuer under this Indenture and the Notes pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(iii) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Issuer or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Issuer or such Restricted Subsidiary at the time of such transaction) no Default shall have occurred and be continuing;

(iv) immediately after giving pro forma effect to such transaction, as if such transaction had occurred at the beginning of the applicable four-quarter period (and treating any Indebtedness which becomes an obligation of the Successor Issuer or any of its Restricted Subsidiaries as a result of such

transaction as having been Incurred by the Successor Issuer or such Restricted Subsidiary at the time of such transaction), either

(1) the Successor Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.03(a); or

(2) the Fixed Charge Coverage Ratio for the Successor Issuer and its Restricted Subsidiaries would be no less than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction; and

(v) [Reserved];

(vi) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, amalgamation or transfer and such supplemental indentures (if any) comply with this Indenture.

The Successor Issuer (if other than the Issuer) will succeed to, and be substituted for, the Issuer under this Indenture and the Notes, and in such event the Issuer will automatically be released and discharged from its obligations under this Indenture and the Notes. Notwithstanding the foregoing clauses (iii) and (iv) of this Section 5.01, (a) any Restricted Subsidiary may merge, consolidate or amalgamate with or transfer all or part of its properties and assets to the Issuer or to another Restricted Subsidiary, and (b) the Issuer may merge, consolidate or amalgamate with an Affiliate incorporated solely for the purpose of reincorporating the Issuer in a Permitted Jurisdiction or may convert into a corporation, partnership, limited liability company or similar entity organized or existing under the laws of any Permitted Jurisdiction so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby. This Article V will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Issuer and its Restricted Subsidiaries.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01 Events of Default. An "Event of Default" occurs with respect to Notes if:

(a) there is a default in any payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 days,

(b) there is a default in the payment of principal or premium, if any, of any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise,

(c) the failure by the Issuer to comply for 90 days after notice with any of its obligations, covenants or agreements contained in Section 4.02,

(d) the failure by the Issuer or any Restricted Subsidiary to comply for 60 days after notice with its other agreements (other than a default referred to in clauses (a), (b) and (c) above) contained in the Notes or this Indenture,

(e) the failure by the Issuer or any Significant Subsidiary (or any group of Subsidiaries that together would constitute a Significant Subsidiary) to pay any Indebtedness (other than Indebtedness owing to the Issuer or a Restricted Subsidiary) within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default, in each case, if the total amount of such Indebtedness unpaid or accelerated exceeds $75 million or its foreign currency equivalent,

(f) either the Issuer or any Significant Subsidiary of the Issuer pursuant to or within the meaning of any Bankruptcy Law:

(i) commences a voluntary case;

(ii) consents to the entry of an order for relief against it in an involuntary case;

(iii) consents to the appointment of a Custodian of it or for any substantial part of its property; or

(iv) makes a general assignment for the benefit of its creditors or takes any comparable action under any foreign laws relating to insolvency,

(g) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against either the Issuer or any Significant Subsidiary of the Issuer in an involuntary case;

(ii) appoints a Custodian of either the Issuer or any Significant Subsidiary of the Issuer or for any substantial part of its property; or

(iii) orders the winding up or liquidation of either the Issuer or any Significant Subsidiary of the Issuer;

or any similar relief is granted under any foreign laws and the order or decree remains unstayed and in effect for 60 days, or

(h) failure by the Issuer or any Significant Subsidiary (or any group of Subsidiaries that together would constitute a Significant Subsidiary) to pay final judgments aggregating in excess of $75 million or its foreign currency equivalent (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers), which judgments are not discharged, waived or stayed for a period of 60 days.

The foregoing shall constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

However, a default under clauses (c) or (d) above shall not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding Notes notify the Issuer, with a copy to the Trustee, of the default in writing and the Issuer does not cure such default within the time specified in clause (c) or (d) hereof, as applicable, after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default." The Issuer shall deliver to the Trustee, within five (5) Business Days after the occurrence thereof, written notice in the form of an Officer's Certificate of any event which is, or with the giving of notice or the lapse of time or both would become, an Event of Default, its status and what action the Issuer is taking or proposes to take with respect thereto.

SECTION 6.02 Acceleration. If an Event of Default (other than an Event of Default specified in Section 6.01(f) or 6.01(g) hereof with respect to the Issuer) occurs and is continuing, the Trustee by notice to the Issuer, or the holders of at least 25% in principal amount of outstanding Notes by notice to the Issuer, with a copy to the Trustee, may declare the principal of, premium, if any, and accrued but unpaid interest on all the Notes to be due and payable; *provided*, *however*, that so long as any Credit Agreement Indebtedness remains outstanding, no such acceleration shall be effective until the earlier of (1) five Business Days after the giving of written notice to the Issuer and the Representatives under the Credit Agreements and (2) the day on which any Credit Agreement Indebtedness is accelerated. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default specified in Section 6.01(f) or (g) with respect to the Issuer occurs, the principal of, premium, if any, and interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

In the event of any Event of Default specified in Section 6.01(e) above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the holders of the Notes, if within 20 days after such Event of Default arose the Issuer delivers an Officer's Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged or (y) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the Notes as described above be annulled, waived or rescinded upon the happening of any such events.

SECTION 6.03 Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy at law or in equity to collect the

payment of principal of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. To the extent required by law, all available remedies are cumulative.

SECTION 6.04 Waiver of Past Defaults. Provided the Notes are not then due and payable by reason of a declaration of acceleration, the holders of a majority in principal amount of the Notes then outstanding by written notice to the Trustee may waive an existing Default and its consequences except (a) a Default in the payment of the principal of or interest on a Note, (b) a Default arising from the failure to redeem or purchase any Note when required pursuant to the terms of this Indenture or (c) a Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each holder affected. When a Default is waived, it is deemed cured and the Issuer, the Trustee and the holders will be restored to their former positions and rights under this Indenture, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.05 Control by Majority. The holders of a majority in principal amount of Notes outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, if the Trustee, being advised by counsel, determines that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee, or a trust committee of directors or trustees and/or Responsible Officers shall determine that the action or proceeding so directed would involve the Trustee in personal liability or expense for which it is not adequately indemnified, or subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under this Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

SECTION 6.06 Limitation on Suits.

(a) Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to this Indenture or the Notes unless:

(i) such holder has previously given the Trustee notice that an Event of Default is continuing,

(ii) holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy,

(iii) such holders have offered the Trustee reasonable security or indemnity satisfactory to the Trustee against any loss, liability or expense,

(iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity, and

(v) the holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

(b) A holder may not use this Indenture to prejudice the rights of another holder or to obtain a preference or priority over another holder.

SECTION 6.07 Rights of the Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any holder to receive payment of principal of and interest on the Notes held by such holder, on or after the respective due dates expressed or provided for in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder.

SECTION 6.08 Collection Suit by Trustee. If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer or any other obligor on the Notes for the whole amount then due and owing (together with interest on overdue principal and (to the extent lawful) on any unpaid interest at the rate provided for in the Notes) and the amounts provided for in Section 7.07.

SECTION 6.09 Trustee May File Proofs of Claim. The Trustee may file such proofs of claim, statements of interest and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation, expenses disbursements and advances of the Trustee (including counsel, accountants, experts or such other professionals as the Trustee deems necessary, advisable or appropriate)) and the holders allowed in any judicial proceedings relative to the Issuer, its creditors or its property, shall be entitled to participate as a member, voting or otherwise, of any official committee of creditors appointed in such matters and, unless prohibited by law or applicable regulations, may vote on behalf of the holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.07.

SECTION 6.10 Priorities. Any money or property collected by the Trustee pursuant to this Article VI and any other money or property distributable in

respect of the Issuer's obligations under this Indenture after an Event of Default shall be applied in the following order:

FIRST: to the Trustee for amounts due under Section 7.07;

SECOND: to the holders for amounts due and unpaid on the Notes for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

THIRD: to the Issuer.

The Trustee may fix a record date and payment date for any payment to the holders pursuant to this Section 6.10. At least 15 days before such record date, the Trustee shall mail to each holder and the Issuer a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a holder pursuant to Section 6.07 or a suit by holders of more than 10% in principal amount of the Notes.

SECTION 6.12 Waiver of Stay or Extension Laws. The Issuer shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VII

TRUSTEE

SECTION 7.01 Duties of Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default with respect to the Notes and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the

same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee (it being agreed that the permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty); and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. The Trustee shall be under no duty to make any investigation as to any statement contained in any such instance, but may accept the same as conclusive evidence of the truth and accuracy of such statement or the correctness of such opinions. However, in the case of certificates or opinions required by any provision hereof to be provided to it, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise Incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 7.01.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 7.01.

SECTION 7.02 Rights of Trustee.

(a) The Trustee may conclusively rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officer's Certificate or Opinion of Counsel.

(c) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be responsible or liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; *provided*, *however*, that the Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Trustee may consult with counsel of its own selection and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or document unless requested in writing to do so by the holders of not less than a majority in principal amount of the Notes at the time outstanding, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney, at the expense of the Issuer and shall Incur no liability of any kind by reason of such inquiry or investigation.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the holders pursuant to this Indenture, unless such holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be Incurred by it in compliance with such request or direction.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(i) The Trustee shall not be responsible or liable for any action taken or omitted by it in good faith at the direction of the holders of not less than a majority in principal amount of the Notes as to the time, method and place of conducting any proceedings for any remedy available to the Trustee or the exercising of any power conferred by this Indenture.

(j) Any action taken, or omitted to be taken, by the Trustee in good faith pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent, is the holder of any Note shall be conclusive and binding upon future holders of Notes and upon Notes executed and delivered in exchange therefor or in place thereof.

(k) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(l) The Trustee may request that the Issuer deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(m) The Trustee shall not be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of actions.

(n) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers under this Indenture.

(o) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunction of utilities, computer (hardware or software) or communication services; accidents; labor disputes; and acts of civil or military authorities and governmental action.

SECTION 7.03 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may

otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent or Registrar may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.04 Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication. The Trustee shall not be charged with knowledge of any Default or Event of Default under Sections 6.01(d), (e), (f), (g) or (h) or of the identity of any Significant Subsidiary unless either (a) a Trust Officer shall have actual knowledge thereof or (b) the Trustee shall have received written notice thereof in accordance with Section 13.02 hereof from the Issuer or any holder. In accepting the trust hereby created, the Trustee acts solely as Trustee for the holders of the Notes and not in its individual capacity and all persons, including without limitation the holders of Notes and the Issuer having any claim against the Trustee arising from this Indenture shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein.

SECTION 7.05 Notice of Defaults. If a Default occurs and is continuing and if it is actually known to the Trustee, the Trustee shall mail to each holder notice of the Default within the earlier of 90 days after it occurs or 30 days after it is actually known to a Trust Officer or written notice of it is received by the Trustee. Except in the case of a Default in the payment of principal of, premium (if any) or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the holders. The Issuer is required to deliver to the Trustee, annually, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

SECTION 7.06 [Reserved].

SECTION 7.07 Compensation and Indemnity. The Issuer shall pay to the Trustee from time to time such compensation, as the Issuer and the Trustee shall from time to time agree in writing, for the Trustee's acceptance of this Indenture and its services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses Incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Issuer shall indemnify the Trustee against any and all loss, liability, claim, damage or expense (including reasonable attorneys' fees and expenses) Incurred by or in connection with the acceptance or

administration of this trust and the performance of its duties hereunder, including the costs and expenses of enforcing this Indenture against the Issuer (including this Section 7.07) and defending itself against or investigating any claim (whether asserted by the Issuer, any holder or any other Person). The obligation to pay such amounts shall survive the payment in full or defeasance of the Notes or the removal or resignation of the Trustee. The Trustee shall notify the Issuer of any claim for which it may seek indemnity promptly upon obtaining actual knowledge thereof; *provided*, *however*, that any failure so to notify the Issuer shall not relieve the Issuer of its indemnity obligations hereunder. The Issuer shall defend the claim and the indemnified party shall provide reasonable cooperation at the Issuer's expense in the defense. Such indemnified parties may have separate counsel and the Issuer shall pay the fees and expenses of such counsel; *provided*, *however*, that the Issuer shall not be required to pay such fees and expenses if it assumes such indemnified parties' defense and, in such indemnified parties' reasonable judgment, there is no conflict of interest between the Issuer and such parties in connection with such defense. The Issuer needs not reimburse any expense or indemnify against any loss, liability or expense Incurred by an indemnified party through such party's own willful misconduct, negligence or bad faith.

To secure the Issuer's payment obligations in this Section 7.07, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes.

The Issuer's payment obligations pursuant to this Section 7.07 shall survive the satisfaction or discharge of this Indenture, any rejection or termination of this Indenture under any bankruptcy law or the resignation or removal of the Trustee. Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee Incurs expenses after the occurrence of a Default specified in Section 6.01(f) or (g) with respect to the Issuer, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise Incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not assured to its satisfaction.

SECTION 7.08 Replacement of Trustee.

(a) The Trustee may resign at any time by so notifying the Issuer. The holders of a majority in principal amount of the Notes may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Issuer shall remove the Trustee if:

(i) the Trustee fails to comply with Section 7.10;

(ii) the Trustee is adjudged bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Trustee or its property; or

(iv) the Trustee otherwise becomes incapable of acting.

(b) If the Trustee resigns, is removed by the Issuer or by the holders of a majority in principal amount of the Notes and such holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee.

(c) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to the holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the Lien provided for in Section 7.07.

(d) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the holders of 10% in principal amount of the Notes may petition at the expense of the Issuer any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 7.10, unless the Trustee's duty to resign is stayed as provided in Section 310(b) of the TIA, any holder who has been a bona fide holder of a Note for at least six months may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) Notwithstanding the replacement of the Trustee pursuant to this Section, the Issuer's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

SECTION 7.09 Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in

all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 7.10 Eligibility; Disqualification. The Trustee shall at all times satisfy the requirements of Section 310(a) of the TIA. The Trustee shall have a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition. The Trustee shall comply with Section 310(b) of the TIA, subject to its right to apply for a stay of its duty to resign under the penultimate paragraph of Section 310(b) of the TIA; *provided*, *however*, that there shall be excluded from the operation of Section 310(b)(1) of the TIA any series of securities issued under this Indenture and any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Issuer are outstanding if the requirements for such exclusion set forth in Section 310(b)(1) of the TIA are met.

SECTION 7.11 Preferential Collection of Claims Against the Issuer. The Trustee shall comply with Section 311(a) of the TIA, excluding any creditor relationship listed in Section 311(b) of the TIA. A Trustee who has resigned or been removed shall be subject to Section 311(a) of the TIA to the extent indicated.

ARTICLE VIII

DISCHARGE OF INDENTURE; DEFEASANCE

SECTION 8.01 Discharge of Liability on Notes; Defeasance.

(a) This Indenture shall be discharged and shall cease to be of further effect (except as to surviving rights of registration of transfer or exchange of Notes, as expressly provided for in this Indenture) as to all outstanding Notes when:

(i) either (A) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation or (B) all of the Notes (1) have become due and payable, (2) will become due and payable at their stated maturity within one year or (3) if redeemable at the option of the Issuer, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient, as determined by the Issuer, to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be; *provided* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of

the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of the redemption only required to be deposited with the Trustee on or prior to the date of the redemption;

(ii) the Issuer has paid all other sums payable under this Indenture; and

(iii) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel stating that all conditions precedent under this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

(b) Subject to Sections 8.01(c) and 8.02, the Issuer at any time may terminate (i) all of its obligations under the Notes and this Indenture (with respect to the holders of the Notes) ("legal defeasance option") or (ii) its obligations under Sections 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 4.11, 4.12 and 4.13 and the operation of clause (iv) of Section 5.01(a) for the benefit of the holders of the Notes, and Sections 6.01(d), 6.01(e) and Section 6.01(f) (with respect to Significant Subsidiaries of the Issuer only), 6.01(g) or 6.01(h) ("covenant defeasance option"). The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. In the event that the Issuer terminates all of its obligations under the Notes and this Indenture (with respect to such Notes) by exercising its legal defeasance option or its covenant defeasance option, the obligations of each Subsidiary Guarantor with respect to the Notes shall be terminated simultaneously with the termination of such obligations.

If the Issuer exercises its legal defeasance option, payment of the Notes so defeased may not be accelerated because of an Event of Default. If the Issuer exercises its covenant defeasance option, payment of the Notes so defeased may not be accelerated because of an Event of Default specified in Sections 6.01(d), 6.01(e) and Sections 6.01(f) and (g) (with respect to Significant Subsidiaries of the Issuer only) or Section 6.01(h), or because of the failure of the Issuer to comply with clause (iv) of Section 5.01(a).

Upon satisfaction of the conditions set forth herein and upon request of the Issuer, the Trustee shall acknowledge in writing the discharge of those obligations that the Issuer terminates.

(c) Notwithstanding clauses (a) and (b) above, the Issuer's obligations in Sections 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 7.07, 7.08 and in this Article VIII shall survive until the Notes have been paid in full. Thereafter, the Issuer's obligations in Sections 7.07, 8.05 and 8.06 shall survive such satisfaction and discharge.

SECTION 8.02 Conditions to Defeasance.

(a) The Issuer may exercise its legal defeasance option or its covenant defeasance option only if:

(i) the Issuer irrevocably deposits in trust with the Trustee cash in U.S. dollars, U.S. Government Obligations or a combination thereof in an amount sufficient or U.S. Government Obligations, the principal of and the interest on which will be sufficient, or a combination thereof sufficient, to pay the principal of and premium (if any) and interest on the Notes when due at maturity or redemption, as the case may be, including interest thereon to maturity or such redemption date;

(ii) the Issuer delivers to the Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations *plus* any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal, premium, if any, and interest when due on all the Notes to maturity or redemption, as the case may be;

(iii) 123 days pass after the deposit is made and during the 123-day period no Default specified in Section 6.01(f) or (g) with respect to the Issuer occurs which is continuing at the end of the period;

(iv) the deposit does not constitute a default under any other agreement binding on the Issuer and is not prohibited by Article X;

(v) in the case of the legal defeasance option, the Issuer shall have delivered to the Trustee an Opinion of Counsel stating that (1) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling, or (2) since the date of this Indenture there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the holders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred; *provided* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of the redemption only required to be deposited with the Trustee on or prior to the date of the redemption. Notwithstanding the foregoing, the Opinion of Counsel required by the immediately preceding sentence with respect to a legal defeasance need not be delivered if all of the Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable or (y) will become due and payable at their Stated Maturity within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer;

(vi) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder's Notes on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(vii) in the case of the covenant defeasance option, the Issuer shall have delivered to the Trustee an Opinion of Counsel to the effect that the holders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred; and

(viii) the Issuer delivers to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes to be so defeased and discharged as contemplated by this Article VIII have been complied with.

(b) Before or after a deposit, the Issuer may make arrangements satisfactory to the Trustee for the redemption of such Notes at a future date in accordance with Article III.

SECTION 8.03 Application of Trust Money. The Trustee shall hold in trust money or U.S. Government Obligations (including proceeds thereof) deposited with it pursuant to this Article VIII. The Trustee shall apply the deposited money and the money from U.S. Government Obligations through each Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes so discharged or defeased.

SECTION 8.04 Repayment to Issuer. Each of the Trustee and each Paying Agent shall promptly turn over to the Issuer upon request any money or U.S. Government Obligations held by it as provided in this Article VIII which, in the written opinion of nationally recognized firm of independent public accountants delivered to the Trustee (which delivery shall only be required if U.S. Government Obligations have been so deposited), are in excess of the amount thereof which would then be required to be deposited to effect an equivalent discharge or defeasance in accordance with this Article VIII.

Subject to any applicable abandoned property law, the Trustee and each Paying Agent shall pay to the Issuer upon written request any money held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, holders entitled to the money must look to the Issuer for payment as general creditors, and the Trustee and each Paying Agent shall have no further liability with respect to such monies.

SECTION 8.05 Indemnity for U.S. Government Obligations. The Issuer shall pay and shall indemnify the Trustee against any tax, fee or other charge

imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

SECTION 8.06 Reinstatement. If the Trustee or any Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article VIII by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Indenture and the Notes so discharged or defeased shall be revived and reinstated as though no deposit had occurred pursuant to this Article VIII until such time as the Trustee or any Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article VIII; *provided*, *however*, that, if the Issuer has made any payment of principal of, or interest on, any such Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or any Paying Agent.

ARTICLE IX

AMENDMENTS AND WAIVERS

SECTION 9.01 Without Consent of the Holders.

(a) The Issuer and the Trustee may amend this Indenture or the Notes without notice to or consent of any holder:

(i) to cure any ambiguity, omission, mistake, defect or inconsistency;

(ii) to provide for the assumption by a Successor Issuer of the obligations of the Issuer under this Indenture and the Notes;

(iii) [Reserved];

(iv) to provide for uncertificated Notes in addition to or in place of certificated Notes; *provided*, *however*, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code;

(v) to conform the text of this Indenture or the Notes to any provision of the "Description of Notes" in the Offering Memorandum to the extent that such provision in the "Description of Notes" was intended to be a verbatim recitation of a provision of this Indenture or the Notes;

(vi) to add a Subsidiary Guarantor with respect to the Notes or to add collateral to secure the Notes;

(vii) [Reserved];

(viii) [Reserved];

(ix) to add to the covenants of the Issuer for the benefit of the holders or to surrender any right or power herein conferred upon the Issuer;

(x) to comply with any requirement of the SEC in connection with qualifying, or maintaining the qualification of, this Indenture under the TIA;

(xi) to make any change that does not adversely affect the rights of any holder; or

(xii) to provide for the issuance of Additional Notes, which shall have terms substantially identical in all material respects to the Initial Notes, and which shall be treated, together with any outstanding Initial Notes, as a single issue of securities.

SECTION 9.02 With Consent of the Holders.

(a) The Issuer and the Trustee may amend this Indenture or the Notes, with the written consent of the holders of at least a majority in principal amount of the Notes then outstanding voting as a single class (including consents obtained in connection with a tender offer or exchange for the Notes). However, without the consent of each holder of an outstanding Note affected, an amendment may not:

(1) reduce the amount of Notes whose holders must consent to an amendment,

(2) reduce the rate of or extend the time for payment of interest on any Note,

(3) reduce the principal of or change the Stated Maturity of any Note,

(4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed in accordance with Article III,

(5) make any Note payable in money other than that stated in such Note,

(6) expressly subordinate the Notes to any other Indebtedness of the Issuer,

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's Notes, or

(8) make any change in the amendment provisions which require each holder's consent or in the waiver provisions.

It shall not be necessary for the consent of the holders under this Section 9.02 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

After an amendment under this Section 9.02 becomes effective, the Issuer shall mail, or deliver electronically if held by the Depository, to the holders a notice briefly describing such amendment. The failure to give such notice to all holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.02.

SECTION 9.03 Compliance with Trust Indenture Act. From the date on which this Indenture is qualified under the TIA, if at all, every amendment, waiver or supplement to this Indenture or the Notes shall comply with the TIA as then in effect.

SECTION 9.04 Revocation and Effect of Consents and Waivers.

(a) A consent to an amendment or a waiver by a holder of a Note shall bind the holder and every subsequent holder of that Note or portion of the Note that evidences the same debt as the consenting holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such holder or subsequent holder may revoke the consent or waiver as to such holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date on which the Trustee receives an Officer's Certificate from the Issuer certifying that the requisite principal amount of Notes have consented. After an amendment or waiver becomes effective, it shall bind every holder. An amendment or waiver becomes effective upon the (i) receipt by the Issuer or the Trustee of consents by the holders of the requisite principal amount of securities, (ii) satisfaction of conditions to effectiveness as set forth in this Indenture and any indenture supplemental hereto containing such amendment or waiver and (iii) execution of such amendment or waiver (or supplemental indenture) by the Issuer and the Trustee.

(b) The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.05 Notation on or Exchange of Notes. If an amendment, supplement or waiver changes the terms of a Note, the Issuer may require the holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the holder. Alternatively, if the Issuer or the Trustee so determines, the Issuer in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make

the appropriate notation or to issue a new Note shall not affect the validity of such amendment, supplement or waiver.

SECTION 9.06 Trustee to Sign Amendments. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article IX if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment, the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and shall be provided with, and (subject to Section 7.01) shall be fully protected in relying upon, an Officer's Certificate and an Opinion of Counsel stating that such amendment, supplement or waiver is authorized or permitted by this Indenture and that such amendment, supplement or waiver is the legal, valid and binding obligation of the Issuer, enforceable against them in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof (including Section 9.03).

SECTION 9.07 Additional Voting Terms; Calculation of Principal Amount. All Notes issued under this Indenture shall vote and consent together on all matters (as to which any of such Notes may vote) as one class and no Notes will have the right to vote or consent as a separate class on any matter. Determinations as to whether holders of the requisite aggregate principal amount of Notes have concurred in any direction, waiver or consent shall be made in accordance with this Article IX and Section 2.14.

ARTICLE X

[RESERVED]

ARTICLE XI

[RESERVED]

ARTICLE XII

[RESERVED]

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01 [Reserved].

SECTION 13.02 Notices.

(a) Any notice or communication required or permitted hereunder shall be in writing and delivered in person, via facsimile or mailed by first-class mail addressed as follows:

if to the Issuer:

NCL Corporation Ltd.
7665 Corporate Center Drive
Miami, Florida 33126-1201
Telephone: (305) 436-4000
Facsimile: (305) 436-4117
Attn: General Counsel

if to the Trustee:

U.S. Bank National Association
60 Livingston Avenue
St. Paul, Minnesota 55107-1419
Telephone: (651) 466-6309
Facsimile: (651) 466-7430
Attn: Corporate Trust Services, Joshua Hahn

The Issuer or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(b) Any notice or communication mailed to a holder shall be mailed, first class mail, to the holder at the holder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

(c) Failure to mail a notice or communication to a holder or any defect in it shall not affect its sufficiency with respect to other holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it, except that notices to the Trustee are effective only if received.

SECTION 13.03 Communication by the Holders with Other Holders. The holders may communicate pursuant to Section 312(b) of the TIA with other holders with respect to their rights under this Indenture or the Notes. The Issuer, the Trustee, the Registrar and other Persons shall have the protection of Section 312(c) of the TIA.

SECTION 13.04 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture, the Issuer shall furnish to the Trustee at the request of the Trustee:

(a) an Officer's Certificate in form reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 13.05 Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture (other than pursuant to Section 4.09) shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with;*provided*, *however*, that with respect to matters of fact an Opinion of Counsel may rely on an Officer's Certificate or certificates of public officials.

SECTION 13.06 When Notes Disregarded. In determining whether the holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which the Trustee knows are so owned shall be so disregarded. Subject to the foregoing, only Notes outstanding at the time shall be considered in any such determination.

SECTION 13.07 Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by or a meeting of the holders. The Registrar and a Paying Agent may make reasonable rules for their functions.

SECTION 13.08 Legal Holidays. If a payment date is not a Business Day, payment shall be made on the next succeeding day that is a Business Day, and no interest shall accrue on any amount that would have been otherwise payable on such payment date if it were a Business Day for the intervening period. If a regular Record Date is not a Business Day, the Record Date shall not be affected.

SECTION 13.09 GOVERNING LAW. **THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.**

SECTION 13.10 No Recourse Against Others. No director, officer, employee, manager, incorporator or holder of any Equity Interests in the Issuer or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the Issuer under the Notes or this Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 13.11 Successors. All agreements of the Issuer in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 13.12 Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

SECTION 13.13 Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

SECTION 13.14 Indenture Controls. If and to the extent that any provision of the Notes limits, qualifies or conflicts with a provision of this Indenture, such provision of this Indenture shall control.

SECTION 13.15 Severability. In case any provision in this Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 13.16 [Reserved].

SECTION 13.17 Agent for Service; Submission to Jurisdiction; Waiver of Immunity.

(a) By the execution and delivery of this Indenture, the Issuer (i) acknowledges that it will, by separate written instrument, designate and appoint National Registered Agents, Inc. (and any successor entity) as its authorized agent upon which process may be served in any suit or proceeding arising out of or relating to this Indenture that may be instituted in any Federal or state court in the State of New York, New York County, or brought under Federal or state securities laws, and acknowledges that National Registered Agents, Inc. will accept such designation, (ii) submits for itself and its property to the non-exclusive jurisdiction of any such court in any such suit or proceeding, (iii) consents that any such proceeding may be brought in any such court and waives trial by jury and any objection that it may now or hereafter have to the venue of any such proceeding in any such court or that such proceeding was brought in any inconvenient court and agrees not to plead or claim the same, (iv) agrees that service of process upon National Registered Agents, Inc. and written notice of said service to the Issuer in accordance with Section 13.02 shall be deemed in every respect effective service of process upon the Issuer in any such suit or proceeding and (v) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

(b) To the extent that the Issuer may be entitled, in any jurisdiction in which judicial proceedings may at any time be commenced with respect to or arising out of this Indenture, to claim for itself or its revenues, assets or properties immunity (whether by reason of sovereignty or otherwise) from suit, from the jurisdiction of any court (including but not limited to any court of the United States of America or the State of New York), from attachment prior to judgment, from set-off, from execution of a judgment or from any other legal process, and to the extent that in any such jurisdiction there may be attributed such an immunity (whether or not claimed), the Issuer hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the extent permitted by law.

SECTION 13.18 WAIVER OF JURY TRIAL. **EACH OF THE ISSUER AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THE INDENTURE, THE NOTES OR THE TRANSACTION CONTEMPLATED HEREBY.**

SECTION 13.19 Security Advice Waiver. The Issuer acknowledges that regulations of the comptroller of the currency might grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur. The Issuer specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions, if any.

SECTION 13.20 U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (U.S.A. PATRIOT Act) Act of 2001, as amended (the "U.S.A. Patriot Act"), the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money

laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties hereto agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

NCL CORPORATION LTD.

By: /s/ WENDY A. BECK
Name: Wendy A. Beck
Title: Executive Vice President and Chief Financial Officer

[Signature Page to Indenture]

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ JOSHUA A. HAHN
Name: Joshua A. Hahn
Title: Vice President

[Signature Page to Indenture]

APPENDIX A

PROVISIONS RELATING TO INITIAL NOTES AND ADDITIONAL NOTES

1. Definitions.

1.1 Definitions.

For the purposes of this Appendix A the following terms shall have the meanings indicated below:

"Definitive Note" means a certificated Note (bearing the Restricted Notes Legend if the transfer of such Note is restricted by applicable law) that does not include the Global Notes Legend.

"Depository" means The Depository Trust Company, its nominees and their respective successors.

"Global Notes Legend" means the legend set forth under that caption in the applicable Exhibit to this Indenture.

"IAI" means an institutional "accredited investor" as described in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Initial Purchasers" means Barclays Capital Inc., J.P. Morgan Securities LLC, Deutsche Bank Securities Inc., Credit Agricole Securities (USA) Inc. and DNB Markets, Inc.

"Notes Custodian" means the custodian with respect to a Global Note (as appointed by the Depository) or any successor person thereto, who shall initially be the Trustee.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Notes" means all Initial Notes offered and sold outside the United States in reliance on Regulation S.

"Restricted Notes Legend" means the legend set forth in Section 2.2(f)(i) herein.

"Restricted Period," with respect to any Notes, means the period of 40 consecutive days beginning on and including the later of (a) the day on which such Notes are first offered to persons other than distributors (as defined in Regulation S under the Securities Act) in reliance on Regulation S, notice of which day shall be promptly given by the Issuer to the Trustee, and (b) the Issue Date, and with respect to any Additional

Notes that are Transfer Restricted Notes, it means the comparable period of 40 consecutive days.

"Rule 501" means Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Rule 144A" means Rule 144A under the Securities Act.

"Rule 144A Notes" means all Initial Notes offered and sold to QIBs in reliance on Rule 144A.

"Transfer Restricted Definitive Notes" means Definitive Notes that bear or are required to bear or are subject to the Restricted Notes Legend.

"Transfer Restricted Global Notes" means Global Notes that bear or are required to bear or are subject to the Restricted Notes Legend.

"Unrestricted Definitive Notes" means Definitive Notes that are not required to bear, or are not subject to, the Restricted Notes Legend.

"Unrestricted Global Notes" means Global Notes that are not required to bear, or are not subject to, the Restricted Notes Legend.

1.2 Other Definitions.

Term:	**Defined in Section:**
Agent Members	2.1(b)
Global Notes	2.1(b)
Regulation S Global Notes	2.1(b)
Rule 144A Global Notes	2.1(b)

2. The Notes.

2.1 Form and Dating; Global Notes.

(a) The Initial Notes issued on the date hereof will be (i) privately placed by the Issuer pursuant to the Offering Memorandum and (ii) sold, initially only to (1) QIBs in reliance on Rule 144A and (2) Persons other than U.S. Persons (as defined in Regulation S) in reliance on Regulation S. Such Initial Notes may thereafter be transferred to, among others, QIBs, purchasers in reliance on Regulation S and, except as set forth below, IAIs in accordance with Rule 501 or as otherwise permitted by the Issuer in connection with a transfer exempt from registration under the Securities Act. Additional Notes offered after the date hereof may be offered and sold by the Issuer from time to time pursuant to one or more agreements in accordance with applicable law.

(b) Global Notes. (i) Except as provided in clause (d) below, Rule 144A Notes initially shall be represented by one or more Notes in definitive, fully registered, global form without interest coupons (collectively, the "Rule 144A Global Notes").

Regulation S Notes initially shall be represented by one or more Notes in fully registered, global form without interest coupons (collectively, the "Regulation S Global Notes"), which shall be registered in the name of the Depository or the nominee of the Depository for the accounts of designated agents holding on behalf of Euroclear or Clearstream.

The term "Global Notes" means the Rule 144A Global Notes and the Regulation S Global Notes. The Global Notes shall bear the Global Note Legend. The Global Notes initially shall (i) be registered in the name of the Depository or the nominee of such Depository, in each case for credit to an account of an Agent Member, (ii) be delivered to the Trustee as custodian for such Depository and (iii) bear the Restricted Notes Legend.

Members of, or direct or indirect participants in, the Depository (collectively, the "Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depository, or the Trustee as its custodian, or under the Global Notes. The Depository may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the absolute owner of the Global Notes for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Trustee or any agent of the Issuer or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository, or impair, as between the Depository and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Note.

(ii) Transfers of Global Notes shall be limited to transfer in whole, but not in part, to the Depository, its successors or their respective nominees. Interests of beneficial owners in the Global Notes may be transferred or exchanged for Definitive Notes only in accordance with the applicable rules and procedures of the Depository and the provisions of Section 2.2. In addition, a Global Note shall be exchangeable for Definitive Notes if (x) the Depository (1) notifies the Issuer that it is unwilling or unable to continue as depository for such Global Note and the Issuer thereupon fails to appoint a successor depository or (2) has ceased to be a clearing agency registered under the Exchange Act or (y) there shall have occurred and be continuing an Event of Default with respect to such Global Note; *provided* that in no event shall the Regulation S Global Note be exchanged by the Issuer for Definitive Notes prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act. In all cases, Definitive Notes delivered in exchange for any Global Note or beneficial interests therein shall be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depository in accordance with its customary procedures.

(iii) In connection with the transfer of a Global Note as an entirety to beneficial owners pursuant to subsection (i) of this Section 2.1(b), such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer shall execute, and the Trustee shall authenticate and make available for

delivery, to each beneficial owner identified by the Depository in writing in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Definitive Notes of authorized denominations.

(iv) Any Transfer Restricted Note delivered in exchange for an interest in a Global Note pursuant to Section 2.2 shall, except as otherwise provided in Section 2.2, bear the Restricted Notes Legend.

(v) Notwithstanding the foregoing, through the Restricted Period, a beneficial interest in a Regulation S Global Note may be held only through Euroclear or Clearstream unless delivery is made in accordance with the applicable provisions of Section 2.2.

(vi) The holder of any Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a holder is entitled to take under this Indenture or the Notes.

2.2 Transfer and Exchange.

(a) Transfer and Exchange of Global Notes A Global Note may not be transferred as a whole except as set forth in Section 2.1(b). Global Notes will not be exchanged by the Issuer for Definitive Notes except under the circumstances described in Section 2.1(b)(ii). Global Notes also may be exchanged or replaced, in whole or in part, as provided in Section 2.08 of this Indenture. Beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.2(b).

(b) Transfer and Exchange of Beneficial Interests in Global Notes The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depository, in accordance with the provisions of this Indenture and the applicable rules and procedures of the Depository. Beneficial interests in Transfer Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Beneficial interests in Global Notes shall be transferred or exchanged only for beneficial interests in Global Notes. Transfers and exchanges of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note Beneficial interests in any Transfer Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Transfer Restricted Global Note in accordance with the transfer restrictions set forth in the Restricted Notes Legend; *provided*, *however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in a Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person. A beneficial interest in an Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial

interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.2(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes In connection with all transfers and exchanges of beneficial interests in any Global Note that is not subject to Section 2.2(b)(i), the transferor of such beneficial interest must deliver to the Registrar (1) a written order from an Agent Member given to the Depository in accordance with the applicable rules and procedures of the Depository directing the Depository to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the applicable rules and procedures of the Depository containing information regarding the Agent Member account to be credited with such increase. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note pursuant to Section 2.2(i).

(iii) Transfer of Beneficial Interests to Another Restricted Global Note A beneficial interest in a Transfer Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Transfer Restricted Global Note if the transfer complies with the requirements of Section 2.2(b)(ii) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in a Rule 144A Global Note, then the transferor must deliver a certificate in the form attached to the applicable Note; and

(B) if the transferee will take delivery in the form of a beneficial interest in a Regulation S Global Note, then the transferor must deliver a certificate in the form attached to the applicable Note.

(iv) Transfer and Exchange of Beneficial Interests in a Transfer Restricted Global Note for Beneficial Interests in an Unrestricted Global Note A beneficial interest in a Transfer Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.2(b)(ii) above and the Registrar receives the following:

(A) if the holder of such beneficial interest in a Transfer Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form attached to the applicable Note; or

(B) if the holder of such beneficial interest in a Transfer Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form attached to the applicable Note,

and, in each such case, if the Issuer or the Registrar so requests or if the applicable rules and procedures of the Depository so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Notes Legend are no longer required in order to maintain compliance with the Securities Act. If any such transfer or exchange is effected pursuant to this subparagraph (iv) at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an written order of the Issuer in the form of an Officer's Certificate in accordance with Section 2.01, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred or exchanged pursuant to this subparagraph (iv).

(v) Transfer and Exchange of Beneficial Interests in an Unrestricted Global Note for Beneficial Interests in a Transfer Restricted Global Note Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Transfer Restricted Global Note.

(c) Transfer and Exchange of Beneficial Interests in Global Notes for Definitive Notes A beneficial interest in a Global Note may not be exchanged for a Definitive Note except under the circumstances described in Section 2.1(b)(ii). A beneficial interest in a Global Note may not be transferred to a Person who takes delivery thereof in the form of a Definitive Note except under the circumstances described in Section 2.1(b)(ii). In any case, beneficial interests in Global Notes shall be transferred or exchanged only for Definitive Notes.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests in Global Notes Transfers and exchanges of Definitive Notes for beneficial interests in the Global Notes also shall require compliance with either subparagraph (i), (ii) or (iii) below, as applicable:

(i) Transfer Restricted Definitive Notes to Beneficial Interests in Transfer Restricted Global Notes If any holder of a Transfer Restricted Definitive Note proposes to exchange such Transfer Restricted Definitive Note for a beneficial interest in a Transfer Restricted Global Note or to transfer such Transfer Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such Transfer Restricted Definitive Note proposes to exchange such Transfer Restricted Note for a beneficial interest in a Transfer Restricted Global Note, a certificate from such holder in the form attached to the applicable Note;

(B) if such Transfer Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate from such holder in the form attached to the applicable Note;

(C) if such Transfer Restricted Definitive Note is being transferred to a Non U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate from such holder in the form attached to the applicable Note;

(D) if such Transfer Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate from such holder in the form attached to the applicable Note;

(E) if such Transfer Restricted Definitive Note is being transferred to an IAI in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate from such holder in the form attached to the applicable Note, including the certifications, certificates and Opinion of Counsel, if applicable; or

(F) if such Transfer Restricted Definitive Note is being transferred to the Issuer or a Subsidiary thereof, a certificate from such holder in the form attached to the applicable Note;

the Trustee shall cancel the Transfer Restricted Definitive Note, and increase or cause to be increased the aggregate principal amount of the appropriate Transfer Restricted Global Note.

(ii) Transfer Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes A holder of a Transfer Restricted Definitive Note may exchange such Transfer Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note or transfer such Transfer Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if the Registrar receives the following:

(A) if the holder of such Transfer Restricted Definitive Note proposes to exchange such Transfer Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form attached to the applicable Note; or

(B) if the holder of such Transfer Restricted Definitive Notes proposes to transfer such Transfer Restricted Definitive Note to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form attached to the applicable Note,

and, in each such case, if the Issuer or the Registrar so requests or if the applicable rules and procedures of the Depository so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Notes Legend are no longer required in order to maintain compliance with the Securities Act. Upon satisfaction of the conditions of this subparagraph (ii), the Trustee shall cancel the Transfer Restricted Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note. If any such transfer or exchange is effected pursuant to this subparagraph (ii) at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an written order of the Issuer in the form of an Officer's Certificate, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of Transfer Restricted Notes transferred or exchanged pursuant to this subparagraph (ii).

(iii) Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A holder of an Unrestricted Definitive Note may exchange such Unrestricted Definitive Note for a beneficial interest in an Unrestricted Global Note or transfer such Unrestricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes. If any such transfer or exchange is effected pursuant to this subparagraph (iii) at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an written order of the Issuer in the form of an Officer's Certificate, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of Unrestricted Definitive Notes transferred or exchanged pursuant to this subparagraph (iii).

(iv) Unrestricted Definitive Notes to Beneficial Interests in Transfer Restricted Global Notes. An Unrestricted Definitive Note cannot be exchanged for, or transferred to a Person who takes delivery thereof in the form of, a beneficial interest in a Transfer Restricted Global Note.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a holder of Definitive Notes and such holder's compliance with the provisions of this Section 2.2(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting holder

shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such holder or by its attorney, duly authorized in writing. In addition, the requesting holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.2(e).

(i) Transfer Restricted Definitive Notes to Transfer Restricted Definitive Notes. A Transfer Restricted Note may be transferred to and registered in the name of a Person who takes delivery thereof in the form of a Transfer Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form attached to the applicable Note;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904 under the Securities Act, then the transferor must deliver a certificate in the form attached to the applicable Note;

(C) if the transfer will be made pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate in the form attached to the applicable Note;

(D) if the transfer will be made to an IAI in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (A) through (D) above, a certificate in the form attached to the applicable Note; and

(E) if such transfer will be made to the Issuer or a Subsidiary thereof, a certificate in the form attached to the applicable Note.

(ii) Transfer Restricted Definitive Notes to Unrestricted Definitive Notes. Any Transfer Restricted Definitive Note may be exchanged by the holder thereof for an Unrestricted Definitive Note or transferred to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

(A) if the holder of such Transfer Restricted Definitive Note proposes to exchange such Transfer Restricted Definitive Note for an Unrestricted Definitive Note, a certificate from such holder in the form attached to the applicable Note; or

(B) if the holder of such Transfer Restricted Definitive Note proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder in the form attached to the applicable Note,

and, in each such case, if the Issuer or the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Issuer and the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Notes Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A holder of an Unrestricted Definitive Note may transfer such Unrestricted Definitive Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note at any time. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the holder thereof.

(iv) Unrestricted Definitive Notes to Transfer Restricted Definitive Notes. An Unrestricted Definitive Note cannot be exchanged for, or transferred to a Person who takes delivery thereof in the form of, a Transfer Restricted Definitive Note.

At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.12. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such increase.

(f) Legend.

(i) Except as permitted by the following paragraph (iii), (iv) or (v), each Note certificate evidencing the Global Notes and any Definitive Notes (and all Notes issued in exchange therefor or in substitution thereof) shall bear a legend in substantially the following form (each defined term in the legend being defined as such for purposes of the legend only) (the "Restricted Notes Legend"):

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT AS SET FORTH IN THE FOLLOWING

SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER:

(1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE "SECURITIES ACT") (A "QIB") OR (B) IT IS NOT A U.S. PERSON, IS NOT ACQUIRING THIS SECURITY FOR THE ACCOUNT OR FOR THE BENEFIT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT,

(2) AGREES THAT IT WILL NOT WITHIN ONE YEAR AFTER THE LATER OF (X) ORIGINAL ISSUANCE OF THIS SECURITY AND (Y) THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QIB IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (PROVIDED THAT PRIOR TO SUCH TRANSFER, THE TRUSTEE IS FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO THE ISSUER THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT) OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, AND

(3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY OR AN INTEREST HEREIN IS TRANSFERRED (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(D) OR (2)(E) ABOVE) A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY OR ANY INTEREST HEREIN WITHIN THE TIME PERIOD REFERRED TO ABOVE, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. AS USED HEREIN THE TERMS "OFFSHORE

TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANING GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT.

Each Definitive Note shall bear the following additional legends:

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

(ii) Upon any sale or transfer of a Transfer Restricted Definitive Note, the Registrar shall permit the holder thereof to exchange such Transfer Restricted Note for a Definitive Note that does not bear the legends set forth above and rescind any restriction on the transfer of such Transfer Restricted Definitive Note if the holder certifies in writing to the Registrar that its request for such exchange was made in reliance on Rule 144 (such certification to be in the form set forth on the reverse of the Initial Note).

(iii) Upon a sale or transfer after the expiration of the Restricted Period of any Initial Note acquired pursuant to Regulation S, all requirements that such Initial Note bear the Restricted Notes Legend shall cease to apply and the requirements requiring any such Initial Note be issued in global form shall continue to apply.

(iv) Any Additional Notes sold in a registered offering shall not be required to bear the Restricted Notes Legend.

(g) Cancellation or Adjustment of Global Note. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11 of this Indenture. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such increase.

(h) Obligations with Respect to Transfers and Exchanges of Notes

(i) To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate, Definitive Notes and Global Notes at the Registrar's request.

(ii) No service charge shall be made for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charge payable upon exchanges pursuant to Sections 3.06, 4.06, 4.08 and 9.05 of this Indenture).

(iii) Prior to the due presentation for registration of transfer of any Note, the Issuer, the Trustee, a Paying Agent or the Registrar may deem and treat the person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Issuer, the Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

(iv) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

(i) No Obligation of the Trustee.

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of a Global Note, a member of, or a participant in the Depository or any other Person with respect to the accuracy of the records of the Depository or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depository) of any notice (including any notice of redemption or repurchase) or the payment of any amount, under or with respect to such Notes. All notices and communications to be given to the holders and all payments to be made to the holders under the Notes shall be given or made only to the registered holders (which shall be the Depository or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through the Depository subject to the applicable rules and procedures of the Depository. The Trustee may rely and shall be fully protected in relying upon information furnished by the Depository with respect to its members, participants and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depository participants, members or beneficial owners in any Global Note) other than to require delivery

of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

EXHIBIT A

[FORM OF FACE OF NOTE]

[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[Restricted Notes Legend]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER:

(1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE "SECURITIES ACT") (A "QIB") OR (B) IT IS NOT A U.S. PERSON, IS NOT ACQUIRING THIS SECURITY FOR THE ACCOUNT OR FOR THE BENEFIT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT,

(2) AGREES THAT IT WILL NOT WITHIN ONE YEAR AFTER THE LATER OF (X) ORIGINAL ISSUANCE OF THIS SECURITY AND (Y) THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH

SECURITY) RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QIB IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (PROVIDED THAT PRIOR TO SUCH TRANSFER, THE TRUSTEE IS FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO THE ISSUER THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT) OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, AND

(3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY OR AN INTEREST HEREIN IS TRANSFERRED (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(D) OR (2)(E) ABOVE) A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY OR ANY INTEREST HEREIN WITHIN THE TIME PERIOD REFERRED TO ABOVE, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. AS USED HEREIN THE TERMS “OFFSHORE TRANSACTION,” “UNITED STATES” AND “U.S. PERSON” HAVE THE MEANING GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT.

Each Definitive Note shall bear the following additional legends:

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

[FORM OF NOTE]

No. [ ]

144A CUSIP No. [ ]
144A ISIN No. [ ]
REG S CUSIP No. [ ]
REG S ISIN No. [ ]
$[ ]

5.25% Senior Notes due 2019

NCL CORPORATION LTD., a company organized under the laws of Bermuda, promises to pay to Cede & Co., or registered assigns, the principal sum set forth on the Schedule of Increases or Decreases in Global Note attached hereto on November 15, 2019.

Interest Payment Dates: May 15 and November 15, commencing [ ][1]

Record Dates: May 1 and November 1

Additional provisions of this Note are set forth on the other side of this Note.

1 To be May 15, 2015 for Notes issued on November 19, 2014.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

NCL CORPORATION LTD.

By: _____
Name:
Title:

Dated:

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

U.S. BANK NATIONAL ASSOCIATION
as Trustee, certifies that this is
one of the Notes
referred to in the Indenture.

By: _____
Authorized Signatory

Dated: _____

*/ If the Note is to be issued in global form, add the Global Notes Legend and the attachment from Exhibit A captioned "TO BE ATTACHED TO GLOBAL NOTES - SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE."

[FORM OF REVERSE SIDE NOTE]

5.25% Senior Notes due 2019

1. Interest

NCL CORPORATION LTD, a company organized under the laws of Bermuda (and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Issuer"), promises to pay interest on the principal amount of this Note at the rate per annum shown above. The Issuer shall pay interest semiannually on May 15 and November 15 of each year (each an "Interest Payment Date"), commencing [ ][2]. Interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from November 19, 2014, until the principal hereof is due. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Issuer shall pay interest on overdue principal at the rate borne by the Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

2. Method of Payment

The Issuer shall pay interest on the Notes (except defaulted interest) to the Persons who are registered holders at the close of business on May 1 and November 1 (each a "Record Date") next preceding the Interest Payment Date even if Notes are canceled after the Record Date and on or before the Interest Payment Date (whether or not a Business Day). Holders must surrender Notes to the Paying Agent to collect principal payments. The Issuer shall pay principal, premium, if any, and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by a Global Note (including principal, premium, if any, and interest) shall be made by wire transfer of immediately available funds to the accounts specified by the Depository or any successor depositary. The Issuer shall make all payments in respect of a certificated Note (including principal, premium, if any, and interest) at the office of the Paying Agent, except that, at the option of the Issuer, payment of interest may be made by mailing a check to the registered address of each holder thereof; *provided*, *however*, that payments on the Notes may also be made, in the case of a holder of at least $1,000,000 aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such holder elects payment by wire transfer by giving written notice to the Trustee or Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, U.S. Bank National Association (the "Trustee"), will act as Paying Agent and Registrar. The Issuer may appoint and change any Paying Agent or

[2] To be May 15, 2015 for Notes issued on November 19, 2014.

Registrar without notice. The Issuer or any of its domestically incorporated Subsidiaries may act as Paying Agent or Registrar.

4. Indenture

The Issuer issued the Notes under an Indenture dated as of November 19, 2014 (the "Indenture"), between the Issuer and the Trustee. The terms of the Notes include those stated in the Indenture. Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and the holders (as defined in the Indenture) are referred to the Indenture for a statement of such terms and provisions.

The Notes are senior unsecured obligations of the Issuer. This Note is one of the Initial Notes referred to in the Indenture. The Notes include the Initial Notes and any Additional Notes. The Initial Notes and any Additional Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Issuer and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, Incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of the Issuer and such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or Incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of the Issuer to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of its property.

To guarantee the due and punctual payment of the principal and interest on the Notes and all other amounts payable by the Issuer under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, any future Subsidiary Guarantor that executes a Subsidiary Guarantee will unconditionally guarantee the Guaranteed Obligations on a senior unsecured basis pursuant to the terms of the Indenture.

5. Additional Amounts

All payments made by the Issuer under or with respect to the Notes will be made free and clear of and without withholding or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, "Taxes") unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which the Issuer is then incorporated, or resident or doing business for tax purposes or any department or political subdivision thereof or therein or (2) any jurisdiction from or through which payment is made or any department or political subdivision thereof or therein (each, a "Tax Jurisdiction"), will at any time be required to be made from any payments made by the Issuer under or with respect to the Notes including payments of principal, redemption price, purchase price, interest or

premium, the Issuer will pay such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments by each holder after such withholding or deduction (including any such deduction or withholding from such Additional Amounts) will equal the respective amounts which would have been received in respect of such payments in the absence of such withholding or deduction; *provided*, *however*, that no Additional Amounts will be payable with respect to: (1) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any present or former connection between the holder or the beneficial owner of the Notes and the relevant Tax Jurisdiction (other than solely from the mere acquisition, ownership, holding or disposition of such Note, the enforcement of rights under such Note and/or the receipt of any payments in respect of such Note); (2) any Taxes, to the extent such Taxes would not have been imposed but for the failure of the holder or the beneficial owner of the Notes, following the Issuer's written request to the holder, at least 30 days before any such withholding or deduction would be payable, to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or the beneficial owner is legally entitled to provide such certification or documentation; (3) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the note been presented on the last day of such 30 day period); (4) any estate, inheritance, gift, sales, transfer, personal property or similar tax or assessment; (5) any Taxes payable otherwise than by deduction or withholding from payments made under or with respect to any Note; or (6) any combination of the above items.

In addition to the foregoing, the Issuer will also pay and indemnify the holder for any present or future stamp, issue, registration, transfer, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and other liabilities related thereto) which are levied by any jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, the Indenture, or any other document or instrument referred to therein, or the receipt of any payments with respect to, or enforcement of, the Notes (such sum being recoverable from the Issuer as a liquidated sum payable as a debt).

If the Issuer becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes, the Issuer will deliver to the Trustee on a date which is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Issuer shall notify the Trustee promptly thereafter) notice stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The notice must also set forth any other information reasonably necessary to enable the Paying Agents to pay Additional Amounts to holders on the relevant payment

date. The Issuer will provide the Trustee with documentation evidencing the payment of Additional Amounts.

The Issuer will make all withholdings and deductions (within the time period and in the minimum amount) required by law and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer will furnish to the Trustee (or to a holder upon request), within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to Trustee) by such entity.

Whenever in the Indenture there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes, such mention shall be deemed to include the payment of Additional Amounts, if applicable.

The above obligations will survive any termination, defeasance or discharge of the Indenture and will apply,*mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer is incorporated, or resident or doing business for tax purposes or any jurisdiction from or through which such Person makes any payment on the Notes and any department or political subdivision thereof or therein.

6. Optional Redemption

On or after November 15, 2016, the Issuer may redeem the Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, or delivered electronically if held by the Depository, at the following redemption prices (expressed as a percentage of principal amount), *plus* accrued and unpaid interest to, but excluding, the redemption date (subject to the right of holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date), if redeemed during the 12-month period commencing on November 15 of the years set forth below:

Period	Redemption Price
2016	102.625%
2017 and thereafter	100.000%

In addition, prior to November 15, 2016, the Issuer may redeem the Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, or delivered electronically if held by the Depository, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest to, but excluding, the applicable redemption date

(subject to the right of holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date).

Notwithstanding the foregoing, at any time and from time to time on or prior to November 15, 2016, the Issuer may also redeem in the aggregate up to 40% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes) in an aggregate amount equal to the net cash proceeds of one or more Equity Offerings (1) by the Issuer or (2) by any direct or indirect parent of the Issuer to the extent the net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from it, at a redemption price (expressed as a percentage of principal amount thereof) of 105.25%, *plus* accrued and unpaid interest to, but excluding, the redemption date (subject to the right of holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date); *provided*, *however*, that at least 60% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes) must remain outstanding after each such redemption; *provided*, *further*, that such redemption shall occur within 180 days after the date on which any such Equity Offering is consummated upon not less than 30 nor more than 60 days' notice mailed, or delivered electronically if held by the Depository, to each holder of Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof, and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering in the case of a redemption upon completion of an Equity Offering. The Issuer shall set forth in the notice of any redemption subject to such conditions precedent how the Issuer intends to proceed in the event that one or more of such conditions are not met.

7. Mandatory Redemption

The Issuer shall not be required to make any mandatory redemption or sinking fund payments with respect to the Notes.

8. Notice of Redemption

Notice of redemption will be mailed by first-class mail, or delivered electronically if held by the Depository, at least 30 days but not more than 60 days before the redemption date to each holder of Notes to be redeemed at his, her or its registered address. Notes in denominations larger than $2,000 may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes (or portions thereof) to be redeemed on the redemption date is deposited with a Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date, interest ceases to accrue on such Notes (or such portions thereof) called for redemption.

9. Redemption for Changes in Taxes

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 30 nor more than 60 days' prior written notice to the holders**,** at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the redemption date and all Additional Amounts, (if any), which otherwise would be payable, if on the next date on which any amount would be payable in respect of the Notes, the Issuer would be required to pay Additional Amounts, and the Issuer cannot avoid any such payment obligation by taking reasonable measures available to it, as a result of: (1) any amendment to, or change in, the laws or any regulations or rulings promulgated thereunder of a relevant Tax Jurisdiction which is announced and becomes effective after the date of the Offering Memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of the Offering Memorandum, such later date); or (2) any amendment to, or change in, an official interpretation or application regarding such laws, regulations or rulings, including by virtue of a holding, judgment or order by a court of competent jurisdiction which is announced and becomes effective after the date of the Offering Memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of the Offering Memorandum, such later date).

The Issuer will not give any such notice of redemption earlier than 90 days prior to the earliest date on which the Issuer would be obligated to make such payment or withholding if a payment in respect of the Notes were then due, and, at the time such notice is given, the obligation to pay Additional Amounts must remain in effect.

Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (i) an opinion of independent tax counsel, the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld) to the effect that there has been such change or amendment which would entitle the Issuer to redeem the Notes hereunder and (ii) a certificate signed by an officer of the Issuer stated that the Issuer cannot avoid any obligation to pay Additional Amounts by taking reasonable measures available to it.

10. Repurchase of Notes at the Option of the Holders upon Change of Control and Asset Sales

Upon the occurrence of a Change of Control, each holder shall have the right, subject to certain conditions specified in the Indenture, to cause the Issuer to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase (subject to the right of the holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date), as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.06 of the Indenture, the Issuer will be required to offer to purchase Notes upon the occurrence of certain events.

11. Ranking

These Notes and any Subsidiary Guarantee by a Subsidiary Guarantor, if any, will be senior unsecured obligations of the Issuer or such Subsidiary Guarantors.

12. Denominations; Transfer; Exchange

The Notes are in registered form, without coupons, in denominations of $2,000 and any integral multiple of $1,000 in excess thereof. A holder shall register the transfer of or exchange of Notes in accordance with the Indenture. Upon any registration of transfer or exchange, the Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or to transfer or exchange any Notes for a period of 15 days prior to a selection of Notes to be redeemed.

13. Persons Deemed Owners

The registered holder of this Note shall be treated as the owner of it for all purposes.

14. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee and a Paying Agent shall pay the money back to the Issuer at their written request unless an abandoned property law designates another Person. After any such payment, the holders entitled to the money must look to the Issuer for payment as general creditors and the Trustee and a Paying Agent shall have no further liability with respect to such monies.

15. Discharge and Defeasance

Subject to certain conditions, the Issuer at any time may terminate some of or all its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee cash or U.S. Government Obligations for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

16. Amendment; Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding Notes and (ii) any past default or compliance with any provisions may be waived with the written consent of the holders of at least a majority in principal amount of the outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any holder, the Issuer and the Trustee may amend the Indenture or the Notes (i) to cure any ambiguity, omission, mistake, defect or inconsistency; (ii) to provide for the assumption by a Successor Issuer

of the obligations of the Issuer under the Indenture and the Notes; (iii) [Reserved]; (iv) to provide for uncertificated Notes in addition to or in place of certificated Notes; *provided*, *however*, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code; (v) to conform the text of the Indenture or the Notes to any provision of the "Description of Notes" in the Offering Memorandum to the extent that such provision in the "Description of Notes" was intended to be a verbatim recitation of a provision of the Indenture or the Notes; (vi) to add a Subsidiary Guarantor with respect to the Notes or to add collateral to secure the Notes; (vii) [Reserved]; (viii) [Reserved]; (ix) to add to the covenants of the Issuer for the benefit of the holders or to surrender any right or power conferred upon the Issuer by the Indenture; (x) to comply with any requirement of the SEC in connection with qualifying or maintaining the qualification of, the Indenture under the TIA; (xi) to make any change that does not adversely affect the rights of any holder; or (xii) to provide for the issuance of Additional Notes, which shall have terms substantially identical in all material respects to the Initial Notes, and which shall be treated, together with any outstanding Initial Notes, as a single issue of securities.

17. Defaults and Remedies

If an Event of Default (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) occurs and is continuing, the Trustee by notice to the Issuer, or the holders of at least 25% in principal amount of the outstanding Notes, in each case, by notice to the Issuer, with a copy to the Trustee, may declare the principal of, premium, if any, and accrued but unpaid interest on all the Notes to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs, the principal of, premium, if any, and interest on all the Notes shall become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

If an Event of Default occurs and is continuing, the Trustee shall be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee reasonable indemnity or security satisfactory to the Trustee against any loss, liability or expense and certain other conditions are complied with. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes unless (i) such holder has previously given the Trustee notice that an Event of Default is continuing, (ii) the holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee in writing to pursue the remedy, (iii) such holders have offered the Trustee reasonable security or indemnity satisfactory to the Trustee against any loss, liability or expense, (iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the holders of a

majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

18. Trustee Dealings with the Issuer

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer or its Affiliates and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee.

19. No Recourse Against Others

No director, officer, employee, manager, incorporator or holder of any Equity Interests in the Issuer or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the Issuer under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability.

20. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Note.

21. Abbreviations

Customary abbreviations may be used in the name of a holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

22. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

23. CUSIP Numbers; ISINs

The Issuer has caused CUSIP numbers and ISINs to be printed on the Notes and has directed the Trustee to use CUSIP numbers and ISINs in notices of

redemption as a convenience to the holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Issuer will furnish to any holder of Notes upon written request and without charge to the holder a copy of the Indenture which has in it the text of this Note.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

_____

(Print or type assignee's name, address and zip code)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: _____ Your Signature: _____

_____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee:

Date: _____

_____

Signature of Signature Guarantee

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR

REGISTRATION OF TRANSFER RESTRICTED SECURITIES

This certificate relates to $_____ principal amount of Notes held in (check applicable space) ____ book-entry or _____ definitive form by the undersigned.

The undersigned (check one box below):

☐ has requested the Trustee by written order to deliver in exchange for its beneficial interest in the Global Note held by the Depository a Note or Notes in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above);

☐ has requested the Trustee by written order to exchange or register the transfer of a Note or Notes.

In connection with any transfer of any of the Notes evidenced by this certificate occurring while this Note is still a Transfer Restricted Definitive Note or a Transfer Restricted Global Note, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) ☐ to the Issuer; or
(2) ☐ to the Registrar for registration in the name of the holder, without transfer; or
(3) ☐ pursuant to an effective registration statement under the Securities Act of 1933; or
(4) ☐ inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or
(5) ☐ outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933 and such Note shall be held immediately after the transfer through Euroclear or Clearstream until the expiration of the Restricted Period (as defined in the Indenture); or
(6) ☐ to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933) that has furnished to the Trustee a signed letter containing certain representations and agreements; or
(7) ☐ pursuant to another available exemption from registration provided by Rule 144 under the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered holder thereof; *provided*, *however*, that if box (5), (6) or (7) is checked, the Issuer or the Trustee may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Issuer or the Trustee have reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

Date: _____ Your Signature: _____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee:

Date: _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

_____
Signature of Signature Guarantee

TO BE COMPLETED BY PURCHASER IF (4) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date: _____

NOTICE: To be executed by an executive officer

[TO BE ATTACHED TO GLOBAL NOTES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The initial principal amount of this Global Note is $_____. The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Notes Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, check the box:

Asset Sale ☐ Change of Control ☐

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, state the amount ($2,000 or any integral multiple of $1,000):

$

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

EXHIBIT B

[FORM OF TRANSFEREE LETTER OF REPRESENTATION]

TRANSFEREE LETTER OF REPRESENTATION

NCL Corporation Ltd.
c/o U.S. Bank National Association
Corporate Trust Services
EP-MN-W53C
60 Livingston Avenue
St. Paul, Minnesota 55107-1419
Attention: Vice President

Ladies and Gentlemen:

This certificate is delivered to request a transfer of $[ ] principal amount of the 5.25% Senior Notes due 2019 (the "Notes") of NCL Corporation Ltd. (the "Issuer").

Upon transfer, the Notes would be registered in the name of the new beneficial owner as follows:

Name: _____

Address: _____

Taxpayer ID Number: _____

The undersigned represents and warrants to you that:

1. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "Securities Act")), purchasing for our own account or for the account of such an institutional "accredited investor" at least $100,000 principal amount of the Notes, and we are acquiring the Notes not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we invest in or purchase securities similar to the Notes in the normal course of our business. We, and any accounts for which we are acting, are each able to bear the economic risk of our or its investment.

2. We understand that the Notes have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. We agree on our own behalf and on behalf of any investor account for which we are purchasing Notes to offer, sell or otherwise transfer such Notes prior to the date that is one year after the later of the date of original issue and the last date on which either the Issuer or any affiliate of such Issuer was the owner of such Notes (or any

predecessor thereto) (the "Resale Restriction Termination Date") only (a) in the United States to a person whom we reasonably believe is a qualified institutional buyer (as defined in rule 144A under the Securities Act) in a transaction meeting the requirements of Rule 144A, (b) outside the United States in an offshore transaction in accordance with Rule 904 of Regulation S under the Securities Act, (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if applicable) or (d) pursuant to an effective registration statement under the Securities Act, in each of cases (a) through (d) in accordance with any applicable securities laws of any state of the United States. In addition, we will, and each subsequent holder is required to, notify any purchaser of the Note evidenced hereby of the resale restrictions set forth above. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Notes is proposed to be made to an institutional "accredited investor" prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this letter to the Issuer and the Trustee, which shall provide, among other things, that the transferee is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and that it is acquiring such Notes for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that the Issuer and the Trustee reserve the right prior to the offer, sale or other transfer prior to the Resale Restriction Termination Date of the Notes pursuant to clause 1(b), 1(c) or 1(d) above to require the delivery of an opinion of counsel, certifications or other information satisfactory to the Issuer and the Trustee.

Dated: _____

TRANSFEREE: _____

By: _____

EXHIBIT C

[FORM OF SUPPLEMENTAL INDENTURE]

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture") dated as of [ ], among [SUBSIDIARY GUARANTOR] (the "New Subsidiary Guarantor"), a subsidiary of NCL CORPORATION LTD. (or its successor), a company organized under the laws of Bermuda (the "Issuer"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee under the indenture referred to below (the "Trustee").

W I T N E S S E T H :

WHEREAS the Issuer has heretofore executed and delivered to the Trustee an indenture (as amended, supplemented or otherwise modified, the "Indenture") dated as of November 19, 2014, providing for the issuance of the Issuer's 5.25% Senior Notes due 2019 (the "Notes"), initially in the aggregate principal amount of $680,000,000;

WHEREAS Section 4.11 of the Indenture provides that under certain circumstances the Issuer is required to cause the New Subsidiary Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Subsidiary Guarantor shall unconditionally guarantee all the Issuer's Obligations under the Notes and the Indenture pursuant to a Subsidiary Guarantee on the terms and conditions set forth herein; and

WHEREAS pursuant to Section 9.01 of the Indenture, the Trustee, the Issuer, the Subsidiary Guarantors [and other existing Subsidiary Guarantors, if any,] are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Subsidiary Guarantor, [the Subsidiary Guarantors,] the Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term "holders" in this Supplemental Indenture shall refer to the term "holders" as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such holders. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. [Amendment to Indenture;][3] Agreement to Guarantee.

(a) [Article XII of the Indenture is hereby amended in its entirety by adding a new Article XII in the form of Annex A to this Supplemental Indenture.]

(b) The New Subsidiary Guarantor hereby agrees, jointly and severally with all existing guarantors (if any), to unconditionally guarantee the Issuer's Obligations under the Notes and the Indenture on the terms and subject to the conditions set forth in Article XII of the Indenture[, as amended by this Supplemental Indenture,] and to be bound by all other applicable provisions of the Indenture and the Notes and to perform all of the obligations and agreements of a guarantor under the Indenture.

3. Notices. All notices or other communications to the New Subsidiary Guarantor shall be given as provided in Section 13.02 of the Indenture.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.**

6. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

8. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

[*Remainder of page intentionally left blank.*]

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3 ***For inclusion the first time a Subsidiary Guarantor becomes party to the Indenture.***

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

NCL CORPORATION LTD.

By: _____
Name:
Title:

[**NEW SUBSIDIARY GUARANTOR**]

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Name:
Title:

Annex A

ARTICLE XII

GUARANTEE

SECTION 12.01 Guarantee.

(a) To the extent applicable, each of the Subsidiary Guarantors hereby jointly and severally, irrevocably and unconditionally guarantees on a senior unsecured basis as a primary obligor and not merely as a surety, to each holder and to the Trustee and its successors and assigns (i) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Issuer under this Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, premium, if any, or interest on in respect of the Notes and all other monetary obligations of the Issuer under this Indenture and the Notes and (ii) the full and punctual performance within applicable grace periods of all other obligations of the Issuer whether for fees, expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). Each Subsidiary Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from any Subsidiary Guarantor, and that each Subsidiary Guarantor shall remain bound under this Article XII notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) To the extent applicable, each Subsidiary Guarantor waives presentation to, demand of payment from and protest to the Issuer of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Subsidiary Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Subsidiary Guarantor hereunder shall not be affected by (i) the failure of any holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Indenture, the Notes or any other agreement or otherwise; (ii) any extension or renewal of this Indenture, the Notes or any other agreement; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (iv) the release of any security held by any holder or the Trustee for the Guaranteed Obligations or each Subsidiary Guarantor; (v) the failure of any holder or Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (vi) any change in the ownership of each Subsidiary Guarantor, except as provided in Section 12.02(b). Each Subsidiary Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Subsidiary Guarantors, such that such Subsidiary Guarantor's obligations would be less than the full amount claimed.

(c) Each Subsidiary Guarantor hereby waives any right to which it may be entitled to have the assets of the Issuer first be used and depleted as payment of the Issuer's or such Subsidiary Guarantor's obligations hereunder prior to any amounts

being claimed from or paid by such Subsidiary Guarantor hereunder. Each Subsidiary Guarantor hereby waives any right to which it may be entitled to require that the Issuer be sued prior to an action being initiated against such Subsidiary Guarantor.

(d) Each Subsidiary Guarantor further agrees that its Subsidiary Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any holder or the Trustee to any security held for payment of the Guaranteed Obligations.

(e) The Subsidiary Guarantee of each Subsidiary Guarantor is, to the extent and in the manner set forth in Article XII, equal in right of payment to all existing and future Indebtedness of such Subsidiary Guarantor which ranks pari passu in right of payment to such Subsidiary Guarantor's Subsidiary Guarantee, senior in right of payment to all existing and future Subordinated Indebtedness of the Issuer and is made subject to such provisions of this Indenture.

(f) Except as expressly set forth in Sections 8.01(b), 12.02 and 12.06, the obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Subsidiary Guarantor or would otherwise operate as a discharge of any Subsidiary Guarantor as a matter of law or equity.

(g) Each Subsidiary Guarantor agrees that its Subsidiary Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Each Subsidiary Guarantor further agrees that its Subsidiary Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any holder or the Trustee upon the bankruptcy or reorganization of the Issuer or otherwise.

(h) In furtherance of the foregoing and not in limitation of any other right which any holder or the Trustee has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Issuer to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Subsidiary Guarantor hereby promises to and

shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the holders or the Trustee an amount equal to the sum of (i) the unpaid principal amount of such Guaranteed Obligations, (ii) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by applicable law) and (iii) all other monetary obligations of the Issuer to the holders and the Trustee.

(i) Each Subsidiary Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the holders in respect of any Guaranteed Obligations guaranteed hereby until payment in full of all Guaranteed Obligations. Each Subsidiary Guarantor further agrees that, as between it, on the one hand, and the holders and the Trustee, on the other hand, (i) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article VI for the purposes of the Subsidiary Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (ii) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article VI, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by the Subsidiary Guarantor for the purposes of this Section 12.01.

(j) Each Subsidiary Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees and expenses) Incurred by the Trustee or any holder in enforcing any rights under this Section 12.01.

(k) Upon request of the Trustee, each Subsidiary Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 12.02 Limitation on Liability.

(a) Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by each Subsidiary Guarantor shall not exceed the maximum amount that can be hereby guaranteed without rendering this Indenture, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(b) Each Subsidiary Guarantee shall terminate and be of no further force or effect and the Subsidiary Guarantor shall be deemed to be released from all obligations under this Article XII upon:

(i) the sale, disposition or other transfer (including through merger or consolidation) of the Capital Stock (including any sale, disposition or other transfer following which the applicable Subsidiary Guarantor is no longer a Restricted Subsidiary), or of all or substantially all the assets, of the applicable

Subsidiary Guarantor if such sale, disposition or other transfer is made in compliance with this Indenture;

(ii) the Issuer's transfer of all or substantially all of its assets to, or merger with, an entity that is not a Subsidiary of the Issuer in accordance with Section 5.01 and such transferee entity assumes the Issuer's obligations under this Indenture;

(iii) the Issuer's exercise of its legal defeasance option or covenant defeasance option under Article VIII or if the Issuer's obligations under this Indenture are discharged in accordance with the terms of this Indenture;

(iv) the Issuer designating such Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with the provisions of Section 4.04 and the definition of "Unrestricted Subsidiary;" and

(v) in the case of any Restricted Subsidiary that after the Issue Date is required to guarantee the Notes pursuant to Section 4.11, the release or discharge of all Indebtedness, which if guaranteed by such Restricted Subsidiary, would require such Restricted Subsidiary to guarantee the Notes pursuant to Section 4.11.

SECTION 12.03 Successors and Assigns. This Article XII shall be binding upon each Subsidiary Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the holders and, in the event of any transfer or assignment of rights by any holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 12.04 No Waiver. Neither a failure nor a delay on the part of either the Trustee or the holders in exercising any right, power or privilege under this Article XII shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article XII at law, in equity, by statute or otherwise.

SECTION 12.05 Modification. No modification, amendment or waiver of any provision of this Article XII, nor the consent to any departure by any Subsidiary Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Subsidiary Guarantor in any case shall entitle any Subsidiary Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 12.06 Execution of Supplemental Indenture for Future Note Guarantors. Each Subsidiary and other Person which is required to become a Subsidiary

Guarantor of the Notes pursuant to Section 4.11 shall promptly execute and deliver to the Trustee a supplemental indenture in the form of Exhibit C hereto pursuant to which such Subsidiary or other Person shall become a Subsidiary Guarantor under this Article XII and shall guarantee the Notes. Concurrently with the execution and delivery of such supplemental indenture, the Issuer shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Subsidiary or other Person and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Subsidiary Guarantee of such Subsidiary Guarantor is a valid and binding obligation of such guarantor, enforceable against such Subsidiary Guarantor in accordance with its terms and/or to such other matters as the Trustee may reasonably request.

SECTION 12.07 Non-Impairment. The failure to endorse a Subsidiary Guarantee on any Note shall not affect or impair the validity thereof.

Exhibit 10.1

Execution Version

AMENDMENT NO. 1 to
AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT

This AMENDMENT NO. 1 (this "Amendment") to the AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT, dated as of January 24, 2013 (the "Shareholders' Agreement"), by and among NORWEGIAN CRUISE LINE HOLDINGS, LTD., a company organized under the laws of Bermuda (the "Company"), GENTING HONG KONG LIMITED (f/k/a STAR CRUISES LIMITED), a company continued into Bermuda ("Genting"), STAR NCLC HOLDINGS LTD., a company organized under the laws of Bermuda ("Star Holdings", and together with Genting, "GHK"), AAA GUARANTOR CO-INVEST VI (B), L.P., 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. and APOLLO OVERSEAS PARTNERS (GERMANY) VI, L.P. (each, an "Existing Apollo Entity", and collectively, the "Existing Apollo Entities"), TPG Viking, L.P., TPG Viking AIV I, L.P., TPG Viking AIV II, L.P. and TPG Viking AIV III, L.P. (each, a "TPG Entity", and collectively, the "TPG Entities" or "TPG"), and the other Shareholders of the Company from time to time party thereto, is made as of November 19, 2014, by and among the Company, GHK, the Existing Apollo Entities, TPG and AIF VI EURO HOLDINGS, L.P., AAA GUARANTOR - CO-INVEST VII, L.P., AIF VII EURO HOLDINGS, L.P., APOLLO ALTERNATIVE ASSETS, L.P., APOLLO MANAGEMENT VI, L.P. AND APOLLO MANAGEMENT VII, L.P. (each, a "Joining Apollo Entity", and collectively, the "Joining Apollo Entities" and, together with the Existing Apollo Entities, the "Apollo Entities" or "Apollo") (with the Company, Genting, Star Holdings, the Apollo Entities and the TPG Entities sometimes referred to individually as a "Party" and collectively as the "Parties"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Shareholders' Agreement.

WHEREAS, reference is made to that certain Agreement and Plan of Merger (the "Merger Agreement"), dated as of September 2, 2014 by and among the Company, Portland Merger Sub, Inc. ("Merger Sub"), Prestige Cruises International, Inc. ("Prestige") and Apollo Management, L.P. in its capacity as sellers' representative;

WHEREAS, pursuant to the Merger Agreement, Merger Sub was merged with and into Prestige (the "Merger") and the separate corporate existence of Merger Sub ceased and Prestige continued its corporate existence under the laws of the Republic of Panama as the surviving corporation;

WHEREAS, upon the consummation of the Merger, the Joining Apollo Entities received Ordinary Shares as a portion of the consideration for the Merger;

WHEREAS, the Joining Apollo Entities have each executed a joinder to the Shareholders' Agreement in the form of Exhibit A attached hereto;

WHEREAS, the Parties wish to amend the Shareholders' Agreement as set forth herein; and

WHEREAS, Section 11(g) of the Shareholders' Agreement provides that the Shareholders' Agreement may be amended by an instrument in writing signed by the Company, the Existing Apollo Entities, GHK and TPG.

NOW, THEREFORE, the Shareholders' Agreement is hereby amended as follows:

1. Lock-Up. Section 11 of the Shareholders' Agreement is hereby amended by adding the following subsection (w) at the end thereof:

"(w) Lock-Up. From the date hereof until January 1, 2016, Apollo will maintain ownership of a number of Ordinary Shares at least equal to the number of Ordinary Shares obtained by Apollo pursuant to the Merger Agreement (giving effect to equitable adjustments for splits, combinations, recapitalizations and similar transactions) (such minimum number of Ordinary Shares, the "Base Amount") and agrees not to sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, Ordinary Shares that would reduce its holdings below the Base Amount or otherwise enter into any arrangement or transaction that will have an economic effect of transferring the ownership of Ordinary Shares so that Apollo's holdings are reduced below the Base Amount, whether any such arrangement or transaction is to be settled physically, in cash or otherwise; provided that, notwithstanding anything to the contrary set forth in this Section 11(w), the foregoing shall not restrict (i) any Transfer of Ordinary Shares to a Permitted Transferee of Apollo (provided that the holdings of such Permitted Transferee shall be subject to the same restriction as stated in this Section 11(w) considered in the aggregate together with Apollo) or (ii) any Transfer of Ordinary Shares with the written consent of GHK."

2. Amendment to Section 6(e)(i). Section 6(e)(i) of the Shareholders' Agreement is hereby amended and restated in its entirety as follows:

"(i) Subject to the terms of Section 6(e)(ii)-(v), the provisions of this Section 6 shall apply, *mutatis mutandis*, to any committee of the Board and to the board of directors and any committee of the board of directors of each Subsidiary of the Company; provided that such provisions and the Apollo Board Rights shall not apply to Prestige Cruises International, Inc. or any of its Subsidiaries or the board of directors or any committee of the board of directors thereof."

3. Apollo Entities. All references in the Shareholders' Agreement to Apollo and Apollo Entities shall be deemed to apply to the Existing Apollo Entities and the Joining Apollo Entities.

4. Ratification of the Shareholders' Agreement. Except as otherwise expressly provided herein, all of the terms and conditions of the Shareholders' Agreement are ratified and shall remain unchanged and continue in full force and effect.

5. Governing Law. EXCEPT AS SET FORTH BELOW, THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF NEW YORK EXCLUDING THE CONFLICT OF LAW RULES OR PRINCIPLES THAT COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK. ALL MATTERS WHICH ARE THE SUBJECT OF THIS AMENDMENT RELATING TO MATTERS OF INTERNAL GOVERNANCE OF THE COMPANY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF BERMUDA, WITHOUT GIVING EFFECT TO ANY LAW OR RULE THAT COULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN BERMUDA TO BE APPLIED.

6. Counterparts. This Amendment may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one and the same agreement.

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IN WITNESS WHEREOF, this Amendment has been executed as of the date first above written.

AAA GUARANTOR CO-INVEST VI (B), L.P.

By: AAA MIP LIMITED,
its general partner

By: APOLLO ALTERNATIVE ASSETS, L.P.,
its service provider

By: APOLLO INTERNATIONAL MANAGEMENT, L.P.,
its managing general partner

By: APOLLO INTERNATIONAL
MANAGEMENT GP, LLC,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

AIF VI EURO HOLDINGS, L.P.

By: APOLLO ADVISORS VI (EH), L.P.,
its general partner

By: APOLLO ADVISORS VI (EH-GP), LTD.,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

AAA GUARANTOR - CO-INVEST VII, L.P.

By: AAA INVESTMENTS (CO-INVEST VII), L.P.,
its general partner

By: APOLLO ALTERNATIVE ASSETS, L.P.,
its service provider

By: APOLLO INTERNATIONAL MANAGEMENT, L.P.,
its managing general partner

By: APOLLO INTERNATIONAL MANAGEMENT GP, LLC
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

AIF VII EURO HOLDINGS, L.P.

By: APOLLO ADVISORS VII (EH), L.P.,
its general partner

By: APOLLO ADVISORS VII (EH-GP), LTD.,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

AIF VI NCL (AIV), L.P.

By: APOLLO ADVISORS VI (EH), L.P.,
its general partner

By: APOLLO ADVISORS VI (EH-GP), LTD.,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

AIF VI NCL (AIV II), L.P.

By: APOLLO ADVISORS VI (EH), L.P.,
its general partner

By: APOLLO ADVISORS VI (EH-GP), LTD.,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

AIF VI NCL (AIV III), L.P.

By: APOLLO ADVISORS VI (EH), L.P.,
its general partner

By: APOLLO ADVISORS VI (EH-GP), LTD.,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

AIF VI NCL (AIV IV), L.P.

By: APOLLO ADVISORS VI (EH), L.P.,
its general partner

By: APOLLO ADVISORS VI (EH-GP), LTD.,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

APOLLO OVERSEAS PARTNERS
(DELAWARE) VI, L.P.

By: APOLLO ADVISORS VI, L.P.,
its general partner

By: APOLLO CAPITAL MANAGEMENT VI,
LLC,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

APOLLO OVERSEAS PARTNERS
(DELAWARE 892) VI, L.P.

By: APOLLO ADVISORS VI, L.P.,
its general partner

By: APOLLO CAPITAL MANAGEMENT VI,
LLC,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

APOLLO OVERSEAS PARTNERS VI, L.P.

By: APOLLO ADVISORS VI, L.P.,
its managing partner

By: APOLLO CAPITAL MANAGEMENT VI,
LLC,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

APOLLO OVERSEAS PARTNERS
(GERMANY) VI, L.P.

By: APOLLO ADVISORS VI, L.P.,
its managing partner

By: APOLLO CAPITAL MANAGEMENT VI, LLC,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

APOLLO ALTERNATIVE ASSETS, L.P.

By: APOLLO INTERNATIONAL MANAGEMENT, L.P., its managing partner

By: APOLLO INTERNATIONAL MANAGEMENT GP, LLC, its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

APOLLO MANAGEMENT VI, L.P.

By: AIF VI MANAGEMENT, LLC, its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

APOLLO MANAGEMENT VII, L.P.

By: AIF VII MANAGEMENT, LLC, its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

TPG VIKING, L.P.

By: TPG GenPar V, L.P.,
its general partner

By: TPG GenPar V Advisors, LLC,
its general partner

By: /s/ Ronald Cami
Name: Ronald Cami
Title: Director

TPG VIKING AIV I, L.P.

By: TPG Viking AIV GenPar, L.P.,
its general partner

By: TPG Viking AIV GenPar Advisors, Inc.,
its general partner

By: /s/ Ronald Cami
Name: Ronald Cami
Title: Director

TPG VIKING AIV II, L.P.

By: TPG Viking AIV GenPar, L.P.,
its general partner

By: TPG Viking AIV GenPar Advisors, Inc.,
its general partner

By: /s/ Ronald Cami
Name: Ronald Cami
Title: Director

TPG VIKING AIV III, L.P.

By: TPG Viking AIV GenPar, L.P.,
its general partner

By: TPG Viking AIV GenPar Advisors, Inc.,
its general partner

By: /s/ Ronald Cami
Name: Ronald Cami
Title: Director

[Signature Page to Amendment No. 1 to Shareholders' Agreement]

GENTING HONG KONG LIMITED

By: /s/ David Chua
Name: David Chua
Title: Authorized Signatory

STAR NCLC HOLDINGS LTD.

By: /s/ Blondel So
Name: Blondel So
Title: Authorized Signatory

NORWEGIAN CRUISE LINE HOLDINGS LTD.

By: /s/ Kevin M. Sheehan
Name: Kevin M. Sheehan
Title: President and Chief Executive Officer

[Signature Page to Amendment No. 1 to Shareholders' Agreement]

Exhibit A

FORM OF JOINDER TO SHAREHOLDERS' AGREEMENT

THIS JOINDER (this "Joinder") to that certain Shareholders' Agreement (as amended and supplemented from time to time, the "Agreement") dated as of January 24, 2013, by and among NORWEGIAN CRUISE LINE HOLDINGS, LTD., a company organized under the laws of Bermuda (the "Company"), GENTING HONG KONG LIMITED (f/k/a STAR CRUISES LIMITED), a company continued into Bermuda ("Genting"), STAR NCLC HOLDINGS LTD., a company organized under the laws of Bermuda ("Star Holdings", and together with Genting, "GHK"), and the other parties thereto is made and entered into as of [ ] by and between the Company and [Holder] ("Holder"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Agreement.

WHEREAS, Holder has acquired certain Ordinary Shares, and the Agreement and the Company require Holder, as a holder of Ordinary Shares, to become a party to the Agreement, and Holder agrees to do so in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Joinder hereby agree as follows:

1. Agreement to be Bound. Holder hereby agrees that upon execution of this Joinder, it shall become a party to the Agreement and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Agreement as though an original party thereto and shall be deemed an Apollo Entity for all purposes thereof. In addition, Holder hereby agrees that all Ordinary Shares held by Holder shall be deemed Ordinary Shares for all purposes of the Agreement.

2. Successors and Assigns. Except as otherwise provided herein, this Joinder shall bind and inure to the benefit of and be enforceable by the Company and its successors and assigns and Holder and any subsequent holders of Ordinary Shares and the respective successors and assigns of each of them, so long as they hold any shares of Ordinary Shares.

3. Counterparts. This Joinder may be executed in separate counterparts, including by facsimile, each of which shall be an original and all of which taken together shall constitute one and the same agreement.

4. Notices. For purposes of Section 11(k) of the Agreement, all notices, demands or other communications to the Holder shall be directed to:

[Name]
[Address]
[Attention]
[Facsimile Number]

5 . Governing Law. EXCEPT AS SET FORTH BELOW, THIS JOINDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAWS OR PRINCIPLES THEREOF THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.

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

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Joinder as of the date first above written.

NORWEGIAN CRUISE LINES HOLDINGS LTD.

By: _____
Name:
Title:

[HOLDER]

By: _____
Name:
Title:

Exhibit 99.1

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders' of
Prestige Cruises International, Inc. and Subsidiaries

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity (deficit) and cash flows present fairly, in all material respects, the financial position of Prestige Cruises International, Inc. and Subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our, opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP

Miami, Florida
March 24, 2014

PRESTIGE CRUISES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands, except number of shares and par value)

	As of December 31,	
	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 286,419	$ 139,556
Restricted cash	30,765	—
Trade and other receivables, net	16,277	15,951
Inventories	16,310	15,080
Prepaid expenses	45,588	35,030
Other current assets	14,722	14,091
Total current assets	410,081	219,708
Property and equipment, net	2,012,710	2,035,449
Goodwill	404,858	404,858
Intangible assets, net	81,324	83,556
Other long-term assets	80,913	128,539
Total assets	$ 2,989,886	$ 2,872,110
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities		
Accounts payable	$ 12,236	$ 14,252
Accrued expenses	98,725	93,651
Passenger deposits	414,757	355,385
Derivative liabilities	7,089	6,245
Current portion of long-term debt	90,326	17,560
Total current liabilities	623,133	487,093
Long-term debt	1,596,218	1,695,656
Related party notes payable	711,617	661,304
Other long-term liabilities	31,336	41,400
Total liabilities	2,962,304	2,885,453
Commitments and Contingencies		
Stockholders' equity (deficit)		
Common stock, $0.01 par value. 100,000,000 shares authorized at 2013 and 2012; 13,569,765 and 13,572,515 share issued and outstanding at 2013 and 2012	136	136
Additional paid-in capital	307,030	305,642
Accumulated deficit	(223,280)	(258,802)
Accumulated other comprehensive loss	(56,249)	(60,319)
Treasury shares at cost, 6,000 shares held at 2013	(55)	—
Total stockholders' equity (deficit)	27,582	(13,343)
Total liabilities and stockholders' equity (deficit)	$ 2,989,886	$ 2,872,110

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

PRESTIGE CRUISES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except shares and per share data)

	Years Ended December 31,		
	2013	2012	2011
Revenues			
Passenger ticket	$ 1,001,610	$ 947,071	$ 834,868
Onboard and other	162,947	151,213	134,270
Charter	18,779	13,737	—
Total Revenue	1,183,336	1,112,021	969,138
Costs and expenses			
Cruise operating expenses			
Commissions, transportation and other	323,841	331,254	271,527
Onboard and other	43,518	40,418	36,854
Payroll, related and food	177,953	168,594	153,754
Fuel	101,690	101,685	92,921
Other ship operating	98,062	95,808	86,022
Other	16,416	21,968	26,305
Total cruise operating expenses	761,480	759,727	667,383
Selling and administrative	174,866	153,747	145,802
Depreciation and amortization	83,829	93,003	79,269
Total operating expenses	1,020,175	1,006,477	892,454
Operating income	163,161	105,544	76,684
Non-operating expense			
Interest expense, net of capitalized interest	(141,634)	(131,651)	(101,560)
Interest income	540	752	670
Other income (expense)	13,209	22,956	(45,901)
Total non-operating expense	(127,885)	(107,943)	(146,791)
Income (loss) before income taxes	35,276	(2,399)	(70,107)
Income tax benefit (expense)	246	(213)	335
Net income (loss)	$ 35,522	$ (2,612)	$ (69,772)
Earnings (Loss) Per Share			
Basic	$ 2.62	$ (0.19)	$ (5.14)
Diluted	$ 1.88	$ (0.19)	$ (5.14)
Weighted-average share outstanding – Basic	13,571,828	13,571,827	13,564,766
Weighted-average share outstanding – Diluted	18,857,405	13,571,827	13,564,766

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

PRESTIGE CRUISES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Years Ended December 31,		
	2013	2012	2011
Net income (loss):	$ 35,522	$ (2,612)	$ (69,772)
Other comprehensive income (loss)			
Gain (loss) on change in derivative fair value	2,335	(4,600)	33,980
Cash flow hedge reclassified into earnings	1,735	1,561	1,110
Total comprehensive income (loss)	$ 39,592	$ (5,651)	$ (34,682)

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

PRESTIGE CRUISES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands)

	Common stock par value	Treasury shares at cost	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' equity (deficit)
Balances at December 31, 2010	$ 136	$ —	$ 300,994	$ (186,418)	$ (92,370)	$ 22,342
Net loss	—	—	—	(69,772)	—	(69,772)
Other comprehensive income	—	—	—	—	35,090	35,090
Issuance of common stock	—	—	164	—	—	164
Stock subscription receivable, net	—	—	195	—	—	195
Stock-based compensation	—	—	2,153	—	—	2,153
Balances at December 31, 2011	136	—	303,506	(256,190)	(57,280)	(9,828)
Net loss	—	—	—	(2,612)	—	(2,612)
Other comprehensive loss	—	—	—	—	(3,039)	(3,039)
Issuance of common stock	—	—	7	—	—	7
Stock-based compensation	—	—	2,129	—	—	2,129
Balances at December 31, 2012	136	—	305,642	(258,802)	(60,319)	(13,343)
Net income	—	—	—	35,522	—	35,522
Other comprehensive income	—	—	—	—	4,070	4,070
Issuance of common stock	—	—	17	—	—	17
Acquisition of treasury shares	—	(55)	—	—	—	(55)
Stock-based compensation	—	—	1,371	—	—	1,371
Balances at December 31, 2013	$ 136	$ (55)	$ 307,030	$ (223,280)	$ (56,249)	$ 27,582

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

PRESTIGE CRUISES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31,		
	2013	2012	2011
Cash flows from operating activities			
Net income (loss)	$ 35,522	$ (2,612)	$ (69,772)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	82,094	91,442	78,159
Amortization of deferred financing costs	12,599	12,679	10,131
Accretion of debt and related party notes payable discount	23,796	20,165	13,617
Cash flow hedge reclassified into earnings	1,735	1,561	1,110
Loss on early extinguishment of debt	1,895	4,487	7,502
Write-off of deferred financing costs and debt discount	2,500	87	(18)
Prepayment penalty, excluded from loss on early extinguishment	(2,093)	—	—
Stock-based compensation	1,371	2,129	2,153
Changes in fair value of derivative contracts	(18,399)	(26,707)	48,774
Interest expense on related party notes	32,472	30,908	29,418
Other, net	552	499	1,174
Changes in operating assets and liabilities:			
Trade and other accounts receivables	(316)	14,198	10,151
Prepaid expenses and other current assets	(9,533)	(1,227)	(9,794)
Inventories	(1,223)	(5,351)	(6,294)
Accounts payable and accrued expenses	477	16,784	25,781
Passenger deposits	67,275	29,026	44,225
Net cash provided by operating activities	230,724	188,068	186,317
Cash flows from investing activities			
Purchases of property and equipment	(53,420)	(478,962)	(535,531)
Settlement of derivative liability	—	(70,267)	(63,074)
Proceeds from leasehold reimbursement	245	251	1,716
Change in restricted cash	20,291	9,477	(2,401)
Acquisition of intangible assets	(202)	—	(4,443)
Net cash used in investing activities	(33,086)	(539,501)	(603,733)
Cash flows from financing activities			
Proceeds from debt issuance	297,000	835,984	760,735
Debt related costs	(14,584)	(31,540)	(33,282)
Payments on other financing obligations	(3,084)	(2,000)	—
Payments on long-term debt	(329,760)	(443,830)	(265,619)
Change in restricted cash – newbuild letter of credit	—	(15,000)	(15,000)
Proceeds from share subscription	—	—	195
Issuance of common stock	17	7	164
Acquisition of treasury shares	(55)	—	—
Offering costs	(277)	—	—
Net cash (used in) provided by financing activities	(50,743)	343,621	447,193
Effect of exchange rate changes on cash	(32)	156	(200)
Net increase (decrease) in cash and cash equivalents	146,863	(7,656)	29,577
Cash and cash equivalents			
Beginning of year	139,556	147,212	117,635
End of year	$ 286,419	$ 139,556	$ 147,212

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. General

In these consolidated financial statements, Prestige Cruises International, Inc. and its subsidiaries are collectively referred to as "PCI," "we," or "our."

Description of Business

The accompanying consolidated financial statements include the accounts of Prestige Cruises International, Inc. ("PCI") and its wholly owned subsidiaries, Prestige Cruise Holdings, Inc. ("PCH"), Oceania Cruises, Inc. and subsidiaries ("OCI"), and Seven Seas Cruises S. DE R.L. and subsidiaries ("SSC"), which operate cruise ships with destinations to Scandinavia, Russia, Alaska, the Caribbean, Panama Canal, South America, Europe, the Mediterranean, the Greek Isles, Africa, India, Asia, Canada and New England, Tahiti and the South Pacific, Australia and New Zealand. We are controlled by funds affiliated with Apollo Global Management, LLC ("Apollo").

Basis for Preparation of Consolidated Financial Statements

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All intercompany balances and transactions have been eliminated in consolidation.

2008 Reorganization

PCI was incorporated in Panama on January 30, 2008 as the new holding company of our business. Prior to the incorporation of PCI, PCH, which was incorporated on June 12, 2002, was the holding company for our business. On January 31, 2008, PCI entered into a transaction that resulted in the shareholders of PCH exchanging their preferred and common stock in PCH for PCI promissory notes, warrants, and common stock, as well as contributing funds of $529 million in exchange for common stock and promissory notes ("2008 Reorganization"). The contribution received from the shareholders was used by PCI to acquire common stock in PCH, and as a result, PCI became the owner of all the common stock of PCH. The funds contributed to PCH were used to acquire SSC in 2008.

Note 2. Summary of Significant Accounting Policies

Accounting Policies

We follow accounting standards established by the Financial Accounting Standards Board ("FASB") in our reporting of financial condition, results of operations, and cash flows. References to GAAP in these footnotes are to the *FASB Accounting Standards Codification*, sometimes referred to as the Codification or ASC.

Use of Estimates

The preparation of the consolidated financial statements requires management to make a number of estimates and assumptions relating to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment, accrued liabilities, intangible assets, goodwill, warrants, derivatives, and stock-based compensation. Actual results could differ from those estimates.

Cash Equivalents

We consider all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Restricted Cash

As of December 31, 2013 and 2012, restricted cash was $43.4 million and $63.7 million, respectively, of which $30.8 million is included in current assets in 2013, and $12.6 million and $63.7 million is classified within other long-term assets in 2013 and 2012, respectively. The current portion of $30.8 million in 2013 consisted of $30.0 million of cash collateral for letters of credit issued for the OCI newbuild financing agreements, which per our contract will be released within 24 months after delivery of the *Riviera* and $0.8 million related to agreements with our previous credit card service provider that required us to escrow a certain amount of passenger deposits. The $12.6 million of long term restricted cash in 2013 relate to certain credit card processing agreements. In 2012, the long term restricted cash balance consisted of $30.0 million of cash collateral for letters of credit issued for the OCI newbuild financing agreements and $33.7 million related to required collateral to secure obligations under the Federal Maritime Commission ("FMC"), certain credit card processing agreements and surety bonds for our sales office located in the United Kingdom.

As of December 31, 2013 and 2012, we had outstanding and undrawn letters of credit of $42.1 million and $50.0 million, respectively. These agreements are collateralized by the restricted cash as described above and automatically renew each year.

Trade and Other Receivables, net

As of December 31, 2013 and 2012, trade receivables totaled $14.5 million and $13.3 million, respectively, consisted of processed credit card transactions in transit of $7.4 million and $7.4 million, respectively, and onboard receivables from concessionaires, passengers and other trade receivables of $7.1 million and $5.9 million, respectively. As of December 31, 2013 and 2012, the allowance for bad debt, which is netted against trade receivables in the consolidated balance sheets, totaled $0.6 million and $0.2 million, respectively.

As of December 31, 2013 and 2012, other receivables totaled $1.8 million and $2.6 million, respectively. The 2013 balance consisted of insurance receivables. The 2012 balance consisted primarily of insurance receivables and warranty claims related to ship repairs made on the *Regatta* and on the *Marina*.

Inventories

Inventories consist of hotel consumables, medical supplies, deck and engine supplies and fuel and oil onboard the vessels and are carried at the lower of cost or market. Cost is determined using the first-in, first-out ("FIFO") method.

Property and Equipment

As of January 1, 2013, we changed our estimate for all our ships' projected residual values. The estimate was reassessed due to recent sales and resale information for upscale cruise ships that we obtained during the first quarter of 2013. This new information, in conjunction with other comparable sale data points, was used in our analysis, which includes our consideration of anticipated technological changes, long-term cruise and vacation market conditions and replacement cost of similarly built vessels. As a result, we increased each ship's projected residual value from 10% and 15% to 30%. The change in estimate has been applied prospectively as of January 1, 2013. The effect of the change on both operating income and net income for the year ended December 31, 2013 is approximately $16.4 million of reduced depreciation expense. We periodically review and evaluate these estimates and judgments based on historical experiences and new factors and circumstances. As part our ongoing reviews, our estimates may change in the future. If such a change is necessary, depreciation expense could be materially higher or lower.

Property and equipment are stated at cost less accumulated depreciation. Improvement costs that add value to our ships are capitalized as additions to the ship and depreciated over the lesser of the ships' remaining service lives or the improvements' estimated useful lives. The remaining estimated cost and accumulated depreciation (i.e. book value) of replaced or refurbished ship components are written off and any resulting losses are recognized in the consolidated statements of operations.

Depreciation of the ships is computed net of projected residual values of 30% using the straight-line method over their original estimated weighted average lives. Depreciation of property and equipment not associated with the ships is computed using the straight-line method over their estimated useful lives of 3 to 5 years. Leasehold improvements are depreciated using the straight-line method over the shorter of the lease term or estimated useful life of the asset. Improvement costs that add value to the ships and have a useful life greater than one year are capitalized as additions to the ships and depreciated over the lesser of the ships' remaining service lives or the improvements' estimated life. Spare parts for the ships are classified as property and equipment in the consolidated balance sheets. Property under capital lease is initially recorded at the lower of the present value of minimum lease payments or fair value. Depreciation expense attributed to property under capital leases is included within depreciation and amortization expense in the consolidated statements of operations.

Drydock costs are scheduled maintenance activities that require the ships to be taken out of service and are expensed as incurred. Drydocks are required to maintain each vessel's Class certification and are necessary for our ships to be flagged in a specific country, obtain liability insurance and legally operate as passenger cruise ships. Typical drydock costs include drydock fees and wharfage services provided by the drydock facility, hull inspection and certification related activities, external hull cleaning and painting below the waterline including pressure cleaning and scraping, additional below the waterline work such as maintenance and repairs on propellers and replacement of seals, cleaning and maintenance on holding tanks and sanitary discharge systems, related outside contractor services including travel and related expenses and freight and logistics costs related to drydock activities. Repair and maintenance activities are charged to expense as incurred.

Debt Issuance Costs

Debt issuance costs, primarily loan origination and related fees, are deferred and amortized over the term of the related debt. During 2013 and 2012, we recorded $8.3 million and $30.5 million in debt issuance costs. Debt issuance costs related to ships under construction are not amortized until there is a drawdown on the newbuild debt facility, which coincides with the delivery of the new ship. During 2013, we also recorded $11.2 million of debt issuance costs related to the *Seven Seas Explorer* newbuild scheduled for delivery in 2016. Drawdowns on newbuild debt facilities occurred in January 2011 for the *Marina* and in April 2012 for the *Riviera*, in conjunction with the delivery of each new ship.

During 2013, we wrote off $4.2 million in previously recorded deferred financing costs in connection with the refinancing of the SSC first lien credit facility and OCI first and second lien credit facilities. During 2012, in connection with the refinancing of SSC first lien credit facilities, we wrote off $4.4 million in previously recorded deferred financing costs. Approximately $6.1 million of previously recorded deferred financing costs were written off in 2011 in connection with the repayment of the outstanding SSC second lien term loan. These costs are included within other income (expense) in the consolidated statements of operations. See "Note 5—*Debt*," in accompanying notes to consolidated financial statements.

Deferred debt issuance costs are amortized to income using the effective interest method and are included net of amortization within other current assets and other long-term assets in the accompanying consolidated balance sheets. Amortization expenses related to the deferred debt issuance costs amounted to $12.6 million, $12.7 million and $10.1 million for the years ended December 31, 2013, 2012 and 2011, respectively, and are included in interest expense, net of capitalized interest, in the consolidated statements of operations.

Goodwill

We record goodwill as the excess of the purchase price over the estimated fair value of net assets acquired, including identifiable intangible assets. Goodwill associated with the purchase of SSC is attributable to numerous factors including providing us with entry into the luxury cruise line business with a developed workforce who had knowledge in the luxury cruise business, a fully developed travel agent distribution network, positive past passenger experiences and a developed business plan with proven performance. We assess goodwill for impairment at the "reporting unit level" ("Reporting Unit") at least annually and more frequently when events or circumstances dictate. We have determined that there is only one Reporting Unit.

The impairment review for goodwill allows us to first assess qualitative factors to determine whether it is necessary to perform the more detailed two-step quantitative goodwill impairment test. We would perform the two-step test if our qualitative assessment determined it is more-likely-than-not that a reporting unit's fair value is less than its carrying amount. We may also elect to bypass the qualitative assessment and proceed directly to step one of the quantitative test. The impairment review for goodwill consists of a two-step process of first determining the estimated fair value of the Reporting Unit and comparing it to the carrying value of the net assets allocated to the Reporting Unit. If the estimated fair value of the Reporting Unit exceeds the carrying value, no further analysis or write-down of goodwill is required. If the estimated fair value of the Reporting Unit is less than the carrying value of its net assets, the implied fair value of the Reporting Unit is allocated to all its underlying assets and liabilities, including both recognized and unrecognized intangible assets, based on their fair value. If necessary, goodwill is then written down to its implied fair value.

Identifiable Intangible Assets

SSC acquired certain intangible assets of which value has been assigned to them based on our estimates. Intangible assets that have an indefinite life are not amortized, but are subject to an annual impairment test, or more frequently, when events or circumstances change.

The impairment review for intangible assets also allows us to first assess qualitative factors to determine whether it is necessary to perform a more detailed quantitative intangible assets impairment test. We would perform the quantitative test if our qualitative assessment determined it was more-likely-than-not that the intangible assets are impaired. We may also elect to bypass the qualitative assessment and proceed directly to the quantitative test. The indefinite-life intangible asset quantitative impairment test consists of a comparison of the fair value of the indefinite-life intangible asset with its carrying amount. If the carrying amount exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. If the fair value exceeds its carrying amount, the indefinite-life intangible asset is not considered impaired.

Other intangible assets assigned finite useful lives are amortized on a straight-line basis over their estimated useful lives or based on the assets pattern of cash flows. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable based on market and operational factors.

Derivative and Hedging Activities

We enter into various hedge contracts to manage and limit our exposure to fluctuations in foreign currency exchange rates, interest rates and fuel prices. We record our derivatives as assets and liabilities and recognize these hedges at estimated fair market value. If the derivative does not qualify as a hedge under these guidelines or is not designated as a hedge, changes in the fair market value of the derivative are recognized in other income (expense) in the consolidated statements of operations.

We designate at inception those derivatives which qualify for hedge accounting. The derivative instruments that hedge the variability of cash flows related to forecast transactions are designated as cash flow hedges. For these derivatives, the effective portion of the changes in the fair market value of the hedges are recognized as a component of accumulated other comprehensive income (loss) in the stockholders' equity section of the consolidated balance sheets and are subsequently reclassified into the same line item as the forecast transaction when the hedge is settled. Any ineffective portion of the changes in the fair market value of the hedge are recognized as a component of other income (expense) in the consolidated statements of operations.

Cash flows for the hedging instruments are classified in the same category as the cash flow from the hedged items. If for any reason hedge accounting is discontinued, then any cash flow subsequent to the date of discontinuance will be classified consistent with the nature of the instrument. To qualify for hedge accounting, the hedging relationship between the hedging instruments and hedged items must be highly effective over a period of time in achieving the offset of changes in cash flows attributable to the hedged risk at the inception date. On an ongoing basis, we assess whether the derivative used in the hedging transactions is highly effective in offsetting changes in cash flow of the hedged item. If it is determined that a derivative is no longer highly effective as a hedge, the changes in fair value of the derivative are recognized in earnings immediately and reported in other income (expense) in the consolidated statements of operations.

We review our contracts and agreements on a regular basis to determine if embedded derivatives are included in the host contract. Embedded derivatives that meet the criteria for bifurcation are measured at fair value at inception and remeasured each reporting period. The changes in fair value are recognized in earnings and recorded in other income (expense) in the consolidated statements of operations.

Warrants

We account for our warrants in accordance with ASC Topic 480, Distinguishing Liabilities from Equity ("ASC 480"), which requires detachable warrants to be classified as permanent equity, temporary equity, or as assets or liabilities. In general, warrants that either require net-cash settlement or are presumed to require net-cash settlement are recorded as assets and liabilities at fair value and warrants that require settlement in shares are recorded as equity instruments. All of our warrants require settlement in shares and are accounted for as permanent equity. The warrants are recorded at fair value on the issuance date. The fair value of the warrants is determined using a Black-Scholes option pricing model, and is affected by changes in inputs to that model including our stock price, expected stock price, volatility, and contractual term.

Revenue and Expense Recognition

Passenger ticket revenue consists of gross revenue recognized from the sale of passenger tickets net of dilutions, such as shipboard credits and certain included passenger shipboard event costs. Also included is gross revenue for air and related ground transportation.

Onboard and other revenue consists of revenue derived from the sale of goods and services rendered onboard the ships (net of related concessionaire costs), travel insurance (net of related costs), and cancellation fees. Concessionary fees are recognized based on the contractual terms of the various concession agreements. Also included are gross revenues from pre- and post-cruise hotel accommodations, shore excursions, land packages, and related ground transportation.

Certain of our sales include free unlimited shore excursions ("FUSE") or a free hotel stay or free land package, which have no revenues attributable to them. The costs for FUSE, free hotel stays and free land packages are included in commissions, transportation and other expenses in the consolidated statements of operations.

Charter revenue consists of charter hire fees, net of commissions, to bareboat charter our ship*Insignia*, to an unrelated party for a period of two years commencing on April 9, 2012. The charter agreement constitutes an operating lease and charter revenue is recognized on a straight-line basis over the charter term.

Cash collected in advance for future cruises is recorded as passenger deposit liabilities. Deposits for sailings traveling more than 12 months in the future are classified as long-term liabilities and included in other long-term liabilities in the consolidated balance sheets. We recognize the revenue associated with these cash collections in the period the sailing occurs. For cruises that occur over multiple periods, the revenue is prorated and recognized ratably in each period based on the overall length of the cruise. Cancellation fee revenues, along with associated commission expenses and travel insurance, if any, are recognized at the time the cancellation occurs when it is both earned and realized.

Other ship operating expense includes port, deck and engine, certain entertainment-related expenses, and hotel consumable expenses. Other expense consists primarily of drydock and ship insurance costs.

During 2012, we incurred costs related to unplanned repairs on two of our ships. In connection with these incidents, approximately $1.1 million of insurance recoveries were netted against related costs recorded in other ship operating expense in the consolidated statements of operations. There were no revenues in 2012 related to these incidents as the losses exceeded the insurance recoverable.

Advertising Costs

Advertising costs are expensed as incurred and included in selling and administrative expense in the consolidated statements of operations. Advertising expense totaled $67.0 million, $55.2 million and $58.2 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount to estimated undiscounted future cash flows expected to be generated. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount exceeds its fair value. During 2013 and 2012, there were no impairment charges recorded on our long-lived assets.

We believe our estimates and judgments with respect to our ships are reasonable. However, should certain factors or circumstances cause us to revise our estimates of ship service lives, projected residual value or the lives of major improvements, depreciation expense could be materially higher or lower. If circumstances cause us to change our assumptions in making determinations as to whether ship improvements should be capitalized, the amount we expense each year as repair and maintenance cost could increase, partially offset by a decrease in depreciation expense.

Income Taxes

We use the liability method of accounting for income taxes. Under the liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Foreign Currency Transactions

Foreign currency transaction gains and losses are recognized upon settlement of foreign currency transactions within other income (expense) in the consolidated statements of operations. In addition, for unsettled foreign currency transactions, gains and losses are recognized for changes between the transaction exchange rates and month-end exchange rates. We recorded net foreign currency transaction losses of $0.3 million, $3.6 million and $0.6 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Stock-Based Employee Compensation

Stock-based compensation expense is measured and recognized at fair value of employee stock option awards. We recognize compensation expense for all share-based compensation awards using the fair value method. Compensation expense for awards is recognized over the awards' vesting periods.

For liability classified awards we re-measure the fair value of the options at each reporting period until the award is settled. We also estimate the amount of expected forfeitures when calculating compensation cost. If the actual forfeitures that occur are significantly different from the estimate, then we revise our estimates.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The estimated fair value of stock options, less estimated forfeitures, is amortized over the vesting period using the graded-vesting method. The expected volatility is based on a combination of historical volatility for peer companies. The risk-free interest rate is based on U.S. Treasury securities with a remaining term equal to the expected option's life assumed at the date of grant. The expected term is based on the average of contractual life, vested period of the options, and expected employee exercise behavior. The estimated forfeiture rate represents an estimate which will be revised in subsequent periods if actual forfeitures differ from those estimates.

Earnings Per Share

Basis earning per share is computed by dividing net income by the weighted-average number of shares outstanding during each period. Diluted earnings per share is computed by dividing net income by the weighted-average number of shares and common stock equivalents outstanding during each period.

Segment Reporting

We operate two cruise brands, Oceania Cruises and Regent Seven Seas Cruises which are considered two operating segments. The operating segments have been aggregated as a single reportable segment based on the similarity of their economic characteristics as well as similar qualitative factors such as types of customers, regulatory environment, and products and services provided.

Foreign revenues for our cruise brands represent sales generated from outside the U.S. primarily by foreign tour operators and foreign travel agencies. Substantially all of our long-lived assets are located outside of the U.S. and consist principally of our ships.

Passenger ticket revenues for the year ended December 31, which are based on where the reservation originates, were as follows:

	2013	2012	2011
United States	73.1 %	74.7 %	76.0 %
Canada	10.8 %	10.8 %	10.8 %
All other countries	16.1 %	14.5 %	13.2 %

Contingencies—Litigation

On an ongoing basis, we assess the potential liabilities related to any lawsuits or claims brought against us. While it is typically very difficult to determine, we use our best judgment to determine if it is probable that we will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable loss, if any, can be made. In assessing probable losses, we take into consideration estimates of the amount of insurance recoveries, if any. We accrue a liability when we believe a loss is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertainties related to the eventual outcome of litigation and potential insurance recoveries, it is possible that certain matters may be resolved for amounts materially different from any provisions or disclosures that we have previously made.

Reclassifications

Certain amounts in prior years have been reclassified to conform to current year's presentation.

New Accounting Pronouncements

As of January 1, 2013, we adopted Financial Accounting Standards Board ASU 2011-11,*Disclosures about Offsetting Assets and Liabilities.* It requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. In 2013, this pronouncement was enhanced by ASU 2013-1, *Balance Sheet Offsetting.* This update clarifies that ordinary receivables are not within the scope of ASU 2011-11 and it applies only to derivatives, repurchase agreements, reverse purchase agreements and other securities lending transactions. The adoption did not materially impact our consolidated financial statements.

In February 2013, the Financial Accounting Standards Board issued ASU 2013-02,*Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income.* It requires an entity to present the effects on the line items of net income of significant amounts reclassified out of accumulated other comprehensive income, but only if the item reclassified is required under GAAP to be reclassified to net income in its entirety in the same reporting period. Entities must also cross-reference to other disclosures currently required under GAAP for other reclassification items to be reclassified directly to net income in their entirety in the same reporting period. This standard was effective beginning January 1, 2013. See "Note 9—*Stockholders' Equity*" in the accompanying notes to the consolidated financial statements.

In July 2013, the Financial Accounting Standards Board issued ASU 2013-10,*Inclusion of the Federal Funds Effective Swap Rate as a benchmark interest rate for hedge accounting purposes*. This guidance is effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013. We adopted this guidance as of July 17, 2013, and it did not have a material impact on our consolidated financial statements.

There are no other recently issued accounting pronouncements not yet adopted that we expect to have a material effect on the presentation or disclosure of our future consolidated operating results, cash flows or financial condition.

Note 3. Property and Equipment, Net

Property and equipment consists of the following:

(in thousands)

	As of December 31,	
	2013	2012
Ships	$ 2,384,792	$ 2,339,984
Furniture, equipment and other	24,751	17,241
Less: Accumulated depreciation and amortization	(396,833)	(321,776)
Property and equipment, net	$ 2,012,710	$ 2,035,449

For the year ended December 31, 2013, there were approximately $56.4 million of capitalized additions including a progress payment for the *Seven Seas Explorer* newbuild of $22.0 million and ship improvements and refurbishments completed on the existing fleet. During 2012, there was approximately $30.8 million of capital additions including ship improvements and refurbishments completed on the existing fleet. For the years ended December 31, 2013, 2012, and 2011, approximately $0.1 million, $0.8 million (net of insurance reimbursements of $0.2 million) and $1.2 million, respectively, of property and equipment, net, were written-off as disposals. We capitalized interest costs of $0.7 million, $1.2 million and $2.8 million during 2013, 2012 and 2011, respectively.

In 2012, the delivery of the *Riviera* was delayed. In accordance with our contract, we received liquidating damages of $8.1 million. Of the monies received, $7.8 million was recorded as a reduction of the basis of the ship as there was no identifiable benefit in exchange for the payment. The remainder of the payment was used to reduce actual expenses incurred as a result of the delay.

Depreciation and amortization expense on assets in service amounted to $79.2 million, $88.3 million and $75.3 million for the years ended December 31, 2013, 2012 and 2011, respectively. Repair and maintenance expenses, excluding drydock expenses, were $26.9 million, $24.7 million and $20.6 million for the years ended December 31, 2013, 2012 and 2011, respectively and are recorded in other ship operating expenses in the consolidated statements of operations. Drydock expenses, recorded within other cruise operating expenses in the consolidated statements of operations, were $5.1 million, $6.8 million and $12.0 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Note 4. Goodwill and Identifiable Intangible Assets

Goodwill

In 2013 and 2012, we completed our annual goodwill impairment test and determined there was no impairment. We performed our annual impairment testing as of September 30th. We elected not to perform a qualitative assessment and instead performed the two-step quantitative goodwill impairment test. Based on the discounted cash flow model, we determined that the fair value of the reporting unit exceeded the carrying value and is therefore not impaired. The principal assumptions used in our cash flow model related to forecasting future operating results, includes discount rate, net revenue yields, net cruise costs including fuel prices, capacity changes, weighted-average cost of capital for comparable publicly-traded companies and terminal values, which are all considered level 3 inputs.

The estimation of fair value utilizing discounted expected future cash flows includes numerous uncertainties which require significant judgments when making assumptions of expected revenues, operating costs, selling and administrative expenses, capital expenditures, as well as assumptions regarding the cruise vacation industry competition and business conditions, among other factors. It is reasonably possible that changes in our assumptions and projected operating results above could lead to impairment of our goodwill. There were no triggering events that occurred between our impairment testing date and reporting date.

Identifiable Intangible Assets

In 2008, we recorded identifiable intangible assets consisting of trade names and customer relationships. The trade names acquired in this transaction, "Seven Seas Cruises" and "Luxury Goes Exploring," were determined to have indefinite lives.

In 2011, we amended our agreement with Regent Hospitality Worldwide, which granted us exclusive and perpetual licensing rights to use the "Regent" trade name and trademarks ("Regent licensing rights") in conjunction with cruises, subject to the terms and conditions stated in the agreement. The original 10 year license agreement to use the "Regent" trade name and trademarks was originally accounted for as an operating lease and is exclusive from the acquired trade names of "Seven Seas Cruises" and "Luxury Goes Exploring."

The Regent licensing rights required an immediate payment of $5.1 million and deferred payments of $4.0 million over 2 years. The immediate payment of $5.1 million included payment for accrued royalty fees under the previous agreement. The payment was applied first to the liability for previously owed royalty fees with the remainder applied to the intangible asset and legal fees for $4.5 million. The $4.0 million deferred payments have been recorded net of a discount of $0.6 million relating to the present value of the deferred payments associated with the amended license agreement and were being accreted through February 2013. The resulting $7.9 million intangible asset is being amortized over an estimated useful life of 40 years. The amendment and subsequent capitalization of the Regent licensing rights had no impact on the acquired trade names as part of the Regent Seven Seas Transaction, as both transactions were separate and unrelated. The outstanding balance of $2.0 million was paid in February 2013. The liability was recorded in accrued expenses in the accompanying consolidated balance sheets.

On January 2013, the former President of SSC stepped down from his role and became a consultant to us. We entered into a separation agreement and an independent contractor agreement ("Agreements") with the former President of SSC. Severance of $0.7 million was paid for the year ended December 31, 2012, pursuant to his then-existing employment agreement. The Agreements have terms of 24 months and have been treated as an intangible asset. At inception, the non-compete clause within the Agreements was valued at $0.6 million and represents an intangible asset in accordance with ASC 350—*Intangibles.* The intangible asset has a finite useful life and is being amortized over the term of the Agreements.

Our identifiable intangible assets, except the trade names acquired in the purchase of SSC, are subject to amortization over their estimated lives and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable based on market factors and operational considerations. Identifiable intangible assets not subject to amortization, such as trade names, are reviewed for impairment whenever events or circumstances indicate, but at least annually, by comparing the estimated fair value of the intangible asset with its carrying value.

We elected not to perform a qualitative assessment and instead performed the annual quantitative impairment test of our trade names as of September 30th using the relief-from-royalty method. The royalty rate used is based on comparable royalty agreements in the tourism and hospitality industry, which was applied to the projected revenue to estimate the royalty savings and discounted to derive the fair value at September 30th. The discount rate used was the same rate used in our goodwill impairment test. Based on the discounted cash flow model, we determined the fair value of our trade names exceeded their carrying value and are therefore not impaired. The estimation of fair value utilizing discounted expected future cash flows includes numerous uncertainties that require significant judgments when developing assumptions of expected revenues, operating costs, selling and administrative expenses, capital expenditures and future impact of competitive forces. It is reasonably possible that changes in our assumptions and projected operating results used in our cash flow model could lead to an impairment of our trade name.

As of December 31, 2013 and 2012, the net balance of identifiable intangible assets was $81.3 million and $83.6 million, respectively. The following tables provide information on the gross carrying amounts, accumulated amortization, and net balances of these identifiable intangible assets as of December 31, 2013 and 2012.

(in thousands)

	2013		
	Gross Carrying Amount	Accumulated Amortization	Net
Regent licensing rights	$ 7,892	$ (559)	$ 7,333
Customer relationships	14,205	(14,007)	198
Non-compete agreement	615	(282)	333
	22,712	(14,848)	7,864
Intangible assets not subject to amortization:			
Trade names	73,460	—	73,460
Identifiable intangible assets	$ 96,172	$ (14,848)	$ 81,324

(in thousands)

	2012		
	Gross Carrying Amount	Accumulated Amortization	Net
Regent licensing rights	$ 7,892	$ (361)	$ 7,531
Customer relationships	14,205	(11,640)	2,565
	22,097	(12,001)	10,096
Intangible assets not subject to amortization:			
Trade names	73,460	—	73,460
Identifiable intangible assets	$ 95,557	$ (12,001)	$ 83,556

Intangible amortization expense for the years ended December 31, 2013, 2012 and 2011 was $2.8 million, $2.6 million and $2.5 million, respectively. The following table provides information about the future estimated amortization expense over the next five years for the identifiable intangible assets:

(in thousands)

For the year ended December 31,	
2014	$ 703
2015	223
2016	197
2017	197
2018	197
	$ 1,517

Note 5. Debt

Long-term bank debt and senior secured notes consist of the following:

(in thousands)

	As of December 31,	
	2013	2012
OCI term loan, first lien, through 2020	$ 299,250	$ —
OCI term loan, first lien, due 2015	—	231,688
OCI term loan, second lien, due 2014	—	4,843
OCI term loan, second lien, due 2015	—	70,157
OCI Marina newbuild debt, due through 2023	424,123	446,445
OCI Riviera newbuild debt, due through 2024	471,611	471,611
SSC term loan, first lien, due through 2018	296,250	296,250
SSC senior secured notes, due 2019	225,000	225,000
Total Debt	1,716,234	1,745,994
Less: Debt discount	(29,690)	(32,778)
Carrying value of debt	1,686,544	1,713,216
Less: Current portion of long-term debt	(95,560)	(22,322)
Plus: Current portion of debt discount	5,234	4,762
Long-term portion	$ 1,596,218	$ 1,695,656

OCI First Lien Term Loan

In March 2011, OCI's first lien term loan credit agreement was amended. After the amendment, $34.6 million of the outstanding principal balance was due to mature in April 2013 at a rate of LIBOR plus a margin of 2.25% and $231.7 million of the outstanding principal balance was due to mature in April 2015 at a rate of LIBOR plus a margin of 4.75%. The amendment was treated as a modification in accordance with the guidance in ASC 470: *Debt,* as the terms of the term loan were substantially the same before and after the amendment. Prior existing debt issuance costs and the new debt issuance costs associated with the amendment are being amortized over the life of the new term loan. The next scheduled principal payment for each of the term loans is at maturity.

In December 2012, the outstanding term loan principal balance of $34.6 million maturing in April 2013 was repaid. As such, OCI wrote off the entire loan balance and the associated deferred financing costs of $0.1 million, net of accumulated amortization of $0.7 million.

During July 2013, OCI repaid its outstanding $231.7 million first lien term loan and $75.0 million second lien term loan, as amended in connection with OCI first lien credit facility as discussed below.

OCI Second Lien Term Loan

In October 2012, OCI's second lien term loan credit agreement was amended. Of the $75.0 million outstanding principal loan balance due to mature in April 2014, $70.2 million was extended 12 months, to mature in April 2015, at an increased rate of LIBOR plus a margin of 8.75%. The terms governing the remaining outstanding portion of the second lien term loan in the amount of $4.8 million did not change. The amendment was treated as a modification in accordance with the guidance in ASC 470: *Debt,* as the terms of the term loan were substantially the same before and after the amendment. Prior existing debt issuance costs and the new debt issuance costs were amortized over the life of the new term loan. During July 2013, OCI repaid its outstanding $75.0 million second lien term loan, as amended, in connection with the financing of the OCI first lien credit facility.

OCI First Lien Credit Facility

During July 2013, OCI entered into a new $375.0 million first lien credit facility consisting of a $300.0 million first lien term loan, which has a rate of LIBOR, with a floor of 1%, plus a margin of 5.75% and includes an original issue discount of 1% maturing July 2020. The first lien credit facility term loan requires quarterly payments of principal equal to 0.25% of the original principal amount of the term loan beginning in December 2013, with the remaining unpaid amount due and payable at maturity. Borrowings under the first lien term loan are prepayable in whole or in part at any time without penalty, but are subject to a prepayment premium in the event of a refinancing of the term loan within twelve months of the closing date. This transaction also included a new revolving credit facility of $75.0 million replacing OCI's previous revolving credit facility of $35.0 million. We applied ASC 470-50 *Debt—Modifications and Extinguishments* to this transaction. After evaluating the criteria as applicable to syndicated loans, the refinancing resulted in both an extinguishment of debt for certain creditors whose balances were entirely re-paid, and a debt modification for certain creditors whose terms were not substantially different before and after the amendment. The new fees paid and previously existing deferred financing costs were proportionally allocated between modification and extinguishment. Of the $5.4 million in fees, $4.7 million were capitalized and are being amortized over the remaining term of the new debt. New fees and previously existing deferred financing costs allocated to the extinguishment were included in the calculation of loss on early extinguishment of debt, which resulted in a loss of $1.9 million and was recorded within other income (expense) in the consolidated statement of operations for the year ended December 31, 2013.

OCI Revolving Credit Facility

OCI's revolving credit facility of $75.0 million has a rate of LIBOR with a floor of 1%, plus a margin of 5.75% and matures in July 2018. OCI is required to pay a quarterly commitment fee of up to 0.5% on the aggregate unused and uncanceled commitments under the revolving credit facility.

At December 31, 2013 and 2012, the total undrawn amount available under the OCI revolving credit facility was $75.0 million and $35.0 million, respectively.

OCI Newbuild Financing

On April 27, 2012, OCI took delivery of *Riviera* and financed $539.0 million. This loan facility included funds to cover 80% of the construction contract of the ship, the settlement of the related euro foreign currency hedges and the balance of the export credit agency fee. The newbuild loan facility is 95% guaranteed to the lenders by Servizi Assicurativi del Commercio Estero ("SACE"), the official export credit agency of Italy. OCI is required to make 24 semi-annual principal payments on the loan commencing six months subsequent to the draw-down date of April 27, 2012. The loan facility is based on six-month LIBOR plus a margin of 0.55%. However, if a market disruption event occurs as defined by the lenders, the floating interest rate can be amended to include an adjusted spread. As of December 31, 2013 the all-in interest rate, which did not include an adjusted spread, was 0.91%. The annual effective interest rate was 3.03%. In December 2012, OCI prepaid $44.9 million for the principal payments due in April and October 2013. The outstanding balance as of December 31, 2013, and 2012 totaled $471.6 million. Associated with the *Riviera* newbuild loan facility, PCI issued a $15.0 million letter of credit in 2012, which was issued for the benefit of the lenders and automatically renews each year. PCH guarantees this financing arrangement.

During 2012, the floating interest rate on the*Riviera* newbuild loan facility was amended to include an adjusted spread calculation that references the USD/EUR basis swap index and the IBOXX Euro Average, which is capped at 1%. In accordance with ASC 815-15-20, *Derivatives and Hedging* ("ASC 15") we evaluated the characteristics of the adjusted spread and determined that it met the criteria of an embedded derivative as defined by the codification. We determined that this embedded derivative feature required bifurcation from its host contract in accordance with ASC 815. At inception, the bifurcation of the embedded derivative from the loan agreement resulted in a discount to the face value of the loan agreement of approximately $17.5 million, which is being amortized to interest expense over the life of the loan agreement under the effective interest method.

During October 2013 the lenders notified us that the market disruption event no longer existed and the adjusted spread would cease to apply as of the next interest period rate reset, on October 27, 2013. The fair value of the *Riviera* newbuild loan facility embedded derivative as of December 31, 2013 is $0.0 million as we estimate that the adjusted spread will no longer be activated for the remainder of the loan agreement. Debt discount accretion was $2.3 million and $1.7 million for the year ended December 31, 2013 and 2012, respectively.

On January 19, 2011, OCI took delivery of *Marina* and financed $535.7 million. Similar to the newbuild loan facility in place for *Riviera,* this loan facility included funds to cover 80% of the construction contract of the ship, the settlement of the related euro foreign currency hedges and the balance of the export credit agency fee. The newbuild loan facility is 95% guaranteed to the lenders by SACE. OCI is required to make 24 semi-annual principal payments on the loan commencing six months subsequent to the draw-down date of January 19, 2011. The loan facility is based on six-month LIBOR plus a margin of 0.55%. However, if a market disruption event occurs as defined by the lenders, the floating interest rate can be amended to include an adjusted spread. As of December 31, 2013 the all-in interest rate, including an adjusted spread, was 1.10%. The annual effective interest rate was 3.30%. In December 2012, OCI prepaid $22.3 million for the principal payment due in January 2013. The outstanding balance as of December 31, 2013 and 2012 totaled $424.1 million and $446.4 million, respectively. Associated with our *Marina* newbuild loan facility, PCI issued a $15.0 million letter of credit in 2011, which was issued for the benefit of the lenders and automatically renews each year. PCH guarantees this financing arrangement.

During 2012, the floating interest rate on the *Marina* newbuild loan facility was amended to include an adjusted spread calculation that references the USD/EUR basis swap index and the IBOXX Euro Average and is capped at 1%. In accordance with ASC 815, we evaluated the characteristics of the adjusted spread and determined that it met the criteria of an embedded derivative as defined by the codification. We determined that this embedded derivative feature required bifurcation from its host contract in accordance with ASC 815. At inception, the bifurcation of the embedded derivative from the loan agreement resulted in a discount to the face value of the loan agreement of approximately $16.6 million, which is being amortized to interest expense over the life of the loan agreement under the effective interest method.

During October 2013, the lenders notified us that the market disruption event no longer existed and the adjusted spread would no longer be required effective at the next scheduled interest rate reset on January 19, 2014. The fair value of the *Marina* newbuild loan facility embedded derivative as of December 31, 2013 is approximately $34,000. Debt discount accretion was $2.5 million for the years ended December 31, 2013 and 2012.

SSC First Lien Credit Facility

In August 2012, SSC terminated its previously existing $465.0 million credit facility, consisting of both a $425.0 million term loan and a $40.0 million revolving credit facility, with a syndicate of financial institutions. SSC repaid the outstanding term loan balance of $293.5 million, accrued interest of $1.0 million and third party fees of $0.1 million. SSC also wrote off approximately $4.4 million of previously recorded deferred financing costs associated with the terminated credit facility. The repayment of the debt met the liability derecognition criteria in ASC Topic 405, *Extinguishment of Liabilities,* and as such, a loss of $4.5 million on early extinguishment of debt was recorded and is included in other income (expense) in our consolidated statements of operations and within operating activities in our consolidated statements of cash flows.

Concurrent with the termination of the first lien credit facility, SSC entered into a $340.0 million credit agreement consisting of a $300.0 million term loan and a $40.0 million revolving credit facility with a unrelated syndicate of financial institutions. Borrowings under the term loan and revolving credit facility bear interest at LIBOR with a floor of 1.25%, and an applicable margin of either 4.75% or 5.0% based on the Total Senior Secured Bank Leverage Ratio (as defined in the credit agreement). The margin was 5.0%. The term loan requires quarterly payments of principal equal to $0.75 million beginning in December 2012, with the remaining unpaid amount due and payable at maturity. Borrowings under the term loan are repayable in whole or in part at any time without penalty, but are subject to a prepayment premium in the event of a refinancing of the term loan within twelve months. The term loan matures on December 21, 2018, at which time all outstanding amounts under the term loan will be due and payable. In addition, SSC

is required to pay a quarterly commitment fee of either 0.375% or 0.5%, based on a loan-to-value ratio, upon the aggregate unused and uncanceled commitments under the revolving credit facility. The current commitment fee is 0.5%. The revolving credit facility matures on August 21, 2017, at which time all outstanding amounts under the revolving credit facility will be due and payable. The proceeds from the credit agreement were used to repay the first lien term loan, as discussed above.

The $340.0 million credit agreement included an original issue debt discount of $3.0 million. This amount is recorded as a reduction to the gross debt and is being accreted over the agreement term using the effective interest method. We have presented the debt, net of the original debt discount in our consolidated balance sheets. The discount is not considered an asset separable from the debt and we have allocated the discount between current and long-term debt. Additionally, SSC recorded $6.8 million in debt issuance costs. Deferred debt issuance costs are amortized to income using the effective interest method and are included net of amortization within other current assets and other assets in the accompanying consolidated balance sheets.

In February 2013, SSC amended its previously existing $340.0 million credit agreement, consisting of a $300.0 million term loan and $40.0 million revolving credit facility. Interest on SSC's term loan is calculated based upon LIBOR, with a floor of 1.25%, plus an applicable margin. In conjunction with this amendment, the applicable margin on the outstanding balance of $296.3 million was repriced to 3.5% from either 4.75% or 5.0% based on a leverage ratio in the original term loan. Borrowings under the amended term loan are prepayable in whole or in part at any time without penalty, but are subject to a prepayment premium in the event of a refinancing of the term loan within twelve months of the amendment. SSC paid $3.7 million of accrued interest, $3.0 million for a prepayment penalty, $1.3 million in arranger fees and $0.2 million in legal fees in connection with the amendment. There was no change to the terms of the revolving credit facility or the maturity date of the term loan. There was also no impact on financial covenants, liquidity or debt capacity.

SSC applied ASC 470-50 *Debt—Modifications and Extinguishments* to this transaction. After evaluating the criteria as applicable to syndicated loans, the repricing resulted in an extinguishment of debt for certain creditors whose balances were entirely repaid. This repricing resulted in a debt modification for certain creditors whose terms were not substantially different before and after the amendment. The new fees paid and previously existing deferred financing costs were proportionally allocated between modification and extinguishment. Of the $4.5 million in fees, $3.1 million of the amendment fees were capitalized and are being amortized over the remaining term of the debt. New fees, previously existing deferred financing costs and debt discount of $1.2 million, $1.7 million and $0.8 million, respectively, allocated to the extinguishment were included in the calculation of gain or loss on early extinguishment of debt, which resulted in a loss of $3.7 million and was recorded within other income (expense) in the consolidated statement of operations for the year ended December 31, 2013.

As of December 31, 2013 and 2012, the total undrawn amount available under the SSC revolving credit facility was $40.0 million.

SSC Senior Secured Notes

In May 2011, SSC issued $225.0 million of senior secured notes (the "Notes") at a rate of 9.125% through a private placement with registration rights. The Notes are due on May 15, 2019, with interest payments due semi-annually beginning in November 2011. The net proceeds from the Notes after the initial purchasers' discount and estimated fees and expenses of $7.4 million, were approximately $217.6 million. SSC used $140.7 million of the proceeds from the offering to repay the second lien term loan, $29.0 million to pay down its first lien term loan and the remainder as unrestricted cash. SSC registered the Notes with the SEC in May 2012. SSC has the ability to redeem the Notes prior to the due date.

SSC Newbuild Financing

Effective July 2013, SSC entered into a definitive contract with Italy's Fincantieri shipyard to build a luxury cruise ship to be named the *Seven Seas Explorer*. Under the terms of the contract, SSC will pay €343.0 million or approximately $471.3 million (calculated on the applicable exchange rate at December 31, 2013) to Fincantieri for the new vessel. During July 2013, SSC made a payment of approximately $22.0 million to Fincantieri for the initial installment payment for *Seven Seas Explorer*.

In July 2013, SSC entered into a loan agreement providing for borrowings of up to approximately $440.0 million with a syndicate of financial institutions to finance 80% of the construction contract of *Seven Seas Explorer,* the settlement of related euro foreign currency hedges and the export credit agency fee. The twelve year fully amortizing loan requires semi-annual principal and interest payments commencing six months following the draw-down date. Borrowings under this loan agreement will bear interest, at our election, at either (i) a fixed rate of 3.43% per year, or (ii) six month LIBOR plus a margin 2.8% per year. SSC is required to pay various fees to the lenders under this loan agreement, including a commitment fee of 1.1% per year on the undrawn maximum loan amount payable semi-annually. Guarantees under this loan agreement are provided by SSC and PCH. The newbuild loan facility is 95% guaranteed to the lenders by Servizi Assicurativi del Commercio Estero ("SACE"), the official export credit agency of Italy. As of December 31, 2013, the total undrawn amount available under the loan agreement was approximately $440.0 million.

Debt Covenants

Our First Lien Credit Facilities contain a number of covenants that impose operating and financial restrictions including requirements that we maintain a maximum loan-to-value ratio, a minimum interest coverage ratio (applicable only to our revolving credit facilities, if drawn) and restrictions on our and our subsidiaries ability to, among other things, incur additional indebtedness, issue preferred stock, pay dividends on or make distributions with respect to our common stock, restrict certain transactions with affiliates, and sell certain key assets, principally our ships.

The newbuild loan facilities, as amended, contain financial covenants, including requirements that OCI and SSC maintain a minimum liquidity balance, that PCH as guarantor maintains a maximum total debt to EBITDA ratio, a minimum EBITDA to debt service ratio and a maximum total debt to adjusted equity ratio, on the last day of the calendar year. EBITDA, as defined in the loan agreement, includes certain adjustments for purposes of calculating the ratio. As of December 31, 2013, we are in compliance with all financial covenants.

The following schedule represents the annual maturities of third-party long-term debt (in thousands):

For the year ended December 31,	
2014	$ 95,560
2015	95,560
2016	95,560
2017	95,560
2018	376,810
Thereafter	957,184
Total	$ 1,716,234

Interest expense on third-party debt, including interest rate swaps, was $70.4 million (net of capitalized interest of $0.7 million), $65.9 million (net of capitalized interest of $1.2 million) and $46.3 million (net of capitalized interest of $2.8 million) for the years ended December 31, 2013, 2012 and 2011, respectively.

Note 6. Related Party Notes Payable and Warrants

Initial Issuance

In connection with the 2008 Reorganization, we issued eleven promissory notes to Apollo totaling $512.4 million. The promissory notes are subordinate to all third-party non-trading debt. Eight of the promissory notes for a total of $325.0 million ("5% Notes") bear interest at a rate of 5% per annum, cumulative, compounding semi-annually. The principal and interest are due upon note maturity. The other three promissory notes for a total of $187.4 million are non-interest bearing. The eleven promissory notes mature at the earlier of a qualified public offering, the sale of PCI, or on the 10th anniversary of the issue date of the promissory note.

Also in 2008, PCI granted 8.1 million warrants to Apollo to purchase common stock bearing a 5% payment-in-kind ("PIK") dividend rate per annum with dividends being cumulative, compounding semi-annually, and payable in additional warrants ("5% Dividend"). An additional 4.7 million non-dividend paying warrants were also granted to Apollo on January 31, 2008. All warrants granted on January 31, 2008 have an exercise price of $40.02355, are immediately exercisable, and expire at the earlier of a qualified public offering, the sale of PCI, or on the 10th anniversary of the issue date of the warrant agreement.

The warrants have been accounted for as equity, as an increase to additional paid in capital, in accordance with ASC 480*Distinguishing Liabilities from Equity*. As there were multiple classes of instruments (promissory notes, warrants, and common stock) issued during 2008, the proceeds were allocated to each type of instrument at the investor level based on the relative fair values on the issuance date in accordance with ASC 470 resulting in a discount to the promissory notes.

The value assigned at inception to the promissory notes, warrants, and common stock was $408.1 million, $215.4 million, and $234.7 million, respectively. The discount to the face value of the note was approximately $116.5 million, which is being amortized to interest expense over the ten-year period of the promissory note under the effective interest method. The annual effective interest rates range from 4.19% to 6.75%.

2010 and 2009 Issuances

During 2010 and 2009, we issued promissory notes totaling approximately $83.6 million and $99.2 million, which all occurred in conjunction with grants of 5% Dividend warrants to purchase common stock. Each issuance in 2010 and 2009 contain the same terms. The promissory notes are subordinate to all third-party non-trading debt and bear interest at a rate of 5% per annum, cumulative, compounding semi-annually. The principal and interest are due upon note maturity; there is no interest cancellation feature on these promissory notes. The promissory notes mature at the earlier of a qualified public offering, the sale of PCI or on the 10th anniversary of the effective date of the promissory note. All warrants issued in 2010 and 2009 have an exercise price of $9.25, are immediately exercisable and expire at the earlier of a qualified public offering, the sale of PCI or on the 10th anniversary of the effective date of the warrant agreement.

The warrants have been accounted for as equity in accordance with ASC 480 and the proceeds were allocated to promissory notes and warrants based on their relative fair values on the issuance date in accordance with ASC 470. The value assigned to each respective warrant issuance was initially recorded as a discount to the face value of the corresponding note with an offsetting increase to additional paid in capital. The debt discounts are being amortized to interest expense over the ten-year period of the promissory notes under the effective interest method. The annual effective interest rates range from 12.15% to 15.30% in 2013, 2012 and 2011. There were no issuances of promissory notes or warrants during 2013, 2012, 2011.

Related party notes payable, including accrued interest, consist of the following:

(in thousands)

	As of December 31,	
	2013	2012
Apollo term notes, 5% interest, due April 27, 2017	$ 382,513	$ 364,081
Apollo term notes, 5% interest, due June 19, 2017	69,041	65,714
Apollo term notes, non-interest bearing, due January 31, 2018	187,431	187,431
Apollo term notes, 5% interest, due May 18, 2019	62,816	59,789
Non-Apollo term notes, 5% interest, due August 1, 2019	16,492	15,697
Apollo term notes, 5% interest, due December 24, 2019	30,490	29,020
Non-Apollo term notes, 5% interest, due December 31, 2019	13,354	12,711
Apollo term notes, 5% interest, due May 6, 2020	62,167	59,172
Apollo term notes, 5% interest, due October 26, 2020	27,068	25,764
Non-Apollo term notes, 5% interest, due November 19, 2020	9,960	9,480
	861,332	828,859
Less: Unamortized discount on related party notes payable	149,715	167,555
Long-term portion	$ 711,617	$ 661,304

The annual maturities of related party notes payable are due beginning in 2017 and through 2020.

Interest expense on related party notes was $32.5 million, $30.9 million and $29.4 million for the years ended December 31, 2013, 2012 and 2011, respectively, and has been added to long-term related party notes payable in the accompanying consolidated balance sheets. Debt discount accretion of $17.8 million, $15.3 million and $13.0 million for the years ended December 31, 2013, 2012 and 2011, respectively, is included in interest expense, net in the consolidated statements of operations.

Note 7. Derivative Instruments, Hedging Activities and Fair Value Measurements

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

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates to our long-term debt obligations including future interest payments. We use interest rate swap agreements to modify our exposure to interest rate fluctuations and to manage our interest expense.

In July 2011, OCI entered into three forward starting interest rate swap agreements to hedge the variability of the interest payments related to the outstanding variable rate debt associated with the *Marina* newbuild financing. The first swap, with an amortizing notional amount of $450.0 million at inception, was effective beginning January 19, 2012 and matured on January 19, 2013. The second swap, with an amortizing notional amount of $405.4 million became effective on January 19, 2013 and matured on January 19, 2014. The third swap, with an amortizing notional amount of $360.8 million became effective January 19, 2014 and matures on January 19, 2015. All three interest rate swaps are designated as cash-flow hedges and qualify for hedge accounting treatment. The changes in fair value of the effective portion of the interest rate swaps are recorded as a component of accumulated other comprehensive income (loss) on our consolidated balance sheets.

In March 2013, OCI entered into three forward starting interest rate swap agreement to hedge the variability of the interest payments related to the variable rate debt associated with the *Marina* and *Riviera* newbuild loan facility. The*Marina* interest rate swap, with an amortizing notional amount of $300.0 million at inception, becomes effective January 20, 2015 and matured on January 19, 2016. The first *Riviera* interest rate swap, with an amortizing notional amount of $422.4 million at inception, became effective on October 28, 2013 and matures on October 27, 2014. The second *Riviera* interest rate swap, with an amortizing notional amount of $377.6 million at inception becomes effective October 27, 2014 and matures on October 27, 2015.

All OCI interest rate swaps are designated as cash-flow hedges and meet the requirements to qualify for hedge accounting treatment. The changes in fair value of the effective portion of the interest rate swaps are recorded as a component of accumulated other comprehensive income (loss) on our consolidated balance sheets. The total notional amount of interest rate swap agreements for OCI effective and outstanding as of December 31, 2013 and 2012 was $805.5 million and $427.7 million, respectively. There was no ineffectiveness recorded for the year ended December 31, 2013 and 2012.

During 2008, SSC entered into an interest rate swap agreement with a notional amount of $400.0 million to limit the interest rate exposure related to its long-term debt. This interest rate swap, which matured on February 14, 2011, was designated as a cash flow hedge and the change in fair value of the effective portion of the interest rate swap was recorded as a component of accumulated other comprehensive income (loss) in the accompanying consolidated balance sheets. SSC had no interest rate swaps outstanding as of December 31, 2013 and 2012.

Foreign Currency Exchange Risk

Our exposure to market risk for changes in foreign currency exchange rates relates to our Euro-denominated payments related to our newbuild ship contract, vessel drydock and other operational expenses denominated in currencies other than the U.S. dollar.

During August 2013, SSC entered into a foreign currency collar option with an aggregate notional amount €274.4 million ($377.1 million at December 31, 2013) to limit the exposure to foreign currency exchange rates for Euro denominated payments related to the ship construction contract for the *Seven Seas Explorer.* The notional amount of the collar represents 80% of the construction contract of the vessel due at delivery. This foreign currency collar option was designated as a cash flow hedge at the inception of the instrument and will mature June 2016. The estimated fair value of the foreign currency effective portion of the derivative was recorded as a component of accumulated other comprehensive income (loss) in the accompanying consolidated balance sheets. There was no ineffectiveness recorded as of December 31, 2013. Ineffective portions of the future changes in fair value of the instrument will be recognized in other income (expense) in the statement of operations.

During 2012, we entered into foreign currency swaps with an aggregate notional amount of €2.8 million ($3.6 million as of December 31, 2012) to limit the exposure to foreign currency exchange rates for Euro denominated payments related to vessel drydock and other operational expenses. The foreign currency swaps do not qualify for hedge accounting; therefore, the changes in fair values of these foreign currency derivatives are recorded in other income (expense) in the accompanying consolidated statements of operations. There were no outstanding foreign currency swap agreements as of December 31, 2012.

Fuel Price Risk

Our exposure to market risk for changes in fuel prices relates primarily to the consumption of fuel on our vessels. We use fuel derivative swap agreements to mitigate the financial impact of fluctuations in fuel prices. The fuel swaps do not qualify for hedge accounting; therefore, the changes in fair value of these instruments are recorded in other income (expense) in the accompanying consolidated statements of operations.

As of December 31, 2013 and 2012, we entered into the following fuel swap agreements:

	Fuel Swap Agreements	
	As of December 31, 2013	As of December 31, 2012
	(in barrels)	
2013	—	528,975
2014	495,900	224,550
2015	123,300	—

	Fuel Swap Agreements	
	As of December 31, 2013	As of December 31, 2012
	(% hedged – estimated consumption)	
2013	—%	56%
2014	50%	24%
2015	12%	—%

We have certain fuel derivative contracts that are subject to margin requirements. For these specific fuel derivative contracts, on any business day, we may be required to post collateral if the aggregate mark-to-market exposure exceeds $3.0 million. The amount of collateral required to be posted is an amount equal to the difference between the mark-to-market exposure and $3.0 million. As of December 31, 2013 and 2012, we were not in a liability position related to this counterparty and therefore, we were not required to post any collateral for our fuel derivative instruments.

At December 31, 2013 and 2012 the fair values and line item captions of derivative instruments designated as hedging instruments under FASB ASC 815-20 were:

(in thousands)

	Balance Sheet Location	Fair Value as of December 31, 2013	Fair Value as of December 31, 2012
Foreign currency collar	Other long-term assets	$ 2,702	$ —
Total derivative assets		$ 2,702	$ —
Interest rate swaps	Current liabilities – derivative liabilities	$ 7,055	$ 2,206
Interest rate swaps	Other long-term liabilities	4,249	8,730
Total derivative liabilities		$ 11,304	$ 10,936

At December 31, 2013 and 2012, the fair values and line item captions of derivative instruments not designated as hedging instruments under FASB ASC 815-20 were:

(in thousands)

	Balance Sheet Location	Fair Value as of December 31, 2013	Fair Value as of December 31, 2012
Fuel hedges	Other current assets	$ 1,657	$ 1,179
Fuel hedges	Other long-term assets	194	1,608
	Total Derivatives Assets	$ 1,851	$ 2,787
Fuel hedges	Current liabilities – Derivative liabilities	$ —	$ 278
Embedded derivatives	Current liabilities – Derivative liabilities	34	3,760
Embedded derivatives	Other long-term liabilities	—	15,330
	Total Derivatives Liabilities	$ 34	$ 19,368

The effect of derivative instruments qualifying and designated as hedging instruments on the consolidated financial statements for the year ended December 31, 2013 was as follows (in the tables below other comprehensive income is abbreviated as OCI):

(in thousands)

	Amount of Gain/(Loss) Recognized on OCI Derivative (Effective Portion)	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain/(Loss) Recognized in Income on Derivative (Ineffective Portion excluded from Effectiveness Testing)	Amount of Gain/(Loss) Recognized in Income on Derivative (Ineffective Portion excluded from Effectiveness Testing)
Interest rate swaps	$ (367)	N/A	$ —	N/A	$ —
Foreign currency collars	2,702	Depreciation and amortization expense	(1,735)	N/A	—
Total	$ 2,335		$ (1,735)		$ —

The effect of derivative instruments qualifying and designated as hedging instruments on the consolidated financial statements for the year ended December 31, 2012 was as follows:

(in thousands)

	Amount of Gain/(Loss) Recognized in OCI Derivative Instruments (Effective Portion)	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain/(Loss) Recognized in Income on Derivative Instruments (Ineffective Portion excluded from Effectiveness Testing)	Amount of Gain/(Loss) Recognized in Income on Derivative Instruments (Ineffective Portion excluded from Effectiveness Testing)
Interest rate swaps	$ (4,600)	Interest expense, net	$ —	N/A	$ —
Foreign currency collars	—	Depreciation and amortization expense	(1,561)	N/A	—
Total	$ (4,600)		$ (1,561)		$ —

The effect of derivative instruments qualifying and designated as hedging instruments on the consolidated financial statements for the year ended December 31, 2011 was as follows:

(in thousands)

	Amount of Gain/(Loss) Recognized in OCI on Derivative Instruments (Effective Portion)	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain/(Loss) Recognized in Income on Derivative Instruments (Ineffective Portion excluded from Effectiveness Testing)	Amount of Gain/(Loss) Recognized in Income on Derivative Instruments (Ineffective Portion excluded from Effectiveness Testing)
Interest rate swaps	$ (3,524)	Interest expense, net	$ (2,814)	N/A	$ —
Foreign currency collars	37,504	Depreciation and amortization expense	(1,110)	N/A	—
Total	$ 33,980		$ (3,924)		$ —

The effect of derivative instruments not designated as hedging instruments on the consolidated financial statements for the years ended December 31, 2013, 2012 and 2011 was:

(in thousands)

	Location of Gain (Loss) Recognized in Income on Derivative Instruments	Amount of Gain (Loss) Recognized in Income on Derivative Instruments For the Years Ended December 31,		
		2013	2012	2011
Foreign currency swaps	Other income (expense)	$ —	$ (165)	$ 87
Foreign currency collars	Other income (expense)	—	10,035	(47,193)
Embedded derivatives	Other income (expense)	19,056	15,008	—
Fuel hedges	Other income (expense)	158	6,283	9,198
Total		$ 19,214	$ 31,161	$ (37,908)

Fair Value Measurements

GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs are inputs that reflect our assumptions which market participants would use in pricing the asset or liability based on the best available information under the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

- Level 1 Inputs—Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 Inputs—Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly or indirectly.
- Level 3 Inputs—Inputs that are unobservable for the asset or liability.

Fair Value of Financial Instruments

We use quoted prices in active markets when available to determine the fair value of our financial instruments. The fair values of our financial instruments that are not measured at fair value on a recurring basis are:

(in thousands)

	Carrying Value as of December 31,		Fair Value as of December 31,	
	2013	2012	2013	2012
Long-term bank debt[(a)]	$ 1,461,544	$ 1,488,216	$ 1,492,762	$ 1,459,232
Senior secured notes	225,000	225,000	249,188	239,063
Long-term related party notes payable	711,617	661,304	877,129	632,724
Total	$ 2,398,161	$ 2,374,520	$ 2,619,079	$ 2,331,019

(a) the December 31, 2013 and 2012 carrying value is net of $29.7 million and $32.8 million, respectively of debt discount.

Long-term bank debt: Level 2 inputs were used to calculate the fair value of our long-term debt which was estimated using the present value of expected future cash flows which incorporates our risk profile and, if applicable, the risk profile of SACE. The valuation also takes into account debt maturity and interest rate based on the contract terms.

Senior secured notes: Level 2 inputs were used to calculate the fair value of our Notes which was estimated using quoted market prices.

Long-term related party notes payable: Level 2 and 3 inputs are utilized to derive the fair value of our long-term related party notes payable. As described in "Note 6—Related Party Notes Payable and Warrants", there are multiple classes of instruments (promissory notes, warrants and common stock) that are issued. Therefore, we have utilized an option pricing methodology to determine fair value. Level 2 inputs used in this methodology are risk-free rates and volatility, which are identical to our assumptions used to calculate our fair value equity awards in Note 8—"Share-Based Employee Compensation". Level 3 inputs include our aggregate equity value, time to liquidity event date, dividend yields and breakpoints, which consider the rights, privileges and preferences of the various classes of the instruments. Our aggregate equity value was estimated using a weighted average of income and market approach method. Also, our dividend yield used was 0% as we do not anticipate paying dividends in the foreseeable future. There have been no issuances or repayments of the related party notes during the year ended December 31, 2013. Also, there were no movements of financial instruments in or out of Level 3 during the years ended December 31, 2013 and 2012.

Other financial instruments: Due to their short-term maturities and no interest rate, currency or price risk, the carrying amounts of cash and cash equivalents, restricted cash, passenger deposits, accrued interest, and accrued expenses approximate their fair values. We consider these inputs to be level 1 as all are observable and require no judgment for valuation.

The following table presents information about our financial instrument assets and liabilities that are measured at fair value on a recurring basis:

(in thousands)

	As of December 31, 2013				As of December 31, 2012			
Description	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets								
Derivative financial instruments[(a)]	$ 4,553	$ —	$ 4,553	$ —	$ 2,787	$ —	$ 2,787	$ —
Total Assets	$ 4,553	$ —	$ 4,553	$ —	$ 2,787	$ —	$ 2,787	$ —
Liabilities								
Derivative financial instruments[(b)]	$ 11,338	$ —	$ 11,338	$ —	$ 30,304	$ —	$ 30,304	$ —
Total liabilities	$ 11,338	$ —	$ 11,338	$ —	$ 30,304	$ —	$ 30,304	$ —

(a) As of December 31, 2013, derivative financial instruments of $1.7 million are classified as other current assets and $2.9 million are classified as other long-term assets in the consolidated balance sheets. As of December 31, 2012, $1.2 million was classified as other current assets and $1.6 million was classified in other long-term assets.

(b) As of December 31, 2013, derivative financial instruments of $7.1 million are classified as derivative liabilities and $4.2 million are classified as other long-term liabilities in the consolidated balance sheets. As of December 31, 2012, $6.2 million was classified as derivative liabilities and $24.1 million was classified in other long-term liabilities.

Our derivative financial instruments consist of interest rate swaps, foreign currency exchange contracts, and fuel hedge swaps. Fair value is derived using the valuation models that utilize the income value approach. These valuation models take into account the contract terms such as maturity, and inputs such as forward interest rates, forward foreign currency exchange rates, forward fuel prices, discount rates, creditworthiness of the counter party and us, as well as other data points. The data sources utilized in these valuation models that are significant to the fair value measurement are classified as Level 2 sources in the fair value input level hierarchy.

Our derivative financial instruments also consist of embedded derivatives. Fair value is derived using the valuation models that utilize the income value approach. These valuation models take into account the contract terms such as maturity, and inputs such as forward interest rates, discount rates, IBOXX Euro Average, USD/EUR basis index, creditworthiness of the counter party and us, as well as other data points. The data sources utilized in these valuation models that are significant to the fair value measurement are classified as Level 2 sources in the fair value input level hierarchy.

Non-recurring Measurements of Non-financial Assets

Goodwill and indefinite-lived intangible assets not subject to amortization are reviewed for impairment on an annual basis or earlier if there is an event or change in circumstances that would indicate that the carrying value of these assets could not be fully recovered. For goodwill, if the carrying amount of the reporting unit exceeds the estimated discounted future cash flows, we measure the amount of the impairment by comparing the carrying amount of the reporting unit to its estimated fair value. For indefinite-lived intangible assets if the carrying amount of the asset exceeds the estimated discounted future cash flows, we measure the amount of the impairment by comparing the carrying amount of the asset to its fair value.

Other long-lived assets, such as our ships, are reviewed for impairment whenever events or changes in circumstances indicate its carrying amount may not be recoverable. If the carrying amount exceeds the estimated expected undiscounted future cash flows, we measure the amount of the impairment by comparing its carrying amount to its estimated fair value. The estimation of fair value measured by undiscounted or discounted expected future cash flows would be considered Level 3 inputs.

Note 8. Share-Based Employee Compensation

In 2008, PCI adopted the 2008 Stock Option Plan ("Plan") whereby its board of directors may grant stock options to officers, key employees, consultants and directors. The Plan authorized grants of options of up to 4,720,000 shares of common stock for 2013 and 2012 and 4,500,000 shares of common stock for 2011. Options granted primarily vest proportionally over 3 years, 50% based on performance conditions and 50% based on employee service conditions. The contractual term of options granted during the years ended December 31, 2013 and 2012 is eight years.

During February 2013 and April 2012, the President and Chief Operating Officer of PCH was granted 100,000 and 600,000 options, respectively, to purchase PCI shares according to his employment contract. These options are time based and vest over 3 years on his employment anniversary date. The contractual term of these options is 8 years. Total compensation expense for these options was calculated at the PCI level. The fair value was estimated on the grant date using the Black-Scholes model which includes the fair value of PCI common stock determined at the approximate grant date. The estimated fair value of these stock options, totaled $0.3 million in 2013 and $1.4 million in 2012 and is amortized over the vesting period using the graded-vesting method.

On December 31, 2012, we modified approximately 489,000 performance based stock options of equity classified awards, including those options modified in December 2011. The modification was due to the change in expectation from improbable to probable that we would meet the performance condition. No other terms of the options were changed. We revalued these awards and recorded the full expense as of December 31, 2012.

In December 2011, the Board of Directors modified approximately 344,000 performance based stock options recorded as equity classified awards. These equity classified awards would have been forfeited due to failure to achieve the specified performance condition. The Board of Directors modified the performance conditions of these options to allow the options to vest provided that performance targets are met in 2012. This modification was accounted for as a cancellation and a replacement grant. The replacement grant was treated as a new issuance and the fair value was remeasured at the date of modification.

During June 2009, a special award of 1,000,000 options with a grant date fair value of $3.4 million was granted to our Chief Executive Officer and Chairman of the Board. These options vest over a four year period, 50% after the first 24 months, 25% after 36 months and 25% after 48 months. The contractual term of the special award options is eight years.

To determine fair value of our common stock, we used a weighted average of the market and income valuation approaches. Weightings were assigned to the income approach and market approaches, which produced an indication of the invested capital value on a freely tradable basis at the valuation dates. These weightings were based on (i) a minority investor placing considerable weight on the Income Approach value because it relies directly on our forecasted operating results and market-derived rates of return and (ii) to a lesser extent, the Market Approach, because it reflects current market pricing and earnings and relies on an analysis of our direct competitors, which are considered to be alternative investments to an investment in us.

For the market approach, we analyzed comparable publicly-traded companies (the "Peer Group"). The data obtained from the Peer Group was converted to various standard valuation multiples. We used the enterprise value/revenue multiple and enterprise value/EBITDA multiple for the Peer Group. We considered these metrics to be the best indicators of free cash flows and the standard multiples used in a market valuation approach. These multiples were applied to our revenue and EBITDA, with equal weighting, to derive an enterprise value.

For the income approach, we used the discounted cash flow model to calculate the value of our total invested capital (debt and equity). An estimated cash flow growth rate was determined to reflect our estimate of our long-term prospects, to which we further applied a discount rate ranging from 12.5% to 14.3% in 2013, 2012 and 2011.

In order to compute our discount rate for the cash flow model, a weighted-average cost of capital ("WACC") was determined. Our WACC is based on our capital structure consisting of both equity and debt. Our debt-to-capital ratio is projected to be 50% based on the expected long-term capital structure. The WACC was therefore weighted evenly between the cost of capital for debt and equity. The cost of debt capital was determined by considering a range of market rates for S&P B and BBB rated corporate bonds with similar terms. The remaining component of WACC, the cost of equity, is based on:

1. Risk-free rate of return—The risk-free rate is based on the yield of a 20-year treasury bond (the range was between (2.5% and 4.1%);

2. Equity risk premium—The equity risk premium is based on a compilation of equity risk premiums as compiled by various sources, such as Ibbotson & Associates, Pratt Range, Fama & French, etc. (5.75% was used throughout 2013, 2012 and 2011);

3. Industry Beta—Industry Beta is based on our comparable companies (the range was between x2.21 and x2.56); and

4. Size premium—Size premium is based on our market capitalization (the range was between 1.7% and 1.9%).

The differences between the rights, restrictions and preferences of the holders of common stock, warrants, and notes may result in potentially different future outcomes for each class. Therefore, to estimate the value of our common stock, it is necessary to allocate our enterprise value among the various classes of warrants, notes and common stock. To perform this allocation among the various instruments, we utilized the Black-Scholes option pricing model. From the common stock value derived in the Black-Scholes option

pricing model, we added a further discount for lack of marketability ("DLOM") of our common stock. We based the DLOM on the likelihood, timing and size of an initial public offering, forecasted dividends, and potential for industry consolidation. The DLOM used was 15%, for 2013, 2012 and 2011.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes model which includes the fair value of our common stock determined at the approximate grant date. The estimated fair value of stock options, less estimated forfeitures, is amortized over the vesting period using the graded-vesting method. Total compensation expense recognized for employee stock options was $1.4 million, $2.1 million and $2.2 million for the years ended December 31, 2013, 2012 and 2011, respectively, which is included within selling and administrative expense in the consolidated statements of operations. The total unrecognized compensation cost related to non-vested awards is $0.6 million for the year ended December 31, 2013. The weighted average period over which it is expected to be recognized is 1.5 years.

The assumptions used in the Black-Scholes model to fair value equity awards are as follows:

	2013	2012
Expected dividend yield	—%	—%
Expected stock price volatility	36.37% – 54.63%	36.37% – 61.66%
Risk-free interest rate	0.45% – 0.85%	0.25% – 1.03%
Expected option life	3.3 – 5 years	2 – 5 years

Since our common stock is not publicly traded, it is not practical to estimate the expected volatility of our share price. Therefore, the expected volatility is based on a combination of historical volatility for peer companies. The risk-free interest rate is based on U.S. Treasury securities with a remaining term equal to the expected option's life assumed at the date of grant. The expected term is based on the average of contractual life, vested period of the options and expected employee exercise behavior. The estimated forfeiture rate represents an estimate which will be revised in subsequent periods if actual forfeitures differ from those estimates. The weighted average fair value of stock options granted during 2013, 2012 and 2011 was approximately $2.38 per share, $1.77 per share, and $1.64 per share, respectively. Stock option activity is summarized in the following table:

	Number of Options	Weighted-Average Exercise Price ($)	Weighted-Average Remaining Contractual Term (in years)
Outstanding at January 1, 2013	4,152,354	$ 13.28	5.08
Granted	456,500	6.46	
Exercised	(3,500)	5.66	
Forfeited or expired	(116,415)	14.47	
Outstanding at December 31, 2013	4,488,939	12.64	5.08
Vested and expected to vest at December 31, 2013	4,476,187	12.66	4.47
Options exercisable at December 31, 2013	3,877,207	13.70	4.13

The total fair value of shares vested during the years ended December 31, 2013 and 2012 was $2.0 million and $2.3 million, respectively. At December 31, 2013 and 2012, the aggregate intrinsic value of options vested and expected to vest is $34.0 million and $0.8 million, respectively. The aggregate intrinsic value of options exercisable at December 31, 2013 and 2012 is $27.6 million and $0.3 million, respectively. There were no exercises of options that resulted in a material amount of cash received.

Note 9. Stockholders' Equity

Common stock

Our authorized common stock as of December 31, 2013 and 2012 consisted of 100 million shares of common stock with a par value of $0.01 per share. We had 13.6 million shares of common stock issued and outstanding as of December 31, 2013 and 2012.

The holders of our common stock are entitled to one vote per share and participate equally in all dividends payable or distributions. Upon liquidation, dissolution, or winding up of PCI, holders of our common stock are entitled to receive a ratable share of the available net assets of PCI after payment of all debts and other liabilities. Our common stock has no preemptive, subscription, redemption or conversion rights.

Accumulated Other Comprehensive Loss

(in thousands)

	Changes related to Cash Flow Hedge	
	2013	2012
Beginning balance	$ (60,319)	$ (57,280)
Other comprehensive income before reclassifications	2,335	(4,600)
Amount reclassified from accumulated other comprehensive income	1,735	1,561
Net current period other comprehensive income	4,070	(3,039)
Ending balance	$ (56,249)	$ (60,319)

Accumulated other comprehensive loss as of December 31, 2013, 2012 and 2011 was $56.2 million, $60.3 million and $57.3 million, respectively, which is primarily comprised of changes in derivative fair value of cash flow hedges for OCI's new build ships. Since the cash flow hedges involve the purchase of fixed assets, they are considered forecasted transactions. As such, the gain or loss on the foreign currency cash flow hedges that are deferred in and classified as other comprehensive loss are being reclassified into earnings as the ships are depreciated over their estimated useful lives.

OCI's original foreign currency collar associated with the *Riviera* newbuild matured in August 2011. The *Riviera* was delivered in April 2012 and as such, $15.7 million related to the collar will remain in other comprehensive loss and will be recognized within depreciation expense over the ship's useful life. Our original foreign currency collar associated with the *Marina* newbuild matured in October 2010. The *Marina* was delivered in January 2011 and as such, $36.3 million related to the collar will remain in other comprehensive loss and will be recognized within depreciation expense over the ship's useful life. For the years ended December 31, 2013, 2012 and 2011, $1.7 million, $1.6 million and $1.1 million, respectively, was reclassified from accumulated other comprehensive loss to depreciation and amortization expense in the consolidated statements of operations.

Note 10. Earnings (Loss) Per Share

Our basic and diluted earnings per share were computed as follows:

(in thousands, except per share data)

	Years ended December 31,		
	2013	2012	2011
Net income (loss) for basic and diluted earnings per share	$ 35,522	$ (2,612)	$ (69,722)
Weighted-average common stock outstanding	13,572	13,572	13,565
Dilutive effect of equity plan	1,109	—	—
Dilutive effect of warrants	4,176	—	—
Diluted weighted-average shares outstanding	18,857	13,572	13,565
Basic earnings per share	$ 2.62	$ (0.19)	$ (5.14)
Diluted earnings per share	$ 1.88	$ (0.19)	$ (5.14)
Anti-dilutive equity awards excluded from diluted earnings per share computation	—	—	—

Note 11. Related Party Transactions

OCI incurred Apollo management fees of $0.9 million in 2013, 2012 and 2011. These expenses are included in selling and administrative expenses in the accompanying consolidated statements of operations.

Note 12. Income Taxes

We had an income tax benefit for the year ended December 31, 2013 of $0.2 million. We had income tax expense for the year ended December 31, 2012 of $0.2 million and income tax benefit for the year ended December 31, 2011 of $0.3 million.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of December 31, 2013 and 2012, relate primarily to net operating losses, depreciable assets, and book expenses not currently deductible for tax purposes. At December 31, 2013 and 2012, we had recorded deferred tax assets of approximately $31.2 million and $23.9 million, respectively, for which a full valuation allowance has been recorded. The increase in the valuation reserve is primarily due to net operating loss carryforwards generated in 2013.

In addition, we have recorded deferred tax liabilities of $1.5 million and $1.7 million for 2013 and 2012, respectively, which are recorded in other long-term liabilities in the accompanying consolidated balance sheets.

As of December 31, 2013, we have federal, state, and foreign net operating loss carryforwards of approximately $81.5 million, $0.4 million, and $0.0 million, respectively. The federal and state net operating loss carryforwards at December 31, 2013 expire between 2023 and 2033.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, we have recorded a full valuation allowance on our deferred tax assets.

We have analyzed our filing positions in all of the jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified tax returns in France, the United Kingdom, and the United States as “major” tax jurisdictions, as defined. The only periods subject to examination for our returns are the 2010 and 2011 tax years for France, 2011 through 2013 tax years for the United Kingdom and 2010 through 2013 tax years for the United States.

(in thousands)

	Balance at beginning of period	Charged to costs and expenses[1]	Balance at end of period
December 31, 2013	$ 23,892	$ 7,302	$ 31,194
December 31, 2012	$ 15,858	$ 8,034	$ 23,892
December 31, 2011	$ 11,784	$ 4,074	$ 15,858

(1) Increases in valuation allowance related to the generation of net operating losses and other deferred tax assets. No write-offs were recorded during the years presented.

United States Federal Income Tax

We derive our income from the international operation of ships. Under Section 883 of the Code (“Section 883”), certain foreign corporations, though engaged in the conduct of a trade or business within the United States, are exempt from U.S. federal income and branch profit taxes on gross income derived from or incidental to the international operation of ships. Applicable U.S. Treasury regulations provide that a foreign corporation will qualify for the benefits of Section 883 if, in relevant part, (i) the foreign country

in which the corporation is organized grants an equivalent exemption for income from the operation of ships of sufficiently broad scope to corporations organized in the U.S., and (ii) the foreign corporation is a controlled foreign corporation (a "CFC") for more than half of the taxable year, and more than 50% of its stock is owned by qualified U.S. persons for more than half of the taxable year (the "CFC test"). Our 2012 tax returns were filed with tax authorities under Section 883 and our 2013 tax returns will also be filed under Section 883.

For U.S. federal income tax purposes, SSC and its non-U.S. subsidiaries are disregarded as entities separate from us and OCI is treated as a corporation. Both OCI and SSC rely on our ability as their parent corporation to meet the requirements necessary to qualify for the benefits of Section 883. We are organized as a company in Panama, which grants an equivalent tax exemption to U.S. corporations, and is thus classified as a qualified foreign country for purposes of Section 883. We are currently classified as a CFC and we believe we meet the ownership and substantiation requirements of the CFC test under the regulations. Therefore, we believe most of our income and the income of our ship-owning subsidiaries, which is derived from or incidental to the international operation of ships, is exempt from U.S. federal income taxation under Section 883. In 2005, final regulations became effective under Section 883, which, among other things, narrow somewhat the scope of activities that are considered by the Internal Revenue Service to be incidental to the international operation of ships. The activities listed in the regulations as not being incidental to the international operation of ships include income from the sale of air and land transportation, shore excursions, and pre- and post-cruise tours. To the extent the income from these activities is earned from sources within the United States that income is subject to U.S. taxation.

Individual State Income Taxes

We are subject to various U.S. state income taxes generally imposed on each state's portion of the U.S. source income subject to federal income taxes. However, the state of Alaska imposes an income tax on its allocated portion of the total income of companies doing business in Alaska.

United Kingdom Corporation Tax

The *Seven Seas Navigator* and *Seven Seas Voyager* were operated by subsidiaries that were strategically and commercially managed in the United Kingdom (UK), and those subsidiaries elected to enter the UK tonnage tax regime. Effective February 4, 2013, both ships exited the UK tonnage regime upon transfer of the ships to the U.S. subsidiaries.

Corporate tax rate reductions from 23% to 21%, effective April 1, 2014 and from 21% to 20% effective April 1, 2015 were enacted in the United Kingdom on July 17, 2013. The effect of tax rate changes on existing deferred tax balances is recorded in the period in which the tax rate change law is enacted. The effect of these tax rate changes was the recognition of a deferred tax benefit of $0.2 million for the year ended December 31, 2013.

Panamanian and Other Foreign Income Taxes

Under Panamanian law, we are exempt from income tax on income from international transportation and should also be exempt from income tax in the other jurisdictions where the ships call if a tax treaty exists or when Panama grants a reciprocal exemption to countries who grant a reciprocal exemption to Panama. However, not all of the countries in which our ships call have income tax treaties or reciprocal exemption agreements with Panama. Accordingly, we may be subject to income tax in various countries depending on the tax laws of the specific countries upon which ports the ships call. In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes based on passenger counts, ship tonnage or some other measure. These taxes are recorded as other ship operating expenses in the accompanying consolidated statements of operations.

Note 13. Concentration Risk

We contract with a single vendor to provide many of our hotel and restaurant services including both food and labor costs. We incurred expenses of $115.4 million, $109.6 million and $101.2 million for the years ended December 31, 2013, 2012 and 2011, respectively, which are recorded in payroll, related and food in our consolidated statements of operations.

Note 14. Capital Lease Obligations

During 2011, we entered into an office lease for the combined headquarters of our subsidiaries, which extends through 2022. The lease was accounted for as capital leases under ASC-840: *Leases.*

As of December 31, 2013 and 2012, the capital lease asset was $7.3 million and $4.9 million, net of accumulated amortization of $1.5 million and $0.7 million, respectively, are included in property and equipment, net in the accompanying consolidated balance sheet. As of December 31, 2013 and 2012, the capital lease liability totaled $10.3 million and $7.3 million, respectively, including $7.8 million and $5.8 million, respectively, in other long-term liabilities in the accompanying consolidated balance sheet. Interest expense for the years ended December 31, 2013, 2012 and 2011 was $1.3 million, $0.8 million and $0.6 million, respectively. Amortization expense for the years ended December 31, 2013, 2012 and 2011 was $0.8 million, $0.4 million and $0.2 million, respectively, and is included in depreciation and amortization expense in the accompanying statements of income and comprehensive income.

The following schedule represents the future minimum lease payments under our capital lease obligation (in thousands) as of December 31, 2013.

For the twelve months ending December 31,	
2014	$ 1,799
2015	1,844
2016	1,891
2017	1,937
2018	1,986
Thereafter	8,268
Total minimum lease payments	17,725
Less: Amount representing interest[(a)]	(7,444)
Present value of total minimum lease payments	$ 10,281

(a) Amount necessary to reduce total minimum lease payments to present value calculated at the Company's incremental borrowing rate at lease inception.

Note 15. Commitments and Contingencies

Operating Leases

We have several non-cancelable operating leases, primarily for office space, that expire at various times through 2021. Rental expense for operating leases amounted to approximately $1.8 million, $1.6 million and $2.9 million for the years ended December 31, 2013, 2012 and 2011, respectively.

The following schedule represents our lease contractual obligations as of December 31, 2013:

(in thousands)

Years Ended December 31,	
2014	$ 1,081
2015	984
2016	499
2017	362
2018	370
Thereafter	1,164
Totals	$ 4,460

Employment Agreements

We have entered into employee agreements with certain of our executive officers and key employees. These agreements provide for minimum salary levels, and in most cases, performance based bonuses that are payable if specified goals are attained. Some executive officers and key employees are also entitled to severance benefits upon termination or non-renewal of their contracts under certain circumstances. Additionally, if there is a change in control, some executive officers and key employees' outstanding options will generally become fully vested and exercisable.

As of December 31, 2013, the approximate future minimum requirements under employment agreements, excluding discretionary and performance bonuses are as follows:

(in thousands)

Years Ended December 31,	
2014	$ 4,575
2015	2,225
2016	1,750
Totals	$ 8,550

Equipment—Maintenance and Purchases

During March 2012, management signed a 5-year maintenance agreement with a vendor. The cost of future maintenance contract obligations under this agreement as of December 31, 2013 is approximately $17.2 million. The contract consists of multiple cost components. Monthly variable maintenance fees are based on engine usage over the contract term. Monthly fixed fees are based on a per vessel basis. We are also required to purchase a certain amount of capital equipment and spare parts. Equipment will be recorded as property and equipment upon receipt and maintenance fees are recorded as repair and maintenance expenses. As of December 31, 2013 and 2012 we incurred expenses of $8.4 million relating to this agreement, which is recorded in other ship operating expenses.

In October 2012, we entered into a software license agreement with a third party vendor. This agreement grants us a non-exclusive, perpetual, royalty-free license to use software. The total license fee is $2.3 million, of which $1.7 million was paid as of December 31, 2013. As of December 31, 2013, the future contract obligation relating to our third party software purchase is $0.6 million.

As of December 31, 2013, the approximate future minimum requirements under these agreements are as follows:

(in thousands)

Years Ended December 31,	
2014	$ 5,453
2015	5,637
2016	5,803
2017	967
Totals	$ 17,860

Shipbuilding Contract

During 2013, we entered into a definitive contract with Italy's Fincantieri shipyard to build a luxury cruise ship to be named the *Seven Seas Explorer*. Under the terms of contract, we will pay €325.9 million or approximately $447.9 million (calculated based on the applicable exchange rate at December 31, 2013) to Fincantieri for the remaining balance of the new vessel. See "Note 5—Debt" in the accompanying notes to the financial statements.

(in thousands)

Years Ended December 31,	
2014	$ 23,573
2015	47,145
2016	377,163
Total	$ 447,881

Litigation

On an ongoing basis, we assess the potential liabilities related to any lawsuits or claims brought against us. While it is typically very difficult to determine the timing and ultimate outcome of such actions, we use our judgment to determine if it is probable that we will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable loss can be made. In assessing probable losses, we take into consideration estimates of the amount of insurance recoveries, if any. We accrue a liability when we believe a loss is probable and the amount of loss can be reasonably estimated. The majority of claims are covered by insurance and we believe the outcome of such claims, net of estimated insurance recoveries, will not have a material adverse impact on our financial condition or results of operations and cash flows.

Other

As mandated by the FMC for sailings from a U.S. port, the availability of passenger deposits received for future sailings is restricted until the completion of the related sailing in accordance with FMC regulations. We have met this obligation by posting two $15.0 million surety bonds. Our surety bond obligation will increase to $22.0 million in April 2014 and $30.0 million in April 2015.

One of our credit card service providers has a second mortgage on three of OCI's ships,*Regatta*, *Insignia* and *Nautica* as collateral for credit card payments processed. The value of the mortgage is $48.7 million.

Note 16. Supplemental Cash Flow Information

For the years ended December 31, 2013, 2012 and 2011, we paid interest expense and related fees of $73.1 million, $59.5 million and $48.4 million, respectively. We also accrued related party interest of $32.5 million, $30.9 million and $29.4 million for the years ended 2013, 2012 and 2011, respectively, which was added to the outstanding balance of the related party notes payable.

For the year ended December 31, 2013, 2012 and 2011, we had non-cash investing activities related to the acquisition of property and equipment totaling $3.1 million, $4.4 million and $2.5 million, respectively. For the year ended December 31, 2013, 2012 and 2011 we had non-cash investing activities related to our capital leases totaling $3.2 million, $0.0 million and $5.7 million, respectively. For the year ended December 31, 2013, 2012 and 2011 we had non-cash investing activities related to the acquisition of intangible assets of $0.8 million, $2.0 million and $3.4 million, respectively.

For the year ended December 31, 2013, 2012 and 2011, we had non-cash financing activities relating to our capital lease of $0.5 million, $0.1 million and $7.5 million, respectively. For the year ended December 31, 2013, 2012 and 2011 we had non-cash financing activities related to deferred financing costs of $2.9 million, $0.6 million and $0.4 million, respectively.

For the year ended December 31, 2013, 2012 and 2011, we recorded accretion related to the discounts on related party notes payable of $17.8 million, $15.3 million, and $13.0 million, respectively.

Note 17. Subsequent Events

In February 2014, OCI amended its existing $375.0 million first lien credit facility, consisting of both a $300.0 million term loan and a $75.0 million revolving credit facility. In conjunction with this amendment, the outstanding balance of the term loan under the original credit agreement of $299.3 million was repaid in full and as such that commitment was terminated. Concurrent with the repayment of the term loan, the Company entered into a commitment for a new term loan totaling $249.0 million. The interest rate on the new term loan is based on LIBOR, with a floor of 1.0%, plus a margin of 4.25% compared to a margin of 5.75% on the previously existing first lien term loan. The new term loan requires quarterly payments of principal equal to $0.6 million, beginning March 2014, with the remaining unpaid amount due and payable at maturity. Borrowings under the new term loan are prepayable in whole or in part at any time without penalty, but are subject to a prepayment premium in the event of a refinancing of the term loan within twelve months of the amendment date. There was no change to the terms of the $75.0 million revolving credit facility, the financial covenants or the maturity date of the credit facility. We are evaluating the appropriate accounting treatment for these transactions.

In February 2014, SSC amended its existing $340.0 million credit agreement, consisting of both a $300.0 million term loan and a $40.0 million revolving credit facility. In conjunction with this amendment, the outstanding balance on the term loan under the original credit agreement of $296.3 million was repaid in full and as such that commitment was terminated. Concurrent with the repayment of the term loan, the Company entered into a commitment for a new term loan totaling $246.0 million. The margin on the new term loan is 2.75% compared to 3.50% on the previously existing term loan and the LIBOR floor was reduced from 1.25% to 1%. There was no change to the terms of the $40.0 million revolving credit facility or the maturity date of the term loan. The new term loan requires quarterly payments of principal equal to $0.6 million beginning in March 2014, with the remaining unpaid amount due and payable at maturity. There was no change to the terms of the $40.0 million revolving credit facility, the financial covenants or the maturity date of the credit facility. We are evaluating the appropriate accounting treatment for these transactions.

Management evaluated subsequent events through March 24, 2014, the date the financial statements were available to be issued.

SCHEDULE I

CONDENSED FINANCIAL INFORMATION OF PARENT COMPANY

BASIS OF PRESENTATION

The Parent Company follows the accounting policies as described in the consolidated financial statements of Prestige Cruises International, Inc. and subsidiaries ("PCI") with the exception of its investment in its subsidiary for which the Parent Company uses the equity method of accounting. For further information, reference should be made to the notes to the audited consolidated financial statements of PCI.

Our operating companies credit agreements include various restrictions on the ability to make dividends and distributions to their parent entities and ultimately to us. The following are restricted net assets of our subsidiary at December 31, 2013 and December 31, 2012, respectively: $600.2 million and $458.6 million.

CONDENSED BALANCE SHEETS

(in thousands, except par value)

	As of December 31,	
	2013	2012
Assets		
Cash and cash equivalents	$ 28,471	$ 28,391
Restricted Cash	30,000	—
Other current assets	518	—
Total current assets	58,989	28,391
Other assets	—	30,000
Investment in subsidiary	680,210	589,570
Total assets	$ 739,199	$ 647,961
Liabilities and Stockholders' Equity (Deficit)		
Long-term debt	$ 711,617	$ 661,304
Total liabilities	711,617	661,304
Stockholders' equity (deficit)		
Common stock, $0.01 par value	136	136
Additional paid-in capital	307,030	305,642
Accumulated deficit	(223,280)	(258,802)
Accumulated other comprehensive loss	(56,249)	(60,319)
Treasury shares at cost	(55)	—
Total stockholders' equity (deficit)	27,582	(13,343)
Total liabilities and stockholders' equity (deficit)	$ 739,199	$ 647,961

CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(in thousands, except per share data)

	For the Year Ended December 31,		
	2013	**2012**	**2011**
Expenses			
Selling and administrative	$ 13	$ 33	$ 33
Total operating expenses	13	33	33
Non-operating income (expense)			
Interest expense	(50,312)	(46,161)	(42,409)
Interest income	131	116	229
Total non-operating expense	(50,181)	(46,045)	(42,180)
Loss before equity in net income (loss) of subsidiary	(50,194)	(46,078)	(42,213)
Equity in net income (loss) of subsidiary	85,716	43,466	(27,559)
Net income (loss) and comprehensive income (loss)	$ 35,522	$ (2,612)	$ (69,772)
Earnings (loss) per share:			
Basic	$ 2.62	$ (0.19)	$ (5.14)
Diluted	$ 1.88	$ (0.19)	$ (5.14)
Weighted average number of share outstanding			
Basic	13,571,828	13,571,827	13,564,766
Diluted	18,857,405	13,571,827	13,564,766

CONDENSED STATEMENT OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2013	2012	2011
Cash flows from operating activities			
Net income (loss)	$ 35,522	$ (2,612)	$ (69,772)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Amortization of related party debt discount	17,840	15,253	12,990
Interest on related party notes	32,472	30,908	29,418
Equity in earnings of subsidiary	(85,716)	(43,466)	27,559
Net cash provided by operating activities	118	83	195
Cash flows from investing activities			
Change in restricted cash	—	—	20,057
Net cash provided by investing activities	—	—	20,057
Cash flows from financing activities			
Change in restricted cash – newbuild letter of credit	—	(15,000)	(15,000)
Proceeds from stock subscription	—	—	195
Issuance of common stock	17	7	164
Acquisition of treasury stock	(55)	—	—
Net cash (used in) financing activities	(38)	(14,993)	(14,641)
Net increase (decrease) in cash and cash equivalents	$ 80	$ (14,910)	$ 5,611
Cash and cash equivalents			
Beginning of period	$ 28,391	$ 43,301	$ 37,690
End of period	28,471	28,391	43,301
Net increase (decrease) in cash and cash equivalents	$ 80	$ (14,910)	$ 5,611
Non-cash Supplemental Cash Flow Information:			
Investing activities			
Increase (decrease) in investment in subsidiary	$ 4,923	$ (910)	$ 37,243

SCHEDULE II

The following table represents Prestige Cruises International, Inc. valuation and qualifying account activity for the year-ended December 31, 2011, 2012 and 2013*(in thousands)*:

Description	Balance at beginning of period 1/1/2011	Charged to costs and expenses	Deductions	Balance at end of period 12/31/2011
Allowance for doubtful accounts	$ (77)	$ —	$ 48	$ (29)
Reserve for obsolescence – spare parts	(449)	(377)	435	(391)
	$ (526)	$ (377)	$ 483	$ (420)

Description	1/1/2012	Charged to costs and expenses	Deductions	12/31/2012
Allowance for doubtful accounts	$ (29)	$ (320)	$ 160	$ (189)
Reserve for obsolescence – spare parts	(391)	(545)	57	(879)
	$ (420)	$ (865)	$ 217	$ (1,068)

Description	1/1/2013	Charged to costs and expenses	Deductions	12/31/2013
Allowance for doubtful accounts	$ (189)	$ (738)	$ 285	$ (642)
Reserve for obsolescence – spare parts	(879)	(822)	—	(1,701)
	$ (1,068)	$ (1,560)	$ 285	$ (2,343)

FINANCIAL INFORMATION

Financial Statements

PRESTIGE CRUISES INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except shares and par value)

	September 30, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	$ 264,793	$ 286,419
Restricted cash	149	30,765
Trade and other receivables, net	16,765	16,277
Inventories	22,051	16,310
Prepaid expenses	44,402	45,588
Other current assets	12,191	14,722
Total current assets	360,351	410,081
Property and equipment, net	2,045,113	2,012,710
Goodwill	404,858	404,858
Intangible assets, net	80,748	81,324
Other long-term assets	63,286	80,913
Total assets	$ 2,954,356	$ 2,989,886
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 11,691	$ 12,236
Accrued expenses	100,296	98,725
Passenger deposits	470,469	414,757
Derivative liabilities	9,399	7,089
Current portion of long-term debt	89,657	90,326
Total current liabilities	681,512	623,133
Long-term debt	1,430,161	1,596,218
Related party notes payable	752,742	711,617
Other long-term liabilities	36,156	31,336
Total liabilities	2,900,571	2,962,304
Stockholders' equity		
Common Stock, $0.01 par value.100,000,000 shares authorized; 13,569,848 and 13,569,765 shares issued and outstanding at September 30, 2014 and December 31, 2013	136	136
Additional paid-in capital	309,212	307,030
Accumulated deficit	(193,933)	(223,280)
Accumulated other comprehensive loss	(61,575)	(56,249)
Treasury stock at cost, 6,000 shares at September 30, 2014 and December 31, 2013	(55)	(55)
Total stockholders' equity	53,785	27,582
Total liabilities and stockholders' equity	$ 2,954,356	$ 2,989,886

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

PRESTIGE CRUISES INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except shares and per share data)

	Nine Months Ended September 30,	
	2014	2013
Revenues		
Passenger ticket	$ 859,185	$ 779,309
Onboard and other	140,564	124,007
Charter	5,840	14,046
Total revenue	1,005,589	917,362
Expenses		
Cruise operating expenses		
Commissions, transportation and other	270,758	247,248
Onboard and other	39,659	33,732
Payroll, related and food	142,102	133,918
Fuel	80,802	77,978
Other ship operating	82,323	74,694
Other	31,775	8,368
Total cruise operating expenses	647,419	575,938
Selling and administrative	151,198	131,871
Depreciation and amortization	67,696	62,683
Total operating expenses	866,313	770,492
Operating income	139,276	146,870
Non-operating income (expense)		
Interest income	378	367
Interest expense, net of capitalized interest	(101,494)	(106,470)
Other (expense) income	(8,387)	6,651
Total non-operating expense	(109,503)	(99,452)
Loss before income taxes	29,773	47,418
Income tax (expense) benefit	(426)	183
Net income	29,347	47,601
Income per share		
Basic	$ 2.16	$ 3.51
Diluted	$ 0.96	$ 2.45
Weighted-average shares outstanding		
Basic	13,569,911	13,571,078
Diluted	30,502,739	19,439,522

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

PRESTIGE CRUISES INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited, in thousands)

	Nine Months Ended September 30,	
	2014	2013
Net income	$ 29,347	$ 47,601
Other comprehensive income:		
(Loss) gain on change in derivative fair value	(6,522)	728
Cash flow hedge reclassified into earnings	1,196	1,301
Loss on foreign exchange collar	—	(719)
Total comprehensive income	$ 24,021	$ 48,911

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

PRESTIGE CRUISES INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Nine Months Ended September 30,	
	2014	2013
Cash flows from operating activities		
Net income	$ 29,347	$ 47,601
Adjustments:		
Depreciation and amortization	66,395	61,381
Amortization of deferred financing costs	9,256	9,549
Cash flows hedge reclassified into earnings	1,196	1,301
Accretion of debt and related party notes payable discount	19,986	17,813
Loss on early extinguishment of debt	2,008	1,895
Write-off of deferred financing costs and debt discount	614	2,501
Prepayment penalty, excluded from loss on early extinguishment	(2,490)	(2,093)
Stock-based compensation	2,181	1,084
Change in fair value of derivative contracts	5,718	(12,096)
Interest on related party notes	25,530	24,300
Other, net	1,422	471
Changes in operating assets and liabilities:		
Trade and other accounts receivable	(470)	1,056
Prepaid expenses and other current assets	(303)	(16,624)
Inventories	(5,734)	96
Accounts payable and accrued expenses	3,609	(861)
Passenger deposits	55,680	62,935
Net cash provided by operating activities	213,945	200,309
Cash flows from investing activities		
Purchases of property and equipment	(97,238)	(38,814)
Proceeds from leasehold reimbursement	—	245
Change in restricted cash	42,682	12,000
Other	(113)	(165)
Net cash used in investing activities	(54,669)	(26,734)
Cash flows from financing activities		
Proceeds from debt issuance	—	300,000
Payments on long-term debt	(171,315)	(329,010)
Debt related costs	(8,403)	(17,512)
Payments on other financing obligations	(875)	(2,805)
Issuance of common stock	—	1
Acquisition of treasury stock	—	(55)
Net cash used in financing activities	(180,593)	(49,381)
Effect of exchange rate changes on cash	(309)	31
Net (decrease) increase in cash and cash equivalents	(21,626)	124,225
Cash and cash equivalents		
Beginning of period	286,419	139,556
End of period	$ 264,793	$ 263,781

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1. General

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Prestige Cruises International, Inc. ("PCI" or "we" or "us") and its wholly owned subsidiaries, Prestige Cruise Holdings, Inc. ("PCH"), Oceania Cruises, Inc. and its subsidiaries ("OCI"), and Seven Seas Cruises S. DE R.L. and its subsidiaries ("SSC"), which operate cruise ships with destinations to Scandinavia, Russia, Alaska, the Caribbean, Panama Canal, South America, Europe, the Mediterranean, the Greek Isles, Africa, India, Asia, Canada and New England, Tahiti and the South Pacific, Australia and New Zealand. We are controlled by funds affiliated with Apollo Global Management, LLC ("Apollo").

The accompanying unaudited interim consolidated financial statements include the accounts of PCI and its 100%-owned subsidiaries and have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America, but do not include all disclosures required by GAAP. Our interim consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2013 and notes thereto.

Due to the seasonality of our business, our results of operations for the interim periods presented are not necessarily indicative of the operating results to be expected for any subsequent interim period or for our fiscal year ending December 31, 2014. There have been no significant changes in our financial position or results of operations and cash flows as a result of the adoption of new accounting pronouncements or to our significant accounting policies that were disclosed in our audited consolidated financial statements for the year ended December 31, 2013.

The accompanying consolidated balance sheet at September 30, 2014, the consolidated statements of operations for the nine months ended September 30, 2014 and 2013, consolidated statements of comprehensive income for the nine months ended September 30, 2014 and 2013, and consolidated statements of cash flows for the nine months ended September 30, 2014 and 2013 are unaudited, and, in the opinion of management, contain all adjustments necessary for fair statement, consisting of only normal recurring adjustments.

Significant Accounting Policies

Restricted Cash

As of September 30, 2014 and December 31, 2013, restricted cash was $0.7 million and $43.4 million, respectively, of which $0.6 million and $12.6 million, respectively, were classified in other long-term assets on the consolidated balance sheet. During March 2014, $12.0 million of restricted cash was released as we were no longer required to cash collateralize a letter of credit for the benefit of one of our credit card processors. In May 2014, $30.0 million of restricted cash was released as we were no longer required to cash collateralize letters of credit for *Marina* and *Riviera*.

Earnings Per Share

Basic income per share is calculated by dividing net income by the weighted-average common shares outstanding during each period. Diluted net income per share is calculated by adjusting the weighted-average common shares outstanding for the dilutive effect of common stock equivalents for the period, determined using the treasury-stock method.

(in thousands, except per share data)

	September 30,	
	2014	2013
Net income for basic and diluted earnings per share	$ 29,347	$ 47,601
Weighted-average common stock outstanding – basic	13,569,911	13,571,078
Dilutive effect of equity plan	2,449,567	1,124,037
Dilutive effect of warrants	14,483,261	4,744,407
Weighted-average shares outstanding – diluted	30,502,739	19,439,522
Basic earnings per share	$ 2.16	$ 3.51
Diluted earnings per share	$ 0.96	$ 2.45

New Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." ASU No. 2014-08 amends the definition of discontinued operations by limiting discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have (or will have) a major effect on an entity's operations and financial results. The amendments require expanded disclosures for discontinued operations that would provide users of financial statements with more information about the assets, liabilities, revenues, and expenses of discontinued operations and disclosure of the pretax profit or loss of individually significant components of an entity that do not qualify for discontinued operations reporting. ASU No. 2014-08 is to be applied prospectively to all disposals (or classifications as held for sale) of components of an entity and all businesses or nonprofit activities that, on acquisition, are classified as held for sale that occur within fiscal years, and interim periods within those years, beginning after December 15, 2014. Early adoption is permitted. The adoption of ASU No. 2014-08 is not expected to have a material impact on our results of operations, cash flows or financial position.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers." ASU No. 2014-09 requires entities to recognize revenue through the application of a five-step model, which includes identification of the contract, identification of the performance obligations, determination of the transaction price, allocation of the transaction price to the performance obligation and recognition of revenue as the entity satisfies the performance obligations. Entities have the option of using either a full retrospective or a modified approach to adopt the guidance. ASU No. 2014-09 is effective for fiscal years, and interim reporting periods within those years, beginning after December 15, 2016. Early adoption is not permitted. The Company is currently evaluating the guidance to determine the potential impact of adopting ASU No. 2014-09 on its results of operations, cash flows and financial position.

In June 2014, the FASB issued ASU No. 2014-12 "Compensation—Stock Compensation (Topic 718)—Accounting for Share Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period." ASU No. 2014-12 requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. ASU No. 2014-12 is effective for interim and annual periods beginning after December 15, 2015. The amendments can be applied prospectively to all awards granted or modified after the effective date or retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented and to all new or modified awards thereafter. Early adoption is permitted. The Company has determined that ASU No. 2014-12 will not have an impact on its results of operations, cash flows or financial position.

In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern". ASU No, 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. The amendments in this ASU are effective for reporting periods beginning after

December 15, 2016, with early adoption permitted. The adoption of ASU No. 2014-15 is not expected to have a material impact on our results of operations, cash flows or financial position. The Company is currently assessing the impact the adoption of ASU No. 2014-15 will have on its disclosures and results of operations, cash flows and financial position.

There are no other recently issued accounting pronouncements not yet adopted that we expect to have a material effect on the presentation or disclosure of our future consolidated operating results, cash flows or financial position.

Note 2. Property and Equipment, net

(in thousands)

	September 30, 2014	December 31, 2013
Ships	$ 2,471,275	$ 2,384,792
Furniture, equipment, and other	27,386	24,751
Less: Accumulated depreciation and amortization	(453,548)	(396,833)
Property and equipment, net	$ 2,045,113	$ 2,012,710

During the nine months ended September 30, 2014, property and equipment, net increased $32.4 million. Capital expenditures, net of retirements of $10.1 million, totaled $89.1 million for the nine months ended September 30, 2014. The capitalized additions included ship improvements and refurbishments completed during the *Seven Seas Mariner* and Oceania's *Regatta, Insignia* and *Nautica* drydocks. Depreciation expense was $65.8 million and $59.3 million for the nine months ended September 30, 2014 and 2013, respectively.

Note 3. Debt

Long-term bank debt and senior secured notes consist of the following:

(in thousands)

	September 30, 2014	December 31, 2013
OCI term loan, first lien, due through 2020	$ 247,133	$ 299,250
OCI *Marina* newbuild debt, due through 2023	379,479	424,123
OCI *Riviera* newbuild debt, due through 2024	449,153	471,611
SSC term loan, first lien, due through 2018	244,155	296,250
SSC senior secured notes, due 2019	225,000	225,000
Total debt	1,544,920	1,716,234
Less: Debt discount	(25,102)	(29,690)
Carrying value of debt	1,519,818	1,686,544
Less: Current portion of long-term debt	(94,510)	(95,560)
Plus: Current portion of debt discount	4,853	5,234
Long-term portion	$ 1,430,161	$ 1,596,218

Interest expense on third-party debt, including interest rate swaps, was $48.8 million (net of capitalized interest of $1.4 million) and $56.9 million (net of capitalized interest of $0.3 million) for the nine months ended September 30, 2014 and 2013, respectively.

OCI Term Loan

In February 2014, OCI amended its previously existing $375.0 million credit facility, consisting of a $300.0 million term loan and $75.0 million revolving credit facility. In conjunction with this amendment, $50.3 million of the term loan was prepaid such that the outstanding balance on the term loan of $299.3

million was reduced to $249.0 million. The interest rate margin on the amended term loan was reduced from 5.75% to 4.25%. The amended term loan requires quarterly payments of principal equal to $0.6 million beginning March 2014, with the remaining unpaid amount due and payable at maturity. Borrowings under the amended term loan are pre-payable in whole or in part at any time without penalty, but are subject to a prepayment premium in the event of a refinancing of the term loan within six months of the amendment date. There was no change to the terms of the $75.0 million revolving credit facility, the financial covenants, the LIBOR floor or the maturity date of the credit facility. OCI paid $2.1 million of accrued interest, $2.5 million of prepayment penalty, $1.1 million in arranger fees to participating creditors and $0.2 million in legal fees, in conjunction with the amendment.

We applied ASC 470-50 Debt—*Modifications and Extinguishments* to this transaction. After evaluating the criteria as applicable to syndicated loans, the repricing resulted in an extinguishment of debt for certain creditors whose balances were entirely repaid and in a debt modification for certain creditors whose terms were not substantially different before and after the amendment. The new fees paid and previously existing deferred financing costs were proportionally allocated between modification and extinguishment. Of the $3.8 million in new fees, $3.4 million of the amendment fees were capitalized and are being amortized over the remaining term of the debt. Previously existing deferred financing costs and debt discount of $0.4 million and $0.3 million, respectively, allocated to the extinguishment were included in the calculation of loss on early extinguishment of debt, which resulted in a loss of $0.8 million and was recorded in other income (expense) in the consolidated statement operations for the nine months ended September 30, 2014.

As of September 30, 2014 and December 31, 2013, the total undrawn amount available under the OCI revolving credit facility was $75.0 million.

SSC Term Loan

In February 2014, SSC amended its previously existing $340.0 million credit facility, consisting of a $300.0 million term loan and $40.0 million revolving credit facility. In conjunction with this amendment, $50.3 million of the term loan was prepaid such that the outstanding balance on the term loan of $296.3 million was reduced to $246.0 million. The interest rate margin on the amended term loan is 2.75% compared to 3.50% on the previously existing term loan and the LIBOR floor was reduced from 1.25% to 1.00%. The amended term loan requires quarterly payments of principal equal to $0.6 million beginning March 2014, with the remaining unpaid amount due and payable at maturity. Borrowings under the amended term loan are pre-payable in whole or in part at any time without penalty, but are subject to a prepayment premium in the event of a refinancing of the term loan within six months of the amendment date. There was no change to the terms of the $40.0 million revolving credit facility, the financial covenants or the maturity date of the credit facility. SSC paid $1.5 million of accrued interest, $1.2 million in arranger fees to participating creditors and $0.2 million in legal fees, in conjunction with the amendment.

We applied ASC 470-50 Debt—*Modifications and Extinguishments* to this transaction. After evaluating the criteria as applicable to syndicated loans, the repricing resulted in an extinguishment of debt for certain creditors whose balances were entirely repaid and a debt modification for certain creditors whose terms were not substantially different before and after the amendment. The new fees paid and previously existing deferred financing costs were proportionally allocated between modification and extinguishment. Of the $1.4 million in new fees, $1.2 million of the amendment fees were capitalized and are being amortized over the remaining term of the debt. Previously existing deferred financing costs and debt discount of $1.6 million and $0.4 million, respectively, allocated to the extinguishment were included in the calculation of loss on early extinguishment of debt, which resulted in a loss of $2.0 million and was recorded in other income (expense) in the consolidated statement of operations for the nine months ended September 30, 2014.

As of September 30, 2014 and December 31, 2013, the total undrawn amount available under the SSC revolving credit facility was $40.0 million.

Debt Covenants

Our credit agreements and senior secured notes contain a number of covenants that impose operating and financial restrictions, including requirements that we maintain a minimum liquidity level, a maximum loan-to-value ratio, a minimum interest coverage ratio (applicable only to our revolving credit facilities, if

drawn) and restrictions on our and our subsidiaries' ability to, among other things, incur additional indebtedness, incur liens on assets, make certain investments, issue disqualified stock and preferred stock, make restricted payments, pay dividends or make distributions, enter into certain transactions with affiliates, and consolidate or sell certain key assets.

The newbuild loan facilities contain financial covenants, including requirements that OCI and SSC maintain a minimum liquidity balance, that PCH as guarantor maintains a maximum total debt to EBITDA ratio, a minimum EBITDA to debt service ratio and a maximum total debt to adjusted equity ratio, on the last day of the calendar year. EBITDA, as defined in the loan agreement, includes certain adjustments for purposes of calculating the ratio. As of September 30, 2014, we are in compliance with all financial covenants.

Our ships, which have a net book value of $2.0 billion as of September 30, 2014, are mortgaged and subject to liens held by our debt holders.

The following schedule represents the maturities of long-term debt *(in thousands)*:

For the twelve months ended September 30,		
2015	$	94,510
2016		94,510
2017		94,510
2018		94,510
2019		551,365
Thereafter		615,515
	$	1,544,920

Note 4. Related Party Notes Payable

Related party notes payable, including accrued interest, consists of the following:

(in thousands)

	September 30, 2014	**December 31, 2013**
Apollo term notes, 5% interest, due April 27, 2017	$ 396,987	$ 382,513
Apollo term notes, 5% interest, due June 19, 2017	71,659	69,041
Apollo term notes, non-interest bearing, due January 31, 2018	187,431	187,431
Apollo term notes, 5% interest, due May 18, 2019	65,204	62,816
Non Apollo term notes, 5% interest, due August 1, 2019	17,110	16,492
Apollo term notes, 5% interest, due December 24, 2019	31,647	30,490
Non Apollo term notes, 5% interest, due December 31, 2019	13,863	13,354
Apollo term notes, 5% interest, due May 6, 2020	64,529	62,167
Apollo term notes, 5% interest, due October 26, 2020	28,092	27,068
Non Apollo term notes, 5% interest, due November 19, 2020	10,339	9,960
	886,861	861,332
Less: Unamortized discount on related party notes payable	(134,119)	(149,715)
Long-term portion	$ 752,742	$ 711,617

Interest expense on related party notes was $25.5 million and $24.3 million for the nine months ended September 30, 2014 and 2013, respectively. Interest expense has been added to long-term related party notes payable in the accompanying consolidated balance sheets. Debt discount accretion of $15.6 million and $13.4 million for the nine months ended September 30, 2014 and 2013, respectively, is included in interest expense in the consolidated statements of operations.

Note 5. Derivative Instruments, Hedging Activities and Fair Value Measurements

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

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates to our long-term debt obligations including future interest payments. We use interest rate swap agreements to modify our exposure to interest rate fluctuations and to manage our interest expense.

In July 2011, OCI entered into three forward starting interest rate swap agreements to hedge the variability of the interest payments related to the outstanding variable rate debt associated with the *Marina* newbuild financing. The first swap, with an amortizing notional amount of $450.0 million at inception, was effective beginning January 19, 2012 and matured on January 19, 2013. The second swap, with an amortizing notional amount of $405.4 million became effective on January 19, 2013 and matured on January 19, 2014. The third swap, with an amortizing notional amount of $360.8 million became effective January 19, 2014 and matures on January 19, 2015. All three interest rate swaps are designated as cash-flow hedges at inception and qualify for hedge accounting treatment. The changes in fair value of the effective portion of the interest rate swaps are recorded as a component of accumulated other comprehensive loss on our consolidated balance sheets.

In March 2013, OCI entered into three additional forward starting interest rate swap agreements to hedge the variability of the interest payments related to the variable rate debt associated with the *Marina* and *Riviera* newbuild loan facilities. The *Marina* interest rate swap, with an amortizing notional amount of $300.0 million at inception, becomes effective January 20, 2015 and matures on January 19, 2016. The first *Riviera* interest rate swap, with an amortizing notional amount of $422.4 million at inception, became effective on October 28, 2013 and matures on October 27, 2014. The second *Riviera* interest rate swap, with an amortizing notional amount of $377.6 million at inception becomes effective October 27, 2014 and matures on October 27, 2015.

All OCI interest rate swaps are designated as cash-flow hedges and meet the requirements to qualify for hedge accounting treatment. The changes in fair value of the effective portion of the interest rate swaps are recorded as a component of accumulated other comprehensive loss on our consolidated balance sheets. The total notional amount of interest rate swap agreements for OCI effective and outstanding as of September 30, 2014 and December 31, 2013 was $738.5 million and $805.5 million, respectively. There was no ineffectiveness recorded for the nine months ended September 30, 2014 and 2013.

SSC had no interest rate swaps outstanding as of September 30, 2014 and December 31, 2013.

Foreign Currency Exchange Risk

Our exposure to foreign currency exchange rate risks relates to our Euro denominated installment payments on our newbuild ship contracts, vessel drydocks and other operational expenses. We entered into foreign currency swaps and collars to limit the exposure to movements in foreign currency exchange rates.

During August 2013, SSC entered into a foreign currency collar option with an aggregate notional amount of €274.4 million ($346.6 million as of September 30, 2014), to limit the exposure to foreign currency exchange rates for Euro denominated payments related to the ship construction contract for *Seven Seas Explorer.* The notional amount of the collar represents 80% of the construction contract of the vessel due at delivery. This foreign currency collar option was designated as a cash flow hedge at the inception of the instrument and will mature in June 2016. The estimated fair value of the foreign currency effective portion of the derivative was recorded as a component of accumulated other comprehensive loss in the

accompanying consolidated balance sheets. Ineffective portions of future changes in fair value of the instrument will be recognized in other income (expense) in the statement of operations. We recorded $0.1 million of ineffectiveness for the nine months ended September 30, 2014. There was no ineffectiveness recorded in 2013.

Fuel Price Risk

Our exposure to market risk for changes in fuel prices relates primarily to the consumption of fuel on our vessels. We use fuel derivative swap agreements to mitigate the financial impact of fluctuations in fuel prices. The fuel swaps do not qualify for hedge accounting; therefore, the changes in fair value of these fuel derivatives are recorded in other income (expense) in the accompanying consolidated statements of operations. As of September 30, 2014, we have hedged the variability in future cash flows for estimated fuel consumption requirements occurring through December 31, 2015.

As of September 30, 2014 and December 31, 2013, we entered into the following fuel swap agreements:

	Fuel Swap Agreements	
	September 30, 2014	December 31, 2013
	(in barrels)	
2014	196,500	495,900
2015	442,800	123,300

	Fuel Swap Agreements	
	September 30, 2014	December 31, 2013
	(% hedged – estimated consumption)	
2014	74%	50%
2015	42%	12%

We have certain fuel derivative contracts that are subject to margin requirements. For these specific fuel derivative contracts, we may be required to post collateral if the mark-to-market exposure exceeds $3.0 million, on any given business day. The amount of collateral required to be posted is an amount equal to the difference between the mark-to-market exposure and $3.0 million. As of September 30, 2014 and December 31, 2013, we had a net liability position of $2.5 million and a net asset position of $0.3 million, respectively, related to this counterparty and therefore, we were not required to post any collateral for our fuel derivative instruments.

At September 30, 2014 and December 31, 2013, the fair values and line item captions of derivative instruments designated as hedging instruments under FASB ASC 815-20 were:

(in thousands)

		Fair Value	
	Balance Sheet Location	September 30, 2014	December 31, 2013
Foreign currency collar	Other long-term assets	—	2,702
Total derivative assets		$ —	$ 2,702
Interest rate swaps	Current liabilities – derivative liabilities	$ 5,868	$ 7,055
Interest rate swaps	Other long-term liabilities	271	4,249
Foreign currency collar	Other long-term liabilities	9,021	—
Total derivative liabilities		$ 15,160	$ 11,304

At September 30, 2014 and December 31, 2013, the fair values and line item captions of derivative instruments not designated as hedging instruments under FASB ASC 815-20 were:

(in thousands)

	Balance Sheet Location	Fair Value	
		September 30, 2014	December 31, 2013
Fuel hedges	Other current assets	$ —	$ 1,657
Fuel hedges	Other long-term assets	35	194
Total derivative assets		$ 35	$ 1,851
Fuel hedges	Current liabilities – derivative liabilities	$ 3,531	$ —
Embedded derivatives	Current liabilities – derivative liabilities	—	34
Fuel hedges	Other long-term liabilities	369	—
Total derivative liabilities		$ 3,900	$ 34

The effect of derivative instruments qualifying and designated as hedging instruments on the consolidated financial statements for the nine months ended September 30, 2014 was as follows (in the tables below other comprehensive income is abbreviated as OCI):

(in thousands)

	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified From Accumulated OCI Into Income (Effective Portion)	Amount of Gain (Loss) Reclassified From Accumulated OCI Into Income (Effective Portion)	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion Excluded From Effectiveness Testing)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion Excluded From Effectiveness Testing)
Interest rate swap	$ 5,200	N/A	$ —	N/A	$ —
Foreign currency collars	(11,722)	Depreciation and amortization expense	(1,301)	Other income (expense)	105
Total	$ (6,522)		$ (1,301)		$ 105

The effect of derivative instruments qualifying and designated as hedging instruments on the consolidated financial statements for the nine months ended September 30, 2013 was:

(in thousands)

	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified From Accumulated OCI Into Income (Effective Portion)	Amount of Gain (Loss) Reclassified From Accumulated OCI Into Income (Effective Portion)	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion Excluded From Effectiveness Testing)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion Excluded From Effectiveness Testing)
Interest rate swap	$ 728	N/A	$ —	N/A	$ —
Foreign currency collars	(719)	Depreciation and amortization expense	(1,301)	N/A	—
Total	$ 9		$ (1,301)		$ —

The effect of derivative instruments not designated as hedging instruments on the consolidated financial statements for the nine months ended September 30, 2014 and September 30, 2013 was:

(in thousands)

	Location of Gain (Loss) Recognized in Income on Derivative Instruments	Amount of Gain (Loss) Recognized in Income on Derivative Instruments Nine Months Ended September 30,	
		2014	2013
Embedded derivatives	Other income (expense)	$ —	$ 12,996
Fuel hedges	Other income (expense)	(5,213)	(474)
Total		$ (5,213)	$ 12,522

Fair Value Measurements

U.S. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs are inputs that reflect our assumptions and that market participants would use in pricing the asset or liability based on the best available information under the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

- Level 1 Inputs—Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 Inputs—Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly or indirectly.
- Level 3 Inputs—Inputs that are unobservable for the asset or liability.

Fair Value of Financial Instruments

We use quoted prices in active markets when available to determine the fair value of our financial instruments. The fair value of our financial instruments that are not measured at fair value on a recurring basis are:

(in thousands)

	Carrying Value		Fair Value	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Long-term bank debt[(a)]	$ 1,294,818	$ 1,461,544	$ 1,276,928	$ 1,492,762
Senior secured notes	225,000	225,000	255,019	249,188
Long-term related party notes payable[(b)]	752,742	711,617	886,863	877,129
Total	$ 2,272,560	$ 2,398,161	$ 2,418,810	$ 2,619,079

(a) At September 30, 2014 and December 31, 2013, the carrying value is net of $25.1 million and $29.7 million, respectively, of unamortized debt discount.

(b) At September 30, 2014 and December 31, 2013, the carrying value is net of $134.1 million and $149.7 million, respectively, of unamortized debt discount.

Long-term bank debt: At September 30, 2014, level 2 inputs were used to calculate the fair value of*Marina* and *Rivera* newbuild debt, see “Note 3—Debt”, which was estimated using the present value of expected future cash flows and incorporates our risk profile and if, applicable, the risk profile of SACE. The valuation also takes into account debt maturity and interest rate based on the contract terms. For the

SSC term loan and the OCI term loan we calculated the fair value by adding the face value of the debt and the related accrued interest at September 30, 2014, as these loans are expected to be settled shortly after this reporting period. See "Note 8—Norwegian Cruise Line Holdings Ltd. Transaction." At December 31, 2013, Level 2 inputs were used to calculate the fair value of our long-term debt which was estimated using the present value of expected future cash flows and incorporates our risk profile and if, applicable, the risk profile of SACE. The valuation also takes into account debt maturity and interest rate based on the contract terms.

Senior secured notes: At September 30, 2014, fair value was calculated by adding the face value of the notes, the prepayment penalty and the accrued interest as of September 30, 2014 as these notes are expected to be settled shortly after this reporting period. See "Note 8—Norwegian Cruise Line Holdings Ltd. Transaction." At December 31, 2013, level 2 inputs were used to calculate the fair value of our secured senior notes, which was estimated using quoted market prices.

Long-term related party notes payable: At September 30, 2014, fair value was calculated by adding the face value and accrued interest of the related party notes payable as of September 30, 2014, as these notes are expected to be settled shortly after this reporting period. See "Note 8—Norwegian Cruise Line Holdings Ltd. Transaction" At December 31, 2013, level 2 and 3 inputs are utilized to derive the fair value of our long-term related party notes payable. As described in "Note 4—Related Party Notes Payable," there are multiple classes of instruments (promissory notes, warrants and common stock) that are issued. Therefore, we have utilized an option pricing methodology to determine fair value. Level 2 inputs used in this methodology are risk-free rates and volatility, which are identical to our assumptions used to calculate our fair value equity awards. Level 3 inputs include our aggregate equity value, time to liquidity event date, dividend yields and breakpoints, which consider the rights, privileges and preferences of the various classes of the instruments. Our aggregate equity value was estimated using a weighted average of income and market approach method. Also, our dividend yield used was 0% as we do not anticipate paying dividends in the foreseeable future. There have been no issuances or repayments of the related party notes during the nine months ended September 30, 2014. Also, there were no movements of financial instruments in or out of Level 3 during the nine months ended September 30, 2014.

Other financial instruments: Due to their short-term maturities and no interest rate, currency or price risk, the carrying amounts of cash and cash equivalents, passenger deposits, accrued interest, and accrued expenses approximate their fair values. We consider these inputs to be Level 1 as all are observable and require no judgment for valuation.

The following table presents information about our financial instrument assets and liabilities that are measured at fair value on a recurring basis:

(in thousands)

	September 30, 2014				December 31, 2013			
Description	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets								
Derivative financial instruments[(a)]	$ 35	$ —	$ 35	$ —	$ 4,553	$ —	$ 4,553	$ —
Total assets	$ 35	$ —	$ 35	$ —	$ 4,553	$ —	$ 4,553	$ —
Liabilities								
Derivative financial instruments[(b)]	$ 19,060	$ —	$ 19,060	$ —	$ 11,338	$ —	$ 11,338	$ —
Total liabilities	$ 19,060	$ —	$ 19,060	$ —	$ 11,338	$ —	$ 11,338	$ —

(a) As of September 30, 2014, derivative financial instruments of $35,000 are classified as other long-term assets in the consolidated balance sheets. As of December 31, 2013, $1.7 million was classified as other current assets and $2.9 million as other long-term assets.

(b) As of September 30, 2014, derivative financial instruments of $9.4 million are classified as derivative liabilities and $9.7 million are classified as other long-term liabilities in the consolidated balance sheets. As of December 31, 2013, $7.1 million was classified as derivative liabilities and $4.2 million was classified as long-term liabilities.

Our derivative financial instruments consist of interest rate swaps, foreign currency collar option contracts, and fuel swaps. Fair value is derived using the valuation models that utilize the income value approach. These valuation models take into account the contract terms such as maturity, and inputs such as forward interest rates, forward foreign exchange rates, forward fuel prices, discount rates, creditworthiness of the counterparty and us, as well as other data points. The data sources utilized in these valuation models that are significant to the fair value measurement are classified as Level 2 sources in the fair value input level hierarchy.

Our derivative financial instruments also may consist of embedded derivatives. Fair value is derived using the valuation models that utilize the income value approach. These valuation models take into account contract terms such as maturity, and inputs such as forward interest rates, discount rates, IBOXX Euro Average, USD/EUR basis index, creditworthiness of the counter party and us, as well as other data points. The data sources utilized in these valuation models that are significant to the fair value measurement are classified as Level 2 sources in the fair value input level hierarchy.

Non-recurring Measurements of Non-financial Assets

Goodwill and indefinite-lived intangible assets not subject to amortization are reviewed for impairment on an annual basis or earlier if there is an event or change in circumstances that would indicate that the carrying value of these assets could not be fully recovered. For goodwill, if the carrying amount of the reporting unit exceeds the estimated discounted future cash flows, we measure the amount of the impairment by comparing the carrying amount of the reporting unit to its estimated fair value. For indefinite-lived intangible assets if the carrying amount of the asset exceeds the estimated discounted future cash flows, we measure the amount of the impairment by comparing the carrying amount of the asset to its fair value.

Other long-lived assets, such as our ships, are reviewed for impairment whenever events or changes in circumstances indicate its carrying amount may not be recoverable. If the carrying amount exceeds the estimated expected undiscounted future cash flows, we measure the amount of the impairment by comparing its carrying amount to its estimated fair value. The estimation of fair value measured by undiscounted or discounted expected future cash flows would be considered Level 3 inputs.

An entity has the option to assess the fair value of a reporting unit using either a qualitative analysis (“step zero”) or a discounted cash flow analysis (“step one”). Similarly, an entity has the option to use a step zero or step one approach to assess the fair value of indefinite-lived assets. As of September 30, 2014, we used the step zero approach to assess the fair value of our reporting unit and the recoverability of indefinite-lived intangible assets. We reviewed various factors during our step zero assessment such as our financial performance, macroeconomics conditions, industry and market considerations and costs factors. Based on our assessments, we determined it was “more likely-than-not” that the fair value of our reporting unit and indefinite-lived assets exceeded our carrying amount. As of September 30, 2013, we elected to forgo the qualitative assessment and use the step one analysis for both goodwill impairment and indefinite-lived intangible asset impairment using the discounted cash flow analysis and the relief from royalty method, respectively. Based on the discounted cash flow model and the relief from royalty method, we determined that the fair value of our reporting unit and our indefinite-lived assets exceeded our carrying amount. As such, we did not record any goodwill or indefinite-lived intangible asset impairment charges during 2014 and 2013.

Note 6. Accumulated Other Comprehensive Loss

The following schedule represents the changes in accumulated other comprehensive income by component for the nine months ended September 30, 2014 and 2013:

(in thousands)

	Change related to Cash Flow Hedges	
	September 30, 2014	September 30, 2013
Beginning balance	$ (56,249)	$ (60,319)
Other comprehensive (loss) income before reclassifications	(6,522)	9
Amount reclassified from accumulated other comprehensive income	1,196	1,301
Net current-period other comprehensive (loss) income	(5,326)	1,310
Ending balance	$ (61,575)	$ (59,009)

Of the amount reclassified from accumulated other comprehensive loss for the nine months ended September 30, 2014, a loss of $1.3 million was recorded in depreciation and amortization expense and a gain of $0.1 million was recorded in other income (expense) in the statement of operations. Of the amount reclassified from accumulated other comprehensive loss for the nine months ended September 30, 2013, a loss of $1.3 million was recorded in depreciation and amortization expense. The amount estimated to be reclassified from accumulated other comprehensive income for the twelve months ended September 30, 2015 is $1.7 million.

Note 7. Commitments and Contingencies

Contingencies—Litigation

On an ongoing basis, we assess the potential liabilities related to any lawsuits or claims brought against us. While it is typically very difficult to determine the timing and ultimate outcome of such actions, we use our judgment to determine if it is probable that we will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable loss can be made. In assessing probable losses, we take into consideration estimates of the amount of insurance recoveries, if any. We accrue a liability when we believe a loss is probable and the amount of loss can be reasonably estimated. The majority of claims are covered by insurance and we believe the outcome of such claims, net of estimated insurance recoveries, will not have a material adverse impact on our financial condition or results of operations and cash flows.

Other

As mandated by the Federal Maritime Commission ("FMC") for sailings from U.S. ports, the availability of passenger deposits received for future sailings is restricted until the completion of the related sailing in accordance with FMC regulations. We have met this obligation by posting two $22.0 million surety bonds as of September 30, 2014. Our surety bonds will increase to $30.0 million each for Oceania and Regent in April 2015.

Note 8. Norwegian Cruise Line Holdings Ltd. Transaction

On September 2, 2014, PCI and Apollo Management, L.P., as the stockholders' representative of PCI, entered into an Agreement and Plan of Merger (the "Merger Agreement") with Norwegian Cruise Line Holdings Ltd., ("Norwegian") and Portland Merger Sub, Inc., a wholly owned, indirect subsidiary of Norwegian ("Merger Sub"). Pursuant to the terms of the Merger Agreement, Merger Sub will merge with and into PCI (the "Merger"), and upon consummation of the Merger, Merger Sub will cease to exist and PCI will continue as a wholly owned, indirect subsidiary of Norwegian. The aggregate consideration for the Merger Agreement is of approximately $3.025 billion in cash and stock, including the assumption of debt. The closing of the Merger is subject to customary closing conditions, including receipt of all required regulatory approvals. The Merger is anticipated to close in the fourth quarter of 2014 or the first quarter of 2015. Either Norwegian or PCI may terminate the Merger Agreement if the closing has not occurred on or before February 15, 2015. In the event of termination of the Merger Agreement, under certain circumstances principally related to Norwegian's failure to consummate the Merger due to the failure to obtain the necessary financing, the Merger Agreement provides for Norwegian to pay or cause to be paid to PCI a termination fee of $88.9 million in cash.

Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The preliminary unaudited pro forma condensed consolidated financial information for the periods indicated gives effect to the acquisition by NCL Corporation Ltd. ("NCLC"), a subsidiary of Norwegian Cruise Line Holdings Ltd. ("NCLH") on November 19, 2014, of Prestige Cruises International, Inc. ("Prestige") as well as the related issuance of New Norwegian Debt and Share Issuance (the "Financing Transactions"), as defined below (collectively, the "Transactions").

Concurrently with the acquisition, NCLC refinanced a significant portion of Prestige's historical debt and borrowed an incremental $700.0 million under an amended existing facility, $350.0 million senior secured term loan facility under an incremental assumption agreement with existing or other lenders pursuant to the terms of the amended existing facility, and $680.0 million aggregate principal amount of 5.25% senior notes due 2019 (collectively, "New Norwegian Debt"). Additionally, NCLH issued 20,296,880 of ordinary shares ("Norwegian Ordinary Shares") (in the "Share Issuance").

The preliminary unaudited pro forma condensed consolidated balance sheet as of September 30, 2014 gives effect to the consummation of the Transactions as if they had occurred on that date. The preliminary unaudited pro forma condensed consolidated statements of operations give effect to the consummation of the Transactions as if they had occurred on January 1, 2013.

The pro forma information is preliminary, is being furnished solely for informational purposes and is not necessarily indicative of the combined financial position or results of operations that might have been achieved for the periods or dates indicated, nor is it necessarily indicative of the future results of the combined company. It does not reflect cost savings expected to be realized from the elimination of certain expenses and from synergies expected to be created or the costs to achieve such cost savings or synergies. No assurance can be given that cost savings or synergies will be realized. The pro forma adjustments contained in the preliminary unaudited pro forma condensed consolidated financial information are based on the latest available information and certain adjustments that management believes are reasonable. These preliminary unaudited pro forma adjustments include a preliminary allocation of the purchase price of Prestige to certain assets and liabilities based on fair value; however, the final allocation of the purchase price to acquired assets and liabilities will be based on a formal valuation analysis to be completed following the consummation of the Transactions. The actual results reported by the combined company in periods following the Transactions may differ materially from that reflected in this preliminary unaudited pro forma condensed consolidated financial information.

The preliminary unaudited pro forma condensed consolidated financial information presented is based on the assumptions and adjustments described in the accompanying notes. The preliminary unaudited pro forma condensed consolidated financial information gives effect to events that are (1) directly attributable to the Transactions, (2) factually supportable and (3) with respect to the statements of operations, expected to have a continuing impact on the combined company. The preliminary unaudited pro forma condensed consolidated financial information is presented for illustrative purposes and does not purport to represent what the financial position or results of operations would actually have been if the Transactions had occurred as of the dates indicated or what the financial position or results of operations would be for any future periods. The preliminary unaudited pro forma condensed consolidated financial information is based upon the respective historical audited and unaudited consolidated financial statements of NCLH and Prestige, and should be read in conjunction with (1) the accompanying notes to the preliminary unaudited pro forma condensed consolidated financial information, (2) the historical audited and unaudited consolidated financial statements and related notes included in NCLH's Annual Report on Form 10-K for the year ended December 31, 2013 as updated by NCLH's Quarterly Reports on Form 10-Q, (3) the historical audited and unaudited consolidated financial statements and related notes of Prestige, which are attached hereto as Exhibit 99.1 and (4) management's discussion and analysis of financial conditions and results of operations included in NCLH's Annual Report on Form 10-K for the year ended December 31, 2013 as updated by NCLH's Quarterly Reports on Form 10-Q.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2014
(in thousands)

	NCLH (As Reported)	Prestige[a]	Pro Forma Adjustments	Pro Forma
Assets				
Current assets:				
Cash and cash equivalents	$ 55,869	$ 274,850	$ (232,783)[b]	$ 97,936
Accounts receivable, net	25,936	6,708	—	32,644
Inventories	51,263	12,173	—	63,436
Prepaid expenses and other assets	57,568	58,452	9,690[c]	125,710
Total current assets	190,636	352,183	(223,093)	319,726
Property and equipment, net	6,319,933	2,053,281	168,418[d]	8,541,632
Goodwill and tradenames	611,330	485,503	1,071,332[e]	2,168,165
Other long-term assets	252,150	63,389	151,359[c]	466,898
Total assets	$ 7,374,049	$ 2,954,356	$ 1,168,016	$ 11,496,421
Liabilities and Shareholders' Equity				
Current liabilities:				
Current portion of long-term debt	$ 381,565	$ 92,149	$ 55,903[f]	$ 529,617
Accounts payable	99,884	11,691	—	111,575
Accrued expenses and other liabilities	280,590	107,203	22,610[g]	410,403
Due to Affiliate	36,928	—	—	36,928
Advance ticket sales	504,057	470,469	(48,079)[h]	926,447
Total current liabilities	1,303,024	681,512	30,434	2,014,970
Long-term debt	3,082,346	1,437,579	984,323[f]	5,504,248
Due to Affiliate	36,978	752,742	(752,742)[i]	36,978
Other long-term liabilities	67,717	28,738	183,872[j]	280,327
Total liabilities	4,490,065	2,900,571	445,887	7,836,523
Commitments and contingencies				
Shareholders' equity:				
Ordinary shares	206	136	(116)[k]	226
Additional paid-in capital	2,826,395	309,212	533,276[k]	3,668,883
Accumulated other comprehensive income (loss)	(58,479)	(61,575)	61,575[k]	(58,479)
Retained earnings (deficit)	166,490	(193,933)	122,046[k]	94,603
Treasury shares	(82,000)	(55)	55[k]	(82,000)
Total shareholders' equity controlling interest	2,852,612	53,785	716,836	3,623,233
Non-controlling interest	31,372	—	5,293[k]	36,665
Total shareholders' equity	2,883,984	53,785	722,129	3,659,898
Total liabilities and shareholders' equity	$ 7,374,049	$ 2,954,356	$ 1,168,016	$ 11,496,421

See accompanying notes to unaudited pro forma condensed consolidated balance sheet.

Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet

(a) Certain reclassifications have been made to the historical financial statements of Prestige to conform to NCLH's presentation.

The following material reclassifications have been made to the Prestige historical financial statements (in thousands):

Reclassifications to Prestige Historical Financial Statements	As of September 30, 2014
Reclassify in-transit credit card remittances from accounts receivable, net to cash and cash equivalents	$ 10,057
Reclassify advertising paper from inventories to prepaid expenses and other assets	$ 1,710
Reclassify spare parts from inventories to property and equipment, net	$ 8,168
Reclassify tradenames from other long-term assets to goodwill and tradenames	$ 80,645
Reclassify capital lease from accrued expenses and other liabilities to current portion of long-term debt	$ 2,492
Reclassify capital lease from other long-term liabilities to long-term debt	$ 7,418

(b) Represents estimated sources and uses of funds as follows (in thousands):

Sources of Funds:	
New Norwegian Debt	$ 1,730,000
Total sources	1,730,000
Uses of Funds:	
Purchase of Prestige–cash portion	1,108,798
Refinancing of Prestige historical debt, including prepayment premium and accrued interest	744,683
Estimated debt issue costs–New Norwegian Debt	45,540
Estimated direct transaction fees and expenses	63,762
Total uses	1,962,783
Net use of historical cash	$ (232,783)

(c) The composition of the pro forma adjustments is as follows (in thousands):

	Prepaid Expenses and Other Assets	Other Long-Term Assets
Historical deferred financing fees[(1)]	$ (11,735)	$ (47,756)
New deferred financing fees[(2)]	21,425	24,115
Amortizable intangible assets[(3)]	—	175,000
Pro forma adjustment	$ 9,690	$ 151,359

(1) Financing fees related to the historical Prestige debt extinguished upon the consummation of the Transactions.

(2) Financing fees capitalized related to the New Norwegian Debt to be amortized in accordance with the term of the related debt, which is preliminarily expected to be 3 to 5 years.

(3) Intangible assets consist of customer relationships and backlog, which are preliminarily expected to be amortized over 3 and 1 year(s), respectively. The actual adjustment may differ materially based on the final determination of fair value.

(d) Primarily represents the estimated increase in the basis of the ships related to the preliminary valuation. The valuation of the ships considered the application of the market and cost approaches. The comparable sales method of the market approach is based on current market conditions and recent transactions of similar size vessels adjusted for the physical deterioration, and functional and economic obsolescence, if applicable. The cost approach recognizes that a prudent investor will pay no more for an asset than the cost to replace it new with an identical or similar unit of equal utility. The determination of the replacement cost is adjusted for physical deterioration, and functional and economic obsolescence, if applicable. Both methods were used in the estimation of the fair value of the ships and weighted on the relative appropriateness of each method given the specific facts and circumstances surrounding the ships including size, condition, current market conditions, comparison to other ships and other qualitative factors. The actual adjustment may differ materially based on the final determination of fair value.

(e) Under the purchase method of accounting, the total estimated consideration will be allocated to Prestige's tangible and intangible assets and liabilities based on the final determination of the estimated fair values as of the effective date of the acquisition. The preliminary adjustment is calculated as follows (in thousands):

	As of September 30, 2014
Calculation of Consideration:	
Purchase of Prestige–cash portion	$ 1,108,798
Purchase of Prestige–equity portion[1]	847,801
Contingent consideration	43,038
Total consideration	$ 1,999,637
Preliminary Allocation of Consideration:	
Total consideration	$ 1,999,637
Prestige book value of net assets	(53,785)
Adjustments to net book values:	
Property and equipment, net	(168,418)
Amortizable intangibles	(175,000)
Prepaid expenses and other assets–deferred financing/offering fees	11,735
Other long-term assets–deferred financing fees	47,756
Accrued expenses and other liabilities	46,304
Advance ticket sales	(48,079)
Due to Affiliate	(752,742)
Long-term debt	23,090
Other long-term liabilities	140,834
Adjustment to goodwill and tradenames	1,071,332
Less: adjustment to tradenames	(524,355)
Adjustment to goodwill	$ 546,977

(1) The 20,296,880 Norwegian Ordinary Shares issued in the Share Issuance were valued at $41.77 per share, which is the closing share price of the Norwegian Ordinary Shares as of November 18, 2014. A $0.10 change in the share price will result in a $2.0 million change in consideration.

(f) Represents the adjustment necessary to reflect the issuance of New Norwegian Debt and refinancing certain historical Prestige debt. The estimated net change in outstanding indebtedness results from the following (in thousands):

New Norwegian Debt	$	1,730,000
Refinancing of historical Prestige debt:		
Debt principal, net of discounts		(712,864)
Fair market value adjustment on assumed debt		23,090
Net change in debt	$	1,040,226

The balance sheet classification is as follows:

Current portion of long-term debt	$	55,903
Long-term debt		984,323
Net change in debt	$	1,040,226

(g) The composition of the pro forma adjustment is as follows (in thousands):

		Accrued Expenses and Other Liabilities
Estimated assumed seller transaction fees	$	23,840
Accrued estimated transaction fees[(1)]		(15,730)
Unfavorable contracts[(2)]		22,700
Other[(3)]		(8,200)
Pro forma adjustment	$	22,610

(1) Represents transaction fees accrued as of September 30, 2014 that are expected to be paid from the Financing Transactions.

(2) Short-term component related to unfavorable agreements assumed in the Transactions.

(3) Primarily relates to accrued interest paid at the consummation of the Transactions.

(h) Represents the pro forma adjustment to decrease advance ticket sales to the amount representative of the combined company's future performance obligation. The advance ticket sales were valued using a version of the Income Approach, known as the Build-Up Method, to estimate the cost necessary to fulfill the obligation, including an allowance for a reasonable profit on the fulfillment effort. These costs were based on an assumption that a certain portion of operating infrastructure would be necessary to fulfill these obligations. The costs were summed and a reasonable profit was added on the fulfillment effort. These adjusted costs were then discounted to present value using a discount rate commensurate of the liability.

(i) The merger agreement required a pre-closing recapitalization of Prestige, wherein all outstanding Company Notes and Company Warrants (each as defined in the merger agreement) issued by Prestige were exchanged for newly-issued shares of Prestige common stock or shares of Class B common stock of Prestige prior to the consummation of the Transactions.

(j) Represents (1) $43.0 million related to the contingent consideration payout, (2) $142.3 million related to the long-term portion of unfavorable contracts and (3) the reversal of a $1.4 million deferred tax liability that was not incurred by the combined company. The contingent consideration was valued using various projected 2015 revenue scenarios weighted by the likelihood of each scenario occurring. The probability weighted payout was then discounted at an appropriate discount rate commensurate for the risk of meeting the probabilistic cash flows.

(k) The composition of the pro forma adjustments is as follows (in thousands):

	Ordinary Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Treasury Shares	Non-controlling Interest	Total Shareholders' Equity
Elimination of pre-merger Prestige equity balances	$ (136)	$ (309,212)	$ 61,575	$ 193,933	$ 55	$ —	$ (53,785)
Share Issuance[1]	20	847,781	—	—	—	—	847,801
Adjustment to non-controlling interest	—	(5,293)	—	—	—	5,293	—
Prestige historical debt prepayment premium	—	—	—	(23,854)	—	—	(23,854)
Estimated transaction fees	—	—	—	(48,033)	—	—	(48,033)
Pro forma adjustment	$ (116)	$ 533,276	$ 61,575	$ 122,046	$ 55	$ 5,293	$ 722,129

(1) The 20,296,880 Norwegian Ordinary Shares issued in the Share Issuance were valued at $41.77 per share, which is the closing share price of the Norwegian Ordinary Shares as of November 18, 2014. A $0.10 change in the share price will result in a $2.0 million change in consideration.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(in thousands)

	NCLH (As Reported)	Prestige[a]	Pro Forma Adjustments	Pro Forma[b]
Revenue				
Passenger ticket	$ 1,655,666	$ 859,185	$ —[c]	$ 2,514,851
Onboard and other	681,306	146,404	—	827,710
Total revenue	2,336,972	1,005,589	—	3,342,561
Cruise operating expense				
Commissions, transportation and other	374,716	270,758	—	645,474
Onboard and other	172,780	39,659	—	212,439
Payroll and related	321,386	50,991	(17,025)[d]	355,352
Fuel	236,753	80,802	—	317,555
Food	125,236	91,111	—	216,347
Other	197,133	113,189	3,276[e]	313,598
Total cruise operating expense	1,428,004	646,510	(13,749)	2,060,765
Other operating expense				
Marketing, general and administrative	263,584	151,198	(2,011)[f]	412,771
Depreciation and amortization	188,885	68,605	12,036[g]	269,526
Total other operating expense	452,469	219,803	10,025	682,297
Operating income	456,499	139,276	3,724	599,499
Non-operating income (expense)				
Interest expense, net	(95,316)	(101,116)	33,152[h]	(163,280)
Other income (expense)	3,305	(8,387)	—	(5,082)
Total non-operating income (expense)	(92,011)	(109,503)	33,152	(168,362)
Net income before income taxes	364,488	29,773	36,876	431,137
Income tax benefit (expense)	3,761	(426)	(258)[i]	3,077
Net income	368,249	29,347	36,618	434,214
Net income attributable to non-controlling interest	4,288	—	724[j]	5,012
Net income attributable to Norwegian Cruise Line Holdings Ltd.	$ 363,961	$ 29,347	$ 35,894	$ 429,202
Weighted-average shares outstanding				
Basic	204,444,469		20,296,880[k]	224,741,349
Diluted	209,992,647		20,296,880[k]	230,289,527
Earnings per share				
Basic	$ 1.78		[k]	$ 1.91
Diluted	$ 1.75		[k]	$ 1.89

See accompanying notes to unaudited pro forma condensed consolidated statements of operations.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013
(in thousands)

	NCLH (As Reported)	Prestige[a]	Pro Forma Adjustments	Pro Forma[b]
Revenue				
Passenger ticket	$ 1,815,869	$ 1,001,610	$ —[c]	$ 2,817,479
Onboard and other	754,425	181,726	—	936,151
Total revenue	2,570,294	1,183,336	—	3,753,630
Cruise operating expense				
Commissions, transportation and other	455,816	323,841	—	779,657
Onboard and other	195,526	43,518	—	239,044
Payroll and related	340,430	62,544	(22,700)[d]	380,274
Fuel	303,439	101,690	—	405,129
Food	136,785	115,409	—	252,194
Other	225,663	114,332	801[e]	340,796
Total cruise operating expense	1,657,659	761,334	(21,899)	2,397,094
Other operating expense				
Marketing, general and administrative	301,155	174,866	512[f]	476,533
Depreciation and amortization	215,593	83,975	87,481[g]	387,049
Total other operating expense	516,748	258,841	87,993	863,582
Operating income	395,887	163,161	(66,094)	492,954
Non-operating income (expense)				
Interest expense, net	(282,602)	(141,094)	49,160[h]	(374,536)
Other income	1,403	13,209	—	14,612
Total non-operating income (expense)	(281,199)	(127,885)	49,160	(359,924)
Net income (loss) before income taxes	114,688	35,276	(16,934)	133,030
Income tax benefit (expense)	(11,802)	246	119[i]	(11,437)
Net income (loss)	102,886	35,522	(16,815)	121,593
Net income (loss) attributable to non-controlling interest	1,172	—	205[j]	1,377
Net income (loss) attributable to Norwegian Cruise Line Holdings Ltd.	$ 101,714	$ 35,522	$ (17,020)	$ 120,216
Weighted-average shares outstanding				
Basic	202,993,839		20,296,880[k]	223,290,719
Diluted	209,239,484		20,296,880[k]	229,536,364
Earnings per share				
Basic	$ 0.50		[k]	$ 0.54
Diluted	$ 0.49		[k]	$ 0.53

See accompanying notes to unaudited pro forma condensed consolidated statements of operations.

Notes to Unaudited Pro Forma Condensed Consolidated Statements of Operations

(a) Certain reclassifications have been made to the historical financial statements of Prestige to conform to NCLH's presentation.

The following material reclassification adjustments have been made to the Prestige historical financial statements (in thousands):

Reclassifications to Prestige Historical Financial Statements	Nine Months Ended September 30, 2014	Year Ended December 31, 2013
Reclassify charter revenue to onboard and other revenue	$ 5,840	$ 18,779
Reclassify the food component of payroll, related and food expense to food expense	$ 91,111	$ 115,409
Reclassify other ship operating expense to other expense	$ 82,323	$ 98,062
Reclassify loss on asset disposal from other expense to depreciation and amortization	$ 909	$ 146

(b) The preliminary unaudited pro forma condensed consolidated statements of operations do not reflect an additional $71.9 million for estimated transaction costs, which consists of $23.9 million of estimated assumed seller transaction fees and $48.0 million in estimated transaction fees of NCLH, as these charges are not expected to have a continuing impact on the results of operations of the combined company. The pro forma financial statements do include $24.8 million of transaction fees that have been paid or accrued through September 30, 2014. Additionally, the preliminary unaudited pro forma condensed consolidated statements of operations do not reflect up to approximately $27.1 million of contingent payments that may be paid related to certain employment contracts.

(c) The preliminary unaudited pro forma statements of operations do not adjust, in arriving at pro forma results, the impact of the advance ticket sales adjustment to record unearned revenue at fair value in purchase accounting, which is considered non-recurring as the period affected is within twelve months of the transaction date.

(d) Represents an adjustment to reflect amortization of unfavorable contracts.

(e) Represents an adjustment to direct expense for certain spare parts that historically have been capitalized by Prestige, but would have been expensed pursuant to NCLH's accounting policies.

(f) The composition of the pro forma adjustments is as follows (in thousands):

	Nine Months Ended September 30, 2014	Year Ended December 31, 2013
Service fee[1]	$ (656)	$ (875)
Third-party fees[2]	(2,052)	(1,079)
Non-cash stock compensation expense[3]	697	2,466
Pro forma adjustment	$ (2,011)	$ 512

(1) Fees paid for services provided by a related party, which were cancelled upon consummation of the Transactions.

(2) Legal fees and other fees in connection with prior registration statements and other administrative services which will not impact the combined company.

(3) Estimated compensation expense for new NCLH share options partially offset by reversal of Prestige historical compensation expense related to stock options that vested upon the consummation of the Transactions.

(g) A summary of the pro forma adjustments to depreciation and amortization are as follows (in thousands, except useful lives):

	Estimated Fair Value	Historical Book Value	Stepped-up Basis	Estimated Useful Life (years)	Nine Months Ended September 30, 2014	Year Ended December 31, 2013
Depreciable assets:						
Ships	$ 2,192,890	$ 2,025,405	$ 167,485	24–30	$ 49,337	$ 65,783
Other property and equipment	28,809	27,876	933	3–12	2,895	3,860
Total depreciable assets	$ 2,221,699	$ 2,053,281	$ 168,418		$ 52,232	$ 69,643
Amortizable intangible assets:						
Customer relationships	$ 110,000	$ —	$ 110,000	3	$ 27,500	$ 36,667
Backlog	65,000	—	65,000	1	—	65,000
Total amortizable intangible assets	$ 175,000	$ —	$ 175,000		$ 27,500	$ 101,667
Total pro forma depreciation and amortization					$ 79,732	$ 171,310
Elimination of historical depreciation and amortization					(67,696)	(83,829)
Pro forma depreciation and amortization adjustment					$ 12,036	$ 87,481

The allocation of purchase price presented herein is based on a preliminary valuation. The actual adjustment may differ materially based on the final determination of fair value. A change of 10% of the preliminary fair value of the ships would result in a change of $6.6 million in annual depreciation expense.

(h) Represents the pro forma interest expense, net adjustment to reflect the new debt structure. This adjustment is preliminary. The actual adjustment may differ materially based on the final determination of fair value. The composition of the pro forma adjustments for interest expense, net is as follows (in thousands):

	Nine Months Ended September 30, 2014	Year Ended December 31, 2013
Interest expense on New Norwegian Debt[(1)]	$ (49,625)	$ (67,059)
Amortization of fair value adjustment[(2)]	114	152
Amortization of deferred financing fees[(3)]	(5,534)	(7,379)
Less: Prestige historical interest expense[(4)]	88,197	123,446
Pro forma interest expense, net adjustment	$ 33,152	$ 49,160

(1) Represents $1,730 million of New Norwegian Debt, which is comprised of $1,050 million of variable rate term loans and $680 million of 5.25% notes. The variable rate portion of the New Norwegian Debt has an estimated weighted-average interest rate of 3.0% per annum. The impact of a 0.125% change in LIBOR on the variable portion of the New Norwegian Debt would affect annual interest expense by approximately $1.3 million.

(2) Represents the amortization of the debt premium on the assumed debt facilities.

(3) Represents the amortization of deferred financing fees related to the issuance of the New Norwegian Debt.

(4) Represents historical interest expense related to the refinanced Prestige facilities and the outstanding Company Notes and Company Warrants (each as defined in the merger agreement).

(i) The pro forma condensed consolidated income tax provision has been adjusted for the expected tax impact of the pro forma adjustments at Prestige's historical implied effective rate of 0.7% for the periods presented. A 1% change in the effective tax rate would result in a change in the tax expense or benefit of $0.4 million and $0.2 million for the nine months ended September 30, 2014 and year ended December 31, 2013, respectively. The effective tax rate of the combined company could be significantly different depending on post-acquisition activities.

(j) Represents the adjustment for the Share Issuance and the pro forma net income.

(k) The pro forma earnings per share calculation is as follows (in thousands, except share and per share data):

	Nine Months Ended September 30, 2014	Year Ended December 31, 2013
Pro forma net income	$ 434,214	$ 121,593
Pro forma non-controlling interest	5,012	1,377
Pro forma net income attributable to Norwegian Cruise Line Holdings Ltd.	$ 429,202	$ 20,215
Weighted-average shares outstanding:		
Basic:		
Norwegian – as reported	204,444,469	202,993,839
Shares issued as consideration to Prestige shareholders (1)	20,296,880	20,296,880
Basic – pro forma	224,741,349	223,290,719
Diluted:		
Norwegian – as reported	209,992,647	209,239,484
Shares issued as consideration to Prestige shareholders (1)	20,296,880	20,296,880
Diluted – pro forma	230,289,527	229,536,364
Pro forma earnings per share:		
Basic	$ 1.91	$ 0.54
Diluted	$ 1.89	$ 0.53

(1) Based upon the terms of the merger agreement.

Exhibit 99.3

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NORWEGIAN CRUISE LINE HOLDINGS LTD. COMPLETES ACQUISITION OF PRESTIGE CRUISES INTERNATIONAL, INC.

Acquisition grows capacity of the world's third largest cruise operator close to 20%

Identified synergies of $25 million with additional opportunities post-integration

Acquisition enhances Company's industry-leading financial metrics

MIAMI – November 19, 2014 – Norwegian Cruise Line Holdings Ltd. (Nasdaq: NCLH) (the "Company"), a leading global cruise operator, today announced it has completed its previously-announced acquisition of Prestige Cruises International, Inc. ("Prestige"), the market leader in the upscale cruise segment and parent company of Oceania Cruises and Regent Seven Seas Cruises, in cash and stock for a total transaction consideration of $3.025 billion, including the assumption of debt.

With this acquisition, Norwegian Cruise Line Holdings Ltd. operates a portfolio of brands that span all market segments in the cruise industry, from contemporary to upper-premium to luxury. Each brand offers differentiated experiences in their respective segments. The Norwegian Cruise Line brand provides the freedom and flexibility of a resort-style vacation on board some of the most innovative ships in the industry with its unique Freestyle Cruising proposition. Oceania Cruises offers an upper premium experience with the finest cuisine at sea on its fleet of mid-sized ships, while Regent Seven Seas Cruises is the market leader in the luxury cruise segment and operates three award-winning, all-suite ships, with an additional ship on order for delivery in summer 2016.

—more—

Commenting on the closing of the acquisition, Kevin Sheehan, president and chief executive officer of Norwegian Cruise Line Holdings Ltd., said, “While for years we have competed successfully with our one brand in an increasingly consolidated industry, our acquisition of Prestige creates a new cruise operator with a range of complementary offerings as diversified as any in the industry. We now shift our focus from planning for the successful integration of these organizations to the implementation phase, with an organizational structure that allows for the realization of significant synergies while maintaining the integrity of the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands that have made each a success in their respective segment.”

Frank Del Rio, chief executive officer of Prestige Cruise Holdings, Inc., commented, “We’re excited to officially join the Norwegian family and ready to begin this next chapter as one united company. Together, we will further our brands’ position as leaders in the upper-premium and luxury cruise markets by continuing to deliver an exceptional onboard experience for our guests, and expand the reach of both Oceania Cruises and Regent Seven Seas Cruises throughout the world.”

About Norwegian Cruise Line Holdings Ltd.

Norwegian Cruise Line Holdings Ltd. (Nasdaq: NCLH) is a diversified cruise operator of leading global cruise lines spanning market segments from contemporary to luxury under the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands.

These brands operate a combined 21 ships with approximately 40,000 lower berths visiting more than 430 destinations worldwide. The company’s brands will introduce five new ships through 2019.

Norwegian Cruise Line is the innovator in cruise travel with a history of breaking the boundaries of traditional cruising, most notably with the introduction of Freestyle Cruising, which revolutionized the industry by giving guests more freedom and flexibility on the most contemporary ships at sea. Oceania Cruises is the market leader in the upper-premium cruise segment featuring the finest cuisine at sea, gourmet culinary experiences, elegant accommodations, impeccable service and destination-driven itineraries. Regent Seven Seas Cruises is the market leader in the luxury cruise segment with all-suite accommodations, highly personalized service and the industry’s most inclusive luxury experience featuring round-trip air, fine wines and spirits and unlimited shore excursions among its numerous included amenities.

Note on Forward-Looking Statements

This release may contain "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. The words "expect," "anticipate," "goal," "project," "plan," "believe," "seek," "will," "may," "forecast," "estimate," "intend," "future," and similar expressions may identify forward-looking statements, which are not historical in nature. These forward-looking statements reflect Norwegian's current expectations, and are subject to a number of risks, uncertainties, and assumptions. Among the important risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements are the potential impact of the announcement or consummation of the transaction on relationships, including with employees, customers and suppliers and any related impact on integration and anticipated synergies, the adverse impact of general economic conditions and related factors such as high levels of unemployment and underemployment, fuel price increases, 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; changes in cruise capacity, as well as capacity changes in the overall vacation industry; intense competition from other cruise companies as well as non-cruise vacation alternatives which could affect our ability to compete effectively; negative publicity surrounding the cruise industry; changes in fuel prices and/or other cruise operating costs; the risks associated with operating internationally, including changes in interest rates and/or foreign currency rates; the continued borrowing availability under our credit facilities and compliance with our financial covenants; our substantial indebtedness, including the inability to generate the necessary amount of cash to service our existing debt, and to repay our credit facilities; our ability to incur significantly more debt despite our substantial existing indebtedness; the impact of 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; adverse events impacting the security of travel such as terrorist acts, acts of piracy, armed conflict and other international events; the impact of any future changes relating to how external distribution channels sell and market our cruises; the impact of any future increases in the price of, or major changes or reduction in, commercial airline services; the impact of delays, costs and other factors resulting from emergency ship repairs as well as scheduled repairs, maintenance and refurbishment of our ships; the delivery schedules and estimated costs of new ships on terms that are favorable or consistent with our expectations; the impact of problems encountered at shipyards, as well as, any potential claim, impairment loss, cancellation or breach of contract in connection with our

contracts with shipyards; the impact of the spread of epidemics and viral outbreaks; the uncertain political environment in countries where we operate; the impact of weather and natural disasters; accidents and other incidents affecting the health, safety, security and vacation satisfaction of guests or causing damage to ships, which could cause the modification of itineraries or cancellation of a cruise or series of cruises; the impact of pending or threatened litigation and investigations; our ability to obtain insurance coverage on terms that are favorable or consistent with our expectations; the impact of any breaches in data security or other disturbances to our information technology and other networks; the impact of amendments to our collective bargaining agreements for crew members and other employee relation issues; the continued availability of attractive port destinations; our ability to attract and retain key personnel and qualified shipboard crew, maintain good relations with employee unions, maintain or renegotiate our collective bargaining agreements on favorable terms and prevent any disruptions in work; changes involving the tax, environmental, health, safety, security and other regulatory regimes in which we operate; increases in our future fuel costs related to implementing IMO regulations, which require the use of higher priced low sulfur fuels in certain cruising areas; the implementation of regulations in the U.S. requiring U.S. citizens to obtain passports for travel to additional foreign destinations; and other factors discussed in the Company's filings with the Securities and Exchange Commission (the "SEC"). For more information concerning factors that could cause actual results to differ materially from those conveyed in the forward-looking statements, please refer to the "Risk Factors" section of the Annual Reports on Form 10-K filed by each of Norwegian Cruise Line Holdings Ltd. ("NCLH") and NCL Corporation Ltd. ("NCLC") with the SEC and subsequent filings by NCLH and NCLC, including the Definitive Information Statement relating to the acquisition of Prestige filed with the SEC on October 16, 2014. You should not place undue reliance on forward-looking statements as a prediction of actual results. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

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