STAR CRUISES LIMITED

(Continued into Bermuda with limited liability)

Interim Report for the three months and nine months ended 30 September 2005

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This interim report contains forward-looking statements that involve risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on the current beliefs, assumptions, expectations, estimates and projections of the directors and management of Star Cruises Limited (the "Company") about the industry and markets in which the Company and its subsidiaries (the "Group") operate. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Group, are difficult to predict and could cause actual result to differ materially from those expressed or forecast in the forward-looking statements. Factors that could cause actual result to differ materially from those reflected in the forward-looking statements include general economic and business conditions, changes in cruise industry competition, weather and other factors. Reliance should not be placed on these forward-looking statements, which reflect the view of the Company's directors and management as of the date of this report only. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the publication of this interim report.

Corporate Information

Board of Directors

Tan Sri Lim Kok Thay
Chairman, President and Chief Executive Officer

Mr. Alan Howard Smith, J.P.
Deputy Chairman and Independent Non-executive Director

Mr. Chong Chee Tut
Executive Director and Chief Operating Officer

Mr. William Ng Ko Seng
Executive Director and Executive Vice President

Mr. David Colin Sinclair Veitch
Executive Director of the Company, Deputy Chairman, President and Chief Executive Officer of NCL Corporation Ltd.

Mr. Tan Boon Seng
Independent Non-executive Director

Mr. Lim Lay Leng
Independent Non-executive Director

Secretary
Ms. Louisa Tam Suet Lin

Assistant Secretary
Mr. Tan Wooi Meng
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The Board of Directors (the "Directors") of Star Cruises Limited (the "Company") presents the unaudited consolidated accounts of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 30 September 2005, as follows:

Consolidated Profit and Loss Accounts

	Note	Three months ended 30 September 2005 US$'000 unaudited	Three months ended 30 September 2004 US$'000 unaudited	Nine months ended 30 September 2005 US$'000 unaudited	Nine months ended 30 September 2004 US$'000 unaudited
Turnover	2	580,930	495,934	1,443,186	1,282,808
Operating expenses (excluding depreciation, amortisation and impairment loss)		(386,479)	(311,244)	(974,335)	(838,473)
Selling, general and administrative expenses (excluding depreciation)		(70,462)	(60,157)	(208,085)	(190,908)
Depreciation and amortisation	3	(45,473)	(44,667)	(126,103)	(138,062)
Impairment loss	4	—	—	(2,700)	—
		(502,414)	(416,068)	(1,311,223)	(1,167,443)
Operating profit	2, 3	78,516	79,866	131,963	115,365
Interest income		2,487	735	6,699	2,010
Financial costs	5	(41,630)	(32,731)	(107,944)	(77,720)
Share of loss of an associated company	6	(3,268)	—	(5,219)	—
Other non-operating income / (expenses), net	7	(1,509)	(1,484)	20,623	(10,744)
		(43,920)	(33,480)	(85,841)	(86,454)
Profit before taxation		34,596	46,386	46,122	28,911
Taxation	8	(1,586)	36	(2,509)	(670)
Net profit for the period		33,010	46,422	43,613	28,241
Basic earnings per share (US cents)	9	0.62	0.88	0.82	0.53
Fully diluted earnings per share (US cents)	9	0.62	0.81	0.82	0.49
Operating data					
Passenger Cruise Days		2,477,527	2,242,544	6,697,578	6,317,867
Capacity Days		2,323,234	2,082,874	6,387,133	6,093,773
Occupancy as a percentage of total capacity days		107%	108%	105%	104%

Consolidated Balance Sheet

	Note	As at 30 September 2005 US$'000 unaudited	(Restated) 31 December 2004 US$'000 audited
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	10	605,994	605,286
Deferred tax asset		375	387
Property, plant and equipment		4,229,332	3,821,484
Lease prepayments		1,752	1,818
Investment in an associated company	6	—	15,148
Available-for-sale investment	6	10,285	—
Restricted cash		150	150
Other assets	11	80,895	85,095
		4,928,783	4,529,368
CURRENT ASSETS			
Consumable inventories		54,204	42,059
Trade receivables	12	14,275	12,089
Prepaid expenses and others		59,035	29,684
Derivative financial instruments	17	3,729	2,241
Amounts due from related companies	16	138	125
Restricted cash		47,077	28,520
Cash and cash equivalents		354,626	341,027
		533,084	455,745
TOTAL ASSETS		5,461,867	4,985,113

Consolidated Balance Sheet *(Continued)*

		As at	
			(Restated)
		30 September 2005	31 December 2004
		US$'000	*US$'000*
	Note	*unaudited*	*audited*
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		529,932	529,320
Reserves:			
Share premium		1,268,945	1,267,913
Additional paid-in capital		94,245	94,018
Convertible bonds - equity component	15	14,400	14,400
Foreign currency translation adjustments		(23,936)	(23,197)
Unamortised share option expense		(1,432)	(2,300)
Cash flow hedge reserve		3,343	(20,564)
Retained earnings / (Accumulated losses)		40,821	(31,218)
		1,926,318	1,828,372
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term borrowings	14	2,740,068	2,412,854
Derivative financial instruments	17	9,151	22,361
Other long-term liabilities		4,974	5,734
Deferred tax liabilities		684	539
		2,754,877	2,441,488
CURRENT LIABILITIES			
Trade creditors	13	78,243	83,481
Current income tax liabilities		1,935	1,227
Provisions, accruals and other liabilities		185,580	209,281
Current portion of long-term borrowings	14	221,903	179,159
Derivative financial instruments	17	192	1,392
Advance ticket sales		292,819	240,713
		780,672	715,253
TOTAL LIABILITIES		3,535,549	3,156,741
TOTAL EQUITY AND LIABILITIES		5,461,867	4,985,113

Consolidated Cash Flow Statements

	Three months ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
OPERATING ACTIVITIES				
Cash generated from operations	79,051	72,720	300,320	273,076
Interest paid	(55,791)	(26,348)	(119,334)	(65,295)
Interest received	2,803	699	5,884	1,978
Income tax paid	(705)	(36)	(1,642)	(1,635)
Net cash inflow from operating activities	25,358	47,035	185,228	208,124
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(154,894)	(181,115)	(512,785)	(330,639)
Proceeds from sale of property, plant and equipment	—	18	31	60,377
Others	(8,008)	(30)	(8,346)	(4,287)
Net cash outflow from investing activities	(162,902)	(181,127)	(521,100)	(274,549)
FINANCING ACTIVITIES				
Proceeds from long-term borrowings	226,468	886,887	594,925	1,327,080
Principal repayments of long-term borrowings	(145,004)	(809,303)	(217,574)	(1,347,187)
Proceeds from issuance of ordinary shares pursuant to the Pre-listing Employee Share Option Scheme	796	—	1,644	18
Restricted cash, net	47,967	7,207	(18,557)	1,327
Payment of loan arrangement fees	(4,206)	(17,499)	(8,777)	(43,458)
Others, net	(202)	(555)	(760)	(862)
Net cash inflow / (outflow) from financing activities	125,819	66,737	350,901	(63,082)
Effect of exchange rate changes on cash and cash equivalents	(170)	541	(1,430)	(112)
Net increase / (decrease) in cash and cash equivalents	(11,895)	(66,814)	13,599	(129,619)
Cash and cash equivalents at the beginning of the period	366,521	314,228	341,027	377,033
Cash and cash equivalents at the end of the period	354,626	247,414	354,626	247,414
NON-CASH INVESTING ACTIVITY				
Acquisition of motor vehicles by means of finance lease	1,399	—	8,757	—

Consolidated Statement of Changes in Equity

	Share capital *US$'000*	Share premium *US$'000*	Additional paid-in capital *US$'000*	Convertible bonds - equity component *US$'000*	Foreign currency translation adjustments *US$'000*	Unamortised share option expense *US$'000*	Cash flow hedge reserve *US$'000*	Retained earnings/ (Accumulated losses) *US$'000*	Total *US$'000*
Nine months ended 30 September 2005									
unaudited									
At 31 December 2004									
- as previously stated	529,320	1,267,913	92,689	—	(23,197)	(1,110)	(20,564)	(31,079)	1,813,972
- adoption of HKFRS retrospectively	—	—	1,329	14,400	—	(1,190)	—	(139)	14,400
As restated	529,320	1,267,913	94,018	14,400	(23,197)	(2,300)	(20,564)	(31,218)	1,828,372
Adoption of HKAS 39, HKFRS 3 and HKAS 38	—	—	—	—	—	—	11,343	28,426	39,769
At 1 January 2005	529,320	1,267,913	94,018	14,400	(23,197)	(2,300)	(9,221)	(2,792)	1,868,141
Exchange translation differences	—	—	—	—	(739)	—	—	—	(739)
Cash flow hedge:									
- Gain on financial instruments	—	—	—	—	—	—	2,983	—	2,983
- Transferred to profit and loss account	—	—	—	—	—	—	9,581	—	9,581
Net amounts not recognised in the profit and loss account	—	—	—	—	(739)	—	12,564	—	11,825
Net profit for the period	—	—	—	—	—	—	—	43,613	43,613
Issue of ordinary shares pursuant to the Pre-listing Employee Share Option Scheme	612	1,032	—	—	—	—	—	—	1,644
Issuance of share option	—	—	227	—	—	(227)	—	—	—
Amortisation of share option expense	—	—	—	—	—	1,095	—	—	1,095
At 30 September 2005	529,932	1,268,945	94,245	14,400	(23,936)	(1,432)	3,343	40,821	1,926,318

Consolidated Statement of Changes in Equity *(Continued)*

	Share capital *US$'000*	Share premium *US$'000*	Additional paid-in capital *US$'000*	Convertible bonds - equity component *US$'000*	Foreign currency translation adjustments *US$'000*	Unamortised share option expense *US$'000*	Cash flow hedge reserve *US$'000*	Retained earnings/ (Accumulated losses) *US$'000*	Total *US$'000*
Nine months ended 30 September 2004									
unaudited									
At 31 December 2003									
- as previously stated	529,314	1,267,901	92,818	—	(23,013)	(2,065)	(34,366)	(22,073)	1,808,516
- adoption of HKFRS retrospectively	—	—	—	14,400	—	—	—	—	14,400
As restated	529,314	1,267,901	92,818	14,400	(23,013)	(2,065)	(34,366)	(22,073)	1,822,916
Exchange translation differences	—	—	—	—	(1,695)	—	—	—	(1,695)
Cash flow hedge:									
- Loss on financial instruments	—	—	—	—	—	—	(3,937)	—	(3,937)
- Transferred to profit and loss account	—	—	—	—	—	—	15,901	—	15,901
Net amounts not recognised in the profit and loss account	—	—	—	—	(1,695)	—	11,964	—	10,269
Net profit for the period	—	—	—	—	—	—	—	28,241	28,241
Issue of ordinary shares pursuant to the Pre-listing Employee Share Option Scheme	6	12	—	—	—	—	—	—	18
Amortisation of share option expense	—	—	—	—	—	662	—	—	662
At 30 September 2004	529,320	1,267,913	92,818	14,400	(24,708)	(1,403)	(22,402)	6,168	1,862,106

Notes to the Accounts

1. PRINCIPAL ACCOUNTING POLICIES

The unaudited accounts of the Group have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

The preparation of accounts in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The unaudited accounts are prepared under the historical cost convention.

This interim report should be read where relevant, in conjunction with the annual accounts of the Group for the year ended 31 December 2004. Certain comparative figures have been reclassified to conform to the current period's presentation.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005.

As at 1 January 2005, the Group adopted these new HKFRSs as listed below, which are relevant to its operations. The comparative figures in respect of year 2004 have been amended as required and where necessary, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings Per Share
HKAS 34	Interim Financial Reporting
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 1	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations

The Group revalued certain of the properties in conjunction with the listing of the entire share capital on The Stock Exchange of Hong Kong Limited in 2000. On 1 January 2005, the Group applied the exemptions under HKFRS 1 whereby it elected to use the revalued amount of these properties under HK GAAP as deemed cost at the date of transition to HKFRSs.

The adoption of the above new HKFRSs did not have any significant impact on its results of operations and financial position, except for the adoption of HKFRS 2, HKFRS 3, HKAS 38, HKAS 17, HKAS 32 and HKAS 39 which are discussed below.

Notes to the Accounts *(Continued)*

1. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

HKFRS 2

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share options granted after 7 November 2002 and to be vested after 1 January 2005. The Group has also applied HKFRS 2 retrospectively for share options granted after 7 November 2002 and vested before 1 January 2005. Prior to 1 January 2005, the Group accounted for compensation expense in respect of these share options to employees based on the excess, if any, of the quoted market price of the share at the date of the grant over the exercise price of the option. Effective from 1 January 2005, the Group accounts for the compensation cost of these share options based on the fair value of the employee services received in exchange for the grant of these options.

This change in accounting policy has been accounted for retrospectively as follows:

	As previously reported *US$'000*	Effect of adoption of HKFRS *US$'000*	As restated *US$'000*
Group			
At 31 December 2004			
Reserves:			
Additional paid-in capital	92,689	1,329	94,018
Accumulated losses	(31,079)	(139)	(31,218)
Unamortised share option expense	(1,110)	(1,190)	(2,300)

HKAS 17

The adoption of HKAS 17 requires the Group to classify the land held under a long-term lease as an operating lease if the risks and rewards incidental to ownership will not be transferred to the lessee. The comparative in respect of the property, plant and equipment have been restated whereby the land held under operating lease is now presented as lease prepayments. The effect of the reclassification of the comparative is as follows:

	As previously reported *US$'000*	Effect of adoption of HKFRS *US$'000*	As restated *US$'000*
Group			
At 31 December 2004			
Property, plant and equipment	3,823,302	(1,818)	3,821,484
Lease prepayments	—	1,818	1,818

HKAS 32

The adoption of HKAS 32 requires the Group to analyse the compound financial instruments into debt and equity components based on the circumstances at the inception of the instrument. The comparative in respect of the convertible bonds have been restated whereby the equity conversion option is now presented as a component of reserves. The effect of reclassification of comparatives has been accounted for retrospectively as follows:

	As previously reported *US$'000*	Effect of adoption of HKFRS *US$'000*	As restated *US$'000*
Group			
At 31 December 2004			
Convertible bonds	180,000	(6,050)	173,950
Provision, accruals and other liabilities	217,631	(8,350)	209,281
Reserves:			
Convertible bonds - equity component	—	14,400	14,400

Notes to the Accounts *(Continued)*

1. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

HKFRS 3 and HKAS 38

The adoption of HKFRS 3 and HKAS 38 resulted in a change in the accounting policy for goodwill and trade names. Prior to 1 January 2005, goodwill and trade names were amortised over useful lives of 40 years and negative goodwill was amortised over 26 years, the remaining weighted average useful life of the non-monetary assets acquired. In addition, the goodwill and trade names were assessed for impairment annually or where there were indications of possible impairment.

In accordance with the provisions of HKFRS 3:

— The Group ceased amortisation of goodwill and trade names from 1 January 2005;

— Accumulated amortisation as at 31 December 2004 has been eliminated with a corresponding decrease in the cost of goodwill and trade names;

— The carrying amount of previously recognised negative goodwill has been derecognised as at 1 January 2005 with a corresponding adjustment to the opening balance of retained earnings;

— The Group will continue to review goodwill and trade names for impairment annually or where there are indications of possible impairment.

This change in accounting policy has been accounted for prospectively from 1 January 2005 as follows:

	As previously reported *US$'000*	Effect of adoption of HKFRS *US$'000*	As restated *US$'000*
Group			
At 1 January 2005			
Intangible assets, net of accumulated amortisation and impairment	605,286	39,769	645,055
Retained earnings / (Accumulated losses)	(31,079)	39,769	8,690

HKAS 39

Upon adoption of HKAS 39 on 1 January 2005, the fair value of certain interest rate swaps of US$10.7 million which no longer qualified as hedging instruments as a result of early repayment of certain bank borrowings and which had been included within cash flow hedge reserve, has been adjusted to the opening balance of retained earnings. Similarly, the fair value of the 5.5% capped USD LIBOR-in-arrears interest rate swaps amounting to US$0.6 million which were not effective hedges and had been included within cash flow hedge reserve, has been adjusted to the opening balance of retained earnings.

The effects of the change on the Group's consolidated financial statements have been accounted for prospectively from 1 January 2005 as follows:

	As previously reported *US$'000*	Effect of adoption of HKFRS *US$'000*	As restated *US$'000*
Group			
At 1 January 2005			
Reserves:			
Cash flow hedge reserve	(20,564)	11,343	(9,221)
Accumulated losses	(31,079)	(11,343)	(42,422)

Notes to the Accounts *(Continued)*

2. TURNOVER AND OPERATING PROFIT

The Group is principally engaged in the operation of passenger cruise ships. Cruise and cruise related revenues comprise sales of passenger tickets, including, in some cases, air transportation to and from the cruise ship, and revenues from onboard services and other related services, including gaming, food and beverage. Charter hire revenue includes the lease of a catamaran to a third party customer. In August 2005, the Group entered into a charter and sale agreement to dispose of its catamaran and as a result, the Group ceased to receive revenue from the charter hire of the catamaran.

The amounts of each significant category of revenue recognised by the Group were as follows:

	Cruise and cruise related activities		Charter hire		Total	
	2005	2004	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Three months ended 30 September						
unaudited						
Turnover	580,930[1]	494,679[1]	—	1,255	580,930	495,934
Operating profit / (loss)	78,676	79,342	(160)	524	78,516	79,866
Interest income					2,487	735
Financial costs					(41,630)	(32,731)
Share of loss of an associated company					(3,268)	—
Other non-operating expenses, net					(1,509)	(1,484)
Profit before taxation					34,596	46,386
Taxation					(1,586)	36
Net profit for the period					33,010	46,422

	Cruise and cruise related activities		Charter hire		Total	
	2005	2004	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Nine months ended 30 September						
unaudited						
Turnover	1,443,186[1]	1,280,235[1]	—	2,573	1,443,186	1,282,808
Operating profit / (loss) before impairment loss	136,244	115,032	(1,581)	333	134,663	115,365
Impairment loss	—	—	(2,700)	—	(2,700)	—
Operating profit / (loss) after impairment loss	136,244	115,032	(4,281)	333	131,963	115,365
Interest income					6,699	2,010
Financial costs					(107,944)	(77,720)
Share of loss of an associated company					(5,219)	—
Other non-operating income / (expenses), net					20,623	(10,744)
Profit before taxation					46,122	28,911
Taxation					(2,509)	(670)
Net profit for the period					43,613	28,241

Notes to the Accounts *(Continued)*

2. TURNOVER AND OPERATING PROFIT *(Continued)*

The Group's turnover and operating profit in its principal markets of North America and Asia Pacific are analysed as follows:

	TURNOVER			
	Three months ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Asia Pacific	91,994	94,212	257,729	299,439
North America[2]	444,857	368,634	1,078,972	892,371
Others	44,079	33,088	106,485	90,998
	580,930	495,934	1,443,186	1,282,808

	OPERATING PROFIT			
	Three months ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Asia Pacific[3]	20,222	29,629	53,373	71,154
North America[2]	52,923	47,595	71,135	46,198
Others	5,371	5,066	7,455	5,287
	78,516	82,290	131,963	122,639
Amortisation of goodwill	—	(2,424)	—	(7,274)
	78,516	79,866	131,963	115,365

Notes:

1. Cruise and cruise related revenues consist of passenger ticket revenue of approximately US$389.2 million and US$327.9 million for the three months ended 30 September 2005 and 2004 respectively and approximately US$942.4 million and US$824.9 million for the nine months ended 30 September 2005 and 2004 respectively. The remaining portion relates to revenues from onboard and other services.

2. Substantially, all the turnover and operating profit arises in the United States of America.

3. Included in the operating profit of Asia Pacific for the nine months ended 30 September 2005 was an impairment loss of US$2.7 million.

Notes to the Accounts *(Continued)*

3. OPERATING PROFIT

Operating profit is stated after charging / (crediting) the following:

	Three months ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Charging / (Crediting):				
Depreciation of property, plant and equipment	45,035	40,024	124,744	124,198
Amortisation of software development costs	438	528	1,359	1,517
Amortisation of trade names	—	1,691	—	5,073
Amortisation of goodwill	—	2,424	—	7,274
Total depreciation and amortisation analysed into:	45,473	44,667	126,103	138,062
- relating to operating function	43,018	42,284	118,891	130,874
- relating to selling, general and administrative function	2,455	2,383	7,212	7,188
(Write back) / Custom fines on itinerary modifications resulting from the Azipod problem on a ship	—	2	(2,344)	4,333
Impairment loss (see note 4)	—	—	2,700	—

4. IMPAIRMENT LOSS

On 1 August 2005, the Group entered into a charter and sale agreement of its catamaran with a third party customer. During the six months ended 30 June 2005, the Group recorded an impairment loss of US$2.7 million. The impairment loss represented the amount by which the carrying amount of the catamaran exceeded its fair value.

The terms of the above agreement are such that the Group had effectively disposed of the catamaran on 1 August 2005 on deferred payment terms. Accordingly, the Group has recorded this disposal in the three months ended 30 September 2005.

5. FINANCIAL COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Amortisation of:				
- bank loans arrangement fees	3,881	1,772	11,646	4,421
- issue costs of convertible bonds and US$250 million Senior Notes	431	393	1,265	767
Interests on:				
- bank loans and others	30,834	21,894	81,581	61,574
- convertible bonds and US$250 million Senior Notes	9,777	8,059	29,026	13,156
Loans arrangement fees written off	—	3,632	—	4,086
Total borrowing costs incurred	44,923	35,750	123,518	84,004
Less: interest capitalised in property, plant and equipment	(3,293)	(3,019)	(15,574)	(6,284)
Total financial costs	41,630	32,731	107,944	77,720

6. SHARE OF LOSS OF AN ASSOCIATED COMPANY

The Group has accounted for its 26% interest in Valuair Limited ("Valuair") using the equity method and has recorded its portion of Valuair's net operating results as share of loss of an associated company. In July 2005, Valuair announced a merger with Jetstar Asia Airways Pte. Ltd. ("Jetstar"), an affiliated company of Qantas Airways. The merger has resulted in the Group ceasing to have significant influence in Valuair as its investment in Valuair has been exchanged for a 2.4% investment in Orangestar Investment Holdings Pte. Ltd. ("Orangestar"), the holding company of Jetstar and Valuair.

During the nine months ended 30 September 2005, the Group recorded its share of loss in Valuair of US$5.2 million, being the Group's portion of Valuair's results from the date of acquisition in mid-December 2004 to the date the Group ceased to have significant influence in July 2005.

The carrying value of the investment in Valuair at the end of July 2005 has been regarded as fair value on initial measurement of the investment in Orangestar. The investment in Orangestar has been classified as an available-for-sale investment under HKAS 39.

7. OTHER NON-OPERATING INCOME / (EXPENSES), NET

	Three months ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Gain / (Loss) on financial instruments	249	(184)	3,858	(7,458)
Loss on foreign exchange	(179)	(147)	(2,394)	(1,209)
Gain / (Loss) on translation of debts	910	(1,045)	21,843	(1,045)
Other non-operating expenses, net	(2,489)	(108)	(2,684)	(1,032)
	(1,509)	(1,484)	20,623	(10,744)

8. TAXATION

	Three months ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Overseas taxation				
- Current taxation	1,870	306	2,587	1,225
- Deferred taxation	—	(127)	—	(166)
	1,870	179	2,587	1,059
Under / (Over) provision in respect of prior years				
- Current taxation	(284)	(215)	(235)	(541)
- Deferred taxation	—	—	157	152
	1,586	(36)	2,509	670

The Company, which is domiciled in Bermuda, and the majority of its subsidiaries, are not subject to income tax as their income is mainly derived in international waters or outside taxing jurisdictions. However, the Group has incurred a tax charge, as illustrated in the table above, based on the income which is subject to local tax in certain of the jurisdictions where it operates. The appropriate local tax rate has been applied, in such circumstances, to determine the applicable tax charge.

Notes to the Accounts *(Continued)*

9. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Earnings per share has been calculated as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
BASIC				
Net profit	33,010	46,422	43,613	28,241
Weighted average outstanding ordinary shares in thousands	5,297,496	5,293,202	5,295,656	5,293,181
Basic earnings per share in US cents	0.62	0.88	0.82	0.53

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and share options. The convertible bonds are assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the interest expense. For the share options, certain shares under option had an effect on the adjusted weighted average number of shares in issue as the average option price was lower than the average market price.

	Three months ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
FULLY DILUTED				
Net profit	33,010	46,422	43,613	28,241
Interest expense on convertible bonds	2,498	—	—	—
Profit used to determine diluted earnings per share	35,508	46,422	43,613	28,241
Weighted average outstanding ordinary shares in thousands	5,297,496	5,293,202	5,295,656	5,293,181
Effect of dilutive ordinary shares in thousands	442,663	438,915	3,668	438,614
Weighted average outstanding ordinary shares after assuming dilution in thousands	5,740,159	5,732,117	5,299,324	5,731,795
Fully diluted earnings per share in US cents	0.62	0.81	0.82	0.49

Notes to the Accounts *(Continued)*

10. INTANGIBLE ASSETS

Intangible assets consists of the following items arising from the acquisition of NCL Holding ASA ("NCL"):

	Goodwill arising on acquisition of 84.5% of NCL *US$'000*	Negative goodwill arising on acquisition of 15.5% of NCL *US$'000*	Subtotal *US$'000*	Trade names *US$'000*	Total *US$'000*
At 30 September 2005					
unaudited					
Opening net book value at 31 December 2004	407,165	(39,769)	367,396	237,890	605,286
Adoption of HKFRS 3	—	39,769	39,769	—	39,769
At 1 January 2005	407,165	—	407,165	237,890	645,055
Adjustments (see below)	(39,061)	—	(39,061)	—	(39,061)
At 30 September 2005	368,104	—	368,104	237,890	605,994
At 31 December 2004					
audited					
Cost	456,624	(45,868)	410,756	291,600	702,356
Accumulated amortisation and impairment	(49,459)	6,099	(43,360)	(53,710)	(97,070)
Net book value	407,165	(39,769)	367,396	237,890	605,286

On 30 November 2000, Arrasas Limited ("Arrasas"), a subsidiary of the Company, compulsorily acquired the remaining shares in NCL held by the minority shareholders, at an offer price of NOK13 per share after owning 95.4% of the shares in NCL. As a result of this acquisition, Arrasas became the sole owner of all outstanding shares of NCL. Persons formerly holding in aggregate 1,831,848 shares rejected the offer price ("minority shareholders"). Arrasas then submitted a valuation petition to the Oslo City Court to request the valuation court to determine the fair value of the shares held by the minority shareholders.

The valuation proceedings were heard in September 2003, and on 5 December 2003, the Oslo City Court fixed the redemption price for the minority shareholders at NOK25 per share. On 8 January 2004, Arrasas filed an appeal against the decision granted on 5 December 2003.

On 28 June 2005, the Appeal Court ruled that the redemption price for the share is fixed at NOK16.50 per share, plus 5.5% annual and compound interest from 30 November 2000 until payment is made. Based on this decision, Arrasas would now be required to pay the minority shareholders the price as fixed by the Appeal Court plus interest from 30 November 2000. In addition, pursuant to the terms of the respective stock purchase agreements with the related companies, Arrasas will also have to pay the related companies an additional NOK1.50 per share (representing the amount in excess of NOK15 per share to the related companies who sold 10.9% of the shares in NCL to Arrasas in November 2000). As a result of this ruling by the Appeal Court, the Group made an adjustment to the purchase consideration resulting in a reduction to goodwill previously recognised in the amount of US$39.1 million.

Notes to the Accounts *(Continued)*

11. OTHER ASSETS

	As at 30 September 2005 US$'000 unaudited	As at 31 December 2004 US$'000 audited
Loan arrangement fees	48,970	53,535
Convertible bonds and senior notes issuance costs	10,181	10,606
Software development costs, net	14,293	15,314
Others	7,451	5,640
	80,895	85,095

12. TRADE RECEIVABLES

	As at 30 September 2005 US$'000 unaudited	As at 31 December 2004 US$'000 audited
Trade receivables	15,860	15,906
Less: Provisions	(1,585)	(3,817)
	14,275	12,089

At 30 September 2005 and 31 December 2004, the ageing analysis of the trade receivables were as follows:

	As at 30 September 2005 US$'000 unaudited	As at 31 December 2004 US$'000 audited
Current to 30 days	7,315	4,983
31 days to 60 days	2,365	2,557
61 days to 120 days	2,004	2,897
121 days to 180 days	1,740	2,345
181 days to 360 days	2,336	2,473
Over 360 days	100	651
	15,860	15,906

Credit terms generally range from payment in advance to 45 days credit terms.

13. TRADE CREDITORS

The ageing of trade creditors as at 30 September 2005 and 31 December 2004 were as follows:

	As at 30 September 2005 US$'000 unaudited	As at 31 December 2004 US$'000 audited
Current to 60 days	70,369	76,311
61 days to 120 days	7,156	5,887
121 days to 180 days	167	813
Over 180 days	551	470
	78,243	83,481

Credit terms granted to the Group generally vary from no credit to 45 days credit.

Notes to the Accounts *(Continued)*

14. LONG-TERM BORROWINGS

Long-term borrowings consist of the following:

	As at	
	30 September 2005	(Restated) 31 December 2004
	US$'000 *unaudited*	*US$'000* *audited*
SECURED:		
US$521.6 million syndicated term loan	154,560	171,734
US$450 million term loan	159,513	182,300
US$400 million Reducing Revolving Credit Facility	320,500	373,500
US$626.9 million syndicated term loan	261,217	271,666
US$225 million term loan	189,000	207,000
€298 million secured term loan	355,831	259,066
US$334.1 million Norwegian Jewel loan	324,261	113,377
€308.1 million Pride of Hawaii loan	122,422	47,212
US$800 million loan facility	635,000	540,000
UNSECURED:		
US$250 million Senior Notes	250,000	250,000
Convertible bonds (see Note 15)	179,643	173,950
Others	10,024	2,208
Total liabilities	2,961,971	2,592,013
Less: Current portion	(221,903)	(179,159)
Long-term portion	2,740,068	2,412,854

All the outstanding balances of the long-term borrowings are denominated in US dollars except for the amounts of €126.0 million (2004: €43.0 million) of the €298 million secured term loan and the outstanding balance of €101.5 million (2004: €34.9 million) of the €308.1 million Pride of Hawaii loan which are denominated in Euro.

(i) On 23 September 2005, NCL Corporation Ltd. ("NCLC"), a direct wholly-owned subsidiary of the Company, entered into a Letters of Credit Facility agreement (the "New L/C Facility") in an aggregate maximum amount of US$100 million to part secure the risks of processing NCLC Group credit card sales transactions. The two letter of credit facilities previously entered into by the Company on 25 September 2003 in an aggregate maximum amount of US$100 million were cancelled on the same day.

The New L/C Facility is secured by a second mortgage over an NCLC Group vessel. The New L/C Facility contains restrictive covenants which require compliance with certain financial ratios.

(ii) On 7 October 2005, NCLC as borrower entered into a Revolving Loan Facility Agreement with a syndicate of banks to provide up to €624 million ("€624 million facility") to finance 80% of the contract price of two vessels under construction for the NCLC Group fleet. After delivery of the vessels any amounts subsequently repaid can be redrawn and used for NCLC Group's general corporate and working capital purposes. The €624 million facility bears interest at a rate, which varies based upon the ratio of NCLC's funded debt to earnings before interest, taxation, depreciation and amortisation. This facility is repayable in 23 semi annual instalments commencing 6 months from the relevant vessel's delivery date using a 12 year amortisation period with a balloon payment at final maturity.

The facility will be secured by, amongst other securities, a mortgage over each delivered vessel and a charge over the shares of each vessel owner. The facility contains restrictive covenants which require compliance with certain financial ratios.

Notes to the Accounts *(Continued)*

15. CONVERTIBLE BONDS

The fair values of the liability component and the equity conversion component were determined at issuance of the convertible bonds ("the Bonds").

The fair value of the liability component, included in long-term borrowings (see Note 14), was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included as a component of reserves in shareholders' equity.

The analysis of the Bonds recorded in the balance sheet is as follows:

	As at	
	30 September 2005 *US$'000* *unaudited*	(Restated) 31 December 2004 *US$'000* *audited*
Face value of convertible bonds issued on 20 October 2003	180,000	180,000
Equity component	(14,400)	(14,400)
Liability component on initial recognition	165,600	165,600
Interest accrued as at 1 January	8,350	1,960
Interest expense for the period / year	7,493	9,990
Interest paid during the period / year	(1,800)	(3,600)
Liability component	179,643	173,950

The fair value of the liability component of the Bonds at 30 September 2005 amounted to US$172.9 million. The fair value is calculated using cash flows discounted at a rate based on the borrowings rate of 6.8%.

During the three months and nine months ended 30 September 2005, none of the Bonds were redeemed or purchased by the Company or converted into ordinary shares of the Company.

The net proceeds of approximately US$176.3 million from the issuance of the Bonds has been used for the construction of vessels in line with the Group's strategy to upgrade its fleet, as general working capital and for the reduction of outstanding liabilities under certain bank loans of the Group. During the nine months ended 30 September 2005, the remaining net proceeds of approximately US$67.3 million as at 31 December 2004 have been used to fund the newbuilding programme and for general working capital purposes. As at 30 September 2005, there were no unapplied proceeds from the issuance of Bonds.

16. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

Golden Hope Limited, a company incorporated in the Isle of Man acting as trustee of the Golden Hope Unit Trust, a private unit trust which is held directly and indirectly by GZ Trust Corporation as trustee of a discretionary trust established for the benefit of certain members of Tan Sri Lim Goh Tong's family, is a substantial shareholder of the Company.

Tan Sri Lim Kok Thay, the Chairman, President and Chief Executive Officer of the Group, is a son of Tan Sri Lim Goh Tong.

Kien Huat Development Sdn Bhd ("KHD") is a company in which a brother of Tan Sri Lim Kok Thay has a substantial interest.

Genting Berhad ("GB"), a company in which Tan Sri Lim Kok Thay has a deemed interest and which is listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia"), controls Resorts World Bhd ("RWB"), a company also listed on Bursa Malaysia which in turn indirectly controls Resorts World Limited ("RWL") which is a substantial shareholder of the Company. GB indirectly controls Genting International PLC ("GIPLC"), a company listed on the Luxembourg Stock Exchange.

WorldCard International Limited ("WCIL") is a company in which a subsidiary of each of the Group and GIPLC has a 50% interest. As at 30 September 2005, the carrying amount of this investment in WCIL which amounted to US$144,000 is included within other assets. The Group's share of losses from WCIL amounted to US$40,000 and US$49,000 for the three months ended 30 September 2005 and 2004 respectively and US$110,000 and US$177,000 for the nine months ended 30 September 2005 and 2004 respectively.

16. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

Significant related party transactions entered into or subsisting between the Group and these companies during the three months and nine months ended 30 September 2005 are set out below:

(a) KHD, together with its related companies, was involved in carrying out improvements to the Group's berthing facilities and other infrastructure facilities. No amounts were charged to the Group in respect of these services for the three months ended 30 September 2005 and 2004 respectively. Amounts charged to the Group in respect of these services for the nine months ended 30 September 2005 and 2004 were approximately US$- and US$12,000 respectively.

(b) GB and its related companies provide certain services to the Group, including treasury services, secretarial services, certain information technology support services, purchasing and administrative assistance services and other support services. The Group also purchases air tickets from a subsidiary of RWB. Amounts charged to the Group in respect of these services were approximately US$312,000 and US$178,000 for the three months ended 30 September 2005 and 2004 respectively and approximately US$896,000 and US$455,000 for the nine months ended 30 September 2005 and 2004 respectively.

(c) The Group provides certain administrative support services to GIPLC internationally and the amounts charged to GIPLC were approximately US$17,000 and US$15,000 for the three months ended 30 September 2005 and 2004 respectively and approximately US$55,000 and US$51,000 for the nine months ended 30 September 2005 and 2004 respectively.

(d) WCIL together with its related companies operates and administers the WorldCard programme on an international basis. The Group also implemented joint promotion and marketing programmes for the purpose of promoting the respective businesses of the Group and the RWB Group.

During the three months and nine months ended 30 September 2005 and 2004, the following transactions took place:

	Three months ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Amounts charged from GB Group to the Group	70	58	231	294
Amounts charged to the GB Group by the Group	42	73	192	438

Amounts outstanding at the end of each fiscal period in respect of the above transactions were included in the balance sheet within amounts due from related companies. The related party transactions described above were carried out on terms, conditions and prices obtainable in transactions with unrelated parties.

(e) On 24 November 2000, Arrasas Limited entered into separate Stock Purchase Agreements with RWL, Genting Overseas Holdings Limited (a wholly owned subsidiary of GB) and Palomino Limited (an indirect subsidiary of GB) to acquire an aggregate of 29,110,200 ordinary shares representing approximately 10.9% of the issued share capital of NCL for a total cash consideration of approximately NOK436.7 million (US$45.7 million) or NOK15 (US$1.572) per share. The transaction was completed on 29 November 2000. The agreements require that in the event Arrasas Limited pays more than NOK15 (US$1.572) per share in any subsequent transaction, Arrasas Limited will be required to pay to these related companies the difference between such higher price per share and NOK15 per share (US$1.572). On 28 June 2005, the Appeal Court ruled that the redemption price was NOK16.50 per share. Accordingly, Arrasas Limited paid the related companies an additional of NOK1.50 per share (see Note 10).

Notes to the Accounts *(Continued)*

17. FINANCIAL INSTRUMENTS

(i) The Group has several interest rate swaps with an aggregate amount of US$430.4 million to convert certain long-term borrowings from a floating rate obligation to a fixed rate obligation. The notional amount is being reduced six-monthly in varying amounts over periods ranging from 6 to 10 years from the dates of the interest rate swap agreements. As at 30 September 2005, the estimated fair market value of the interest rate swaps was approximately US$9.3 million, which was unfavourable to the Group.

The changes in the fair value of these interest rate swaps are included as a separate component of reserves and are recognised in the consolidated profit and loss account as the underlying hedged items are recognised.

In July 2004, following the early repayment of certain long-term borrowings, the Group discontinued the related specific existing hedge accounting on the basis that the designated hedged risk ceased to exist and re-designated prospectively a new hedging relationship for all the interest rate swaps that were previously designated as a hedge for the interest payment on these long-term borrowings. Upon adoption of HKAS 39 on 1 January 2005, the fair value of these interest rate swaps of approximately US$10.7 million which was unfavourable to the Group at the date of discontinuing the hedge accounting has been adjusted to the opening balance of retained earnings (see Note 1).

(ii) The Group has a series of 5.5% capped USD LIBOR-in-arrears interest rate swaps with a notional amount of approximately US$140.8 million to limit its exposure to fluctuations in interest rate movements if rate moves beyond the cap level of 5.5%. The notional amount for each interest period is being reduced six-monthly in varying amounts over 5 years from August 2003.

Upon adoption of HKAS 39 on 1 January 2005, the changes in the fair value of these interest rate swaps, which qualify as hedges, are included as a separate component of reserves, and recognised in the consolidated profit and loss account as the underlying hedged items are recognised. To the extent an instrument is not effective as a hedge, gains and losses are recognised in the consolidated profit and loss account as a gain or loss on interest rate swaps. Therefore, on 1 January 2005, the ineffective portion of these interest rate swaps of approximately US$0.6 million, which was unfavourable to the Group has been adjusted to the opening balance of retained earnings (see Note 1).

As at 30 September 2005, the estimated fair market value of these interest rate swaps was approximately US$0.1 million, which was favourable to the Group. The changes in the fair value of these interest rate swaps were included in interest expense in the consolidated profit and loss account.

(iii) The Group entered into various Singapore dollars forward contracts and the notional amount of these contracts was approximately US$206.7 million. The notional amount is being reduced six-monthly in varying amounts over periods ranging from 5 to 11 years from the dates of the contracts. As at 30 September 2005, the estimated fair market value of these forward contracts was approximately US$3.6 million, which was favourable to the Group. The changes in the fair value of these forward contracts were recognised as other income in the consolidated profit and loss account.

(iv) The Group entered into a series of monthly forward contracts to buy US dollars against Hong Kong dollars. The notional amount of these forward contracts was approximately US$60.7 million and is being reduced monthly in fixed amounts maturing within 3 years from December 2002. As at 30 September 2005, the estimated fair market value of these contracts was approximately US$30,000, which was unfavourable to the Group. The changes in the fair value of these forward contracts were recognised as other expense in the consolidated profit and loss account.

The fair values of these instruments have been estimated using public market prices or quotes from reputable financial institutions. The Group had no significant concentrations of credit risk as at 30 September 2005 other than deposits of cash with reputable financial institutions.

Notes to the Accounts *(Continued)*

18. CAPITAL COMMITMENTS AND CONTINGENCIES

(i) Capital expenditure

The Group had the following commitments as at 30 September 2005 and 31 December 2004:

	As at	
	30 September 2005	31 December 2004
	US$'000	*US$'000*
	unaudited	*audited*
Contracted but not provided for		
- Cruise ships and other related costs	1,090,634	673,286

(ii) Material Litigation

There were no material updates to the information disclosed in the Group's annual report for the year ended 31 December 2004 and the interim reports for the three months ended 31 March 2005 and the three months and six months ended 30 June 2005.

19. SIGNIFICANT SUBSEQUENT EVENT

On 7 October 2005, NCLC entered into a Revolving Loan Facility Agreement with a syndicate of banks to provide up to €624 million to part finance the construction of two vessels.

Interim Dividend

The Directors do not recommend the declaration of any interim dividend in respect of the nine months ended 30 September 2005.

Management's Discussion and Analysis

Three months ended 30 September 2005 ("3Q 2005") compared with three months ended 30 September 2004 ("3Q 2004")

Turnover

The Group's revenue for 3Q 2005 was US$580.9 million, increased by 17.1% from US$495.9 million for 3Q 2004. Net revenue increased by 15.7%. Net revenue represents revenue less air ticket costs, travel agent commissions and other direct costs (all of which are included in operating expenses). Net revenue yield is defined as net revenue per capacity day. The higher net revenue was due primarily to a 11.5% increase in capacity and a 3.8% increase in net revenue yield. The higher net revenue yield was attributable to an increase in cruise tickets prices and higher onboard spending. Occupancy was at 106.6% in 3Q 2005 compared to 107.7% in 3Q 2004.

Star Cruises in Asia Pacific operated with 5.0% higher capacity days in 3Q 2005 compared to 3Q 2004 because of the addition of m.v. Norwegian Sea (renamed m.v. SuperStar Libra) which commenced operation in September 2005. Net revenue yield was 5.5% lower compared with 3Q 2004. Occupancy level for 3Q 2005 was at 96.5% compared to 102.2% in 3Q 2004. Lower than average occupancy for the relocation of m.v. SuperStar Libra from Singapore to India and the showcasing of the vessel in Mumbai contributed to the decrease in net revenue yield and occupancy in 3Q 2005. In addition, the higher occurrence of typhoons in Taiwan and Hong Kong also negatively impacted the net revenue yield and occupancy in 3Q 2005.

NCL Group recorded an increase in capacity days of 13.0% for 3Q 2005 compared to 3Q 2004. The increase in capacity was primarily due to the additions of m.v. Pride of America and m.v. Norwegian Jewel, which entered service in June 2005 and August 2005, respectively. The increase in capacity was partially offset by the return of m.v. Norwegian Sea to Star Cruises upon expiration of the charter agreement in August 2005. Net revenue yield was up by 6.5% compared with 3Q 2004. This increase was primarily due to increases in cruise ticket prices, higher onboard spending and NCL Group's acquisition of Polynesian Adventure Tours, a tour bus operator in Hawaii in November 2004. Occupancy level for 3Q 2005 was at 108.7% compared to 108.9% in 3Q 2004.

Management's Discussion and Analysis *(Continued)*

Cost and expenses

Total costs and expenses before interest and non-operating items for 3Q 2005 amounted to US$502.4 million compared with US$416.1 million for 3Q 2004, an increase of US$86.3 million.

Operating expenses increased by US$75.2 million to US$386.5 million for 3Q 2005 from US$311.2 million for 3Q 2004. Ship operating expenses (excluding costs such as travel agent commissions, air tickets and other direct costs as they are already included in the net revenue calculation) was 25.9% higher compared with 3Q 2004. On a per capacity day basis, ship operating expenses were 12.8% higher compared with 3Q 2004 mainly due to an increase in fuel costs, higher crew expenses related to the U.S. flag ships and the start up costs for m.v. Norwegian Jewel and m.v. SuperStar Libra. Average fuel prices increased approximately 45% compared with 3Q 2004. Fuel costs accounted for 16.3% of the ship operating expenses in 3Q 2005 compared with 12.7% of ship operating expenses in 3Q 2004.

Selling, general and administrative (SG&A) expenses increased by US$10.3 million from US$60.2 million to US$70.5 million in 3Q 2005. SG&A expenses per capacity day increased 5.0% compared with 3Q 2004 mainly due to marketing costs related to NCL America and the introduction of m.v. Norwegian Jewel and higher shoreside expenses for the Honolulu office.

Depreciation and amortisation increased by US$0.8 million to US$45.5 million for 3Q 2005 compared with US$44.7 million for 3Q 2004 due to the additions of m.v. Pride of America and m.v. Norwegian Jewel which was almost offset by the cessation of amortisation of goodwill and trade names since beginning of 2005 following the adoption of new accounting standards effective 1 January 2005. Goodwill and trade names amortisation was US$4.1 million in 3Q 2004. On a per capacity day basis, depreciation and amortisation decreased 8.7% compared with 3Q 2004.

Operating profit

Operating profit for 3Q 2005 was US$78.5 million compared to US$79.9 million for 3Q 2004.

Non-operating income / (expense)

Non-operating expenses increased by US$10.4 million to US$43.9 million for 3Q 2005 compared with US$33.5 million for 3Q 2004. The increase was mainly due to the net effect of the following items:

(a) Interest expense, net of interest income and capitalised interest increased by US$7.2 million to US$39.2 million for 3Q 2005 compared with US$32.0 million for 3Q 2004 primarily as a result of the impact of higher average outstanding debts and interest rates.

(b) For 3Q 2005, the Group recorded its share of loss in Valuair Limited of US$3.3 million from 1 April 2005 to the date the Group ceased to have significant influence in July 2005.

(c) The Group recorded a non-cash Euro denominated debt translation gain of US$0.9 million for 3Q 2005 compared with US$1.0 million debt translation loss in 3Q 2004.

Profit before taxation

Profit before taxation for 3Q 2005 was US$34.6 million compared to US$46.4 million for 3Q 2004.

Taxation

The Group incurred taxation expenses of US$1.6 million for 3Q 2005 compared with taxation benefit of US$0.04 million for 3Q 2004. The taxation expenses in 3Q 2005 was mainly due to the provision of U.S. federal tax for the tour operation in U.S. The taxation benefit of US$0.04 million in 3Q 2004 was mainly due to overprovision of taxation in respect of shipping income of prior periods.

Net profit attributable to shareholders

As a result, the Group recorded a net profit attributable to shareholders of US$33.0 million for 3Q 2005 compared with US$46.4 million in 3Q 2004.

Liquidity and capital resources

Sources and uses of funds

The majority of the Group's cash and cash equivalents are held in U.S. dollars. For 3Q 2005, cash and cash equivalents decreased to US$354.6 million from US$366.5 million as at 30 June 2005. The decrease of US$11.9 million in cash and cash equivalents was mainly due to the net effect of the following items:

(a) The Group's business provided US$25.4 million of net cash from operations for 3Q 2005 compared to US$47.0 million for 3Q 2004. The decrease in net cash generated from operations was primarily due to the increase in interest payment during the quarter.

(b) The Group's capital expenditure was approximately US$154.9 million in 3Q 2005. Approximately US$147.2 million of the capital expenditure was related to capacity expansion and the remaining was vessel refurbishments and onboard assets.

(c) The Group repaid US$145.0 million of its long-term bank loans during 3Q 2005 and drewdown a total of US$226.5 million under the existing bank loans to finance its ships construction and for general working capital purposes.

(d) Restricted cash decreased US$48.0 million during 3Q 2005 to US$47.1 million as at 30 September 2005. This was mainly due to amounts released by the credit card processor as a result of a lower advance ticket sales amount.

Nine months ended 30 September 2005 ("YTD 3Q 2005") compared with nine months ended 30 September 2004 ("YTD 3Q 2004")

Turnover

The Group's revenue for YTD 3Q 2005 was US$1,443.2 million, increased by 12.5% from US$1,282.8 million for YTD 3Q 2004. Net revenue for YTD 3Q 2005 increased 12.0% compared with YTD 3Q 2004 driven by both a 6.8% increase in net revenue yield and a 4.8% capacity increase. Occupancy for YTD 3Q 2005 was 104.9%, up from 103.7% for YTD 3Q 2004.

Star Cruises in Asia Pacific operated with 18.3% lower capacity days for YTD 3Q 2005 compared to YTD 3Q 2004 because of the disposals of two less cost efficient ships m.v. SuperStar Capricorn and m.v. SuperStar Aries and the transfer of m.v. SuperStar Leo (renamed m.v. Norwegian Spirit) to the NCL Group in the first half of 2004, partially offset by the addition of m.v. SuperStar Libra. Net revenue yield was 7.8% higher compared with YTD 3Q 2004. Occupancy level was at 96.3% in YTD 3Q 2005 versus 94.5% for YTD 3Q 2004.

NCL Group recorded an increase in capacity days of 11.8% for YTD 3Q 2005 compared to YTD 3Q 2004. The increase in capacity was primarily due to the additions of m.v. Norwegian Spirit, m.v. Pride of America and m.v. Norwegian Jewel which entered service in May 2004, June 2005 and August 2005, respectively. Net revenue yield was up by 7.8% compared with YTD 3Q 2004. Occupancy for YTD 3Q 2005 was 106.7%, remained relatively unchanged from 106.5% for YTD 3Q 2004.

Cost and expenses

Total costs and expenses before interest and non-operating items for YTD 3Q 2005 amounted to US$1,311.2 million compared with US$1,167.4 million for YTD 3Q 2004, an increase of US$143.8 million.

Operating expenses increased by US$135.8 million to US$974.3 million for YTD 3Q 2005 from US$838.5 million for YTD 3Q 2004. Ship operating expenses was 18.5% higher compared with YTD 3Q 2004. On a per capacity day basis, ship operating expenses were 13.1% higher compared with YTD 3Q 2004. The start up costs for m.v. Norwegian Jewel and m.v. Pride of America, higher crew expenses and fuel costs were the primary factors of the increase in these ship operating expenses. The higher crew expenses were mainly relating to the U.S. crew used for Hawaii itineraries which began operations in June 2004. Average fuel prices in YTD 3Q 2005 increased approximately 36% compared with YTD 3Q 2004. Fuel costs were at 15.5% of ship operating expenses in YTD 3Q 2005 compared with 13.2% in YTD 3Q 2004. SG&A expenses per capacity day were 4.0% higher for YTD 3Q 2005 compared to YTD 3Q 2004 mainly due to marketing expenses relating to the introduction of m.v. Norwegian Jewel and m.v. Pride of America and higher shoreside expenses for the Honolulu office.

Depreciation and amortisation expenses decreased US$12.0 million to US$126.1 million for YTD 3Q 2005 compared with US$138.1 million for YTD 3Q 2004 as a result of the impact of the cessation of amortisation of goodwill and trade names mentioned above, partially offset by the additions of m.v. Norwegian Jewel and m.v. Pride of America. Goodwill and trade names amortisation was US$12.3 million for YTD 3Q 2004.

In YTD 3Q 2005, the Group recorded an impairment loss of US$2.7 million on the disposal of a catamaran.

Management's Discussion and Analysis *(Continued)*

Operating profit

Operating profit increased by US$16.6 million to US$132.0 million for YTD 3Q 2005 compared with US$115.4 million for YTD 3Q 2004.

Non-operating income / (expense)

Non-operating expenses remained relatively unchanged, at US$85.8 million for YTD 3Q 2005 compared with US$86.4 million for YTD 3Q 2004. This was mainly due to the net effect of the following items:

(a) Interest expense, net of interest income and capitalised interest increased by US$25.5 million to US$101.2 million for YTD 3Q 2005 compared with US$75.7 million for YTD 3Q 2004 primarily as a result of the impact of higher interest rates, including the US$250 million Senior Notes issued in July 2004. Capitalised interest increased to US$15.6 million for YTD 3Q 2005 from US$6.3 million for YTD 3Q 2004 mainly due to higher average borrowings associated with the ships under construction.

(b) For YTD 3Q 2005, the Group recorded its share of loss in Valuair Limited of US$5.2 million from the date of acquisition in mid-December 2004 to the date the Group ceased to have significant influence in July 2005.

(c) During YTD 3Q 2005, the Group had a non-cash gain on financial instruments amounting to US$3.9 million compared to a non-cash loss on financial instruments of US$7.5 million in YTD 3Q 2004. The Group recorded a non-cash Euro denominated debt translation gain of US$21.8 million for YTD 3Q 2005 compared with debt translation loss of US$1.0 million for YTD 3Q 2004.

Profit before taxation

Profit before taxation for YTD 3Q 2005 was US$46.1 million compared to US$28.9 million for YTD 3Q 2004.

Taxation

The Group incurred taxation expenses of US$2.5 million for YTD 3Q 2005 compared to US$0.7 million for YTD 3Q 2004. Higher taxation expenses for YTD 3Q 2005 was mainly due to the provision of U.S. federal income tax for the tour operation in U.S.

Net profit attributable to shareholders

As a result, the Group recorded a net profit attributable to shareholders of US$43.6 million for YTD 3Q 2005 compared with US$28.2 in YTD 3Q 2004.

Liquidity and capital resources

Sources and uses of funds

For YTD 3Q 2005, cash and cash equivalents increased to US$354.6 million from US$341.0 million as at 31 December 2004. The increase of US$13.6 million in cash and cash equivalents was mainly due to the net effect of the following items:

(a) The Group's business provided US$185.2 million of net cash from operations for YTD 3Q 2005 compared to US$208.1 million for YTD 3Q 2004.

(b) The Group's capital expenditure was approximately US$512.8 million during YTD 3Q 2005. Approximately US$481.7 million of the capital expenditure was related to capacity expansion and the remaining was vessel refurbishments and onboard assets.

(c) The Group repaid US$217.6 million of its long-term bank loans during YTD 3Q 2005 and drewdown a total of US$594.9 million under the existing bank loans to finance its ships construction and for general working capital purposes.

(d) Restricted cash increased by US$18.6 million during YTD 3Q 2005 mainly due to amounts withheld by the credit card processor as a result of an increase in advance ticket sales during the period.

Prospects

In Asia Pacific, going forward, we should see the full impact of the increased scale from the introduction of m.v. SuperStar Libra to the Star Cruises' fleet.

Other than as disclosed above and elsewhere in this interim report, the Directors are not aware of any other material changes to the information in relation to the Group's performance and the material factors underlying its result and financial position published in the annual report for the year ended 31 December 2004 and the interim reports for the three months ended 31 March 2005 and the three months and six months ended 30 June 2005.

Interests of Directors

As at 30 September 2005, the interests and short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Hong Kong (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of the Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") and in accordance with information received by the Company were as follows:

(A) Interests in the shares of the Company

	Number of ordinary shares (Notes)					Percentage
	Personal interests	Family interests	Corporate interests	Other interests	Total	of issued ordinary shares
Tan Sri Lim Kok Thay	11,941,843	4,599,245,708 *(1)*	1,952,619,759 *(2)*	4,570,887,811 *(3 and 4)*	4,611,187,551 *(5)*	87.015
Mr. Chong Chee Tut	611,730	—	—	—	611,730	0.012
Mr. William Ng Ko Seng	319,714	—	—	—	319,714	0.006
Mr. David Colin Sinclair Veitch	335,445	—	—	—	335,445	0.006

Notes:

1. Tan Sri Lim Kok Thay ("Tan Sri KT Lim") has a family interest in 4,599,245,708 ordinary shares (comprising (i) the same block of 1,908,561,862 ordinary shares directly held by Resorts World Limited ("RWL"), the same block of 15,700,000 ordinary shares directly held by Genting Overseas Holdings Limited ("GOHL") and the same block of 2,646,625,949 ordinary shares directly or indirectly held by Golden Hope Limited ("Golden Hope") as trustee of Golden Hope Unit Trust ("GHUT") in which his child has deemed interests and (ii) the same block of 28,357,897 ordinary shares directly held by Goldsfine Investments Ltd. ("Goldsfine") in which his wife, Puan Sri Wong Hon Yee ("Puan Sri Wong") has a corporate interest).

2. Tan Sri KT Lim is also deemed to have a corporate interest in 1,952,619,759 ordinary shares (comprising (i) the same block of 1,908,561,862 ordinary shares directly held by RWL and the same block of 15,700,000 ordinary shares directly held by GOHL by virtue of his interests in a chain of corporations holding RWL and GOHL (details of the percentage interests in such corporations are set out in the section headed "Interests of Substantial Shareholders") and (ii) the same block of 28,357,897 ordinary shares directly held by Goldsfine in which each of Tan Sri KT Lim and Puan Sri Wong holds 50% of its issued share capital).

3. Tan Sri KT Lim as founder and a beneficiary of two discretionary trusts, has a deemed interest in 4,570,887,811 ordinary shares (comprising the same block of 1,908,561,862 ordinary shares directly held by RWL, the same block of 15,700,000 ordinary shares directly held by GOHL and the same block of 2,646,625,949 ordinary shares directly or indirectly held by Golden Hope as trustee of GHUT).

4. Out of the same block of 2,646,625,949 ordinary shares directly or indirectly held by Golden Hope as trustee of GHUT, 392,600,000 ordinary shares are pledged shares.

5. There is no duplication in arriving at the total interest.

6. All the above interests represent long positions in the shares of the Company and exclude those in the underlying shares through share options or equity derivatives. Interests of the respective Directors set out in this subsection (A) need to be aggregated with their interests in the underlying shares through share options or equity derivatives of the Company set out in subsection (B) below in order to give the total interests of the respective Directors in the Company pursuant to the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests of Directors *(Continued)*

(B) Interests in the underlying shares of the Company through share options or equity derivatives

Share options are granted to the Directors under The Star Cruises Employees Share Option Scheme adopted by the Company on 16 April 1997 prior to the listing of its ordinary shares on the Stock Exchange (the "Pre-listing Employee Share Option Scheme") and the share option scheme adopted by the Company on 23 August 2000 (as effected on 30 November 2000 and amended on 22 May 2002) (the "Post-listing Employee Share Option Scheme").

As at 30 September 2005, the Directors had personal interests in the following underlying shares of the Company held through share options granted under the Pre-listing Employee Share Option Scheme and the Post-listing Employee Share Option Scheme:

	Number of underlying ordinary shares	Percentage of issued ordinary shares
Tan Sri Lim Kok Thay	11,588,098	0.219
Mr. Chong Chee Tut	1,660,756	0.031
Mr. William Ng Ko Seng	1,296,037	0.024
Mr. David Colin Sinclair Veitch	3,415,440	0.064

Further details of share options granted to the Directors under the Pre-listing Employee Share Option Scheme and the Post-listing Employee Share Option Scheme are set out in the section headed "Share Options" below.

These interests in share options represent long positions in the underlying shares in respect of physically settled derivatives of the Company. Interests of the respective Directors set out in this subsection (B) need to be aggregated with their interests in the shares of the Company set out in subsection (A) above in order to give the total interests of the respective Directors in the Company pursuant to the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(C) Interests in the shares of WorldCard International Limited, an associated corporation of the Company

	Number of ordinary shares (Notes)					Percentage of issued ordinary shares
	Personal interests	Family interests	Corporate interests	Other interests	Total	
Tan Sri Lim Kok Thay	—	1,000,000 (1)	1,000,000 (2)	1,000,000 (3)	1,000,000 (4)	100

Notes:

1. Tan Sri KT Lim has a family interest in 1,000,000 ordinary shares (comprising (i) the same block of 500,000 ordinary shares directly held by Star Cruise (C) Limited ("SCC") and (ii) the same block of 500,000 ordinary shares directly held by Calidone Limited ("Calidone"), in both of which his child has deemed interests). As at 30 September 2005, SCC was a wholly-owned subsidiary of the Company which in turn was directly held by RWL as to 36.02% while Calidone was a wholly-owned subsidiary of Genting International PLC (a company listed on the Luxembourg Stock Exchange) which in turn was a subsidiary of Genting Berhad. GOHL, a wholly-owned subsidiary of Genting Berhad, controlled 65.02% equity interest in Genting International PLC.

2. Tan Sri KT Lim is also deemed to have a corporate interest in 1,000,000 ordinary shares (comprising (i) the same block of 500,000 ordinary shares directly held by SCC by virtue of his interest in a chain of corporations holding SCC (details of the percentage interests in such corporations are set out in Note (1) above and the section headed "Interests of Substantial Shareholders") and (ii) the same block of 500,000 ordinary shares directly held by Calidone by virtue of his interest in a chain of corporations holding Calidone (details of the percentage interests in such corporations are set out in Note (1) above and the section headed "Interests of Substantial Shareholders")).

3. Tan Sri KT Lim as founder and a beneficiary of two discretionary trusts, has a deemed interest in 1,000,000 ordinary shares (comprising the same block of 500,000 ordinary shares directly held by SCC and the same block of 500,000 ordinary shares directly held by Calidone).

4. There is no duplication in arriving at the total interest.

5. All the above interests represent long positions in the shares of WorldCard International Limited.

Interests of Directors *(Continued)*

(D) Interests in subsidiaries of the Company

Certain Directors held qualifying shares in certain subsidiaries of the Company on trust for other subsidiaries.

Save as disclosed above and in the sections headed "Share Options" and "Interests of Substantial Shareholders" below:

(a) as at 30 September 2005, none of the Directors or the Chief Executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; and

(b) at no time during the period was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares, underlying shares or debentures in the Company or any other body corporate.

Share Options

Details of the Company's Pre-listing Employee Share Option Scheme and Post-listing Employee Share Option Scheme are set out in the published annual report of the Company for the year ended 31 December 2004. Share Options are granted to certain Directors of the Company and employees of the Group under the said schemes. Details of the movement in the share options granted under the Pre-listing Employee Share Option Scheme and the Post-listing Employee Share Option Scheme during the period and outstanding as at 30 September 2005 are as follows:

(A) Pre-listing Employee Share Option Scheme

	Number of options outstanding at 1/7/2005	Number of shares acquired upon exercise of options during the period	Number of options lapsed during the period	Number of options cancelled during the period	Number of options outstanding at 30/9/2005	Date granted	Exercise price per share	Exercisable Period
Tan Sri Lim Kok Thay (Director)	1,219,800	(1,219,800)[1]	—	—	—	25/5/1998	US$0.2686	21/8/1999 – 20/8/2005
	2,210,887	—	—	—	2,210,887	24/3/1999	US$0.2686	24/3/2002 – 23/3/2009
	838,612	—	—	—	838,612	24/3/1999	US$0.4206	24/3/2002 – 23/3/2009
	1,219,800	—	—	—	1,219,800	23/10/2000	US$0.2686	23/10/2003 – 22/8/2010
	2,210,887	—	—	—	2,210,887	16/11/2000	US$0.2686	24/3/2002 – 23/3/2009
	838,612	—	—	—	838,612	16/11/2000	US$0.4206	24/3/2002 – 23/3/2009
	304,950	—	—	—	304,950	16/11/2000	US$0.2686	23/10/2003 – 22/8/2010
	8,843,548	**(1,219,800)**	**—**	**—**	**7,623,748**			
Mr. Chong Chee Tut (Director)	90,265	—	—	—	90,265	25/5/1998	US$0.2686	20/12/2000 – 19/12/2005
	45,742	—	—	—	45,742	25/5/1998	US$0.4206	23/6/2000 – 22/6/2007
	259,207	—	—	—	259,207	24/3/1999	US$0.2686	24/3/2002 – 23/3/2009
	45,742	—	—	—	45,742	24/3/1999	US$0.4206	24/3/2002 – 23/3/2009
	585,504	—	—	—	585,504	23/10/2000	US$0.2686	23/10/2003 – 22/8/2010
	24,396	—	—	—	24,396	23/10/2000	US$0.4206	23/10/2003 – 22/8/2010
	1,050,856	**—**	**—**	**—**	**1,050,856**			
Mr. William Ng Ko Seng (Director)	91,485	(91,485)[2]	—	—	—	25/5/1998	US$0.2686	21/8/2000 – 20/8/2005
	15,247	—	—	—	15,247	24/3/1999	US$0.2686	24/3/2002 – 23/3/2009
	60,990	—	—	—	60,990	24/3/1999	US$0.4206	24/3/2002 – 23/3/2009
	463,524	—	—	—	463,524	23/10/2000	US$0.2686	23/10/2003 – 22/8/2010
	24,396	—	—	—	24,396	23/10/2000	US$0.4206	23/10/2003 – 22/8/2010
	655,642	**(91,485)**	**—**	**—**	**564,157**			
Mr. David Colin Sinclair Veitch (Director)	**975,840**	**—**	**—**	**—**	**975,840**	7/1/2000	US$0.4206	7/1/2003 – 6/1/2010

Share Options *(Continued)*

(A) Pre-listing Employee Share Option Scheme *(Continued)*

	Number of options outstanding at 1/7/2005	Number of shares acquired upon exercise of options during the period	Number of options lapsed during the period	Number of options cancelled during the period	Number of options outstanding at 30/9/2005	Date granted	Exercise price per share	Exercisable Period
All other employees	3,210,767	(1,579,864)[3]	(1,630,903)	—	—	25/5/1998	US$0.2686	21/8/1999 – 20/8/2005
	41,473	—	—	—	41,473	25/5/1998	US$0.2686	20/12/2000 – 19/12/2005
	121,980	—	—	—	121,980	25/5/1998	US$0.2686	11/3/2000 – 10/3/2007
	384,237	—	—	—	384,237	25/5/1998	US$0.4206	23/6/2000 – 22/6/2007
	1,774,787	—	—	(18,296)	1,756,491	25/5/1998	US$0.4206	6/1/2000 – 5/1/2007
	7,843,624	(32,937)[4]	—	(86,697)	7,723,990	24/3/1999	US$0.2686	24/3/2002 – 23/3/2009
	4,445,756	—	—	(31,318)	4,414,438	24/3/1999	US$0.4206	24/3/2002 – 23/3/2009
	481,476	—	—	(7,684)	473,792	30/6/1999	US$0.2686	30/6/2002 – 29/6/2009
	1,026,747	—	—	(18,540)	1,008,207	30/6/1999	US$0.4206	30/6/2002 – 29/6/2009
	2,284,172	—	—	—	2,284,172	23/10/2000	US$0.2686	23/10/2003 – 22/8/2010
	3,013,970	—	—	—	3,013,970	23/10/2000	US$0.4206	23/10/2003 – 22/8/2010
	24,628,989	**(1,612,801)**	**(1,630,903)**	**(162,535)**	**21,222,750**			
Grand Total	**36,154,875**	**(2,924,086)**	**(1,630,903)**	**(162,535)**	**31,437,351**			

Notes:

1. Exercise date was 5 August 2005. At the date before the options were exercised, the market closing value per share quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) was HK$2.500.
2. Exercise date was 2 August 2005. At the date before the options were exercised, the market closing value per share quoted on the Stock Exchange was HK$2.400.
3. At the dates before the options were exercised, the weighted average market closing value per share quoted on the Stock Exchange was HK$2.717.
4. At the dates before the options were exercised, the weighted average market closing value per share quoted on the Stock Exchange was HK$2.523.

HK$: Hong Kong dollars, the lawful currency of Hong Kong.

The outstanding share options under the Pre-listing Employee Share Option Scheme vest over a period of 10 years following their respective original dates of grant and generally become exercisable as to 20% and 30% of the amount granted 3 years and 4 years after the grant date, with the remaining options exercisable annually in equal tranches of 10% over the remaining option period, subject to further terms and conditions set out in the relevant offer letters and provisions of the Pre-listing Employee Share option Scheme.

Share Options *(Continued)*

(B) Post-listing Employee Share Option Scheme

	Number of options outstanding at 1/7/2005	Number of shares acquired upon exercise of options during the period	Number of options lapsed during the period	Number of options cancelled during the period	Number of options outstanding at 30/9/2005	Date granted	Exercise price per share	Exercisable Period
Tan Sri Lim Kok Thay	3,369,697	—	—	—	3,369,697	19/8/2002	HK$2.9944	20/8/2004 – 19/8/2012
(Director)	594,653	—	—	—	594,653	23/8/2004	HK$1.7240	24/8/2006 – 23/8/2014
	3,964,350	**—**	**—**	**—**	**3,964,350**			
Mr. Chong Chee Tut	518,415	—	—	—	518,415	19/8/2002	HK$2.9944	20/8/2004 – 19/8/2012
(Director)	91,485	—	—	—	91,485	23/8/2004	HK$1.7240	24/8/2006 – 23/8/2014
	609,900	**—**	**—**	**—**	**609,900**			
Mr. William Ng Ko Seng	622,098	—	—	—	622,098	19/8/2002	HK$2.9944	20/8/2004 – 19/8/2012
(Director)	109,782	—	—	—	109,782	23/8/2004	HK$1.7240	24/8/2006 – 23/8/2014
	731,880	**—**	**—**	**—**	**731,880**			
Mr. David Colin	2,073,660	—	—	—	2,073,660	19/8/2002	HK$2.9944	20/8/2004 – 19/8/2012
Sinclair Veitch (Director)	365,940	—	—	—	365,940	23/8/2004	HK$1.7240	24/8/2006 – 23/8/2014
	2,439,600	**—**	**—**	**—**	**2,439,600**			
All other employees	66,840,529	—	(819,280)	—	66,021,249	19/8/2002	HK$2.9944	20/8/2004 – 19/8/2012
	792,870	—	—	—	792,870	8/9/2003	HK$2.9944	9/9/2005 – 8/9/2013
	9,766,538	—	(139,216)	—	9,627,322	23/8/2004	HK$1.7240	24/8/2006 – 23/8/2014
	77,399,937	**—**	**(958,496)**	**—**	**76,441,441**			
Grand Total	**85,145,667**	**—**	**(958,496)**	**—**	**84,187,171**			

Other than the share options granted on 23 August 2004 under the Post-listing Employee Share Option Scheme which become exercisable in part or in full for a period of eight years commencing from two years after the date of offer, the outstanding share options under the Post-listing Employee Share Option Scheme vest in seven tranches over a period of ten years from their respective dates of offer and become exercisable as to 30% and 20% of the amount granted commencing from two years and three years respectively after the dates of offer, with the remaining options exercisable annually in equal tranches of 10% commencing in each of the following years. All the outstanding share options under the Post-listing Employee Share Option Scheme are subject to further terms and conditions set out in the relevant offer letters and provisions of the Post-listing Employee Share Option Scheme.

Interests of Substantial Shareholders

As at 30 September 2005, the following persons (other than the Directors or the Chief Executive of the Company) had interests or short positions in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, as recorded in the register required to be kept under section 336 of the SFO and in accordance with information received by the Company:

(A) Interests in the shares of the Company

Name of shareholder (Notes)	Direct/Personal interests	Family interests	Corporate interests	Other interests	Total	Percentage of issued ordinary shares
	Number of ordinary shares (Notes)					
Parkview Management Sdn Bhd (as trustee of a discretionary trust) *(1)*	—	—	1,924,261,862 *(10)*	1,924,261,862 *(12)*	1,924,261,862 *(21)*	36.31
Kien Huat Realty Sdn Bhd *(2)*	—	—	1,924,261,862 *(10)*	—	1,924,261,862	36.31
Genting Berhad *(3)*	—	—	1,924,261,862 *(10)*	—	1,924,261,862	36.31
Resorts World Bhd *(4)*	—	—	1,908,561,862 *(11)*	—	1,908,561,862	36.02
Sierra Springs Sdn Bhd *(5)*	—	—	1,908,561,862 *(11)*	—	1,908,561,862	36.02
Resorts World Limited *(5)*	1,908,561,862	—	—	—	1,908,561,862	36.02
GZ Trust Corporation (as trustee of a discretionary trust) *(6)*	—	—	2,646,625,949 *(13)*	2,646,625,949 *(15,17 and 20)*	2,646,625,949 *(21)*	49.94
Cove Investments Limited *(7)*	—	—	—	2,646,625,949 *(18 and 20)*	2,646,625,949 *(21)*	49.94
Golden Hope Limited (as trustee of Golden Hope Unit Trust) *(8)*	—	—	414,260,835 *(14)*	2,646,625,949 *(16 and 20)*	2,646,625,949 *(21)*	49.94
Joondalup Limited *(9)*	414,260,835	—	—	—	414,260,835	7.82
Puan Sri Wong Hon Yee	—	4,611,187,551 *(19(a))*	28,357,897 *(19(b))*	392,600,000 *(20)*	4,611,187,551 *(21)*	87.01

Notes:

1. Parkview Management Sdn Bhd ("Parkview") is a trustee of a discretionary trust (the "Discretionary Trust 1"), the beneficiaries of which include certain members of Tan Sri Lim Goh Tong's family (the "Lim Family"). As at 30 September 2005, Tan Sri Lim Kok Thay ("Tan Sri KT Lim") controlled 33.33% of the equity interest in Parkview.
2. Kien Huat Realty Sdn Bhd ("KHR") is a private company of which the Discretionary Trust 1, through Aranda Tin Mines Sdn Bhd, Infomark (Malaysia) Sdn Bhd, Inforex Sdn Bhd, Dataline Sdn Bhd and Info-Text Sdn Bhd (all of which were 100% held by Parkview as trustee of the Discretionary Trust 1) controlled an aggregate of 100% of its equity interest as at 30 September 2005.
3. Genting Berhad ("GB"), a company listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia") of which KHR controlled 41.55% of its equity interest as at 30 September 2005.
4. Resorts World Bhd ("RWB"), a company listed on Bursa Malaysia of which GB controlled 57.74% of its equity interest as at 30 September 2005.
5. Resorts World Limited ("RWL") is a wholly-owned subsidiary of Sierra Springs Sdn Bhd ("Sierra Springs") which is in turn a wholly-owned subsidiary of RWB.
6. GZ Trust Corporation ("GZ") is the trustee of a discretionary trust (the "Discretionary Trust 2") established for the benefit of certain members of the Lim Family. GZ as trustee of the Discretionary Trust 2 holds 99.99% of the units in Golden Hope Unit Trust ("GHUT"), a private unit trust directly and 0.01% of the units in GHUT indirectly through Cove (as defined below).

Interests of Substantial Shareholders *(Continued)*

(A) Interests in the shares of the Company *(continued)*

7. Cove Investments Limited ("Cove") is wholly-owned by GZ as trustee of the Discretionary Trust 2.

8. Golden Hope Limited ("Golden Hope") is the trustee of GHUT.

9. Joondalup Limited ("Joondalup") is wholly-owned by Golden Hope as trustee of GHUT.

10. Each of Parkview as trustee of the Discretionary Trust 1, KHR and GB has a corporate interest in 1,924,261,862 ordinary shares (comprising the same block of 1,908,561,862 ordinary shares held directly by RWL and the same block of 15,700,000 ordinary shares held directly by Genting Overseas Holdings Limited ("GOHL"), a wholly-owned subsidiary of GB).

11. Each of RWB and Sierra Springs has a corporate interest in the same block of 1,908,561,862 ordinary shares held directly by RWL.

12. The interest in 1,924,261,862 ordinary shares is held by Parkview in its capacity as trustee of the Discretionary Trust 1 and it comprises the same block of 1,908,561,862 ordinary shares held directly by RWL and the same block of 15,700,000 ordinary shares held directly by GOHL.

13. GZ as trustee of the Discretionary Trust 2 has a corporate interest in the same block of 2,646,625,949 ordinary shares held by Golden Hope as trustee of GHUT (out of which 2,232,365,114 ordinary shares are directly held by Golden Hope as trustee of GHUT and 414,260,835 ordinary shares are held indirectly through Joondalup).

14. Golden Hope as trustee of GHUT has a corporate interest in the same block of 414,260,835 ordinary shares held directly by Joondalup.

15. GZ in its capacity as trustee of the Discretionary Trust 2 has a deemed interest in the same block of 2,646,625,949 ordinary shares held by Golden Hope as trustee of GHUT (out of which 2,232,365,114 ordinary shares are directly held by Golden Hope as trustee of GHUT and 414,260,835 ordinary shares are held indirectly through Joondalup).

16. The interest in 2,646,625,949 ordinary shares is held by Golden Hope in its capacity as trustee of GHUT (out of which 2,232,365,114 ordinary shares are directly held by Golden Hope as trustee of GHUT and 414,260,835 ordinary shares are held indirectly through Joondalup).

17. GZ as trustee of the Discretionary Trust 2 is deemed to have interest in the same block of 2,646,625,949 ordinary shares held directly or indirectly by Golden Hope as trustee of GHUT in its capacity as beneficiary of GHUT.

18. Cove which holds 0.01% of the units in GHUT is deemed to have interest in the same block of 2,646,625,949 ordinary shares held directly or indirectly by Golden Hope as trustee of GHUT in its capacity as beneficiary of GHUT.

19. (a) Puan Sri Wong Hon Yee ("Puan Sri Wong") as the spouse of Tan Sri KT Lim, has a family interest in the same block of 4,611,187,551 ordinary shares in which Tan Sri KT Lim has a deemed interest. These interests do not include the deemed interests of Puan Sri Wong in the underlying shares of the Company through share options held personally by Tan Sri KT Lim and need to be aggregated with such interests set out in subsection (B) below to give the total interests of Puan Sri Wong pursuant to the SFO.

    (b) Puan Sri Wong also has a corporate interest in 28,357,897 ordinary shares held directly by Goldsfine by holding 50% of its equity interest as at 30 September 2005.

20. Out of the same block of 2,646,625,949 ordinary shares held directly or indirectly by Golden Hope as trustee of GHUT, 392,600,000 ordinary shares are pledged shares.

21. There is no duplication in arriving at the total interest.

22. All these interests represent long positions in the shares of the Company and exclude those in the underlying shares through share options or equity derivatives.

Interests of Substantial Shareholders *(Continued)*

(B) Interests in the underlying shares of the Company through share options or equity derivatives

Name of shareholder	Number of underlying ordinary shares	Percentage of issued ordinary shares
Puan Sri Wong Hon Yee	11,588,098 *(Note)*	0.219

Note:

Puan Sri Wong Hon Yee as the spouse of Tan Sri KT Lim, is deemed to have a family interest in 11,588,098 underlying ordinary shares of the Company by virtue of the share options granted to Tan Sri KT Lim under the Pre-listing Employee Share Option Scheme and the Post-listing Employee Share Option Scheme. These interests represent long positions in the underlying shares in respect of physically settled derivatives of the Company and need to be aggregated with her interests set out in subsection (A) above to give her total interests pursuant to the SFO.

Save as disclosed above and in the sections headed "Interests of Directors" and "Share Options" above, as at 30 September 2005, there were no other persons who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

General Disclosure pursuant to the Listing Rules

Pursuant to Rules 13.18 and 13.21 of the Listing Rules, the Company discloses the following information.

(i) Loan Agreements of the Group

As at 30 September 2005, the Group was a party to eleven loan agreements for an aggregate principal amount of approximately US$4.18 billion, of which US$3.68 billion had been drawndown, with terms ranging from six to sixteen years from the dates of these agreements. As at 30 September 2005, the outstanding loan balances was approximately US$2.52 billion. The Euro denominated amounts had been translated into US dollars based on the exchange rate of US$1.2058 to €1 as at 30 September 2005.

In October 2005, the Group entered into a new revolving loan facility of up to €624 million. Accordingly, the Group is now a party to twelve loan agreements for an aggregate principal amount of approximately US$4.93 billion, of which US$3.68 billion has been drawdown, with terms ranging from six to sixteen years from the dates of these agreements.

Three of these agreements require the Lim Family (or the Lim Family and/or the Lim Family through its indirect shareholding in Resorts World Bhd) to control (directly or indirectly) together or individually, the Company and beneficially own (directly or indirectly) at least 51% of the issued share capital of, and equity interest in the Company during the terms of these loans. The other nine agreements require the Lim Family to control (directly or indirectly) together or individually, NCL Corporation Ltd. ("NCLC"), a direct wholly-owned subsidiary of the Company, and beneficially own (directly or indirectly) at least 51% of the issued share capital of, and equity interest in, NCLC during the terms of these loans.

In the event that the shares of NCLC are listed on an approved stock exchange, if: (i) a third party owns or gains control of more than 33% of the voting stock of NCLC and the Lim Family ceases together or individually, to control (directly or indirectly) NCLC and beneficially own (directly or indirectly) at least 51% of the issued share capital of, and equity interest in, NCLC; or (ii) without the prior written consent of the agent, NCLC ceases to be listed on an approved stock exchange (in the case of the US$800 million loan facility, the US$100 million letters of credit facility and the €624 million revolving loan facility, in the event that the shares of NCLC are listed on an approved stock exchange, if: (i) any individual or any third party (being any person or group of persons acting in concert who is not a member of the Lim Family) (a) owns legally and/or beneficially and either directly or indirectly at least 33% of the ordinary share capital of NCLC or (b) has the right or the ability to control, either directly or indirectly, the affairs or the composition of the majority of the board of directors (or equivalent) of NCLC; and the Lim Family together or individually, directly or indirectly, ceases to beneficially own at least 51% of the issued share capital of, and equity interest in, NCLC; or (ii) NCLC ceases to be listed on an approved stock exchange without the prior written consent of the lenders), this will constitute an event of default under the relevant loan agreements.

(ii) Convertible Bonds of the Company

Pursuant to the Trust Deed dated 20 October 2003 constituting the US$180 million 2% Convertible Bonds of the Company, the Convertible Bonds may be redeemed at the option of the Bondholders prior to their maturity on 20 October 2008 when any person or persons, other than Genting Berhad, Golden Hope Limited, Resorts World Bhd or any of their affiliates, acquires control of more than 50% of the voting rights of the issued share capital of the Company.

General Disclosure pursuant to the Listing Rules *(Continued)*

(iii) Senior Notes of NCL Corporation Ltd.

Pursuant to the Indenture dated 15 July 2004 constituting the US$250 million 10.625% Senior Notes of NCLC, holders of the Senior Notes have the right to require NCLC to repurchase all or a portion of the Senior Notes prior to their maturity on 15 July 2014 when any person or group of related persons, other than Tan Sri Lim Goh Tong, Golden Hope Limited as trustee of the Golden Hope Unit Trust or Genting Berhad and any affiliate or related person thereof (together the "Permitted Holders"), beneficially owns or controls more than 40% of the voting stock of NCLC if at such time the Permitted Holders beneficially own or control less of the voting stock of NCLC than such person.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares during the nine months ended 30 September 2005, save for the issue of 6,122,258 new ordinary shares of US$0.10 each at an aggregate price of US$1,644,438 pursuant to the exercise of options granted under the Pre-listing Employee Share Option Scheme.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code during the period from 1 January 2005 to 30 September 2005 (both dates inclusive).

Corporate Governance

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules during the nine months ended 30 September 2005, save for the code provisions on internal controls, which are to be implemented for accounting periods commencing on or after 1 July 2005 pursuant to the CG Code, and deviations from certain code provisions listed below:

(1) Code Provision A.2.1: the roles of chairman and chief executive officer should be separate;

(2) Code Provision A.4.1: non-executive directors should be appointed for a specific term; and

(3) Code Provision A.4.2: all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director should be subject to retirement by rotation at least once every three years.

Details of considered reasons for the deviations and/or steps taken or proposed to be taken by the Company in order to be able to comply with the relevant code provisions were set out in the interim report of the Company for the three months and six months ended 30 June 2005 issued in August 2005.

Review by Audit Committee

This interim report has been reviewed by the Audit Committee established in compliance with Rule 3.21 of the Listing Rules and the relevant provisions of the CG Code. The Audit Committee comprises the three Independent Non-executive Directors of the Company, namely, Mr. Alan Howard Smith, J.P., Mr. Tan Boon Seng and Mr. Lim Lay Leng.

On behalf of the Board

Tan Sri Lim Kok Thay
Chairman, President and Chief Executive Officer

Hong Kong, 18 November 2005