STAR CRUISES

STAR CRUISES LIMITED

(Continued into Bermuda with limited liability – Registration No. 29337)

(Stock Code: 678)

INTERIM REPORT TO SHAREHOLDERS

for the three months and nine months ended 30 September 2006

®STAR CRUISES

STAR CRUISES LIMITED

(Continued into Bermuda with limited liability)

Interim Report for the three months and nine months ended 30 September 2006

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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 results to differ materially from those expressed or forecasted in the forward-looking statements. Factors that could cause actual results 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

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The Board of Directors (the "Directors") of Star Cruises Limited (the "Company") presents the unaudited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 30 September 2006, as follows:

Consolidated Income Statements

		Three months ended 30 September		Nine months ended 30 September	
		2006	2005	2006	2005
		US$'000	*US$'000*	*US$'000*	*US$'000*
	Note	*unaudited*	*unaudited*	*unaudited*	*unaudited*
Turnover	2	683,328	575,272	1,783,005	1,443,118
Operating expenses (excluding depreciation, amortisation and impairment loss)		(473,510)	(380,821)	(1,275,132)	(974,267)
Selling, general and administrative expenses (excluding depreciation)		(72,437)	(70,462)	(211,589)	(208,085)
Depreciation and amortisation	3	(54,635)	(45,473)	(158,952)	(126,103)
Impairment loss	4	—	—	—	(2,700)
		(600,582)	(496,756)	(1,645,673)	(1,311,155)
Operating profit	2, 3	82,746	78,516	137,332	131,963
Interest income		1,404	2,487	5,211	6,699
Financial costs	5	(50,168)	(41,630)	(138,328)	(107,944)
Share of losses of associates	6	(9)	(3,268)	(738)	(5,219)
Other non-operating income / (expenses), net	7	26,041	(1,509)	(12,548)	20,623
		(22,732)	(43,920)	(146,403)	(85,841)
Profit / (Loss) before taxation		60,014	34,596	(9,071)	46,122
Taxation	8	352	(1,586)	438	(2,509)
Profit / (Loss) for the period		60,366	33,010	(8,633)	43,613
Basic earnings / (loss) per share (US cents)	9	1.14	0.62	(0.16)	0.82
Diluted earnings per share (US cents)	9	1.11	0.62	N/A*	0.82
Operating data					
Passenger Cruise Days		2,824,611	2,477,527	7,771,098	6,697,578
Capacity Days		2,735,356	2,323,234	7,613,725	6,387,133
Occupancy as a percentage of total capacity days		103%	107%	102%	105%

* Diluted loss per share for the nine months ended 30 September 2006 is not shown as the diluted loss per share is less than the basic loss per share.

Consolidated Balance Sheet

	Note	As at 30 September 2006 US$'000 unaudited	As at (Restated) 31 December 2005 US$'000 audited
ASSETS			
NON-CURRENT ASSETS			
Intangible assets		605,994	605,994
Deferred tax assets		483	359
Property, plant and equipment		4,399,602	4,362,918
Lease prepayments		2,981	1,739
Available-for-sale investment	10	—	10,285
Restricted cash		150	150
Other assets	11	64,252	84,770
		5,073,462	5,066,215
CURRENT ASSETS			
Consumable inventories		34,741	33,630
Trade receivables	12	17,678	22,810
Prepaid expenses and others		54,547	47,959
Derivative financial instruments	15	577	4,533
Restricted cash		1,387	48,034
Cash and cash equivalents		164,223	187,698
		273,153	344,664
TOTAL ASSETS		5,346,615	5,410,879

Consolidated Balance Sheet *(Continued)*

		As at	
			(Restated)
		30 September	31 December
		2006	2005
		US$'000	*US$'000*
	Note	*unaudited*	*audited*
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		530,030	530,018
Reserves:			
Share premium		1,269,110	1,269,089
Additional paid-in capital		93,893	93,893
Convertible bonds - equity component	14	14,400	14,400
Foreign currency translation adjustments		(21,648)	(24,052)
Unamortised share option expense		(502)	(1,087)
Cash flow hedge reserve		(2,167)	5,368
Retained earnings		3,619	12,252
		1,886,735	1,899,881
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term borrowings	13	2,541,230	2,671,129
Derivative financial instruments	15	2,210	7,240
Other long-term liabilities		2,157	2,631
Deferred tax liabilities		394	574
		2,545,991	2,681,574
CURRENT LIABILITIES			
Trade creditors	16	77,654	90,815
Current income tax liabilities		375	1,647
Provisions, accruals and other liabilities		210,399	189,998
Current portion of long-term borrowings	13	280,673	256,442
Derivative financial instruments	15	2,253	354
Amounts due to related companies	17	70	118
Advance ticket sales		342,465	290,050
		913,889	829,424
TOTAL LIABILITIES		3,459,880	3,510,998
TOTAL EQUITY AND LIABILITIES		5,346,615	5,410,879

Consolidated Cash Flow Statements

	Three months ended 30 September		Nine months ended 30 September	
	2006	2005	2006	2005
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
OPERATING ACTIVITIES				
Cash generated from operations	76,317	79,051	360,167	300,320
Interest paid	(46,217)	(55,791)	(132,586)	(119,334)
Interest received	1,448	2,803	5,576	5,884
Income tax paid	(641)	(705)	(2,812)	(1,642)
Net cash inflow from operating activities	30,907	25,358	230,345	185,228
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(24,067)	(154,894)	(274,331)	(512,785)
Proceeds from disposal of property, plant and equipment	108,754	—	122,821	31
Others	—	(8,008)	(154)	(8,346)
Net cash inflow / (outflow) from investing activities	84,687	(162,902)	(151,664)	(521,100)
FINANCING ACTIVITIES				
Proceeds from long-term borrowings	49,994	226,468	297,435	594,925
Principal repayments of long-term borrowings	(182,059)	(145,004)	(441,303)	(217,574)
Restricted cash, net	3,683	47,967	46,647	(18,557)
Others, net	(2,734)	(3,612)	(7,306)	(7,893)
Net cash inflow / (outflow) from financing activities	(131,116)	125,819	(104,527)	350,901
Effect of exchange rate changes on cash and cash equivalents	472	(170)	2,371	(1,430)
Net increase / (decrease) in cash and cash equivalents	(15,050)	(11,895)	(23,475)	13,599
Cash and cash equivalents at the beginning of the period	179,273	366,521	187,698	341,027
Cash and cash equivalents at the end of the period	164,223	354,626	164,223	354,626
NON-CASH INVESTING ACTIVITY				
Acquisition of motor vehicles by means of finance lease	2,849	1,399	8,379	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 2006									
unaudited									
At 1 January 2006	530,018	1,269,089	93,893	14,400	(24,052)	(1,087)	5,368	12,252	1,899,881
Exchange translation differences	—	—	—	—	2,404	—	—	—	2,404
Cash flow hedge:									
– Loss on financial instruments	—	—	—	—	—	—	(81)	—	(81)
– Transferred to consolidated income statement	—	—	—	—	—	—	(7,454)	—	(7,454)
Net amounts not recognised in the consolidated income statement	—	—	—	—	2,404	—	(7,535)	—	(5,131)
Loss for the period	—	—	—	—	—	—	—	(8,633)	(8,633)
Total recognised income / (expense) for the period	—	—	—	—	2,404	—	(7,535)	(8,633)	(13,764)
Issue of ordinary shares pursuant to the Pre-listing Employee Share Option Scheme	12	21	—	—	—	—	—	—	33
Amortisation of share option expense	—	—	—	—	—	585	—	—	585
At 30 September 2006	530,030	1,269,110	93,893	14,400	(21,648)	(502)	(2,167)	3,619	1,886,735
Nine months ended 30 September 2005									
unaudited									
At 1 January 2005	529,320	1,267,913	94,018	14,400	(23,197)	(2,300)	(9,221)	(5,654)	1,865,279
Exchange translation differences	—	—	—	—	(739)	—	—	—	(739)
Cash flow hedge:									
– Gain on financial instruments	—	—	—	—	—	—	2,983	—	2,983
– Transferred to consolidated income statement	—	—	—	—	—	—	9,581	—	9,581
Net amounts not recognised in the consolidated income statement	—	—	—	—	(739)	—	12,564	—	11,825
Profit for the period	—	—	—	—	—	—	—	43,613	43,613
Total recognised income / (expense) for the period	—	—	—	—	(739)	—	12,564	43,613	55,438
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	37,959	1,923,456

Notes to the Consolidated Financial Statements

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The unaudited financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The preparation of financial statements in conformity with Hong Kong Financial Reporting Standards 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 consolidated financial statements are prepared under the historical cost convention, as modified by the revaluations of available-for-sale financial assets and certain financial assets and financial liabilities (including derivative instruments) which are carried at fair value.

The Group's operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire financial year. This interim report should be read where relevant, in conjunction with the annual report of the Group for the year ended 31 December 2005.

Where necessary, certain comparative figures have been reclassified to conform to the current period's presentation.

During the three months ended 30 June 2006, the Group changed its accounting policy for technical spare parts whereby the technical spare parts are now classified as property, plant and equipment and depreciated over the remaining useful lives of the related vessels. The technical spare parts were previously included within consumable inventories and other assets.

The effects of the change in accounting policy have been accounted for retrospectively as follows:

	As previously reported *US$'000*	Effect of change in accounting policy *US$'000*	As restated *US$'000*
Group			
At 31 December 2005			
Property, plant and equipment	4,341,443	21,475	4,362,918
Other assets	101,543	(16,773)	84,770
Consumable inventories	38,332	(4,702)	33,630

This change in accounting policy does not have a material impact on the results of the Group in respect of the current and prior periods.

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 and other related services, including gaming, food and beverage. Cruise and cruise related revenues consist of passenger ticket revenue of approximately US$463.2 million and US$383.6 million for the three months ended 30 September 2006 and 2005, respectively and approximately US$1,184.4 million and US$942.3 million for the nine months ended 30 September 2006 and 2005, respectively. The remaining portion relates to revenues from onboard and other related services.

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	
	2006 *US$'000 unaudited*	2005 *US$'000 unaudited*	2006 *US$'000 unaudited*	2005 *US$'000 unaudited*
Asia Pacific	97,442	92,042	291,391	257,786
North America[1]	501,302	439,173	1,305,421	1,078,358
Others	84,584	44,057	186,193	106,974
	683,328	575,272	1,783,005	1,443,118

2. TURNOVER AND OPERATING PROFIT *(Continued)*

	OPERATING PROFIT			
	Three months ended 30 September		Nine months ended 30 September	
	2006	2005	2006	2005
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Asia Pacific[2]	23,950	20,222	54,631	53,373
North America[1]	57,850	52,923	81,495	71,135
Others	946	5,371	1,206	7,455
	82,746	78,516	137,332	131,963

Notes:

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

3. OPERATING PROFIT

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

	Three months ended 30 September		Nine months ended 30 September	
	2006	2005	2006	2005
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Depreciation of property, plant and equipment	54,635	45,035	158,952	124,744
Amortisation of software development costs	—	438	—	1,359
Total depreciation and amortisation	54,635	45,473	158,952	126,103
analysed into:				
– relating to operating function	51,260	43,018	149,570	118,891
– relating to selling, general and administrative function	3,375	2,455	9,382	7,212
Fuel costs	51,265	39,198	150,817	99,191
Advertising expenses	18,486	23,024	52,531	66,479
Write back of custom fines on itinerary modifications resulting from the Azipod problem on a ship	—	—	—	(2,344)
Impairment loss (see note 4)	—	—	—	2,700

4. IMPAIRMENT LOSS

During the nine months ended 30 September 2005, the Group recorded an impairment loss of US$2.7 million pursuant to a concluded charter and sale agreement of its catamaran.

The above impairment loss represented the amount by which the carrying amount of the catamaran exceeded its fair value.

Notes to the Consolidated Financial Statements *(Continued)*

5. FINANCIAL COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2006	2005	2006	2005
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Amortisation of:				
– bank loans arrangement fees	4,219	3,881	12,171	11,646
– issue costs of convertible bonds and US$250 million unsecured Senior Notes	445	431	1,326	1,265
Interest on:				
– bank loans and others	36,427	30,834	100,485	81,581
– convertible bonds and US$250 million unsecured Senior Notes	10,218	9,777	30,150	29,026
Total borrowing costs incurred	51,309	44,923	144,132	123,518
Less: interest capitalised in property, plant and equipment	(1,141)	(3,293)	(5,804)	(15,574)
Total financial costs	50,168	41,630	138,328	107,944

6. SHARE OF LOSSES OF ASSOCIATES

In March 2006, the Group through a wholly-owned subsidiary, Star Cruises Asia Holding Ltd., further subscribed for 249,995 shares for S$249,995 in Infinity @ TheBay Pte. Ltd. ("Infinity"). Upon due subscription, the Group held 250,000 shares representing 25% interest in Infinity. Accordingly, the Group has accounted for its interest in Infinity using the equity method and has recorded its portion of Infinity's net operating results as share of loss of an associate. During the nine months ended 30 September 2006, the Group's share of losses from Infinity amounted to US$663,000.

In addition, the Group accounted for its 30% share of loss in a joint venture company, a company set up for the purpose of preparing for an expression of interest submitted to Hong Kong Government for development of a cruise terminal, of US$75,000 during the nine months ended 30 September 2006.

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

	Three months ended 30 September		Nine months ended 30 September	
	2006	2005	2006	2005
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Gain / (Loss) on disposal of property, plant and equipment (see note (i) below)	16,690	(137)	16,708	(114)
Gain / (Loss) on derivative instruments	(162)	249	(2,462)	3,858
Loss on foreign exchange	(835)	(179)	(1,807)	(2,394)
Gain / (Loss) on translation of debts	3,530	910	(21,338)	21,843
Impairment of non-cruise related investment (see note 10)	—	—	(10,285)	—
Shipyard compensation income (see note (ii) below)	7,283	—	7,283	—
Other non-operating expenses, net	(465)	(2,352)	(647)	(2,570)
	26,041	(1,509)	(12,548)	20,623

Notes:

(i) In September 2006, the Group disposed of m.v. Norwegian Crown for approximately US$100 million and realised a gain on disposal of the vessel of approximately US$16.7 million.

(ii) In September 2006, NCL Corporation Ltd. ("NCLC") entered into a €29 million or US$36.8 million, based on the Euro/U.S. dollar exchange rate at 30 September 2006, settlement agreement in connection with NCLC's pre and post-ship delivery claims against the builder of m.v. Pride of America. Settlement amounts of approximately US$7.3 million was related to the claims for post-delivery costs incurred by NCLC.

8. TAXATION

	Three months ended 30 September		Nine months ended 30 September	
	2006	2005	2006	2005
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Overseas taxation				
– Current taxation	165	1,870	968	2,587
– Deferred taxation	676	—	(224)	—
	841	1,870	744	2,587
Under / (Over) provision in respect of prior years				
– Current taxation	(1,193)	(284)	(1,125)	(235)
– Deferred taxation	—	—	(57)	157
	(352)	1,586	(438)	2,509

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.

9. EARNINGS / (LOSS) 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 / (Loss) per share has been calculated as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2006	2005	2006	2005
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
BASIC				
Profit / (Loss) for the period	60,366	33,010	(8,633)	43,613
Weighted average outstanding ordinary shares in thousands	5,300,302	5,297,496	5,300,261	5,295,656
Basic earnings / (loss) per share in US cents	1.14	0.62	(0.16)	0.82

Notes to the Consolidated Financial Statements *(Continued)*

9. EARNINGS / (LOSS) PER SHARE *(Continued)*

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	
	2006	2005	2006	2005
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
DILUTED				
Profit / (Loss) for the period	60,366	33,010	(8,633)	43,613
Interest expense on convertible bonds	3,464	2,498	—	—
Profit used to determine diluted earnings per share	63,830	35,508	(8,633)	43,613
Weighted average outstanding ordinary shares in thousands	5,300,302	5,297,496	5,300,261	5,295,656
Effect of dilutive ordinary shares in thousands:				
– Share options	—	4,380	30	3,668
– Convertible bonds (note 2)	438,283	438,283	—	—
Weighted average outstanding ordinary shares after assuming dilution in thousands	5,738,585	5,740,159	5,300,291	5,299,324
Diluted earnings per share in US cents	1.11	0.62	N/A (note 1)	0.82

Notes:

1. Diluted loss per share for the nine months ended 30 September 2006 is not shown as the diluted loss per share is less than the basic loss per share.
2. The computation of diluted earnings per share for the nine months ended 30 September 2006 and 2005 did not assume the conversion of the Company's convertible bonds since the conversion would increase the earnings per share, after taking into account the effect of imputed interest expense incurred.

10. AVAILABLE-FOR-SALE INVESTMENT

During the three months ended 30 June 2006, the Group made full provision for impairment loss of its investment in Orangestar Investment Holdings Pte. Ltd. ("Orangestar"), amounting to US$10.3 million. This is in view of the prolonged unavailability of updated cash flow projections and business plans for management to accurately assess the recoverable amount of the investment. The investment in Orangestar had previously been classified as an available-for-sale investment.

Notes to the Consolidated Financial Statements *(Continued)*

11. OTHER ASSETS

	As at 30 September 2006 US$'000 unaudited	(Restated) 31 December 2005 US$'000 audited
Loan arrangement fees	47,714	52,699
Convertible bonds and senior notes issuance costs	9,077	9,926
Software development costs, net (see note below)	—	14,291
Others	7,461	7,854
	64,252	84,770

Note:

Software development costs of US$14.3 million as at 31 December 2005 relates to a subsidiary of the Company. As at 31 March 2006, the balance of software development costs relating to this subsidiary has been reclassified as property, plant and equipment to be consistent with the Group's presentation.

12. TRADE RECEIVABLES

	As at 30 September 2006 US$'000 unaudited	31 December 2005 US$'000 audited
Trade receivables	19,768	25,104
Less: Provisions	(2,090)	(2,294)
	17,678	22,810

At 30 September 2006 and 31 December 2005, the ageing analysis of the trade receivables were as follows:

	As at 30 September 2006 US$'000 unaudited	31 December 2005 US$'000 audited
Current to 30 days	10,993	16,208
31 days to 60 days	3,390	2,251
61 days to 120 days	1,889	2,570
121 days to 180 days	2,170	2,098
181 days to 360 days	1,320	1,970
Over 360 days	6	7
	19,768	25,104

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

Notes to the Consolidated Financial Statements *(Continued)*

13. LONG-TERM BORROWINGS

Long-term borrowings consist of the following:

	Note	As at 30 September 2006 US$'000 unaudited	As at 31 December 2005 US$'000 audited
SECURED:			
US$521.6 million syndicated term loan		137,386	154,560
US$450 million term loan		113,938	159,513
US$400 million Reducing Revolving Credit Facility		184,000	320,500
US$626.9 million secured Norwegian Dawn/Star loan		240,320	250,769
US$225 million secured Norwegian Sun loan		171,000	189,000
€298 million secured Pride of America loans	(i)	322,002	336,638
US$334.1 million secured Norwegian Jewel loan	(ii)	297,239	324,261
€308.1 million secured Pride of Hawaii loan		378,955	200,120
US$800 million secured loan facility		515,000	545,000
UNSECURED:			
US$250 million unsecured Senior Notes		250,000	250,000
Convertible bonds (see note 14)		194,804	186,321
Others		17,259	10,889
Total liabilities		2,821,903	2,927,571
Less: Current portion		(280,673)	(256,442)
Long-term portion		2,541,230	2,671,129

All the outstanding balances of the long-term borrowings are denominated in U.S. dollars except for the outstanding balance of €299.0 million, US$379.0 million equivalent (2005: €169.0 million, US$200.1 million equivalent) of the €308.1 million secured Pride of Hawaii loan which is denominated in Euro.

Notes:

(i) In March 2006, the Group converted the €40 million Pride of America Commercial Loan from a floating London Interbank Offer Rate based rate ("LIBOR") plus a margin of 135 basis points to a fixed rate of 6.595%.

(ii) In April 2006, the Group converted the US$334.1 million secured Norwegian Jewel loan from a floating LIBOR-based rate plus a margin of 75 basis points to a fixed rate of 6.1075%.

(iii) On 22 September 2006, F3 One, Ltd. and F3 Two, Ltd. (both being indirect wholly-owned subsidiaries of the Company), as respective borrowers, entered into the Hull No. C33 Facility Agreement and the Hull No. D33 Facility Agreement (the "Export Credit Financings") with a syndicate of banks. The Export Credit Financings in an aggregate amount of up to €1.3 billion (equivalent to approximately US$1.6 billion based on the exchange rate of US$1.2674 to €1 as at 30 September 2006) will be used to fund the delivery installment of approximately 80% of the total contract price and certain other fees and charges payable on the two ships under construction for the NCLC Group fleet.

These financings are term loans, each collateralised by the respective ship and are repayable in 24 semi annual installments commencing 6 months from the relevant ship's delivery date, through 2021 and 2022, respectively. The financing for the first ship is denominated in U.S. dollars bearing a fixed interest rate of 6.05% and the financing for the second ship is denominated in Euros bearing a fixed interest rate of 4.89%. Under the terms of each loan agreement, NCLC has the ability to cancel the financing up to 60 days prior to the delivery date for the ship.

14. 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 liability component included in long-term borrowings (see note 13) 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 consolidated balance sheet is as follows:

	As at	
	30 September 2006	31 December 2005
	US$'000	*US$'000*
	unaudited	*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	20,721	11,212
Interest expense for the period / year	10,283	13,109
Interest paid during the period / year	(1,800)	(3,600)
Liability component	194,804	186,321

The fair value of the liability component of the Bonds at 30 September 2006 amounted to US$195.4 million. The fair value is calculated using cash flows discounted at a rate based on the borrowings rate of 7.2%. The interest expense on the Bonds is calculated using the effective interest method by applying an effective interest rate of 7.4% to the liability component.

During the three months and nine months ended 30 September 2006, none of the Bonds were redeemed or purchased by the Company or converted into ordinary shares of the Company.

15. FINANCIAL INSTRUMENTS

(i) The Group has several interest rate swaps with an aggregate notional 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 will be 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 2006, the estimated fair market value of the interest rate swaps was approximately US$2.5 million, which was unfavourable to the Group. The amount has been recorded within the non-current portion of the derivative financial instruments in the consolidated balance sheet.

These interest rate swaps have been designated and qualified as cash flow hedges. 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 income statement as the underlying hedged items are recognised.

(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 will be reduced six-monthly in varying amounts over 5 years from August 2003.

As at 30 September 2006, the estimated fair market value of these interest rate swaps was approximately US$0.3 million, which was favourable to the Group. This amount has been recorded within the non-current portion of the derivative financial instruments in the consolidated balance sheet. The changes in the fair value of these interest rate swaps were included in interest expense in the consolidated income statement.

(iii) The Group has various Singapore dollars forward contracts and the notional amount of these contracts was approximately US$206.7 million. The notional amount will be reduced six-monthly in varying amounts over periods ranging from 5 to 11 years from the dates of the contracts. As at 30 September 2006, the estimated fair market value of these forward contracts was approximately US$0.2 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 income statement. This amount has been recorded within the current portion of the derivative financial instruments in the consolidated balance sheet.

Notes to the Consolidated Financial Statements *(Continued)*

15. FINANCIAL INSTRUMENTS *(Continued)*

(iv) The Group entered into fuel swap agreements to mitigate the impact of fluctuations in fuel prices. The Group had fuel swap agreements with an aggregate notional amount of US$12.5 million to pay fixed price for fuel. The changes in the fair value of these fuel swap agreements are recognised as other income in the consolidated income statement. These fuel swap agreements matured by 30 June 2006.

During the nine months ended 30 September 2006, the Group entered into further fuel swap agreements with an aggregate notional amount of US$31.6 million, maturing through 2006 and the first quarter of 2007, to pay fixed price for fuel. As at 30 September 2006, the estimated fair market value of the fuel swap was approximately US$1.9 million, which was unfavourable to the Group. This amount has been recorded within the current portion of the derivative instruments in the consolidated balance sheet. These fuel swaps have been designated and qualified as cash flow hedges. The changes in the fair value of these fuel swaps are included as a separate component of reserves and are recognised in the consolidated income statement as the underlying hedged items are recognised.

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 2006.

16. TRADE CREDITORS

The ageing of trade creditors as at 30 September 2006 and 31 December 2005 were as follows:

	As at	
	30 September 2006	31 December 2005
	US$'000	*US$'000*
	unaudited	*audited*
Current to 60 days	74,383	82,033
61 days to 120 days	1,992	8,369
121 days to 180 days	774	92
Over 180 days	505	321
	77,654	90,815

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

17. 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 wholly-owned indirectly by a brother of Tan Sri Lim Kok Thay.

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 Main Board of the Singapore Exchange Securities Trading Limited and the Euro MTF Market of 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. The Group's share of loss from WCIL amounted to US$39,000 and US$40,000 for the three months ended 30 September 2006 and 2005, respectively and US$69,000 and US$110,000 for the nine months ended 30 September 2006 and 2005, respectively.

VXL Capital Limited ("VXL") is a company in which a brother of Tan Sri Lim Kok Thay has a substantial interest and is listed on The Stock Exchange of Hong Kong Limited. Each of the Group and VXL has a 30% interest in a joint venture company (see note 6).

Infinity @ TheBay Pte. Ltd., a company in which a subsidiary of each of the Company and GIPLC has 25% and 75% interest, respectively, submitted a proposal in response to the Singapore Tourism Board's Request for Proposals for the Integrated Resort at Sentosa in October 2006 (see note 6).

17. 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 2006 and 2005 are set out below:

(a) KHD, together with its related companies, are involved in carrying out improvements to the Group's berthing facilities and other infrastructure facilities. Amounts charged to the Group in respect of these services by KHD were approximately US$4,000 and US$8,000 for the three months and nine months ended 30 September 2006, respectively. No amounts were charged to the Group in respect of these services for the three months and nine months ended 30 September 2005. In addition, approximately US$409,000 and US$480,000 were paid by KHD on behalf of the Group to the third party contractors during the three months and nine months ended 30 September 2006.

(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, leasing of office space 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$583,000 and US$312,000 for the three months ended 30 September 2006 and 2005, respectively and approximately US$1,402,000 and US$896,000 for the nine months ended 30 September 2006 and 2005, respectively.

(c) The Group provides certain administrative support services to GIPLC internationally and the amounts charged to GIPLC were approximately US$- and US$17,000 for the three months ended 30 September 2006 and 2005, respectively and approximately US$- and US$55,000 for the nine months ended 30 September 2006 and 2005, respectively.

(d) WCIL together with its related companies operate and administer 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 2006 and 2005, the following transactions took place:

	Three months ended 30 September		Nine months ended 30 September	
	2006	2005	2006	2005
	US$'000 unaudited	*US$'000 unaudited*	*US$'000 unaudited*	*US$'000 unaudited*
Amounts charged from the GB Group to the Group	206	70	349	231
Amounts charged to the GB Group by the Group	41	42	82	192

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

Notes to the Consolidated Financial Statements *(Continued)*

18. CAPITAL COMMITMENTS AND CONTINGENCIES

(i) Capital expenditure

In September 2006, NCLC Group contracted with a shipyard to purchase two ships, for delivery in the fourth quarter of 2009 and in the second quarter of 2010. NCLC Group has an option for a third ship for scheduled delivery in the first quarter of 2011.

The aggregate cost of the ships under construction and on firm order (based on the Euro/U.S. dollar exchange rate at 30 September 2006) as at 30 September 2006 and 31 December 2005 are as follows:

	As at	
	30 September 2006 *US$'000 unaudited*	31 December 2005 *US$'000 audited*
Contracted but not provided for		
– Cruise ships and other related costs	2,831,848	1,335,000

(ii) Material litigation

Save as disclosed below, there were no material updates to the information disclosed in the Group's annual report for the year ended 31 December 2005 and the interim reports for the three months ended 31 March 2006 and the three months and six months ended 30 June 2006.

(a) On 14 July 2006, NCLC was served with a complaint filed in Florida State court on behalf of a former onboard concessionaire alleging breach of contract and unjust enrichment. NCLC believes that it has meritorious defenses to these claims and, accordingly, is defending vigorously this action.

(b) On 24 August 2006, NCLC was served with a complaint by the U.S. Equal Employment Opportunity Commission to correct alleged unlawful employment practices on the basis of national origin and religion and to provide relief to seven former employees who were allegedly terminated as a result of same. NCLC believes that it has meritorious defenses to these claims and, accordingly, is defending vigorously this action.

(iii) Contingencies

On 1 June 2006, Crown Odyssey Limited ("COL"), a subsidiary of the Company, entered into a sale and leaseback arrangement of m.v. Norwegian Crown with a third party. The Company will guarantee the due and punctual performance of certain obligations of COL under the sale and leaseback arrangement up to a maximum aggregate liability of US$10 million.

19. SIGNIFICANT SUBSEQUENT EVENTS

(a) On 8 November 2006, the Company announced a rights issue proposal of not less than 1,484,084,467 right shares of US$0.10 each in the proportion of 7 rights shares for every 25 shares held on 24 November 2006 at HK$1.08 (US$0.1388) per rights share payable in full on acceptance. The net proceeds will be used for part funding for the acquisition or construction of vessels in line with the Group's strategy to upgrade its fleet, as general working capital and/or for general corporate purposes.

(b) On 9 November 2006, the Company accepted a fully underwritten offer from a syndicate of banks for a secured term loan and revolving credit facility totalling US$750 million to refinance certain of its existing loans, for further equity injection to NCLC and as general working capital and/or for general corporate purposes.

Interim Dividend

The Directors do not recommend the declaration of any interim dividend in respect of the nine months ended 30 September 2006.

Management's Discussion and Analysis

The following discussion is based on, and should be read in conjunction with, the financial statements and the notes thereto included elsewhere in this interim report and the annual report of the Group for the year ended 31 December 2005.

Terminology

Capacity Days represent double occupancy per cabin multiplied by the number of cruise days for the period.

Net Revenue Yield represents total revenues less commissions, transportation and other expenses, and onboard and other expenses per Capacity Day. The Group utilises Net Revenue Yield to manage its business on a day-to-day basis and believes that it is the most relevant measure of the pricing performance and is commonly used in the cruise industry to measure pricing performance.

Ship Operating Expenses represent operating expenses excluding commissions, transportation and other expenses and onboard and other expenses.

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

Occupancy Percentage, in accordance with cruise industry practice, represents the ratio of Passenger Cruise Days to Capacity Days. A percentage in excess of 100% indicates that three or more passengers occupied some cabins.

Three months ended 30 September 2006 ("3Q 2006") compared with three months ended 30 September 2005 ("3Q 2005")

Turnover

The Group's revenue for 3Q 2006 was US$683.3 million, increased by 18.8% from US$575.3 million for 3Q 2005. Net revenue increased by 13.1% primarily due to a 17.7% capacity increase which was partially offset by a lower net revenue yield and occupancy level of 3.9% and 3.3 percentage points respectively. The capacity increase in 3Q 2006 was mainly due to the addition of m.v. Norwegian Jewel and m.v. Pride of Hawaii, which entered service in August 2005 and June 2006, respectively. Occupancy level was at 103.3% in 3Q 2006 compared with 106.6% in 3Q 2005.

Star Cruises operated with 30.1% higher capacity compared with 3Q 2005 because of the addition of m.v. SuperStar Libra, which commenced operation in September 2005. Net revenue was 3.4% higher as a result of the higher capacity which was partially offset by a 19.9% lower net revenue yield. Overall occupancy level in Star Cruises Asia operations for 3Q 2006 decreased to 83.7% from 96.5% in 3Q 2005. The lower than average occupancy of m.v. SuperStar Libra in her inaugural season in Eastern Mediterranean contributed to the lower net revenue yield in 3Q 2006.

Net revenue for NCLC Group was 15.1% higher on a 15.2% capacity increase. Net revenue yield remained relatively flat during the quarter. The increase in capacity was primarily due to the addition of m.v. Norwegian Jewel and m.v. Pride of Hawaii, which entered service in August 2005 and June 2006, respectively. The increase in capacity was partially offset by the return of m.v. Norwegian Sea (renamed to m.v. SuperStar Libra) to Star Cruises upon expiration of its charter agreement in August 2005. For NCLC Group, occupancy level in 3Q 2006 was 107.8% compared with 108.7% in 3Q 2005.

Cost and expenses

Total costs and expenses before interest and non-operating items for 3Q 2006 amounted to US$600.6 million compared with US$496.8 million for 3Q 2005, an increase of US$103.8 million.

Operating expenses increased by US$92.7 million to US$473.5 million in 3Q 2006 from US$380.8 million in 3Q 2005. Ship operating expenses was 17.3% higher compared with 3Q 2005. On a per capacity day basis, ship operating expenses were 0.4% lower compared with 3Q 2005. Ship operating expenses excluding fuel cost per capacity day decreased 2.6% compared to 3Q 2005 which largely came from Star Asia operations. This decrease was mainly due to the start up expenses of m.v. SuperStar Libra as well as the lay up expenses of s/s Norway in 3Q 2005, partially offset by the charter fee paid for m.v. Norwegian Crown and higher fuel costs in 3Q 2006. Average fuel prices in 3Q 2006 increased approximately 18% from 3Q 2005. Fuel costs accounted for approximately 18% of ship operating expenses in 3Q 2006 compared with 16% in 3Q 2005.

Selling, general and administrative ("SG&A") expenses increased by US$1.9 million to US$72.4 million for 3Q 2006 from US$70.5 million for 3Q 2005. The increase was primarily the result of increased shoreside expenses required to service the increased capacity, partially offset by a decrease in marketing expenses due to timing of NCLC Group marketing expenditures. With the increase in capacity, SG&A expenses per capacity day continued to decrease year-over-year. SG&A expenses per capacity day for 3Q 2006 were 12.7% lower compared with 3Q 2005 primarily as a result of a decrease in advertising and promotional expenses and the abovementioned increase in capacity.

Depreciation and amortisation expenses increased by US$9.1 million to US$54.6 million for 3Q 2006 compared with US$45.5 million for 3Q 2005 primarily due to depreciation expenses of m.v. Norwegian Jewel and m.v. Pride of Hawaii. On a per capacity day basis, depreciation and amortisation expenses increased by 2.1% compared with 3Q 2005.

Management's Discussion and Analysis *(Continued)*

Operating profit

Operating profit increased by US$4.2 million to US$82.7 million for 3Q 2006 from US$78.5 million in 3Q 2005.

Non-operating income / (expenses)

Non-operating expenses decreased by US$21.2 million to US$22.7 million for 3Q 2006 compared with US$43.9 million for 3Q 2005. The decrease was mainly due to the net effect of the following items:

(a) Interest expense, net of interest income and capitalised interest increased by US$9.6 million to US$48.8 million for 3Q 2006 compared with US$39.2 million for 3Q 2005 as a result of both higher average outstanding debts and interest rates. Capitalised interest decreased to US$1.1 million for 3Q 2006 from US$3.3 million for 3Q 2005 due to a lower average level of investment in ships under construction.

(b) The Group recorded a non-cash foreign currency debts translation gains of US$3.5 million for 3Q 2006 compared to a US$0.9 million non-cash foreign currency debts translation gain in 3Q 2005.

(c) During the 3Q 2006, the Group recorded a compensation income of US$7.3 million in connection with a settlement agreement for a portion of the claims against the builder of m.v. Pride of America.

(d) During the 3Q 2006, the Group recorded a gain on disposal of m.v. Norwegian Crown of US$16.7 million.

Profit before taxation

Profit before taxation for 3Q 2006 was US$60.0 million compared to US$34.6 million for 3Q 2005.

Taxation

The Group incurred taxation benefit of US$0.4 million for 3Q 2006 compared to taxation expense of US$1.6 million for 3Q 2005. For 3Q 2006, NCLC Group recorded a net income tax benefit of US$0.4 million due to the reversal of its prior periods or prior year tax provisions or tax benefit in respect of its federal and state income tax on U.S. sourced non-incidental activities of its foreign flagged operations. The income tax provision in 3Q 2005 was mainly due to federal and state income tax on U.S. sourced non-incidental activities of the foreign flagged operations of NCLC Group.

Net profit attributable to shareholders

The Group recorded a net profit attributable to shareholders of US$60.4 million for 3Q 2006 compared with US$33.0 million in 3Q 2005.

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 2006, cash and cash equivalents decreased to US$164.2 million from US$179.3 million as at 30 June 2006. The decrease of US$15.1 million in cash and cash equivalents was mainly due to the net effect of the following items:

(a) The Group's business provided US$30.9 million of net cash from operations for 3Q 2006 compared to US$25.4 million for 3Q 2005. The increase in net cash generated from operations was primarily due to the lower interest payment during the quarter.

(b) The Group's capital expenditure was approximately US$24.1 million in 3Q 2006. Approximately US$22.0 million of the capital expenditure was related to capacity expansion and the remaining was vessel refurbishments and onboard assets. The Group received net proceeds of approximately US$108.7 million from the disposal of m.v. Norwegian Crown in 3Q 2006.

(c) The Group repaid US$182.1 million of its long-term bank loans during 3Q 2006 and drewdown a total of US$50.0 million under the existing bank loans to finance its ships construction and for working capital purposes.

Nine months ended 30 September 2006 ("YTD 3Q 2006") compared with nine months ended 30 September 2005 ("YTD 3Q 2005")

Turnover

The Group's revenue for YTD 3Q 2006 was US$1,783.0 million, increased by 23.6% from US$1,443.1 million for YTD 3Q 2005. Net revenue increased by 17.9% compared with YTD 3Q 2005 primarily driven by a 19.2% capacity increase which was partially offset by a lower net revenue yield and occupancy level of 1.1% and 2.8 percentage points respectively. The capacity increase in the YTD 3Q 2006 was mainly due to the addition of m.v. Pride of America, m.v. Norwegian Jewel and m.v. Pride of Hawaii, which entered service in June 2005, August 2005 and June 2006, respectively. Occupancy level was at 102.1% in YTD 3Q 2006 versus 104.9% in YTD 3Q 2005.

Star Cruises operated with 31.1% higher capacity for YTD 3Q 2006 compared with YTD 3Q 2005 because of the addition of m.v. SuperStar Libra which commenced operation in September 2005. Net revenue was 6.2% higher as a result of the higher capacity which was partially offset by a 17.8% lower net revenue yield. The lower net revenue yield in YTD 3Q 2006 was mainly a result of the lower than average occupancy of m.v. SuperStar Libra in both her first inaugural seasons in India and Eastern Mediterranean. Occupancy level in Star Cruises Asia operations for YTD 3Q 2006 was down to 82.3% from 96.3% in YTD 3Q 2005.

Net revenue for NCLC Group was 20.5% higher on a 16.6% capacity increase and 3.3% increase in net revenue yield. The increase in capacity was primarily due to the additions of m.v. Pride of America, m.v. Norwegian Jewel and m.v. Pride of Hawaii, which entered service in June 2005, August 2005 and June 2006, respectively. The increase in capacity was partially offset by the return of m.v. Norwegian Sea to Star Cruises. The increase in net revenue yield was primarily attributable to increased passenger ticket revenues and increased onboard spending. For NCLC Group, occupancy level in YTD 3Q 2006 increased to 107.0% from 106.7% in YTD 3Q 2005.

Cost and expenses

Total costs and expenses before interest and non-operating items for YTD 3Q 2006 amounted to US$1,645.7 million compared with US$1,311.2 million for YTD 3Q 2005, an increase of US$334.5 million.

Operating expenses increased by US$300.8 million to US$1,275.1 million for YTD 3Q 2006 from US$974.3 million for YTD 3Q 2005. Ship operating expenses was 24.9% higher compared with YTD 3Q 2005. On a per capacity day basis, ship operating expenses were 4.8% higher compared with YTD 3Q 2005, of which fuel costs accounted for 4.3 percentage points of this increase. Average fuel prices in YTD 3Q 2006 increased approximately 32% from YTD 3Q 2005. Fuel costs accounted for approximately 19% of ship operating expenses in YTD 3Q 2006 compared with 16% in YTD 3Q 2005.

SG&A expenses increased by US$3.5 million to US$211.6 million for YTD 3Q 2006 from US$208.1 million for YTD 3Q 2005. The increase was primarily due to increased shoreside expenses for NCLC Group reservation centers as a result of the increased capacity to support the three ships in Hawaii, partially offset by a decrease in marketing expenses due to timing of NCLC Group marketing expenditures. SG&A expenses per capacity day decreased 14.7% compared with YTD 3Q 2005 mainly as a result of a decrease in advertising and promotional expenses and the abovementioned increase in capacity.

Depreciation and amortisation expenses increased by US$32.9 million to US$159.0 million for YTD 3Q 2006 compared with US$126.1 million for YTD 3Q 2005 primarily due to depreciation expenses of m.v. Pride of America, m.v. Norwegian Jewel and m.v. Pride of Hawaii as well as higher drydocking expenses. On a per capacity day basis, depreciation and amortisation expenses increased by 5.7% compared with YTD 3Q 2005. In YTD 3Q 2005, the Group recorded an impairment loss of US$2.7 million.

Management's Discussion and Analysis *(Continued)*

Operating profit

Operating profit for YTD 3Q 2006 was slightly higher at US$137.3 million compared with US$132.0 million in YTD 3Q 2005.

Non-operating income / (expenses)

Non-operating expenses increased by US$60.6 million to US$146.4 million for YTD 3Q 2006 compared with US$85.8 million for YTD 3Q 2005. 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$31.9 million to US$133.1 million for YTD 3Q 2006 compared with US$101.2 million for YTD 3Q 2005 as a result of both higher average outstanding debts and interest rates. Capitalised interest decreased to US$5.8 million for YTD 3Q 2006 from US$15.6 million for YTD 3Q 2005 due to a lower average level of investment in ships under construction.

(b) The Group recorded a non-cash foreign currency debts translation loss of US$21.3 million for YTD 3Q 2006 compared to a non-cash foreign currency debts translation gain of US$21.8 million in YTD 3Q 2005.

(c) During the YTD 3Q 2006, the Group wrote off its non-cruise investment in Orangestar Investment Holdings Pte. Ltd. of US$10.3 million.

(d) During the YTD 3Q 2006, the Group recorded a compensation income of US$7.3 million in connection with a settlement agreement for a portion of the claims against the builder of m.v. Pride of America.

(e) During the YTD 3Q 2006, the Group recorded a gain on disposal of m.v. Norwegian Crown of US$16.7 million.

Profit / (Loss) before taxation

Loss before taxation for YTD 3Q 2006 was US$9.1 million compared to a profit before taxation of US$46.1 million for YTD 3Q 2005.

Taxation

The Group had taxation benefit of US$0.4 million for YTD 3Q 2006 compared with taxation expense of US$2.5 million for YTD 3Q 2005. For YTD 3Q 2006, NCLC Group recorded a tax benefit of US$1.2 million due to the reversal of over provision of its federal and state income tax on U.S. sourced non-incidental activities of its foreign flagged operations which was partially offset by income tax expense of Star Cruises of US$0.8 million. For YTD 3Q 2005, the taxation expenses of US$2.5 million was due to federal and state income tax on U.S. sourced non-incidental activities of the foreign flagged operations of NCLC Group of US$1.5 million and income tax expense of Star Cruises of US$1.0 million.

Net profit / (loss) attributable to shareholders

The Group recorded a net loss attributable to shareholders of US$8.6 million for YTD 3Q 2006 compared with a net profit attributable to shareholders of US$43.6 million in YTD 3Q 2005. Excluding the non-cash items: 1) foreign currency debts translation gains and losses, 2) write-off of non-cruise investment and 3) the impairment loss mentioned above, the Group would have recorded a net profit of US$23.0 million in YTD 3Q 2006 compared with the net profit of US$24.5 million in YTD 3Q 2005 despite higher fuel prices and interest costs.

Management's Discussion and Analysis *(Continued)*

Liquidity and capital resources

Sources and uses of funds

For YTD 3Q 2006, cash and cash equivalents decreased to US$164.2 million from US$187.7 million as at 31 December 2005. The decrease of US$23.5 million in cash and cash equivalents was mainly due to the net effect of the following items:

(a) The Group's business provided US$230.3 million of net cash from operations for YTD 3Q 2006 compared to US$185.2 million for YTD 3Q 2005. The increase in net cash generated from operations was primarily due to the changes of operating assets during YTD 3Q 2006 compared with YTD 3Q 2005, partially offset by an increase in interest payment.

(b) The Group's capital expenditure was approximately US$274.3 million in YTD 3Q 2006. Approximately US$232.9 million of the capital expenditure was related to capacity expansion and the remaining was vessel refurbishments and onboard assets. In YTD 3Q 2006, the Group received net proceeds of approximately US$122.8 million from the disposals of the s/s Norway and m.v. Norwegian Crown.

(c) The Group repaid US$441.3 million of its long-term bank loans during YTD 3Q 2006 and drewdown a total of US$297.4 million under the existing bank loans to finance its ships construction, delivery of m.v. Pride of Hawaii and for general working capital purposes.

(d) Restricted cash decreased by US$46.6 million during YTD 3Q 2006 to US$1.4 million as at 30 September 2006. In May 2006, cash collateral requirements imposed by credit card processors were lifted and these requirements can be reinstated at the credit card processors' discretion.

As at 30 September 2006, the Group's liquidity was US$458.7 million consisting of US$164.2 million in cash and cash equivalents and US$294.5 million available under the Group's existing credit facilities. In addition, the Group has specific funding available for the four ships under construction of approximately US$2.5 billion (based on the exchange rate for the Euro at 30 September 2006).

The debt agreements of the Group contain covenants that require the Group, among other things, to maintain a minimum level of liquidity and to limit its net debt-to-capital ratio.

The Group believes that the cash on hand, expected future operating cash inflows, additional borrowings under existing credit facilities and the Group's ability to issue debt securities or raise additional equity will be sufficient to fund operations, debt payment requirements, capital expenditure and maintain compliance with debt covenants under the debt agreements.

Prospects

m.v. SuperStar Libra is now in India for her second season. The market response to her amended itineraries is encouraging; as a result, the bookings are considerably higher than at the same time last year.

Bookings for NCLC Group continue to be closer to the sailing date than at the same time last year. Through the first quarter of 2007, NCLC Group continues to see downward pressure on pricing, especially in Hawaii and the Caribbean. As a result, for the fourth quarter of 2006, NCLC Group expects net yield to be down approximately 1% compared to the fourth quarter of 2005.

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 2005 and interim reports for the three months ended 31 March 2006 and the three months and six months ended 30 June 2006.

Interests of Directors

As at 30 September 2006, 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

	Nature of interests / capacity in which such interests were held					
Name of Director	**Beneficial owner**	**Interests of spouse**	**Interests of controlled corporation**	**Founder / Beneficiary of discretionary trusts**	**Total**	**Percentage of issued ordinary shares**
			Number of ordinary shares (Notes)			
Tan Sri Lim Kok Thay	282,246,793	28,357,897 *(1)*	455,411,732 *(2)*	3,886,626,976 *(3 and 4)*	4,624,285,501 *(5)*	87.246
Mr. Chong Chee Tut	819,096	—	—	—	819,096	0.015
Mr. William Ng Ko Seng	412,419	—	—	—	412,419	0.008
Mr. David Colin Sinclair Veitch	335,445	—	—	—	335,445	0.006

Notes:

As at 30 September 2006:

1. Tan Sri Lim Kok Thay ("Tan Sri KT Lim") had a family interest in 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 had a corporate interest.

2. Tan Sri KT Lim was also deemed to have a corporate interest in 455,411,732 ordinary shares (comprising (i) 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 Hon Yee held 50% of its issued share capital and (ii) the same block of 427,053,835 ordinary shares directly held by Joondalup Limited in which Tan Sri KT Lim held 100% of its issued share capital).

3. Tan Sri KT Lim as founder and a beneficiary of two discretionary trusts, had a deemed interest in 3,886,626,976 ordinary shares.

4. Out of 3,886,626,976 ordinary shares, 392,600,000 ordinary shares were 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 2006, 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:

Name of Director	Number of underlying ordinary shares	Percentage of issued ordinary shares	Capacity in which such interests were held
Tan Sri Lim Kok Thay	10,063,346	0.190	Beneficial owner
Mr. Chong Chee Tut	1,372,271	0.026	Beneficial owner
Mr. William Ng Ko Seng	1,183,204	0.022	Beneficial owner
Mr. David Colin Sinclair Veitch	3,049,500	0.058	Beneficial owner

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 associated corporations of the Company

Name of associated corporation	Name of Director	No. of issued ordinary shares	Percentage of issued ordinary shares	Capacity in which such interests were held
WorldCard International Limited	Tan Sri Lim Kok Thay	1,000,000	100	Founder and a beneficiary of two discretionary trusts
Infinity @ TheBay Pte. Ltd.	Tan Sri Lim Kok Thay	1,000,000	100	Founder and a beneficiary of two discretionary trusts

Note:

All the above interests represent long positions in the shares of the relevant associated corporations of the Company.

(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 2006, 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 and its subsidiaries 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.

STAR CRUISES

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 2005. 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 2006 were as follows:

(A) Pre-listing Employee Share Option Scheme

	Number of options outstanding at 01/07/2006	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 30/09/2006	Date granted	Exercise price per share	Exercisable Period
Tan Sri Lim Kok Thay (Director)	1,768,709	—	—	—	1,768,709	24/03/1999	US$0.2686	24/03/2002 – 23/03/2009
	670,889	—	—	—	670,889	24/03/1999	US$0.4206	24/03/2002 – 23/03/2009
	975,840	—	—	—	975,840	23/10/2000	US$0.2686	23/10/2003 – 22/08/2010
	1,768,709	—	—	—	1,768,709	16/11/2000	US$0.2686	24/03/2002 – 23/03/2009
	670,889	—	—	—	670,889	16/11/2000	US$0.4206	24/03/2002 – 23/03/2009
	243,960	—	—	—	243,960	16/11/2000	US$0.2686	23/10/2003 – 22/08/2010
	6,098,996	**—**	**—**	**—**	**6,098,996**			
Mr. Chong Chee Tut (Director)	30,494	—	—	—	30,494	25/05/1998	US$0.4206	23/06/2000 – 22/06/2007
	207,365	—	—	—	207,365	24/03/1999	US$0.2686	24/03/2002 – 23/03/2009
	36,593	—	—	—	36,593	24/03/1999	US$0.4206	24/03/2002 – 23/03/2009
	468,403	—	—	—	468,403	23/10/2000	US$0.2686	23/10/2003 – 22/08/2010
	19,516	—	—	—	19,516	23/10/2000	US$0.4206	23/10/2003 – 22/08/2010
	762,371	**—**	**—**	**—**	**762,371**			
Mr. William Ng Ko Seng (Director)	12,197	—	—	—	12,197	24/03/1999	US$0.2686	24/03/2002 – 23/03/2009
	48,792	—	—	—	48,792	24/03/1999	US$0.4206	24/03/2002 – 23/03/2009
	370,819	—	—	—	370,819	23/10/2000	US$0.2686	23/10/2003 – 22/08/2010
	19,516	—	—	—	19,516	23/10/2000	US$0.4206	23/10/2003 – 22/08/2010
	451,324	**—**	**—**	**—**	**451,324**			
Mr. David Colin Sinclair Veitch (Director)	**609,900**	**—**	**—**	**—**	**609,900**	07/01/2000	US$0.4206	07/01/2003 – 06/01/2010
All other employees	60,990	—	—	—	60,990	25/05/1998	US$0.2686	11/03/2000 – 10/03/2007
	256,158	—	—	—	256,158	25/05/1998	US$0.4206	23/06/2000 – 22/06/2007
	1,152,670	—	—	—	1,152,670	25/05/1998	US$0.4206	06/01/2000 – 05/01/2007
	5,696,843	—	—	(13,417)	5,683,426	24/03/1999	US$0.2686	24/03/2002 – 23/03/2009
	3,103,182	—	—	(20,125)	3,083,057	24/03/1999	US$0.4206	24/03/2002 – 23/03/2009
	327,000	—	—	(11,588)	315,412	30/06/1999	US$0.2686	30/06/2002 – 29/06/2009
	670,733	—	—	(26,835)	643,898	30/06/1999	US$0.4206	30/06/2002 – 29/06/2009
	1,658,184	—	—	—	1,658,184	23/10/2000	US$0.2686	23/10/2003 – 22/08/2010
	2,329,640	—	—	(23,420)	2,306,220	23/10/2000	US$0.4206	23/10/2003 – 22/08/2010
	15,255,400	**—**	**—**	**(95,385)**	**15,160,015**			
Grand Total	**23,177,991**	**—**	**—**	**(95,385)**	**23,082,606**			

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 01/07/2006	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 30/09/2006	Date granted	Exercise price per share	Exercisable Period
Tan Sri Lim Kok Thay	3,369,697	—	—	—	3,369,697	19/08/2002	HK$2.9944	20/08/2004 – 19/08/2012
(Director)	594,653	—	—	—	594,653	23/08/2004	HK$1.7240	24/08/2006 – 23/08/2014
	3,964,350	**—**	**—**	**—**	**3,964,350**			
Mr. Chong Chee Tut	518,415	—	—	—	518,415	19/08/2002	HK$2.9944	20/08/2004 – 19/08/2012
(Director)	91,485	—	—	—	91,485	23/08/2004	HK$1.7240	24/08/2006 – 23/08/2014
	609,900	**—**	**—**	**—**	**609,900**			
Mr. William Ng Ko Seng	622,098	—	—	—	622,098	19/08/2002	HK$2.9944	20/08/2004 – 19/08/2012
(Director)	109,782	—	—	—	109,782	23/08/2004	HK$1.7240	24/08/2006 – 23/08/2014
	731,880	**—**	**—**	**—**	**731,880**			
Mr. David Colin Sinclair	2,073,660	—	—	—	2,073,660	19/08/2002	HK$2.9944	20/08/2004 – 19/08/2012
Veitch (Director)	365,940	—	—	—	365,940	23/08/2004	HK$1.7240	24/08/2006 – 23/08/2014
	2,439,600	**—**	**—**	**—**	**2,439,600**			
All other employees	63,910,931	—	(533,847)	—	63,377,084	19/08/2002	HK$2.9944	20/08/2004 – 19/08/2012
	792,870	—	—	—	792,870	08/09/2003	HK$2.9944	09/09/2005 – 08/09/2013
	9,445,294	—	(12,888)	—	9,432,406	23/08/2004	HK$1.7240	24/08/2006 – 23/08/2014
	74,149,095	**—**	**(546,735)**	**—**	**73,602,360**			
Grand Total	**81,894,825**	**—**	**(546,735)**	**—**	**81,348,090**			

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 2006, 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

	Nature of interests / capacity in which such interests were held						
Name of shareholder (Notes)	**Beneficial owner**	**Interests of spouse**	**Interests of controlled corporation**	**Trustee**	**Beneficiary of trust**	**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 *(20)*	36.30
Kien Huat Realty Sdn Bhd *(2)*	—	—	1,924,261,862 *(10)*	—	—	1,924,261,862	36.30
Genting Berhad *(3)*	—	—	1,924,261,862 *(10)*	—	—	1,924,261,862	36.30
Resorts World Bhd *(4)*	—	—	1,908,561,862 *(11)*	—	—	1,908,561,862	36.01
Sierra Springs Sdn Bhd *(5)*	—	—	1,908,561,862 *(11)*	—	—	1,908,561,862	36.01
Resorts World Limited *(5)*	1,908,561,862	—	—	—	—	1,908,561,862	36.01
GZ Trust Corporation (as trustee of a discretionary trust) *(6)*	—	—	1,962,365,114 *(13)*	1,962,365,114 *(14 and 19)*	1,962,365,114 *(16)*	1,962,365,114 *(20)*	37.02
Cove Investments Limited *(7)*	—	—	—	—	1,962,365,114 *(17 and 19)*	1,962,365,114	37.02
Golden Hope Limited (as trustee of Golden Hope Unit Trust) *(8)*	—	—	—	1,962,365,114 *(15 and 19)*	—	1,962,365,114	37.02
Joondalup Limited *(9)*	427,053,835	—	—	—	—	427,053,835	8.06
Puan Sri Wong Hon Yee	—	4,624,285,501 *(18(a) and 19)*	28,357,897 *(18(b)*	—	—	4,624,285,501 *(20)*	87.25

Notes:

As at 30 September 2006:

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").

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.

3. Genting Berhad ("GB"), a company listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia") of which KHR controlled 41.5% of its equity interest.

4. Resorts World Bhd ("RWB"), a company listed on Bursa Malaysia of which GB controlled 57.66% of its equity interest.

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 held 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 is wholly-owned by Tan Sri Lim Kok Thay ("Tan Sri KT Lim").
10. Each of Parkview as trustee of the Discretionary Trust 1, KHR and GB had 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 had 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 was held by Parkview in its capacity as trustee of the Discretionary Trust 1 and it comprised 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 had a corporate interest in the same block of 1,962,365,114 ordinary shares held directly by Golden Hope as trustee of GHUT.
14. GZ in its capacity as trustee of the Discretionary Trust 2 had a deemed interest in the same block of 1,962,365,114 ordinary shares held directly by Golden Hope as trustee of GHUT.
15. The interest in 1,962,365,114 ordinary shares was held directly by Golden Hope in its capacity as trustee of GHUT.
16. GZ as trustee of the Discretionary Trust 2 was deemed to have interest in the same block of 1,962,365,114 ordinary shares held directly by Golden Hope as trustee of GHUT in its capacity as beneficiary of GHUT.
17. Cove which held 0.01% of the units in GHUT was deemed to have interest in the same block of 1,962,365,114 ordinary shares held directly by Golden Hope as trustee of GHUT in its capacity as beneficiary of GHUT.
18. (a) Puan Sri Wong Hon Yee ("Puan Sri Wong") as the spouse of Tan Sri KT Lim, had a family interest in the same block of 4,624,285,501 ordinary shares in which Tan Sri KT Lim had 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 had a corporate interest in 28,357,897 ordinary shares held directly by Goldsfine by holding 50% of its equity interest.
19. Out of the same block of 1,962,365,114 ordinary shares held directly by Golden Hope as trustee of GHUT, 392,600,000 ordinary shares were pledged shares.
20. There is no duplication in arriving at the total interest.
21. 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.

(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	Nature of interests
Puan Sri Wong Hon Yee	10,063,346 (Note)	0.190	Interests of spouse

Note:

Puan Sri Wong Hon Yee as the spouse of Tan Sri KT Lim, was deemed to have a family interest in 10,063,346 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 2006, 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

The Group is a party to fourteen loan agreements for an aggregate principal amount of approximately US$6.65 billion, of which US$3.80 billion had been drawndown, with terms ranging from six to sixteen years from the dates of these agreements. As at 30 September 2006, the outstanding loan balances was approximately US$2.36 billion. The Euro denominated amounts had been translated into US dollars based on the exchange rate of US$1.2674 to €1 as at 30 September 2006.

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 eleven 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, the €624 million revolving loan facility and the two €662,905,320 credit facilities, 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.

(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 2006, save for the issue of 124,421 new ordinary shares of US$0.10 each at an aggregate price of US$33,419 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 2006 to 30 September 2006 (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 2006, save for the deviations from certain code provisions listed below:

(1) Code Provision A.2.1: the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual;

(2) Code Provision A.4.1: Non-executive Directors should be appointed for a specific term, subject to re-election; 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, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Considered reasons for the deviation from Code Provision A.2.1 were set out in the Corporate Governance Report of the Company's annual report for the year ended 31 December 2005 issued in February 2006. With respect to Code Provisions A.4.1 and A.4.2, appropriate measures had been taken by the Company during the first half year of 2006 to ensure proper compliance. Details of the measures taken were given in the interim report of the Company for the three months ended 31 March 2006 issued in May 2006.

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, 13 November 2006