



**HK GAAP RESULTS RELEASE
FOR IMMEDIATE RELEASE**

**28 August 2010
INTERNATIONAL**

GENTING HONG KONG GROUP ANNOUNCES FIRST HALF RESULTS FOR 2010

The below commentary is prepared based on the comparison of the results for 1H 2010 and 1H 2009 of Genting Hong Kong Group.

Key points for 1H 2010 in comparison with 1H 2009:

- EBITDA for the period improved 84.3% to US\$50.5 million, compared with US\$27.4 million for the same period 2009
- Capacity increased by 4.7% and passenger ticket revenue increased by 23.5% in 2010 despite occupancy percentage decreased by 4% from 86% to 82% in 2010
- Net revenue increased by 7.5% to US\$159.6 million, compared with US\$148.5 million for 2009
- Ship operating expenses decreased by 3.6% in 2010, achieved through savings from various cost control and ship deployment initiatives
- Selling, general and administrative expenses excluding depreciation and amortisation decreased by 23.7% in 2010
- Operating profit before impairment was US\$16.6 million for 2010, versus an operating loss before impairment of US\$9.6 million in 2009
- Profit for the period was US\$11.3 million for 2010, compared with loss for the period of US\$35.3 million for 2009. Reported first half profit for the first time since 2006
- The turnaround from loss is due to the following reasons:
 - Star Asia's performance for 1H 2010 is reflective of measures taken to improve operational efficiency via active cost rationalisation and cost management, as well as effective deployment and marketing strategies implemented across the fleet
 - NCL Corporation Ltd. ("NCLC") has undergone a turnaround with stronger ticket pricing and booking trends alongside the recent launch of its newest ship, m.v. Norwegian Epic
 - Resorts World Manila ("RWM"), the Group's first venture in a land-based attraction in the Philippines which had its soft opening in August 2009 recorded a net income for the period
 - My Inn investments in the PRC recorded operating income in 1H 2010 compared to operating loss in 1H 2009

Genting Hong Kong Group

Net revenue in 1H 2010 increased by 7.5% as a result of increase in capacity days by 4.7% compared to 1H 2009 and higher passenger ticket revenue from m.v. SuperStar Virgo, m.v. SuperStar Libra and m.v. Star Pisces. Occupancy was at 82% in 2010 compared with 86% in 1H 2009.

Operating expenses excluding depreciation and amortisation decreased US\$5.1 million (4.6%) to US\$105.1 million in 1H 2010 from US\$110.2 million in 1H 2009, primarily due to a 3.6% decrease in ship operating expenses as a result of stringent cost control measures through cost savings in payroll, port charges and insurance, partially offset by higher fuel costs, and also reduction in charter hire expenses due to delivery of m.v. Norwegian Majesty to its owner in November 2009. Ship operating expenses per capacity day decreased by 6.0% in 1H 2010. Higher fuel cost is due to an approximate 39% increase in average fuel spot price from US\$346 per metric ton in 1H 2009 to US\$480 per metric ton in 1H 2010.

Selling, general and administrative expenses excluding depreciation and amortisation decreased by US\$9.0 million (23.6%) to US\$29.1 million in 1H 2010 from US\$38.1 million in 1H 2009 mainly due to one off retrenchment costs in 1H 2009.

Net finance costs increased by US\$ 1.0 million (8.3%) during 1H 2010 primarily due to higher average outstanding debt and average interest rates.

Net other income was US\$14.4 million for 1H 2010 compared to US\$4.1 million for 1H 2009. During 1H 2010, the net other income is mainly attributed to a US\$ 17.6 million gain on disposal of two wholly-owned subsidiaries, Port Klang Cruise Centre Sdn Bhd and Glamourous Trendy Sdn Bhd, partially offset by a loss on fuel swaps of US\$2.6 million.

Prospects

RWM at Newport City in Manila has continued to extend its leisure and entertainment offerings since its soft opening in August 2009, with the gradual introduction of luxury hotels, theatre, cinemas, shopping mall and other facilities, at various phases throughout the year. The Group expects to celebrate its first fully operational land-based integrated leisure, entertainment and hospitality venture in the Philippines during the fourth quarter of 2010.

NCLC and its subsidiaries ("NCLC Group") continue to strengthen its market position in the cruise industry with the recent launch of its newest ship, m.v. Norwegian Epic.

NCLC Group

The commentary below is prepared based on NCLC Group's US GAAP financial statements.

Total revenue remained relatively unchanged in 2010 compared to 2009. Net revenue increased 1.3%, primarily due to a 6.3% increase in net yield partially offset by the 4.7% decrease in capacity days. The increase in net yield was primarily due to an increase in passenger ticket pricing and onboard revenue due to increased net revenue from NCLC Group's gaming operations and shore excursions. A decrease in capacity days was the result of the departure of m.v. Norwegian Majesty from NCLC Group's fleet in October 2009.

Total cruise operating expense decreased 4.2% in 2010 compared to 2009 primarily related to a decrease in capacity days and lower ship operating expenses partially offset by an increase in fuel expense primarily as a result of an increase in average fuel prices. Average fuel price per metric ton increased 52.8% to US\$498 in 2010 from US\$326 in 2009. Total other operating expense remained relatively unchanged compared to 2009 with an increase in marketing expenses offset by lower expenses associated with cost control initiatives. Net cruise cost decreased 1.7% in 2010 compared to 2009. Net cruise cost per capacity day increased 3.1% due to higher fuel expense per capacity day and higher marketing, general and administrative expense per capacity day partially offset by lower other ship operating expense and port charges per capacity day.

Depreciation and amortisation expense increased slightly in 2010 compared to 2009 due to depreciation expense related to m.v. Norwegian Epic which entered service in late June 2010.

Interest expense, net of capitalised interest, increased to US\$72.9 million in 2010 from US\$52.0 million in 2009 primarily due to higher average interest rates. Other income (expense) was a net expense of US\$34.4 million in 2010 compared to income of US\$13.1 million in 2009. The expense in 2010 was primarily due to transaction losses on foreign exchange contracts associated with the financing of m.v. Norwegian Epic. The income in 2009 was primarily due to fuel derivative gains of US\$17.1 million partially offset by foreign currency translation losses, primarily due to changes in the exchange rate regarding the revaluation of NCLC Group's euro-denominated debt to U.S.dollars, and losses NCLC Group's interest rate swap.

Terminology

- *Net revenue represents total revenue less commissions, transportation and other expenses and onboard and other expenses.*
- *Net yield represents net revenue per capacity day. The Group utilises net 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. NCLC Group, reporting under US GAAP, accounts for dry-docking costs under the direct expense method and these costs are classified as ship operating expenses. Under HKFRS, the dry-docking costs are included as a separate component of the ship costs to be amortised to the subsequent dry-docking generally every 2 to 3 years in the depreciation and amortisation.*
- *EBITDA represents earnings before interest and other income (expense) including taxes, and depreciation and amortisation. The Group uses EBITDA to measure operating performance of the business.*

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

ABOUT GENTING HONG KONG GROUP

Genting Hong Kong Limited (Stock Code: 678), is a leading global leisure, entertainment and hospitality corporation. The primary business activity of the company is cruise and cruise related operations under the brands Star Cruises and Norwegian Cruise Line. Star Cruises together with Norwegian Cruise Line, is the third largest cruise operator in the world that owns a combined fleet of 18 ships visiting over 200 destinations in the world, offering approximately 35,000 lower berths.

Genting Hong Kong Group's first foray in a land-based attraction, Resorts World Manila opened its doors to the public in August 2009. Resorts World Manila is one of the premier leisure brands under the Genting Group, a flagship integrated leisure and entertainment complex featuring 3 hotels including a six star all-suite Maxims Hotel, an iconic shopping mall, 4 high-end cinemas and a multi-purpose performing arts theatre.

For investor relations and editorial, please contact:

Chuen Thong

Senior Manager – Corporate Finance

Hong Kong SAR

Tel : (852) 2378 2000

Fax : (852) 2314 3809

Email : chuen.thong@gentinghk.com

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Forward-looking statements

This press release 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 Company about the industry and markets in which the Company and its subsidiaries (the "Group") will operate in the future. 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, political and business conditions, changes in cruise industry competition, weather, force majeure events and/or other factors. Reliance should not be placed on these forward-looking statements, which merely reflect the view of the Company as of the date of this press release only. The Company is under no obligation to revise or update publicly these forward-looking statements or any part thereof to reflect events or circumstances resulting from any new information, future events or otherwise on which any such statement was based.

**CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2010
PREPARED IN ACCORDANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS**

	Six months ended 30 June	
	2010 US\$'000 unaudited	2009 US\$'000 unaudited (restated)
Turnover	184,736	175,786
Operating expenses		
Operating expenses excluding depreciation, amortisation and impairment loss	(105,127)	(110,230)
Depreciation and amortisation	(31,863)	(34,068)
	(136,990)	(144,298)
Selling, general and administrative expenses		
Selling, general and administrative expenses excluding depreciation and amortisation	(29,101)	(38,144)
Depreciation and amortisation	(2,034)	(2,910)
	(31,135)	(41,054)
Impairment loss	-	(23,338)
	(168,125)	(208,690)
	16,611	(32,904)
Share of (loss) / profit of jointly controlled entities	(17,492)	5,188
Share of profit of associates	10,236	102
Other income, net	14,356	4,112
Net finance costs	(11,968)	(11,049)
	(4,868)	(1,647)
Profit / (Loss) before taxation	11,743	(34,551)
Taxation	(426)	(713)
Profit / (Loss) for the period	11,317	(35,264)
Profit / (Loss) attributable to:		
Equity holders of the Company	11,978	(34,497)
Non-controlling interest	(661)	(767)
	11,317	(35,264)
Basic and diluted earnings / (loss) per share attributable to equity holders of the Company (US cents)	0.16	(0.46)
<u>Operating data</u>		
Passenger Cruise Days	691,178	691,483
Capacity Days	840,479	802,741
Occupancy as a percentage of total capacity days	82%	86%