

# REPORT OF THE INDEPENDENT AUDITORS

## **To the Board of Directors and Shareholders of Star Cruises PLC**

In our opinion,

- (a) the accompanying consolidated balance sheets and the related consolidated statements of operations, of cash flows and of changes in shareholders' equity present fairly, in all material respects, the financial position of Star Cruises PLC and its subsidiaries as of December 31, 1999 and December 31, 1998 and the results of their operations and cash flows for each of the years ended December 31, 1999, 1998 and 1997 in conformity with generally accepted accounting principles in the United States of America; and
- (b) the financial statements have also properly prepared in accordance with the Isle of Man Companies Acts, 1931 to 1993.

These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards in the United States of America which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinions expressed above.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong  
January 26, 2000 except for  
Note 5 and Note 15, which are  
as of May 19, 2000