

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K/A

Amendment No. 1

(Mark One)

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended **December 31, 2004**

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number 1-7560

SEA CONTAINERS LTD.

(Exact name of registrant as specified in its charter)

Bermuda

(State or other jurisdiction of
incorporation or organization)

98-0038412

(I.R.S. Employer
Identification No.)

**22 Victoria Street, Hamilton HM 12, Bermuda
P.O. Box HM 1179, Hamilton HM EX, Bermuda**
(Address of principal executive offices)

Registrant's telephone number, including area code: (441) 295-2244

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
10 ³ / ₄ % Senior Notes Due 2006	New York Stock Exchange
13% Senior Notes Due 2006	New York Stock Exchange
7 ⁷ / ₈ % Senior Notes Due 2008	New York Stock Exchange
12 ¹ / ₂ % Senior Notes Due 2009	New York Stock Exchange
10 ¹ / ₂ % Senior Notes Due 2012	New York Stock Exchange
Class A and Class B Common Shares, \$0.01 par value each	New York Stock Exchange Pacific Exchange
Preferred Share Purchase Rights	New York Stock Exchange Pacific Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (Not applicable. See "Preliminary Notes" on page 4.)

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes ☒ No ☐

The aggregate market value of the Class A and B common shares held by nonaffiliates of the registrant computed according to the closing prices on June 30, 2004 (the last business day of the registrant's second fiscal quarter in 2004) was approximately \$470,000,000.

As of March 21, 2005, 26,098,705 Class A common shares and 14,365,895 Class B common shares of the registrant were outstanding (including 12,900,000 Class B shares owned by a subsidiary of the registrant (see Note 17(e) to the Financial Statements (Item 8) of this report as originally filed.)

DOCUMENTS INCORPORATED BY REFERENCE: None.

TABLE OF CONTENTS

	<u>Page</u>
Preliminary Notes	4
PART IV Item 15. - Exhibits and Financial Statement Schedules	5
Signatures	26
Exhibit Index	27

Preliminary Notes

Sea Containers Ltd. (the “Company” and, together with its subsidiaries, “SCL”) is incorporated in the Islands of Bermuda and is a “foreign private issuer” as defined in Rule 3b-4 of the U.S. Securities and Exchange Commission (“SEC”) under the U.S. Securities Exchange Act of 1934 (the “1934 Act”) and in SEC Rule 405 under the U. S. Securities Act of 1933. As a result, the Company is eligible to file its annual reports with the SEC on Form 20-F (in lieu of Form 10-K) and is eligible to furnish its interim reports to the SEC on Form 6-K (in lieu of filing Forms 10-Q and 8-K). However, the Company elects to file its annual and interim reports on Forms 10-K, 10-Q and 8-K, including any instructions therein that relate specifically to foreign private issuers.

These reports and amendments to them are available free of charge on the internet website of the Company as soon as reasonably practicable after they are filed electronically with the SEC. The internet website address is www.seacontainers.com. Unless specifically noted, information included in the website is not incorporated by reference in this Form 10-K Report.

Pursuant to SEC Rule 3a12-3 under the 1934 Act regarding foreign private issuers, the proxy solicitations of the Company are not subject to the disclosure and procedural requirements of SEC Regulation 14A under the 1934 Act, and transactions in the Company’s equity securities by its officers, directors and significant shareholders are exempt from the reporting and liability provisions of Section 16 of the 1934 Act.

Forward-looking statements concerning the operations, performance, financial condition, plans and prospects of the Company and its subsidiaries are based on management’s current expectations and are subject to various risks and uncertainties. Actual results could differ materially from those anticipated in the statements due to a number of factors, including those described in the original Form 10-K Annual Report of the Company for the fiscal year ended December 31, 2004 (the “Original 2004 Form 10-K”) under the captions Item 1—Business, Item 3—Legal Proceedings, Item 7—Management’s Discussion and Analysis, Item 7A—Quantitative and Qualitative Disclosures about Market Risk, and Item 12—Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters. The Company undertakes no obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.

Unless otherwise indicated, information in this Amendment No. 1 is as of March 31, 2005, the date of the Original 2004 Form 10-K. This Amendment is being filed because, pursuant to Rule 3-09 of SEC Regulation S-X, SCL was required, for the first time in the Original 2004 Form 10-K, to file audited combined and consolidated financial statements of GE SeaCo SRL and its subsidiaries, including its affiliated company GE SeaCo America LLC. SCL conducts its container leasing activities principally through GE SeaCo SRL, a Barbados society with restricted liability established in May 1998 as a joint venture with General Electric Capital Corporation on effectively a 50%/50% basis (“GE SeaCo”).

As a result of disputes between SCL and General Electric Capital Corporation, the board of managers of GE SeaCo was unable to complete the required GE SeaCo financial statements until now. They now are being filed in Item 15 of this Amendment No. 1. See (a) the Original 2004 Form 10-K at Item 3 - Legal Proceedings, and Note 19(b) to the consolidated financial

statements of SCL in Item 8 - Financial Statements and Supplementary Data, and (b) this Amendment No. 1 at Note 12 to the combined and consolidated financial statements of GE SeaCo in Item 15 - Exhibits and Financial Statement Schedules.

This Amendment No. 1 does not reflect any change in the audited financial position, results of operations and cash flows of the Company and its subsidiaries for any of the years presented.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

Page number^{*}

(a) Financial Statements of Sea Containers Ltd.

Reports of independent registered public accounting firm.....	52
Consolidated financial statements - years	
ended December 31, 2004, 2003 and 2002:	
Balance sheets (December 31, 2004 and 2003).....	55
Statements of operations	56
Statements of cash flows	57
Statements of shareholders' equity	58
Notes to financial statements.....	59

(b) Financial Statement Schedules

(1) Schedule II - Valuation and Qualifying Accounts (years ended December 31, 2004, 2003 and 2002)	6
---	---

(2) Financial Statements of GE SeaCo SRL

Report of independent registered public accounting firm.....	7
Combined and consolidated financial statements - years	
ended December 31, 2004, 2003 and 2002:	
Balance sheets (December 31, 2004 and 2003).....	8
Statements of operations	9
Statements of cash flows	10
Statements of quotaholders' equity.....	11
Notes to financial statements	12

(c) Exhibits. The index to exhibits appears below, on the pages immediately following the signature page of this Amendment.

^{*} Page numbers for paragraph (a) (Financial Statements of Sea Containers Ltd.) are those in the LIVEDGAR version of the Original 2004 Form 10-K.

Sea Containers Ltd. and Subsidiaries

Schedule II – Valuation and Qualifying Accounts

<u>Column A</u>	<u>Column B</u>	<u>Column C</u> <u>Additions</u>			<u>Column D</u>	<u>Column E</u>
<u>Description</u>	<u>Balance at beginning of period</u>	<u>Charged to costs and expenses</u>	<u>Charged to other accounts</u>		<u>Deductions</u>	<u>Balance at end of period</u>
Year ended December 31, 2004: Allowance for doubtful accounts	\$ <u>9,790,000</u>	\$1,043,000	\$ 172,000 \$ (237,000) \$ 12,000	(2) (3) (5)	\$ 5,838,000 (1)	\$ <u>4,942,000</u>
Year ended December 31, 2003: Allowance for doubtful accounts	\$ <u>9,365,000</u>	\$2,242,000	\$ 305,000 \$ 842,000 \$ (5,000)	(2) (3) (4)	\$ 2,959,000 (1)	\$ <u>9,790,000</u>
Year ended December 31, 2002: Allowance for doubtful accounts	\$ <u>8,037,000</u>	\$1,482,000	\$ 246,000 \$1,572,000 \$ 58,000 \$ (495,000)	(2) (3) (5) (6)	\$ 1,535,000 (1)	\$ <u>9,365,000</u>

-
- (1) Bad debts written off, net of recoveries.
(2) Foreign currency translation adjustments.
(3) Reclassification from other balance sheet category.
(4) Sale of subsidiary.
(5) Acquisition of subsidiary companies.
(6) Deconsolidation of OEH.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Managers and Quotaholders
GE SeaCo SRL
Bridgetown, Barbados

We have audited the accompanying combined and consolidated balance sheets of GE SeaCo SRL and subsidiaries and GE SeaCo America LLC (an affiliated limited liability company) (collectively “GE SeaCo” – see Note 1), all of which are under common ownership and common management, as of December 31, 2004 and 2003, and the related combined and consolidated statements of operations, and quotaholders’ equity and of cash flows for each of the three years in the period ended December 31, 2004. These financial statements are the responsibility of GE SeaCo’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. GE SeaCo is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of GE SeaCo’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such combined and consolidated financial statements present fairly, in all material respects, the financial position of GE SeaCo as of December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

New York, New York

May 10, 2005

**GE SEACO SRL AND SUBSIDIARIES AND
GE SEACO AMERICA LLC**

**COMBINED AND CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2004 AND 2003
(Dollars in Thousands)**

ASSETS	2004	2003
CASH AND CASH EQUIVALENTS	\$ 14,312	\$ 12,891
RESTRICTED CASH	6,710	2,674
ACCOUNTS RECEIVABLE - Net of allowances of \$7,678 and \$9,046 at December 31, 2004 and 2003, respectively	82,575	76,364
ASSET SALE RECEIVABLES	4,596	4,892
PREPAID EXPENSES AND OTHER	3,208	2,434
ADVANCES ON CONTAINER PURCHASE CONTRACTS	-	613
CONTAINERS - At cost, less accumulated depreciation of \$141,823 and \$99,096 at December 31, 2004 and 2003, respectively	975,854	689,605
REAL ESTATE AND OTHER FIXED ASSETS - At cost, less accumulated depreciation of \$20,294 and \$17,861 at December 31, 2004 and 2003, respectively	11,110	9,634
OTHER ASSETS	22,620	30,026
TOTAL ASSETS	\$1,120,985	\$829,133
LIABILITIES AND QUOTAHOLDERS' EQUITY		
LIABILITIES:		
ACCOUNTS PAYABLE	\$ 110,140	\$ 51,614
ACCRUED LIABILITIES	25,426	16,319
DEBT	694,553	510,551
ADVANCES DUE TO PARENT COMPANIES	68,795	62,798
DEFERRED TAX LIABILITIES	881	654
TOTAL LIABILITIES	899,795	641,936
QUOTAHOLDERS' EQUITY:		
CLASS A, B, C, D AND E QUOTAS AND LLC UNITS	77,470	77,470
RETAINED EARNINGS	157,637	122,233
ACCUMULATED OTHER COMPREHENSIVE LOSS	(13,917)	(12,506)
TOTAL QUOTAHOLDERS' EQUITY	221,190	187,197
TOTAL LIABILITIES AND QUOTAHOLDERS' EQUITY	\$1,120,985	\$829,133

See notes to combined and consolidated financial statements.

**GE SEACO SRL AND SUBSIDIARIES AND
GE SEACO AMERICA LLC**

**COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(Dollars in Thousands)**

	2004	2003	2002
REVENUE	<u>\$334,107</u>	<u>\$303,667</u>	<u>\$294,251</u>
EXPENSES:			
Depreciation	50,225	37,678	26,668
Operating (including \$104,884 and \$87,104, and \$110,953 respectively with Parent Companies)	161,792	142,415	172,618
Selling, general and administrative (including \$39,716, \$40,991 and \$38,803 respectively with Parent Companies)	<u>62,772</u>	<u>58,789</u>	<u>54,049</u>
Total expenses	<u>274,789</u>	<u>238,882</u>	<u>253,335</u>
EARNINGS FROM OPERATIONS BEFORE NET FINANCE COSTS	<u>59,318</u>	<u>64,785</u>	<u>40,916</u>
INTEREST AND RELATED EXPENSE	(21,564)	(16,310)	(11,803)
INTEREST INCOME	<u>650</u>	<u>580</u>	<u>769</u>
Net finance costs	<u>(20,914)</u>	<u>(15,730)</u>	<u>(11,034)</u>
EARNINGS BEFORE INCOME TAXES	38,404	49,055	29,882
PROVISION FOR INCOME TAXES	<u>(3,000)</u>	<u>(2,000)</u>	<u>(2,500)</u>
NET EARNINGS	<u>\$ 35,404</u>	<u>\$ 47,055</u>	<u>\$ 27,382</u>

See notes to combined and consolidated financial statements.

**GE SEACO SRL AND SUBSIDIARIES AND
GE SEACO AMERICA LLC**

**COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(Dollars in Thousands)**

	2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	\$ 35,404	\$ 47,055	\$ 27,382
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation	50,225	37,678	26,668
Other non-cash items	16,964	20,367	16,725
Management of operating assets and liabilities:			
(Increase)/ decrease in receivables	(1,939)	(926)	8,569
(Increase)/ decrease in prepaid expenses and other	(659)	1,219	(1,875)
Increase in other assets	(10,574)	(22,905)	(32,891)
Increase/ (decrease) in accounts payable, accrued liabilities and other liabilities	441	(6,848)	21,785
Increase in advances due to parent companies	5,997	999	36,408
Total adjustments	60,455	29,584	75,389
Net cash provided by operating activities	95,859	76,639	102,771
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(277,971)	(219,191)	(180,070)
Proceeds from sale of fixed assets	3,442	1,782	882
Net cash used in investing activities	(274,529)	(217,409)	(179,188)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Restricted cash deposited to collateralize debt facilities	(4,036)	(146)	(2,528)
Redrawable loans repaid	(37,834)	(4,006)	(11,000)
Net proceeds from the issuance and payments of debt	221,844	146,450	89,107
Net cash provided by financing activities	179,974	142,298	75,579
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	117	483	214
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,421	2,011	(624)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12,891	10,880	11,504
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 14,312	\$ 12,891	\$ 10,880
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash transactions:			
Cash paid for interest	\$ 15,495	\$ 10,937	\$ 9,805
Cash paid for income taxes	\$ 1,621	\$ 1,379	\$ 1,511

See notes to combined and consolidated financial statements.

**GE SEACO SRL AND SUBSIDIARIES AND
GE SEACO AMERICA LLC**

**COMBINED AND CONSOLIDATED STATEMENTS OF
QUOTAHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(Dollars in Thousands)**

	Class A, B, C, D and E Quotas and LLC Units	Retained Earnings	Accumulated Other Comprehensive Loss	Total
BALANCE, JANUARY 1, 2002	\$77,470	\$47,796	\$(2,216)	\$123,050
Comprehensive income:				
Net earnings	-	27,382	-	27,382
Other comprehensive loss:				
Foreign currency translation adjustment	-	-	(2,909)	(2,909)
Minimum pension liability, net of tax of \$1,194	-	-	(2,753)	(2,753)
Total comprehensive income				21,720
BALANCE, DECEMBER 31, 2002	77,470	75,178	(7,878)	144,770
Comprehensive income:				
Net earnings	-	47,055	-	47,055
Other comprehensive loss:				
Foreign currency translation adjustment	-	-	(3,301)	(3,301)
Minimum pension liability, net of tax of \$554	-	-	(1,327)	(1,327)
Total comprehensive income				42,427
BALANCE, DECEMBER 31, 2003	77,470	122,233	(12,506)	187,197
Comprehensive income:				
Net earnings	-	35,404	-	35,404
Other comprehensive loss:				
Foreign currency translation adjustment	-	-	(950)	(950)
Interest rate hedge	-	-	(33)	(33)
Minimum pension asset, net of tax of \$184	-	-	(428)	(428)
Total comprehensive income				33,993
BALANCE, DECEMBER 31, 2004	\$77,470	\$157,637	\$(13,917)	\$221,190

See notes to combined and consolidated financial statements.

GE SEACO SRL AND SUBSIDIARIES AND GE SEACO AMERICA LLC

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. *Business* - Effective May 1, 1998, General Electric Capital Corporation (“GE Capital”) and Sea Containers Ltd. (“SCL”) established a joint venture to combine and operate their container leasing activities through GE SeaCo SRL, a Barbados society with restricted liability (the “Society”), and GE SeaCo America LLC, a Delaware limited liability company. The Society, its subsidiaries and GE SeaCo America LLC are collectively referred to as “GE SeaCo”. Substantially all of the existing container fleets of SCL and GE Capital are being leased-in to GE SeaCo on an operating basis, and GE SeaCo in turn leases the units out to customers. Once the containers have reached certain ages and in other agreed upon circumstances, they are thereafter managed by GE SeaCo for the owners, sold at the owner’s request or purchased by GE SeaCo. GE SeaCo itself purchases new container additions to the combined fleet. In addition to the container lease and management agreements with SCL and GE Capital, GE SeaCo contracts with them for certain administrative and other services. The periods of these agreements are indefinite. GE SeaCo also contracts with SCL from time to time for purchases of containers from SCL factories and services from SCL depots.
- b. *Principles of Consolidation and Combination* - The financial statements include the consolidated accounts of the Society and all of its majority-owned subsidiaries and are combined with GE SeaCo America LLC. All significant intercompany balances and transactions have been eliminated. The accompanying consolidated and combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.
- c. *Cash and Cash Equivalents* - Cash and cash equivalents include all cash balances and highly liquid investments having original maturities of three months or less.
- d. *Containers, Real Estate and Other Fixed Assets* - Containers are recorded at cost and, after allowance for salvage value, are depreciated over their estimated useful lives by the straight-line method. Under certain circumstances where the cost of new containers exceeds pre-established thresholds, determined from historical container cost information, an accelerated basis amortizing such excess over the initial lease period has been applied. The estimated useful life and salvage value for containers is generally 20 years and 20%, respectively, with the exception of refrigeration machinery which is 15 years and 15%, respectively. Container repair and maintenance are expensed as incurred. Container refurbishment costs are capitalized to the container asset and amortized over the remaining life of the container in the case of owned containers and are capitalized as leasehold improvements and amortized over the lesser of the remaining life of the container and the remaining lease term in the case of leased containers.

Real estate and other fixed assets are recorded at cost and are depreciated over their estimated useful lives by the straight-line method. The useful lives of other fixed assets range from 5 to

10 years. Leasehold property is depreciated over the shorter of the estimated useful lives or the respective lease periods.

- e. *Other Assets* – The main components of other assets are repositioning costs and deferred finance costs. Repositioning costs of approximately \$12,289,000 (2003 - \$21,620,000) represents the cost of repositioning of containers that are direct and incremental to establishing operating lease agreements. These costs are amortized on a straight-line basis over a two-year period, which approximates the lives of the related lease agreements. Deferred finance costs of approximately \$10,069,000 (2003 - \$8,121,000) represents the cost of arranging loans for the purchase of container assets. These costs are amortized over the respective terms of the loans.
- f. *Advances Due To Parent Companies* – See Note 7.
- g. *Foreign Currency Translation* - Foreign subsidiary income and expenses are translated into U.S. dollars, GE SeaCo's reporting currency, at the average rates of exchange prevailing during the year. The assets and liabilities of foreign subsidiaries are translated into U.S. dollars at the rates of exchange on the balance sheet date and the related translation adjustments are included in accumulated other comprehensive loss. No income taxes are provided on the translation adjustments as management does not expect that such gains or losses will be realized. Foreign currency transaction gains and losses are recognized in operations as they occur.
- h. *Revenue Recognition* - Container assets are revenue-earning under operating leases. The financial statements reflect rentals as revenue. Revenues are recognized on a straight-line basis over the life of the respective lease, including free days and incentives. Advanced billings are deferred and recognized in the period earned. Receivables are reserved when collection is deemed doubtful. Late charges are recognized when collected. With respect to sales-type leases, a gain or loss on the sale of the container is calculated in accordance with Statement of Financial Accounting Standards ("SFAS") No. 13, *Accounting for Leases*, of the Financial Accounting Standards Board ("FASB") and included in revenue.
- i. *Expense Recognition* - Expenses are recorded in the period incurred.
- j. *Interest and Related Expense* - Interest and related expense includes foreign currency transaction exchange losses of \$1,693,000 (2003 - \$3,629,000, 2002 - \$709,000).
- k. *Impairment of Long-Lived Assets* - In accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, GE SeaCo reviews its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. GE SeaCo considers its container fleet as one asset for impairment review purposes. An impairment, if any, would be recognized when expected future undiscounted operating cash flows of the fleet or other asset are lower than its carrying value. In the event that an impairment occurs, the fair value of the related asset is estimated, and GE SeaCo records a charge to earnings calculated by comparing the asset's carrying value to the estimated fair value.
- l. *Income Taxes* - Deferred income taxes result from temporary differences between the financial reporting and tax basis of assets and liabilities. Deferred taxes are recorded at enacted statutory rates and are adjusted as enacted rates change. Classification of deferred tax assets and liabilities corresponds with the classification of the underlying assets and liabilities giving

rise to the temporary differences or the period of expected reversal, as applicable. A valuation allowance is established, when necessary, to reduce deferred tax assets to the amount that is more likely than not to be realized based on available evidence.

- m. *Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include, among others, the allowance for doubtful accounts, depreciation and amortization, employee benefits, taxes and contingencies. Actual results may differ from those estimates.
- n. *Concentration of Credit Risk* - Trade receivables potentially subject GE SeaCo to credit risk. GE SeaCo extends credit to its customers based upon an evaluation of the customers' financial condition and credit history and generally does not require collateral. Due to the large number of customers comprising GE SeaCo's customer base and their dispersion across different geographical areas, GE SeaCo's concentration of credit risk is limited.
- o. *Interest Rate Swap Agreements* - GE SeaCo is exposed to interest rate risk on its floating rate debt and tries to manage the impact of interest rate changes on earnings and cash flows. From July 2004, GE SeaCo's policy is to enter into interest rate swap agreements to hedge the variability in interest rate cash flows due to interest rate risk on floating rate debt for a five year period from the drawing down of the debt. At December 31, 2004, GE SeaCo had outstanding interest rate swaps, which have been designated as cash flow hedges. Since their designation as cash flow hedges, changes in fair value are accumulated in other comprehensive loss as no ineffectiveness is expected. Amounts accumulated in other comprehensive loss will be reclassified into earnings as the hedged interest cash flows are accrued. The fair value of the outstanding swaps at December 31, 2004 was a \$33,000 liability (2003 - \$nil liability). GE SeaCo had no other interest rate swap agreements at December 31, 2004 and 2003.
- p. *Reclassifications* - Certain amounts in the 2002 and 2003 financial statements have been reclassified to conform with the 2004 presentation. This includes the reclassification of certain amounts historically included in operating expenses which are now included in revenue.

2. REAL ESTATE AND OTHER FIXED ASSETS

The major classes of real estate and other fixed assets are as follows (dollars in thousands):

	December 31,	
	2004	2003
Land and buildings.....	\$ 412	\$ 366
Motor vehicles.....	2,828	2,715
Fixtures, fittings and office equipment.....	<u>28,164</u>	<u>24,414</u>
	<u>31,404</u>	<u>27,495</u>
Less: Accumulated depreciation.....	<u>20,294</u>	<u>17,861</u>
	<u>\$ 11,110</u>	<u>\$ 9,634</u>

3. ASSET SALE RECEIVABLES

The components of asset sale receivables are as follows (dollars in thousands):

	December 31,	
	2004	2003
Gross asset sale receivables.....	\$5,073	\$5,519
Unearned interest income.....	<u>(477)</u>	<u>(627)</u>
Asset sale receivables.....	<u>\$4,596</u>	<u>\$4,892</u>

Contractual maturities of GE SeaCo's gross asset sale receivables subsequent to December 31, 2004 are as follows (dollars in thousands):

Year Ending December 31,	
2005	\$2,431
2006	1,810
2007	392
2008	340
2009	<u>100</u>
	<u>\$5,073</u>

4. DEBT

Debt at December 31 consists of the following (dollars in thousands):

	2004	2003
Credit Facilities.....	\$ 65,850	\$140,551
Securitization Facilities.....	627,166	370,000
Other.....	<u>1,537</u>	<u>-</u>
	<u>\$694,553</u>	<u>\$510,551</u>

Credit Facilities – GE SeaCo has a \$125,000,000 syndicated multi-currency revolving credit facility under which GE SeaCo can borrow on a revolving basis. Interest on the facility ranged from 1.75% to 2.50% over LIBOR depending on certain debt ratios, and was approximately 2.50% over LIBOR during 2004. At December 31, 2004, \$4,000,000 was outstanding under this facility. This facility was renegotiated and on February 22, 2005 the commitment period was extended to February 20, 2009 and the interest on the facility was reduced to a range of 1.125% to 1.75% over LIBOR. The second credit facility is an eight-year term loan facility in the original amount of \$50,000,000 under which GE SeaCo borrowed under a commitment period which ended in March 2003. GE SeaCo is repaying this facility over its remaining term which ends in 2010. Interest on this facility is 1.75% over LIBOR. At December 31, 2004, \$41,850,000 (2003 - \$45,551,000) was outstanding under this facility. The third credit facility is a \$50,000,000 revolving three-year credit facility entered into on April 20, 2004 under which GE SeaCo can borrow on a revolving basis during a commitment period

ending May 2007, where the balance outstanding at that date becomes due. Interest on the facility is 1.75% over LIBOR until May 2006 and 2.25% over LIBOR thereafter. At December 31, 2004, \$20,000,000 was outstanding under this facility. None of these facilities is guaranteed by GE Capital or SCL.

Securitization Facilities – A bankruptcy-remote majority-owned consolidated GE SeaCo subsidiary (the “Subsidiary”), formed in 2001 to facilitate securitized finance, has issued three series of notes under a securitized facility. These notes are not guaranteed by GE Capital or SCL and are non-recourse to GE SeaCo and its other subsidiaries. The three series of notes share a pool of container collateral and are guaranteed as to timely payment of scheduled interest and ultimate payment of principal by a financial guaranty insurance policy from an AAA rated monoline insurance company. One series of term notes in the original face amount of \$300,000,000 was issued in November 2002 and is repayable over a ten-year term which commenced in November 2002. The annual cost of the insurance wrap on this 2002 series of notes is 0.47% of the outstanding balance. Interest on this 2002 series of term notes is 0.60% over LIBOR. At December 31, 2004, \$237,500,000 (2003 - \$267,500,000) was outstanding under this series of term notes. On May 4, 2004, the Subsidiary issued additional term notes in the original face amount of \$275,000,000. This 2004 series of term notes is repayable over a ten-year term which commenced in May 2004. The annual cost of the insurance wrap on this 2004 series of notes is 0.45% of the outstanding balance. Interest on this 2004 series of notes is 0.30% over LIBOR. At December 31, 2004, \$256,666,000 was outstanding under this series of notes. The third series of notes, originally issued in 2001, consists of a revolving note, currently in the amount of \$150,000,000 which must be renewed annually or the outstanding balance repaid over a ten year term. The revolving note was last renewed in May 2004. The annual cost of the insurance wrap on this revolving note is 0.45% of the outstanding balance. Interest on the note is 0.50% over LIBOR. If the revolving period is not renewed again, interest on the facility will increase to 1.25% over LIBOR. At December 31, 2004, \$133,000,000 (2003 - \$102,500,000) was outstanding under this revolving note.

Other – GE SeaCo has a sterling denominated three-year loan of £960,000 (\$1,843,000) entered into on 10 September, 2004 at a fixed rate of 5.14%. At December 31, 2004, £800,000 (\$1,537,000) was outstanding under this facility.

At December 31, 2004 and 2003, \$694,553,000 and \$510,551,000 respectively, was outstanding under all these facilities bearing a weighted average interest rate of 3.38% and 2.52%, respectively. In addition, GE SeaCo has approximately \$168,000,000 in available lines of credit as of December 31, 2004 (2003 - \$62,500,000). Substantially all of GE SeaCo’s container assets were used as collateral on the facilities provided.

During 2004, GE SeaCo entered into a number of interest rate swap agreements, each with a five year term, to hedge the variability in interest rate cash flows as a result of fluctuations in LIBOR. At December 31, 2004 GE SeaCo had fixed rate swaps covering \$70,000,000 of debt at an average interest rate of 3.89%. The fair value of the swap agreements at December 31, 2004 was a liability of \$33,000 (2003 - \$nil liability). This amount is included in other comprehensive loss and will be reclassified into earnings as the hedged interest cash flows are accrued.

At December 31, 2004, GE SeaCo was in full compliance with all the requirements of the credit agreements evidencing its long-term debt. These requirements included financial covenants to maintain specified minimum debt service coverage and minimum interest coverage and not to exceed specified leverage. The carrying value of the long-term debt approximated its fair value due to the variable-rate nature of the respective borrowings.

The following is a summary of the aggregate maturities of debt at December 31, 2004 (dollars in thousands):

Year Ending December 31,	
2005	\$194,964
2006	62,122
2007	85,976
2008	61,838
2009	62,015
2010 and thereafter.....	<u>227,638</u>
	<u>\$694,553</u>

5. PENSION PLANS

GE SeaCo participates in an SCL pension plan (the “SCL Pension Plan”) for certain of its non-U.S. foreign employees. The plan is a single-employer defined benefit plan of an SCL subsidiary in which the benefits are based primarily on years of service and employee compensation near retirement. It is GE SeaCo’s policy to fund this plan in accordance with applicable laws and income tax regulations attributable to its employees and to record pension expense in similar amounts pursuant to multi employer plan accounting. Contributions and pension expense during 2004, 2003 and 2002 were \$1,158,000, \$936,000 and \$891,000, respectively.

The following information is provided to illustrate the SFAS 132R, Employers’ Disclosures about Pensions and Other Postretirement Benefits, disclosures relevant to benefit costs and obligations attributable to GE SeaCo employees as if these employees participated in a stand-alone GE SeaCo single-employer defined benefit plan. For this purpose, benefit cost and obligation amounts have been allocated from the SCL Pension Plan on a head-count basis.

The significant weighted-average assumptions used to determine net periodic costs of the SCL Pension Plan are as follows:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Discount rate.....	5.4%	5.6%	6.0%
Assumed rates of compensation increases.....	3.0%	2.6%	3.5%
Expected long-term rate of return on plan assets.....	7.0%	6.5%	6.5%

The significant weighted-average assumptions used to determine benefit obligations of the SCL Pension Plan at year end are as follows:

	<u>2004</u>	<u>2003</u>
Discount rate.....	5.3%	5.4%
Assumed rates of compensation increases.....	3.3%	3.0%

The discount rate essentially represents the risk-free rate of return on high-quality corporate bonds at the end of the year in the country in which the assets are held.

In determining the expected long-term rate of return on assets, management has evaluated input from actuaries and financial advisors, including their review of anticipated future long-term performance of individual asset classes and the consideration of the appropriate asset allocation strategy given the anticipated requirements of the respective plans to determine the average rate of earnings expected on the funds invested. The projected returns by these consultants are based on broad equity and bond indices, including fixed interest rate gilts of long-term duration since the plan is predominantly in the U.K. The expected long-term rate of return is based on a planned asset allocation of 60% in equity investments, with an expected long-term rate of return of 8.5%, and 40% in fixed income investments, with an expected long-term rate of return of 4.8%.

The changes in the benefit obligation, the plan assets and the funded status of the SCL Pension Plan attributable to GE SeaCo employees during the years ended December 31, 2004 and 2003 were as follows (dollars in thousands):

	<u>2004</u>	<u>2003</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$21,304	\$15,935
Service cost	522	589
Interest cost	1,276	1,471
Plan participants' contributions	194	257
Actuarial loss.....	3,199	2,540
Benefits paid	(747)	(1,570)
Foreign currency translation	1,764	2,082
	<u>27,512</u>	<u>21,304</u>
Benefit obligation at end of year.....		
Change in plan assets:		
Fair value of plan assets at beginning of year.....	14,724	11,161
Actual return on plan assets	3,071	2,153
Employer contributions.....	739	1,282
Plan participants contributions.....	194	257
Benefits paid	(747)	(1,570)
Foreign currency translation	1,229	1,441
	<u>19,210</u>	<u>14,724</u>
Fair value of plan assets at end of year.....		
Funded status	(8,302)	(6,580)
Unrecognized net actuarial loss	10,257	8,784
Unrecognized prior service cost	-	-
	<u>\$ 1,955</u>	<u>\$ 2,204</u>
Prepaid benefit cost.....		

The components of net periodic benefit cost of the SCL Pension Plan attributable to the GE SeaCo employees during 2004 and 2003 consisted of the following (dollars in thousands):

	<u>2004</u>	<u>2003</u>
Service cost.....	\$ 522	\$ 589
Interest cost.....	1,276	1,471
Expected return on assets.....	(1,158)	(1,237)
Net amortization and deferrals.....	<u>489</u>	<u>553</u>
Net periodic benefit cost.....	<u>\$ 1,129</u>	<u>\$ 1,376</u>

The weighted-average asset allocations of the SCL Pension Plan as of December 31, 2004 and 2003 by asset category as a percentage of plan assets are as follows:

	<u>2004</u>	<u>2003</u>
Equity Investments.....	61.6%	61.4%
Fixed Income Investments.....	37.6%	38.6%
Other.....	<u>0.8%</u>	<u>0.0%</u>
Net amount recognised.....	<u>100.0%</u>	<u>100.0%</u>

The following benefit payments, which reflect assumed future service, are expected to be paid by GE SeaCo (dollars in thousands):

Year ending December 31,

2005.....	\$ 705
2006.....	768
2007.....	851
2008.....	915
2009.....	1,172
2010 to 2013	<u>6,750</u>
	<u>\$11,161</u>

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets of the SCL Pension Plan attributable to GE SeaCo employees were, in aggregate, \$27,512,000, (2003 - \$21,304,000), \$23,695,000 (2003 - \$18,348,000) and \$19,210,000 (2003 - \$14,724,000), respectively.

6. INCOME TAXES

The Society is subject to Barbados income tax. The Society's maximum rate of tax is 2.5%, and the minimum rate is 1%. The Society has organized various subsidiaries throughout the world to perform container leasing and monitoring functions. These subsidiaries are subject to income tax in the local jurisdictions. The tax rates in these jurisdictions generally range from 16% to 50%.

Income taxes provided by GE SeaCo relate principally to its non-US subsidiaries as pre-tax income is primarily non-US, and GE SeaCo is considered a pass-through entity for US tax purposes.

The provision for income taxes consists of the following (dollars in thousands):

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
December 31, 2004:			
United States.....	\$ 8	\$ -	\$ 8
Other foreign.....	<u>2,579</u>	<u>413</u>	<u>2,992</u>
	<u>\$2,587</u>	<u>\$413</u>	<u>\$3,000</u>

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
December 31, 2003:			
United States.....	\$ 3	\$ -	\$ 3
Other foreign.....	<u>1,720</u>	<u>277</u>	<u>1,997</u>
	<u>\$1,723</u>	<u>\$277</u>	<u>\$2,000</u>

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
December 31, 2002:			
United States.....	\$ 9	\$ -	\$ 9
Other foreign.....	<u>2,322</u>	<u>169</u>	<u>2,491</u>
	<u>\$2,331</u>	<u>\$169</u>	<u>\$2,500</u>

The net deferred tax liability recognized in the combined and consolidated balance sheets at December 31, 2004 and 2003 is comprised of the following (dollars in thousands):

	<u>2004</u>	<u>2003</u>
Deferred tax liabilities	\$(3,554)	\$(2,563)
Net deferred tax assets	<u>2,673</u>	<u>1,909</u>
Net deferred tax liabilities	<u>\$ (881)</u>	<u>\$ (654)</u>

GE SeaCo has gross deferred tax liabilities substantially caused by tax depreciation in excess of book depreciation. The gross deferred tax assets consist primarily of tax loss carryforwards. The gross amount of tax loss carryforwards is \$99,043,698. Of this amount, \$17,809,000 will expire in the five years ending December 31, 2009, and a further \$74,632,500 will expire in the five years ending December 31, 2014. The remaining losses of \$6,602,198 have no expiry date.

At December 31, 2004, GE SeaCo had a deferred tax asset of \$1,932,000 (2003 - \$1,748,000) representing the future tax benefits of accrued pension costs recognized in other comprehensive loss.

The differences in the effective rate of tax and the US statutory rate (35%) results principally from earnings generated by subsidiaries for which no consolidated returns may be filed, from different tax rates in other jurisdictions and from earnings outside the US that are not subject to income tax.

7. RELATED PARTY TRANSACTIONS

For the year ended December 31, 2004, GE SeaCo incurred expenses in connection with the lease and management agreements relating to SCL-owned containers provided to GE SeaCo of \$26,499,000 (2003 - \$26,213,000, 2002 - \$33,101,000). For the year ended December 31, 2004, GE SeaCo was allocated expenses under the services agreement with SCL by which SCL provides management and administration services to GE SeaCo and for which GE SeaCo recognized and paid to SCL net amounts of \$31,813,000 (2003 - \$32,936,000, 2002 - \$30,690,000). For the year ended December 31, 2004, GE SeaCo incurred \$641,000 (2003 - \$618,000, 2002 - \$638,000) in travel costs which were purchased from an SCL subsidiary. For the year end December 31, 2004, SCL sold containers from its factories and provided use of SCL's depots for container repair and storage services, for which GE SeaCo paid \$11,569,000 (2003 - \$17,434,000, 2002 - \$23,713,000). At December 31, 2004, \$28,870,000 was due to SCL (2003 - \$30,342,000) in respect of these transactions. In 2004, GE SeaCo paid no interest on loans from SCL (2003 - \$nil, 2002 - \$nil) and at December 31, 2004, GE SeaCo had paid off all its loan balance to SCL (2003 - \$3,000,000).

For the year ended December 31, 2004, GE SeaCo incurred expenses in connection with the lease and management agreements relating to GE Capital-owned containers provided to GE SeaCo of \$68,995,000 (2003 - \$52,788,000, 2002 - \$69,716,000). For the year ended December 31, 2004, GE SeaCo incurred expenses under the services agreement with GE Capital and its subsidiaries by which GE Capital provides administration and computer services to GE SeaCo and for which GE SeaCo recognized and paid to GE Capital net amounts of \$7,903,000 (2003 - \$8,055,000, 2002 - \$8,113,000). At December 31, 2004, \$39,925,000 was due to GE Capital (2003 - \$32,456,000) in respect of these transactions. In 2004, GE SeaCo paid no interest on loans from GE Capital (2003 - \$nil, 2002 - \$nil) and at December 31, 2004, GE SeaCo had paid off all its loan balance to GE Capital (2003 - \$3,000,000).

Under the joint venture master revolving credit agreements, the Society could borrow from the quotaholders for the sole purpose of funding payments of rent under the master lease agreements. The outstanding balance of the working capital loans was repaid upon the expiration of the master revolving credit agreements on May 1, 2002 and there have been no further renewals or extensions of such credit agreements. As a result, the Society incurred no interest expense under working capital loans in 2004 (2003 - \$nil, 2002 - \$167,000).

On December 31, 2004 equal cash distributions were made to GE Capital and SCL (the "joint venture partners"), in the aggregate amount of \$18,000,000. GE SeaCo's 2004 budget approved by the board had contemplated dividends, but these distributions were not declared, approved or ratified by the Board of Managers, which is a requirement pursuant to terms of the joint venture agreement

and Barbados law. The distributions are reflected as a reduction to "Cash and Cash Equivalents" and "Advances due to Parent Companies" in GE SeaCo's balance sheet as of December 31, 2004. Upon discovery by GE Capital in January 2005 of these payments, which were described to it as dividends, GE Capital demanded that these distributions be repaid by the joint venture partners. Accordingly, these distributions were repaid by the joint venture partners to GE SeaCo on March 2, 2005.

There are matters in disagreement between the joint venture partners. GE Capital has asserted that certain capital expenditures by GE SeaCo made to SCL did not receive all of the necessary approvals prior to being incurred. Management of GE SeaCo are not able to determine the potential consequence of a remedy, if any, on GE SeaCo. In addition, GE Capital has asserted that certain shared service allocations from SCL to GE SeaCo were not made in accordance with terms of the Services Agreement. SCL contends that the transactions in question were approved and that the allocations of shared services costs were correctly made (see Note 12). If one or more of GE Capital's assertions is determined to be appropriate, the outcome would be favorable to GE SeaCo.

8. QUOTAHOLDERS' EQUITY

GE SeaCo America LLC has one class of limited liability company units of which 6,000 were outstanding at December 31, 2004, held 3,000 by GE Capital and 3,000 by Sea Containers America Inc., an SCL subsidiary. The Society has five classes of capital quotas, with no par value, as follows:

Class A quotas

These are fully voting and participating quotas of which 6,000 were outstanding at December 31, 2004, held 3,000 by GE Capital Container Two SRL, a GE Capital subsidiary, and 3,000 by SCL.

Class B quotas

These are nonvoting quotas of which 6,000 were outstanding at December 31, 2004, held 4,200 by GE Capital Container SRL ("GEC Subsidiary") and 1,800 by SCL. Dividend rights are limited to distributable cash from containers leased-in to GE SeaCo by the holders and their affiliates. These quotas are redeemable by the Society at a price of \$1.00 per quota when the leases of those containers terminate.

Class C quotas

These are limited voting and non-participating quotas of which 1 was outstanding at December 31, 2004, held by GEC Subsidiary. The holder may elect an additional member to the Board of Managers of the Society in certain circumstances. These quotas are redeemable by the Society at a price of \$0.01 per quota when the holder transfers Class C quotas (except to an affiliate) or the holder and its affiliates sell all of their Class A quotas.

Class D quotas

These quotas were redeemed in 1999.

Class E quotas

These are limited voting and non-participating quotas of which 200,002 were outstanding at December 31, 2004, held 100,000 by GEC Subsidiary and 100,002 by SCL. The majority holders may elect an additional member to the Board of Managers of the Society in certain circumstances. These quotas are redeemable by the Society at a price of \$0.01 per quota when any holder transfers Class E quotas (except to an affiliate) or the holder and its affiliates sell all of their Class A quotas.

9. RENTAL INCOME UNDER OPERATING LEASES

The following are the minimum future rentals as at December 31, 2004 due GE SeaCo under operating leases of containers (dollars in thousands):

<u>Year Ending</u> <u>December 31,</u>	
2005	\$206,792
2006	153,546
2007	114,000
2008	64,748
2009	29,581
2010 and thereafter	<u>23,475</u>
	<u><u>\$592,142</u></u>

10. COMMITMENTS

Outstanding purchase orders for containers and contracts to purchase other fixed assets at December 31, 2004, were approximately \$44,000,000 (2003 - \$51,000,000) of which \$289,000 (2003 - \$2,700,000) were with related parties.

Future payments under operating leases in respect of equipment rentals and leased premises and under a computer information services agreement are payable as follows (dollars in thousands):

<u>Year Ending</u> <u>December 31,</u>	
2005	\$ 82,466
2006	62,848
2007	41,937
2008	26,565
2009	11,656
2010 and thereafter	<u>11,028</u>
	<u><u>\$236,500</u></u>

Of the above, related party rental payments for the leased-in container fleet and related party payments for computer services amount to \$233,434,000. For the years ended December 31, 2004, 2003 and 2002, rental expense for the abovementioned services amounted to \$102,146,000, \$82,421,000 and \$106,674,000 respectively, which is included in operating expenses on the accompanying statements of combined and consolidated operations.

11. ACCUMULATED OTHER COMPREHENSIVE LOSS

The accumulated balances for each component of other comprehensive loss are as follows (dollars in thousands):

	December 31,	
	2004	2003
Foreign currency translation adjustments.....	\$ (9,376)	\$ (8,426)
Interest rate hedge.....	(33)	-
Minimum pension liability, net of tax.....	<u>(4,508)</u>	<u>(4,080)</u>
	<u>\$ (13,917)</u>	<u>\$ (12,506)</u>

12. DISPUTES BETWEEN QUOTAHOLDERS

Pursuant to the Services Agreement dated May 1, 1998 between GE SeaCo and SCL, SCL provides GE SeaCo with certain management and administrative services and receives compensation for the provision of those services (see Note 7). GE Capital has alleged that SCL has committed multiple breaches of the Services Agreement and related documents between SCL and GE SeaCo.

Since May 1998, SCL has allocated to the joint venture various SCL office and communications costs. GE Capital disputes the methodology of allocation as being contrary to the provisions of the Services Agreement and believes the accompanying financial statements reflect excess expense amounts paid by the joint venture to SCL of approximately \$1,000,000 and \$900,000 for the years ended December 31, 2003 and 2004, respectively. Excess expense amounts for the period May 1998 through December 2002 are under investigation. On April 28, 2005, SCL paid \$4,300,000 to GE SeaCo under protest pending resolution of this dispute.

During 2004, GE Capital asserts that GE SeaCo purchased \$2,000,000 of equipment from SCL affiliated factories without proper authorization from the Board of Managers. The Board has directed management to strengthen internal controls, including taking appropriate disciplinary action, to avoid future unauthorized actions. Further, GE Capital has requested that the equipment be removed from the joint venture and that SCL retain title and, further, all future lease profits on such equipment be disgorged to GE SeaCo. SCL believes that the equipment in question, which is reflected on GE SeaCo's combined and consolidated balance sheet, should continue to be owned by GE SeaCo.

As of December 31, 2004, GE SeaCo made cash payments of approximately \$3,000,000 to SCL affiliated factories. GE Capital maintains these payments were made contrary to the payment terms disclosed to the Board of Managers at the time such transactions were approved. GE Capital has requested the payments be returned to GE SeaCo with interest paid from the date of the alleged improper cash payments and that controls with respect to transactions with SCL affiliates be strengthened. SCL believes that payment for this equipment, which is currently reflected on GE SeaCo's combined and consolidated balance sheet, was properly due when GE SeaCo took delivery of the equipment.

GE Capital has raised certain issues with respect to pension expenses and liabilities from SCL to GE SeaCo. The issues are under investigation and not yet quantified.

The agreements establishing GE SeaCo in May 1998 allowed SCL to continue an independent business of leasing certain SCL-owned containers directly to certain customers. GE Capital has alleged that SCL has diverted the services of employees and other resources of GE SeaCo for the benefit of that independent business of SCL. GE Capital has demanded that SCL immediately terminate such diversions and provide restitution to GE SeaCo for them, which GE Capital estimates would be in the amount of approximately \$6,500,000 plus interest. SCL believes that the joint venture parties' understanding in 1998 was that the use of such services and resources was permissible and to be provided without charge.

As a result of these disputes and other alleged breaches of the Services Agreement and related documents, GE Capital delivered a notice of default under the Services Agreement and those related documents on March 29, 2005. On April 28, 2005, SCL wrote to GE Capital denying the alleged breaches and obtained a temporary restraining order preventing immediate termination of the Services Agreement on the basis of its denial of the alleged breaches and citing irreparable harm to SCL. A hearing on the preliminary injunction is scheduled for May 19, 2005.

Further, GE Capital has stated that it is considering exercise of the "C" quota to appoint an additional Manager to the Society's Board of Managers which would give it a majority of the board members.

* * * * *

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 19, 2005

SEA CONTAINERS LTD.

By: /s/ Edwin S. Hetherington
Edwin S. Hetherington
Vice President, General Counsel
and Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Incorporated by Reference to</u>	<u>Description</u>
2	Exhibit 2 to July 18, 2003 Form 8-K Current Report (File No. 1-7560).	Agreement for Sale and Purchase of Sea Containers Isle of Man Ltd. dated July 14, 2003 among Sea Containers Ltd., Sea Containers Ports and Ferries Ltd. and Windwood Ltd.
3(a)	Exhibit 3(a) to June 30, 1992 Form 10-Q Quarterly Report (File No. 1-7560).	Memorandum of Association, Certificate of Incorporation and Memoranda of Increase of Share Capital of Sea Containers Ltd., as amended through June 24, 1992.
3(b)	Exhibit 3(b) to 2003 Form 10-K Annual Report (File No. 1-7560).	Bye-Laws of Sea Containers Ltd., as amended through June 6, 2001.
4(a)	Exhibit 6 to Amendment No. 3 dated June 5, 1998 to Form 8-A Registration Statement (File No. 1-7560).	Rights Agreement between Sea Containers Ltd. and BankBoston N.A., as Rights Agent, dated as of May 9, 1988 and amended and restated as of June 1, 1998.
4(b)	Exhibit 4(b) to June 30, 1998 Form 10-Q Quarterly Report (File No. 1-7560).	Certificate of Designation of Terms of \$7.25 Convertible Cumulative Preferred Shares.
4(c)	Exhibit 4.2 to Form S-4 Registration Statement No. 333-8458.	Indenture dated February 1, 1998 between Sea Containers Ltd. and United States Trust Company of New York, Trustee, relating to 7 ⁷ / ₈ % Senior Notes Due 2008.
4(d)	Exhibit 4.2 to Form S-4 Registration Statement No. 333-11040.	Indenture dated October 1, 1999 between Sea Containers Ltd. and United States Trust Company of New York, Trustee, relating to 10 ³ / ₄ % Senior Notes Due 2006.
4(e)	Exhibit 4.1 to April 28, 2004 Form 8-K Current Report (File No. 1-7560).	Indenture dated May 1, 2004 between Sea Containers Ltd. and The Bank of New York, Trustee, relating to Debt Securities issuable from time to time.
4(f)	Exhibit 4.2 to April 28, 2004 Form 8-K Current Report (File No. 1-7560).	Officers' Certificate dated May 3, 2004 relating to 10 ¹ / ₂ % Senior Notes Due 2012 pursuant to Exhibit 4(e).
4(g)	Exhibit 4.1 to September 30, 2001 Form 10-Q Quarterly Report (File No. 1-7560).	Amended and Restated Indenture dated July 16, 2001 between Sea Containers SPC Ltd. and The Bank of New York, Trustee.
4(h)	Exhibit 4.2 to Form S-4 Registration Statement No. 333-103995.	Indenture dated June 1, 2003 between Sea Containers Ltd. and The Bank of New York, Trustee, relating to 13% Senior Notes Due 2006.
4(i)	Exhibit 4.2 to Form S-4 Registration Statement No. 333-103999.	Indenture dated July 1, 2003 between Sea Containers Ltd. and The Bank of New York, Trustee, relating to 12 ¹ / ₂ % Senior Notes Due 2009.

<u>Exhibit No.</u>	<u>Incorporated by Reference to</u>	<u>Description</u>
4(j)	Exhibit 10.1 to September 30, 2003 Form 10-Q Quarterly Report (File No. 1-7560).	Term Loan and Revolving Credit Facility Agreement dated November 5, 2003 among Silja Oy Ab, certain Silja subsidiaries and a syndicate of lending banks.
4(k)	Exhibit 10.2 to September 30, 2003 Form 10-Q Quarterly Report (File No. 1-7560).	Loan Facility Agreement dated November 5, 2003 among Sea Containers Ltd., Silja Oy Ab, certain Silja subsidiaries and a syndicate of lending banks.
SCL has no instrument with respect to long-term debt not listed above under which the total amount of securities authorized exceeds 10% of the total assets of SCL on a consolidated basis. The Company agrees to furnish to the SEC upon request a copy of each instrument with respect to long-term debt not filed as an exhibit to this report.		
10(a)	Exhibit 10(a) to 1988 Form 10-K Annual Report (File No. 1-7560).	Supplement to Terms of Employment of James B. Sherwood and Edwin S. Hetherington.
10(b)	Exhibit 10(b) to 1997 Form 10-K Annual Report (File No. 1-7560).	Supplement to Terms of Employment of James A. Beveridge.
10(c)	Exhibit 10(h) to 1991 Form 10-K Annual Report (File No. 1-7560).	Sea Containers Ltd. 1991 Stock Appreciation Rights Plan.
10(d)	Exhibit 10(a) to September 30, 1998 Form 10-Q Quarterly Report (File No. 1-7560).	Sea Containers Ltd. 1997 Stock Option Plan.
10(e)	Exhibit 10(e) to Original 2004 Form 10-K (File No. 1-7560).	Sea Containers Ltd. 2004 Stock Option Plan
10(f)	Exhibit 10(i) to 1997 Form 10-K Annual Report (File No. 1-7560).	Omnibus Agreement dated March 19, 1998 among Sea Containers Ltd., GE SeaCo SRL, Genstar Container Corp. and GE Capital Container SRL (without Attachments).
10(g)	Exhibit 2.1 to Form S-1 Registration Statement No. 333-12030.	Services Agreement dated August 1, 2000 among Sea Containers Ltd., Sea Containers Services Ltd. and Orient-Express Hotels Ltd.
10(h)	Exhibit 10.6 to 2001 Form 10-K Annual Report of Orient-Express Hotels Ltd. (File No. 1-16017).	Amendment of Services Agreement dated January 1, 2001 (Exhibit 10(g) above).
10(i)	Exhibit 2.3 to Form S-1 Registration Statement No. 333-12030.	Tax Sharing Agreement dated August 1, 2000 between Sea Containers Ltd. and Orient-Express Hotels Ltd.
10(j)	Exhibit 2.5 to Form S-1 Registration Statement No. 333-12030.	Noncompete Agreement dated August 1, 2000 between Sea Containers Ltd. and Orient-Express Hotels Ltd.
10(k)	Exhibit 10(k) to Original 2004 Form 10-K (File No. 1-7560).	Intercity East Coast Franchise Agreement dated March 18, 2005 between Strategic Rail Authority and Great North Eastern Railway Ltd.
10(l)	Exhibit 10(l) to Original 2004 Form 10-K (File No. 1-7560).	Conditions Precedent Agreement dated March 18, 2005 between Strategic Rail Authority and Great North Eastern Railway Ltd.

<u>Exhibit No.</u>	<u>Incorporated by Reference to</u>	<u>Description</u>
10(m)	Exhibit 10(m) to Original 2004 Form 10-K (File No. 1-7560).	Definitions Agreement dated March 18, 2005 between Strategic Rail Authority and Great North Eastern Railway Ltd.
11	Exhibit 11 to Original 2004 Form 10-K (File No. 1-7560).	Statement of computation of per share earnings.
12	Exhibit 12 to Original 2004 Form 10-K (File No. 1-7560).	Statement of computation of ratios.
14	Exhibit 14 to 2003 Form 10-K Annual Report (File No. 1-7560).	Code of Business Practices for Principal Executive, Financial and Accounting Officers.
21	Exhibit 21 to Original 2004 Form 10-K (File No. 1-7560).	Subsidiaries of Sea Containers Ltd.
23(a)		Consent of Deloitte & Touche LLP to the incorporation by reference, in Form S-3 Registration Statement No. 33-75840 and Form S-8 Registration Statement No. 333-13356, of its report on the financial statements of Sea Containers Ltd. in the Original 2004 Form 10-K.
23(b)		Consent of Deloitte & Touche LLP to the incorporation by reference, in Form S-3 Registration Statement No. 33-75840 and Form S-8 Registration Statement No. 333-13356, of its report on the financial statements of GE SeaCo SRL in this Amendment No. 1.
31		Rule 13a-14(a)/15d-14(a) Certifications.
32		Section 1350 Certification.
99(a)	Exhibit 28 to 1987 Form 10-K Annual Report (File No. 1-7560).	Undertakings incorporated by reference into Form S-8 Registration Statement No. 33-29576.
99(b)	Exhibit 99(b) to Original 2004 Form 10-K (File No. 1-7560).	Item 1-Business from 2004 Form 10-K Annual Report of Orient-Express Hotels Ltd. (File No. 1-16017).
99(c)	Exhibit 99(c) to Original 2004 Form 10-K (File No. 1-7560).	Corporate Governance Guidelines of Sea Containers Ltd.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in:

- Registration Statement No. 33-76840 and the related Prospectus (Dividend Reinvestment and Share Purchase Plan) of Sea Containers Ltd. on Form S-3, and
- Registration Statement No. 333-13356 and the related Prospectus (1997 Stock Option Plan) of Sea Containers Ltd. on Form S-8,

of our report dated March 30, 2005, relating to the consolidated financial statements and financial statement schedule of Sea Containers Ltd., and of our report on internal control over financial reporting dated March 30, 2005 (which report expresses an adverse opinion and includes an explanatory paragraph relating to a material weakness identified), both appearing in the Form 10-K of Sea Containers Ltd. and subsidiaries for the year ended December 31, 2004.

/s/ Deloitte & Touche LLP

New York, New York
May 18, 2005

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in:

- Registration Statement No. 33-76840 and the related Prospectus (Dividend Reinvestment and Share Purchase Plan) of Sea Containers Ltd. on Form S-3, and
- Registration Statement No. 333-13356 and the related Prospectus (1997 Stock Option Plan) of Sea Containers Ltd. on Form S-8,

of our report dated May 10, 2005, relating to the combined and consolidated financial statements of GE SeaCo SRL and subsidiaries and GE SeaCo America LLC (which report expresses an unqualified opinion), appearing in this Amendment No. 1 to the Form 10-K of Sea Containers Ltd. and subsidiaries for the year ended December 31, 2004.

/s/ Deloitte & Touche LLP

New York, New York
May 18, 2005

SEA CONTAINERS LTD.

Rule 13a-14(a)/15d-14(a) Certification

I, James B. Sherwood, certify that:

1. I have reviewed the annual report on Form 10-K of Sea Containers Ltd. for the year ended December 31, 2004, as amended by this Amendment No. 1;
2. Based on my knowledge, this report as so amended does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report as so amended, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report as so amended;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 19, 2005

/s/ J.B. Sherwood

James B. Sherwood
President
(Chief Executive Officer)

SEA CONTAINERS LTD.

Rule 13a-14(a)/15d-14(a) Certification

I, Ian C. Durant, certify that:

1. I have reviewed the annual report on Form 10-K of Sea Containers Ltd. for the year ended December 31, 2004, as amended by this Amendment No. 1;
2. Based on my knowledge, this report as so amended does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report as so amended, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report as so amended;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 19, 2005

/s/ I.C. Durant
Ian C. Durant
Senior Vice President - Finance
and Chief Financial Officer

SEA CONTAINERS LTD.

Section 1350 Certification

The undersigned hereby certify that this report of Sea Containers Ltd. for the periods presented, as amended by this Amendment No. 1, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this report as so amended fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods presented in the report.

/s/ J.B. Sherwood
James B. Sherwood
President
(Chief Executive Officer)

/s/ I.C. Durant
Ian C. Durant
Senior Vice President – Finance and Chief
Financial Officer

Dated: May 19, 2005

[A signed original of this written certification has been provided to Sea Containers Ltd. and will be retained by Sea Containers Ltd. and furnished to the U.S. Securities and Exchange Commission or its staff upon request.]