



## **STAR CRUISES REPORTS RECORD FIRST QUARTER RESULTS**

23 April, 1999 - Star Cruises PLC announced record first quarter earnings today, posting a 163% increase in operating income to US\$19.1 million in 1999 as compared to US\$7.3 million in 1998. 1999 first quarter net income was US\$16.4 million, an improvement of 125% as compared to the 1998 first quarter net income from continuing operations of US\$7.3 million before exceptional item. The record results were due to higher occupancies and lower costs per passenger cruise day. The introduction of the first Megaship in Asia, the 76,800-gross tonne SuperStar Leo, helped stimulate demand and provided significant economies of scale. Earnings per share for the first quarter was US 2.6 cents for 1999 as compared with US 1.5 cents for 1998. "We are pleased that the Company's record results were achieved despite the current economic crisis in Asia and we believe future profits will improve with increases in capacity due to newbuildings," said Datoí Lim Kok Thay, the Chairman of Star Cruises. "We are benchmarking the Company with the best cruise companies in the world. The Company's first quarter results on a per passenger cruise day basis is comparable to the two major US cruise lines and SuperStar Leo is achieving rates of return comparable to other Megaships," he added.

Revenues were US\$88.2 million for the first quarter 1999 compared with US\$64.9 million for the corresponding period last year, an increase of 36%. Passenger cruise days increased from 234,604 to 371,173, an improvement of

58% due to increases in most markets and the addition of SuperStar Leo. Occupancy improved from 77% in the first quarter of last year to 85% for the same period this year. Although the SuperStar Leo is positioned in Singapore, about 50% of the passengers on SuperStar Leo were non-Singaporeans which helped to balance occupancies. "SuperStar Leo was able to stimulate cruise passengers from different source markets such as Australia, Europe, India, Japan, Hong Kong, Taiwan and other Asean countries. Many of them were experienced cruise passengers who were delighted with the level of service and facilities on the ship," said Mr. Colin Au, the President and Chief Executive of Star Cruises. "Cruise passengers gave an overwhelming endorsement to the flexible dining concept with open sitting and the most number of alternative restaurants on any ship in the world. The recognition given to the higher yielding "Balcony Class" passengers for check-in, boarding, dining, shore excursions, entertainment and disembarkation was well received, in particular the use of a Red Access Card for recognition," he added.

Star Cruises won two awards this year, the 1999 "Best Cruise Operator" in the Annual TTG Travel Awards for the third consecutive year since inception and TravelAsia's Breakthrough Awards 1999 for the "New Player of the Year" for its newest cruise liner, the SuperStar Leo. Both the awards were voted on by travel agents and trade professionals in Asia Pacific. Star Cruises was ranked in March 1999 as one of the top 50 brands in Asia by the international rating agency, "Interbrand", and was rated as one of 3 brands with the most potential to move upwards in terms of brand recognition in Asia.

SuperStar Virgo, the second newbuilding was floated out of the covered dock in Meyer Werft shipyard, Germany last weekend. She will be delivered on August 7, 1999 in Amsterdam and the ship will be in service in Singapore by August 28,

1999, one month earlier than expected. The early delivery is due to the efficient and close working relationship between Star Cruises and Meyer Werft. This will add positively to earnings as SuperStar Virgo will replace SuperStar Leo one month earlier in Singapore and SuperStar Leo will commence service in Hong Kong one month earlier than planned. Star Cruises, "The Leading Cruise Line in Asia-Pacific" is one of the five largest cruise lines in the world. By 2002, Star Cruises will have a fleet of 10 vessels with lower berth capacity of about 12,000 with annual growth of 25% per year for the corresponding period.

Star Cruises has also one of the youngest cruise fleets in the world with ships based throughout Asia with Singapore, Port Klang, Phuket, Bangkok, Hong Kong, Taipei, Okinawa and Osaka/Kobe as ports of embarkation by early 2000. Star Cruises has offices in Australia (Sydney, Melbourne, Brisbane and Perth), Asia (China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, Taiwan and Thailand), Europe (Austria, Germany and United Kingdom) and the United States of America.

**STAR CRUISES PLC**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited, in US dollars thousands, except per share data)

	<b>First Quarter Ended March 31,</b>	
	<b>1999</b>	<b>1998</b>
Revenue from continuing operations	88,217	64,902
<u>Costs and Expenses</u>		
Operating	46,718	38,238
Marketing, selling and administrative	11,606	10,648
Depreciation and amortisation	10,754	8,724
	<u>69,078</u>	<u>57,610</u>
Operating income	19,139	7,292
<u>Other income / (expense)</u>		
Interest income	1,535	149
Interest expense, net of capitalised interest	(4,165)	(200)
Income tax expense	(138)	(144)
Minority interests	-	178
	<u>(2,768)</u>	<u>(17)</u>
Income from continuing operations	16,371	7,275
Loss from discontinued operations		(12,384)
Exceptional item	<u>          </u>	<u>(7,904)</u>
Net income / (loss)	<u>16,371</u>	<u>(13,013)</u>
Basic Earnings per Share (cents per share)		
Income from continuing operations	US 2.6 cents	US 1.5 cents
Weighted Average No. of Shares Outstanding	624,447,225	499,447,225
	<b>First Quarter Statistics</b>	
	<b>1999</b>	<b>1998</b>
Occupancy as a percentage of total capacity	85%	77%
Passenger Cruise Days	371,173	234,604

1. The consolidated statements of operations for first quarter of year 1999 and 1998 have been presented in accordance with International Accounting Standards. The Company will present its half year announcement in accordance with US Generally Accepted Accounting Principles.
2. The 1998 first quarter net loss after exceptional item and loss from discontinued operations is US\$13.0 million. The discontinued operations pertains to the operations in relation to a cruise venture in the United States and the exceptional item pertains to the reimbursement for the reduction in value of non-cruise property at the Port Klang Cruise Centre which was sold on the basis of "commercial" land use but was subsequently approved as "industrial" land use.

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For editorial, please contact:

MALAYSIA

**Gerard Lim**

*Vice President, Corporate Planning*

Port Klang, Malaysia

Tel : 603-309 2600

Fax : 603- 384 0213

e-mail : [gerard@starcruises.com.my](mailto:gerard@starcruises.com.my)

**Jane Poh**

*Vice President, Corporate Communications*

Port Klang, Malaysia

Tel : 603-309 2526

Fax : 603- 301 1479

e-mail : [sjpoh@starcruises.com.my](mailto:sjpoh@starcruises.com.my)