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STAR CRUISES ANNOUNCES THIRD QUARTER EARNINGS FOR 2000

For the nine months ended September 30, 2000, Star Cruises Group (including NCL) recorded an operating income of US\$174.0 million compared to US\$73.2 million for the same period last year. The results for the third quarter of 2000 are not comparable to last year as the acquisition of NCL occurred only in February this year. The net income for the period before acquisition charges was US\$105.8 million. The acquisition led to US\$65.2 million of additional interest expense arising from the financing of the acquisition, and US\$9.8 million of amortisation of goodwill, tradenames and trademarks and US\$5.5 million of other fair value adjustments arising from the consolidation of NCL into Star Cruises financial statements resulting in a net income for the period of US\$25.3 million.

For the nine months ended September 30, 2000, Star Cruises Group (including NCL) recorded an occupancy of 98% as compared with 101% last year.

For the third quarter of 2000, Star Cruises Group (including NCL) recorded an operating income of US\$89.1 million on revenue of US\$435.9 million compared to US\$29.7 million on revenue of US\$109.0 million of the same period in 1999. This represents a 200% and 300% increase respectively.

For the third quarter of 2000, Star Cruises Group (including NCL) recorded an occupancy of 100% as compared with 110% last year.

Star Cruises (excluding NCL)

For the nine months ended September 30, 2000, revenue and operating income for Star Cruises (excluding NCL) increased 38% and 24% respectively compared to the same period last year. In the first nine months this year, Star Cruises (excluding NCL) recorded an occupancy of 91% compared to 101% for last year. The low load factor this year was largely due to the low occupancy experienced in the developing markets of Japan and Thailand. Excluding the new North Asian market, the occupancy for the first nine months of this year would have been 99% despite an increase in capacity of 29%.

For the nine months of 2000, despite the increase in fuel costs, Star Cruises operating costs and selling, general and administrative costs on a per capacity day basis is lower compared to the same period last year.

For the third quarter of 2000, Star Cruises (excluding NCL) recorded an operating income of US\$38.9 million on revenue of US\$143.8 million compared to US\$29.7 million on revenue of US\$109.0 million of the same period in 1999. This represents an increase of 31% and 32% respectively, on an increase in capacity of 46%. Star experienced lower load and yields in the new markets. Given a relatively short presence in these new markets and the need to increase cruise awareness, the lower results are expected. Operating costs for the third quarter of 2000 continue to be in line with the same period last year on a per capacity day basis, despite higher fuel prices.

“Looking forward, with winter months in the new markets, we expect occupancy to be at the same levels. Core markets in Singapore and Hong Kong should continue to perform, in line with previous year” says Mr. Chong Chee Tut, Chief Operating Officer of Star Cruises.

NCL

For the first nine months of 2000, NCL showed marked improvement compared with the same period last year. Revenues and operating income excluding the effect of certain non-recurring charges and charges related to the change of control, increased 18% and 65% respectively compared to the same period of 1999.

Available capacity days increased by 23% from 2,819,873 to 3,463,058 for the nine months this year compared to the same period last year. This is due to the introduction of the Norwegian Sky and the lengthening of Norwegian Majesty.

Occupancy increased marginally by 0.5% from 100.2% to 100.7% for the same period year-on-year.

For the third quarter ended September 30, 2000, NCL recorded an operating income of US\$51.6 million on revenue of US\$292.0 million as compared to operating income of US\$31.2 million on revenue of US\$245.2 million in the same period in 1999.

Available capacity days increased by 15% from 1,046,346 to 1,203,657 for the third quarter this year compared to the same period last year.

Occupancy for the third quarter increased by 3.3% from 101.1% to 104.4% for the same period year-on-year.

“The acquisition of NCL earlier this year has placed Star Cruises Group as a single global cruise line, giving us the opportunity to map out a ship deployment plan that will enable us to position ships to markets where they are most suitable and where we can maximise on yields. With our recent fleet deployment announcement, we are able to position NCL more competitively by having four new megaships by 2002, and in addition continue to offer a new ship each year in Star’s core markets of Hong Kong and Singapore. Moving ahead, we are confident the Group will continue to improve its performance by capitalising on the various synergies that exist within the Group, to further develop the Asia Pacific cruise market and to place NCL as one of the leading cruise operators in North America with improved product and services” says Dato’ Lim, Chairman of Star Cruises.

Consolidated Statements of Operations

Attached are the unaudited results for third quarter and first nine months ended September 30, 2000 prepared in accordance with US GAAP.

Certain statements in this press announcement are forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performances or achievements to differ materially from future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include general economic and business conditions, changes in cruise industry competition, weather and other factors.

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STAR CRUISES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2000 AND 1999
PREPARED IN ACCORDANCE WITH US GAAP
(unaudited, in thousands of US dollars, except per share and operating data)

	Third Quarter Ended September 30, 2000			Third Quarter Ended September 30, 1999	
	Star Cruises (excluding NCL)	NCL (post- acquisition results) <i>(Note 3)</i>	Corporate <i>(Note 1)</i>	STAR CRUISES GROUP	STAR CRUISES GROUP
Revenues	\$ 143,809	\$ 292,044		\$ 435,853	\$ 109,016
Costs and expenses					
Operating expenses	(71,609)	(181,862)		(253,471)	(49,336)
Selling, general and administrative expenses	(17,234)	(41,410)	(199)	(58,843)	(17,052)
Depreciation and amortization	(16,072)	(17,204)	(1,129) <i>(Note 2)</i>	(34,405)	(12,925)
Total costs and expenses	(104,915)	(240,476)		(346,719)	(79,313)
Operating income	38,894	51,568		89,134	29,703
Non operating income (expense)					
Interest income	540	446		986	921
Interest expense, net of capitalized interest	(9,118)	(14,972)	(24,673)	(48,763)	(4,667)
Other income (expense), net	(142)	189		47	(3)
Gain (Loss) on foreign exchange and interest rate swaps, net	372	(1,151)		(779)	-
Income tax expense	(312)	(12,503)	(2,835)	(15,650)	(886)
Minority interests	-	-	(3,424)	(3,424)	-
Total non-operating expense	(8,660)	(27,991)		(67,583)	(4,635)
Net income	\$ 30,234	\$ 23,577		\$ 21,551	\$ 25,068
Earnings per share in US cents:					
- Basic				US 0.7 cents	US 0.8 cents
- Diluted				US 0.7 cents	US 0.8 cents
Weighted average common stock outstanding after adjusting the effect of bonus issue ('000)				3,124,287	3,122,242
Weighted average common stock outstanding after adjusting the effect of bonus issue and assuming dilution ('000)				3,172,313	3,176,678
<u>Operating data</u>					
Passenger Cruise Days	702,842	1,256,042		1,958,884	569,755
Available Capacity Days	755,300	1,203,657		1,958,957	518,560
Occupancy as a percentage of total capacity	93%	104%		100%	110%

Note :

1. The corporate column related to Arrasas Limited's interest expense of \$24.7 million and administrative expenses of \$0.2 million together with the fair value adjustments required.
2. Included the goodwill, trade names and trademarks amortization of \$4.3 million arising from the acquisition of NCL.
3. Certain NCL's balances have been reclassified to conform with Star Cruises' presentation.

STAR CRUISES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 AND 1999
PREPARED IN ACCORDANCE WITH US GAAP
(unaudited, in thousands of US dollars, except per share and operating data)

	Nine months ended September 30, 2000			Nine months ended September 30, 1999	
	Star Cruises (excluding NCL)	NCL (post- acquisition results) <i>(Note 5)</i>	Corporate <i>(Note 1)</i>	STAR CRUISES GROUP	STAR CRUISES GROUP
Revenues	\$ 383,135	\$ 616,740		\$ 999,875	\$ 277,250
Costs and expenses					
Operating expenses	(196,288)	(394,461)		(590,749)	(130,244)
Selling, general and administrative expenses	(49,435)	(96,109)	(683)	(146,227)	(39,639)
Depreciation and amortization	(46,702)	(39,784)	(2,445) <i>(Note 2)</i>	(88,931)	(34,157)
Total costs and expenses	(292,425)	(530,354)		(825,907)	(204,040)
Operating income	90,710	86,386		173,968	73,210
Non operating income (expense)					
Interest income	906	1,228		2,134	4,139
Interest expense, net of capitalized interest	(25,608)	(34,349)	(65,226)	(125,183)	(9,781)
Other income (expense), net	(474)	366		(108)	(123)
Gain (Loss) on foreign exchange and interest rate swaps, net	2,126	(1,184)		942	(1,065)
Income tax expense	(1,041)	(13,241)	(5,798)	(20,080)	(1,505)
Minority interests	-	-	(5,672)	(5,672)	-
Loss from affiliated operation, net	-	-	(748) <i>(Note 3)</i>	(748)	-
Total non-operating expense	(24,091)	(47,180)		(148,715)	(8,335)
Net income	\$ 66,619	\$ 39,206		\$ 25,253	\$ 64,875
Earnings per share in US cents:					
- Basic				US 0.8 cents	US 2.1 cents
- Diluted				US 0.8 cents	US 2.1 cents
Weighted average common stock outstanding after adjusting the effect of bonus issue ('000)				3,123,975	3,122,238
Weighted average common stock outstanding after adjusting the effect of bonus issue and assuming dilution ('000)				3,177,552	3,156,516
<u>Operating data (Note 4)</u>					
Passenger Cruise Days	2,011,872	2,828,652		4,840,524	1,399,042
Available Capacity Days	2,199,486	2,745,670		4,945,156	1,388,929
Occupancy as a percentage of total capacity	91%	103%		98%	101%

Note :

- The corporate column related to Arrasas Limited's interest expense of \$65.2 million and administrative expenses of \$0.7 million together with the fair value adjustments required.
- Included the goodwill, trade names and trademarks amortization of \$9.8 million arising from the acquisition of NCL.
- The loss from affiliated operations, net of amortization of goodwill is for the period of Jan and Feb 2000.
- Passenger cruise days and available capacity days of 2,828,652 and 2,745,670 respectively and the occupancy rate of 103% for NCL were for period from March 2000 to September 2000.
- Certain NCL's balances have been reclassified to conform with Star Cruises' presentation.