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**PRESS RELEASE**  
**For Immediate Release**

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### **STAR CRUISES ANNOUNCES FIRST QUARTER EARNINGS FOR 2001**

For the first quarter ended March 31, 2001, Star Cruises Group including NCL Holding ASA ("NCL"), the Group recorded a net income of US\$4.4 million compared to US\$1.2 million for the same period in 2000.

This is the first quarter Star Cruises Group is consolidating NCL as a wholly owned subsidiary. In line with the format of the announcement of the other major cruise lines, we will be announcing our results as a whole group.

The results for the first quarter ended March 31, 2001 is not comparable to 2000 as the acquisition of a majority interest in NCL occurred only in February 2000. On a proforma basis, including January and February 2000 in the comparable numbers, the Group recorded a net income of US\$4.4 million compared to a proforma net income of US\$2.3 million in the same period in 2000.

Revenue for the Group increased by 0.1% from US\$334.9 million to US\$335.4 million as a result of an increase in occupancy of 2% on an increase of 1% in available capacity days. Revenue for Star Cruises Asia Pacific operations increased 17% due to an increase of 10% in available capacity days and yields, as defined as net revenue per capacity day increased 6.8% quarter on quarter. The increase was attributed to continued good performance in the developed markets and also the improvement in the Thailand market which was partially offset by the reduction in the Taiwan market and the start up losses in Japan market. Revenue for NCL decreased 7.1% due to a 4.4% decrease in available capacity days. Yields decreased 4.1% partially due to Millennium event which had a positive effect on 2000 revenue. Excluding the impact of the Millennium event, yields decreased by 2.1% quarter on quarter.

Operating, selling and administrative expenses increased by 8.7% from US\$251.4 million to US\$273.2 million. The Group incurred additional expenses to improve on safety levels as well as additional cost to improve on quality of service onboard the ships to maintain competitiveness.

Non-operating expenses decreased by 52% from US\$45.1 million to US\$21.7 million as a result of lower interest expenses, higher interest income and the gains on foreign exchange contracts for the period. The Group continues to amortize goodwill, tradenames and trademarks as a result of the acquisition.

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*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.*

**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE FIRST QUARTER ENDED MARCH 31, 2001 AND 2000**  
**PREPARED IN ACCORDANCE WITH US GAAP**  
(unaudited, in thousands of US dollars, except per share and operating data)

	First Quarter Ended March 31,	
	<u>2001</u>	<u>2000</u>
Revenues	\$ 335,382	\$ 190,755
Costs and expenses		
Operating expenses	(212,556)	(103,799)
Selling, general and administrative expenses	(60,615)	(30,985)
Depreciation and amortization	(36,123)	(23,803)
Total costs and expenses	<u>(309,294)</u>	<u>(158,587)</u>
Operating income	26,088	32,168
Non-operating income (expense)		
Interest income	3,207	407
Interest expense, net of capitalized interest	(32,169)	(29,840)
Income tax expense	2,419	(2,113)
Loss from affiliated operation, net	-	(748)
Other income, net	4,885	1,631
Minority interests	-	(337)
Total non-operating expense	<u>(21,658)</u>	<u>(31,000)</u>
Net income	<u>\$ 4,430</u>	<u>\$ 1,168</u>
Earnings per share in US cents:		
- Basic	US 0.11 cents	US 0.04 cents
- Diluted	US 0.11 cents	US 0.04 cents
Weighted average common stock outstanding ('000)	4,143,299	3,123,540
Weighted average common stock outstanding and assuming dilution ('000)	4,178,350	3,183,700
<u>Operating data</u>		
Passenger Cruise Days	1,694,181	988,852
Available Capacity Days	1,808,704	1,072,572
Occupancy as a percentage of total capacity	94%	92%

## **Proforma results for the first quarter ended March 31, 2000**

(unaudited, in thousands of US dollars, except operating data)

	First Quarter Ended March 31,	
	<u>2001</u>	<u>2000</u>
Reported operating income prepared under US GAAP	\$26,088	\$32,168
<u>Proforma adjustments</u>		
To consolidate 100% of NCL's results from January 1, 2000 as if the acquisition of 100% of NCL had occurred on January 1, 2000	-	15,243
Proforma operating income	<u>\$26,088</u>	<u>\$47,411</u>
Reported net income prepared under US GAAP	\$4,430	\$1,168
<u>Proforma adjustments</u>		
To consolidate 100% of NCL's results from January 1, 2000 as if the acquisition of 100% of NCL had occurred on January 1, 2000	-	1,116
Proforma net income	<u>\$4,430</u>	<u>\$2,284</u>
<u>Operating data</u>		
Proforma Passenger Cruise Days	1,694,181	1,648,968
Proforma Available Capacity Days	1,808,704	1,789,960
Proforma Occupancy as a percentage of total capacity	94%	92%

### Note:

The above unaudited proforma results for the first quarter ended March 31, 2000 have been prepared for illustrative purposes only and exclude any proforma adjustments for increased interest expense on acquisition debts.

## **Reconciliation of results prepared under US GAAP to HK GAAP**

Following the listing of the Company's entire common stock on The Stock Exchange of Hong Kong Limited in November 2000, the Group has prepared the financial statements under Generally Accepted Accounting Principles in Hong Kong ("HK GAAP"). The results discussed above were prepared in accordance with US GAAP.

The following statements reconcile the Group's results prepared under US GAAP to HK GAAP.

(in thousands of US dollars)	First Quarter ended March 31,	
	<u>2001</u>	<u>2000</u>
Net income prepared under US GAAP	\$4,430	\$1,168
<u>HK GAAP adjustments :</u>		
Interest capitalisation	(4,617)	(1,803)
Depreciation on interest capitalisation	31	31
Net loss prepared under HK GAAP	<u>(\$156)</u>	<u>(\$604)</u>