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STAR CRUISES GROUP ANNOUNCES IMPROVED EARNINGS FOR THIRD QUARTER AND FIRST NINE MONTHS OF 2002

Key points for the quarter and in comparison with Q3 2001:-

- Capacity increased by 14.4% from 1,864,419 to 2,133,505 capacity days
- EBITDA increased by 21.5% from US$99.2 million to US$120.6 million
- Operating Income increased by 32.0% from US$61.2 million to US$80.8 million
- Net Income increased 41.7% from US$39.6 million to US$56.2 million
- Net yield was up marginally by less than 1.0%
- Ship Operating Expenses excluding fuel costs per capacity day reduced by 2.8%
- Selling, General and Administrative Expenses per capacity day decreased by 7.8%

Star Cruises Group

For the third quarter ended September 30, 2002, Star Cruises Group, ("the Group") recorded a significantly improved net income of US$56.2 million as compared with US$39.6 million for the quarter ended September 30, 2001. The strong performance of the quarter was achieved on the back of a 14.4% capacity increase and a higher occupancy at 104% whilst the net yield was up slightly. Net yield is defined as net revenue per capacity day after deducting such costs as commissions, air tickets and other direct costs. In addition, excluding fuel costs, the Group continued to lower its cost structure and has achieved a 4.4% lower ship operating, selling, general and administrative expenses per capacity day as compared with third quarter last year. The reduction is achieved through the greater scale economies from the increased capacity as well as the effect of a stringent cost control program implemented since 2001.

The Group's revenue for the quarter ended September 30, 2002 was US$447.4 million, up 17.8% from US$379.8 million reported in last year's third quarter. Net yield for the quarter increased marginally despite the generally downward trend in net revenues in the industry since September 11, 2001.

During third quarter this year, ship operating expenses, excluding fuel costs, and selling, general and administrative expenses per capacity day were 2.8% down and 7.8% down respectively as compared with third quarter last year.

Net income for the nine months of this year rose to US$92.0 million from US$48.9 million for the same period last year. The first nine months result was achieved on the back of a 15.3% capacity increase, despite a net yield decline of 1.9%. Net income for the first nine months of this year was negatively impacted by charges of US$8.9 million in connection with previously disclosed 5-year syndicated debt refinancing and litigation settlement. For the first nine months of last year, the Group recognized a gain of US$7.7 million on foreign exchange contracts. Excluding these events, the net income for the first nine months of this year would be US$100.9 million as compared with US$41.2 million for the same period last year, which represent an increase of 145%.

The Group's revenue for the first nine months of this year was US$1.21 billion, up 15.6% from US$1.04 billion reported in the same period last year.

During the nine months of this year, the Group has lowered its cost structure significantly, mainly through a combination of continuing cost control measures, the rationalization of its cruise operations and economies of scale through increased capacity and merging of shoreside operations. On a per capacity day basis, excluding fuel costs, ship operating expenses and selling, general and administrative expenses were respectively 5.7% and 13.1% lower for the first nine months ended September 30, 2002 as compared with the same period last year.

On October 15, 2002, the Company announced an approximately US$152 million right issue offering in addition to the approximately US$80 million already raised by way of share placement in June this year. The Company intends to use the net proceeds of these fund raising exercises for the acquisition or construction of vessels in line with the Group's strategy to upgrade its fleet of vessels and as general working capital.

Star Cruises (excluding NCL)

For the third quarter ended September 30, 2002, Star Cruises operated with 9.7% less capacity days compared with the same quarter a year ago. The reduction in capacity days was primarily due to the return of chartered ships, SuperStar Taurus and Norwegian Star 1 this year, which was partially offset by the introduction into service of Wasa Queen and SuperStar Capricorn.

Star Cruises achieved a 6.8% higher net yield in the third quarter this year as compared with third quarter last year.

Excluding fuel costs, in third quarter this year, ship operating expenses and selling, general and administrative costs reduced 9.3% and 6.1% respectively.

For the nine months of this year, Star Cruises operated with 12.1% lower capacity days as compared with corresponding period in 2001. In addition to the above reasons, the cessation of operations of Star Aquarius and two megastar ships in the first quarter last year has also contributed to the reduction in capacity days for the first nine months of this year. Net yield increased 1.6% as compared with first nine months of last year.

On a per capacity day basis, excluding fuel costs, Star Cruises achieved reductions of 5.7% and 5.9% respectively in the operating expenses and selling, general and administrative expenses for the first nine months of this year compared with corresponding period of last year.

With the heightened security concerns in the region following the October 12, 2002 Bali bombing, we thankfully experienced few cancellations. Nevertheless, we have stepped up security measures to an even higher level.

We had a highly successful SuperStar Leo exploratory Hong Kong to Shanghai cruise with more than 2,000 passengers onboard in August this year. Encouraged by this, SuperStar Leo re-embarked on a similar Hong Kong / Shanghai cruise with a stop over in Xiamen in November.

NCL Group

For the third quarter ended September 30, 2002, NCL Group recorded a substantial increase of 28.6% in capacity days compared to the quarter ended September 30, 2001. This increase was due primarily to the introduction of the purpose built "Freestyle Cruising" ships Norwegian Sun and Norwegian Star in the second half of last year. 2002-third quarter net yield was lower by 2.0% from the third quarter last year. Net yields on the NCL brand were up by a little under 2% and Orient Lines yields were down significantly, resulting in an overall blended yield reduction.

During third quarter this year, the NCL Group continued to benefit from the economies of scale resulting from increased capacity and the merging of its shoreside operations of Orient Lines and NCL during the last quarter of 2001. The NCL Group accelerated its cost control measures after September 11, 2001. These measures had brought both ship operating expenses excluding fuel costs and selling, general and administrative expenses per capacity day down 3.6% and 14.9% respectively in third quarter this year as compared with third quarter a year ago.

For the nine months ended September 30, 2002, NCL Group recorded an increase in capacity days of 33.1% as compared with corresponding period in 2001. Net yield was down 1.9%. Net yields on the NCL brand were up a little over 1% year to date and Orient Lines yields were significantly down resulting in an overall blended yield reduction.

On a per capacity day basis, excluding fuel costs, NCL Group achieved reductions of 5.0% and 19.6% respectively in the operating expenses and selling, general and administrative expenses for the first nine months of this year compared with corresponding period of last year.

Although the Orient Lines brand has had a challenging nine months with changed itineraries and reduced pricing on both exotic and Mediterranean cruising, the NCL brand has had a good third quarter and a much-improved result for the nine months year to date. This can be attributed to a combination of factors: the two new ships Norwegian Star and Norwegian Sun are performing very well with good passenger revenues and good on board earnings; Freestyle Cruising is now running smoothly on all ships with the exception of Norway, which continues to offer traditional cruising, and is well accepted by consumers and travel agents; the Homeland Cruising emphasis has proven popular in a year in which Americans are still traveling but traveling closer to home. Over 90% of the NCL brand capacity is deployed out of US and Canadian home ports this year. It is our intention to continue this pattern of Homeland Cruising in 2003 and beyond and to identify further homeports capable of supporting an NCL Freestyle Cruising ship. The importance of cost control and scale efficiencies has also been amply demonstrated during these nine months. The pattern of heightened costs during 2001 while Freestyle Cruising was being introduced and deferred maintenance was being corrected has now been reversed and we have seen significant efficiencies in ship operating costs, even taking account of the higher fuel prices than 2001 and the high port costs of the Hawaii based ships. On overhead and promotion costs, the increase in capacity by almost a third has allowed a modestly increased absolute spend to be spread across a greatly increased capacity base.

The new Norwegian Dawn will be delivered on December 3, 2002, slightly ahead of schedule. She will enter service on December 7, 2002 with approximately 2,000 fare paying passengers on a transatlantic voyage from Southampton to New York. On December 16, she will be christened before a two-night travel agent and press showcase cruise. She will spend the winter based in Miami before moving up to New York in April 2003 to take up a long summer deployment running south to the Bahamas and Florida and back. Forward bookings show good per diems and strong volumes.

Purchase of the Project America assets was completed at the end of October and the hull is now being towed to Germany for completion with a targeted delivery date of April/May 2004. The materials and equipment to complete the ship, together with materials and equipment for the second ship, have largely been removed from the yard and are also en route to Germany.

MORE ON STAR CRUISES

Star Cruises is the fourth largest cruise line in the world presently operating a combined fleet of 19 ships with over 24,000 lower berths, with cruises to destinations and islands in Asia-Pacific, North and South America, Hawaii, Caribbean, Alaska, Europe, Mediterranean, Bermuda and Antarctica under the Star Cruises, Norwegian Cruise Line, Orient Lines and Cruise Ferries brands. By end 2002, with delivery of Norwegian Dawn, Star Cruises will have over 26,000 lower berths. Star Cruises is represented in more than 20 locations worldwide with offices in Australia, New Zealand, China, Germany, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Norway, Philippines, Singapore, Sweden, Switzerland, Taiwan, Thailand, United Kingdom and the United States of America.

For more information on Star Cruises and NCL, please visit www.starcruises.com and www.ncl.com respectively.

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Forward-looking statements

This press release contains forward-looking statements that involve risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on the current beliefs, assumptions, expectations, estimates and projections of the directors and management of Star Cruises Limited (the "Company") about the industry and markets in which the Company and its subsidiaries (the "Group") operate. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Group, are difficult to predict and could cause actual result to differ materially from those express or forecast in the forward-looking statements. Factors that could cause actual result to differ materially from those reflected in the forward-looking statements include general economic and business conditions, changes in cruise industry competition, weather and other factors. Reliance should not be placed on these forward-looking statements, which reflect the view of the Company's directors and management as of the date of this press release only. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the release.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001
PREPARED IN ACCORDANCE WITH US GAAP
(unaudited, in thousands of US dollars, except per share and operating data)

	Third Quarter ended September 30,		Nine Months ended September 30,	
	2002	2001	2002	2001
Revenues	$ 447,373	$ 379,834	$1,205,171	$ 1,042,447
Costs and expenses				
Operating expenses	(264,266)	(221,289)	(735,673)	(636,448)
Selling, general and administrative expenses	(62,555)	(59,314)	(177,716)	(177,309)
Depreciation and amortization	(39,771)	(38,045)	(117,306)	(111,983)
Other expenses	-	-	(2,931)	-
Total costs and expenses	(366,592)	(318,648)	(1,033,626)	(925,740)
Operating income	80,781	61,186	171,545	116,707
Non-operating income (expense)				
Interest income	1,266	1,020	2,264	6,313
Interest expense, net of capitalized interest	(24,289)	(21,946)	(72,044)	(80,222)
Income tax expense	(600)	(341)	(1,135)	(807)
Other income (expense), net	(993)	(294)	(2,677)	6,882
Total non-operating expense	(24,616)	(21,561)	(73,592)	(67,834)
Net income before extraordinary items	56,165	39,625	97,953	48,873
Extraordinary items, net of tax benefits	-	-	(5,927)	-
Net income	$ 56,165	$ 39,625	$ 92,026	$ 48,873
Earnings per share in US cents:				
- Basic	1.29	0.96	2.18	1.18
- Diluted	1.29	0.95	2.17	1.17
Weighted average common stock outstanding (‘000)	4,337,691	4,144,802	4,224,691	4,144,060
Weighted average common stock outstanding and assuming dilution (‘000)	4,349,303	4,159,920	4,237,172	4,166,050
Operating data				
Passenger Cruise Days	2,225,359	1,894,158	6,248,438	5,353,701
Capacity Days	2,133,505	1,864,419	6,323,797	5,485,527
Occupancy as a percentage of total capacity	104%	102%	99%	98%

Reconciliation of results prepared under US GAAP to HK GAAP

For information on the Group's HK GAAP announcement, kindly visit the Group's website at www.starcruises.com. The following reconciles the Group's results prepared under US GAAP to HK GAAP.

(unaudited, in thousands of US dollars)	Third Quarter ended September 30, 2002	Third Quarter ended September 30, 2001	Nine Months ended September 30, 2002	Nine Months ended September 30, 2001
Net income prepared under US GAAP	$56,165	$39,625	$92,026	$48,873
HK GAAP adjustments :				
Interest capitalization	(733)	(3,301)	(2,199)	(11,983)
Amortization of intangible assets	(4,101)	-	(12,304)	-
Forward contract gains	4,384	1,340	1,624	1,340
Others, net	(78)	(366)	(544)	(304)
Net profit prepared under HK GAAP	$55,637	$37,298	$78,603	$37,926