PRESS RELEASE **February 20, 2004**
FOR IMMEDIATE RELEASE **INTERNATIONAL**

STAR CRUISES GROUP ANNOUNCES FOURTH QUARTER AND FULL YEAR 2003 RESULTS

Key points for the quarter and in comparison with fourth quarter of 2002 (before impairment losses and non-recurring expenses) : -

- Capacity decreased by 3.0% from 2,218,222 to 2,152,284 capacity days
- Net revenue was down by 2.4%
- EBITDA increased by 13.6% from US$48.8 million to US$55.4 million
- Operating income increased by 40.9% from US$6.9 million to US$9.7 million
- Net loss was US$14.8 million, down 18.9% from US$18.3 million
- Net yield was relatively unchanged
- Ship Operating Expenses per capacity day were down by 2.9%
- Selling, General and Administrative Expenses ("SG&A") per capacity day were down by 2.7%

Key points for the year and in comparison with year 2002 (before impairment losses and non-recurring expenses) : -

- Capacity increased by 3.0% from 8,542,019 to 8,796,135 capacity days
- Net revenue decreased marginally by 0.9%
- EBITDA decreased 16.0%, from US$340.6 million to US$286.1 million
- Operating income decreased 41.5% from US$181.4 million to US$106.2 million
- Net income decreased 91.1% from US$82.6 million to US$7.3 million
- Net yield was down by 3.8%
- Ship Operating Expenses per capacity day were up by 3.7%
- SG&A per capacity day were down by 2.2%

- *Net yield represents net revenue per capacity day after deducting such costs as commissions, air ticket costs and other direct costs.*

- *Ship operating expenses represent operating expenses excluding such costs as commissions, air ticket costs and other direct costs.*
- *EBITDA represents earnings before interest, taxation, depreciation and amortization.*

Star Cruises Group

For the fourth quarter ended December 31, 2003, Star Cruises Group ("the Group") recorded a net loss of US$14.8 million, before impairment loss and non-recurring expenses, as compared with a net loss of US$18.3 million, before non-recurring expenses, in the fourth quarter of 2002. The Group plans to rejuvenate the fleet by progressively replacing the older tonnage in the Star Cruises fleet with the mid-size NCL modern and relative new ships once the new builds are added to the NCL Group. As part of that strategy, the Group is on the look-out for opportunities to dispose of identified older Star Cruises ships. This substantially accounted for US$95.5 million of impairment loss being recorded in the fourth quarter of 2003 on these selected older tonnage ships and the tradenames and trade marks. The recent disposals of SuperStar Capricorn and SuperStar Aries were part of this overall fleet rejuvenation plan. In addition, in the fourth quarter of 2003, the Group made provisions in respect of legal settlement expenses and related costs in the amount of US$18.5 million. After taking into account the abovementioned charges, the Group's 2003 fourth quarter net loss was US$128.8 million as compared with a net loss of US$19.0 million in the fourth quarter of 2002; the later of which included a small non-recurring expenses of US$0.7 million.

The Group's net revenue for the quarter ended December 31, 2003 was 2.4% lower compared with the same quarter in 2002 due primarily to a decrease in capacity of 3.0%. Net yield and occupancy level were up by 0.6% and 1.3% respectively.

In the fourth quarter of 2003, total ship operating and SG&A expenses per capacity day were 2.9% lower as compared with the same period in 2002. This was largely due to on-going cost reduction initiatives taken which were partially offset by start up costs relating to the new Hawaii operations and expenses of s/s Norway which was not operating during the quarter because of the boiler accident in May 2003. Fuel costs were down by approximately 3.4% on a per capacity day basis.

For the year ended December 31, 2003, the Group recorded a net income of US$7.3 million before impairment loss and non-recurring expenses as compared with net income of US$82.6 million before non-recurring expenses for the year ended December 31, 2002. In the year 2003, the Group had US$5.3 million net proceeds from the loss-of-hire coverage arising from the s/s Norway boiler accident which partially offsets the abovementioned US$18.5 million provisions and US$95.5 million of assets impairment losses. In 2002, the Group recorded US$9.5 million of non-recurring expenses, which were mainly costs related to the 5-year syndicated debt refinancing and litigation settlement. Consequently, taking into account non-recurring charges and impairment losses, the net loss for the year 2003 was US$101.4 million as compared with a net income of US$73.1 million for the year 2002.

The Group's net revenue for 2003 decreased marginally by 0.9%. Despite a 3.0% capacity increase, net revenue was lower primarily due to a combination of lower cruise ticket prices and shipboard revenue as well as overall occupancy level. Occupancy was 2% lower and net yield declined by 3.8% as compared with 2002. The lower net yield and occupancy level were mainly the result of the effect of the Severe Acute Respiratory Syndrome ("SARS") pandemic in the Asia Pacific segment during 2003.

On a per capacity day basis, total ship operating and SG&A expenses were 2.0% higher for 2003 as compared with year 2002 because of the impact of higher fuel prices, the previously disclosed US$5.3 million of costs incurred in response to the SARS outbreak, start up costs for the new Hawaii operations and the expenses relating to s/s Norway which has been laid up since May 2003. These were partially offset by savings from costs reduction initiative. Fuel costs were up by 14.4% on a per capacity day basis in 2003 as compared with 2002.

On January 14, 2004, the newbuild, Pride of America was grounded and took on water up to deck three during a heavy storm while under completion at the Lloyd Werft shipyard in Germany. Subsequently, the shipyard was placed under receivership. The ship has now been refloated and is being inspected in dry dock to determine the extent of damage and to estimate what is likely to be a substantial delay in delivery while a program of repair and replacement is being developed.

Due to certain clauses in the loan agreement to part finance the completion of the ship (the “Loan”), the Lenders under this agreement may be entitled to accelerate the Loan in which case the facility would be immediately repayable at call. Management is now in the process of seeking a waiver from the syndicate of banks and expects to obtain such a waiver.

Due to the possibility of a default under the Loan, one of the Group’s other loan facilities could be deemed to be in default due to cross default clauses contained in this loan facility agreement and others would be deemed to be in default in the event that the lenders accelerate repayment of the Loan. The relevant lenders at the date of this announcement have not designated these other loan facilities as being in default. Management is confident the potential deemed defaults will be remedied by obtaining the necessary waivers from lenders or by taking other measures necessary to satisfactorily address this matter.

In February 2004, the Group accepted an offer from a syndicate of banks to act as underwriters for a US$400 million Reducing Revolving Credit Facility (the “Proposed Facility”) to refinance the US$623 million Facility which will be due in December 2004. The offer is subject to acceptable documentation and satisfaction of certain other conditions. Management is working with the syndicate to finalize and drawdown the Proposed Facility.

Star Cruises (excluding NCL)

In the fourth quarter 2003, Star Cruises operated with 7.7% lower capacity days as compared with the same quarter in 2002. Occupancy level and net yield in fourth quarter 2003 were 1.0% and 5.2% lower respectively as compared with fourth quarter of 2002. On a per capacity day basis, ship operating and SG&A expenses decreased 8.4% as compared with the same period in 2002 due primarily to lower fuel costs as well as the costs reduction exercise taken during the SARS crisis.

For the year 2003, Star Cruises operated with 2.8% lower capacity days as compared with 2002. Occupancy and net yield were 9.0% and 12.2% lower respectively as compared with 2002. Lower net yield and occupancy level were mainly the result of weaker passenger demand following from the outbreak of SARS pandemic in the second quarter of 2003.

On a per capacity day basis, Star Cruises incurred 1.6% higher ship operating and SG&A expenses in 2003 as compared with 2002. Excluding the fuel costs and the previously disclosed US$5.3 million costs incurred in response to the SARS outbreak, total operating and SG&A expenses per capacity day were 1.9% lower as compared with 2002. Fuel costs on a per capacity day basis were 9.3% higher in 2003 as compared with 2002.

With the NCL Group fleet rejuvenation strategy well on track, the focus now is to modify the Asia fleet profile to one with larger numbers of relatively modern ships of medium capacity. These medium capacity ships will be more cost effective in developing new markets. As well, three or four medium capacity vessels in an established market will provide greater flexibility compared with one or two mega ships, in providing more itinerary variety and in better matching capacity to seasonal changes in demand. As NCL’s new builds of 2,000 plus lower berth capacity are delivered, NCL mid-size modern ships of 1,200 to 1,500 lower berth capacity will be transferred to Asia. In line with this Asia fleet rationalization plan, the older, low capacity ships with 600 to 700 lower berths like the SuperStar Capricorn and SuperStar Aries which are less cost effective in the Asia operation were recently sold. Looking forward, these disposals will immediately eliminate the impact of the generally loss making old tonnages. As the NCL mid-size modern ships are introduced progressively over the medium term, Asia will have a fleet of increasingly more modern and cost effective capacity.

The Avian-flu outbreak in the region has not affected bookings thus far. Barring any further deterioration of the outbreak, we expect first quarter 2004 performance in Asia to recover to the level achieved in first quarter 2003.

NCL Group

In the fourth quarter 2003, the NCL Group operated with 0.8% fewer capacity days as compared to the same quarter in 2002. Occupancy level and net revenue yield were respectively 1.9% higher (at 104.1%) and 2.6% higher. On a per capacity day basis, ship operating costs did not change year over year, and SG&A expenses were 3.0% lower. The quarter ended well, with bookings on the NCL brand coming in stronger than originally forecast both in price and volume. The continued cost build-up in advance of the US flag Hawaii project were offset by cost savings in the main business resulting from initiatives taken earlier in the year.

For the full year 2003, the NCL Group operated with 5.5% more capacity days than in 2002. Occupancy and net revenue yield were respectively 0.3% higher (at 104.2%) and 0.7% higher than in 2002. The weakness in the first half of the year resulting from the Iraq war and various other negative factors, was largely though not fully reversed in the second half as the business experienced a good third quarter and a strong end to the fourth quarter.

On a per capacity day basis, ship operating costs were 5% higher and SG&A was 0.7% lower. Ship operating costs were partially impacted by higher fuel costs but also by the Norway accident and the ensuing costs of operating and maintaining that ship out of service. Excluding the impact of fuel and Norway, ship operating costs per capacity day were 1.2% higher.

ABOUT STAR CRUISES GROUP

Star Cruises, the third largest cruise line in the world is a global cruise brand presently operating a combined fleet of 18 ships with over 23,000 lower berths, with cruises to destinations and islands in Asia-Pacific, North and South America, Hawaii, Caribbean, Alaska, Europe, Mediterranean, Bermuda and the Antarctica under the Star Cruises, Norwegian Cruise Line, Orient Lines and Cruise Ferries brands.

Star Cruises is represented in more than 20 locations worldwide with offices in Australia, China, Germany, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Norway, Philippines, Singapore, Sweden, Switzerland, Taiwan, Thailand, United Arab Emirates, 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

For investor relations and editorial, please contact:

MALAYSIA

Gerard Lim
Senior Vice President,
Chief Executive Office
Kuala Lumpur, Malaysia
Tel : (603) 2030 6013
Fax : (603) 2161 3621
Email : *gerard@starcruises.com.my*

Jane Poh
Vice President,
Corporate Communications
Port Klang, Malaysia
Tel : (603) 3109 2526
Fax : (603) 3101 1479
Email : sjpoh@starcruises.com.my

- end -

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 FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2003 AND 2002
PREPARED IN ACCORDANCE WITH US GAAP
(in thousands of US dollars, except per share and operating data)

	Fourth Quarter ended December 31,		Year ended December 31,	
	2003 unaudited	2002 unaudited	2003 audited	2002 audited
Revenues	$400,032	$368,417	$1,618,208	$1,573,588
Costs and expenses				
Operating expenses	(284,155)	(255,587)	(1,088,685)	(991,260)
Selling, general and administrative expenses	(60,430)	(64,023)	(243,379)	(241,739)
Depreciation and amortization	(45,726)	(41,909)	(179,962)	(159,215)
Other expenses	(15,043)	(650)	(9,746)	(3,581)
Impairment loss	(95,545)	-	(95,545)	-
Total costs and expenses	(500,899)	(362,169)	(1,617,317)	(1,395,795)
Operating income (loss)	(100,867)	6,248	891	177,793
Non-operating income (expense)				
Interest income	559	1,061	2,613	3,325
Interest expense, net of capitalized interest	(22,787)	(24,602)	(91,774)	(96,646)
Income tax expense	(402)	(340)	(1,663)	(1,475)
Other expense, net	(5,365)	(1,321)	(11,508)	(9,925)
Total non-operating expense	(27,995)	(25,202)	(102,332)	(104,721)
Net income (loss)	($128,862)	($18,954)	($101,441)	$73,072
Earnings (Loss) per share in US cents:				
- Basic	(2.56)	(0.41)	(2.04)	1.65
- Diluted	N/A (note)	N/A (note)	N/A (note)	1.64
Weighted average common stock outstanding ('000)	5,031,071	4,620,320	4,967,186	4,433,371
Weighted average common stock outstanding and assuming dilution ('000)	5,389,545	4,624,984	5,055,725	4,444,997
Unaudited operating data				
Passenger Cruise Days	2,091,504	2,125,833	8,450,404	8,374,271
Capacity Days	2,152,284	2,218,222	8,796,135	8,542,019
Occupancy as a percentage of capacity days	97%	96%	96%	98%

Note: Diluted loss per share for the fourth quarters ended December 31, 2003 and 2002 and the year ended December 31, 2003 are not shown, as the diluted loss per share is less than the basic loss per share.

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.

(in thousands of US dollars)	Fourth Quarter ended December 31,		Year ended December 31,	
	2003 unaudited	2002 unaudited	2003 audited	2002 audited
Net income (loss) under US GAAP	($128,862)	($ 18,954)	($101,441)	$ 73,072
HK GAAP adjustments:				
Interest capitalization	(685)	(481)	(2,030)	(2,680)
Forward contract gain (loss)	(1,084)	(4,134)	385	(2,510)
Amortization of intangible assets	(3,925)	(4,101)	(15,698)	(16,405)
Impairment loss on intangible assets	(4,000)	-	(4,000)	-
Others, net	(421)	(2)	(1,689)	(546)
Net profit (loss) under HK GAAP	($138,977)	($27,672)	($124,473)	$ 50,931