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STAR CRUISES GROUP ANNOUNCES FIRST QUARTER RESULTS FOR 2004

Key points for the quarter and in comparison with the first quarter of 2003: -

- Capacity decreased by 7.2% from 2.287 million to 2.122 million capacity days
- Net revenue was down by 3.6%
- EBITDA decreased US$1.6 million from US$69.5 million to US$67.9 million
- Operating income decreased US$2.9 million from US$25.9 million to US$23.0 million
- Net income was US$1.2 million, up from a net loss of US$2.2 million
- Net yield was up by 3.8%
- Ship Operating Expenses per capacity day were down by 2.3%
- Selling, General and Administrative Expenses ("SG&A") per capacity day were up by 18.9%

- *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 and excluding non-recurring expenses.*

Star Cruises Group

For the first quarter ended March 31, 2004, Star Cruises Group ("the Group") recorded a net income of US$1.2 million as compared with a net loss of US$2.2 million in the first quarter of 2003.

The Group's net revenue for the quarter ended March 31, 2004 was 3.6% lower as compared with the same quarter in 2003 due primarily to a 7.2% decrease in capacity. The capacity reduction resulted mainly from the *s/s Norway* being taken out of service in May 2003 following the boiler incident. Net yield and occupancy level were up by 3.8% and 4.2% respectively.

In the first quarter of 2004, ship operating expenses per capacity day were 2.3% lower. This was largely due to lower fuel costs, partially offset by start up costs relating to the new Hawaiian operations and lay up expenses of *s/s Norway*. Fuel costs were down by approximately 13.1% on a per capacity day basis.

Selling, general and administrative expenses, however, increased quite significantly in the first quarter of 2004 as compared to the first quarter of 2003 primarily as a result of increased advertising expenses and start-up costs related to the planned introduction of the *Pride of Aloha* under the NCL America brand in Hawaii.

During a severe storm in Northern Germany in mid-January 2004, the *Pride of America* under construction in Lloydwerft sank up to deck three and remained partially submerged for a month while salvage operations were carried out. The ship was raised in mid-February and has been in a dry dock since then. Preservation works and certain repair works have been carried out since then and NCL Group, together with the shipyard, has been negotiating a settlement of the repair claim with the syndicate of insurers covering this incident. NCL Group has also been negotiating amended commercial terms with the shipyard for completion of the ship once repairs have been completed. A firm revised delivery date has yet to be set but management believes that *Pride of America* will be ready for service some time during the summer of 2005.

To take up the program that was already well-sold on *Pride of America*, management decided to re-flag *Norwegian Sky* into the US register, as provided for in the Congressional legislation passed in 2003 that is the basis for NCL's expansion into Hawaii inter-island cruising. In turn, the need to fill the gap left by this re-flagging of *Norwegian Sky* has been addressed by Star Cruises agreeing to transfer to NCL the vessel *m.v SuperStar Leo*, re-named *Norwegian Spirit.* The new *Norwegian Spirit* has entered service in NCL's Alaska fleet on May 15 and represents a net increase in the Group's North America capacity for the second half of the year.

Refinancing of Fleet Loan

On April 20, 2004, the Group entered into a facility agreement with a syndicate of banks for a US$400 million Reducing Revolving Credit Facility (the "Fleet Facility") to refinance the US$623 million Facility which will be due in December 2004. The Fleet Facility shall be repaid within seven years from the date of first drawdown but in no event later than April 30, 2011.

Star Cruises (excluding NCL)

In the first quarter of 2004, Star Cruises operated with 4.1% lower capacity days as compared with the same quarter in 2003. The lower capacity days were mainly a result of the drydocking of *m.v. SuperStar Virgo*. Occupancy level and net yield in first quarter of 2004 were 11.0% and 3.0% higher respectively as compared with first quarter of 2003. On a per capacity day basis, ship operating and SG&A expenses decreased 5.3% as compared with the same period in 2003 due primarily to lower fuel costs as well as the continuing costs reduction exercises taken during the Severe Acute Respiratory Syndrome ("SARS") crisis which started in late first quarter of 2003.

The Asian operation escaped unscathed from the recurrence of SARS in China and the Avian flu outbreak. Thus, with the return to normalcy, the Operating Income is 40% ahead of same period in 2003 which saw the start of the SARS impact towards the end of the quarter and is almost back to the level achieved in the first quarter of 2002.

Going forward, the cost per capacity day will increase as further measures to reduce costs will not completely offset the impact of the capacity reduction arising from the sale *of m.v SuperStar Aries*, *m.v SuperStar Capricorn* and the transfer of *m.v SuperStar Leo* to NCL Group. This negative scale phenomenon will remain until the transfer and commencement of operations of the NCL mid-size ships in the Asia beginning from mid-2005.

The expected commencement of the Macau casinos during the year will also add to the challenge of the Asian operations.

NCL Group

The core NCL business had a good first quarter, with increased net revenue yield and reduced ship operating costs per capacity day. Occupancy levels on the NCL brand were 106.1%, up from 103.6% in the first quarter of 2003. The NCL America operation, which has yet to carry passengers, registered significant start-up costs, including the cost of American crew who are on board NCL's Bahamas-flagged ships in preparation for the launch of US flag service this summer and the cost of the new Honolulu office. Additionally, a large TV advertising campaign was run in the US west coast markets throughout the January-March "wave season" promoting NCL Group's new inter-island Hawaii cruises. This campaign was highly effective in driving booking volumes and strong per diems, though the revenues generated by the campaign will not be recognized until the third quarter.

Capacity days fell from 1.645 million to 1.507 million resulting from the withdrawal *of s/s Norway* in May 2003. Net revenue yield per capacity day rose by 4.0% and ship operating costs per capacity day fell by 1.0%. Excluding the premium associated with US crew training on the Bahamas flagged ships, ship operating costs per capacity day fell by 3.0% for the first quarter ended March 31, 2004 as compared with the same quarter in 2003. Operating margins improved significantly; SG&A expenses, however, rose by almost US$8 million due in major part to the start up costs and advertising campaign associated with the NCL America operation. Consolidated EBITDA was therefore some US$6.3 million down as compared with the first quarter of 2003, at US$29.8 million.

Excluding the impact of the Hawaii/NCL America build-up, the EBITDA before non-recurring charges on the core NCL and Orient Lines business was up by US$3.8 million for the first quarter of 2004 as compared to the first quarter of 2003 in spite of the 8% reduction in capacity days available.

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 17 ships with over 22,000 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

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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 FIRST QUARTER ENDED MARCH 31, 2004 AND 2003
PREPARED IN ACCORDANCE WITH US GAAP
(unaudited, in thousands of US dollars, except per share and operating data)

	First Quarter ended March 31,	
	2004	2003
Revenues	$390,747	$411,962
Costs and expenses		
Operating expenses	(253,205)	(279,402)
Selling, general and administrative expenses	(69,639)	(63,106)
Depreciation and amortization	(43,740)	(43,596)
Other expenses	(1,157)	-
Total costs and expenses	(367,741)	(386,104)
Operating income	23,006	25,858
Non-operating income (expense)		
Interest income	644	941
Interest expense, net of capitalized interest	(21,084)	(24,372)
Income tax benefit (expense)	189	(256)
Other expense, net	(1,512)	(4,369)
Total non-operating expense	(21,763)	(28,056)
Net income (loss)	$1,243	($2,198)
Earnings (Loss) per share in US cents:		
- Basic	0.02	(0.04)
- Diluted	0.02	N/A (note)
Weighted average common stock outstanding ('000)	5,293,141	5,095,783
Weighted average common stock outstanding and assuming dilution ('000)	5,735,451	5,097,374
Operating data		
Passenger Cruise Days	2,065,310	2,129,284
Capacity Days	2,122,018	2,286,507
Occupancy as a percentage of capacity days	97%	93%

Note: Diluted loss per share for the first quarter ended March 31, 2003 is 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.

(unaudited, in thousands of US dollars)	First Quarter ended March 31, 2004	2003
Net income (loss) under US GAAP	$1,243	($2,198)
HK GAAP adjustments:		
Interest capitalization	(1,003)	-
Forward contract gain (loss)	(1,281)	1,683
Amortization of intangible assets	(4,116)	(4,102)
Changes in the fair value of financial derivatives	(3,600)	-
Others, net	(423)	(423)
Net loss under HK GAAP	($9,180)	($5,040)