Star Cruises Limited

(Continued into Bermuda with limited liability)

(Stock Code: 678)

ANNOUNCEMENT
RESULTS FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2004

The Directors of Star Cruises Limited ("Company") announce the unaudited consolidated results of the Company and its subsidiary companies ("Group") for the three months and six months ended 30 June 2004 together with the comparative figures for the previous periods as follow:

	Note	Three months ended 30 June		Six months ended 30 June	
		2004 US$'000 unaudited	2003 US$'000 unaudited	2004 US$'000 unaudited	2003 US$'000 unaudited
Turnover	1	376,928	368,696	767,675	780,658
Operating expenses (excluding depreciation and amortisation)		(253,668)	(266,318)	(508,030)	(545,720)
Selling, general and administrative expenses (excluding depreciation)		(61,112)	(62,536)	(130,751)	(125,642)
Depreciation and amortisation		(45,116)	(49,190)	(93,395)	(97,311)
		(359,896)	(378,044)	(732,176)	(768,673)
Operating profit / (loss)	1	17,032	(9,348)	35,499	11,985
Interest income		631	725	1,275	1,666
Financial costs		(22,902)	(23,266)	(44,989)	(47,638)
Other non-operating income / (expenses), net		(2,867)	259	(9,260)	(2,427)
		(25,138)	(22,282)	(52,974)	(48,399)
Loss before taxation		(8,106)	(31,630)	(17,475)	(36,414)
Taxation	2	(895)	(437)	(706)	(693)
Net loss for the period		(9,001)	(32,067)	(18,181)	(37,107)
Basic loss per share (US cents)	3	(0.17)	(0.65)	(0.34)	(0.75)
Fully diluted earnings per share (US cents) *	3	N/A	N/A	N/A	N/A
<u>Operating data</u>					
Passenger Cruise Days		2,010,013	2,053,526	4,075,323	4,182,810
Capacity Days		1,888,881	2,189,339	4,010,899	4,475,846
Occupancy as a percentage of total capacity days		106%	94%	102%	93%

* Diluted loss per share for the three months and six months ended 30 June 2004 are not shown as the diluted loss per share is less than the basic loss per share. Diluted loss per share for the three months and six months ended 30 June 2003 are not shown as the share option outstanding during the periods has an anti-dilutive effect on the basic loss per share for the respective periods.

NOTES TO THE ACCOUNTS

1. Turnover and Operating Profit / (Loss)

The Group is principally engaged in the operation of passenger cruise ships.

Turnover consists of revenues earned from cruise and cruise related activities and charter hire. Cruise and cruise related revenue comprises sales of passenger tickets, including, in some cases, air transportation to and from the cruise ship, and revenues from onboard services and other related services, including gaming, food and beverage. Charter hire revenue includes the lease of a catamaran to a third party customer.

The amounts of each significant category of revenue recognised by the Group were as follows:

	TURNOVER			
	Three months ended 30 June		Six months ended 30 June	
	2004 US$'000	2003 US$'000	2004 US$'000	2003 US$'000
	unaudited	unaudited	unaudited	unaudited
Cruise and cruise related activities	375,610	367,412	766,357	779,374
Charter hire	1,318	1,284	1,318	1,284
	376,928	368,696	767,675	780,658

	OPERATING PROFIT / (LOSS)			
	Three months ended 30 June		Six months ended 30 June	
	2004 US$'000	2003 US$'000	2004 US$'000	2003 US$'000
	unaudited	unaudited	unaudited	unaudited
Cruise and cruise related activities	16,496	(10,034)	35,690	12,059
Charter hire	536	686	(191)	(74)
	17,032	(9,348)	35,499	11,985

The Group's turnover and operating profit / (loss) in its principal markets of North America and Asia Pacific are analysed as follows:

	TURNOVER			
	Three months ended 30 June		Six months ended 30 June	
	2004 US$'000	2003 US$'000	2004 US$'000	2003 US$'000
	unaudited	unaudited	unaudited	unaudited
Asia Pacific	93,166	80,344	204,880	193,394
North America (note)	251,608	259,271	506,822	527,163
Others	32,154	29,081	55,973	60,101
	376,928	368,696	767,675	780,658

1. Turnover and Operating Profit / (Loss) (Continued)

	OPERATING PROFIT/ (LOSS)			
	Three months ended 30 June		Six months ended 30 June	
	2004 US$'000	2003 US$'000	2004 US$'000	2003 US$'000
	unaudited	unaudited	unaudited	unaudited
Asia Pacific	23,442	(14,985)	41,525	(1,843)
North America (note)	(3,925)	6,765	(1,397)	16,079
Others	(60)	797	221	1,953
	19,457	(7,423)	40,349	16,189
Amortisation of goodwill	(2,425)	(1,925)	(4,850)	(4,204)
	17,032	(9,348)	35,499	11,985

Note: Substantially, all this turnover and operating profit / (loss) arises in the United States of America.

2. Taxation

	Three months ended 30 June		Six months ended 30 June	
	2004 US$'000	2003 US$'000	2004 US$'000	2003 US$'000
	unaudited	unaudited	unaudited	unaudited
Overseas taxation				
- Current taxation	433	419	919	675
- Deferred taxation	710	18	(39)	18
	1,143	437	880	693
(Over) / Under provision in respect of prior years				
- Current taxation	(400)	-	(326)	-
- Deferred taxation	152	-	152	-
	895	437	706	693

The Company, which domiciled in Bermuda, and the majority of its subsidiaries, are not subject to income tax as their income is mainly derived in international waters or outside taxing jurisdictions. However, the Group has incurred a tax charge, as illustrated in the table above, based on the income which is subject to local tax in certain of the respective jurisdictions where it operates. The appropriate local tax rate has been applied, in such circumstances, to determine the applicable tax charge.

3. Loss per share

Loss per share has been calculated as follows:

	Three months ended 30 June		Six months ended 30 June	
	2004	2003	2004	2003
	US$'000	US$'000	US$'000	US$'000
	unaudited	unaudited	unaudited	unaudited
BASIC				
Net loss	(9,001)	(32,067)	(18,181)	(37,107)
Weighted average outstanding ordinary shares in thousands	5,293,202	4,946,177	5,293,171	4,946,175
Basic loss per share in US cents	(0.17)	(0.65)	(0.34)	(0.75)
FULLY DILUTED				
Net loss	(9,001)	(32,067)	(18,181)	(37,107)
Weighted average outstanding ordinary shares in thousands	5,293,202	4,946,177	5,293,171	4,946,175
Effect of dilutive ordinary shares in thousands	438,283	-	439,147	-
Weighted average outstanding ordinary shares after assuming dilution in thousands	5,731,485	4,946,177	5,732,318	4,946,175
Fully diluted earnings per share in US cents *	N/A	N/A	N/A	N/A

* Diluted loss per share for the three months and six months ended 30 June 2004 are not shown as the diluted loss per share is less than the basic loss per share. Diluted loss per share for the three months and six months ended 30 June 2003 are not shown as the share option outstanding during the periods has an anti-dilutive effect on the basic loss per share for the respective periods.

INTERIM DIVIDEND

The Directors do not recommend the declaration of any interim dividend in respect of the six months ended 30 June 2004.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three months ended 30 June 2004 as compared with three months ended 30 June 2003

Turnover

The Group's revenue for the three months ended 30 June 2004 was US$376.9 million, an increase of 2.2% from US$368.7 million for the three months ended 30 June 2003 despite a decrease in capacity of 13.7%. Net revenue increased by 5.5%. Net revenue represents revenue less air ticket costs, travel agent commissions and other direct costs (all of which are included in operating expenses). Net revenue yield for the three months ended 30 June 2004 increased 22.3% as compared with the same quarter of 2003. Net revenue yield is defined as net revenue per capacity day. Occupancy level increased from 93.8% for the three months ended 30 June 2003 to 106.4% for the three months ended 30 June 2004. The Group's performance for the three months ended 30 June 2003 was severely affected by the impact from the Iraq conflict and the outbreak of Severe Acute Respiratory Syndrome ("SARS").

Star Cruises in Asia Pacific operated with 29.5% lower capacity days in the three months ended 30 June 2004 as compared to the three months ended 30 June 2003. The lower capacity was mainly a result of the disposal of m.v. SuperStar Capricorn and m.v. SuperStar Aries in February 2004 and April 2004 respectively as well as the transfer of m.v. SuperStar Leo (renamed as Norwegian Spirit) to NCL Group in May 2004. Net revenue yield was 75.6% higher as compared with the same quarter of 2003. Occupancy level increased from 67.5% in the second quarter of 2003 to 109.2% in the same quarter of 2004.

NCL Group recorded a decrease in capacity days of 7.8% for the three months ended 30 June 2004 as compared to the three months ended 30 June 2003. The lower capacity was the result of three large ships (m.v. Norwegian Star, m.v. Norwegian Sun and m.v. Pride of Aloha) being in dry dock for a total of approximately 135,000 capacity days out of service. In the three months ended 30 June 2003, s/s Norway was removed from service at the end of May and in the three months ended 30 June 2004, m.v. Norwegian Spirit joined the NCL fleet. As two ships of roughly equal passenger capacity, the exit of one and introduction of the other had an essentially neutral effect on capacity year over year at the NCL level. Net revenue yield was 9.1% higher as compared with the same quarter of 2003. Occupancy level increased from 103.6% in the second quarter of 2003 to 105.6% in the same quarter of 2004.

Cost and expenses

Total costs and expenses before interest and non-operating items for the three months ended 30 June 2004 amounted to US$359.9 million as compared with US$378.0 million for the three months ended 30 June 2003, a reduction of US$18.1 million.

Operating expenses decreased by US$12.7 million from US$266.3 million for the three months ended 30 June 2003 to US$253.6 million for the three months ended 30 June 2004. Ship operating expenses (excluding costs such as travel agent commissions, air tickets and other direct costs as they are already included in the net revenue calculation) was 3.1% lower as compared with the same period in 2003. On a per capacity day basis, ship operating expenses were 12.4% higher as compared with the second quarter of 2003. This increase was primarily due to US$13.1 million of expenses relating to 1) continued start up costs for NCL America, 2) lay up expenses for s/s Norway and 3) custom fines on Norwegian Star resulting from necessary alterations to the ship's Hawaii/Fanning Island itinerary in response to a problem with the Azipod propulsion system. Increased costs were partially offset by lower fuel costs. Fuel costs decreased by 3.5% on a per capacity day basis for the three months ended 30 June 2004 as compared with the same period in 2003. Although the price of fuel has risen, the Group's overall fuel cost per capacity day has declined due to the withdrawal of various fuel inefficient ships, notably s/s Norway and m.v. SuperStar Aries, as well as cessation of the fuel-intensive Hawaii/Fanning Island itinerary as of April this year. In the second quarter of 2003, the Group had ship deployment costs for two megaships to Australia to mitigate the impact of SARS and net expenses in connection with s/s Norway boiler accidents.

Selling, general and administrative (SG&A) expenses increased 13.3% on a per capacity day basis as compared with the same period last year. The increased advertising expenses and start up costs to introduce the NCL America brand in Hawaii, coupled with the reduction in capacity pushed the SG&A expenses on a per capacity day basis up. In the second quarter of 2003, the Group incurred charges to streamline the Asia Pacific operations and advertised heavily the two megaships in Australia.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Cost and expenses (continued)

Depreciation and amortisation expenses decreased US$4.1 million to US$45.1 million for the three months ended 30 June 2004 as compared with US$49.2 million for the three months ended 30 June 2003 as a result of the disposal of m.v. SuperStar Capricorn and m.v. SuperStar Aries.

Operating profit / (loss)

Operating profit for the three months ended 30 June 2004 was US$17.0 million, as compared to an operating loss of US$9.3 million for the three months ended 30 June 2003.

Non-operating income/(expense)

Non-operating expenses increased by 12.8% to US$25.1 million for the three months ended 30 June 2004 as compared with US$22.3 million for the three months ended 30 June 2003. During the three months ended 30 June 2004, the Group had a non-cash loss on foreign exchange amounting to US$2.9 million as compared to a non-cash gain on foreign exchange of US$1.4 million in the second quarter of 2003. The non-cash loss resulted primarily from the strengthening of the Singapore dollar and Euro against the US dollar during the quarter. Interest expense, net of interest income and excluding capitalised interest remained flat for the three months ended 30 June 2004 and 2003, at US$22.0 million. Despite higher average outstanding debts, the net interest expense remained unchanged because of the interest capitalisation for ship construction projects and lower interest rates. Capitalised interest was US$2.0 million for the three months ended 30 June 2004 as compared with US$0.1 million for the three months ended 30 June 2003.

Loss before taxation

Loss before taxation for the three months ended 30 June 2004 was US$8.1 million as compared to US$31.6 million for the three months ended 30 June 2003.

Taxation

The Group incurred taxation expenses of US$0.9 million for the three months ended 30 June 2004 as compared with US$0.4 million for the same period in 2003.

Net loss attributable to shareholders

As a result, the Group recorded a net loss attributable to shareholders of US$9.0 million for the three months ended 30 June 2004.

Liquidity and capital resources

Sources and uses of funds

The majority of the Group's cash and cash equivalents are held in U.S. dollars. For the three months ended 30 June 2004, cash and cash equivalents increased to US$314.2 million from US$291.1 million as at 31 March 2004. The Group's business provided US$121.4 million of net cash from operations for the three months ended 30 June 2004 as compared to US$58.8 million for the three months ended 30 June 2003. The increase in net cash generated from operations was primarily due to lower interest payment and an increase in advance ticket sales during the quarter.

During the three months ended 30 June 2004, the Group's capital expenditure was approximately US$54.9 million. Approximately US$25.3 million of the capital expenditure was related to capacity expansion and US$13.0 million conversion costs for Pride of Aloha and Norwegian Spirit. The remaining was vessel refurbishments and onboard assets. In April 2004, the Group received net proceeds of approximately US$40.9 million, from the disposal of m.v. SuperStar Aries.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Sources and uses of funds (continued)

In April 2004, the Group refinanced the outstanding balance of US$403.2 million of the US$623 million Fleet Loan through a drawndown of US$400 million Reducing Revolving Credit Facility. The Group made scheduled principal repayments of US$63.8 million in relation to its other long-term bank loans during the three months ended 30 June 2004. The Group drewdown US$39.7 million under the US$334.1 million Norwegian Jewel Loan for construction of the ship, Norwegian Jewel.

Restricted cash increased approximately US$26.6 million during the three months ended 30 June 2004 due to amounts withheld by the credit card processor and was at approximately US$36.6 million as at 30 June 2004.

Six months ended 30 June 2004 as compared with six months ended 30 June 2003

Turnover

The Group's revenue for the six months ended 30 June 2004 was US$767.7 million, decreased by 1.7% from US$780.7 million for the six months ended 30 June 2003 due primarily to a decrease in capacity of 10.4%. However, net revenue increased by 0.7%. Net revenue yield for the six months ended 30 June 2004 increased 12.3% as compared with the same period of 2003. Occupancy for the six months ended 30 June 2004 was 101.6%, up from 93.5% for the same period last year.

Star Cruises in Asia Pacific operated with 16.3% lower capacity days in the six months ended 30 June 2004 as compared to the six months ended 30 June 2003. Net revenue yield was 30.1% higher as compared with the same period of 2003. Occupancy for the six months ended 30 June 2004 was 91.6%, up from 68.1% for the same period last year.

NCL Group recorded a decrease in capacity days of 8.1% for the six months ended 30 June 2004 as compared to the six months ended 30 June 2003. Net revenue yield was 6.6% higher as compared with the same period of 2003. Occupancy for the six months ended 30 June 2004 was 105.1%, up from 103.1% for the same period last year.

Cost and expenses

Total costs and expenses before interest and non-operating items for the six months ended 30 June 2004 amounted to US$732.2 million as compared with US$768.7 million for the six months ended 30 June 2003.

Operating expenses decreased by US$37.7 million from US$545.7 million for the six months ended 30 June 2003 to US$508.0 million for the six months ended 30 June 2004. Ship operating expenses was 6.2% lower as compared with the same period in 2003. On a per capacity day basis, ship operating expenses were 4.6% higher as compared with the first half of 2003. This increase was primarily due to US$18.9 million of expenses relating to 1) continued start up costs for NCL America, 2) the lay up expenses for s/s Norway and 3) custom fines on Norwegian Star. Increased costs were partially offset by a decrease in the fuel costs. Fuel costs decreased by 8.7% on a per capacity day basis for the six months ended 30 June 2004 as compared with the same period in 2003. In the six months ended 30 June 2003, the Group incurred net expenses in connection with the s/s Norway boiler accident and ship deployment costs.

SG&A expenses increased 16.1% on a per capacity day basis as compared with the same period last year. The increase was primarily due to increased advertising expenses and start up costs to introduce the NCL America brand in Hawaii. In the six months ended 30 June 2003, the Group incurred charges to streamline the Asia Pacific operations and advertised heavily the two megaships in Australia.

Depreciation and amortisation expenses decreased US$3.9 million to US$93.4 million for the six months ended 30 June 2004 as compared with US$97.3 million for the six months ended 30 June 2003 as a result of the disposal of two ships mentioned above.

Operating profit

Operating profit increased by US$23.5 million to US$35.5 million for the six months ended 30 June 2004 as compared with US$12.0 million for the six months ended 30 June 2003.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Non-operating income/(expense)

Non-operating expenses increased by 9.5% to US$53.0 million for the six months ended 30 June 2004 as compared with US$48.4 million for the six months ended 30 June 2003. During the six months ended 30 June 2004, the Group had a non-cash loss on foreign exchange amounting to US$7.3 million as compared to a non-cash gain on foreign exchange of US$3.2 million in the first half of 2003. The non-cash loss resulted primarily from the strengthening of the Singapore dollar and Euro against the US dollar during the period. Interest expense, net of interest income and excluding capitalised interest reduced for the six months ended 30 June 2004 as compared with the same period last year. Interest expenses were lower primarily due to lower interest rates and capitalised interest of US$3.3 million for the six months ended 30 June 2004 as compared with US$0.1 million for the six months ended 30 June 2003.

Loss before taxation

Loss before taxation for the six months ended 30 June 2004 was US$17.5 million as compared to US$36.4 million for the six months ended 30 June 2003.

Taxation

The Group incurred taxation expenses of US$0.7 million each, for the six months ended 30 June 2004 and 2003.

Net loss attributable to shareholders

As a result, the Group recorded a net loss attributable to shareholders of US$18.2 million for the six months ended 30 June 2004.

Liquidity and capital resources

Sources and uses of funds

For the six months ended 30 June 2004, cash and cash equivalents decreased to US$314.2 million from US$377.0 million as at 31 December 2003. The Group's business provided US$161.1 million of net cash from operations for the six months ended 30 June 2004 as compared to US$77.3 million for the six months ended 30 June 2003. The increase in net cash generated from operations was primarily due to lower interest payment and an increase in advance ticket sales during the period.

During the six months ended 30 June 2004, the Group's capital expenditure was approximately US$149.5 million. Approximately US$105.8 million of the capital expenditure was related to capacity expansion and US$17.1 million conversion costs for Pride of Aloha and Norwegian Spirit. The remaining was vessel refurbishments and onboard assets. During the six months ended 30 June 2004, the Group received net proceeds of approximately US$60.4 million from the disposal of m.v. SuperStar Capricorn and m.v. SuperStar Aries.

In April 2004, the Group refinanced the outstanding balance of US$403.2 million of the US$623 million Fleet Loan through a drawndown of US$400 million Reducing Revolving Credit Facility. The Group made scheduled principal repayments of US$134.7 million in relation to its other long-term bank loans during the six months ended 30 June 2004. The Group drewdown US$40.2 million under the US$334.1 million Norwegian Jewel Loan and the €298 million secured term loan for construction of the ships, Norwegian Jewel and Pride of America respectively. Restricted cash increased approximately US$5.9 million during the six months ended 30 June 2004 and was at approximately US$36.6 million as at 30 June 2004.

Corporate reorganisation

Starting in late 2003, the Group undertook a reorganisation of the Norwegian Cruise Line and Orient Lines businesses within the Group. The reorganisation, which closed on 23 April 2004, was intended to increase the financial self-sufficiency of NCL's business, allowing NCL to raise general and ship-specific financing without guarantees or other financial assistance from the Company and to facilitate the renewal of NCL's fleet as newly-built ships are placed into service. In addition, NCL Group transferred six of its ships to the Company's subsidiaries at their net book values along with US$403.2 million of secured indebtedness associated with these ships. After the transfer, NCL entered into arrangements with the Company's subsidiaries to charter these six ships for periods ranging from one to six years to continue operating them under Norwegian Cruise Line and Orient Lines brands.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Contingent liability

There were no material updates to the information disclosed in the Group’s annual report for the year ended 31 December 2003 and the interim report for the three months ended 31 March 2004.

Significant subsequent event

On 9 July 2004, NCL Corporation Ltd. (“NCLC”), a direct wholly-owned subsidiary of the Company announced a US$250 million 10-year Senior Notes issue. The Senior Notes issue was completed on 15 July 2004. On 16 July 2004, NCLC announced a new US$800 million six-year commercial bank facility comprising a US$300 million term loan and a US$500 million revolving credit facility. NCLC used the net proceeds of this US$1.05 billion fund raising exercise 1) to repay the term loans on m.v. Norwegian Star and m.v. Norwegian Sky, 2) to purchase m.v. SuperStar Leo from Star Cruises, and 3) to increase liquidity for general corporate purposes and new ship building.

Cash received by Star Cruises from NCLC for the purchase of m.v. SuperStar Leo was used 1) to repay the term loan on m.v. SuperStar Leo and 2) to pay down US$149.8 million of the US$450 million corporate facility.

Prospects

In Asia Pacific, the improved net revenue yield resulting from the disposal of the older and less cost efficient ships was more than offset the increased SG&A costs per capacity as a result of the negative scale from the corresponding capacity reduction. This re-affirms our Asian fleet rejuvenation strategy.

The big new ships in the NCL fleet continued to perform well. The addition of m.v. Norwegian Spirit to the NCL fleet for the second half of the year, and the successful relaunch of m.v. Norwegian Sky as m.v. Pride of Aloha, will mean that the NCL Group is operating five big new ships in the second half of the year.

The new Hawaii operation commenced service on 4 July and is very well booked at high per diems for the remainder of the year and into next year. Initial operational challenges with an all-new US crew are progressively being addressed and this new trade has very encouraging potential.

Regarding m.v. Pride of America, settlement was reached in June among the shipyard, the shipyard’s lenders, the insurers, the court-appointed receiver, NCL, and NCL’s lenders. Repair and completion work has recommenced and the ship is now scheduled for delivery on 6 June 2005.

Other than as disclosed above, the Directors are not aware of any other material changes to the information in relation to the Group’s performance and the material factors underlying its result and financial position published in the annual report for the year ended 31 December 2003 and the interim report for the three months ended 31 March 2004.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s shares during the six months ended 30 June 2004, save for the issue of 66,480 new ordinary shares of US$0.10 each at an aggregate price of US$17,857 pursuant to the exercise of options granted under the Pre-listing Employee Share Option Scheme.

CORPORATE GOVERNANCE

In compliance with the Code of Best Practice stipulated in Appendix 14 of the Listing Rules (the "Code of Best Practice"), the Company has established an Audit Committee with written terms of reference with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Society of Accountants.

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the Group audit. It also reviews the effectiveness of the external and internal audit and of internal controls and risk evaluation. The Audit Committee comprises the three Independent Non-executive Directors of the Company, namely, Mr. Alan Howard Smith, J.P., Mr. Tan Boon Seng and Mr. Lim Lay Leng. The Audit Committee has reviewed these results.

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not at any time during the six months ended 30 June 2004, in compliance with the Code of Best Practice, except that Independent Non-executive Directors were not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company.

PUBLICATION OF FINANCIAL INFORMATION

All the information required by paragraphs 46(1) to 46(6) inclusive in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in force prior to 31 March 2004 which remains applicable to interim results in respect of accounting periods commencing before 1 July 2004 under the transitional arrangements will be available for publication in the website of the Stock Exchange as soon as practicable.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors of the Company comprises four Executive Directors, namely Tan Sri Lim Kok Thay, Mr. Chong Chee Tut, Mr. William Ng Ko Seng and Mr. David Colin Sinclair Veitch and three Independent Non-executive Directors, namely Mr. Alan Howard Smith J.P., Mr. Tan Boon Seng and Mr. Lim Lay Leng.

On behalf of the Board

TAN SRI LIM KOK THAY
Chairman, President and Chief Executive Officer
Hong Kong, 18 August 2004

Note:
The Group prepares financial statements in accordance with Hong Kong GAAP given its listing on The Stock Exchange of Hong Kong Limited. Management continues to prepare financial statements in accordance with US GAAP given that this was the basis historically and most global cruise companies prepare their financial statements in accordance with US GAAP. For information on the Group's US GAAP announcement, kindly visit the Group's website at www.starcruises.com

Forward-looking statements
This announcement 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 the Company about the industry and markets in which the Group operates. 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 expressed 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 announcement only. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the release of this announcement.