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FOR IMMEDIATE RELEASE	**INTERNATIONAL**

STAR CRUISES GROUP ("THE GROUP") ANNOUNCES FIRST QUARTER RESULTS FOR 2005

The commentary that follows is based on the results prepared in accordance with HK GAAP.

Key points for the quarter and in comparison with 1Q 2004: -

- Capacity decreased by 4.9% from 2.1 million to 2.0 million capacity days
- Net cruise revenue increased by 2.6%
- Net cruise revenue yield increased by 7.8%
- EBITDA increased by 3.6% from US$67.9 million to US$70.4 million
- Operating profit increased by 62.5% from US$18.5 million to US$30.0 million
- Net profit was US$4.4 million, up from a net loss of US$9.2 million
- Ship operating expenses per capacity day were up by 10.7%
- Cruise selling, general and administrative expenses ("SG&A") per capacity day decreased marginally, by 0.4%

- *Net cruise revenue yield represents net cruise 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 as well as excluding non-recurring income or expenses.*
- *EBITDA represents earnings before interest, taxation, depreciation and amortisation and excluding non-recurring income or expenses but including non-cruise segment generated by the recently acquired tour company in Hawaii.*

Star Cruises Group

For 1Q 2005, the Group recorded a net profit of US$4.4 million as compared with a net loss of US$9.2 million in 1Q 2004.

The Group's net cruise revenue for 1Q 2005 was 2.6% higher as compared with 1Q 2004 despite a 4.9% decrease in capacity. Net cruise revenue yield was up by 7.8% primarily due to higher cruise ticket prices, onboard revenues and occupancy levels. Occupancy increased to 102.2% in 1Q 2005 from 97.3% in 1Q 2004. The capacity reduction resulted mainly from the disposals of two older and less cost efficient ships *m.v. SuperStar Capricorn* and *m.v. SuperStar Aries* in February 2004 and April 2004 respectively.

The 1Q 2005 ship operating expenses per capacity day were 10.7% higher as compared with 1Q 2004. This was primarily attributed to increases in crew payroll costs associated with higher staffing levels and higher cost structure of NCL America that commenced operation in July 2004 and the increase in fuel prices. Fuel prices increased approximately 20% as compared with 1Q 2004. Fuel costs were approximately 15% of ship operating expenses for 1Q 2005 and 1Q 2004, respectively. Cruise SG&A expenses per capacity day decreased marginally as compared with 1Q 2004 mainly due to lower advertising expenses partially offset by the impact of the reduction in capacity. The lower advertising expenses in 1Q 2005 were mainly due to the delay until later in the year of advertising expenses in Asia compounded by the higher promotional costs in 1Q 2004 relating to the introduction of NCL America brand.

EBITDA per capacity day for 1Q 2005 were 9.0% higher as compared with 1Q 2004. Depreciation and amortisation per capacity day decreased 12.1% as compared with 1Q 2004 mainly due to the impact of cessation of amortisation of goodwill and trade names in 1Q 2005 following the adoption of new accounting standards effective 1 January 2005, and to a lesser extent, the impact of the disposal of *m.v. SuperStar Capricorn* and *m.v. SuperStar Aries.* Goodwill and trade names amortisation was US$4.1 million in 1Q 2004.

Interest expense, net of interest income and capitalised interest increased by 41.4% to US$30.3 million for 1Q 2005 as compared with US$21.4 million for 1Q 2004 primarily as a result of the impact of higher interest rates. Interests incurred during the ships construction period, are capitalised into the ship costs.

As a result, the Group recorded a net profit per capacity day of US$2.2 for 1Q 2005 up from a net loss per capacity day of US$4.3 for 1Q 2004.

<u>Star Cruises (excluding NCL)</u>

The 1Q 2005 capacity was 39.1% lower as compared with 1Q 2004 because of the disposals of two abovementioned ships and the transfer of *m.v. SuperStar Leo* (renamed *m.v Norwegian Spirit*) to the NCL Group. Net cruise revenue yield in 1Q 2005 was 14.6% higher as compared with 1Q 2004. The higher net cruise revenue yield in 1Q 2005 continued to be driven mainly by higher occupancies and improved onboard revenues. Occupancy level for 1Q 2005 was at 92.4% as compared with 79.7% in 1Q 2004.

Ship operating expenses per capacity day increased 12.1% in 1Q 2005 as compared with 1Q 2004 primarily due to higher crew payroll expenses associated with higher staffing levels as a result of higher occupancies. SG&A expenses per capacity day increased as a result of the negative scale economy impact of the capacity reduction.

The India deployment was announced in April 2005, *m.v. SuperStar Libra* will be homeported in Mumbai, India from September 2005. She is the first of some of the 6 ships that will be progressively transferred over to the Star Cruises fleet.

In addition, Star Cruises announced the return of *m.v. SuperStar Gemini*, currently on her summer deployment in Taiwan, to Singapore offering longer 7 night itineraries from November 2005 to April 2006 catering primarily to the Caucasian markets.

<u>NCL Group</u>

The NCL Group offered capacity increased by 9.1% to 1.6 million capacity days from 1.5 million in 1Q 2004. Occupancy was one tenth of a percentage point lower at 104.4% as compared with 104.5% in 1Q 2004. Net revenue yield was up by 9.8% or by 8.1% excluding the impact of non-cruise revenue generated by the tour company in Hawaii.

Ship operating costs per capacity day were up by 13.9%, or by 8.4% when charter payments to Star Cruises are excluded (No charter payments were made in 1Q 2004). Part of this increase was due to higher fuel costs and part due to increased numbers of US crew as compared to 1Q 2004.

SG&A expense fell in absolute terms, and with the growing scale this translated into a 9.6% reduction in SG&A per capacity day.

The year has started well for all three brands within the NCL Group and forward bookings during the so-called Wave Period have been strong. Capacity will grow further in 2Q 2005 with the introduction of *m.v*. *Pride of America* in late June 2005 and then in 3Q 2005 with the introduction of *m.v. Norwegian Jewel* in early August 2005. *m.v. Norwegian Sea (m.v. SuperStar Libra)* will leave the fleet and transfer over to Star Cruises in August 2005, as discussed above.

ABOUT STAR CRUISES GROUP

Star Cruises, the third largest cruise line in the world is a global cruise brand with a combined fleet of 22 ships in service and due to be delivered with over 35,000 lower berths, cruising 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, NCL America, Orient Lines and Cruise Ferries brands.

Star Cruises is represented in more than 20 locations world-wide with offices in Australia, China, Germany, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Norway, Philippines, Singapore, Sweden, Taiwan, Thailand, United Arab Emirates, United Kingdom and the United States of America.

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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 PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS ENDED 31 MARCH 2005
PREPARED IN ACCORDANCE WITH HK GAAP

	Three months ended 31 March	
	2005 US$'000 unaudited	2004 US$'000 unaudited
Turnover	404,483	390,747
Operating expenses (excluding depreciation and amortisation)	(267,541)	(254,362)
Selling, general and administrative expenses (excluding depreciation)	(66,565)	(69,639)
Depreciation and amortisation *(Note 1)*	(40,374)	(48,279)
	(374,480)	(372,280)
Operating profit	30,003	18,467
Interest income	1,430	644
Financial costs	(31,761)	(22,087)
Share of loss of an associated company	(151)	-
Other non-operating income / (expenses), net *(Note 2)*	5,269	(6,393)
	(25,213)	(27,836)
Profit / (Loss) before taxation	4,790	(9,369)
Taxation	(387)	189
Net profit / (loss) for the period	4,403	(9,180)
Earnings / (Loss) per share in US cents:		
- Basic	0.08	(0.17)
- Fully diluted *(Note 3)*	0.08	N/A
Weighted average outstanding ordinary shares in thousands	5,293,234	5,293,141
Weighted average outstanding ordinary shares after assuming dilution in thousands	5,296,667	5,735,451
<u>Unaudited operating data</u>		
Passenger Cruise Days	2,062,090	2,065,310
Capacity Days	2,018,194	2,122,018
Occupancy as a percentage of total capacity days	102%	97%

Notes :

1) On 1 January 2005, the Group adopted new accounting standards, which are effective for accounting periods beginning on or after 1 January 2005. One of the accounting standards requires the Group to cease amortisation of its goodwill and trade names. Goodwill and trade names amortisation was US$4.1 million for the three months ended 31 March 2004.
2) Included in the other non-operating income/(expenses) for the three months ended 31 March 2005 was a US$4.7 million translation gain of Euro denominated debts and US$1.5 million gain on forward contracts. Included in the other non-operating income/(expenses) for the three months ended 31 March 2004 was US$4.4 million loss on forward contracts.
3) Diluted loss per share for the three months ended 31 March 2004 is not shown, as the diluted loss per share is less than the basic loss per share.