



STAR CRUISES GROUP ANNOUNCES FIRST QUARTER RESULTS FOR 2007

Key points for the quarter in comparison with 1Q 2006: -

- Capacity increased by 17.5% from 2.4 million to 2.8 million capacity days
- Net revenue increased by 9.8% but net revenue yield decreased by 6.5%
- Ship operating expenses per capacity day were up by 1.1%
- Selling, general and administrative expenses ("SG&A") per capacity day decreased by 2.8%
- Operating loss was US\$10.1 million versus an operating profit of US\$15.1 million
- Non-cash foreign currency debts translation loss was US\$9.3 million versus a translation loss of US\$4.7 million
- Net loss was US\$79.4 million compared to a net loss of US\$35.1 million

Star Cruises Group

Net revenue for 1Q 2007 increased 9.8% from 1Q 2006 primarily due to a 17.5% capacity increase which was partially offset by a 6.5% decrease in net revenue yield. The capacity increase in 1Q 2007 was mainly due to the addition of *m.v. Pride of Hawaii* and *m.v. Norwegian Pearl*, which entered service in May 2006 and November 2006, respectively. The overall Group occupancy remained relatively unchanged at 99%, for both quarters. The decrease in net revenue yield was primarily due to the downward pricing pressure on NCL Group's inter-island cruises in Hawaii as well as lower onboard revenue in the Star Cruises Asia fleet.

The 1Q 2007 ship operating expenses per capacity day increased 1.1% compared to 1Q 2006 primarily due to the charter hire fee for *m.v. Norwegian Crown* paid to the third party who purchased the vessel in September 2006 and chartered it back to Star Cruises until the delivery date in November 2007. In 1Q 2007, average fuel prices, including the impact of fuel hedges, decreased approximately 4.1% from 1Q 2006. Fuel costs accounted for approximately 18.3% of ship operating expenses in 1Q 2007 compared with 19.4% in 1Q 2006.

SG&A expenses per capacity day for 1Q 2007 decreased 2.8% compared to 1Q 2006 as a result of economies of scale achieved from the capacity increase.

In May 2007, the independent shareholders of the Company approved the divestment of its 25% indirect interest in Resorts World at Sentosa Pte. Ltd. for a total consideration of S\$255 million. The completion of this disposal is subject to, inter alia, the approval of the independent shareholders of Genting International P.L.C.

Star Cruises (excluding NCL Group)

The 1Q 2007 capacity was 4.7% lower compared with 1Q 2006. Net revenue and net revenue yield decreased by 15.7% and 13.0%, respectively. This was the result of a lower gaming hold percentage onboard Star Cruises' ships. Occupancy levels remained relatively unchanged, at 76% for both quarters.

Ship operating expenses per capacity day in 1Q 2007 increased 5.9% compared with 1Q 2006. This increase was mainly due to the charter fee paid for *m.v. Norwegian Crown*. Average fuel prices decreased approximately 6.3% in 1Q 2007 compared with 1Q 2006.

SG&A expenses per capacity day increased 23.1% compared with 1Q 2006 mainly as a result of higher advertising and promotional costs as well as higher shoreside costs in China.

Upon completing her current season in India at the end of this month, *m.v. SuperStar Libra* will be deployed to Taiwan during June through October this year. The market response to her deployment to Taiwan is encouraging with relatively high volume of advance bookings.

NCL Group

The commentary below is prepared based on NCL Group's US GAAP financial statements.

Net revenue for 1Q 2007 increased 16.9% primarily attributable to a 23.4% increase in capacity partially offset by a 5.3% decrease in net revenue yield. Driving the decrease in net revenue yield was a significant decrease in cruise ticket prices for NCL Group's inter-island cruises in Hawaii. Occupancy for 1Q 2007 was 103.9% compared to 105.5% in 1Q 2006.

In 1Q 2007, ship operating expenses per capacity day decreased 0.7% compared with 1Q 2006. The decrease in these costs was primarily attributable to lower payroll and related costs and fuel costs, partially offset by an increase in dry-docking expenses. Payroll and related costs in 1Q 2006 included start-up costs associated with the introduction of *m.v. Pride of Hawaii* in May 2006. The absence of start-up costs in 1Q 2007, combined with a decrease in crew turnover on the U.S. fleet, resulted in lower recruiting and training costs, which were the primary drivers of the improvement in payroll and related costs per capacity day. Reductions in payroll and other controllable ship costs per capacity day were also achieved across the international fleet. During the quarter, average fuel prices, including the impact of fuel hedges, decreased 3.3% to US\$333 per metric ton from US\$345 per metric ton in 1Q 2006.

SG&A expenses per capacity day decreased 6.3% compared with 1Q 2006 as a result of economies of scale achieved from the 23.4% increase in capacity.

In response to the continuing unsatisfactory result in Hawaii, NCL Group has recently announced the withdrawal of *m.v. Pride of Hawaii* from that market effective February 2008. The ship will be re-flagged, renamed *m.v. Norwegian Jade* and deployed in Europe for the summer of 2008. The European market has shown strong growth resulting from a combination of an increase in the number of Europeans taking cruises and strong demand from U.S. passengers finding U.S. dollar-denominated cruising to be an economically attractive way to experience Europe with the weak U.S. dollar. The European deployment of *m.v. Norwegian Jade* along with her two sister ships, *m.v. Norwegian Jewel* and *m.v. Norwegian Gem*, should allow NCL Group to further capitalise on the growing demand for European cruising.

NCL Group continues to experience a very competitive pricing environment, especially in the Caribbean and Hawaii. Demand for Alaska, though still relatively strong, has begun to show some signs of slowing. Pricing for NCL Group's European deployment remains strong.

Terminology

- *Net revenue yield represents total revenues less commissions, transportation and other expenses and onboard and other expenses per Capacity Day.*
- *Ship operating expenses represent operating expenses excluding commissions, transportation and other expenses and onboard and other expenses. NCL Group, reporting under US GAAP, accounts for dry-docking costs under the direct expense method and these costs are classified as ship operating expenses. Under HKFRS, the dry-docking costs are included as a separate component of the ship costs to be amortised to the subsequent dry-docking generally every 2 to 3 years in the depreciation and amortisation.*
- *Capacity Days represent double occupancy per cabin multiplied by the number of cruise days for the period.*
- *Passenger Cruise Days represent the number of passengers carried for the period, multiplied by the number of days in their respective cruises.*
- *Occupancy Percentage, in accordance with cruise industry practice, represents the ratio of Passenger Cruise Days to Capacity Days. A percentage in excess of 100% indicates that three or more passengers occupied some cabins.*

ABOUT STAR CRUISES GROUP

Star Cruises, the third largest cruise operator in the world is a global cruise brand with a combined fleet of 21 ships with about 32,300 lower berths in service with an additional 3 ships and some 10,800 lower berths due to be delivered by 2010, 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 25 locations worldwide with offices and representatives in Australia, China, Germany, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, 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 Company about the industry and markets in which the Company and its subsidiaries (the "Group") will operate in the future. 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 results to differ materially from those expressed or forecasted in the forward-looking statements. Factors that could cause actual results to differ materially from those reflected in the forward-looking statements include general economic, political and business conditions, changes in cruise industry competition, weather, force majeure events and/or other factors. Reliance should not be placed on these forward-looking statements, which merely reflect the view of the Company as of the date of this press release only. The Company is under no obligation to revise or update publicly these forward-looking statements or any part thereof to reflect events or circumstances resulting from any new information, future events or otherwise on which any such statement was based.

CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2007
PREPARED IN ACCORDANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS

	Three months ended 31 March	
	2007 US\$'000 unaudited	2006 US\$'000 unaudited
Turnover	564,881	513,640
Operating expenses (excluding depreciation and amortisation)	(436,031)	(376,785)
Selling, general and administrative expenses (excluding depreciation)	(80,459)	(70,486)
Depreciation and amortisation	(58,504)	(51,254)
	<u>(574,994)</u>	<u>(498,525)</u>
Operating profit / (loss)	(10,113)	15,115
Interest income	1,433	1,755
Financial costs	(55,876)	(46,363)
Share of loss of an associate	(229)	(654)
Other non-operating expenses, net	(12,740)	(5,448)
	<u>(67,412)</u>	<u>(50,710)</u>
Loss before taxation	(77,525)	(35,595)
Taxation	(1,866)	542
Loss for the period	<u>(79,391)</u>	<u>(35,053)</u>
Attributable to equity holders of the Company	<u>(79,391)</u>	<u>(35,053)</u>
Loss per share in US cents:		
- Basic	(1.13)	(0.62) (note 2)
- Diluted	N/A (note 1)	N/A (note 1)
Weighted average outstanding ordinary shares, in thousands	7,041,224	5,646,500
Weighted average outstanding ordinary shares after assuming dilution, in thousands	7,048,663	5,648,362
<u>Operating data</u>		
Passenger Cruise Days	2,794,561	2,381,418
Capacity Days	2,819,372	2,399,781
Occupancy as a percentage of total capacity days	99%	99%

Notes:

- (1) Diluted loss per share for the three months ended 31 March 2007 and 31 March 2006 are not shown as the diluted loss per share is less than the basic loss per share.
- (2) The basic loss per share for the three months ended 31 March 2006 has been adjusted to reflect the effects of rights issue in December 2006.
- (3) Certain comparative figures have been reclassified to conform to the current period's presentation.