



JOINT PRESS RELEASE
For Immediate Release

INTERNATIONAL
20 December 2004

STAR CRUISES AND VALUAIR FORM STRATEGIC ALLIANCE

Investment by Star Cruises continues its commitment to Singapore's tourism sector

Singapore, 20 December 2004 – Star Cruises and Valuair today announced a strategic alliance that will see the world's third largest cruise line become the largest shareholder in Singapore's first international budget carrier.

The Alliance is in line with Star Cruises' and Valuair's on-going commitment to Singapore's tourism sector. Since its formation in 1993, Star Cruises has contributed significantly to developing Singapore's cruise and tourism industries. Its participation as an equity partner in Valuair is Star Cruises' further contribution to Singapore where its total business spend over the last 5 years totals more than S\$300 million.

The alliance announced today will see Star Cruises and Valuair working closely together to extract marketing and operational synergies. The two companies will co-ordinate operations and jointly market attractive fly/cruise packages to provide passengers with a seamless, yet flexible, travel experience at attractive prices.

Developing Singapore as a Fly-Cruise Hub

The alliance is part of Star Cruises' strategy to develop Singapore into a world renowned cruise hub rivalling Miami. Each year, more than 130,000 in-bound tourists from markets as diverse as India, Australia, China, Indonesia, Malaysia, Japan and the United Kingdom visit Singapore to embark on Star Cruises holidays. This number forms approximately 40% of Star Cruises passengers in Asia embarking in Singapore.

The Star Cruises-Valuair connectivity will give a further boost to the inbound cruise passenger market. Of the more than 130,000 fly-cruise passengers embarking from Singapore per year, close to one third of these passengers are from markets currently served by Valuair.

Valuair commenced operations in May 2004 and operates twice-daily flights to Bangkok and Hong Kong, and daily flights to Jakarta and Perth on its Airbus A320 aircraft. With Valuair's plans to expand its routes to serve the Pan-Asia region including the China and Indian markets, the number of fly-cruise passengers into Singapore is expected to grow significantly.

Star Cruises Chairman, Tan Sri K T Lim, said, "The partnership with Valuair is a significant step in our effort to grow the cruise tourism economy in Singapore. The country has all the ingredients to be a major global cruise hub and Star Cruises is keen to play its part to help Singapore achieve this."

Tan Sri Lim added, "As the tourism sector in the region grows, Star Cruises and Valuair will leverage on each other's strengths to our mutual benefit. Both parties will jointly explore new markets for growth opportunities in the transport sector. We look forward to working with Valuair and are confident that the new partnership forged will pave the way for our customers to enjoy unique holidays with genuine Asian hospitality."

Valuair's Chairman, Mr Lim Chin Beng said, "We are very pleased to have Star Cruises as our strategic partner. Not only will this new alliance benefit both companies commercially, it will also greatly benefit Singapore Tourism and enhance Singapore's status as an aviation and cruise hub."

- ends

About the Star Cruises Group

Star Cruises, the third largest cruise line in the world, is a global cruise company with a combined fleet of 20 ships in service and under construction with over 29,000 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 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 or inquiries, please visit www.starcruises.com

About Valuair

Valuair is Singapore's first value-for-money airline operating out of Singapore Changi Airport. Valuair commenced operations in May 2004 and currently flies twice daily to Bangkok and Hong Kong, as well as once a day to Jakarta and Perth on its A320's. Valuair offers passengers all the comforts not usually associated with a low cost airline such as a 32-inch seat pitch (Valuair's flights to Perth features a 34 inch seat pitch and in-flight entertainment) with leather seats, assigned seating, 20kg baggage allowance, transparent fare structure, light meals and on-board service which is refreshingly different. For more information on flight schedules and bookings, please log on to www.valuair.com

For inquiries please contact:

STAR CRUISES

JANE POH, VP Corporate Communications
Tel: +60 3 3109 2526 (Malaysia)
Email: sjpoh@starcruises.com.my
Or corpcomm@starcruises.com.my

IVAN TAN, VP (Weber Shandwick)
Tel: +65 9635 9765
Email: itan@webershandwick.com

VALUAIR

NILESH PRITAM, Public Relations
Tel : +65-229 8344
Fax : +65-6220 8258
Email : nileshpritam@valuair.com.sg