

Star Cruises full steam ahead - Star Cruises crystallizes the values of NCLC and NCLA with upside optionalities

19 August 2007 - Star Cruises Limited (HKSE: 678) (“Star Cruises”) is pleased to announce that one of the world’s leading private equity groups, Apollo Management LP (“Apollo”), with various interests in leisure, hospitality and entertainment industries, has agreed to make a \$1 billion cash equity investment in NCL Corporation Ltd (“NCL”), a wholly-owned subsidiary of Star Cruises Ltd in return for 50 percent equity shares in NCL.

Star Cruises Chairman and CEO Tan Sri K T Lim, welcomed the new partner and remarked on the opportunities that lie ahead: “This is truly the start of the most exciting chapter of all. Apollo’s investment in the common stock of NCL means we have an equal partner who believes in the business as much as we do as evidenced by the significant financial commitment being made alongside Star Cruises. This is a powerful validation of what we have achieved so far, and of our vision for the future as embodied in the revolutionary third generation Freestyle Cruising ships (F3 series) we are now building. I take pride that Freestyle Cruising actually originated in Asia by Star Cruises and it is now a popular cruising style worldwide especially in the well established U.S. market.”

President of Star Cruises David Chua stated “We are indeed pleased with the proposed transaction, particularly as it enables NCL to put in place a strong capital structure that matches its long term growth strategy, while Star Cruises Asia will focus on its well established Asian franchise and its proven track record as the No. 1 cruise line in Asia Pacific. Equally important is our vast experience in Greater China after having called more than 10 ports since inception, such as Shanghai, Dalian, Qingdao, Xiamen, Sanya, Haikou and others. This will provide us with the opportunities to capitalize on our inherent strength in Asia.”

Steve Martinez, Partner at Apollo Management LP added, “We are very excited to be forming this partnership with Star Cruises and are in full support of the existing NCL management team. Our investment will help NCL complete its transition into the youngest fleet in the cruise industry, with a truly original next generation product with its F3 concept ships. We believe the NCL brand has significant growth potential over many years to come.”

The proceeds of the Apollo investment will be used to refinance the existing NCL indebtedness, greatly increasing the liquidity available to fund a continuation of the dramatic new ship building program that has seen the introduction of eight purpose-built Freestyle Cruising ships in just six years. The NCL owned fleet today (excluding four chartered ships) stands at 17,600 berths, with another 15,000 berths under construction and under option, including the new Norwegian Gem due for delivery in October this year.

As part of Apollo’s investment in NCL, Apollo and Star have entered into a sub- agreement relating to NCL’s U.S. flagged Hawaii operations under the NCL America brand (“NCLA”),

designed to support the business of NCLA in the near term and permit NCLA time to realize the benefits of various measures recently implemented to raise revenue yields and to lower crew turnover and payroll costs. This agreement provides for a deferred distribution with a value of approximately \$500 million being made to Star by NCL during 2008, as results of the recent measures materialize. Taken together with Apollo's \$1 billion payment for 50 percent of the expanded equity, this added element of the transaction implies an approximate total pre-money enterprise valuation of NCL of \$4 billion, based on \$2.5 billion of NCL net debt as at 31 March 2007.

Completion of the transaction is expected early in Q4 2007 and is subject to customary conditions, including regulatory approval, Star Cruises shareholder approval, and Star and NCL lender consents.

About Star Cruises

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 20 locations worldwide with offices 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.

About NCL Corporation

NCL Corporation Ltd ("NCL") is an innovative cruise company headquartered in Miami, Florida, with a fleet of 14 ships in service and under construction. The corporation oversees the operations of Norwegians Cruise Line, NCL America, and Orient Line. NCL took delivery of its newest Freestyle Cruising vessel, the 93,500-ton Norwegian Pearl on 1 December 2006. The company is currently building Norwegian Gem for delivery in October of 2007.

In addition, NCL plans to build up to three new third generation Freestyle Cruising ships for delivery between 2009 and 2011. NCL is on target to have the youngest fleet in the industry by 2010, providing guests the opportunity to enjoy the flexibility of Freestyle Cruising on the newest, most contemporary ships at sea.

About Apollo Management LP

Founded in 1990, Apollo is a leading private equity and capital markets investor with more than 17 years of experience investing across the capital structure of leveraged companies. The firm employs over 120 professionals and has offices in New York, Los Angeles, London, Singapore, Frankfurt and Paris. Since its inception, Apollo has managed more than \$33 billion of capital across a wide variety of industries both domestically and internationally. The firm's most recent private equity fund and its co-investment affiliate have capital commitments of approximately \$11.6 billion. Current and recent investments in the leisure and hospitality industries include

Harrahs Entertainment (pending), AMC Entertainment, Sirius Satellite Radio, Wyndham International, and Vail Resorts. Apollo is already active in the cruise industry, having invested in the premium Oceania Cruises brand earlier this year. Once buying the line, Apollo has backed the ordering of two new ships worth approximately \$1 billion.

- [Fact Sheet](#)
- [Fact Sheet \(PowerPoint\)](#)