STAR CRUISES LIMITED

(Continued into Bermuda with limited liability)

(Stock Code: 678)

ANNOUNCEMENT
RESULTS FOR THE THREE MONTHS AND THE YEAR ENDED 31 DECEMBER 2007

The Directors of Star Cruises Limited ("Company") announce the unaudited consolidated results and the audited consolidated results of the Company and its subsidiary companies ("Group") for the three months and the year ended 31 December 2007, together with the comparative figures for the previous period / year as follows:

		Three months ended 31 December		Year ended 31 December	
		2007	2006	2007	2006
		US$'000	US$'000	US$'000	US$'000
	Note	unaudited	unaudited	audited	audited
Turnover	2	620,628	547,103	2,576,240	2,343,055
Operating expenses (excluding depreciation, amortisation and impairment loss)		(481,055)	(440,387)	(1,898,262)	(1,728,466)
Selling, general and administrative expenses (excluding depreciation)		(106,565)	(91,622)	(350,301)	(303,211)
Depreciation and amortisation		(64,129)	(56,974)	(243,058)	(215,926)
Impairment loss		-	(30,600)	(5,165)	(30,600)
		(651,749)	(619,583)	(2,496,786)	(2,278,203)
		(31,121)	(72,480)	79,454	64,852
Interest income		763	1,459	4,482	6,670
Finance costs		(63,369)	(62,616)	(234,295)	(200,944)
Share of profit / (losses) of associates		(2)	656	(907)	(82)
Other expenses, net	3	(28,442)	(14,008)	(44,840)	(26,556)
		(91,050)	(74,509)	(275,560)	(220,912)
Loss before taxation		(122,171)	(146,989)	(196,106)	(156,060)
Taxation	4	(1,409)	(574)	(4,780)	(136)
Loss for the period / year		(123,580)	(147,563)	(200,886)	(156,196)
Attributable to:					
Equity holders of the Company		(123,520)	(147,563)	(200,806)	(156,196)
Minority interest		(60)	-	(80)	-
		(123,580)	(147,563)	(200,886)	(156,196)

		Three months ended 31 December		Year ended 31 December	
		2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
	Note	unaudited	unaudited	audited	audited
Basic loss per share (US cents)	5	(1.66)	(2.58)	(2.77)	(2.76)
Diluted loss per share (US cents)	5	N/A*	(2.58)	N/A*	N/A*
Unaudited operating data					
Passenger Cruise Days		3,042,925	2,729,997	11,844,927	10,498,677
Capacity Days		3,028,021	2,790,013	11,511,621	10,403,738
Occupancy as a percentage of total capacity days		100%	98%	103%	101%

* Diluted loss per share for the three months and the year ended 31 December 2007 and the year ended 31 December 2006 are not shown as the diluted loss per share is less than the basic loss per share.

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2007	2006
		US$'000	US$'000
	Note	audited	audited
ASSETS			
NON-CURRENT ASSETS			
Intangible assets		590,994	598,994
Deferred tax assets		43	573
Property, plant and equipment		5,200,573	4,863,047
Lease prepayments		289,554	2,259
Investments in associates		-	5,860
Restricted cash		1,682	1,650
Other assets		61,708	68,284
		6,144,554	5,540,667
CURRENT ASSETS			
Consumable inventories		49,066	38,451
Trade receivables	6	20,156	21,408
Prepaid expenses and others		62,399	68,997
Derivative financial instruments		1,953	-
Amounts due from related companies		-	99
Restricted cash		1,375	1,226
Cash and cash equivalents		149,086	468,827
		284,035	599,008
TOTAL ASSETS		6,428,589	6,139,675

CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	As at 31 December 2007 US$'000 audited	2006 US$'000 audited
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		742,625	678,439
Reserves:			
Share premium		1,495,033	1,324,829
Additional paid-in capital		94,450	94,513
Convertible bonds - equity component		4,391	14,400
Foreign currency translation adjustments		(18,102)	(22,522)
Unamortised share option expense		(342)	(818)
Cash flow hedge reserve		(713)	(1,598)
Accumulated losses		(344,750)	(143,944)
		1,972,592	1,943,299
Minority interest		66,780	-
TOTAL EQUITY		2,039,372	1,943,299
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term borrowings		3,322,888	3,184,399
Derivative financial instruments		2,996	1,729
Other long-term liabilities		4,801	1,744
Deferred tax liabilities		38	295
		3,330,723	3,188,167
CURRENT LIABILITIES			
Trade creditors	7	121,414	139,274
Current income tax liabilities		1,562	1,069
Provisions, accruals and other liabilities		275,388	324,135
Current portion of long-term borrowings		312,020	218,804
Derivative financial instruments		1,297	2,985
Amounts due to related companies		571	-
Advance ticket sales		346,242	321,942
		1,058,494	1,008,209
TOTAL LIABILITIES		4,389,217	4,196,376
TOTAL EQUITY AND LIABILITIES		6,428,589	6,139,675
NET CURRENT LIABILITIES		774,459	409,201
TOTAL ASSETS LESS CURRENT LIABILITIES		5,370,095	5,131,466

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Principal Accounting Policies and Basis of Presentation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The preparation of consolidated financial statements in conformity with HKFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluations of certain financial assets and financial liabilities (including derivative instruments) which are carried at fair value.

On 1 January 2007, the Group revised the estimated useful life of the jetties from 90 and 99 years to 50 years to more realistically reflect its remaining estimated useful life. The change in the useful life of the jetties did not have any material effect on the results and financial position of the Group for the three months and the year ended 31 December 2007.

2. Turnover

The Group is principally engaged in the operation of passenger cruise ships. Cruise and cruise related revenues comprise 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. Cruise and cruise related revenues consist of passenger ticket revenue of approximately US$392.6 million and US$354.7 million for the three months ended 31 December 2007 and 2006, respectively and approximately US$1,707.8 million and US$1,549.4 million for the years ended 31 December 2007 and 2006, respectively. The remaining portion of the revenues relates to revenues from onboard and other related services.

The Group's turnover in its principal markets of North America and Asia Pacific is analysed as follows:

	TURNOVER			
	Three months ended 31 December		Year ended 31 December	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
	unaudited	unaudited	audited	audited
Asia Pacific	133,205	107,892	452,500	399,528
North America[1]	422,513	402,901	1,873,010	1,719,492
Europe and others	64,910	36,310	250,730	224,035
	620,628	547,103	2,576,240	2,343,055

Note:

1. Substantially, all the turnover arises in the United States of America.

3. Other expenses, net

	Three months ended 31 December		Year ended 31 December	
	2007	2006	2007	2006
	US$'000	US$'000	US$'000	US$'000
	unaudited	unaudited	audited	audited
Loss / (Gain) on disposal of property, plant and equipment (note (i))	(2,670)	1	(2,594)	(16,707)
Loss / (Gain) on derivative instruments:				
- Forward contracts	(1,167)	1,610	(3,697)	4,482
- Fuel swaps	117	(21)	(105)	(431)
Loss / (Gain) on foreign exchange	2,308	(214)	9,340	1,593
Loss on translation of debts	29,801	13,784	92,024	35,122
Gain on disposal of an associate	-	-	(53,749)	-
Gain on disposal of a subsidiary (note (ii))	-	(1,337)	-	(1,337)
Impairment of non-cruise related investment	-	-	-	10,285
Shipyard compensation income (note (iii))	-	-	-	(7,283)
Other expenses, net	53	185	3,621	832
	28,442	14,008	44,840	26,556

Notes:

(i) In October 2007, the Group disposed of m.v. SuperStar Gemini for US$69.0 million and realised a gain on disposal of the vessel of US$2.7 million. In September 2006, the Group disposed of m.v. Norwegian Crown for approximately US$110 million and realised a gain on disposal of the vessel of approximately US$16.7 million.

(ii) In December 2006, the Group disposed of a subsidiary, Laem Chabang Cruise Centre Co., Ltd. for a cash consideration of approximately US$14.3 million, net of cash and bank balances, and realised a gain on disposal of US$1.3 million.

(iii) In September 2006, NCL Corporation Ltd. ("NCLC") entered into a €29 million or US$36.8 million, based on the Euro/U.S. dollar exchange rate at 30 September 2006, settlement agreement in connection with NCLC's pre and post-ship delivery claims against the builder of m.v. Pride of America. Settlement amount of approximately US$7.3 million was related to the claims for post-delivery costs incurred by NCLC.

4. Taxation

	Three months ended 31 December		Year ended 31 December	
	2007	2006	2007	2006
	US$'000	US$'000	US$'000	US$'000
	unaudited	unaudited	audited	audited
Overseas taxation				
- Current taxation	1,390	848	3,589	1,816
- Deferred taxation	(10)	(199)	(127)	(423)
	1,380	649	3,462	1,393
Under / (Over) provision in respect of prior years				
- Current taxation	29	(75)	917	(1,200)
- Deferred taxation	-	-	401	(57)
	1,409	574	4,780	136

The Company, which is 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 jurisdictions where it operates. The appropriate local tax rate has been applied, in such circumstances, to determine the applicable tax charge.

5. Loss per share

Loss per share has been calculated as follows:

	Three months ended 31 December		Year ended 31 December	
	2007 US$'000 unaudited	2006 US$'000 unaudited	2007 US$'000 audited	2006 US$'000 audited
BASIC				
Loss attributable to equity holders of the Company	(123,520)	(147,563)	(200,806)	(156,196)
Weighted average outstanding ordinary shares, in thousands	7,423,472	5,711,154	7,252,052	5,662,860
Basic loss per share in US cents	(1.66)	(2.58)	(2.77)	(2.76)
DILUTED				
Loss attributable to equity holders of the Company	(123,520)	(147,563)	(200,806)	(156,196)
Weighted average outstanding ordinary shares, in thousands	7,423,472	5,711,154	7,252,052	5,662,860
Effect of dilutive ordinary shares, in thousands	9,987	-	8,584	507
Weighted average outstanding ordinary shares after assuming dilution, in thousands	7,433,459	5,711,154	7,260,636	5,663,367
Diluted loss per share in US cents	N/A*	(2.58)	N/A*	N/A*

* Diluted loss per share for the three months and the year ended 31 December 2007 and the year ended 31 December 2006 are not shown as the diluted loss per share is less than the basic loss per share.

6. Trade Receivables

	As at 31 December	
	2007 US$'000 audited	2006 US$'000 audited
Trade receivables	23,412	24,571
Less: Provisions	(3,256)	(3,163)
	20,156	21,408

6. Trade Receivables (Continued)

At 31 December 2007 and 2006, the ageing analysis of the trade receivables is as follows:

	As at 31 December	
	2007 US$'000	2006 US$'000
	audited	audited
Current to 30 days	11,352	16,124
31 days to 60 days	4,458	1,961
61 days to 120 days	2,461	2,459
121 days to 180 days	1,266	1,759
181 days to 360 days	3,150	2,125
Over 360 days	725	143
	23,412	24,571

Credit terms generally range from payment in advance to 45 days credit terms.

7. Trade Creditors

The ageing of trade creditors as at 31 December 2007 and 2006 is as follows:

	As at 31 December	
	2007 US$'000	2006 US$'000
	audited	audited
Current to 60 days	113,463	137,275
61 days to 120 days	3,584	1,037
121 days to 180 days	701	144
Over 180 days	3,666	818
	121,414	139,274

FINAL DIVIDEND

The Directors do not recommend the declaration of any final dividend in respect of the year ended 31 December 2007 (2006: Nil).

BUSINESS REVIEW

Key points for the quarter in comparison with 4Q 2006: -

- Capacity increased by 8.5% from 2.8 million to 3.0 million capacity days
- Net revenue and net revenue yield increased by 17.7% and 8.4%, respectively
- Ship operating expenses per capacity day increased by 4.0%
- Selling, general and administrative expenses ("SG&A") per capacity day increased by 7.2%
- Operating loss before impairment loss decreased by 25.7% from US$41.9 million to US$31.1 million
- Net loss was US$93.8 million before non-cash foreign currency debt translation loss compared to a net loss of US$103.2 million before impairment loss and non-cash foreign currency debt translation loss

BUSINESS REVIEW (CONTINUED)

Key points for the year in comparison with year 2006: -

- Capacity increased by 10.7% from 10.4 million to 11.5 million capacity days
- Net revenue and net revenue yield increased by 12.1% and 1.3%, respectively
- Ship operating expenses per capacity day increased by 2.2%
- SG&A per capacity day increased by 4.4%
- Operating profit before impairment loss decreased by 11.3% from US$95.5 million to US$84.6 million
- Net loss was US$157.4 million before impairment loss, non-cash foreign currency debt translation loss and other compared to a net loss of US$104.2 million before impairment loss, non-cash foreign currency debt translation loss and others

Star Cruises Group

For 4Q 2007, the Group recorded a net loss of US$93.8 million before non-cash foreign currency debt translation loss compared to a net loss of US$103.2 million before an impairment loss and non-cash foreign currency debt translation loss in 4Q 2006.

In 4Q 2007, the Group recorded a non-cash Euro denominated debt translation loss of US$29.8 million. In 4Q 2006, the Group recorded a non-cash Euro denominated debt translation loss of US$13.8 million and an impairment loss of US$30.6 million in respect of a ship and the Orient Lines trade name.

After taking into account the abovementioned items, the Group's 4Q 2007 net loss was US$123.6 million compared to a net loss of US$147.6 million in 4Q 2006.

Net revenue for 4Q 2007 increased 17.7% from 4Q 2006 primarily due to an 8.5% capacity increase and a 8.4% increase in net revenue yield. Driving the increase in net revenue yield was higher passenger ticket prices and an increase in onboard revenues of NCLC Group and increased occupancy levels. The capacity increase in 4Q 2007 was mainly due to the additions of m.v. Norwegian Pearl and m.v. Norwegian Gem, which entered service in November 2006 and October 2007, respectively, which was partially offset by the departure of m.v. Norwegian Crown in November 2007. The overall Group occupancy was 100.5% compared with 97.8% in 4Q 2006.

The 4Q 2007 ship operating expenses per capacity day increased 4.0% compared to 4Q 2006 primarily due to higher fuel costs partially offset by a decrease in payroll and related expenses related to NCLC Group's inter-island cruises in Hawaii. In 4Q 2007, average fuel prices, including the impact of fuel hedges, increased approximately 46.9% from 4Q 2006. The quarter-over-quarter increase in fuel costs was US$24.5 million.

SG&A expenses per capacity day for 4Q 2007 increased 7.2% compared to 4Q 2006 primarily due to additional professional fees primarily in connection with technology initiatives for the NCLC Group.

For 2007, the Group recorded a net loss of US$157.4 million before impairment loss, non-cash foreign currency debt translation loss and other compared to a net loss of US$104.2 million before impairment loss, non-cash foreign currency debt translation loss and others in 2006.

In 2007, the Group recorded a net impairment loss of US$5.2 million in respect of ships and Orient Lines trade name, a non-cash Euro denominated debt translation loss of US$92.0 million and a gain on disposal of a 25% equity interest in Resorts World at Sentosa of US$53.7 million. In 2006, the Group recorded an impairment loss of US$30.6 million in respect of a ship and the Orient Lines trade name, a non-cash Euro denominated debt translation loss of US$35.1 million, and a net gain of US$13.7 million which comprise of a shipyard compensation income, gain on disposal of a vessel and a write down of non-cruise investment in a low cost carrier.

Accordingly, taking into account the abovementioned items, the net loss for 2007 was US$200.9 million compared to a net loss of US$156.2 million in 2006.

BUSINESS REVIEW (CONTINUED)

Star Cruises Group (continued)

Net revenue for 2007 increased 12.1% compared with 2006 primarily due to a 10.7% increase in capacity and a 1.3% increase in net revenue yield. The increase in net revenue yield was primarily due to the increase in passenger ticket prices of NCLC Group. The capacity increase in 2007 was mainly due to the additions of m.v. Pride of Hawaii, m.v. Norwegian Pearl and m.v. Norwegian Gem, which entered service in May 2006, November 2006 and October 2007, respectively, partially offset by the departure of m.v. Norwegian Crown in November 2007. The overall Group occupancy was at 102.9% in 2007 compared with 100.9% in 2006.

On a per capacity day basis, the ship operating expenses were 2.2% higher in 2007 compared with 2006 primarily due to higher fuel costs and higher other operating expenses (due primarily to the timing of maintenance and repairs expenses) as well as the ships' charter fees for m.v. Norwegian Crown, m.v. Marco Polo and m.v. SuperStar Gemini. The increase in ship operating expenses per capacity day was partially offset by the lower payroll and related costs of NCL America and receipt of certain insurance proceeds. Average fuel prices in 2007, net of fuel hedges, increased approximately 12.4% from 2006. The year-over-year increase in fuel costs was US$37.0 million.

SG&A expenses per capacity day for 2007 increased 4.4% compared with 2006 primarily due to an increase in media marketing and advertising of NCLC Group and the shoreside expenses to support the expanded operations in China.

Star Cruises (excluding NCLC Group)

In 4Q 2007, net revenue was 21.2% higher on a 28.7% increase in capacity days, however, net revenue yield was 2.6% lower compared to 4Q 2006. The increase in capacity in 4Q 2007 was primarily because of the addition of m.v. SuperStar Aquarius which commenced operation in June 2007. Occupancy for 4Q 2007 was essentially unchanged, at 87% for both quarters.

Ship operating expenses per capacity day in 4Q 2007 increased 7.4% compared with 4Q 2006 mainly due to higher fuel costs and the ships' charter fees mentioned above. Average fuel prices increased approximately 50.0% in 4Q 2007 compared with 4Q 2006. SG&A expenses per capacity day however, decreased 5.0% compared with 4Q 2006.

For 2007, net revenue was 7.7% higher on a 12.0% increase in capacity days, however, net revenue yield was 1.8% lower compared to 2006. The increase in capacity in 2007 was primarily because of the addition of m.v. SuperStar Aquarius. Occupancy in 2007 was at 87.7% compared to 83.6% in 2006.

Ship operating expenses per capacity day for 2007 increased 9.1% compared with 2006. This increase was mainly due to ships' charter fees and higher fuel costs as well as the start-up costs for the introduction of m.v. SuperStar Aquarius in Hong Kong. Average fuel prices increased approximately 14.9% in 2007 compared with 2006. SG&A expenses per capacity day for 2007 increased 4.8% compared with 2006 mainly due to the shoreside expenses to support the expanded operations in China partially offset by lower advertising and promotional expenses in 2007.

NCLC Group

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

Net revenue was 15.4% higher mainly as a result of 4.0% higher capacity and 11.0% higher net revenue yield. The increase in net revenue yield was a result of improved ticket prices and onboard revenues. The increase in capacity in 4Q 2007 was primarily due to the introduction of m.v. Norwegian Gem offset by the departure of m.v. Norwegian Crown in November 2007 and m.v. Norwegian Wind (renamed to m.v. SuperStar Aquarius) in April 2007. Occupancy for 4Q 2007 was at 104.0% compared to 100.2% in 4Q 2006.

Ship operating expenses per capacity day in 4Q 2007 increased 5.4% compared with 4Q 2006 primarily due to higher fuel costs and the timing of dry-docks, partially offset by lower payroll and related costs related to NCLC Group's inter-island cruises in Hawaii. Average fuel prices increased approximately 46% in 4Q 2007 compared with 4Q 2006.

<u>NCLC Group</u> (continued)

SG&A expenses per capacity day increased 10.6% compared with 4Q 2006 mainly as a result of additional professional fees primarily in connection with technology initiatives.

For 2007, capacity was 10.3% higher compared with 2006 mainly due to the full year of sailing of m.v. Norwegian Pearl and m.v. Pride of Hawaii and the introduction of m.v. Norwegian Gem partially offset by the departures of m.v. Norwegian Wind and m.v. Norwegian Crown. Net revenue was 12.7% higher as a result of the increase in capacity and a 2.1% increase in net revenue yield. Occupancy in 2007 was at 106.6% compared to 105.1% in 2006.

Ship operating expenses per capacity day for 2007 were essentially flat (an increase of 0.3%) compared with 2006. An increase in fuel expenses and other ship operating expenses was offset by a decrease in payroll and related costs. Payroll and related costs in 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 2007 and a decrease in crew turnover in the Hawaii operations resulting in lower recruiting and training costs were the primary drivers for the improvement in payroll and related costs per capacity day. Average fuel prices increased approximately 11.5% in 2007 compared with 2006.

SG&A expenses per capacity day for 2007 increased 4.4% compared with 2006 mainly due to an increase in media marketing and advertising.

<u>Outlook</u>

On 7 January 2008, the Group completed the deemed disposal arising from subscription for new shares by Apollo Management, L.P. ("Apollo") in a then major subsidiary, NCLC through an equity investment of US$1 billion. As a result, NCLC ceased to be a subsidiary and became a jointly controlled entity of the Company. Star Cruises intends to exercise its rights under the Reimbursement and Distribution Agreement in relation to the Apollo transaction. NCLC intends to transfer m.v. Pride of Aloha to Star Cruises, and continue to deploy m.v. Pride of America in Hawaii. Star Cruises intends to deploy m.v. Pride of Aloha in the Asian market. It is estimated that upon completion of these transactions, the Group will in year 2008 record a gain of approximately US$74 million. In addition, this will allow Star Cruises to concentrate its management and financial resources on its Asia-Pacific/Greater China cruise and cruise related businesses, as well as to re-focus its efforts on its inherent strength in the Asia-Pacific markets.

<u>Terminology</u>

- *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. NCLC 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.*

SIGNIFICANT SUBSEQUENT EVENTS

(a) The completion of the Apollo transaction took place on 7 January 2008. As a result, NCLC ceased to be a subsidiary of the Company and became a jointly controlled entity of the Company. Star Cruises intends to exercise its rights under the Reimbursement and Distribution Agreement in relation to the Apollo transaction. NCLC intends to transfer m.v. Pride of Aloha to Star Cruises, and continue to deploy m.v. Pride of America in Hawaii. Star Cruises intends to deploy m.v. Pride of Aloha in the Asian market. It is estimated that upon completion of these transactions, the Group will in year 2008 record a gain of approximately US$74 million.

(b) Under the terms of the indenture agreement dated 15 July 2004 between NCLC and The Bank of New York Trust Company, N.A. (as successor to JP Morgan Chase Bank), as trustee, governing the 10 5/8% Senior Notes due 2014 ("Notes"), the Apollo investment constitutes a "change of control" requiring NCLC, within 30 days of the closing of the investment, to offer to repurchase any and all of the outstanding Notes at a purchase price equal to 101% of the outstanding principal amount of the Notes, together with all accrued but unpaid interest up to but not including the date of repurchase.

(c) On 7 January 2008, the Group entered into a shareholders' agreement with VXL Capital Limited and non-related parties, in relation to the management and operation of a newly formed joint venture company ("JV"). The purpose of the JV is to prepare and submit a tender to the Hong Kong Government for the development of a cruise terminal at Kai Tak, Hong Kong, in response to a recent invitation for tender issued by the Hong Kong Government. As at the date of this announcement, the Group's total funding commitment towards the JV has not been determined.

(d) On 11 February 2008, NCLC announced the withdrawal of m.v. Pride of Aloha from the Hawaii market effective 11 May 2008. The ship will be transferred to Star Cruises Asia and will be re-flagged and deployed in Asia in the summer of 2008.

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 year ended 31 December 2007, save for the issuance of new ordinary shares of US$0.10 each by the Company as follows:

(a) the issuance of 2,361,798 new ordinary shares of US$0.10 each at an aggregate price of approximately US$619,679 pursuant to the exercise of options granted under The Star Cruises Employees' Share Option Scheme adopted by the Company on 16 April 1997 prior to the listing of its ordinary shares on The Stock Exchange of Hong Kong Limited;

(b) the issuance of 1,589,771 new ordinary shares of US$0.10 each at an aggregate price of approximately HK$3,336,990 pursuant to the exercise of options granted under the share option scheme adopted by the Company on 23 August 2000 (as effected on 30 November 2000 and amended on 22 May 2002);

(c) the issuance of 382,908,142 new ordinary shares of US$0.10 each upon conversion of an aggregate amount of US$125,114,000 of the US$180,000,000 2% convertible bonds due 2008 at the conversion price of HK$2.53 per share; and

(d) the issuance of 255,000,000 new ordinary shares of US$0.10 each at the subscription price of HK$2.29 (US$0.29) per share, with an aggregate price, net of issuance costs, of approximately US$75,000,000 to independent third parties pursuant to the share subscription agreements dated 17 January 2007.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules during the year ended 31 December 2007, save for the deviation from Code Provision A.2.1 which states that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Considered reasons for the deviation from Code Provision A.2.1 were set out in the Corporate Governance Report of the Company's last published annual report for the year ended 31 December 2006. Further information of the Company's corporate governance practices will be set out in the Corporate Governance Report of the Company's annual report for the year ended 31 December 2007, which will be available for publication as soon as practicable.

REVIEW BY AUDIT COMMITTEE

These consolidated results have been reviewed by the Audit Committee established in compliance with Rule 3.21 of the Listing Rules and the relevant provisions of the CG Code. The Audit Committee comprises the three Independent Non-executive Directors of the Company, namely, Mr. Alan Howard Smith, Mr. Tan Boon Seng and Mr. Lim Lay Leng.

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, Mr. Tan Boon Seng and Mr. Lim Lay Leng.

On behalf of the Board

TAN SRI LIM KOK THAY
Chairman and Chief Executive Officer

Hong Kong, 25 February 2008

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 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 announcement 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.