

Apollo Management L.P. Acquires Regent Seven Seas Cruises

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Regent Seven Seas and Oceania Cruises to Remain Independent Brands

Carlson to Retain and Expand Regent Hotels & Resorts Worldwide

Bjorn Gullaksen, Carlson Hotels Veteran, to Lead New Regent Brand Council

Minneapolis-based Carlson and Apollo Management L.P. (Apollo) today announced that Apollo has agreed to acquire Carlson's Regent Seven Seas Cruises operations. The acquisition is expected to be completed in the first quarter of 2008, subject to normal conditions for a transaction of this type, including regulatory approval. The cruise operations will continue as a key part of the global Regent brand.

Regent Seven Seas Cruises and Oceania Cruises will be placed under the ownership of Prestige Cruise Holdings, Inc. (PCH), a corporation controlled by Apollo which will manage certain cruise portfolio assets of Apollo. NCL Corporation will remain a separate holding outside of PCH.

Regent Seven Seas Cruises will remain a wholly independent brand under the guidance of Mark Conroy, president of Regent Seven Seas Cruises, and will continue to operate from its Fort Lauderdale, Florida headquarters, and Oceania Cruises will remain in its Miami headquarters, headed by Bob Binder, president of Oceania Cruises. Both Binder and Conroy will report directly to Frank Del Rio, chairman and CEO of Prestige Cruise Holdings.

The transaction is part of a unified strategy undertaken by Apollo and Carlson to expand their respective core cruise and hotel operations, and become the world's preeminent operators of luxury hotels, resorts and cruises. Carlson will retain ownership of the master Regent brand, along with the worldwide operations of Regent Hotels & Resorts.

"Through this proposed investment, Apollo has demonstrated its deep commitment to the Regent brand and the continuing growth of the Regent cruise line fleet," said Carlson Chairman and Chief Executive Officer Marilyn Carlson Nelson. "As owners of the Regent brand, we remain committed to expanding its scope and success both on land and at sea. We are confident the Regent cruise brand will continue to develop along with and lead the industry segment, which has expanded dramatically since 1992, when we launched our first ship. The potential for continued expansion of the luxury Regent hotel brand, and our entire hotel portfolio, is enormous."

Apollo's acquisition of Regent Seven Seas Cruises strengthens its position in the cruise industry with the addition of an award-winning luxury cruise brand to its cruise portfolio. Regent Seven Seas Cruises will continue to focus on the luxury segment of the marketplace by offering a six-star, all-inclusive experience, and Oceania Cruises will continue to lead the Upper Premium segment.

"Everyone at Regent Seven Seas Cruises is delighted with the formation of this new family of companies. With the tremendous financial resources of Apollo available to us, Regent Seven Seas Cruises will continue to strengthen our position as the leading luxury cruise brand. Our valued guests and travel agent partners will experience a seamless transition as we continue to deliver world-class cruise vacation experiences. We look forward to continued success and the use of the new financial resources available to accelerate our future growth," stated Mark Conroy, president of Regent Seven Seas Cruises.

"Regent Seven Seas is the largest, most successful luxury cruise brand, and we look forward to the growth opportunities this addition offers consumers, travel agents and the team members at both Regent Seven Seas Cruises and Oceania Cruises," stated Steve Martinez, a partner with Apollo.

Six times chosen as the world's top-rated cruise line by the readers of Condé Nast Traveler and Travel + Leisure magazine, Regent Seven Seas Cruises offers voyages to all corners of the globe aboard its fleet of modern, six-star rated, luxury vessels. In addition to the all-suite, all-balcony, 700-guest Seven Seas Voyager and all-suite, all-balcony, 700-guest Seven Seas Mariner, the fleet also includes the 490-guest Seven Seas Navigator, with 90 percent balcony suites, and the 330-guest Paul Gauguin, a ship dedicated to sailing the South Pacific.

"Regent Seven Seas Cruises offers an exceptional product, and its superb shipboard and shoreside teams have built an enviable reputation as the foremost luxury cruise brand. The brand awareness and market presence of Regent Seven Seas Cruises and Oceania Cruises will offer our discerning travelers and travel agents worldwide the most vibrant and diverse range of cruise experiences, serving the broadest spectrum of spectacular destinations," stated Frank Del Rio, chairman and CEO of Prestige Cruise Holdings.

Lehman Brothers Inc. served as financial advisor to Prestige Cruise Holdings on the transaction, and Goldman, Sachs & Co. served as financial advisor to Carlson.

Carlson announced today that it has named Bjørn Gullaksen as president, Regent Luxury Group. Gullaksen has most recently served as executive vice president for Carlson Hotels Worldwide Managed Hotels & Resorts in the Americas. He will continue to oversee the managed hotel and resort operations in his new role. A hospitality industry veteran with more than 30 years of experience, he previously has served as the company's executive vice president of Full Service Hotels, including Radisson Hotels & Resorts and Park Plaza Hotels & Resorts.

Under Gullaksen, a brand council, with leadership from the cruise company and Carlson Hotels Worldwide, will oversee the luxury standards of the Regent brand in all of its applications globally.

Jay Witzel, president and CEO of Carlson Hotels Worldwide and CEO of Regent, said Regent Hotels & Resorts will continue to grow globally as a leading luxury brand in the hotel industry. Following the completion of the cruise line transaction, Regent Hotels & Resorts will be operated as part of Carlson Hotels Worldwide, one of the world's top 10 hotel companies. The current global portfolio includes Regent properties in Beijing, Shanghai, Singapore, Taipei, Berlin, Zagreb, Croatia, and Turks and Caicos. The company's North American expansion plans also include The Regent Bal Harbour, Florida, scheduled to open in early 2008 and The Regent Boston at Battery Wharf, also scheduled to open in 2008. Future global developments include properties in Bordeaux, France, Bangkok, Thailand, The Republic of Maldives, Abu Dhabi, United Arab Emirates, Papagayo, Costa Rica, and Dubrovnik, Croatia.

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