



**STARWOOD CAPITAL GROUP AND BARRY STERNLICHT UNVEIL  
GROUNDBREAKING NEW HOTEL CONCEPT:  
“1” HOTEL**

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*First Five Star, Environmentally Friendly Hospitality Brand will Demonstrate  
That Style and Luxury Can Be Delivered with Ecologically Sustainable Consciousness*

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*First five Hotels to debut in Paris, France; Seattle, WA; Scottsdale, AZ; Mammoth Lakes, CA;  
Ft. Lauderdale, FL*

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*Starwood to form exclusive joint venture with Steve Hanson and BR Guest to deliver unique  
dining concepts for “1”*

Greenwich, C.T. – October 18, 2006 – Starwood Capital Group, led by Barry Sternlicht, announced today the launching of **“1” Hotel and Residences**, the first luxury, eco-friendly global hotel brand. The concept will combine the best of environmentally sustainable architecture and interior design with impeccable service and luxurious comfort. “1” will adhere to green construction and operating principles and commit to environmentally sensitive consumption of natural resources. “1” will demonstrate that green principles can coexist and enhance a luxury hospitality experience and healthy residential lifestyle. The Natural Resources Defense Council (NRDC) has agreed to be an environmental advisor on “1” with the initial goal of setting a new standard for environmental excellence and, over time, to transform the entire hotel industry.

“We are incredibly excited to be able to bring a whole new concept to the hospitality industry with the launch of the “1” brand. As a CEO and parent of three young children, I have grown acutely aware of the personal responsibility we each have to help preserve and protect our planet, which can only happen through the accumulation of small efforts by millions of individuals. It is the perfect time for “1”. With such critical issues facing us as foreign energy dependence and global warming, we cannot afford to ignore the growing consumption of our natural resources and the inability to sustain our enterprises,” said Mr. Sternlicht.

“While some hotel brands pay lip service to the environment by asking guests to reuse towels, and adding plants to a lobby, “1” is not using eco-friendly jargon simply as a marketing tool. Our intention with “1” is to build hotels and residences that are truly green and minimize their impact on their environment. We are excited about our partnership with the NRDC. Each property will donate one percent of its revenue to local environmental organizations guided by a steering committee with NRDC representation. All of our buildings will be built to LEED standards and all of our interiors will be LEED-compliant,” continued Mr. Sternlicht.

“1” will be about light and air. “1” will be fresh, invigorating and an alternative way of traveling and living. Guests and residents will not necessarily be conscious of all of the green aspects at “1,” but they will be delighted by the richness, beauty and variety of colors, textures and materials. The green theme will only be noticeable to the extent that it will help create a healthy and invigorating environment. Enhancing this experience, we are thrilled to announce a new exclusive partnership with Stephen Hanson, perhaps the premier multi-site restaurant operator in the United States. Steve’s team at BR Guest will power the dining, banqueting and room service experiences at each of the “1” properties,” Mr. Sternlicht said.

The initial four properties in the United States will all be new construction. The first hotel will be the “1” Hotel and Residences Seattle expected to open in late 2008. Following Seattle, “1” will open in the ski resort of Mammoth Mountain, California; in Scottsdale, Arizona; and in Ft. Lauderdale, Florida. The first international “1” hotel will be located in Paris, France and will be a renovation of a historic property. In addition, we expect “1” to enter New York, Los Angeles, Washington, D.C. and other major urban markets, as well as premier resort destinations, within the next 12 months. The aim will be to have 15 hotels signed or under construction within 24 months. The five hotels are owned by controlled affiliates of Starwood Capital Group Global, LLC.

The development of “1” is being guided by an exemplary advisory Board which includes, among others, Prosper Assouline, Founder and Creative Director of Assouline, Sandra J. Brant, President and CEO of Brant Publications, Inc., Kevin Huvane, Managing Partner, Creative Artists Agency and Candy Pratts-Price, Executive Fashion Director of Style.com. “I have been working with this Advisory Board for quite some time. They bring unique insight and vision to modern-day brand building and are equally committed to the preservation of our environment,” said Mr. Sternlicht.

The NRDC strives to help create a new way of life for humankind, one that can be sustained indefinitely without fouling or depleting the resources that support all life on Earth. For more than three decades, NRDC has fought successfully to defend wilderness and wildlife and to protect clean air, clean water and a healthy environment. “NRDC looks forward to working with the creators of “1” to help create exemplar environmental projects that can be models for the entire hotel industry,” said Ashok Gupta, an energy expert with NRDC.

Each new “1” will be built to LEED standards. The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™, created by the U.S. Green Building Council, is the nationally accepted benchmark for the design, construction and operation of high performance green buildings. LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality.

Also important to the brand’s identity will be its unique operating model. Each operating unit of hotel properties will be managed by industry leaders. Mr. Hanson’s restaurant company, BR Guest, will provide an innovative restaurant, banqueting and room service program. “I’m thrilled to be a partner on the “1” concept, as it mirrors many of our values such as environmental stewardship and supporting local farmers,” said Mr. Hanson. “We will seek the premier local chefs who understand and support our mission. Barry Sternlicht is a great visionary, one that

I've worked with for more than five years, and there is no one I'd rather be partners with in this exciting venture."

The spas at "1" will also be managed by a world-class operator and will be an extension of the brand experience featuring unique treatments and programs for the revitalization of body and soul. Additionally, a new concierge concept with unparalleled personalization will ensure all that is needed, and most of what can be imagined, will be provided effortlessly. Each "1" will also include a state-of-the-art fitness center as well as several other components to be announced in the near future.

Barry Sternlicht is widely known for revolutionizing the hospitality industry during his tenure as Chairman & CEO of Starwood Hotels and Resorts. He is credited with innovations such as his creation of W Hotels brand, the repositioning and revitalization of Westin Hotels & Resorts (led by innovations such as the Westin Heavenly Bed, and Heavenly Bath) and the brand development of the St. Regis Hotels which started with a single hotel as well as the creation of the award -winning Starwood Preferred Guest frequent stay program.

### **STARWOOD CAPITAL GROUP GLOBAL LLC:**

Starwood Capital Group Global LLC has been a leader in real estate investments since its inception in 1991. Its international investor base includes some of the United States' largest state and corporate pension funds, endowments and foundations, and high-net worth families. During the past fifteen years, Starwood Capital and its affiliates have invested approximately \$5.8 billion of equity capital in transactions totaling more than \$25 billion. Starwood has closed and/or advised on more than 215 transactions, acquiring equity interests in thousands of residential lots, multifamily and condominium units, hotels, office, retail, industrial, and golf and leisure-related properties. Starwood Capital's most recent transactions include the \$3.2 billion acquisition of Groupe Taittinger and Societe du Louvre, (Europe's second-largest hotel network which owns and operates a unique collection of 14 luxury hotels in France, Switzerland and Europe in addition to the more than 800 budget hotels under four flags located throughout Europe); and the \$973 million acquisition of the Le Meridien hotel portfolio comprised of 32 luxury hotels located primarily in Europe, North America, Africa and South America. Starwood Capital has led the formation and growth of several successful companies including iStar Financial (NYSE: SFI), the leading publicly traded finance company specializing in commercial real estate mortgage, mezzanine and net lease financing; Starwood Hotels & Resorts Worldwide (NYSE: HOT), a leading global owner/operator of hotels, with ownership of brands such as Sheraton, Westin, The St. Regis Luxury Collection and "W"; and National Golf Properties/American Golf Corporation, the largest owner/operator of golf courses in the United States.

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### **Media Contact:**

Tom Johnson  
Abernathy MacGregor Group  
(212) 371-5999