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SBE SIGNS 15-YEAR EXCLUSIVE CONTRACT FOR NORTH AMERICA WITH PHILIPPE STARCK

Internationally Acclaimed Designer to Create Concepts for New SBE Luxury Hotel Brand in Addition to Restaurant and Lounge Designs

(Los Angeles, CA -- April 12, 2006) – **SBE** and its hospitality division announced today the signing of an exclusive agreement with renowned designer, **Philippe Starck**, for the creation of a new luxury hotel brand, to debut in fall 2008. The announcement of the 15-year exclusive, which covers hotel properties in North America, Canada, Mexico and the Caribbean, was made by SBE CEO **Sam Nazarian**.

The unique partnership marries the incomparable talents and creativity of Starck, known the world over for his trend-setting and irreverent designs, and the Los Angeles-based SBE. SBE has fast become a major force in the Southern California social and restaurant scene and will be rolling out its restaurant concepts and new hospitality brand nationally over the next two years. This agreement builds upon a six-year design exclusive signed in May 2005 between SBE and Starck, under which Starck is currently designing nine distinct restaurant and lounge concepts. The first of these new concepts, *Katsuya*, will launch in Summer 2006 in Los Angeles' tony Brentwood neighborhood.

Under the terms of the hotel exclusive, Starck will create design concepts for an exciting new luxury hotel brand to be developed by SBE, comprised initially of five properties to be located in North

America, Canada, The Caribbean and Mexico. The exclusive deal was negotiated by Starck's agent in the U.S., Michele Caniato, President of the New York-based design brokering agency, Culture & Commerce Inc.

The new brand will offer the utmost luxury, with lively public spaces, private guest check-in and guestrooms which will go beyond the notion of 'interior design' into works of art. The first property in this new brand will debut in fall 2008, in what is currently Los Angeles' *Le Meridien at Beverly Hills*, which SBE acquired in November 2005. Starck is also masterminding the design for the complete renovation of the historic Miami Ritz Plaza hotel in South Beach, which SBE owns in a joint venture with Makar Properties. When completed in late 2009, The Ritz Plaza will be a separate property outside the new SBE hotel brand.

"We are incredibly excited to expand our exclusive relationship with Philippe Starck," commented Nazarian. "He is one of the world's true design visionaries and a wholly original thinker who's playful and masterfully detailed in his designs. He has brilliantly rethought every possible convention regarding design, dining and socializing to bring hospitality to an entirely new level and we're confident that, together, we are going to create hotels and restaurants like no one has ever experienced before."

The SBE hotel properties will be the first truly luxury hotels that Starck has designed in North America, having completely redefined every aspect of the hotel experience in the 1990s and spurred the 'boutique hotel' movement which has now permeated every corner of the industry.

"To make a beautiful baby, the parents must be in love," says Starck. "Sam and I share the same vision, and we're creating some wonderful projects together." Each concept for the restaurants, lounges and hotels will be dramatic and distinct and, in typical Starck style, will no doubt invent an entirely new vocabulary for the luxury hotel experience. "We want to create restaurants and hotels which have heart, flesh, poetry and humanity. The hotels in particular will transcend the concept of 'design' into art, truly luxury experiences, and a place where our friends and guests will be very happy to linger."

Collaborating with Starck on the design and creation of the new hotel brand is SBE Chief Creative Office Theresa Fatino, who directs all aspects of SBE's environmental, interior and graphic design,

and orchestrates such vital brand touchstones as operating supplies, staff attire, ambient music, and retailing. Before joining SBE, Fatino was the driving force behind the image and design direction of the W Hotels brand, and oversaw every aspect of brand identity within the hotel environment, as well as its successful retail business, which encompassed store, catalogue, web and in-room sales.

A trio of seasoned hospitality executives round out the SBE executive team, contributing their cumulative industry expertise to the creation and growth of this new hotel brand. These include hotel division President Arash Azarbarzin, whose two decades of hotel management experience include involvement in the development and growth of the W Hotels brand as well as Los Angeles' St. Regis Hotel & Spa; VP of Development Joe Faust, who spent 15 years with the Hyatt Hotels corporation, and VP of Marketing Michael Doneff, who has worked with high-end lifestyle brands such as One&Only Resorts, W Hotels, Dom Pérignon and the Michelin Guide. Commented Nazarian, "I feel fortunate to have assembled a veritable dream team of talent in the creation of this hotel brand, from the creative dynamic of Philippe and Theresa, to our management, development and marketing teams."

By simultaneously developing hotels, restaurants and nightclubs, SBE will create valuable synergies and unique alliances across its group of properties. Guests will enjoy not only incredible hotels but also fantastic restaurants and nightclubs, and receive VIP treatment and preferential access at each establishment. Sophisticated customer tracking systems will register guest preferences and ensure an incredibly personalized experience wherever they go. "We want our guests to feel like their experiences were tailored with their every wish and whim in mind – as well as offer wonderful surprises at every turn, on a visual and sensorial level," said Nazarian.



ABOUT SBE

Founded in 2002, the Los Angeles-based SBE brings exquisite balance to the worlds of hospitality, real estate development and independent film production. As a privately held company founded and helmed by CEO Sam Nazarian, SBE acquires, develops and manages exceptional projects through its divisions – Hotels, Restaurant and Nightlife, Real Estate, Bolthouse Productions and Element Films. With a mission to redefine standards of excellence and innovation, SBE has harnessed the creativity and innovation of the best minds in the business, including design visionary Philippe Starck, with whom the company has an exclusive agreement for the creation of hotels, restaurants and lounges in the U.S., Canada, Caribbean and Mexico. SBE's Restaurant and Nightlife division constantly stays ahead of the curve, creating and expanding trend-setting restaurant and nightlife concepts, which currently include Katsuya, Foxtail, The Abbey, Hyde Lounge, S Bar and Area. As the cornerstone of its synergistic approach, SBE has also completely rethought and re-imagined the luxury hotel experience. SBE will debut its first luxury hotel brand, SLS Hotels, with the Fall 2008 opening of SLS Hotel at Beverly Hills featuring a Starck design and an innovative culinary program by chef

José Andrés. Also in the SBE Hotel collection are Miami's Ritz Plaza hotel, to debut in late 2009, and Las Vegas' Sahara Hotel & Casino, which will undergo a complete redevelopment for completion in early 2011.

ABOUT PHILIPPE STARCK

Philippe Starck is widely recognized as the world's leading designer of luxury restaurant, hotel and real estate properties and has established a global following of clients and devotees. Born in Paris, M. Starck developed his eclectic style at a young age and studied his trade at *Ecole Nissim de Camondo*. In 1979, he created Starck Products, where he introduced fun and stylish designs into everyday products. Several of Starck's masterful creations are exhibited at the most prestigious museums around the world including Paris, New York, London and Barcelona. Recognized as one of the world's most powerful style makers, his extensive resume of world-class hotel destinations includes *Felix restaurant at The Peninsula Hotel* in Hong Kong, the *Mondrian* in Los Angeles, *Delano* in Miami's South Beach and the *Teatron* in Mexico. Starck has received numerous accolades throughout his career such as Grand Prix for Design, the Oscar of the design world, the Officier des Arts et Lettres and many more. Additional information on Philippe Starck can be found at www.starck.com.