



HOTEL GROUP

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FOR IMMEDIATE RELEASE

**SBE HOTEL GROUP ANNOUNCES THE CREATION AND
EARLY 2008 LAUNCH OF SLS HOTELS;
INAUGURAL PROJECT TO BE BRANDED AS A LUXURY
COLLECTION HOTEL**

Exclusive Collaborators Include Designer Philippe Starck and Chef José Andrés

**Starwood Hotels & Resorts Worldwide, Inc. to Manage
First Luxury SLS Property in Los Angeles**

(LOS ANGELES, CA – March 29, 2007) – **SBE Hotel Group (SBEHG)**, a division of SBE Entertainment Group (SBE), today announced plans for the launch of its new luxury hotel concept, to be called **SLS Hotels**. The first SLS property will be operated under a management agreement with Starwood Hotels & Resorts Worldwide, Inc. (NYSE: HOT). As part of the agreement, The **Le Meridien at Beverly Hills** will undergo a complete transformation and emerge as **SLS at Beverly Hills**, part of The Luxury Collection in early 2008, which will offer guests exceptional experiences indigenous to Los Angeles. The luxury SLS group will ultimately include hotels and resorts in the United States, Mexico and the Caribbean. The announcement was made by SBE CEO Sam Nazarian.

The SLS at Beverly Hills property joins SBEHG's expanding roster of hotels which includes Miami's **Ritz Plaza** which the company is currently redeveloping along with Makar Properties, for reopening in mid-2008. On March 2, SBE also reached an agreement to acquire Las Vegas' famed **Sahara Hotel & Casino**, with equity partner Stockbridge Real Estate Funds.

"With SLS, we are examining and rethinking every possible aspect of the luxury hotel experience to create an entirely new paradigm that is truly in tune with what sophisticated travelers want today," said Nazarian. "To that end, we've teamed with the best minds and companies in the industry to help make SLS into one of the premier hospitality forces in the world, with an unwavering commitment to absolute innovation, the highest quality, and intuitive guest service."

As for what the SLS name represents, Nazarian added, "SLS is not an exact acronym for anything in particular. Most importantly, it is a name that will become synonymous with timeless elegance, intelligence, humanity, discovery and a completely novel guest experience." SLS properties will offer the utmost luxury, with lively public spaces, private guest check-in, highly personalized and attentive service, and a decor which will go beyond the notion of 'interior design' into a work of art.

Design Exclusive with Philippe Starck

A crucial component of the SLS concept's recipe for success is creative mastermind Philippe Starck, who is designing the look and feel of all SLS properties under a 15-year design exclusive with SBE for North America, the Caribbean and Mexico. The SLS 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.

This agreement builds upon a six-year design exclusive signed in May 2005 between SBE and Starck, under which Starck is currently designing several distinct restaurant and lounge concepts. The first of these new concepts, *Katsuya*, launched in June 2006 in Los Angeles' tony Brentwood neighborhood and has quickly become one of the city's hottest restaurants.

Starck's ingenious concepts for SLS promise to surprise, soothe, excite and enchant, and represent an important evolution for the celebrated designer. He commented, "The world – and what I call the 'global tribe' which travels it – are very different from when I designed my first hotels. What I am creating for SLS will be incredibly timeless, chic, bold and ultimately humane, designed only to bring happiness in an elegant way."

Culinary Wizardry by Chef José Andrés

SBE also announced today an exclusive collaboration with renowned culinary innovator José Andrés to oversee all food and beverage development for SLS properties. In the gifted hands of chef Andrés, SLS guests will enjoy

revolutionary culinary experiences in the hotels' restaurants, lobby and bars, as well as for in-room dining, banquets and meetings. A particularly strong signature of SLS will be pioneering, multi-faceted culinary and lounge concepts for the hotels' lobby spaces.

"Working with the SBE Hotel Group is a very exciting new challenge for me," said Andrés. "Food and beverage is increasingly playing such a pivotal role within the best luxury hotels around the world and it is a very fulfilling next step for my company."

Andrés, deemed "the boy wonder of culinary Washington" by the *New York Times*, was voted "Best Chef of the Mid-Atlantic Region" by the venerable James Beard Foundation in 2003 and "Chef of the Year" by *Bon Appetit* in 2004. He is internationally recognized for bringing both tradition and avant-garde Spanish fare to America, earning him the title of Spain's unofficial ambassador to the US and influencing the way Americans eat today. To this end in May 2007, he will be inducted into the Who's Who of Food & Beverage in America, by the James Beard Foundation joining an elite group of restaurateurs for this prestigious recognition. Andrés and his THINKfoodGROUP team have created some of the most renowned Washington D.C. restaurants, including *Jaleo*, *Oyamel*, *Zaytinya*, *Café Atlantico* and his critically-acclaimed *minibar by José Andrés*.

Management by Starwood

To ensure an unparalleled level of guest service, SBEHG has teamed with Starwood Hotels & Resorts Worldwide, Inc. which will manage the Los Angeles property under the umbrella of its world renowned The Luxury Collection® brand, which includes famed hotels such as The Gritti Palace in Venice, The Phoenician in Phoenix, Arizona, and the recently opened Marques de Riscal in the Rioja region of Spain.

The Luxury Collection® is an elite brand of distinctive properties ranging from imperial palaces, romantic hideaways and historical landmarks to tropical resorts, recognized as some of the finest hotels in the world. There are over 50 The Luxury Collection hotels and resorts in more than 25 countries, each reflecting the true essence of the destination. The SLS at Beverly Hills property will also benefit from Starwood's market-leading Starwood Preferred Guest loyalty program.

SBE Executive Expertise

Collaborating with M. Starck on the design and creation of SLS is SBE Chief Creative Officer 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 a senior executive with W Hotels where she played a key role in numerous facets of the brand.

A trio of seasoned hospitality executives round out the SBEHG executive team, contributing their cumulative industry expertise to the creation and growth of this new hotel brand. These include SBEHG President Arash Azarbarzin, whose two decades of hotel management experience include involvement with both the W and St. Regis Hotel brands; SBE VP of Development Joe Faust, who spent 15 years with the Hyatt Hotels corporation, and SBE VP of Marketing Michael Doneff, who has worked with high-end lifestyle brands such as One&Only Resorts, St. Regis, W Hotels, Dom Pérignon and the Michelin Guide.

Unprecedented Synergy under SBE Umbrella

SBE's launch of SLS Hotels, combined with its already successful development and operation of some of the country's hottest restaurants and nightclubs, represents an incredible synergy that no other hotel group can match. SBE's Hyde Lounge, Area and Katsuya have all quickly become wildly popular destinations for Los Angeles' A+ list, and additional U.S. locations for these brands are already in the works, including outposts at future SLS properties. SBE's clientele will thus be able to 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.

For more information on SLS Hotels and SBE Hotel Group, visit www.sbeent.com.



ABOUT SBE HOTEL GROUP

SBE Hotel Group (SBEHG) continues to develop and expand its diverse hotel portfolio by creating strategic partnerships with the world's top design talents and the most reputable and quality-oriented development and management firms in the United States. In April 2006, SBEHG signed a 15-year exclusive agreement with renowned designer, Philippe Starck, for the creation of a new luxury hotel brand, SLS, to debut in early 2008. The first property in the SLS brand will debut 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 SBE's Ritz Plaza hotel in South Beach, which will reopen in mid-2008. In March 2007, SBE entered into an agreement to acquire Las Vegas' famed *Sahara Hotel & Casino*, with partner Stockbridge Real Estate Funds. SBE CEO Sam Nazarian also has a long-standing relationship with the Kor Group, and has invested in Kor Hotel Group holdings in Los Angeles, Palm Springs and the Caribbean.

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.

ABOUT JOSÉ ANDRÉS

Widely credited with bringing the small plates (Tapas) concept to the United States, José Andrés is a native of Spain who descended upon the Washington, D.C. culinary landscape in 1993 at *Jaleo*. Andrés went on to neighboring *Café Atlantico* and *Zaytinya* before launching his namesake six-seat "restaurant within a restaurant," *minibar by josé andrés*, at *Café Atlantico* in 2003. Since then, he has opened a third *Jaleo* and *Oyamel*, and launched THINKfoodTANK, an institution devoted to the research and development of ideas about food. Andrés has received numerous accolades for his work, including *Bon Appetit's* Chef of the Year award in 2004, *Food & Wine's* "35 Under 35" tastemakers list (2004) and *Saveur's* "2004 Saveur 100 List". In 2003, Andrés won the James Beard Foundation's "Best Chef of the Mid-Atlantic Region" award and in 2005, released his first cookbook, *Tapas: A Taste of Spain in America*, as well as his popular international cooking show "Vamos a cocinar," on Television Española. In 2007 he was inducted into Who's Who of Food & Beverage in America, by the James Beard Foundation

ABOUT STARWOOD HOTELS & RESORTS

Starwood Hotels & Resorts Worldwide, Inc. is one of the leading hotel and leisure companies in the world with more than 850 properties in more than 95 countries and 145,000 employees at its owned and managed properties. Starwood(R) Hotels is a fully integrated owner, operator and franchisor of hotels and resorts with the following internationally renowned brands: St. Regis(R), The Luxury Collection(R), Sheraton(R), Westin(R), Four Points(R) by Sheraton, W(R), Le Meridien(R) and the recently announced Aloft(SM) and Element(SM) Hotels. Starwood Hotels also owns Starwood Vacation Ownership, Inc., one of the premier developers and operators of high quality vacation interval ownership resorts. For more information, please visit www.starwoodhotels.com.

(Note: The press release contains forward-looking statements within the meaning of federal securities regulations. Forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties and other factors that may cause actual results or events to differ materially from those anticipated at the time the forward-looking statements were made. These risks and uncertainties are presented in detail in Starwood's filings with the Securities and Exchange Commission. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that results and events will not materially differ. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.