



For Immediate Release

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**W HOTELS HEADS FOR THE CALIFORNIA COASTLINE
WITH W HUNTINGTON BEACH**

***W Hotels Worldwide and Makar Properties LLC to Open W Hotel's First Pacific
Beachfront Property and W Hotel's Fifth California Hotel; Scheduled to open in 2010,
W Huntington Beach to Anchor Makar's Pacific City Development***

NEW YORK, NY—January 8, 2008—In its pursuit to expand in the world's most alluring destinations, Starwood Hotels & Resorts Worldwide, Inc. (NYSE: HOT) today announced plans to open a new W Hotel in Huntington Beach, California, a picturesque seaside town renowned for world-class surfing, magnificent, golden sunsets and a vibrant nightlife and music scene. Scheduled to open in 2010, W Huntington Beach and The Residences at W Huntington Beach will offer escape and indulgence in a pristine beachfront sanctuary. Owned by an affiliate of Makar Properties LLC, the new W Huntington Beach when opened will feature approximately 250 luxurious guest rooms, approximately 92 full-service private residences, a world-class signature restaurant, a spectacular bar and destination spa. The opening of W Huntington Beach will mark the fifth California property for W Hotels, the fastest growing luxury hotel brand in the world.

“W continues to extend beyond the boundaries of everyday travel, offering a magical mix of sexy destinations and sublime design,” said Ross Klein, President of Starwood's Luxury Brands Group. “From Huntington Beach to Hong Kong, Minneapolis to Milan, Hoboken to Hollywood, W Hotels is going global as the influential and innovative lifestyle authority.”

Located on Pacific Coast Highway, W Huntington Beach will serve as the central, defining element in Makar's Pacific City development. Pacific City is set on more than 30 acres of prime oceanfront property in the heart of the Orange County coastline. The development promises to bring a new level of sophistication and excitement to the already bustling city of Huntington Beach. The Pacific City retail village, scheduled to open in late 2009, will offer an array of eclectic boutiques, discriminating brands, exciting culinary and entertainment venues and prime office space. An expansive residential village completes Pacific City as the ultimate location to live, work and play.

"W Huntington Beach will offer guests and residents the epitome of Southern California lifestyle," said Paul Makarechian, President and CEO of Makar Properties. "We are very excited to partner with W Hotels in creating a landmark property. We always believed that Orange County was an untapped market for their trendsetting style of hospitality. There is no better place than Pacific City to unveil something that will be completely unique to Southern California."

Interest in The Residences at W Huntington Beach has been tremendous. "The residences will be unlike anything on the market today. The proximity to the beach, hotel, high-end retail, restaurants and exclusive recreational facilities puts it over the top in terms of amenities" says Thomas Kearns, Vice President of Residential Sales & Marketing for Makar Properties.

Overlooking an 8-mile stretch of uninterrupted beach, W Huntington Beach will feature expansive views of the Pacific Ocean, sleek public spaces complemented by the W brand's innovatively designed guest rooms and suites. Guest rooms will offer modern technology and the W signature design, including the signature W bed – a luxurious ensemble featuring a feather-top mattress, 350 thread-count Egyptian cotton sheets and goose-down comforter. W Huntington Beach will offer more than 11,000 square feet of meeting space, ideal for the growing number of corporate-sponsored events held in the area each year. Guests and residents will be able to dine at the hotel's stylish, full-service restaurant, relax in the signature Bliss® Spa and indulge in the W brand's Whatever/Whenever® service, the hotel's 24-hour concierge that provides whatever guests want – from a pair of running shoes to a private jet service – whenever they want it. Additional facilities include two outdoor pools, W Living Room and Sweat Fitness® center.

Huntington Beach attracts more than 11 million visitors each year who travel from all over the globe to experience its unspoiled beaches, spectacular surfing, outdoor concerts and miles of beachside walking and biking trails. Guests and residents will have the opportunity to enjoy shopping at unique and destination boutiques, and dining in a variety of enticing, specialty restaurants, all located within Pacific City, directly adjacent to W Huntington Beach. At night, the city pulses with excitement, generated by the warm and welcoming atmosphere of its local breweries and pubs, many of which feature live music performances by cutting-edge bands. W Huntington Beach is just 15 minutes from Long Beach Airport, 20 minutes from Orange County Airport and 35 minutes from Los Angeles International Airport, providing a number of air travel options. The location also offers convenient access to many local destinations, such as Disneyland, the Aquarium of the Pacific, Newport Beach and Laguna Beach.

About W Hotels Worldwide

W Hotels is a global lifestyle brand with 21 properties in the most vibrant cities around the world. Inspiring and indulging its guests with thoughtful, refreshing and stylish experiences, signature restaurants, bars and destination spas, W has become the fastest growing luxury hotel brand in the world. Each hotel offers a unique mix of innovative design, comfort, and cultural influences from fashion to music to art and everything in between. The W brand's first residential property, W Dallas-Victory, opened in June of 2006, and soon thereafter was named a *Forbes Magazine* "Top Business Hotel." W Hotels have been announced in Scottsdale (2008), Midtown Atlanta (2008), Fort Lauderdale (2008),

Buckhead (2008), Hoboken (2008), Minneapolis (2008), Downtown Atlanta (2008), Downtown New York (2009), South Beach (2009), Hollywood (2009), Philadelphia (2009), Washington, D.C. (2009) and Austin (2010). Internationally, W has announced plans for hotels in Istanbul (2008), Doha (2008), Hong Kong (2008), St. Petersburg (2008), Santiago (2008), Athens (2009), Milan (2009), Dubai-Festival City (2009), Shanghai (2009), Barcelona (2009), Macao-Studio City (2010), Guangzhou (2010), Dubai-The Palm (2010), Yokohama (2011), Bangkok (2011) and Amman (2011). The W Hotel's first Retreat & Spa, W Maldives, opened in September of 2006 and in March of 2007, received the prestigious *Travel + Leisure* Design Award for Best Resort. W has plans to open Retreat & Spa hotels in Vieques (2008), Koh Samui (2009), Bali (2009) and Verbier (2010), the latter of which will serve as the W brand's first ski retreat. For more information, visit www.whothe.com.

About Makar Properties

Headquartered in Newport Beach, California, Makar Properties, LLC is an innovative diversified real estate development company that specializes in the acquisition and development of innovative master-planned communities and mixed-use, resort, retail, golf, office and residential properties in premier locations and high growth markets. Devoted to community and investor needs, Makar aims to craft distinctive lifestyle experiences for each resident or guest while considering the integration of each project with its community and ultimately, delivering superior returns. Makar has over \$1 billion in assets representing an estimated build-out value of over \$10 billion.

Makar is best recognized for developing lifestyle communities that combine luxurious, uniquely located hotel properties with upscale residential collections to create destination resort living. Among its current projects in development, Pacific City is a highly desirable surfside community including the 250-room W Huntington Beach Hotel, cutting-edge retail and a luxury residential village that includes The Residences at W Huntington Beach. Join the priority interest list at www.PacificCityHB.com. One of Makar's landmark developments is the St. Regis Resort, Monarch Beach, a 172-acre luxury coastal resort in Dana Point featuring 400 rooms and suites, a world-class golf course and luxury residential living. Additional properties are located in South Beach, Miami, FL, Palm Springs, CA, La Jolla, CA and Anaheim, CA. www.makarproperties.com

(Note: This 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 are made. These risks and uncertainties are presented in detail in our 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.)

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