

STARWOOD CAPITAL GROUP SELLS BACCARAT HOTEL NEW YORK TO SUNSHINE INSURANCE GROUP AFFILIATE

Official Grand Opening of Flagship Baccarat Hotel New York Is Set for March 2015

Hotel and Residences to Be Managed by Starwood's SH Group Under Long-Term Contract

GREENWICH, CT – February 9, 2015 – Starwood Capital Group, a leading global private investment firm, announced today that it has agreed to sell, on behalf of a controlled affiliate, the flagship Baccarat Hotel New York at 20 West 53rd Street in Manhattan to an affiliate of Sunshine Insurance Group. Terms of the transaction were not disclosed. The hotel occupies the first 12 floors of the 50-story Baccarat Hotel and Residences project scheduled to open the first week of March.

The New York property, located across the street from the Museum of Modern Art, is the global flagship hotel for the 250-year-old Baccarat brand and marks the entry of this world famous brand into the luxury hospitality arena. The project is located just off historic Fifth Avenue in New York City and rises 605 feet over 50 stories. Adorned by a 125-foot wide corrugated crystal façade rising 60 feet above the sidewalk, the building glows from the inside out, celebrating the quality of light and truly embodying the Baccarat crystal heritage. The hotel features 114 elegantly appointed floor to ceiling windowed rooms including 26 gracious suites that feature revolutionary hotel services and custom Baccarat amenities powered by the latest in technological innovations.

The Baccarat New York includes the beautiful bespoke Spa de La Mer, a large state of the art fitness center and indoor pool; a destination bar on the upper lobby level. The Bar at the Baccarat is set in a wine and crystal “barrel,” and is fronted by an outdoor garden terrace facing the famous Museum of Modern Art façade. The hotel features one of the largest lobbies of any luxury hotel in New York, the Grand Salon, which together with the silver leafed Petite Salon, will showcase a curated rotating collection of Baccarat “treasures” from the Baccarat museum in Baccarat, France. The Salons and meeting spaces will feature afternoon tea and dining all day long. At the street, Baccarat’s Chevalier restaurant, named for one of Baccarat’s most famous designers, will be hosted by New York’s renowned maître de Charles Masson; and feature modern French cuisine in its beautiful unique setting. To pay homage to its location across from one of the world’s most important museums, the entire feature wall of the hotel’s entry lobby is covered by 2,000 Baccarat Harcourt glasses, cut, hung and lit to project a crystal light show throughout the day and night. The hotel serves as an extraordinary amenity to the 59 residences which sit atop the hotel base.

“We are very pleased to enter into this transaction with Sunshine Insurance Group, which marks a significant milestone for Baccarat S.A. and for the future growth of the Baccarat hotel brand. For 250 years, for kings, queens, tsars and sheiks, Baccarat has represented absolute perfection in crystal. Our aspiration is that Baccarat Hotels will present perfection in service to our guests. We look forward to presenting this world-class experience to our guests at this landmark hotel, which will surely take its place as one of the most famous hotels in the world in the number one travel destination in our country,” said Barry Sternlicht, Chairman and CEO of Starwood Capital Group.

“We are extremely pleased to have found such a great partner for Starwood and Baccarat in the Sunshine Insurance Group. Sunshine shares our long term strategic vision for Baccarat Hotels and will be an excellent partner for the growth of our brands particularly in the fast growing travel markets of Asia,”

continued Mr. Sternlicht. “Baccarat Hotels are also under construction in Dubai and Rabat, Morocco, and we are working on projects in several European capitals and resorts.”

Following the transaction close, the Baccarat Hotel New York will be managed under a long-term contract by Starwood Capital's SH Group, a hotel management company created by Starwood Capital that manages and is the creative force behind the 6-star Baccarat hotel brand and the luxury eco-conscious 1 Hotels brand. SH Group's professionals serve as Starwood Capital's in house design, construction, marketing, technology, and hotel operations experts. 1 Hotels is scheduled to open three new hotels in 2015 including the 1 Hotel Central Park on 58th and 6th Avenue in New York City, the 1 Hotel South Beach in Miami, and the 1 Hotel Brooklyn Bridge Park located at Pier 1 overlooking the East River. Starwood Capital acquired Baccarat S.A several years ago when it acquired Societe Du Louvre, and conceived and created the Baccarat Hotel and Residences project in NYC, the first of its kind. Not included in the sale are the 59 residential condominiums located on floors 18 to 49, known as the Baccarat Residences New York. With a spectacular array of luxurious hotel services and amenities available to the residences, such as catered in-residence dining, housekeeping, the pool, gym and spa, demand for the residences has been strong, with more than 70% of the residences sold. A limited selection of residences are still available with prices ranging from \$5.15 to \$60 million for the 7,381 sq ft. five-bedroom duplex penthouse featuring 360 degree views of the park, and all of NYC's iconic buildings.

Sunshine Insurance Group is a comprehensive insurance financial group based in China, ranking among the country's largest and most successful insurance and investment firms. It succeeded in becoming one of China's S&P 500 companies in its first five years of operation and has also become the seventh-largest Chinese insurance group.

Starwood Capital Group was advised by Eastdil Secured LLC and represented by Greenberg Traurig LLP on the sale of Baccarat Hotel New York and Sunshine Insurance Group was advised by JLL's Hotels & Hospitality Group and represented by Holland & Knight LLP.

About Starwood Capital Group

Starwood Capital Group is a private investment firm with more than 500 employees, with a core focus on global real estate and energy infrastructure. Headquartered in Greenwich, CT, the Firm maintains twelve offices in six countries around the world. Starwood Capital Group has raised more than \$30 billion of equity capital since its inception in 1991, and currently manages over \$40 billion in assets. The Firm has invested in virtually every class of real estate on a global basis, opportunistically shifting asset classes, geographies and positions in the capital stack as it perceives risk-reward dynamics evolve. For more than two decades, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises around real estate portfolios in both the private and public markets. Starwood may perhaps be best known for founding, creating and building Starwood Hotels and Resorts beginning in 1995. Additional information can be found at starwoodcapital.com.

About SH Group

SH Group, an affiliate of Starwood Capital Group, is a global hotel brand management company that owns the environmentally-focused 1 Hotels & Resorts brand and holds the Baccarat Hotel license, as well as other potential future hotel brands. SH Group provides Starwood with significant proprietary investment opportunities and maximizes returns on hotel investments in the firm's dedicated hotel funds.

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