

P R E S S R E L E A S E

Warimpex – Starwood Capital Group – Louvre Hotels: Groundbreaking for first budget hotels in Wroclaw, Poland

- **Start of construction for Campanile and Première Classe hotels in Wroclaw – completion scheduled for late 2011.**
- **Land and building permits for five further budget hotel projects in Poland and Hungary secured – negotiations for further developments well underway.**

Wroclaw, 15 November 2010 – Real estate investors Warimpex and Starwood Capital Group today launched construction of the first Campanile and Première Classe budget hotels in the centre of the city of Wroclaw, Poland. Eiffage Budownictwo Mitex was selected as the general contractor for the two hotels, and the construction of 152 Campanile rooms and 136 Première Classe rooms is due to be completed in December 2011. The hotels will be operated by Louvre Hotels.

“This groundbreaking marks the actual start of our plan to bring business hotels that offer excellent services and amenities at a very attractive price to Central and Eastern Europe. The great demand for this category of hotels especially in cities with strong growth potential and an underdeveloped hotel market not only promises future success. This step is also important for further diversifying our existing asset portfolio so we can respond optimally to possible market fluctuations,” said Christian Fojtl, Warimpex board member responsible for budget hotel development.

“We are excited to be commencing the construction in such a good, central location for the Wroclaw Campanile and Première Classe hotels. The Campanile, Kyriad and Première Classe brands of our affiliate Louvre Hotels already have a strong recognition from their existing ten operating hotels across Poland. The opening of these new hotels will broaden our offer across Poland of excellent quality accommodation, priced at a great value,” added Desmond Taljaard, COO Europe for Starwood Capital.

Warimpex and an affiliate of Starwood Capital Group have created a strategic joint venture (50/50) to develop budget hotels of the well-established and successful brands Campanile and Première Classe in Central Europe, all of which will be operated by Louvre Hotels. The joint venture will focus on Poland, the Czech Republic, Hungary and Slovakia, with the possibility of expanding into other countries in the region.

In addition to the two hotels in Wroclaw, the joint venture has five more hotel projects in the pipeline across four sites – Zielona Gora, Bydgoszcz and Katowice in Poland and Budapest in Hungary.

Wroclaw – high-tech and financial centre

With more than 630,000 inhabitants, Wroclaw is the fourth-largest city in Poland. Wroclaw has always been an important economic centre. Today, the international automotive industry as well as the production of household appliances and hi-tech electronics belong to the most important branches on site. In recent years, the city has undertaken great efforts to attract foreign investors from the high-tech sector. It has been remarkably successful, and large international production clusters have settled in or near Wroclaw. Since the late 1980s, Wroclaw has also become a significant financial centre and is home of the headquarters of several financial institutions with nationwide operations. Last but not least, Wroclaw will be a host to the European Soccer Championships in 2012, which will give the local economy a further boost.

Campanile and Première Classe hotels

Campanile and Première Classe hotels are well-known and well-established brands of the hotel operator Louvre Hotels. Campanile is a key player in the European budget hotel market with 388 hotels in nine countries, more than 9 million meals and 6 million overnight stays. The brand is distinguished by a friendly atmosphere, authenticity and a unique dining concept. With 230 hotels in total, Première Classe has shaken up the economy hotel market by adopting a true low-cost strategy that includes a private bathroom in every room. The two brands know just how to meet the needs of guests looking for comfort and good quality at an affordable price. Whether a traveller is looking for a high-quality budget hotel or just for a comfortable place to relax after a long day – with Campanile and Première Classe hotels he will find a suitable offer.

Current development projects at a glance

- Campanile hotel, Wroclaw (152 rooms)
- Première Classe hotel, Wroclaw (136 rooms)
- Campanile hotel, Zielona Gora (84 rooms)
- Campanile hotel, Budapest (284 rooms)
- Campanile hotel, Bydgoszcz (117 rooms)
- Campanile hotel, Katowice (110 rooms)
- Première Classe hotel, Katowice (90 rooms)

Warimpex Finanz- und Beteiligungs AG at a glance

Warimpex Finanz- und Beteiligungs AG is a property development and investment company with its headquarters in Vienna and offices in Budapest, Prague, St. Petersburg and Warsaw. Over the past twenty-five years, Warimpex has developed properties worth over one billion euros in Central and Eastern Europe. Warimpex currently owns or jointly owns twenty-one business and luxury hotels with over 5,000 rooms in total and five commercial and office buildings with a total useable area of roughly 32,000 square metres. The properties are located primarily in Central and Eastern Europe. A number of further hotel projects are currently under development. Over the medium term, the Group has its sights set on becoming the market leader in the hotel property segment in the “New Europe”. The Warimpex share is listed on the Vienna and Warsaw (WXF) stock exchanges.

About Starwood Capital Group Global, LLC

Starwood Capital Group is a private, U.S.-based investment firm with a core focus on global real estate. Since the group’s inception in 1991, the firm, through its various funds, has invested nearly \$8 billion of equity capital, representing over \$25 billion in assets. Starwood Capital Group currently has approximately \$16 billion of assets under management. Starwood Capital Group maintains offices in Greenwich, Atlanta, San Francisco, Washington, D.C., and affiliated offices in London, Luxembourg, Paris, Mumbai, Tokyo and Sao Paulo. Starwood Capital Group has invested in nearly every class of real estate on a global basis, including hotels, resorts, office, retail, residential, senior housing, golf and industrial assets. Starwood Capital Group and its affiliates have successfully executed an investment strategy that includes building enterprises around core real estate portfolios in both the private and public markets. Additional information about Starwood Capital may be found at www.starwoodcapital.com.

About Louvre Hotels

Louvre Hotels, the second-largest European hotel group and eight-largest global player in the hotel industry with more than 1,000 hotels in 42 countries, is an affiliate of Groupe du Louvre which is owned by the private equity firm Starwood Capital Group. Allied with Golden Tulip Hospitality Group since July 2009, Louvre Hotels operates 7 clearly differentiated hotel brands ranging from one to five stars: Première Classe, Campanile, Kyriad, Kyriad Prestige, Tulip Inn, Golden Tulip and Royal Tulip. These hotels have a total capacity of more than 80,000 rooms and are managed under different affiliate, management contract and franchise models. Thanks to its expansion plans in growth markets as well as markets in which the group already has a strong presence (France, Europe, North Africa, Brazil and India), Louvre Hotels is a key player in the international hotel industry.

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