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M. 7705 - BENSON ELLIOT / WALTON STREET / STARWOOD / HOTEL PORTFOLIO

SECTION 1.2

Description of the concentration

Benson Elliot Capital Management LLP (“**Benson Elliot**”) and Walton Street Capital L.L.C (“**Walton Street**”) propose to acquire joint control over a portfolio of eight hotels located across the European Union. Benson Elliot and Walton Street will jointly acquire:

- the business of leasing hotel property only for three of the hotels; and
- the hotel operations together with Starwood Hotels & Resorts Worldwide, Inc. (“**Starwood**”) in respect of five of the hotels, pursuant to existing hotel management agreements with Starwood which will continue in force. These hotels will continue to be managed by Starwood alongside Benson Elliot and Walton Street.

As a result, there will be a change in the quality of control of the eight Hotel Portfolio properties concerned.

Benson Elliot is a UK-based investment firm with a core focus on global real estate. The firm targets investments across Europe.

Walton Street is a US private equity investment firm, also active in the real estate industry.

Starwood is one of the leading hotel and leisure companies in the world with more than 1200 properties in some 100 countries at its owned and managed properties.

The portfolio comprises eight hotels located in Germany, Poland, Italy, France and Belgium (“**Hotel Portfolio**”), in the following seven cities: Nuremberg, Rome, Venice, Milan, Warsaw, Paris and Brussels.

Joint control between Benson Elliot and Walton Street of the eight hotels composing the Hotel Portfolio derives from the provisions of joint venture agreements. Amongst these eight hotels, joint control of the operations of five hotels will be exercised together with Starwood. These five hotels are (i) Westin Europa & Regina Venice, (ii) Westin Palace Milan, (iii) Sheraton Roma, (iv) Le Meridien Grand Hotel Nuremberg, and (v) Sheraton Warsaw, which are currently jointly controlled with Starwood together with the seller by virtue of the rights granted to it under applicable hotel management agreements.

These management agreements will remain in place, with Benson Elliot and Walton Street stepping into the contractual position of the sellers. Starwood's current rights under the management agreements giving rise to joint control of the hotels will remain unchanged.