



For Immediate Release

STARWOOD CAPITAL GROUP, HI PARTNERS TEAM UP TO INVEST €500M IN SPANISH HOTEL SECTOR

GREENWICH, CT and BARCELONA, SPAIN – March 14, 2016 – Starwood Capital Group, a leading global private investment firm, and leading hotel investment and asset management firm HI Partners announced today that they have established a joint venture to invest in the Spanish hospitality market.

Starwood Capital Group, through a controlled affiliate of Starwood Global Opportunity Fund X (SOF X), will own 70% of the joint venture company, while HI Partners will own the remaining 30%. HI Partners—majority-owned by Banc Sabadell, the fifth-largest banking group in Spain—will serve as the manager of the joint venture, which is expected to deploy approximately €500 million in the Spanish hotel sector over the next three years.

The joint venture will focus its investment strategy on superior 3- and 4-star leisure hotel assets with more than 200 rooms in Spain’s primary tourist destinations—including the Balearic Islands, Canary Islands, Costa del Sol, Costa Dorada and Costa Brava. The joint venture will also consider special investment projects in high-quality urban hotels in Barcelona and Madrid. Completion of the joint venture agreement is subject to the approval of the European Union Merger Control Office.

“Starwood Capital Group is the best partner for HI Partners, as it is one of the global investors with the most prestige and experience in the hotel sector, and we share its vision of value generation through innovation and creativity,” said Alejandro Hernandez-Puértolas, Founding Partner and Chief Executive Officer of HI Partners. “The signing of this agreement positions HI Partners as one of the most relevant players on the hotel investment scene in our country.”

“We are excited to team up with such a premier hospitality operating partner as HI Partners to bring world-class local operating expertise to the joint venture’s assets,” added Keith Evans, Vice President at Starwood Capital Group. “We view the Spanish hotel market as extremely attractive, due to its positive fundamentals, strong demand from both national and international guests and the steady recovery of the broader economy. We look forward to building a high-quality portfolio of hotels representing the top resort and urban destinations in Spain.”

The joint venture with HI Partners highlights Starwood Capital Group’s growing presence in Spain, which is the world’s third-most-popular country in terms of foreign tourist arrivals. In June 2015, Starwood Capital Group and leading Spanish hotel operator Meliá Hotels International completed a joint venture to acquire a collection of hotels across key resort locations in Spain. The initial portfolio for the joint venture consisted of seven beachfront hotels comprising 2,933 keys. Together, the complimentary investment strategies of the two joint ventures should provide Starwood Capital with full market coverage and local expertise in Spain, allowing both ventures to thrive and pursue new opportunities. Starwood Capital Group has acquired more than \$77 billion of real estate assets globally since its inception, including approximately 2,600 hotels and resorts.

About Starwood Capital Group

Starwood Capital Group is a private investment firm with a core focus on global real estate. Headquartered in Greenwich, CT, the Firm maintains 10 offices in four countries around the world, and currently has more than 2,100 employees. Starwood Capital Group has raised more than \$33 billion of equity capital since its inception in 1991, and currently manages over \$53 billion in assets. The Firm has invested in virtually every category of real estate on a global basis, opportunistically shifting asset classes, geographies and positions in the capital stack as it perceives risk-reward dynamics to be evolving. Over the past 25 years, 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. Additional information can be found at starwoodcapital.com.

About HI Partners

HI Partners is a hotel investment and asset management company based in Barcelona, Spain whose main shareholder is Banc Sabadell (Spain's fifth-largest banking group in terms of assets). Its team has accumulated extensive experience in the hotel investment sector, having carried out a total of over €1,000 million euros in investment projects. HI Partners currently manages 21 hotels, as well as €850 million of hotel loans. The company's objective is to possess the collateral behind the loans when debt restructuring is not seen as a viable solution. HI Partners' strategy consists of divesting those assets that do not meet the company's investment criteria, and to keep the hotel assets of largest size that fulfill their profitability requirements by investing in their transformation and operational optimization.

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