

Press Release

**Morgan Stanley Real Estate and Starwood Hotels Complete
Acquisition of Sheraton Grande Tokyo Bay Hotel
Panorama Hospitality Assumes Asset Management Responsibilities**

TOKYO, March 27, 2007 – Panorama Hospitality, the Tokyo-based hospitality business of Morgan Stanley, has been appointed asset manager of the 802-room Sheraton Grande Tokyo Bay Hotel with immediate effect.

This appointment follows completion of the acquisition of the hotel by Starwood Hotels and Resorts Worldwide, Inc.[®] and a fund managed by Morgan Stanley Real Estate.

One of five Tokyo Disney Resort[®] official hotels, the 802-room Sheraton Grande Tokyo Bay Hotel is the largest hotel, by room number, to join the growing number of properties supervised by Panorama Hospitality.

The hotel has been managed by Starwood[®], since its opening in 1988 and will continue to be operated under a long-term agreement of the joint venture. A large-scale refurbishment is planned for the hotel and will commence shortly.

“We are very proud to partner with Morgan Stanley and Panorama Hospitality as asset manager and at the same time continue to manage Sheraton Grande Tokyo Bay. Our strong relationship provides a wonderful platform of the ongoing development of the landmark Sheraton Grand Tokyo Bay and the Sheraton brand overall” said Lothar Pehl, Regional Vice President Starwood Hotels Japan, Korea and Guam.

“We are both honored to have Sheraton Grande Tokyo Bay Hotel join our family and delighted to have the opportunity to deepen our long-standing relationship with Starwood Hotels and Resorts, an association that continues at The Westin Tokyo. We will work closely with the hotel’s staff, pooling our experience, skills and resources to create a great experience for our guests and value for our owners” said Robert Wilson, president of Panorama Hospitality.

About Sheraton Grande Tokyo Bay Hotel

www.sheratontokyobay.co.jp

- Address: Maihama 9, Urayasu-shi, Chiba 279-0031, Japan
- Facilities: 802 guestrooms; 13 banquet and conference rooms; 8 food and beverage outlets; 2 chapels; "Oasis" sport, recreation and relaxation complex
- Capital: Morgan Stanley Real Estate fund (approximately 75%)
Starwood® Hotels & Resorts Worldwide (approximately 25%)
- Asset Manager: Panorama Hospitality, K.K.

About Starwood Hotels & Resorts Worldwide, Inc.

www.starwoodhotels.com

Starwood® is one of the leading hotel and leisure companies in the world, with approximately 850 properties in more than 95 countries and 145,000 employees at its owned and managed properties. Starwood® is a fully integrated owner, operator and franchisor of the following internationally renowned brands: St. Regis®, The Luxury Collection®, Sheraton®, Westin®, Four Points by Sheraton®, W®, Le Méridien® and the recently announced AloftSM and ElementSM Hotels.

About Panorama Hospitality, K.K.

www.panorama-hospitality.com

Panorama Hospitality is a Tokyo-based hotel asset management and operating company serving the Asia Pacific and Europe regions. Established in September 2005, by spinning off the hotel operating and management arm of Morgan Stanley Properties Japan, a leading property asset management firm. Panorama Hospitality asset manages a portfolio of hotels valued in excess of US\$2.7billion.

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