

Florence, 1 June 2012

***New Starhotels President Elisabetta Fabri comments on the results for the year ending 31 December 2011.***

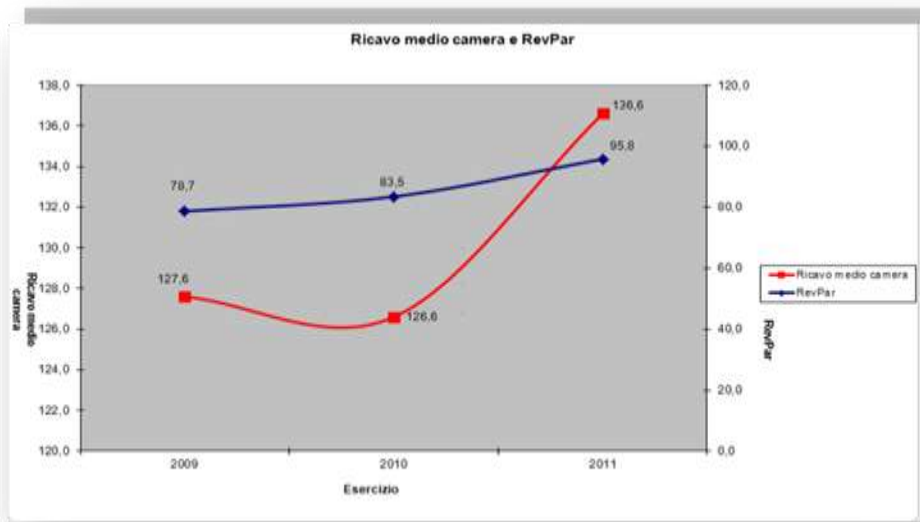


*“Despite the recent financial turbulence, a strong history built on 30 years of passion, intuition and courage has seen Starhotels bear fruit in Italy and internationally too. Starhotels Group, which includes Starhotels S.p.A. and Castille S.a.s., posted record sales in 2011, reaching €142.5 million - the best result in its history”.*

These were the words of Elisabetta Fabri, who in January 2012 was appointed President of the Starhotels Group, founded and led by her father Ferruccio Fabri, now Honorary President.

*“Succeeding my father as President of the company is a strong signal of our desire to maintain the family’s central role in our top management.”*

Elisabetta Fabri is also CEO of the company, which has a portfolio comprising 22 hotels (20 four star hotels in Italy, one deluxe hotel in New York and one boutique hotel in Paris). The hotels comprise 3,716 rooms and 142 meeting rooms seating nearly 10,000 delegates and 24 restaurants (equating to 1,300,000 visitors a year).



Despite the challenging economic climate of 2011, it proved to be a very positive year for the Starhotels Group and its 1,000 employees.

### **Starhotels S.p.A. and Castille S.a.s. results**

*“We are satisfied with our capacity to react to a series of unfavourable circumstances.*

*Starhotels Group, which includes Starhotels S.p.A. and Castille S.a.s., posted record sales in 2011, reaching €142.5 million, the best result in its history,”* commented Elisabetta Fabri.

The figure was up **9.1%** on the previous year, while EBITDAR moved up from **26.8%** in 2010 to **28.2%** in 2011, an increase of **15%** in absolute terms. Occupancy also rose, by **4.2%**, to reach **70.1%**. RevPar (revenue per available room) rose **14.7%**.

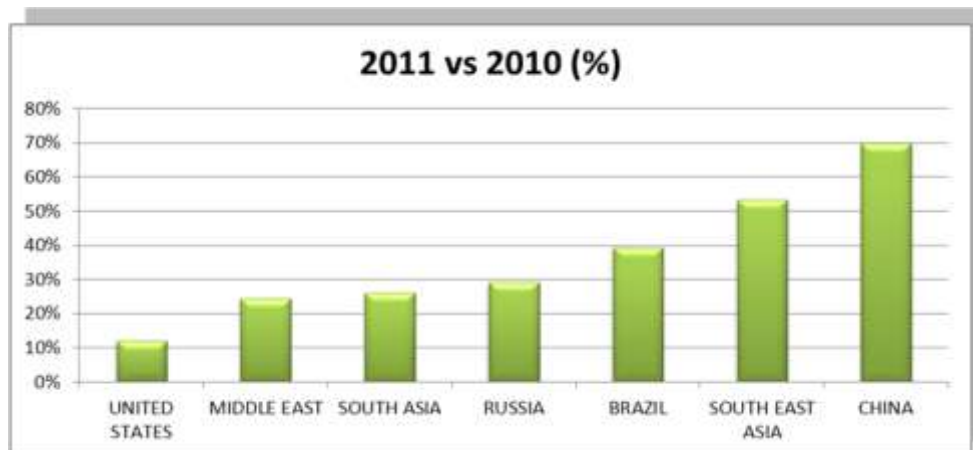
### **The American associate**

The American associate that owns The Michelangelo in New York, part of the Starhotels Collezione, closed 2011 with sales of \$23.9 million, equating to a 17.7% increase on 2010 sales and up 17.7% on the previous year.

*“Even taking our investments into account, our net debt / EBITDAR gearing improved, moving from 6.1 in 2010 to 4.8 in 2011. We can therefore look to the future with justified optimism and confirm our intention to grow within the framework of our expansion plans for Italy and also abroad”.* (Elisabetta Fabri)

## The Group

Over 32 years, Starhotels Group has seen strong levels of growth through a number



of property acquisitions, and has subsequently become one of the most successful businesses within the Italian hospitality industry.

Out of its total 22 hotels, Starhotels Group has five of particular distinction. These are all members of Preferred Hotels & Resorts and form the “Starhotels Collezione”.

To exemplify the company’s commitment to the highest standards of service and hospitality, the Collezione hotels stand out thanks to their extraordinary architecture, fine details, inimitable Italian style and central locations within some of the world’s most beautiful cities.

The Collezione includes the Castille Paris, The Michelangelo in New York, the Rosa Grand in Milan, the Savoia Excelsior Palace in Trieste, and the Splendid Venice in Venice.

## Markets

Italy continues to be the Group’s main market but the number of clients and financial input from non-European countries is increasing. Whilst visitors from Europe fell, there was a significant **53.5%** increase in clients from South East Asia since 2010. Visitors from China increased by 69.9% on 2010 and the US market also showed a considerable increase of **12.1%**.

The internet has proved a significant point of sale for the group. Over 32% of revenues were generated via online sources including the Starhotels website as well as third party sites. The Meetings & Conventions segment has continued to represent a significant strength for the company.

### **Investments**

Starhotels made investments worth approximately **€16 million** in 2011. Of this figure, around **€13 million** was invested into the total renovation of the Starhotels Splendido in Milan. This hotel re-opened with a new look and new name, Starhotels E.c.ho (*Ecological Contemporary Hotel*). 2011 also saw the completion of renovation work in the communal areas of the Castille Paris and the Starhotels Michelangelo in Florence.

### **Innovation**

The full renovation of the E.c.ho. Hotel was triggered by Starhotels' motivation to put eco-sustainability at the fore. Subsequently, the company went to great lengths to ensure all the right choices were made with regards to materials, systems and equipment within the building.

*“At a time when environmental issues and the effects of climate change have become a priority for all of us, Starhotels believe that the hospitality industry too must apply technologies that contain or reduce atmospheric pollution and respect the environment in general.”* (Elisabetta Fabri)

With the E.c.ho, Starhotels has created an eco-sustainable hotel by applying innovative technical solutions, such as insulation systems, energy consumption and CO2 emissions control systems, and by using eco-certified materials and products in the furnishings and décor. Similar innovative applications will also be used in renovating the Michelangelo in Rome, which started in December 2011 and will entail overall investments of €10 million.

## **Conclusions**

*“We are moving forward with our plans to consolidate the four macro-objectives that we achieved in 2011: reduction of debt, growth in sales, maintenance of investments in renovation and improvement of profit margins. With this balanced approach, we will continue to expand, through acquisitions of property in major capitals within Europe and the USA, but also by other means, such as management contracts”. (Elisabetta Fabri)*

Ufficio Stampa and Relazioni Esterne: Luisa Nocentini T: 055 3692284 E-mail: [l.nocentini@starhotels.it](mailto:l.nocentini@starhotels.it)