

## Strategic Hotels & Resorts Reports First Quarter 2008 Results

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### Reaffirms Full Year EBITDA and FFO Guidance

Strategic Hotels & Resorts (NYSE:BEE) today reported results for the first quarter ended March 31, 2008.

### First Quarter Company Highlights

Comparable funds from operations (Comparable FFO) was \$0.31 per diluted share, an increase of 6.9 percent compared with \$0.29 in the prior year. Quarterly Comparable EBITDA was \$55.4 million, a decrease of 2.0 percent compared with \$56.6 million in the prior year.

First quarter results were reduced by disruption associated with renovation activity at the Fairmont Chicago, Marriott London Grosvenor Square and the Renaissance Paris Hotel Le Parc Trocadero.

### North American Operating Results

Total revenue per available room (Total RevPAR) increased 0.8 percent and revenue per available room (RevPAR) increased 1.3 percent driven by a 5.5 percent increase in average daily rate (ADR).

Excluding the Fairmont Chicago, Total RevPAR increased 2.5 percent and RevPAR increased 3.1 percent.

EBITDA margins contracted 50 basis points. Excluding the Fairmont Chicago, EBITDA margins remained unchanged and EBITDA per room increased 3.7 percent.

### European Operating Results

European Same Store Total RevPAR increased 7.1 percent and RevPAR increased 12.1 percent driven by a 17.4 percent increase in ADR. Excluding the Marriott London Grosvenor Square, European Same Store Total RevPAR increased 21.5 percent and RevPAR increased 23.8 percent.

Laurence Geller, chief executive officer said, "As expected, we are seeing signs of slowing demand due to weak economic growth. As the first to recognize this potential, we were also out front in systematically implementing our multi-level operating contingency plans. We are seeing the initial benefits of those programs now, many of which are sustainable into the expected recovery. We maintain a consistent focus on increasing productivity, improving operating efficiencies while controlling both property level and corporate expenses, preserving liquidity, and gaining incremental market share. At the same time, we are completing the planning and entitlement process for our high return projects which we will execute when our trend analyses show individually recovering markets. Our forward group booking pace remains on track for this year and next, and our current outlook for the balance of the year is on target."

### Financial Results

The company reported a net loss available to common shareholders of \$7.0 million, or \$0.09 per diluted share for the first quarter of 2008, compared with a net loss available to common shareholders of \$9.6 million, or \$0.13 per diluted share for the first quarter of 2007.

Adjusted EBITDA for the first quarter of 2008 was \$54.2 million compared with \$50.6 million for the first quarter of 2007. Comparable EBITDA for the first quarter of 2008 was \$55.4 million compared with \$56.6 million in the first quarter of 2007.

Funds from Operations (FFO) for the first quarter of 2008 was \$20.2 million, or \$0.26 per diluted share, compared with \$16.6 million, or \$0.22 per diluted share in the first quarter of 2007. Comparable FFO for the first quarter of 2008 was \$23.5 million, or \$0.31 per diluted share, compared with \$22.4 million, or \$0.29 per diluted share in the first quarter of 2007.

### Quarterly Distribution

The Board of Directors previously declared on March 6, 2008 a quarterly dividend of \$0.24 per share of common stock, payable to shareholders of record as of the close of business on March 28, 2008. The dividend was paid on April 10, 2008. Additionally, for shareholders of record as of March 21, 2008, the Board declared a quarterly dividend of \$0.53125 per share of 8.50 percent Series A Cumulative Redeemable Preferred Stock, \$0.51563 per share of 8.25 percent Series B Cumulative Redeemable Preferred Stock, and \$0.51563 per share of 8.25 percent Series C Cumulative Redeemable Preferred Stock. The preferred stock dividends were paid on March 31, 2008.

### 2008 Outlook

For the full year 2008, management reaffirms previous guidance of Comparable EBITDA in the range of \$263.9 million to \$274.9 million, Comparable FFO in the range of \$121.8 million to \$132.8 million, and Comparable FFO per diluted share in the range of \$1.60 to \$1.75.

Management also reaffirms guidance for North American Total RevPAR and RevPAR growth in the range of 2.0 percent to 5.0 percent.

#### Second Quarter 2008 Guidance

For the second quarter of 2008, the company estimates Comparable EBITDA in the range of \$71.8 million to \$74.8 million, Comparable FFO in the range of \$33.7 million to \$36.7 million, and Comparable FFO per diluted share in the range of \$0.44 to \$0.48.

The company expects second quarter 2008 North American Total RevPAR growth to be in the range of 3.0 percent to 5.0 percent, and RevPAR growth to be in the range of 5.0 percent to 7.0 percent.

The following tables reconcile projected second quarter 2008 net income available to common shareholders to projected Comparable FFO and Comparable EBITDA (in millions, except per share data):

	Low Range	High Range
Net Income Available to Common Shareholders	\$6.4	\$9.3
Depreciation and Amortization	27.9	27.9
Realized Portion of Deferred Gain on Sale		
Leasebacks	(1.1)	(1.1)
Deferred Tax on Realized Portion of Deferred Gain	0.4	0.4
Minority Interests	0.2	0.3
Adjustments from Consolidated Affiliates	(1.6)	(1.6)
Adjustments from Unconsolidated Affiliates	1.5	1.5
Comparable FFO	\$33.7	\$36.7
Comparable FFO per Diluted Share	\$0.44	\$0.48
	Low Range	High Range
Net Income Available to Common Shareholders	\$6.4	\$9.3
Depreciation and Amortization	27.9	27.9
Interest Expense	22.2	22.2
Income Taxes	5.9	5.9
Minority Interests	0.2	0.3
Adjustments from Consolidated Affiliates	(2.8)	(2.8)
Adjustments from Unconsolidated Affiliates	5.4	5.4
Preferred Shareholder Dividends	7.7	7.7
Realized Portion of Deferred Gain on Sale		
Leasebacks	(1.1)	(1.1)
Comparable EBITDA	\$71.8	\$74.8

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