

DESIGN HOTELS™ AD-HOC ANNOUNCEMENT



Disclosure of an inside information acc. to Article 17 MAR Transition of the current Starwood Affiliation to Marriott

Berlin, October 10, 2018

Starwood Hotels & Resorts Worldwide, LLC ("Starwood"), a subsidiary of Marriott International, Inc. ("Marriott"), has issued, on the basis of the existing domination agreement, an instruction to the management board of Design Hotels AG to cause the existing access of Design Hotels member hotels to the Starwood distribution channels and the Starwood loyalty program SPG ("Starwood Affiliation") not to be extended in order to enable future affiliation with the Marriott services program. For this reason the existing Starwood Affiliation of these Design Hotels member hotels will end, irrespective of extensions of the current membership agreements, gradually in the course of approximately the next two years as the current contractual terms in the respective membership agreements expire.

Simultaneously it is intended that Design Hotels AG will, in the future, offer an additional contract model for a new form of innovative Design Hotels-membership. Such new contract model includes, in particular, affiliation with the Marriott distribution channels, the Marriott loyalty program, a standardized scope of services and a new pricing model. In addition, the current contract model for the traditional Design Hotels membership (without Starwood Affiliation) will continue to be available.

With the new innovative Design Hotels membership the Management Board of Design Hotels AG wishes to respond to current market trends and to launch an attractive business model for current and future Design Hotels member hotels. The Management Board expects that, as a result, Design Hotels AG, in collaboration with Marriott, will be able to expand its business in a sustainable and future-oriented way.

- The Management Board -

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About Design Hotels™

Design Hotels™ represents and markets a curated selection of more than 300 privately owned hotels across the globe. Design Hotels offers them an international platform as well as comprehensive services: Conception, positioning, marketing, sales and other services and measures to optimize their revenues. As part of a worldwide creative network Design Hotels provides for innovation and exchange of ideas among its members, guests and visionary people from other branches. None of the Design Hotels members equals another. Each one has its own character, history and kind and manner how it blends in with the environment. All houses are connected through their uniqueness. They are formed by their creators, hoteliers, architects, designers and other creative minds whose passion form unrivalled events based on good ideas.

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