



STRATEGIC
Hotels & Resorts

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FOR IMMEDIATE RELEASE

TUESDAY, JULY 8, 2008

**STRATEGIC HOTELS & RESORTS ANNOUNCES SHARE REPURCHASE
PROGRAM**

CLOSES ON SALE OF HYATT REGENCY PHOENIX

Chicago, IL – July 8, 2008 – Strategic Hotels & Resorts, Inc. (NYSE: BEE), today announced that the company's Board of Directors has authorized a \$50 million share repurchase program in conjunction with the sale of the Hyatt Regency Phoenix.

The Hyatt Regency Phoenix was sold to Di Napoli Capital Partners L.L.C., in a joint venture with Pacific Coast Capital Partners, for a gross price of \$96 million. The 696-room property contributed approximately \$11.3 million in EBITDA to the company on a trailing 12-month basis.

Laurence Geller, Chief Executive Officer, commented, "We are pleased to have consummated this transaction with Matt Di Napoli and his team, with whom we have a decade long relationship. The proceeds from the sale can be used to return value to shareholders through a share repurchase program and to increase corporate liquidity. Consistent with the company's stated strategy of disposing of non-core assets, the hotel was targeted for sale as we believe it requires over \$20 million in immediate capital refurbishments paired with the attendant costs of displacement and disruption. Additionally, the property is in a market that faces a substantial increase in immediate competitive supply. The company had acquired the asset in 1998 and has achieved an 11.0% unleveraged IRR upon sale."

About the Company

Strategic Hotels & Resorts, Inc. is a real estate investment trust (REIT) which owns and provides value-enhancing asset management of high-end hotels and resorts in the United States, Mexico and Europe. The company currently has ownership interests in 19 properties with an aggregate of 8,346 rooms. For a list of current properties and for further information, please visit the company's website at www.strategichotels.com.

This press release contains forward-looking statements about Strategic Hotels & Resorts (the "Company"). Except for historical information, the matters discussed in this press release are forward-

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looking statements subject to certain risks and uncertainties. Actual results could differ materially from the Company's projections. Factors that may contribute to these differences include, but are not limited to the following: volatility in equity or debt markets; availability of capital; ability to obtain or refinance debt; rising interest rates; rising insurance premiums; cash available for capital expenditures; competition; demand for hotel rooms in our current and proposed market areas; economic conditions generally and in the real estate market specifically; delays in construction and development; demand for hotel condominiums; risks related to natural disasters; the effect of threats of terrorism and increased security precautions on travel patterns and hotel bookings; the outbreak of hostilities and international political instability; legislative or regulatory changes, including changes to laws governing the taxation of REITs; and changes in generally accepted accounting principles, policies and guidelines applicable to REITs.

Additional risks are discussed in the Company's current filings with the Securities and Exchange Commission. Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. The forward-looking statements are made as of the date of this press release, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.