

Starwood / ITT Merger February 24, 1998

On behalf of the Board of Trustees and management of Starwood Hotels & Resorts (the "Trust") and the Board of Directors and management of Starwood Hotels & Resorts Worldwide, Inc. (the "Corporation" and, together with the Trust, "Starwood Hotels"), I cordially welcome you as a stockholder of Starwood Hotels. ITT Corporation ("ITT") became a wholly-owned subsidiary of the Corporation on February 23, 1998.

Proper elections to receive \$85 in cash per ITT Share were received for 86,977,139 shares of the common stock, no par value, of ITT, together with the associated rights to purchase shares of Series A Participating Cumulative Preferred Stock ("ITT Shares"), constituting approximately 74% of the issued and outstanding ITT Shares as of the effective time of the merger. The Merger Agreement provides that cash elections will be prorated among the ITT stockholders electing cash if proper elections have been received for more than 30% of the ITT Shares. Accordingly, only 40.465419% of the ITT Shares for which you elected cash have been converted into \$85 in cash per ITT Share and the remaining ITT Shares have been converted into Paired Shares of Starwood Hotels at the exchange rate of 1.543 Paired Shares for each ITT Share. Any fractional share occurring from the conversion is being paid in cash at the rate of \$53.90 per Paired Share.

Proper elections to receive Paired Shares of Starwood Hotels were received for 19,972,721 ITT Shares. If you elected to receive stock for your ITT Shares, each of your ITT Shares has been converted into 1.543 Paired Shares for each ITT Share.

Each ITT Share for which no election was received or for which the Form of Election was improperly completed has been treated as a non-electing ITT Share and has been converted into Paired Shares of Starwood Hotels at the exchange rate of 1.543 Paired Shares for each ITT Share.

In addition, each ITT Share has been converted into cash in the amount of \$.37493151 per ITT Share, which represents an amount equal to the interest that would accrue (without compounding) on \$85 at an annual rate of 7% during the period from and including January 31, 1998 to but excluding the date of the closing.

Certificates for the Paired Shares into which your ITT Shares have been converted and Payment Checks for any cash payable pursuant to the Merger Agreement are being mailed under separate covers and may not arrive on the same day. If you have any questions concerning your Starwood Hotels Certificate or your Payment Check, please call ChaseMellon Shareholder Services, L.L.C. at (800) 369-5274.

For federal income tax reporting purposes, an ITT stockholder will recognize gain on the exchange of his or her ITT Shares in an amount equal to the excess of (a) the sum of the amount of cash and the fair market value of the Paired Shares received over (b) such stockholder's adjusted tax basis in his or her ITT Shares. An ITT stockholder will recognize loss on the exchange of his or her ITT Shares in an amount equal to the excess of (a) such stockholder's adjusted tax basis in his or her ITT Shares over (b) the sum of

the amount of cash and the fair market value of the Paired Shares received. The fair market value of the Paired Shares received should be equal to the number of Paired Shares received multiplied by \$53.78125. The gain or loss recognized will be treated as capital gain or loss if the ITT Shares were held as a capital asset. The foregoing is provided for informational purposes only and is not tax advice. ITT stockholders are urged to consult with their tax advisers concerning the tax consequences of the merger.

Once again, it is my pleasure to welcome you as a stockholder of Starwood Hotels. The Board of Trustees, Board of Directors and management are committed to enhancing the value of your investment.

Sincerely,

Barry S. Sternlicht

Chairman and Chief Executive

Officer of the Trust and Chairman of the Board of Directors of the Corporation