

MORGANS HOTEL GROUP ANNOUNCES THE OPENING OF PRIVATE PARK AT HUDSON

Private Park to officially re-launch for the season in collaboration with Giant Step and Charity Water, featuring an exclusive performance by Janelle Monáe

(New York, New York – May 5, 2009) Morgans Hotel Group Co. (NASDAQ: MHGC) announces the official re-launch of Private Park, Hudson's vibrant refuge for drinking, relaxing and intimate performances.

A collaborative effort between Ben Pundole, VP of Nightlife and Entertainment at Morgans, Maurice Bernstein with Giant Step and Charity Water, the opening event will be held from 7:00 to 10:00 PM on Tuesday, May 12th and will feature an exclusive, live performance by Janelle Monáe.

Renegade, innovator, modernizer, leading light - in such a short amount of time, Janelle Monáe has grown from a singer into a phenomenon. Launching under the tutelage of Diamond-certified duo, Andre 3000 and Big Boi of Outkast - now more than ever, the eyes of the world are on her. Her acclaimed 2008 release- Metropolis: The Chase Suite- earned her a Grammy nomination for the track "Many Moons" in the Best Urban/Alternative Performance category. That was just a taste of what's to come as her highly-anticipated full-length debut- Metropolis- drops this summer via The Wondaland Arts Society/Bad Boy Records in conjunction with a nationwide tour supporting No Doubt.

Leading music tastemaker Giant Step has championed Janelle Monáe over the past two years featuring her at their annual Central Park SummerStage show in 2008 and Sony Playstation's Gamer Convention event in San Francisco in 2009. This event is a continuation of the partnership between Morgans Hotel Group and Giant Step, which previously brought Monae to perform at SkyBar at Mondrian in Los Angeles and The Florida Room at Delano in Miami Beach.

Private Park at Hudson is open daily from 8:00 AM to 11:30 PM with cocktails served from Noon to 11:30 PM. A shareable plates food menu will be introduced this summer. For reservations, please call 212.554.6217.

About Morgans Hotel Group

Morgans Hotel Group Co. (NASDAQ: MHGC) operates and owns, or has an ownership interest in, Morgans, Royalton, and Hudson in New York, Delano and Shore Club in Miami, Mondrian in Los Angeles, Scottsdale and South Beach, Cliff in San Francisco, and Sanderson and St Martins Lane in London. Morgans Hotel Group and an equity partner also own the Hard Rock Hotel and Casino in Las Vegas and related assets. Morgans Hotel Group has other property transactions in various stages of completion, including projects in SoHo, New York; Las Vegas, Nevada; Palm Springs, California; Boston, Massachusetts; and Dubai, UAE. For more information, please visit www.morganshotelgroup.com.

About Giant Step

Since its inception in 1990, Giant Step has evolved into a world-renowned music and lifestyle marketing company, helping its clients authentically introduce products to market. Many of its successes have been with music artists; recently, Amy Winehouse, Jazmine Sullivan, Lily Allen, Katy Perry, Duffy, Robin Thicke and M.I.A., and, in the past, Mark Ronson, Sade, Jill Scott, Radiohead, The Roots and OutKast. Giant Step works closely with all major and independent record labels, proffering it first-look at the best in emerging talent.

Giant Step also works closely with brands to assist in product introduction, while focusing on increased awareness and brand loyalty through community development. Our roster includes Morgans Hotel Group, Steve Madden, LeSportsac, Citibank, PlayStation, Dolce & Gabbana, Focus

Features and Jurlique. We have also done extensive work in the past for Levi's, LG Mobile, New Balance and Absolut.

In developing communities for brands and bands, Giant Step draws from nearly 20 years of building its own loyal community through the authentic experiences and dialogue we have consistently delivered and maintained, both on- and off- line.

Forward-Looking and Cautionary Statements

Statements contained in this press release which are not historical facts are forward-looking statements as the term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by the use of words such as "expects," "plans," "estimates," "projects," "intends," "believes," "guidance," and similar expressions that do not relate to historical matters. These forward-looking statements are subject to risks and uncertainties which can cause actual results to differ materially from those currently anticipated, due to a number of factors which include, but are not limited to, downturns in economic and market conditions, particularly levels of spending in the business, travel and leisure industries; hostilities, including future terrorist attacks, or fear of hostilities that affect travel; risks related to natural disasters, such as earthquakes and hurricanes; risks associated with the acquisition, development and integration of new properties; the seasonal nature of the hospitality business; changes in the tastes of our customers; increases in real property tax rates; increases in interest rates and operating costs; the impact of any material litigation; the loss of key members of senior management; general volatility of the capital markets and our ability to access the capital markets; and changes in the competitive environment in our industry and the markets where we invest, and other risk factors discussed in Morgans Hotel Group's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and other documents filed by the Company with the Securities and Exchange Commission from time to time. All forward-looking statements in this press release are made as of today, based upon information known to management as of the date hereof, and the Company assumes no obligations to update or revise any of its forward-looking statements even if experience or future changes show that indicated results or events will not be realized.

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