

Madrid, 27th February, 2006

**SALES AND RESULTS: 2005**

<b>INCOME</b>	<b>2005</b>	<b>2004</b>	<b>Change %</b>
Consolidated Income	984.66	973.51	1.1%
<b>Income from Hotel Activity</b>	<b>901.22</b>	<b>861.44</b>	<b>4.6%</b>
Income from Real Estate Activity	83.44	112.08	-25.6%
<b>RESULTS</b>	<b>2005</b>	<b>2004</b>	<b>Change %</b>
Consolidated Ebitda	180.85	193.67	-6.6%
<b>Ebitda from Hotel Activity</b>	<b>127.19</b>	<b>117.19</b>	<b>8.5%</b>
Ebitda from Real Estate Activity	53.66	76.49	-29.8%

**Hotel business: Financial highlights**

- RevPar at comparable hotels in Europe rose by 3.5%, with a slide in ADR of 1.3%, the smallest fall in the last three years. Meanwhile, occupancy improved by 4.8%.
- After falling for three consecutive years, RevPar at comparable hotels in Spain increased by 2%, thanks to a 2.6% improvement in occupancy and stable ADR.
- At the comparable hotels in Germany, EBITDA was very close to breakeven, thanks to a 4.6% improvement in RevPar and cost-savings arising from refinancing leases.
- In Benelux, RevPar at comparable hotels increased by 4.2%, which benefited the EBITDA margin by 1.4 percentage points compared to the previous year.
- Latin America's contribution to hotel business EBITDA amounted to 13%, or nearly €16m, in spite of the continuing negative impact of the exchange rate. In local currency terms, RevPar in Mexico and Argentina improved by 4.8% and 31.3% respectively.
- Net Profits jumped 12.75% to €62.24m, or €0.52 per share.
- Net Debt reached €690m, and financial gearing (Net Debt/Equity) was 0.78X.

**Real Estate business: Financial highlights**

- Sotogrande's real estate business performed in line with the expectations commented at the beginning of the year. Accounted sales reached €83.44m and EBITDA €53.66m.
- At end-December 2005, committed real estate sales not yet reflected in the accounts amounted to €79.96m, with an estimated margin of €35m the majority of these related to the Ribera del Marlin residential project and to Los Cortijos de La Reserva. Sales pending reflection in the accounts at year-end 2004 were €64.80m.

## 1. KEY OPERATING RATIOS 2005

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2005	2004	2005	2004	%Dif	2005	2004	%Var	2005	2004	%Var
<b>SPAIN COMPARABLE</b>	<b>9,556</b>	<b>9,544</b>	<b>66.3%</b>	<b>64.7%</b>	<b>2.6%</b>	<b>79.1</b>	<b>79.6</b>	<b>-0.6%</b>	<b>52.5</b>	<b>51.5</b>	<b>2.0%</b>
Non Comparable Spain	1,375	890	56.3%	64.3%	-12.4%	85.7	100.0	-14.2%	48.3	64.2	-24.8%
TOTAL B.U. SPAIN	10,931	10,434	65.1%	64.6%	0.7%	79.8	81.3	-1.8%	51.9	52.5	-1.1%
<b>HOLLAND &amp; BELGIUM COMPARABLE</b>	<b>5,737</b>	<b>5,736</b>	<b>71.7%</b>	<b>69.0%</b>	<b>3.9%</b>	<b>86.2</b>	<b>86.0</b>	<b>0.3%</b>	<b>61.8</b>	<b>59.3</b>	<b>4.2%</b>
Non Comparable Belgium & Holland & Others	1,002	1,006	68.0%	60.0%	13.4%	71.3	70.7	0.8%	48.5	42.4	14.3%
TOTAL B.U. HOLLAND&BELGIUM	6,739	6,742	71.1%	67.6%	5.1%	84.1	84.0	0.2%	59.8	56.8	5.3%
<b>TOTAL SWITZ &amp; AUSTRIA COMPARABLE</b>	<b>845</b>	<b>845</b>	<b>72.5%</b>	<b>67.5%</b>	<b>7.4%</b>	<b>62.6</b>	<b>61.8</b>	<b>1.4%</b>	<b>45.4</b>	<b>41.7</b>	<b>9.0%</b>
Switzerland & Austria&Hungary Non Comparable	846	831	70.8%	63.6%	11.2%	75.9	72.8	4.2%	53.7	46.3	15.9%
TOTAL B.U. SWITZ&AUSTRIA&HUNGARY	1,691	1,676	71.6%	65.6%	9.2%	69.2	67.1	3.1%	49.6	44.0	12.7%
<b>GERMANY COMPARABLE</b>	<b>8,184</b>	<b>8,184</b>	<b>62.8%</b>	<b>58.0%</b>	<b>8.2%</b>	<b>56.4</b>	<b>58.3</b>	<b>-3.3%</b>	<b>35.4</b>	<b>33.9</b>	<b>4.6%</b>
Germany Non Comparable	523	671	50.6%	45.6%	10.9%	64.9	62.4	4.0%	32.8	28.5	15.3%
TOTAL B.U. GERMANY	8,707	8,855	62.1%	57.1%	8.7%	56.8	58.6	-3.0%	35.3	33.4	5.5%
									0.0	0.0	
Italy Non Comparable	384	384	70.0%	57.7%	21.4%	78.4	88.1	-11.0%	54.9	50.8	8.1%
ITALY COMPARABLE	384	161	70.0%	59.1%		78.4	89.8		54.9	53.0	3.5%
<b>TOTAL EUROPE COMPARABLE</b>	<b>24,322</b>	<b>24,309</b>	<b>66.6%</b>	<b>63.6%</b>	<b>4.8%</b>	<b>73.1</b>	<b>74.0</b>	<b>-1.3%</b>	<b>48.7</b>	<b>47.0</b>	<b>3.5%</b>
Mercosur Comparable	1,351	1,345	71.9%	64.3%	11.9%	40.7	35.4	15.0%	29.3	22.7	28.7%
Mexico Comparable	1,071	1,071	65.9%	63.2%	4.2%	70.4	68.2	3.2%	46.4	43.1	7.5%
<b>LATINAMERICA COMPARABLE</b>	<b>2,422</b>	<b>2,416</b>	<b>69.2%</b>	<b>63.8%</b>	<b>8.5%</b>	<b>53.2</b>	<b>49.8</b>	<b>6.8%</b>	<b>36.8</b>	<b>31.8</b>	<b>15.9%</b>
Mercosur Non Comparable	64	0	72.7%			37.5	0.0		27.2	0.0	
Mexico Non Comparable	475	576	49.0%	48.5%	1.0%	56.1	56.8	-1.3%	27.5	27.6	-0.4%
LATINAMERICA NO COMPARABLE	540	576	51.8%	48.5%	6.8%	53.0	56.8	-6.8%	27.4	27.6	-0.5%
LATINAMERICA CONSOLIDATED	2,962	2,992	66.0%	60.8%	8.5%	53.2	50.9	4.5%	35.1	31.0	13.4%
Total Comparable NH	26,744	26,725	66.9%	63.6%	5.2%	71.2	71.8	-0.8%	47.6	45.7	4.3%
Total No Comparable NH	4,669	4,135	61.4%	57.7%	6.5%	74.4	76.3	-2.4%	45.7	44.0	3.9%
<b>TOTAL CONSOLIDATED</b>	<b>31,413</b>	<b>30,860</b>	<b>66.0%</b>	<b>62.8%</b>	<b>5.2%</b>	<b>71.7</b>	<b>72.4</b>	<b>-1.0%</b>	<b>47.3</b>	<b>45.4</b>	<b>4.2%</b>

## 2. SALES AND EBITDA 2005

	December, 31st. 2005			December, 31st. 2004			%05/04 Change	
	REVENUE M Euros	EBITDA M Euros	Margin %	Revenue M Euros	EBITDA M Euros	Margin %	Revenue	EBITDA
B.U. SPAIN & PORTUGAL COMPARABLE	298.30	57.38	19.2%	291.73	54.87	18.8%	2.3%	4.6%
Spain & Portugal Non Comparable	50.15	5.84	11.6%	49.49	19.27	38.9%	1.3%	-69.7%
<b>B.U.SPAIN &amp; PORTUGAL</b>	<b>348.45</b>	<b>63.21</b>	<b>18.1%</b>	<b>341.22</b>	<b>74.14</b>	<b>21.7%</b>	<b>2.1%</b>	<b>-14.7%</b>
B.U. HOLLAND & BELGIUM COMPARABLE	221.78	67.33	30.4%	216.79	62.89	29.0%	2.3%	7.1%
Holland & Belgium & Others Non Comparable	31.53	11.03	35.0%	22.69	4.22	18.6%	38.9%	161.7%
<b>B.U. HOLLAND &amp; BELGIUM &amp; OTHERS</b>	<b>253.31</b>	<b>78.36</b>	<b>30.9%</b>	<b>239.48</b>	<b>67.10</b>	<b>28.0%</b>	<b>5.8%</b>	<b>16.8%</b>
B.U. SWITZERLAND & AUSTRIA & HUNGARY COMPARABLE	20.44	-1.28	-6.3%	19.31	-1.78	-9.2%	5.8%	28.2%
Switzerland & Austria & Hungary Non Comparable	23.53	0.60	2.5%	20.18	-1.59	-7.9%	16.6%	137.5%
<b>B.U. SWITZERLAND &amp; AUSTRIA &amp; HUNGARY</b>	<b>43.97</b>	<b>-0.68</b>	<b>-1.5%</b>	<b>39.50</b>	<b>-3.37</b>	<b>-8.5%</b>	<b>11.3%</b>	<b>79.8%</b>
B.U. GERMANY COMPARABLE	172.55	-0.89	-0.5%	164.50	-7.94	-4.8%	4.9%	88.8%
Germany Non Comparable	14.85	0.31	2.1%	16.01	0.01	0.0%	-7.2%	
<b>B.U. GERMANY</b>	<b>187.39</b>	<b>-0.58</b>	<b>-0.3%</b>	<b>180.51</b>	<b>-7.93</b>	<b>-4.4%</b>	<b>3.8%</b>	<b>92.7%</b>
Italy Non Comparable	13.58	-1.43	-10.5%	5.57	-0.80	-14.3%	143.9%	78.7%
<b>B.U. ITALY</b>	<b>13.58</b>	<b>-1.43</b>	<b>-10.5%</b>	<b>5.57</b>	<b>-0.80</b>	<b>-14.3%</b>	<b>143.9%</b>	<b>78.7%</b>
<b>TOTAL EUROPE COMPARABLE</b>	<b>713.06</b>	<b>122.54</b>	<b>17.2%</b>	<b>692.33</b>	<b>108.05</b>	<b>15.6%</b>	<b>3.0%</b>	<b>13.4%</b>
<b>B.U. LATIN AMERICA COMPARABLE</b>	<b>48.43</b>	<b>14.02</b>	<b>28.9%</b>	<b>44.03</b>	<b>12.44</b>	<b>28.3%</b>	<b>10.0%</b>	<b>12.7%</b>
Latin America Non Comparable	6.10	1.90	31.1%	11.14	1.75	15.7%	-45.3%	8.6%
<b>B.U. LATIN AMERICA</b>	<b>54.52</b>	<b>15.91</b>	<b>29.2%</b>	<b>55.17</b>	<b>14.19</b>	<b>25.7%</b>	<b>-1.2%</b>	<b>12.2%</b>
<b>HOTEL ACTIVITY COMPARABLE</b>	<b>761.49</b>	<b>136.56</b>	<b>17.9%</b>	<b>736.36</b>	<b>120.49</b>	<b>16.4%</b>	<b>3.4%</b>	<b>13.3%</b>
CORPORATE	0.00	-27.61		0.00	-26.14			5.6%
<b>TOTAL HOTEL ACTIVITY</b>	<b>901.22</b>	<b>127.19</b>	<b>14.1%</b>	<b>861.44</b>	<b>117.19</b>	<b>13.6%</b>	<b>4.6%</b>	<b>8.5%</b>
SOTOGRADE REAL ESTATE	83.44	53.66	64.3%	112.08	76.49	68.2%	-25.6%	-29.8%
<b>TOTAL CONSOLIDATED</b>	<b>984.66</b>	<b>180.85</b>	<b>18.4%</b>	<b>973.51</b>	<b>193.67</b>	<b>19.9%</b>	<b>1.1%</b>	<b>-6.6%</b>

### 3. PROFIT AND LOSS ACCOUNT

NH HOTELES,S.A.	<u>2005</u>		<u>2004</u>		<u>2005/2004</u>
P&L ACCOUNT AS AT DECEMBER, 31st 2005	M Eur.	%	M. Eur	%	Var. %
Room Revenues	897.45	91.1%	855.32	87.86%	4.9%
real estate sales and other	83.44	8.5%	112.08	11.51%	-25.6%
other non-recurring revenues	3.77	0.4%	6.11	0.63%	-38.3%
<b>TOTAL REVENUES</b>	<b>984.66</b>	<b>100.0%</b>	<b>973.51</b>	<b>100.00%</b>	<b>1.1%</b>
cost of real estate sales	-16.89	-1.7%	-20.04	-2.06%	-15.7%
operating expenses	-617.43	-62.7%	-595.41	-61.16%	3.7%
<b>GROSS OPERATING PROFIT</b>	<b>350.34</b>	<b>35.6%</b>	<b>358.06</b>	<b>36.78%</b>	<b>-2.2%</b>
lease payments and property taxes	-169.49	-17.2%	-164.39	-16.89%	3.1%
<b>EBITDA</b>	<b>180.85</b>	<b>18.4%</b>	<b>193.67</b>	<b>19.89%</b>	<b>-6.6%</b>
depreciation	-68.82	-7.0%	-77.31	-7.94%	-11.0%
<b>EBIT</b>	<b>112.03</b>	<b>11.4%</b>	<b>116.37</b>	<b>11.95%</b>	<b>-3.7%</b>
interest income (expense)	-23.13	-2.3%	-24.33	-2.50%	-5.0%
income from minority equity interests	-0.65	-0.1%	-0.55	-0.06%	18.2%
<b>EBT</b>	<b>88.25</b>	<b>9.0%</b>	<b>91.49</b>	<b>9.40%</b>	<b>-3.5%</b>
corporate income tax	-17.85	-1.8%	-25.68	-2.64%	-30.5%
<b>NET INCOME before minorities</b>	<b>70.41</b>	<b>7.2%</b>	<b>65.80</b>	<b>6.76%</b>	<b>7.0%</b>
minority interests	-8.17	-0.8%	-10.60	-1.09%	-23.0%
<b>NET INCOME</b>	<b>62.24</b>	<b>6.3%</b>	<b>55.20</b>	<b>5.67%</b>	<b>12.8%</b>

## HOTEL BUSINESS

### Spain

- The improvements in RevPar at comparable hotels were accompanied by increases in ADR of around 2.5% in the last two quarters of 2005.
- The smaller EBITDA contribution from non-comparable hotels in 2005 is explained by the following:
  - o As a consequence of the 12 hotels opened during 2005 and the application of the IFRS accounting regulations, €2m of set-up costs were not capitalised.
  - o Around €5m is explained by the partial closures for refurbishment carried out during 2005 at NH Calderón, NH Almenara and NH Numancia; and another €5m is accounted for by slower sales of golf memberships at La Reserva de Sotogrande.
- The comparative performance of comparable hotels in the main geographical regions was as follows:
  - o In Madrid, RevPar increased by 2.53%, ADR slid by 0.33% and occupancy rose by 2.8%. According to sector figures, market RevPar in Madrid improved by 2.50%.
  - o In Barcelona, RevPar fell by 1.32%. According to sector figures, market RevPar fell by 3.6%.
  - o In the rest of Spain, RevPar improved by 2.38%.

### Benelux

- The 4.18% improvement in RevPar at comparable hotels, with flat ADR, suggests a continuation of the positive trend in occupancy which started in 2004.
- At comparable hotels, the encouraging performance at the operating cost level, together with the 2.3% improvement in revenues, led to a 1.4 percentage point improvement in the EBITDA margin.
- The performance of comparable hotels in the main geographical regions was as follows:
  - o In Amsterdam, RevPar increased by 5.61%, ADR by 1.85% and occupancy by 3.68%. According to sector data, the market RevPar rose by 5.5%.
  - o In the rest of Holland, RevPar increased by 2.14%, occupancy by 3.22% and ADR slid by 1.05%.
  - o In Brussels, RevPar increased by 2.05%, occupancy by 5.81% and ADR fell by 3.56%, while according to sector data, the market improved by 5%.

## **Switzerland, Austria and Hungary**

- The highlight was the 9% increase in RevPar, driven by a 7.4% improvement in occupancy and a 1.4% increase in ADR.
- Losses were reduced by 28.2% at comparable hotels, partly thanks to strong demand and the renegotiation of leases at three hotels, which gave rise to savings of €1.98m compared to 2004.
- The higher sales at non-comparable hotels are explained by the addition of new rooms at the NH Vienna Airport and NH Geneva Airport. These hotels made a positive EBITDA contribution and helped reduce the losses made by this business unit considerably.
- Comparable hotels in individual markets performed as follows:
  - o In Austria, RevPar rose by 9.5%, occupancy by 4% and prices by 5.28%.
  - o In Switzerland, RevPar grew by 8.21%, occupancy by 13.03% and prices fell by 4.26%.

## **Germany**

- In Germany, RevPar at comparable hotels rose by 4.6%, occupancy increased by 8.2% and prices fell by 3.3%. Bear in mind that there was a positive trend in prices throughout the year: in the first quarter they fell by 1%.
- The 5% increase in revenues and savings of €1.6m from lease-refinancing translated into EBITDA very close to breakeven at comparable hotels, with an important recovery in the second half of the year.
- By individual market, at comparable hotels:
  - o In Berlin, RevPar at comparable hotels increased by 6.55%, occupancy rose by 4.95% and ADR by 1.52%. According to sector data, market RevPar in this city fell 1.4%.
  - o In Frankfurt, RevPar at the comparable hotels rose by 9%, driven by a 7.6% increase in occupancy and a 1.29% improvement in ADR. According to sector figures, market RevPar in this city gained 0.6%.
  - o In Munich, RevPar at the comparable hotels increased by 1.69%, occupancy rose 7.9% and ADR fell 5.76%. According to sector figures, market RevPar in this city slid by 1%.

## **Latin America**

- In local currency terms:
  - o Sales climbed 28% at comparable hotels in Argentina, RevPar by 31.3%, occupancy improved by 8.8% and ADR gained 20.6%.
  - o Sales at comparable hotels in Mexico improved by 3.8%, RevPar by 4.8%, occupancy gained 4.2% and prices rose 0.6%.
- EBITDA reached nearly €16m, 12.2% more than in the previous year. This is largely explained by the strong performance of comparable hotels, and was in spite of the negative impact of the exchange rate and the refurbishment of the NH Krystal Zona Rosa.

## SOTOGRADE REAL ESTATE BUSINESS

- Sotograde's real estate business performed in line with guidance given at the beginning of the year. Accounted sales reached €83.44m and EBITDA €53.66m.
- Over the course of 2005, Sotograde sold 155,697 m<sup>2</sup> of plots worth €47.74 m. In 2005, the handover of apartments also made an important contribution to sales, particularly the Guramí (only five apartments, the rest having been handed over in 2004) and La Ribera del Obispo developments.
- At end-December 2005, confirmed real estate sales not reflected in the accounts amounted to €79.96m, with an estimated margin of €35m. The majority of these were in the residential development of Ribera del Marlin and Los Cortijos de La Reserva. The figure for sales not reflected in the accounts at end-December 2004 was €64.80m.

Sotograde - Income Breakdown	2005		2004	
	Mn Euros	% total	Mn Euros	% total
Berths and Parking lots	6.06	7.3%	3.39	3.0%
Apartments	19.94	23.9%	14.96	13.3%
Plots	47.74	57.2%	75.45	67.3%
<b>Real Estate Income</b>	<b>73.74</b>	<b>88.4%</b>	<b>93.80</b>	<b>83.7%</b>
Other Income	9.70	11.6%	18.28	16.3%
<b>Total Income</b>	<b>83.44</b>	<b>100.0%</b>	<b>112.08</b>	<b>100.0%</b>

## FINANCIAL PERFORMANCE

- Group net profits reached €62.24m, 12.8% more than in 2004.
- Net consolidated debt at end-December amounted to €690.04m, up from €517.16m at the beginning of the year.
- Financial gearing (Net Debt/Equity) was 0.78X.
- There was some substantial non-recurrent expenditure during 2005:
  - New projects (€43.65m): Rivera Maya (€19.65m), Cap Cana (€15m) and the investments in Argentina (€9m).
  - Buy-out of minorities (€50.35m): 38% of NH Mexico (€35.35m) and 20% of Astron (€15m).
  - Lease refinancing in Germany and Austria (€54.40m).
  - Write-down of Krasnapolsky preference shares (€16.02m).
- Bear in mind that refinancing the hotels in Germany and Austria generated cost-savings of €3.6m, in addition to the interest on subordinated loans which generated financial revenues of €1.5m in 2005.
- In spite of the increased level of borrowing, net consolidated financial charges fell by 4.95% due to the refinancing of the Dutch syndicated loan by a new syndicated loan signed in mid-2004 to refinance borrowings at that time.

- Another highlight was the agreement reached with Banca Intesa to underwrite a €50m rights issue at NH Italia. As a consequence of this deal, Banca Intesa will have a 49% stake in NH's Italian subsidiary. The €50m will be paid during 2006, which will have a direct impact on net debt.

## PORTFOLIO OF HOTELS AND EXPANSION PROJECTS

14-02-06	Rooms	Hotels		Leased	Rooms	Owned	Rooms	Managed	Rooms
<b>TOTAL HOTELS OPEN</b>									
ARGENTINA	1,062	8		0	0	8	1,062	0	0
URUGUAY	136	1		0	0	1	136	0	0
MEXICO	3,042	15		3	354	5	1,126	7	1,562
BRASIL	135	1		0	0	1	135	0	0
CHILE	122	1		0	0	1	122	0	0
CUBA	967	2		0	0	0	0	2	967
PORTUGAL	165	2		2	165	0	0	0	0
SPAIN	13,412	121		80	9,064	17	2,504	24	1,844
ITALY	501	2		1	376	0	0	1	125
ENGLAND	200	1		0	0	0	0	1	200
HOLLAND	5,553	29		10	1,484	18	3,989	1	80
BELGIUM	1,116	8		1	241	7	875	0	0
GERMANY	9,110	53		52	8,966	0	0	1	144
SWITZERLAND	562	4		2	330	2	232	0	0
AUSTRIA	973	6		6	973	0	0	0	0
HUNGARY	160	1		1	160	0	0	0	0
RUMANIA	161	2		1	83	0	0	1	78
SOUTH AFRICA	240	2		1	198	1	42	0	0
GHANA	234	1		0	0	0	0	1	234
<b>TOTAL OPEN</b>	<b>37,851</b>	<b>260</b>		<b>160</b>	<b>22,394</b>	<b>61</b>	<b>10,223</b>	<b>39</b>	<b>5,234</b>
<b>TOTAL HOTELS SIGNED</b>									
ARGENTINA	94	0		0	0	0	94	0	0
MEXICO	826	3		0	0	2	276	1	550
CUBA	150	0		0	0	0	0	0	150
SPAIN	1,230	9		6	1,012	2	158	1	60
ITALY	591	3		2	374	1	217	0	0
GERMANY	582	2		1	289	0	0	1	293
SENEGAL REP.	319	2		0	0	0	0	2	319
<b>TOTAL SIGNED</b>	<b>3,792</b>	<b>19</b>		<b>9</b>	<b>1,675</b>	<b>5</b>	<b>745</b>	<b>5</b>	<b>1,372</b>

NH Hoteles has a presence in 20 countries, with 260 hotels open totalling 37,851 rooms, and contracts signed for another 19 with a further 3,792 rooms. In the 279 hotels opened or signed for, 26% of the rooms are owned by the chain, 58% are leased (of which NH has an option to buy 7%) and 16% are run under management contracts.

Over the course of 2005, NH Hoteles opened 20 new hotels with 2,329 rooms. Another 12 hotels with 2,605 rooms are expected to open in 2006.

**The signed projects** are part of the company's strategy to boost organic growth in the City hotel segment in the countries where NH Hoteles already has a strong presence, and in other countries where it has little or no presence such as Italy, Eastern Europe and the UK. NH Hotels also wants to strengthen its position in leisure hotels, particularly Golf complexes in the Caribbean.

#### **Expansion in City hotels in 2005 and the first few weeks of 2006:**

- Italy: With the opening of NH Santo Stefano (Turin) and the signature of NH Orio al Serio (Bergamo), NH now has 1,092 rooms opened or confirmed.
- Spain: 12 new hotels opened (1,191 rooms) and one more in the first few weeks of 2006 (120 rooms). Contract signed for one hotel in Madrid and another in Navarre, making a total of nine hotel contracts signed (1,230 rooms).
- New countries: UK (opening of NH Harrington Hall), Rumania (opening of NH Bucarest and NH Timisoara in February 2006) and Senegal (contracts signed for NH Baobab Les Mamaeles and NH Baobab Cap Manuel). The contract for a hotel in France will be signed shortly.
- Latin America: In Mexico, opening of NH Puebla and NH Centro Histórico and contract signed for NH Queretaro. In Argentina, acquisition of NH Crillón.
- Individual opportunities in Central Europe: Holland (opening of NH La Haya), Germany (opening of NH Nuremberg City and contract signed for NH Berlin Artus) and Portugal (opening of NH Campo Grande).

#### **Expansion in Resorts**

- Creation of a new category, SOTOGRANDE RESORTS: NH will operate its new luxury resorts under this category, with the objective of recreating the lifestyle and leisure opportunities offered by Sotogrande in new destinations.
- CAP CANA project in the Dominican Republic: 50/50% owned by NH Hoteles and Cap Cana, this will comprise a luxury boutique hotel and 350 luxury dwellings run under a rental pool system. The total investment will amount to \$100m.
- RIVERA MAYA project in Mexico:
  - o Rivera Maya I includes a 550-room all-inclusive luxury hotel in which NH will have a 20% stake. The total cost of the project will be \$80m, of which NH will invest \$6.4m.
  - o Rivera Maya II includes a 60-room boutique hotel in which NH will also have a 20% stake. NH will develop a residential project of 350 luxury apartments under a rental pool agreement.
- Hotel NH Cayo Coco in Cuba: All-inclusive four-star hotel with 690 rooms under management in grounds of 32 hectares, which include a natural lagoon.

**In the context of NH's product innovation and diversification strategy**, the Fast Good project already has two premises open for business in Spain, another in Santiago de Chile and has signed contracts for a further four premises (in Madrid, Las Palmas and Valencia). Nhube is now consolidated with 12 premises open within NH hotels in Spain, and another four open in The Hague, Frankfurt, Nuremberg and Vienna, two projects in Barcelona and one in Santa Fe (Mexico).



INVESTOR  
RELATIONS  
DEPARTMENT

NH HOTELES  
Santa Engracia 120  
28003 Madrid  
España

t. +34 91 451 97 27  
f. +34 91 451 97 30  
investor.relations@nh-hotels.com  
www.nh-hotels.com

**New openings: Eight new openings since 1st October, 2005.**

Hotel	City	Contract	# of Rooms
NH Mercader	Madrid	Leased	124
NH Campo Grande	Lisboa	Leased	82
NH Nurnberg City	Nürnberg	Leased	244
NH Victoria	Granada	Leased	69
NH Balago	Valladolid	Leased	120
Los Cayos	Cuba	Managed	690
NH Santo Stefano	Turin	Managed	125
NH Timisoara	Timisoara	Leased	83
<b>Total Openings</b>			<b>1537</b>