

Madrid, 11 May 2007

IMPORTANT DISCLOSURE:

According to IFRS, Jolly Hotels has been consolidated into the results of NH Hoteles as from 31 January 2007, the date when NH Hoteles took effective control over the former having received the approval for the acquisition from the Italian Antitrust Authorities.

1st Quarter 2007 SALES AND RESULTS

Q1 2007 SALES AND RESULTS SUMMARY			
	Q1 2007	Q1 2006	%DIF
REVENUE			
TOTAL REVENUE	318.38	228.51	39%
HOTEL REVENUE EX -NON RECURRING-	288.56	220.78	31%
HOTEL REVENUE EX -NON RECURRING AND EXPANSION-	233.57	219.99	6%
TOTAL REVENUE REAL ESTATE ACTIVITY	10.89	4.50	142%
EBITDA			
TOTAL EBITDA	51.56	24.88	107%
HOTEL EBITDA EX- NON RECURRING-	29.64	20.98	41%
HOTEL EBITDA EX -NON RECURRING AND EXPANSION-	26.48	20.98	26%
TOTAL EBITDA REAL ESTATE ACTIVITY	3.35	0.81	314%

HIGHLIGHTS

- **RevPar:** Excluding expansion in Europe, RevPar grew 7% in 2007, 7.5% in Spain, 6% in Germany, 3.5% in Switzerland, Austria and Hungary and fell 4% in America.
- **Prices:** Growth thanks to price-increases in Europe was 7%, reflecting a generally buoyant market in nearly all business units.
- **EBITDA and Earnings:** The figures for Earnings and EBITDA excluding expansion and non-recurrent items increased 6% and 26% respectively, even taking into account that the first quarter traditionally makes a smaller contribution to the year as a whole.
- **Jolly Hotels:** NH Hoteles consolidates Jolly's results for February and March. Bear in mind that the Winter Olympics took place in Turin in February last year. This made a very significant impact on such a short benchmark period. RevPar at Jolly Hotels fell 7%, but excluding the impact of Turin, RevPar would have remained stable, also bearing in mind that the Winter Olympics benefited the Milan area and the North of Italy in general.
- **Non-recurrent items:** The €18.94m of non-recurrent earnings is mainly explained by the negative impact of the initial consolidation of Jolly Hotels, as a consequence of the difference between the estimated "fair value" on the basis of the latest provisional valuation and the acquisition price. The definitive valuation is expected to be published before 30 June.

Hotel Business

RevPar and Sales

- **Spain and Portugal:** +7.5% in RevPar and +7% in sales excluding new openings, reflecting a very similar trend to the beginning of last year, with increases basically via price-increases supported by the positive performance of the most important cities and the additional benefit of weekend business.
- **Italy:** The hotels already open are still in the very early stages and no trend analysis of the growth in RevPar is possible yet. RevPar at Jolly Hotels slid 7%, but excluding the impact of the Winter Olympics on Turin, RevPar would have remained stable, taking into account as well, that the Olympics also benefited the Milan area and the North of Italy in general.
- **Benelux and others:** +7.2% in RevPar, principally via price-increases and +5% in sales, with the highlights being Amsterdam and more particularly the rest of Holland y Brussels.
- **Germany:** Excluding new openings, RevPar grew by about 6% thanks to price-increases, and 5% growth in sales. The German market is showing signs of strength which has allowed aggressive pricing policies without affecting occupancy levels. The highlights were the excellent and above-average performances of Berlin and Munich.
- **Austria, Switzerland and Hungary:** Seasonally weak performance, but in spite of this RevPar increased 5.5% thanks to price-increases and 8% growth in sales.
- **America:** In constant currency, in Mexico RevPar rose 3.5% and sales 2.7%. In Argentina, RevPar grew 23.3% and 11% in the rest of the Mercosur countries. The local currencies depreciated against the euro by 12%, such that reported sales increased by 1%.

Results

- **Spain and Portugal:** Excluding the new openings, operating costs performed satisfactorily, resulting in an improvement in the GOP margin (32.9% in Q107 vs 30.09% in Q106). The negative contribution (-€1.65m) made by the newly opened hotels diluted EBITDA by 14%.
- **Italy:** In terms of results, no trend analysis of the performance of the newly-opened hotels excluding acquisitions is yet possible. The lesser contribution from Jolly Hotels does not reflect the underlying medium-term trend, due to the huge impact of the Olympic Games in Turin on a two-month period which is seasonally fairly weak.
- **Benelux and others:** Excluding the new openings, the GOP margin (31.9% in Q107 vs 31.1% in Q106), reflected a positive trend. Bear in mind that this business unit includes the hotels acquired from Jolly in Paris, Amsterdam and Brussels.
- **Germany:** Excluding new openings, higher prices helped to improve the GOP margin in the first quarter of 2007 to 29.7%, from 27.5% in the same period last year. EBITDA in the first quarter (-€1.92m) reduced losses by 36% compared with the previous year. The new openings diluted EBITDA by 23% (-€0.58m). From this quarter onwards, the two Jolly hotels in German will be included in this business unit.
- **Austria, Switzerland and Hungary:** In a seasonally very weak period, GOP and EBITDA grew very sharply (GOP Margin, 27.1% in Q1 2007 Vs 26.3 Q1 2006).
- **America:** The foreign currency impact resulted in GOP and EBITDA falling 4% and 7% respectively. The Jolly hotel in New York is included in this business unit.

Real Estate Business

- Sotogrande's real estate business reported earnings of €10.89m, 142% higher than in the same period last year.
- EBITDA reached €3.35m compared with €0.81m in the same period in 2006.
- At 31 December 2006, Sotogrande reported committed sales pending inclusion in the accounts, totalled €71.28m, with an estimated margin of €28.32m. The majority of these sales were from derived from the residential development of Ribera del Marlin and moorings in the Marina. At year-end 2005 this figure amounted to €79.9m.

Sotogrande - Revenue Breakdown	Q1 2007		Q1 2006	
	Mn Euros	% total	Mn Euros	% total
Berths and Parking lots	0.2	2%	0.8	17.0%
Apartments	5.6	52%	2.0	43.8%
Plots	3.4	31%	0.7	15.0%
Real Estate Revenue	9.23	85%	3.4	75.9%
Other Revenue	1.7	15%	1.1	24.1%
Total Revenue	10.89	100,0%	4.5	100.0%

REVPAR T1 NH HOTELES											
	H. MEDIAS		OCUPACIÓN			ADR			REVPAR		
	2,007	2,006	2,007	2,006	% Var	2,007	2,006	% Var	2,007	2,006	% Var
B.U. ESPAÑA	11,651	11,628	61.31%	60.74%	0.94%	90.51	85.01	6.47%	55.49	51.64	7.47%
B.U. ITALIA	376	376	61.46%	55.59%	10.56%	88.08	84.46	4.29%	54.14	46.95	15.30%
B.U. BENELUX	6,906	6,895	62.58%	61.87%	1.14%	94.27	88.93	6.01%	58.99	55.02	7.22%
B.U.SUIZA&AUST&HUNG& RUM	1,774	1,733	63.64%	62.10%	2.49%	75.72	73.56	2.93%	48.19	45.68	5.49%
B.U. ALEMANIA	9,041	8,894	56.33%	57.70%	-2.37%	66.44	61.26	8.45%	37.42	35.35	5.87%
Total B.U. EUROPE	29,748	29,527	60.23%	60.10%	0.22%	83.61	78.38	6.67%	50.36	47.11	6.90%
B.U. LAS AMÉRICAS	3,108	2,930	63.83%	67.62%	-5.60%	62.33	61.36	1.58%	39.78	41.49	-4.11%
TOTAL B.U.	32,856	32,457	60.57%	60.78%	-0.34%	81.49	76.67	6.28%	49.36	46.60	5.92%
TOTAL APERTURAS	2,308	0	45.14%			102.10			46.09		
TOTAL ACQUISITIONS (JOLLY)	4,357		62.43%			109.73			68.50		
TOTAL CONSOLIDATED	39,522	32,457	59.88%	60.78%	-1.49%	85.64	76.67	11.70%	51.28	46.60	10.03%

	REVPAR		
	2,007	2,006	% Var
PROFORMA JOLLY HOTELS 2 MESES	68.5	73.8	-7.14%

Q1 HOTEL ACTIVITY

	2007 MARCH	2006 MARCH	DIFER.07/06	%DIF
SPAIN & PORTUGAL	92.27	86.39	5.87	7%
ITALY	3.17	2.8	0.37	13%
BENELUX&OTHERS	62.07	59.23	2.85	5%
SWIZ&AUSTRIA&OTHERS	11.2	10.41	0.79	8%
GERMANY	49.0	46.22	2.78	6%
AMERICA	15.86	15.73	0.13	1%
HOTEL REVENUE EXCLUDING NEW OPENINGS	233.57	220.78	12.79	6%
NEW OPENING 07/06	15.43		15.43	
ACQUISITIONS (JOLLY HOTELS)	39.55		39.55	
RELEVANT NON-RECURRING REV.	18.94	3.22	15.72	488%
TOTAL REVENUE	307.49	224.0	83.49	37%
SPAIN & PORTUGAL	61.83	59.62	2.21	4%
ITALY	3.06	3.02	0.04	1%
BENELUX&OTHERS	42.3	40.8	1.5	4%
SWIZ&AUSTRIA&OTHERS	8.17	7.69	0.48	6%
GERMANY	34.7	33.51	1.19	4%
AMERICA	11.19	10.84	0.35	3%
OPERATING EXPENSES EXCLUDING NEW OPENINGS	161.24	155.49	5.75	4%
OPERATING EXPENSES NEW OPENING	12.36		12.36	
ACQUISITIONS (JOLLY HOTELS)	28.33	0.0	28.33	
RELEVANT NON-RECURRING REV.	0.37	0.13	0.24	185%
TOTAL OPERATING EXPENSES	202.31	155.62	46.69	30%
SPAIN & PORTUGAL	30.44	26.77	3.66	14%
ITALY	0.11	-0.22	0.33	150%
BENELUX&OTHERS	19.77	18.42	1.35	7%
SWIZ&AUSTRIA&OTHERS	3.04	2.72	0.32	12%
GERMANY	14.3	12.71	1.59	12%
AMERICA	4.67	4.89	-0.22	-4%
GOP BUSINESS UNIT EXCLUDING EXPANSION	72.32	65.29	7.03	11%
GOP NEW OPENINGS	3.07		3.07	
ACQUISITIONS (JOLLY HOTELS)	11.21	0.0	11.21	
GOP NON RECURRING	18.57	3.09	15.48	501%
TOTAL GOP	105.18	68.38	36.8	54%
LEASES&PT EXCLUDING NEW OPENINGS	45.85	44.31	1.54	3%
LEASES & P.T. NEW OPENINGS	6.76	0.0	6.76	
ACQUISITIONS	4.36	0.0	4.36	
TOTAL LEASES & PROPERTY TAXES	56.97	44.31	12.66	29%
SPAIN & PORTUGAL	11.57	8.68	2.89	33%
ITALY	-0.48	-0.84	0.36	43%
BENELUX&OTHERS	14.49	13.1	1.4	11%
SWIZ&AUSTRIA&OTHERS	-0.75	-1.1	0.35	32%
GERMANY	-2.23	-3.01	0.78	26%
AMERICA	3.87	4.16	-0.28	-7%
EBITDA BUSINESS UNIT EXCLUDING NEW OPENINGS	26.48	20.98	5.5	26%
EBITDA NEW OPENINGS	-3.69		-3.69	
ACQUISITIONS (JOLLY HOTELS)	6.85		6.85	
EBITDA NON RECURRING	18.57	3.09	15.48	501%
TOTAL EBITDA	48.21	24.07	24.15	100%

NH HOTELES,S.A. Q1 2007 P&L ACCOUNT

	1Q 2007		1Q 2006		2007/2006
	M Eur.	%	M. Eur	%	Var. %
Room Revenues	288.55	90.6%	220.78	96.6%	30.7%
Real estate sales and other	10.89	3.4%	4.50	2.0%	142.0%
Other non-recurring revenues	18.94	5.9%	3.23	1.4%	486.4%
TOTAL REVENUES	318.38	100.0%	228.51	100.0%	39.3%
Cost of real estate sales	-4.51	-1.4%	-1.23	-0.5%	266.7%
Staff Cost	-109.17	-34.3%	-82.75	-36.2%	31.9%
Operating expenses	-95.78	-30.1%	-75.21	-32.9%	27.4%
Other Non-recurring expenses	-0.39	-0.1%	-0.13	-0.1%	200.0%
GROSS OPERATING PROFIT	108.53	34.1%	69.19	30.3%	56.9%
Lease payments and property taxes	-56.97	-17.9%	-44.31	-19.4%	28.6%
EBITDA	51.56	16.2%	24.88	10.9%	107.2%
Depreciation	-23.43	-7.4%	-17.44	-7.6%	34.3%
EBIT	28.13	8.8%	7.44	3.3%	278.1%
Interest income (expense)	-9.26	-2.9%	-4.99	-2.2%	85.6%
Income from minority equity interests	-0.05	0.0%	-0.03	0.0%	66.7%
EBT	18.82	5.9%	2.42	1.1%	677.7%
Corporate income tax	0.31	0.1%	-0.73	-0.3%	-141.8%
NET INCOME before minorities	19.13	6.0%	1.69	0.7%	1031.7%
Minority interests	-13.95	-4.4%	0.06	0.0%	-23350.0%
NET INCOME	5.18	1.6%	1.75	0.8%	195.7%

JOLLY HOTELS PROFORMA (JANUARY AND FEBRUARY)

	JAN & FEB 07	JAN & FEB 06	% 07/06
TOTAL REVENUE	39.55	42.12	-6.1%
TOTAL EBITDA	6.85	9.85	-30.5%

Financial Performance and other important information

- **Net Profits:** amounted to €5.18m (€1.75m in Q106).
- **Net Debt:** amounted to €655.84m compared with €633 at year-end 2006. From 31 January onwards, this figure includes net debt at Jolly Hotels amounting to €240.43m.
- **Financial charges:** the 85% increase in financial charges is due to higher interest rates and to an increase in average borrowings in the period. Bear in mind that the €250m capital increase was not effective until the end of March, while the net debt at Jolly Hotels amounting to €240.43m was consolidated from 31 January 2007 onwards.
- Most of the Minorities reflect the non-recurrent gains attributable to NH's partners in Italy.

Non-recurrent items

- The €18.94m of non-recurrent earnings is mainly explained by the negative difference on the first consolidation of Jolly Hotels, as a consequence of the difference between the estimated "fair value" based on the last provisional valuation and the acquisition price. The definitive valuation is expected to be published before 30 June.

€250m rights issue

- On 30 March 2007, NH Hoteles issued 16,371,971 new shares as part of the €250m rights issue at €15.27 per share, increasing the number of shares in circulation to 147,970,458. The rights issue was mainly underwritten by the existing shareholders who subscribed to nearly 98% of the total at the outset.

Jolly Hotels

- On 1 February 2007, "*La Autorità garante della concorrenza e del mercato*" (the authority which regulates competition and markets in Italy) gave the go-ahead to the acquisition proposed on 11 November 2006 by NH Italia Srl, Joker Partecipazioni Srl and Intesa Sanpaolo Spa. This is why the consolidation of Jolly Hotels into NH Hotels is effective from this date.
- On 21 February 2007, NH Italia Srl, Joker Partecipazioni Srl and Intesa Sanpaolo Spa presented the stock market regulator (Consob), a public offering for the shares in Grande Jolly Hotels Spa, amounting to 25.53% of the capital, at a price of €25.0 per share.
- As a result of the obligatory public offering by Grande Jolly, S.r.l., NH Italia, S.r.l., Joker Partecipazioni, S.r.l. and Intesa Sanpaolo, S.p.A. to acquire the ordinary shares of Jolly Hotels, S.p.A., which closed on 18 April 2007, the agreement between the above-mentioned parties resulted in their controlling 16,621,262 shares in Jolly Hotels, S.p.A, or 83.106% of the issued share capital.

New Hotels

Acquisitions

- Since the beginning of this year, NH Hoteles has taken a very significant quantitative and qualitative leap in terms of the geographical distribution of its activities, thanks to the agreement reached to acquire the Italian chains of Jolly Hotels and Framon. Since 1 February 2007, NH Hotels has consolidated the following globally in its Profit and Loss Account:
 - 46 hotels or 7,555 rooms belonging to Jolly Hotels: 5,993 rooms or 39 hotels in Italy, a 275-room hotel in London, a 218-room hotel in Amsterdam, two hotels or 472 rooms in Germany, one 162-room hotel in Paris and one 242-room hotel in New York.

- Since 1 January 2007, NH Hoteles has consolidated the following globally in its Profit and Loss Account:
 - 15 Framon hotels with 1,254 rooms in Italy.

Internal or organic development

In 2007 to date, NH Hoteles has opened 1,038 rooms. Some of these represent a very significant reinforcement of its presence in important European cities.

- In Barcelona, a convention hotel has been opened in the L'illa area with 308 rooms, which strengthens the presence of NH Hoteles in Barcelona and make it once again the leader after the sale of the Hotel Princesa Sofía four years ago.
- In Vienna, with the opening of the NH Danube City and its 252 rooms, NH Hoteles now has five hotels and more than 1,000 rooms in this growing city, characterised by a very well-balanced mix of tourist and corporate business.

Hotels opened since 1 January 2007

Hotels	City	Contract	Rooms
NH Stuttgart Airport	Stuttgart	Leased with Call Option	91
NH Danube City	Wien	Leased with Call Option	252
NH Waalwick	Waalwick, Holland	Leased with Call Option	120
NH Constanza	Barcelona	Leased	308
NH Fuenlabrada	Madrid	Leased	132
NH Santa Fe	Mexico DF	Owned	135
Total New Openings			1038

Progress in the Expansion Plan (18,000 rooms in 2007-2009)

In the first four months of the year, **2,189** new rooms have been signed, 10% more than the target figure taking the 18,000-room expansion in linear terms across 2007-2009.

The geographical breakdown of the new projects is as follows: 27% in Italy, 25% in Austria, 15% in the Czech Republic, 10% in Germany, 8% in South Africa, 5% in Holland and 4% in Spain.

Hotels signed between 1 January and 30 April 2007

Peoyects	City	Contract	# Rooms	Opening
1	Prague	Leased	201	2009
2	Prague	Leased	135	2009
3	Milano	Leased	148	2009
4	Milano	Leased	250	2009
5	Madrid	Leased	92	2009
6	Wien	Leased	300	2011
7	Savona, Italy	Owned	92	2007
8	Cape Town	Managed	190	2009
9	Frankfurt	Leased	209	2009
10	Milano	Leased	200	2009
Hoteles in Operations	Ciudad	Contrato	# Habitaciones	Apertura
11	Waalwick, Holland	Leased with CO	120	Feb-07
12	Wien	Leased with CO	252	Jan-07
Total New Signatures			2189	

GEOGRAPHICAL BREAKDOWN OF OPEN HOTELS AT THE NH HOTELES GROUP

R= ROOMS; H= HOTELS; CO= CALL OPTION

	R	H	CO	LEASED	R	OWNED	R	MANAGED	R	FRANCHISED	R
ARGENTINA	1.128	8	0	0	0	8	1.128	0	0	0	0
URUGUAY	136	1	0	0	0	1	136	0	0	0	0
MEXICO	3.177	16	0	4	462	6	1.261	6	1.454	0	0
BRASIL	135	1	0	0	0	1	135	0	0	0	0
CHILE	122	1	0	0	0	1	122	0	0	0	0
CUBA	967	2	0	0	0	0	0	2	967	0	0
PORTUGAL	313	3	0	3	313	0	0	0	0	0	0
SPAIN	14.006	125	0	82	9.478	17	2.504	26	2.024	0	0
ITALY	7.997	57	0	28	4.373	16	2.432	6	525	7	667
ENGLAND	596	3	0	1	121	1	275	1	200	0	0
HOLLAND	5.964	32	2	12	1.669	19	4.215	1	80	0	0
BELGIUM	1.309	9	0	2	434	7	875	0	0	0	0
GERMANY	10.075	58	17	58	10.075	0	0	0	0	0	0
SWITZERLAND	562	4	0	2	330	2	232	0	0	0	0
AUSTRIA	1.225	7	4	7	1.225	0	0	0	0	0	0
HUNGRIA	160	1	0	1	160	0	0	0	0	0	0
RUMANIA	161	2	0	1	83	0	0	1	78	0	0
POLONIA	0	0	0	0	0	0	0	0	0	0	0
REPUBLICA CHECA	0	0	0	0	0	0	0	0	0	0	0
LUXEMBURGO	148	1	1	1	148	0	0	0	0	0	0
SOUTH AFRICA	240	2	0	1	198	1	42	0	0	0	0
REP. SENEGAL	0	0	0	0	0	0	0	0	0	0	0
REP. DOMINICANA	0	0	0	0	0	0	0	0	0	0	0
UNITED STATES	242	1	0	0	0	1	242	0	0	0	0
FRANCE	162	1	0	0	0	1	162	0	0	0	0
TOTAL HOTELS OPERATED	48.825	335	24	203	29.069	82	13.761	43	5.328	7	667

SIGNED PROJECTS AT THE NH HOTELES GROUP

R= ROOMS; H= HOTELS; CO= CALL OPTION

	ROOMS	H	CO	LEASED	R	OWNED	R	MANAGED	R	FRANCHISED	R
ARGENTINA	221	2	0	0	0	2	221	0	0	0	0
MEXICO	1.345	5	0	1	220	1	140	3	985	0	0
CUBA	150	0	0	0	0	0	0	0	150	0	0
SPAIN	712	6	0	4	554	2	158	0	0	0	0
ITALY	1.903	13	0	9	1.346	2	309	2	248	0	0
GERMANY	234	1	1	1	234	0	0	0	0	0	0
AUSTRIA	300	0	0	0	300	0	0	0	0	0	0
POLONIA	92	1	0	0	0	0	0	1	92	0	0
REPUBLICA CHECA	336	2	0	2	336	0	0	0	0	0	0
AFRICA	190	1	0	0	0	0	0	1	190	0	0
REP. SENEGAL	310	2	0	0	0	0	0	2	310	0	0
REP. DOMINICANA	860	2	0	0	0	0	0	2	860	0	0
FRANCE	245	1	0	1	245	0	0	0	0	0	0
TOTAL SIGNED DEALS	6.898	36	1	18	3.235	7	828	11	2.835	0	0