

Madrid, 17<sup>th</sup> June 2008

**5M 2008 SALES AND RESULTS PREVIEW PROFORMA (non-audited)\***

**Highlights**

- In the first five months of 2008, **like for like RevPar increased 3.0%** vs. same period last year. ADR increased by 3.0% and occupancy remained constant. In Europe like-for-like RevPar grew 3.2% and in the Americas 13.2% considering constant currency.
- **Recurrent Hotel activity, both in revenues and EBITDA increased by 10.7% and 14.4%** respectively (assuming 5 months consolidation for Jolly Hotels in 2007, incorporated from 1st February 2007, the EBITDA growth would have been 15.2%).
- Recurrent Hotel activity shows a **margin improvement both in GOP (33.6% vs. 32.9% in 2007) and EBITDA (15.3% vs. 14.8% in 2007)**.
- **Non-recurrent items:** €28.46m in non-recurrent revenues, explained by the proforma capital gain from the sale & lease back transaction of three hotels in Spain.
- **Consolidated net income rose to €25.3m**, an increase of 6.6%, compared to last year figures.

HOTEL ACTIVITY EXCLUDING NON RECURRING ITEMS AS OF MAY 31 2008					
	5M 2008		5M 2007		2008/ 2007
	M Eur.	%	M. Eur	%	Var. %
<b>TOTAL REVENUES</b>	<b>596,2</b>	<b>100%</b>	<b>538,5</b>	<b>100%</b>	<b>10,7%</b>
Staff Cost	-207,7	-34,8%	-190,3	-35,3%	9,2%
Operating expenses	-188,4	-31,6%	-171,0	-31,8%	10,2%
<b>GROSS OPERATING PROFIT</b>	<b>200,2</b>	<b>33,6%</b>	<b>177,3</b>	<b>32,9%</b>	<b>13,0%</b>
Lease payments and property taxes	-109,0	-18,3%	-97,5	-18,1%	11,8%
<b>EBITDA</b>	<b>91,3</b>	<b>15,3%</b>	<b>79,8</b>	<b>14,8%</b>	<b>14,4%</b>

\* Capital gain from the Sale&Lease-back transaction due in June incorporated.

**Hotel Activity**

**Like- for-Like RevPar**

All Business Units have seen RevPar increases above 3%, except for Spain and Portugal. However, the outlook for the rest of the year remains challenging.

- **Spain and Portugal:** Weak market demand pushing down occupancy rates, but ADR still growing at almost 3% in like-for-like terms. Comparability for the coming weeks will be difficult due to strong last year performance.
- **Italy:** Occupancy slightly increased in all key cities. Milan has showed a positive evolution both in ADR and occupancy.
- **Benelux and others:** Weaker flow of US travellers is impacting negatively on the leisure market but RevPar growth still healthy.
- **Germany:** One of the best market performers with RevPar growing almost 9% due to an ADR increase of 7.3%.
- **Central and Eastern Europe:** Positive impact from the Pre - EuroCup activity. Vienna fully booked. RevPar growth close to 15%, with both ADR and occupancy increasing near 7%.
- **Las Americas:** Strong RevPar growth in constant currency (+13%), while in real terms it kept constant due to a negative exchange rate evolution. Although Mexico is affected by a weak US economy, recent and new openings are expected to contribute shortly. Argentina contributes to performance very positively.

<b>KPI 'S NH HOTELES UP TO 31<sup>ST</sup> MAY</b>											
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2008	2007	2008	2007	% Var	2008	2007	% Var	2008	2007	% Var
Spain & Portugal "Like for like"	11.810	11.836	61,10%	64,24%	-4,89%	94,63	91,97	2,89%	57,82	59,08	-2,14%
TOTAL B.U. SPAIN	12.761	12.220	60,76%	63,42%	-4,19%	95,14	92,52	2,83%	57,81	58,68	-1,47%
Italy "Like for like"	5.630	5.661	60,10%	59,17%	1,58%	108,36	105,09	3,11%	65,12	62,18	4,74%
TOTAL B.U. ITALY	6.889	5.514	58,82%	61,84%	-4,89%	106,57	106,36	0,19%	62,69	65,78	-4,71%
Benelux & Others "Like for like"	7.923	7.925	69,01%	68,50%	0,74%	106,71	104,05	2,55%	73,64	71,28	3,31%
TOTAL B.U. BENELUX	8.518	7.925	68,05%	68,36%	-0,46%	106,96	103,00	3,84%	72,78	70,42	3,36%
Central & Eastern Europe "Like for like"	1.774	1.773	72,70%	67,75%	7,31%	82,90	77,53	6,93%	60,27	52,53	14,75%
TOTAL B.U. CENTRAL & EASTERN EUROPE	2.096	2.025	70,46%	66,33%	6,22%	84,39	78,80	7,09%	59,46	52,27	13,75%
Germany "Like for like"	9.686	9.578	59,90%	59,01%	1,50%	72,83	67,85	7,33%	43,62	40,04	8,95%
TOTAL B.U. GERMANY	10.061	9.621	59,70%	58,79%	1,54%	73,00	67,66	7,89%	43,58	39,78	9,55%
EUROPE "LIKE FOR LIKE"	36.823	36.774	62,89%	63,19%	-0,46%	93,37	90,07	3,67%	58,73	56,91	3,19%
Total B.U. EUROPE	40.325	38.950	62,21%	62,77%	-0,89%	93,78	90,56	3,56%	58,34	56,85	2,63%
TOTAL EUROPE CONSOLIDATED	40.325	37.306	62,21%	63,20%	-1,57%	93,78	90,19	3,99%	58,34	57,00	2,36%
Las Américas "Like for like"	3.213	3.215	70,24%	66,86%	5,06%	66,40	69,78	-4,85%	46,64	46,65	-0,03%
LATINAMERICA CONSOLIDATED	3.646	3.385	68,52%	66,44%	3,12%	66,51	67,72	-1,79%	45,57	44,99	1,28%
TOTAL CONSOLIDATED	43.971	40.691	62,73%	63,47%	-1,16%	91,31	88,23	3,49%	57,28	56,00	2,29%
NH HOTELES "LIKE FOR LIKE"	40.036	39.988	63,48%	63,48%	0,00%	90,98	88,35	2,97%	57,76	56,09	2,97%
TOTAL CONSOLIDATED	43.971	40.691	62,73%	63,47%	-1,16%	91,31	88,23	3,49%	57,28	56,00	2,29%

NH HOTELES,S.A. AS OF MAY 31 2008 PROFORMA P&L ACCOUNT					
	5M 2008		5M 2007		2008/ 2007
	M Eur.	%	M. Eur	%	Var. %
Room Revenues	596,2	94%	538,5	94%	10,7%
Real estate sales and other	7,4	1%	16,1	3%	-54,5%
Non-recurring Revenues	29,0	5%	19,2	3%	50,9%
<b>TOTAL REVENUES</b>	<b>632,6</b>	<b>100%</b>	<b>573,8</b>	<b>100%</b>	<b>10,2%</b>
Cost of real estate sales	-0,2	0%	-5,6	-1%	-96,6%
Staff Cost	-209,0	-33%	-191,5	-33%	9,1%
Operating expenses	-192,0	-30%	-174,8	-30%	9,9%
Other Non-recurring expenses	-5,3	-1%	-0,9	0%	470,7%
<b>GROSS OPERATING PROFIT</b>	<b>226,1</b>	<b>36%</b>	<b>201,0</b>	<b>35%</b>	<b>12,5%</b>
Lease payments and property taxes	-109,0	-17%	-97,5	-17%	11,8%
<b>EBITDA</b>	<b>117,1</b>	<b>19%</b>	<b>103,5</b>	<b>18%</b>	<b>13,1%</b>
Depreciation	-50,6	-8%	-41,2	-7%	22,9%
<b>EBIT</b>	<b>66,5</b>	<b>11%</b>	<b>62,3</b>	<b>11%</b>	<b>6,7%</b>
Interest income (expense)	-38,1	-6%	-17,4	-3%	119,4%
Income from minority equity interests	-0,2	0%	-0,1	0%	144,4%
<b>EBT</b>	<b>28,1</b>	<b>4%</b>	<b>44,9</b>	<b>8%</b>	<b>-37,2%</b>
Corporate income tax	-4,4	-1%	-4,8	-1%	-6,5%
<b>NET INCOME before minorities</b>	<b>23,7</b>	<b>4%</b>	<b>40,1</b>	<b>7%</b>	<b>-40,9%</b>
Minority interests	1,6	0%	-16,4	-3%	-109,9%
<b>NET INCOME</b>	<b>25,3</b>	<b>4%</b>	<b>23,8</b>	<b>4%</b>	<b>6,6%</b>

### Financial highlights and other relevant issues

- **Non-recurrent items:** €28.46m in non-recurrent revenues, explained by the proforma capital gain from the sale & lease back transaction of three hotels in Spain, signed as of 16th of June 2008.
- **Financial Expenses:** Financial Expenses rose to €38.09m from €17.36m, of which €8.41m can be explained by the decline in the share price of the NH share that is linked to the equity swap covering the stock options plan approved in 2007. The remaining part is due to the increased in total debt from last year corporate transactions.
- **Minority Interest:** the difference of both periods basically relates to the accounting of badwill arisen from last year acquisition of Jolly Hotels.

### Real Estate Activity

- Sotogrande's real estate activity generated revenues of €7.35m, compared to €16.14m for the same period in 2007. The drop in sales is explained by the timetable for handing over keys to apartment houses and the general slowdown in the real estate sector in Spain.
- EBITDA has decreased to €2.11m from €5.53m for the same period in 2007. Net income has declined to €0.96m, compared to €3.12m for the five months of last year.
- At May 31st 2008, Sotogrande had committed sales, not yet accounted for on the books, of €76.64m. Most of these sales correspond to the residential development of Ribera del Marlin and berths in La Marina.

### New Developments

So far in 2008, eight new hotels with 1.445 rooms have been opened.

- Particularly noteworthy is the incorporation of NH Paseo del Prado into the group under a lease formula. This addition gives NH an excellent hotel with a first-class location.

### Hotels Openings since January 1st 2008

Hotels	City	Contract	# Rooms
<b>NH Victoria Palace</b>	El Escorial (Spain)	Leased	78
<b>NH Paseo del Prado</b>	Madrid (Spain)	Leased	114
<b>NH Orio al Serio</b>	Bergamo (Italy)	Leased	118
<b>NH Linate</b>	Linate (Italy)	Leased	67
<b>NH Savona Darsena</b>	Savona (Italy)	Leased with Call Option	92
<b>NH Sparrenhorst</b>	Nunspeet (Holland)	Owned	117
<b>NH Monterrey</b>	Monterrey (Mexico)	Leased	217
<b>EDENH Real Arena</b>	Dominican Rep.	Management	642
<b>New Openings</b>			<b>1.445</b>

### Asset management

In order to maximise the return on the capital employed in each of the business units, NH has embarked on an asset rationalization program that includes the sale of those assets failing to generate enough value for the group, both from a strategic or economic point of view. NH does not consider franchising to be an adequate means of growth today. Accordingly, it has cancelled all the contracts inherited from the acquisition of the Italian chain Jolly Hotels.

**Hotels which left the Group NH from January 1st, 2008**

Hotels	City	Contract	# Rooms
<b>NH Weinheim Ottheinrich</b>	Germany	Leased	25
<b>Jolly Hotel Stendhal</b>	Italy	Franchise	62
<b>Jolly Hotel Salerno</b>	Italy	Franchise	104
<b>Jolly Hotel Della Valle</b>	Italy	Franchise	120
<b>Jolly Hotel Messina</b>	Italy	Franchise	96
<b>Jolly Hotel Siracusa</b>	Italy	Franchise	100
<b>NH Sao Paulo</b>	Brasil	Owned	135
<b>Total Exits</b>			<b>642</b>

Additionally, the company has entered into a "Sale&Lease-Back" agreement by which three properties in Spain have been disposed. NH Hoteles retains a long-term lease agreement with an option to buy back the asset under certain conditions. The total sale price has reached €49.5 millions, with a capital gain of €28.5 million and a cash net of taxes consideration of €44.4.

Hotels	City	# Rooms
<b>NH Ciudad de Santander</b>	Santander	62
<b>NH Luz Huelva</b>	Huelva	107
<b>NH Alcala</b>	Madrid	146
<b>Total</b>		<b>315</b>
<b>Price (€MM)</b>		<b>49,5</b>

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

In the 76 weeks since January 1, 2007, the number of NH rooms has increased by 8.601 (49 hotels), which is in line with the 18.000 target 2007-2009 plan.

Since January 2007, the new projects are distributed geographically as follows: 41.9% in Central and Eastern Europe: Germany, Holland, Belgium, Poland, Hungary, Switzerland, Austria, Czech Republic and France; 31.7% in Southern Europe: Spain and Italy; and 26.3% in Latin America and other countries.

**Signed projects from January 1<sup>st</sup> and June 16<sup>th</sup>, 2008**

<b>New Hotel Projects</b>	<b>City</b>	<b>Contract</b>	<b># Rooms</b>	<b>Opening</b>
<b>1</b>	San Sebastián de los Reyes, Spain	Leased	120	2010
<b>2</b>	Lejona, Vizcaya, Spain	Management	125	2009
<b>3</b>	La Laguna, Tenerife, Spain	Management	105	2009
<b>4</b>	Buenos Aires, Argentina	50% Owned	185	2008
<b>5</b>	Madrid, Spain (Extension)	Leased	15	2010
<b>6</b>	Olomouc, Czech Republic	Management	136	2009
<b>7</b>	Dresden, Germany	Leased	235	2010
<b>8</b>	Gerona, Spain	Leased	115	2010
<b>9</b>	Rotterdam, Holland	Leased with Call Option	280	2012
<b>10</b>	Cartagena, Spain	Leased	100	2010
<b>11</b>	Porriño, Spain	Management	67	2010
<b>12</b>	Parma, Italy	Leased	118	2012
<b>Operating Hotels</b>	<b>City</b>	<b>Contract</b>	<b># Rooms</b>	<b>Opening</b>
<b>13</b>	Nunspeet, Holland	Owned	117	2008
<b>14</b>	Madrid, Spain	Leased	114	2008
<b>15</b>	México (Extension p. Vallarta)	Management	194	2008
<b>16</b>	México (Extension Cancun)	Management	104	2008
<b>17</b>	Bussum, Holland (Extension)	56% Owned	42	2009
<b>18</b>	Mar de Plata, Argentina	Management + 20% Owned	573	2009
<b>Total Signed Projects</b>			<b>2.745</b>	

**GRUPO NH HOTELES BY COUNTRIES**

R= ROOMS; H= HOTELS; CO= CALL OPTION; L= LEASED; O= OWNED; M= MANAGED; F= FRANCHISE

	R	H	CO	L	R	O	R	M	R	F	R
ARGENTINA	1.240	9	0	0	0	9	1.240	0	0	0	0
URUGUAY	136	1	0	0	0	1	136	0	0	0	0
MEXICO	3.270	16	0	5	679	6	1.261	5	1.330	0	0
CHILE	122	1	0	0	0	1	122	0	0	0	0
CUBA	968	2	0	0	0	0	0	2	968	0	0
PORTUGAL	313	3	0	3	313	0	0	0	0	0	0
SPAIN	14.266	128	0	88	10.056	18	2.534	22	1.676	0	0
ITALY	8.128	57	0	31	4.762	16	2.449	7	625	3	292
ENGLAND	596	3	0	1	121	1	275	1	200	0	0
HOLLAND	5.978	32	2	12	1.672	19	4.226	1	80	0	0
BELGIUM	1.632	11	0	2	434	9	1.198	0	0	0	0
GERMANY	10.061	57	17	57	10.061	0	0	0	0	0	0
SWITZERLAND	632	5	0	3	400	2	232	0	0	0	0
AUSTRIA	1.220	7	4	7	1.220	0	0	0	0	0	0
HUNGARY	160	1	0	1	160	0	0	0	0	0	0
RUMANIA	161	2	0	1	83	0	0	1	78	0	0
LUXEMBURG	148	1	1	1	148	0	0	0	0	0	0
SOUTHAFRICA	240	2	0	1	198	1	42	0	0	0	0
DOMINICAN REPUBLIC	642	1	0	0	0	0	0	1	642	0	0
UNITED STATES	242	1	0	0	0	1	242	0	0	0	0
FRANCE	314	2	0	1	152	1	162	0	0	0	0
<b>OPENED HOTELS</b>	<b>50.469</b>	<b>342</b>	<b>24</b>	<b>214</b>	<b>30.459</b>	<b>85</b>	<b>14.119</b>	<b>40</b>	<b>5.599</b>	<b>3</b>	<b>292</b>

**SIGNED PROJECTS OF GRUPO NH HOTELES**

R= ROOMS; H= HOTELS; CO= CALL OPTION; L= LEASED; O= OWNED; M= MANAGED; F= FRANCHISE

	R	H	CO	L	R	O	R	M	R	F	R
ARGENTINA	972	3	0	0	0	2	399	1	573	0	0
MEXICO	1.539	5	0	1	132	1	142	3	1.265	0	0
CUBA	150	0	0	0	0	0	0	0	150	0	0
SPAIN	1.805	14	0	11	1.477	0	19	3	309	0	0
ITALY	1.552	11	0	8	1.077	1	217	2	258	0	0
HOLLAND	698	3	1	2	327	1	371	0	0	0	0
GERMANY	623	2	0	2	623	0	0	0	0	0	0
AUSTRIA	300	0	0	0	300	0	0	0	0	0	0
HUNGARY	114	1	0	1	114	0	0	0	0	0	0
POLAND	213	2	0	1	119	0	0	1	94	0	0
CZECH REPUBLIC	506	3	0	2	370	0	0	1	136	0	0
SOUTHAFRICA	190	1	0	0	0	0	0	1	190	0	0
SENEGAL	310	2	0	0	0	0	0	2	310	0	0
DOMINICAN REPUBLIC	575	2	0	0	0	0	0	2	575	0	0
COLOMBIA	396	2	0	0	0	2	396	0	0	0	0
FRANCE	488	2	0	2	488	0	0	0	0	0	0
<b>TOTAL PROJECTS</b>	<b>10.431</b>	<b>53</b>	<b>1</b>	<b>30</b>	<b>5.027</b>	<b>7</b>	<b>1.544</b>	<b>16</b>	<b>3.860</b>	<b>0</b>	<b>0</b>