

## NH HOTELES

### SIGNIFICANT EVENT

#### NH ITALIA SRL SIGNS AN AGREEMENT WITH JOKER PARTECIPAZIONI SRL AND BANCA INTESA SPA TO ACQUIRE CONTROL OF JOLLY HOTELS SPA

Today, as part of the project whose aim is to create the largest hotel group in Italy, NH Italia SRL – *a joint venture owned 51% by NH Hoteles, S.A. (NH Hoteles) and 49% by Banca Intesa SPA* – together with Joker Partecipazioni SRL (“Joker”) – *the current majority shareholder of Jolly Hotels SPA (“Jolly Hotels”)* – have signed a framework agreement which envisages the execution of several corporate operations that will enable NH Italia SRL to take control of Jolly Hotels (the “Agreement”) through a newly-created company.

NH Hoteles, S.A. is one of the world’s largest hotel operators and the third-biggest in Europe. It currently has 269 hotels with 38,967 rooms in 19 countries in Europe, Latin America and Africa, in addition to 24 new hotels under construction which, once completed, will provide 5,000 new rooms. Jolly Hotels’ positioning in Italy, together with the experience and know-how of a large international hotel group such as NH Hoteles and the institutional presence of Banca Intesa, lays the foundations for a deal whose purpose is to create the largest hotel group in Italy, while ensuring a large capacity for development at the same time.

In particular, the Agreement envisages that the following operations will be performed before the next 30 November:

- A limited liability company called Grande Jolly Srl (“Grande Jolly”) will be created, with an initial share capital of 12 million euros, fully subscribed and paid by NH Italia (51%), Joker (42%) and Banca Intesa (7%) (“Initial Capital”).
- NH Italia, Joker, Banca Intesa and Grande Jolly will sign a Shareholders’ Agreement in order to regulate the governance of Jolly Hotels and Grande Jolly, without prejudice to the transfer regime of their respective stakes in Jolly Hotels and Grande Jolly (the “Shareholders’ Agreement”). The signature of the Shareholders’ Agreement will enable NH Italia to appoint the majority of the members of the Board of Directors of Grande Jolly and, eventually, of Jolly Hotels.
- NH Italia, which currently owns 4,000,001 ordinary shares, equal to 20% of the share capital of Jolly Hotels, will contribute its entire shareholding in Jolly Hotels to Grande Jolly through a non-monetary capital increase at Grande Jolly, reserved to NH Italia.
- Joker, which currently owns 9,964,609 ordinary shares and 45,716 preference shares, equal to 49.97% of the share capital of Jolly Hotels, will sign a forward sale agreement, which will envisage the transfer to NH Italia of ordinary shares equal to 25.7% of the share capital of Jolly Hotels at a unit price of 25 euros per share, and for a total consideration of 128.5 million euros, before 31 July 2007. This transfer will be made, at Joker’s choice, in either of the following ways:

- by selling at the price of the corresponding exchange value in cash that will be partially be reinvested in Grande Jolly, by subscribing to, and paying for, an 82.3 million euro capital increase performed for this purpose, or;
  - by contributing to Grande Jolly the stake used for the capital increase reserved to Joker.
- Once the aforementioned operations are completed, further capital increases will be performed at Grande Jolly to ensure that each partner maintains their initial shareholdings.
  - Joker will sign a put and call option contract with Grande Jolly relating to the remaining shares held by Joker in Jolly Hotels, equal to 24.4% of the share capital of the latter, at a price of 25 euros per share, for a total consideration of 121.7 million euros. This option contract will envisage the following:
    - a put option for Grande Jolly in favour of Joker, that can be exercised until 31 December 2009, and;
    - a call option for Joker in favour of Grande Jolly, that can be exercised in the six months after the end of the put option strike period.
  - Banca Intesa, which currently owns 884,289 ordinary shares, equal to 4.4% of the share capital of Jolly Hotels, will sign a put and call option contract with Grande Jolly at a price of 25 euros per share relating to those shareholdings. This option contract will envisage the following:
    - a put option for Grande Jolly in favour of Banca Intesa, that can be exercised until 31 October 2007 for a total price of 22.1 million euros, and;
    - a call option for Banca Intesa in favour of Grande Jolly, that can be exercised during November 2007 for the same price of 22.1 million euros.
  - Regarding the entire shareholding that Joker will hold in Grande Jolly and to ensure the success of the aforementioned operation and the conversion of the preference shares into ordinary shares, Joker will sign a second put and call option contract with NH Italia relating to such holdings. This option contract will envisage the following:
    - a put option for NH Italia in favour of Joker, that can be exercised until 31 December 2010 at a price of 25 euros per share, and;
    - a call option right for Joker in favour of Grande Jolly, that can be exercised in the six months after the end of the put option strike period for the same price of 25 million euros per share.

The total price of the shareholding addressed by this contract amounts to 87.4 million euros in the event that, regarding the aforementioned forward sale

contract, Joker chooses to be paid in cash. In the event that Joker chooses the second option, the total price amounts to 133.5 million euros.

- Joker will appoint Spafid SPA as trustee regarding its shareholdings in Jolly Hotels and Grande Jolly, with instructions to perform any necessary act to complete the operation and transfers in favour of Grande Jolly envisaged in the Agreement. The Trustee Agreement will envisage that all the voting rights, and any right related to the shares which represent 25.7% of the share capital of Jolly Hotels, will be exercised by the trustee pursuant to the instructions issued by Grande Jolly.

The parties undertake to convene an extraordinary meeting and a special meeting of preference shareholders of Jolly Hotels in order to resolve on the mandatory conversion of the preference shares into ordinary shares on the basis of one ordinary share per preference share.

The aforementioned operations will be insured through several financial instruments granted by Banca Intesa.

The efficacy of the Agreement is subject to the condition precedent of approval by the competent antitrust authorities.

As envisaged in the Shareholders' Agreement, and applying Italian law, the deal involves a subsequent launch of an obligatory bid by Grande Jolly for the remaining shares of Jolly Hotels (deemed to be the ordinary shares not owned by Grande Jolly, NH Italia, Joker and Banca Intesa) at a price of 25 euros per share, within 30 days of compliance with the aforementioned condition precedent (the "Bid").

The total payment, if all the shares addressed by the Bid accept, amounts to 127.6 million euros.

If the acceptance of the Bid means that the bidder will own over 90% of the share capital of Jolly Hotels, the bidder will try, within the terms envisaged in the current regulations, to Bid for the remaining shares in order to delist the Company.