



a PAN-EUROPEAN vision
for HOTELS



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- **The Deal**

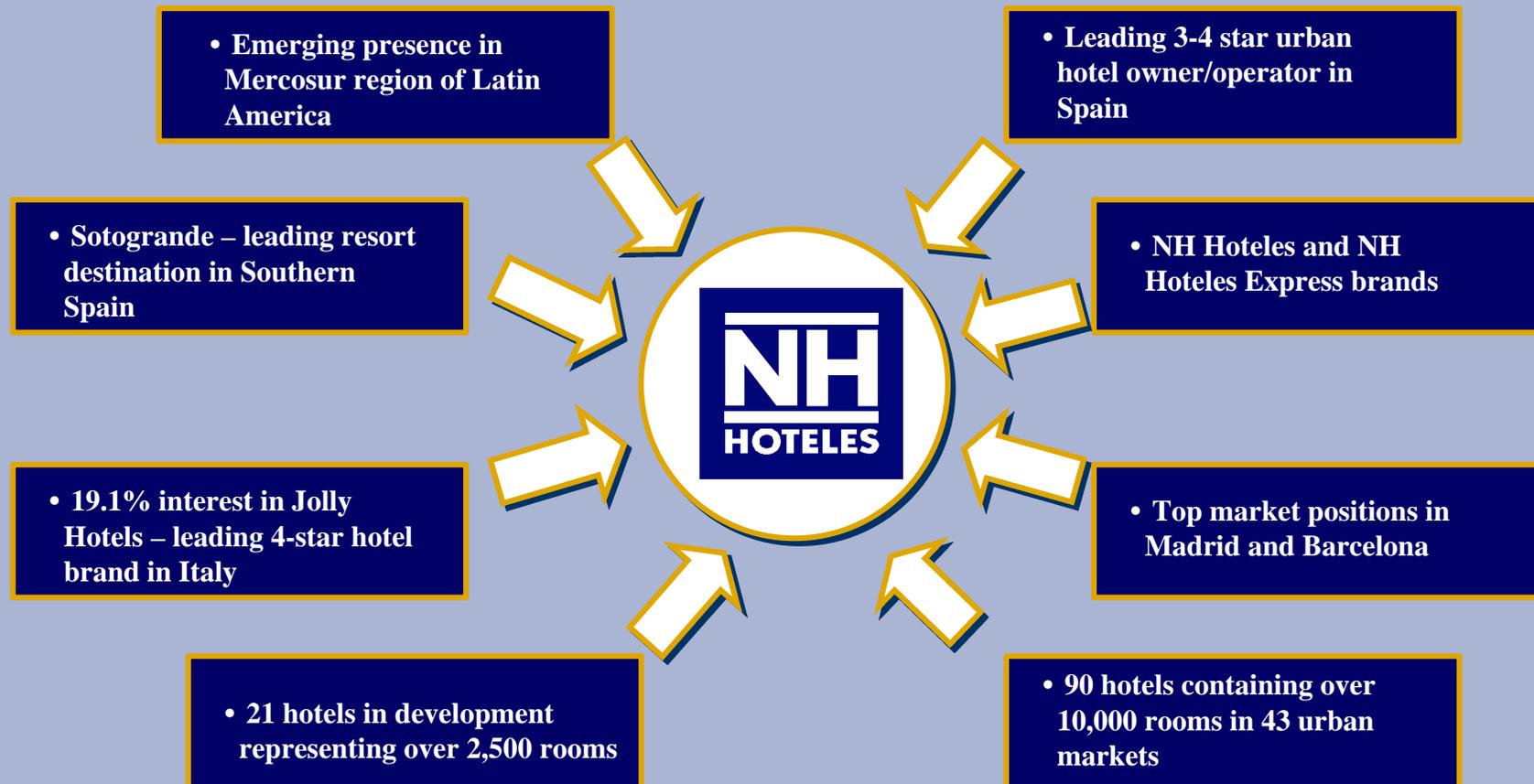
- **The Rationale**

- **The Plan**

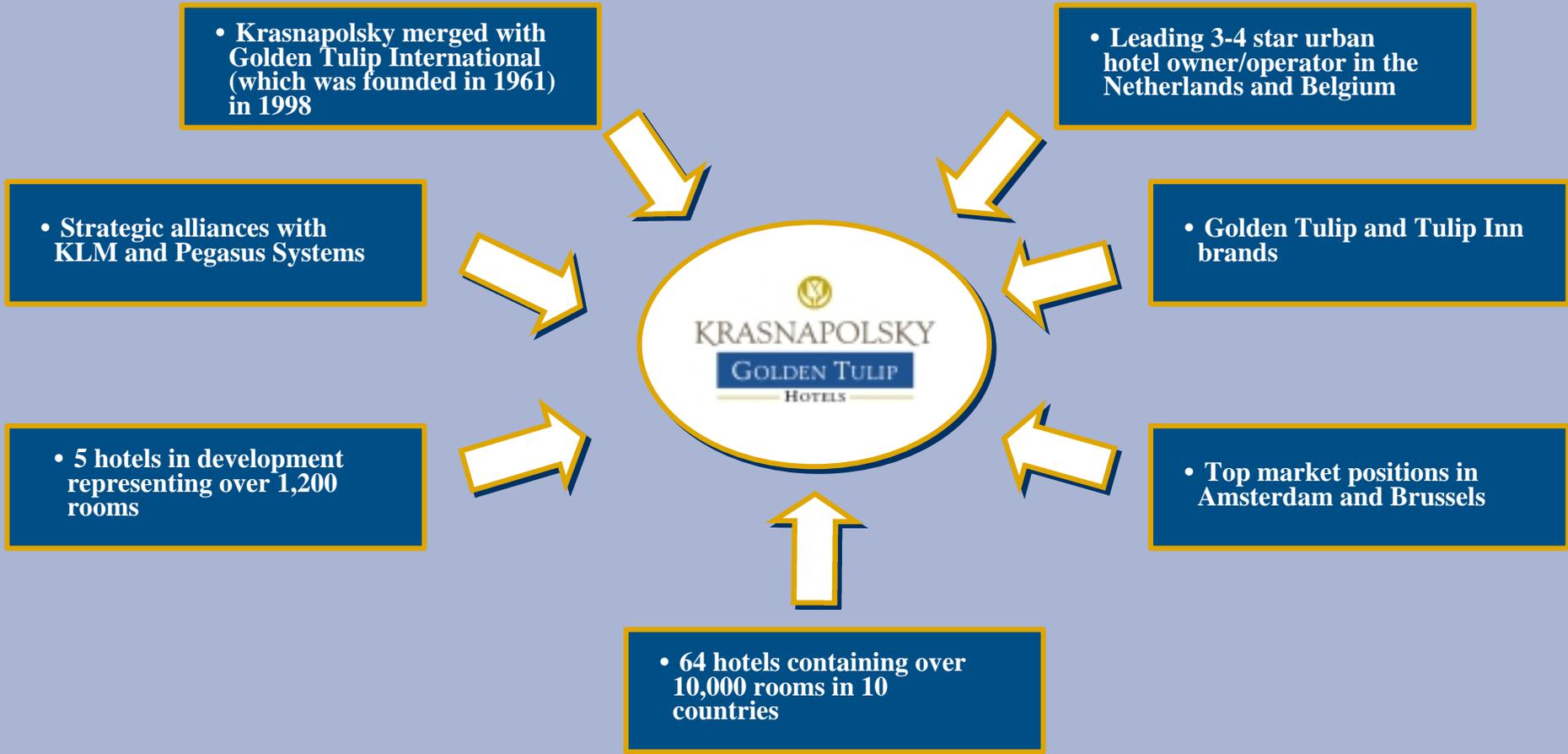
- **The Platform**

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NH Hoteles Overview



Krasnapolsky Overview





High Quality Portfolio

For ease of electronic transmission, we have omitted images on this page. A hard copy including this page with images, has been sent to you.



Portfolio Overview

	<u>Existing</u>		<u>Development/Under Contract</u>		<u>Total</u>	
	<u>Hotels</u>	<u>Rooms</u>	<u>Hotels</u>	<u>Rooms</u>	<u>Hotels</u>	<u>Rooms</u>
NH Hoteles	90	10,515	21	2,550	111	13,065
Krasnapolsky	64	10,002	5	1,200	69	11,202
Combined	154	20,517	26	3,750	180	24,267



Extensive Brand Family





Portfolio by Brand

	Segments	Hotels ⁽¹⁾	%
Krasnapolsky / Barbizon	Luxury	5	3.2%
NH Hoteles⁽²⁾	Upscale	82	53.2%
Golden Tulip	Upscale	47	30.5%
Tulip Inn	Midscale	12	7.8%
NH Express	Midscale	8	5.2%
Totals		154	100.0%

(1) Includes all owned, leased and managed hotels as at March 31, 2000.

(2) Includes NH Hotel to be opened in Portugal in May 2000

Proven Track Records

- **Strong operating performance**
- **Successful brand development**
- **Development, redevelopment and repositioning expertise**
- **Ability to enter new markets prudently and profitably**
- **Experience in complex corporate transactions**
- **History of successfully integrating acquisitions**

Consistent delivery of shareholder value

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Transaction Overview

- **Combines Spain's leading hotel company with the leading hotel company in Holland and Belgium**
- **Combination creates significant growth platform to pursue pan-European distribution strategy**
- **Combines two highly successful management teams with complementary skills**
- **Unified strategy of operating high quality, urban upscale hotels in markets with strong growth characteristics**
- **Combination creates stronger and more flexible balance sheet**
- **Combination creates positive earnings impact in year 1**



Key Merger Terms

- **Merger on the basis of equality**
- **Share for share offer for all Krasnapolsky ordinary shares**
- **6.5 NH Hoteles shares for each Krasnapolsky ordinary share**
- **Integrated senior management team**
- **Addition of 3 Krasnapolsky representatives to NH Hoteles' Board**
- **Addition of 2 Krasnapolsky representatives to NH Hoteles' management committee**
- **Secondary listing of NH Hoteles on AEX**

Recommended by NH Hoteles and Krasnapolsky Boards

Board and Management Team

Board of Directors

- Strong, independent Board
- Krasnapolsky will appoint 3 members to existing NH Hoteles Board, including 1 executive member

Key Management positions

- | | |
|---|--|
| • Gabriele Burgio ⁽¹⁾ | <i>Chairman of the Board & Chief Executive Officer</i> |
| • Willem-Jan van den Dijssel ⁽¹⁾ | <i>Chief Operating Officer</i> |
| • Ignacio Aranguren González- Tarrío | <i>Managing Director - Corporate Investments</i> |
| • Thomas Bas | <i>Managing Director - Strategic Development</i> |
| • Roberto Chollet Ibarra | <i>Managing Director - Finance & Treasury</i> |
| • Luis Javier García Muñoz | <i>Managing Director - Operations</i> |
| • Heraclio López Sevillano | <i>Advisor to the Chief Executive Officer</i> |

(1) Member of Board of Directors

Expected Transaction Timetable

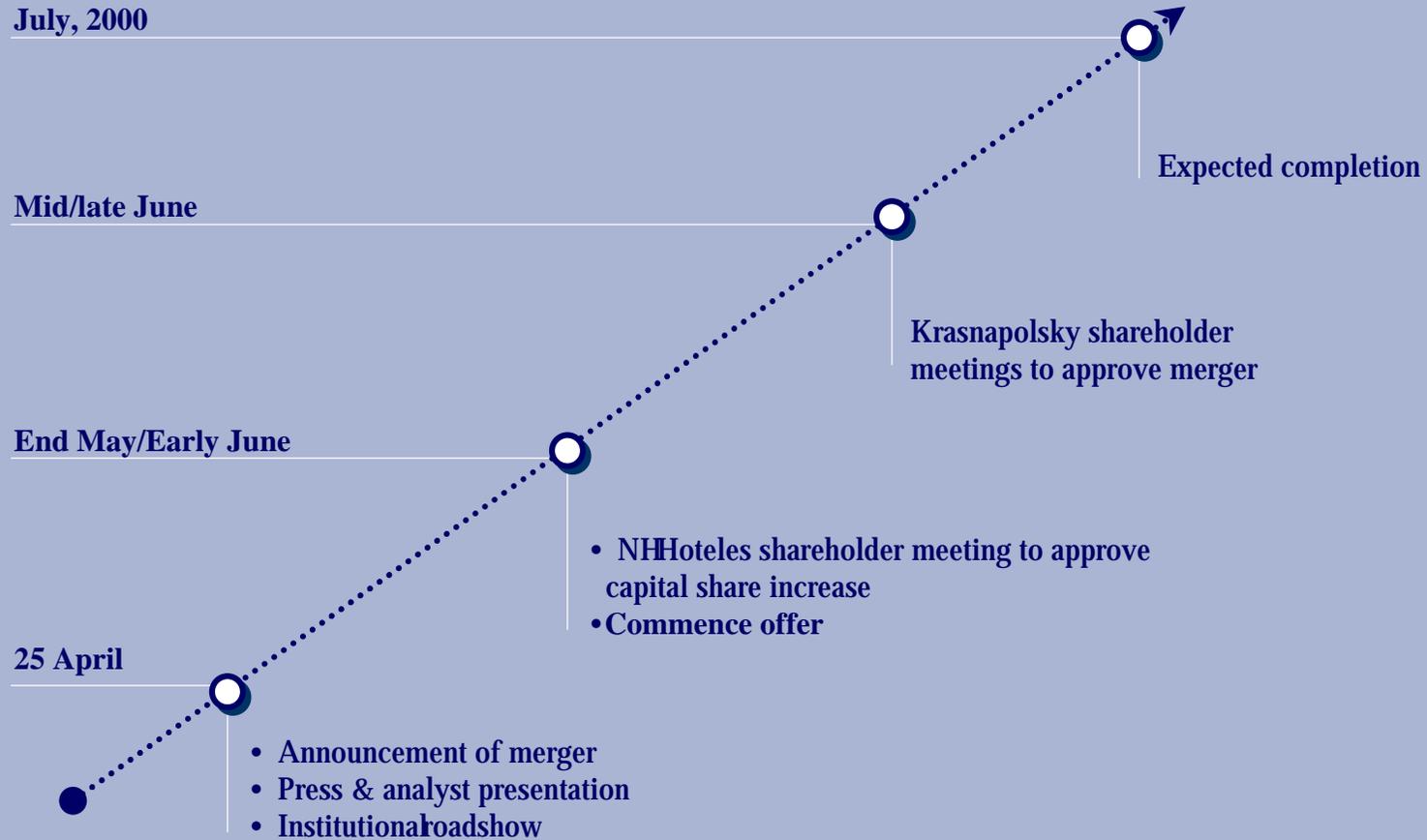


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Unique Platform Positioned for Accelerated Growth

- **Highly compatible management teams with shared vision and business approach**
- **Geographically complementary portfolios**
 - Positioned to create “pure-play” pan-European hotel company
- **Compatible urban hotel properties**
 - Dominant brands with high awareness and customer loyalty
 - Consistent and high-quality upscale business focus
- **Necessary financial flexibility to grow**
- **Enlarged equity market capitalization and improved shareholder liquidity**
- **Economy of scale benefits and opportunities for cost savings over time**

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Growth Strategy

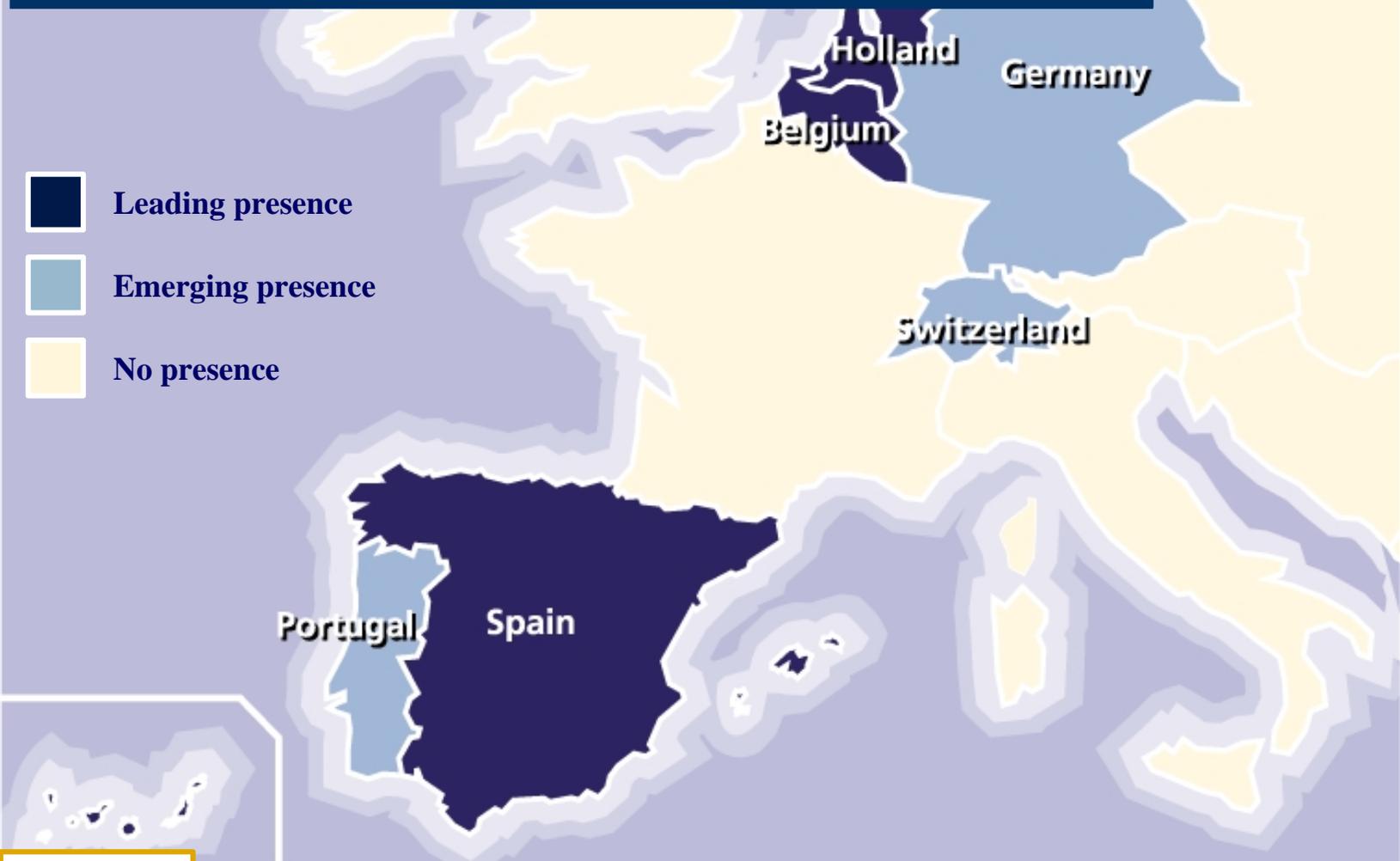
- Expand brand distribution throughout Europe
- Broaden existing domestic market share position
- Continue to pursue Latin American expansion
- Pursue selective development opportunities outside existing core markets
- Seek value creating M&A transactions

Achieve EPS growth of 15%-20%

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Strong Domestic Presence



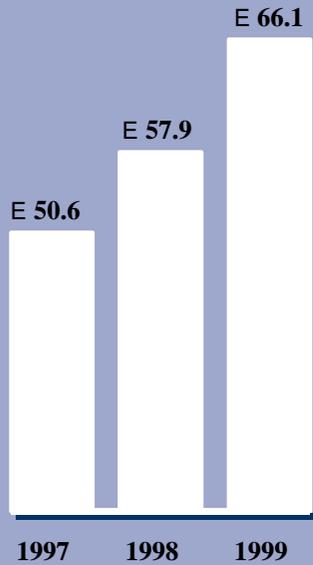
Combination Creates Major European Company

	EU Countries with > 5 hotels	Total No. of Hotels in EU
Accor	10	571
Bass	6	269
NH Hoteles / Krasnapolsky	3	142
Hilton	3	109
Marriott	2	75
Starwood	3	59

Source: Companies hotel directories

Strong Core Business with Grow Potential

Madrid

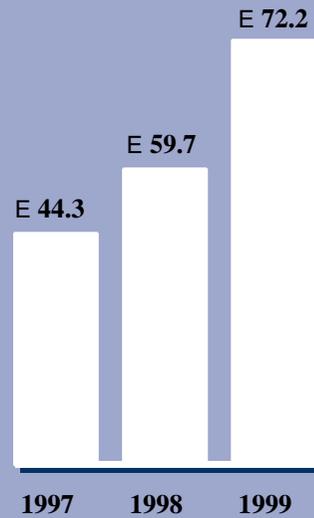


RevPar (E)

Market Share 15%

RevPar Growth 1999/98 14%

Barcelona

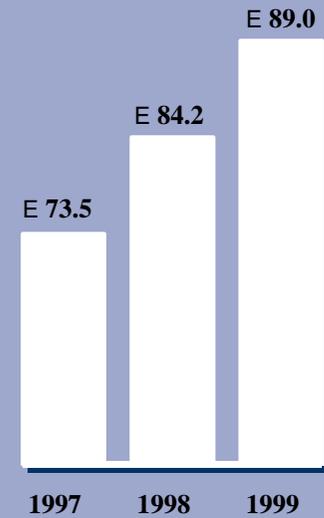


RevPar (E)

Market Share 12%

RevPar Growth 1999/98 21%

Amsterdam



RevPar (E)

Market Share 12%

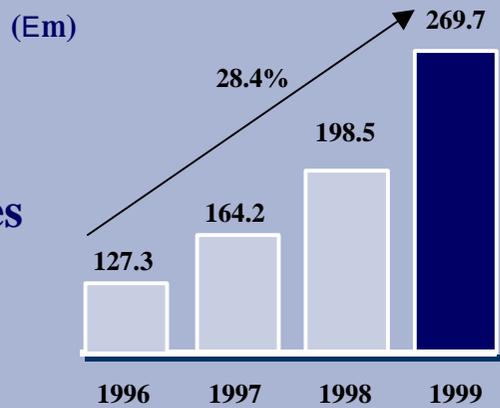
RevPar Growth 1999/98 6%

Financial Flexibility

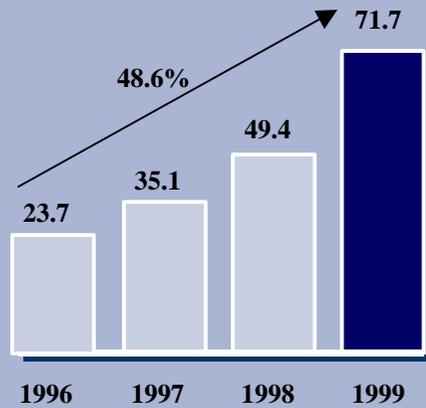
Year to 31.12.99 (€m)	NH Hoteles	Krasnapolsky	Combined
Revenues	€270	€233	€503
EBITDA	78	68	146
Net Income	65	26	91
Net Debt	296	262	558
Equity Market Value	1,102	411	1,513
EBITDA/Interest Expense	5.4x	4.5x	4.9x
Total Net Debt/EBITDA	4.2x	4.4x	4.3x
Net Debt/Equity Market Value	26.8%	63.8%	36.9%

Considerable Combined Momentum

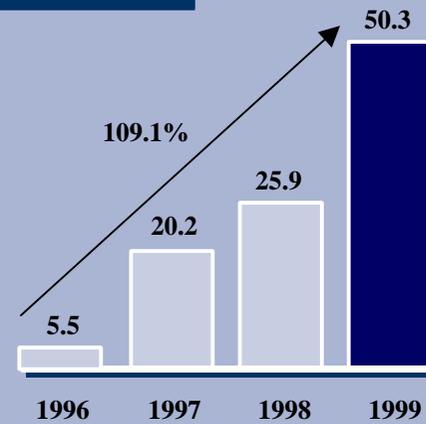
NH Hoteles



Revenues

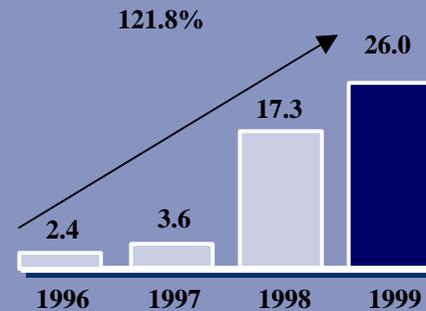
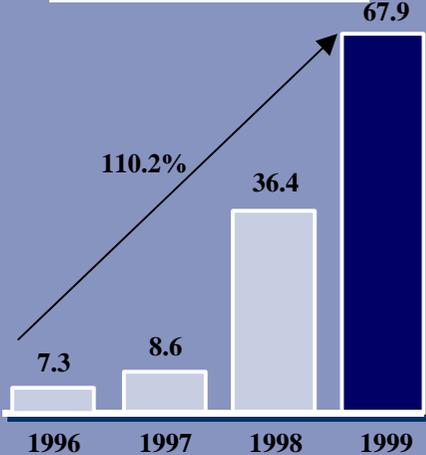
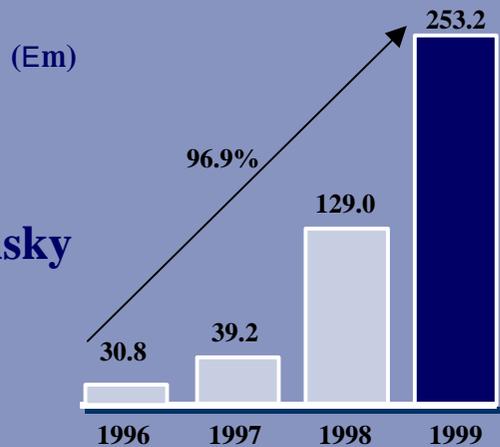


EBITDA



Net income

Krasnapolsky





A Great Platform

Management believes that this merger represents the union of two dynamic best-of-class organizations and brands to create the industry's leading European platform for consolidation and superior growth.

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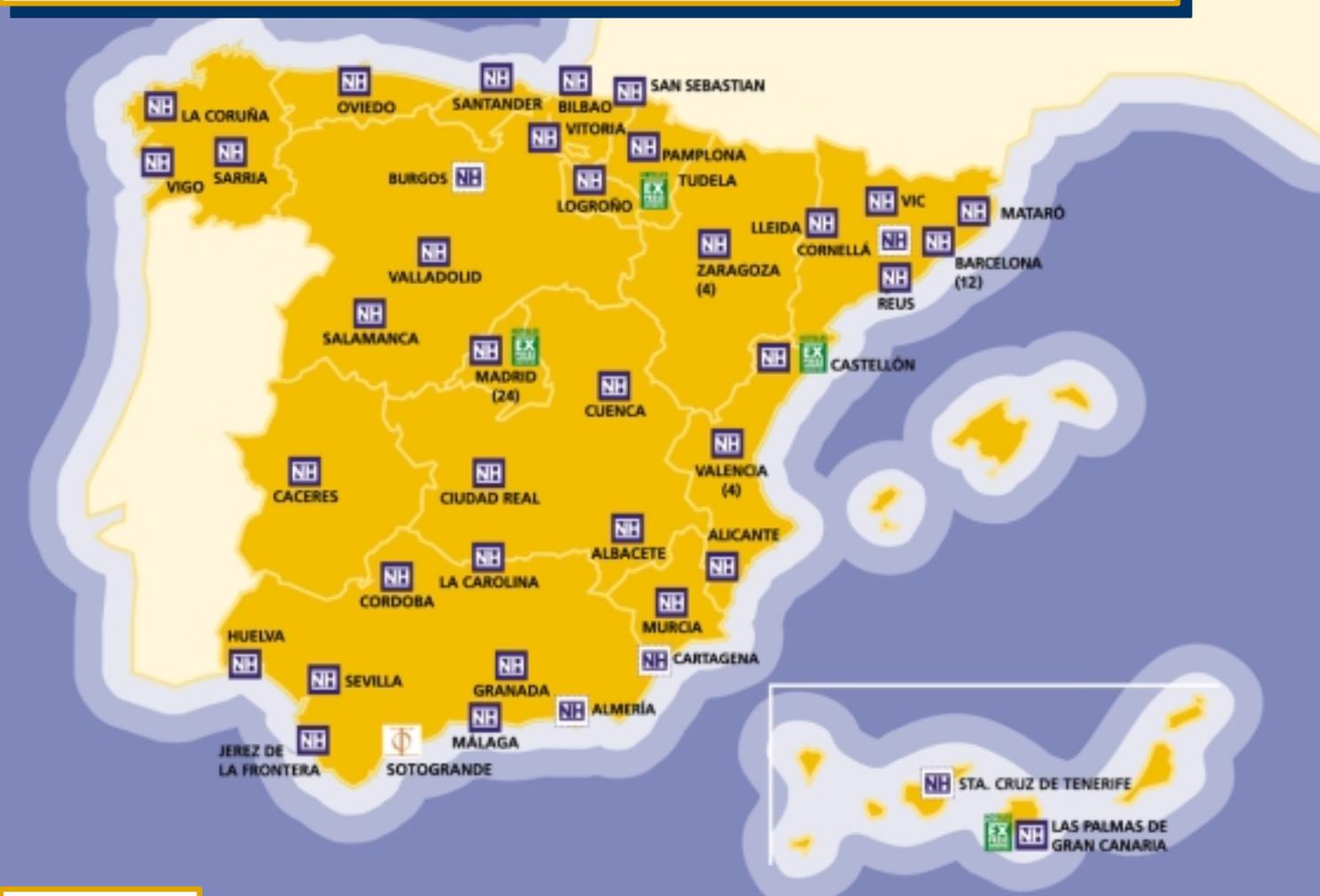
Portfolio Statistics

Hotels	NH Hoteles (%)	Krasnapolsky (%)	Total Existing (%)	Under Construction	Grand Total (%)				
Owned	29	32	31	48	60	39	8	68	38
Leased	45	50	10	16	55	36	16	71	39
Managed	16	18	23	36	39	25	2	41	23
Total	90	100	64	100	154	100	26	180	100

Rooms	NH Hoteles (%)	Krasnapolsky (%)	Total Existing (%)	Under Construction	Grand Total (%)				
Owned	4,005	38	5,795	58	9,800	48	1,439	11,239	47
Leased	5,108	49	1,626	16	6,734	33	1,623	8,357	33
Managed	1,402	13	2,581	26	3,983	19	688	4,671	20
Total	10,515	100	10,002	100	20,517	100	3,750	24,267	100

(1) Includes NH Hotel in Lisbon, Portugal, which is scheduled to open May 2000.
 Note: As at March 31, 2000

NH Hoteles Spanish Network



NH Hoteles Latin America Network



Krasnapolsky European Network





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