

**Information regarding personal changes in the Management
of Danubius Hotels Ltd.**

Due to Mr. Betegh's wish to retire from his position as Chief Executive Officer from the 1st of March 2006, we have accepted his request and have agreed that his deputy, Dr. Deák will take over from that date as Chief Executive Officer.

I can say on behalf of everybody in Danubius: we all regret Mr. Betegh's wish to retire and it should be known that Mr. Betegh is very much respected for what he did and achieved in 30 years when he worked for this company. He held the post of Chief Executive Officer since 1990 and as I said before, we all will miss him when he retires.

The Board has asked Mr. Betegh to remain on the Board so that we could benefit from his professional experience, especially the tourist industry.

Dr. Imre Deák who is presently the Senior Vice President will take over from Mr. Betegh on the 1st March 2006. At the same time, Mr. Tóbiás who is presently the Vice President for Finance, will become the First Deputy of Dr. Deák on the same date.

Furthermore we wish to inform you that we have appointed a new Director of Operation who was highly recommended to us. Mr. Schuster will join Danubius Hotels on the 1st September 2005. He is 40 years old, comes from Austria with great experience from Austria, France, Hungary, Portugal, Switzerland, the Bermudas and China.

This should give sufficient time for Dr. Deák to take over when the time comes.

Finally, as Chairman, I would like to say that I will miss Mr. Betegh whom I have got to know. Not being an expert of the hotel industry, Mr. Betegh helped me throughout in dealing with problems which came up from time to time.

I expect when Mr. Betegh retires in March 2006, we will give him an appropriate farewell party which he fully deserves.

Budapest, 25th August, 2005



**Sir Bernard D. Schreier
Chairman of the Board of
Danubius Hotels Ltd.**