

Information related to the DANUBIUS HOTEL REGENTS PARK, London

Danubius Hotels Rt. (Danubius) is pleased to announce a major new venture in London – a first important step outside Central Europe.

On 14th January, 2005 Danubius Hotels Rt. informed its shareholders that CP Holdings Ltd. (CP), the owner of 53.4% of Danubius shares, had concluded a conditional agreement to acquire the Ramada Regents Park Hotel in London and that consideration was being given to a role for Danubius in this hotel.

Following the completion of the hotel's acquisition by CP Holdings Ltd., the termination of the franchise agreement with Ramada and discussions with Danubius' management, a cooperation package for the ownership and operation of the hotel was elaborated, agreed and approved by the Danubius Board of Directors, in the light of a report from the Danubius Supervisory Board supporting the approval of the transaction by the Board. The members of the Danubius Board who are also members of the CP Board abstained from voting.

The cooperation package has three main elements, which are interdependent. These elements are:

1. Danubius will acquire from CP a 25% interest in CP Regents Park Two Limited (RP2) for GBP 5.1 million. The sole purpose of RP2 is to own the 120 year long leasehold interest in the 376 room hotel and to operate its business.
2. CP will award Danubius a franchise and management services agreement under which, in the normal way, Danubius will receive fees linked to revenues and GOP for providing its brand and a wide range of services in connection with the property and the operation.
3. CP will provide a loan to Danubius to finance the entire purchase price of GBP 5.1 million. This loan will be subordinated to Danubius' other bank borrowings. The terms and conditions of loan from CP directly reflect the terms and conditions provided by Barclays Bank Plc to RP2 in connection with the loan finance for the acquisition of the hotel.

Over several years, the Board of Danubius has continued to pursue the goal of developing Danubius into a more international hotel company. The London hotel is to be known as DANUBIUS HOTEL REGENTS PARK and the appearance of the Danubius brand on the London market represents a huge leap forward.

It is the company's first expansion outside Central Europe and will ensure promotion of the Danubius brand in one of the world's most prestigious cities. In the context of tourism as well as sport, the successful 2012 Olympic bid speaks for itself. Thanks to the tremendous growth of budget airlines, London is also now a major feeder market for our Budapest hotels.

To find out more, please visit www.danubiuslondon.co.uk or danubiushotels.com and click United Kingdom.

Budapest, 12th August, 2005