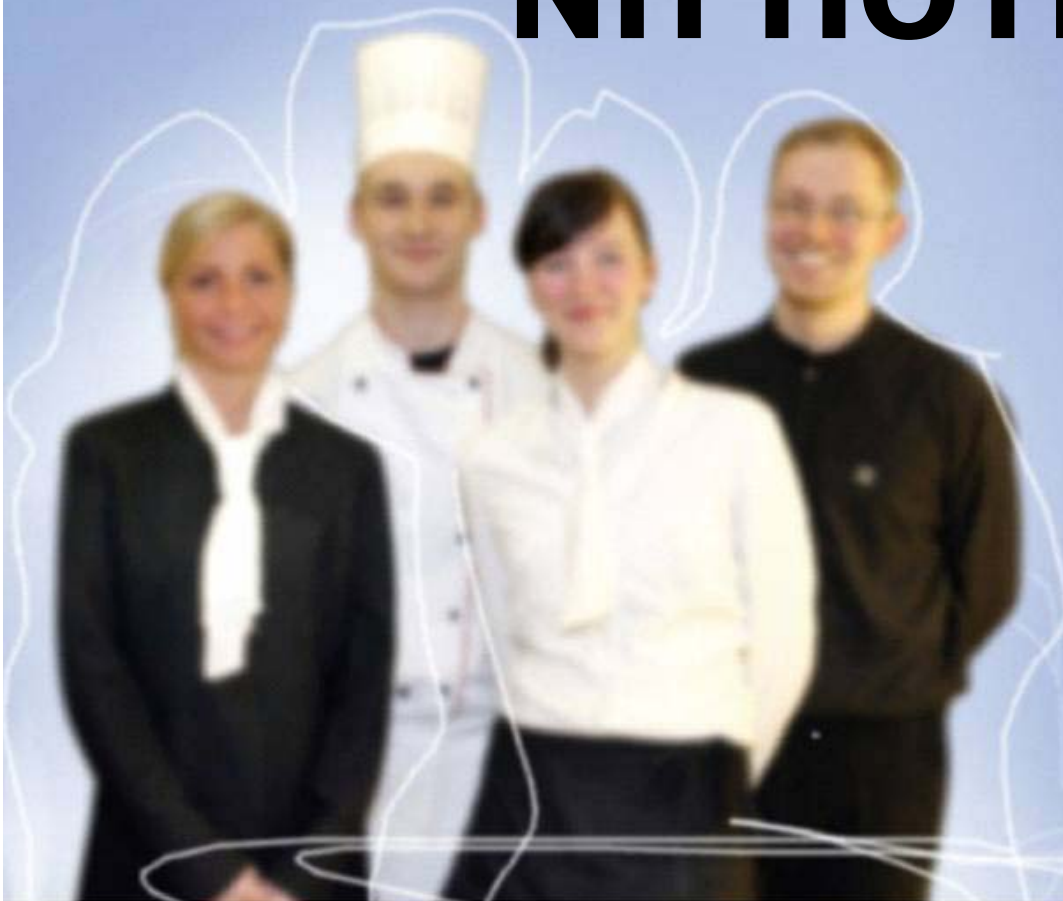


DIVERSITY MANAGEMENT IN NH HOTELES

nh
HOTELES

JUNE – 2007



People Focus Business sense Fun Trustworthiness Innovation

cuestión
de personas

NH Hoteles, an INTERNATIONAL company

BEST PRACTICES in order to manage efficiently our diversity:

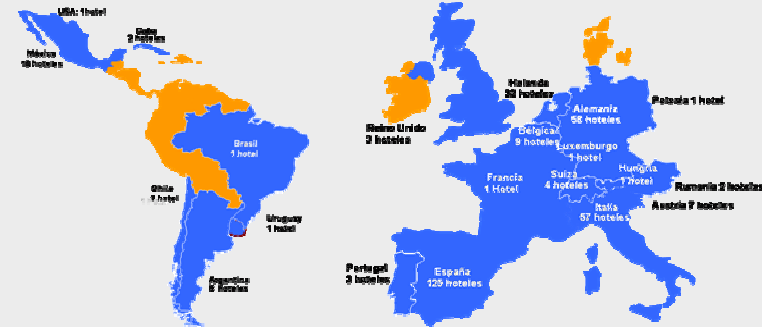
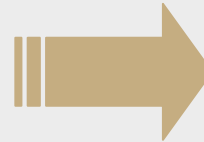
- In TRAINING
 - In RECRUITING
 - In COMPENSATION
 - In BENEFITS
 - In COMMUNICATION
-

THE STEPS TO BECOME A MULTINATIONAL

- Since 1979 with the opening of the first hotel -"NH Ciudad de Pamplona"- until 1997, the Company expands all over the country but it is not until 1998 when the international expansion takes place.



1979 - 2007



- NH Hoteles moves from 1 to 336 hotels in 21 countries, in these 28 years
- We have more than 19.000 employees with 115 different nationalities
- 7 brands (NH, Golden Tulip, Astron, Krystal, Framon, Jolly and Sotogrande) and cultures are integrated in one, creating a single Headquarters and a couple of Business Units
- All the areas are reinforced with top qualified Directors coming from international environments

WITH AN OUTSTANDING DIVERSITY

- Nowadays, **12,4% of the staff are employees with a different nationality to the country where they work.** Six years ago, this percentage was only 1,3%

	NH WORLD	CORPORATE	SPAIN	SOTOGR	NL/BE/LX/UK	GERMANY	SW/AT/HU/RO	MEXICO	MERCOSUR	ITALY
% of all the employees	12,4%	19,4%	7,0%	3,9%	26,9%	10,4%	36,6%	0,8%	3,5%	9,2%
% of men	47,8%	39,9%	32,3%	67,0%	46,8%	55,5%	52,4%	85,1%	49,7%	61,2%
% of women	52,2%	60,1%	67,7%	33,0%	53,2%	44,5%	47,6%	14,9%	50,3%	36,0%
Average age (years)	34,3	31,9	33,2	36,3	36,9	33,1	33,5	39,9	39,8	31,8
Average seniority (years)	3,5	2,8	1,7	1,3	5,9	4,8	2,9	3,8	9,8	2,1
Prevailing position	Cleaning staff	Reservations	Cleaning staff	Steward	Cleaning staff	Cleaning staff	Cleaning staff	Sales	Cleaning staff	Cleaning staff
Prevailing country origin	Morocco	Netherlands	Ecuador	Argentina	Morocco	Turkey	Germany	Spain	Uruguay	Senegal
Number of different nationalities	115	10	43	12	68	46	38	4	8	17

- In the 2006 Employees' Satisfaction Survey, the best rated issue was the one related to the way in which NH Hoteles manage diversity efficiently. 97% of the employees considered that NH Hoteles respects the employees no matter their nationality, religion, culture, gender or age.

MANAGING THIS DIVERSITY IS NECESSARY TO ACHIEVE SUCCESS

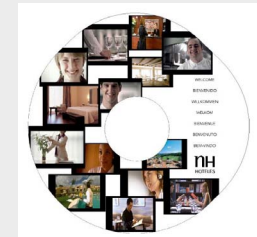
- In NH Hoteles we are proud of our diversity and we are completely sure that any company needs to manage efficiently the diversity for different reasons:
 - **In terms of INTEGRATION**: It is necessary to have policies and procedures focused on the integration of the immigrants in their work centre (we have special training programs for the supervisors in order to deal with different employees)
 - **In terms of COMPENSATION**: There has to be internal and external equity but always having the possibility of making exceptions
 - **In terms of LEGISLATION**: We adapt ourselves to the different legislations of the countries and even cities (in Spain we have more than 50 different CLA)
 - **In terms of DEVELOPMENT**: In NH we encourage our people to develop an international career (more than 50 expatriates). International employees our key for our success around the world. They transmit our values through the different countries.
 - **In terms of WORKING CONDITIONS**: If our employees feel in their work centres as if they were at their own house, they will be happier and work better. In Germany, for example, we have special food for our Moslem employees

WITHOUT MANAGING EFFICIENTLY THE DIVERSITY, THE COMPANIES WILL LOOSE COMPETITIVENESS

THESE PRACTICES ARE CARRIED OUT AT THE BEGINNING AND DURING THE LABOUR RELATION



- A **welcome DVD** is given to the employees when they start working at our company in order to transmit them our values, our work and our respect for diversity
- A **welcome training program: NH Spirit**



- **Seminars for groups of employees where the number of immigrants is higher**: These talks, usually given by Managers and Directors from different nationalities, try to show the importance and the benefits brought by multinational environments. They also focus on how to avoid prejudices, stereotypes
- **Programs for Managers to learn how to deal with diverse and international teams**: Some training courses are being scheduled for Top Level Management in order to reinforce their capabilities in managing people from different nationalities

BEST PRACTICES in RECRUITING

OUR COMMITMENT IS TO STRICTLY OBSERVE THE LAW

- We focus on the **development of those employees who admit their international mobility** by achieving positions of higher responsibility in a foreign country. An example is the fact that 3 out of 6 of our Business Units Directors have not been born in the country they manage

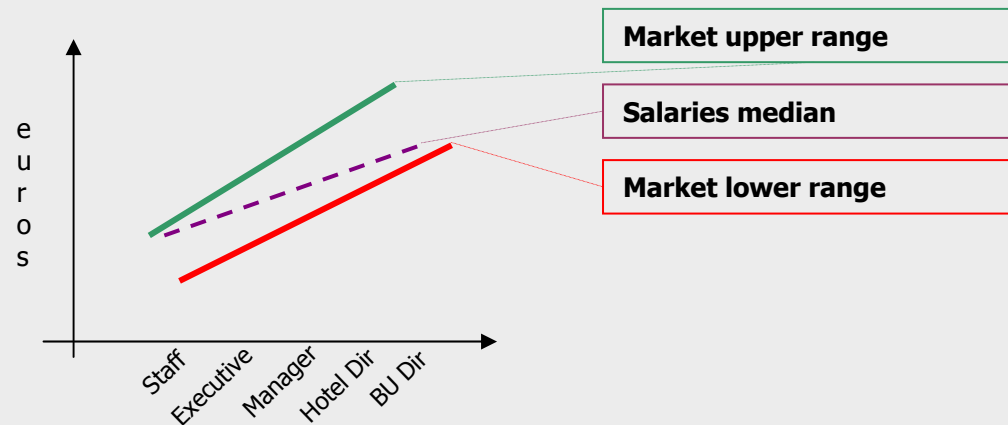


- **Global Staffing Program**”: During a year, a group of our employees overseas come to work to Europe in order to learn and teach
- In the interviews to candidates we try to find out in which hotel the candidate will be more integrated (considering the work climate, the nationality, the age...). We only hire immigrants **holding a work permit**

BEST PRACTICES in COMPENSATION

NO DISTINCTIONS IN THE SALARY BASED ON THE NATIONALITY

- The **salaries are established based on the position in the company** (internal fairness) and on the **Market surveys** (external fairness). No other issues such as nationality, gender, religion are taken into consideration
- The Market surveys (one for each country) are based on studies of consultancy firms



MORE BENEFITS FOR ALL THE EMPLOYEES

- Implementation of the **Recognition Programs**, which have allowed the employees to enjoy more than 60.000 room nights free of charges
- **Idea NH Contest**, which gives the employees the opportunity to propose different projects that will allow the company to increase profits, reduce costs or improve processes

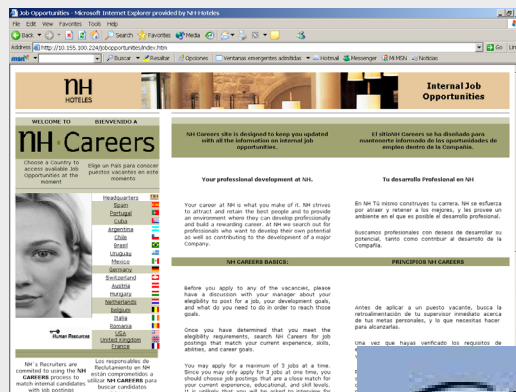


- **Special benefits for inmigrants groups**, such as major discounts in banks commissions when transferring money to their countries in origin
- **Global Staffing Program**, which has allowed a group of South American employees to come over to Spain to work for 2 years

BEST PRACTICES in COMMUNICATION

ALL VACANCIES ARE AVAILABLE WORLDWIDE

- **“One to one” Program** with expatriates. Through this Program we try to keep updated our employees working abroad so that they do not feel themselves alone and away from their origin country



- **All the vacancies** in the hotels or Central services are published in the Intranet and **are accessible for all the employees**, no matter the country where they work
- **An employee mailbox** has been created this year and has already received hundreds of suggestions and comments. It has no restrictions of the language used in order to contact it
- **“Contact” Program**, which consists on calling the employees in order to find out how they feel at their work centre, specially the immigrants

CONCLUSIONS

- Our diversity policy has **many advantages** (some of the qualitative and some others which can be measured). For example we can mention:
 - The *5% rise in the employees satisfaction* (measured through the annual Satisfaction Survey)
 - The fact that the *best rated issue among the employees in that NH respects the differences in religion, culture, gender...* (97% of our employees says so)
 - More than *6 million € invested in training* (the first company in the hotel industry)
 - NH Hoteles appears in almost all the *rankings as one of the leading companies in terms of best place to work*
- **But we want more...**
- Our values (people focus, business sense, innovation...) lead us to find more practices that will help us managing this ongoing diversity
- **We are really proud of our 115 nationalities and we think that there are always new ways to manage all those differences**

Thank you

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