



**Playa Hotels & Resorts, S.L. Acquires the Grand Baja Resort & Spa
in San Jose del Cabo, Mexico**

The property will be expanded and renamed The Barceló Los Cabos Resort

PALMA de MALLORCA, SPAIN/McLEAN, VA – October 1, 2007 – Playa Hotels & Resorts, S.L., announced its acquisition of the 249 all-suite Grand Baja Resort & Spa set against the dramatic Los Cabos desert landscape and overlooking the Sea of Cortez in the state of Baja California Sur, Mexico. The upscale resort will be operated by Barceló Hotels & Resorts and will be renamed The Barceló Los Cabos Resort, a Barceló Premium branded hotel. The hotel will undergo a major renovation and expansion including an additional 476 suites resulting in 725 guest suites in total by the end of 2009. In addition, several new restaurants, meeting space, services and amenities will be added; ultimately delivering a true luxury resort experience.

This is the seventh hotel purchased in Mexico by Playa Hotels & Resorts. Since its inception in 2006, Playa has also acquired: The Barceló Costa Cancun Hotel; The Barceló Tucancun Beach Hotel; The Barceló La Jolla de Mismaloya Hotel in Puerto Vallarta; The Barceló Karmina Palace Hotel in Manzanillo; The Barceló Ixtapa Hotel and The Barceló Huatulco Beach Hotel. In addition, the company owns three properties in the Dominican Republic: The Barceló Punta Cana Resort and The Barceló Dominican Beach Resort in Punta Cana and the Sunscape Casa del Mar in La Romana.

“Baja California Sur, and the greater Los Cabos area, is a prime resort location with good air lift and an existing strong market,” said Bruce Wardinski, Chairman & CEO of Playa Hotels & Resorts, S.L. “The region’s dry climate combined with its dramatic scenery and beautiful surf makes it a favorite destination for travelers. The Grand Baja Resort is an incredible property in a great location along the area’s ‘hotel row.’ Our plans for expanding the resort and upgrading all services and amenities, along with branding the hotel as a Barceló Premium hotel will help to deliver an excellent return on our investment,” added Wardinski.

The Barceló Los Cabos Resort

The beachfront resort will be re-named The Barceló Los Cabos Resort, a Barceló Premium branded hotel, and will operate as an upscale resort during the renovation and expansion. Presently the hotel offers a selection of 249 all-suite accommodations ranging from junior suites to one and two bedroom suites, as well as a Presidential Suite. All guest suites include private terraces and spacious living and dining areas. The hotel is located only six miles from the San Jose del Cabo International Airport and is in the center of the area's shopping and dining district.

Resort amenities include a free-form swimming pool, Jacuzzi, a fitness center with sauna and steam rooms, a full service Spa with a selection of treatments, as well as tennis courts. Presently there are 2300 square feet of meeting and banquet facilities, as well as a business center and an Internet café with high speed connections. For dining the hotel has three restaurants and three lounges in addition to a delicatessen market and a shopping arcade. And for golfers, the hotel enjoys access to four nearby golf courses in this world renowned golf destination.

The planned property renovation will occur in phases, with Phase One including the renovation of the existing hotel tower. Phase Two will include the construction of two new towers with 476 additional guestrooms with additional conference facilities, resort amenities and restaurants. The entire renovation is expected to be complete in 2009.

About the Companies

Playa Hotels & Resorts, S.L.

Playa Hotels & Resorts, S.L., a Spanish company, is a private equity fund that focuses on the acquisition and development of all-inclusive beachfront resorts in Mexico, Latin America and the Caribbean. The company currently owns properties in Mexico and the Dominican Republic. Additional information can be found on the Company's website at www.playahr.com.

Barceló Hotels & Resorts

Barceló Hotels and Resorts is among the world's top 35 largest hospitality and travel companies. Barceló was established in Palma de Mallorca, Spain, in 1931 first as a transportation company, and then as a hotel and travel company. It is a family owned,

privately held hospitality company renowned for more than 75 years of service excellence and innovative spirit in the tourism industry.

The Company owns, manages or franchises hotels in 15 countries with 150 properties worldwide. Barceló Hotels and Resorts are found in key European destinations, in North America, the UK, Africa, and in Latin America and the Caribbean. The Company offers a large variety of hotels and resort types to accommodate all travelers from budget-minded to upscale guests. The resorts provide all-inclusive vacation programs making vacation planning and holiday enjoyment easy. For more information or reservations visit: www.barcelo.com.

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