



Playa Hotels & Resorts, S.L., Purchases the Barceló Tucancún Beach Hotel
The Barceló Tucancún Beach Hotel Will Retain its Barceló
Branding and Management

PALMA de MALLORCA, SPAIN/McLEAN, VA – September 6, 2006 – Playa Hotels & Resorts, S.L., the company formed earlier this year by Grupo Barceló in Palma de Mallorca, Spain, announced its acquisition of the 332 guestroom Barceló Tucancún Beach Hotel from Highland Hospitality Corporation (NYSE: HIH). Playa Hotels & Resorts (Playa) purchased the Cancún property for \$38 million following a \$9 million insurance settlement. The hotel had been severely damaged during the 2005 hurricane season and reopened this past April after an extensive renovation and remodeling that included: repairs to the sea wall, swimming pools, roof and tower structures, as well as the lobby, restaurants, and other common areas of the property. Playa plans on additional renovations and improvement to guest rooms, including the hotel's 16 beachside villas.

The Barceló Tucancún Beach Hotel will retain its management and branding as an all-inclusive Barceló Resort. Playa Hotels & Resorts, S.L., is a private equity fund that focuses on the acquisition and development of all-inclusive beachfront resorts in Mexico, Latin America and the Caribbean. "Playa is currently in active negotiations to acquire several additional hotels as well as land for the development of all-inclusive resorts in Mexico, the Dominican Republic, Costa Rica and Panama," stated Bruce Wardinski, Chairman & CEO of Playa Hotels & Resorts, S.L. "We expect to close on some of these transactions prior to year end and with over \$1 billion in available capital, we are aggressively pursuing additional growth opportunities," added Wardinski. Playa presently owns five resorts in Mexico, and has raised more than \$580 million in equity funding commitments from a small group of international institutional investors.

About The Barceló Tucancún Beach Hotel

The Barceló Tucancún Beach Hotel is an all-inclusive upscale property with 332 guestrooms and beachside villas, as well as over 3,000 square feet of meeting space. It is ideally situated only 25 minutes from the Cancún International Airport and is in the heart of the area's newly restored and renovated Cancún Beach shopping district. From this blissful seaside location, guests can enjoy views and activities along both the Caribbean and the Nichupte Lagoon. Its guestrooms are all handsomely furnished and most enjoy balconies overlooking the Caribbean or Lagoon. Additional amenities include satellite-TV, mini-bars and direct dial telephones.

In addition to its beachfront location, the hotel has a new pool area with an extended deck, and fresh water pools including both a jetted pool and a children's fenced water play area. The resort also includes tennis facilities. New hotel spa services available for guest purchase include expanded spa treatments such as aromatherapy, hydro massage and sports massages, as well as a beauty salon and babysitting services.

For dining, the resort has added two new restaurants: Don Quijote, a Spanish cuisine dinner buffet restaurant; and La Claraboya, a contemporary seafood a la carte restaurant. The international buffet restaurant, El Caffé, has been remodeled and expanded, and the hotel's popular Mexican Cuisine a la carte dinner restaurant, Mexico Lindo, has also been totally remodeled. For more information or reservations about The Barceló Tucancún Beach Hotel, visit www.barcelo.com or call 1-800-BARCELO.

About the Companies

Playa Hotels & Resorts, S.L.

Playa Hotels & Resorts, S.L. is a private, Spanish company that seeks to create long-term shareholder value by acquiring, developing, or redeveloping all-inclusive resort assets in Mexico and other Latin American or Caribbean countries, including the Dominican Republic, Costa Rica and Panama. Including its acquisition of the Barceló Tucancún Beach Hotel, Playa Hotels & Resorts, S.L. currently owns five properties in Mexico. Additional information can be found on the Company's website at www.playahr.com.

Barceló Hotels & Resorts

Barceló is one of the world's largest hospitality and travel management companies and is based in Palma de Mallorca, Spain. The company which, is celebrating its 75th anniversary this year, is 100% owned by the Barceló family and has been run by three generations of family members. Barceló and its affiliates own, manage and lease more than 120 hotels in 16 countries across 4 continents. Additional information about Barceló is available at the company's website: www.barcelo.com.

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Note: Certain matters discussed herein are forward-looking statements within the meaning of the Private Litigation Reform Act of 1995. Certain, but not necessarily all, of such statements can be identified by the use of forward-looking terminology, such as "believes," "expects," "may," "will," "should," "estimates" or "anticipates" or the negative thereof or comparable terminology. All forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual transactions, results, performance or achievements of the Company to be materially different from any future transactions, results, performance or achievements expressed or implied by such forward-looking statements. These may include: (i) national and local economic and business conditions or governmental regulations that will affect demand, prices, wages or other costs for hotels; (ii) the level of rates and occupancy that can be achieved by such properties; (iii) the Company's ability to compete.

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