



**Northampton Group Inc.**

**For Immediate Release**

TSX Venture Exchange (CDNX): NHG, NHG.DB

Shares Outstanding: 25,443,577

**RECORD Q2 RESULTS REFLECT INCREASED OWNERSHIP SHARE  
Lower US Tourism Continues to Affect Industry**

Toronto, Ontario -- November 23, 2006 – Northampton Group Inc. announced today the results of its second quarter of fiscal 2007, ended September 30, 2006. The company experienced very modest increases in revenue per available room (RevPAR) across the portfolio in the six-month period. Nonetheless, improvements in most occupancy rates in the second quarter combined with the inclusion of the results of an investee company (which became a subsidiary at the beginning of fiscal 2007) to produce double-digit increases and a record high in consolidated revenues for both the quarter and the half.

**Summary of financial results:**

- For the second quarter, revenues increased 16.0% to \$10.68 million; in the six months, revenues were up 15.5% to \$19.72 million;
- Operating expenses rose 15.0% in the quarter and 15.7% in the six months mostly because of the inclusion of the costs of the new subsidiary, mentioned above;
- EBITA increased by 17.6% to \$3.8 million in the second quarter and 15.0% to \$6.7 million in the first six months of fiscal 2007;
- Income from operations rose 22.4% in the quarter and 18.7% in the first half of fiscal 2007;
- Net income rose 20.3% in the quarter to \$1.2 million or \$0.05 per share and 12.6% in the six months to \$3.9 million or \$0.08 per share compared to the same periods in fiscal 2006; and
- Cash flow increased 15.6% in the quarter and 11.4% in the six months.

At the beginning of the current fiscal year, the Company increased its ownership interest in the Holiday Inn Express Hamilton and the Country Inn Oakville, enabling the results of these two hotels to be consolidated, thereby contributing directly to the top line. Previously this ownership had been accounted for as an investment. Overall, the inclusion of the new subsidiary in the consolidated numbers served to offset a comparatively flat performance primarily affected by continued slow tourism from the United States and increased supply of rooms in the Greater Toronto Area (GTA). System revenues in the quarter generally matched the industry.

The Company intends to pursue its previously announced reorganization plans. However, based on the announcement from the Minister of Finance on the planned changes to the taxation of certain flow through entities, the Company is delaying implementation of the plan pending final legislation. At that time, the merits of the planned reorganization will be reviewed in the context of the actual legislation.

In light of the above, the Board has deferred consideration of the declaration of a dividend at the current time pending completion of its reorganization deliberations.

**Northampton's second quarter and six months ending September 30, 2006**

The following is a summary of the company's results, posted in full on SEDAR:

	Three months ended September 30			Six months ended September 30		
	2006	2005	% change	2006	2005	% change
Revenues	10,677,985	9,208,354	16.0	19,721,938	17,080,903	15.5
Net income	1,166,125	969,209	20.3	1,868,772	1,660,264	12.6
EBITA	3,804,610	3,234,057	17.6	6,746,602	5,865,939	15.0
Cash flow	1,830,501	1,583,806	15.6	3,171,911	2,846,605	11.4
Earnings/share	\$0.05	\$0.04	20.3	\$0.08	\$0.07	12.6
Cash flow/share	\$0.08	\$0.07	15.6	\$0.13	\$0.12	11.4

"With double-digit increases overall, the results of the quarter and the six months clearly demonstrate the wisdom of increasing our proportional holdings in our own well-run, well-maintained properties," said Vinod Patel, president and CEO of Northampton Group. "Despite Mr. Flaherty's challenge to our efforts to help unlock shareholder value, we continue to see growth prospects both within and outside our immediate portfolio, and the strategic exercise of the past months has sharpened our understanding of the market and its hot buttons. Northampton has substantial opportunity for growth, and we will continue to pursue an aggressive course."

Northampton Group Inc. is one of Canada's foremost hoteliers, with ownership and management interests in 2,064 rooms in 16 hotels. Focused on creating the best return for all stakeholders, Northampton's proven, market-sensitive strategy is to acquire or build hotels that provide superior overnight accommodation in the mid-price market. Northampton has demonstrated that it excels in this sector. It offers services that exceed expectations while still posting industry-leading margins, as demonstrated by *Hotelier Magazine's* Top Growth award for Northampton's fiscal 2003 and 2004.

**FOR FURTHER INFORMATION:**

Vinod Patel, President & CEO

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*The Canadian Venture Exchange has neither approved nor disapproved the contents of this press release.*