



GROUPE GERMAIN

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**Decision based on high reconstruction costs
AUBERGE HATLEY WILL NOT BE REBUILT**

Montreal, July 13, 2006 — Groupe Germain announced today that it has decided against rebuilding Auberge Hatley, which was completely destroyed by a fire this past March. This decision was announced following an in-depth analysis of reconstruction costs.

“The reconstruction costs for a luxury inn, which meet all of the Relais et Châteaux requirements as well as the Groupe’s own high standards, are prohibitive and make the project unrealistic from a business standpoint,” said Christiane Germain, president of Groupe Germain Resort (Groupe Germain Villégiature). “Auberge Hatley was unique in our accommodation and restaurant offering, and we regret that we had to make this decision,” she added.

Fortunately, a job fair was held one week after the fire, for all of the Auberge’s employees and employers from the region’s hotel and restaurant industries. The employees were all able to find jobs in their area of expertise. “It was a great consolation for the Groupe to see that the Auberge’s employees could now put their talents to work for other tourist businesses in the region,” said Ms. Germain.

Groupe Germain also announced that Alain Labrie, who for the past 17 years managed the fine dining experience at Auberge Hatley with flair, earning numerous national and international awards, will become executive chef for the Groupe’s restaurants across Canada.

About Groupe Germain

A family-operated Quebec company, Groupe Germain owns and operates four hotels in Canada. It is well known for the high standards combining luxury and simplicity that characterize the four boutique hotels it owns in Montreal, Quebec City and Toronto.

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Source: Groupe Germain Inc.
www.hotelboutique.com

Information: Christiane Germain (514) 849-2050