



Northampton Group Inc.

TSX-V: NHG, NHG.DB

Shares Outstanding: 23,937,577

For Immediate Release

NORTHAMPTON Q3 REVENUES SHOW 9% INCREASE

Income from operations improves significantly

Toronto, Ontario – February 23, 2006 – Northampton Group Inc., an integrated Canadian hotelier, today reported results for the third quarter and nine months ended December 31, 2005. The company posted strong third quarter revenues, with increases in margins, operating income, and net profit.

Summary of the release:

- In the nine months, consolidated revenues were up 4.1% to \$23.9 million; for the third quarter, revenues increased 8.7% to \$6.8 million;
- Operating expenses rose 4.5% in the nine months and rose 3.2% in the quarter primarily relating to changes in total sales;
- EBITA increased by 1.0% in the nine-month period and increased 27.7% in the quarter;
- Net income up 9.2% in the nine months, with an increase of 133.3% in the quarter compared to the same periods in fiscal 2005;
- Cash flow increased 7.0% in the nine months, with an increase of 25.1% in the quarter;
- Quality Inn Airport received its second consecutive Gold Hospitality Award from Choice Hotels Canada; and
- Dividend of \$0.02 per share paid in October 2005.

The industry:

Hospitality industry consultant Colliers sees the hotel sector as offering many opportunities in the next quarters, and the last quarter of 2005 (Northampton's fiscal Q3) began to show promise. The current strong economy has not yet had an equivalent impact on hospitality, which until this quarter has continued to see a lower rate of travel and tourism from the US. Transaction volumes are increasing, but the Greater Toronto Area (GTA), Montreal, and Ottawa have been experiencing both increased hotel supply and decreased traffic.

Northampton's third quarter, ending December 31, 2005:

The third quarter of fiscal 2005 benefited from a general upturn in the hospitality industry, and so was uncharacteristically high in the context of fiscal 2005 as a whole. In contrast to the first

two quarters of fiscal 2006, the current quarter saw a significant increase related to a resurgence in commercial and corporate travel.

System revenues (the sum total of all Northampton revenues plus all revenues reported by investee companies, co-owners, and limited partnerships) increased by 7.3% to \$12,709,675 in the three months ended December 31, 2005 from \$11,845,288 in the corresponding period in 2004. The increase resulted from the factors noted above.

Northampton Group's consolidated revenues for the three months ended December 31, 2005 were \$6,823,470, up 8.7% from \$6,278,571 a year ago.

For the three months ended December 31, 2005, total expenses, including amortization and interest, were \$6,469,711, up 3.2% from \$6,276,198 in the corresponding period in the previous year.

Operating profit, or EBITA (earnings before interest, income taxes, and amortization), increased 27.6% to \$1,648,684 in the current quarter up from \$1,291,979 in the corresponding period in the previous year.

Income from operations for the current quarter increased to \$353,759, up 3010% from \$11,373 in the same quarter last year, a result of higher occupancy rates.

The resulting net income for the quarter was \$210,032 or \$0.01 per share, an increase of 133.3% from \$90,027 or \$0.00 per share in the same quarter of last year.

Northampton's cash flow increased 25.1% in the quarter ended December 31, 2005 to \$822,808 or \$0.03 per share, up from \$657,768 or \$0.03 per share in the same quarter last year.

Northampton's nine-month period ending December 31, 2005:

Overall, management's strategy has allowed the company to post an increase in revenues, but the first nine months has not yet returned to the 35% margins Northampton traditionally experiences.

For the nine months ended December 31, 2005, system revenues were up 3.6% to \$44,293,861 from \$42,769,537 in the previous year. The weaker than expected first and second quarters contributed to the lower year to date increase compared to the prior year.

For the nine months ended December 31, 2005, consolidated revenues were \$23,904,373, up 4.1% from \$22,954,182 a year ago. The comments relating to system revenues are also pertinent to Northampton's consolidated revenues.

For the nine months ended December 31, 2005, total expenses were \$20,251,587, up 4.5% from \$19,382,392 in the corresponding period in the previous year. The increase is primarily related to the improvements in revenue in the current quarter, offset by a disproportionate increase in the first two quarters. In addition professional fees were higher as a result of the company's ongoing consultation on corporate reorganization.

For the nine months ended December 31, 2005, operating profit, or EBITA, was \$7,514,623, up 1.0% from \$7,449,784 for the corresponding period.

For the nine months ended December 31, 2005, income from operations was \$3,652,786, up 2.3% from \$3,571,790 for the same period last year. Net income for the nine months was \$1,870,296 or \$0.08 per share, up 9.2% compared to \$1,712,426 or \$0.08 per share in the same period last year.

For the nine months ended December 31, 2005, cash flows increased by 7% to \$3,669,413 or \$0.15 per share, up from \$3,429,817 or \$0.16 per share for the same period last year. This increase is attributed to the improving industry environment in the current quarter, offset by the softer second quarter.

The following is a tabulated summary of Northampton's results:

	Three months ended December 31			Nine months ended December 31		
	2005	2004	% change	2005	2004	% change
Revenues	6,823,470	6,278,571	8.7	23,904,373	22,954,182	4.1
Income from operations	353,759	11,373	3,010	3,652,786	3,571,790	2.3
Net income	210,032	90,027	133.3	1,870,296	1,712,426	9.2
EBITA	1,648,684	1,291,979	27.6	7,514,623	7,449,784	1.0
Earnings per share	\$0.01	\$0.00	n/a	\$0.08	\$0.08	0
Cash flow	822,808	657,768	25.1	3,669,413	3,429,817	7.0
Cash flow per share	\$0.03	\$0.03	0	\$0.15	\$0.16	-6.2

About Northampton

Northampton Group Inc. is an integrated Canadian hotelier 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, offering services that exceed expectations while still posting industry-

leading margins, as evidenced by *Hotelier Magazine's* Top Growth award for Northampton's fiscal 2003 and 2004.

FOR FURTHER INFORMATION:

Vinod Patel, C.E.O.

Northampton Group Inc.

905-629-9992 tel.

905-629-9636 fax

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