Q1 2016 Results Presentation

BUILDING UP THE NEW NH

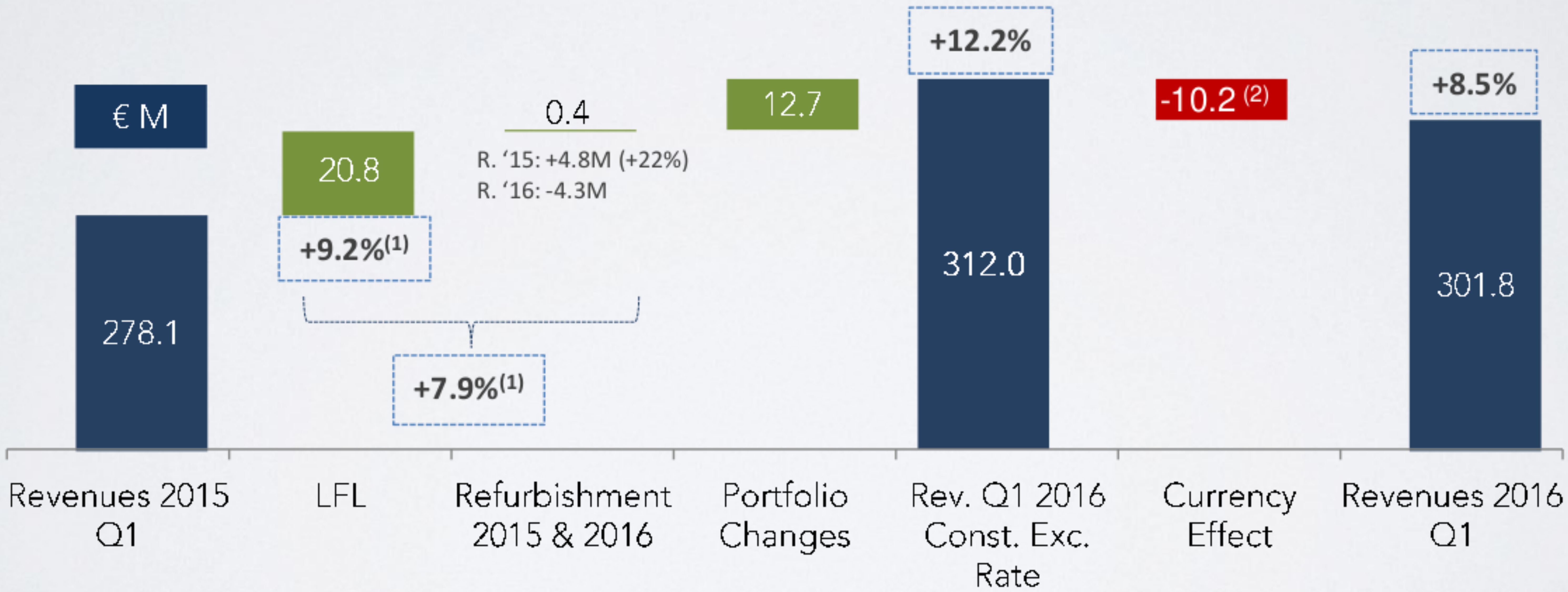
10th May 2016

NH Collection Madrid Eurobuilding. Spain

NH | HOTEL GROUP

EXCELLENT Q1 REVENUE PERFORMANCE EXCEEDING GUIDANCE

- Q1 ‘16 Revenue growth of +8.5% reaching €301.8M (+€23.7M) above mid single digit guidance despite:
  - Negative currency impact mainly in Latin America: -€10.2M
  - Refurbished hotels in Q1 ‘16: -€4.3M
  - Easter effect in Germany: -€1.6M
  - Lower contribution of Belgium hotels: -€0.8M
- Isolating the currency effect in the quarter (Argentine Peso -63%; Colombian Peso -29% and Mexican Peso -19%):
  - Consolidated revenue increased by +12.2% (+€33.9M) including Refurbishments and perimeter changes
  - LFL revenue increased by +9.1% (+€20.6M)

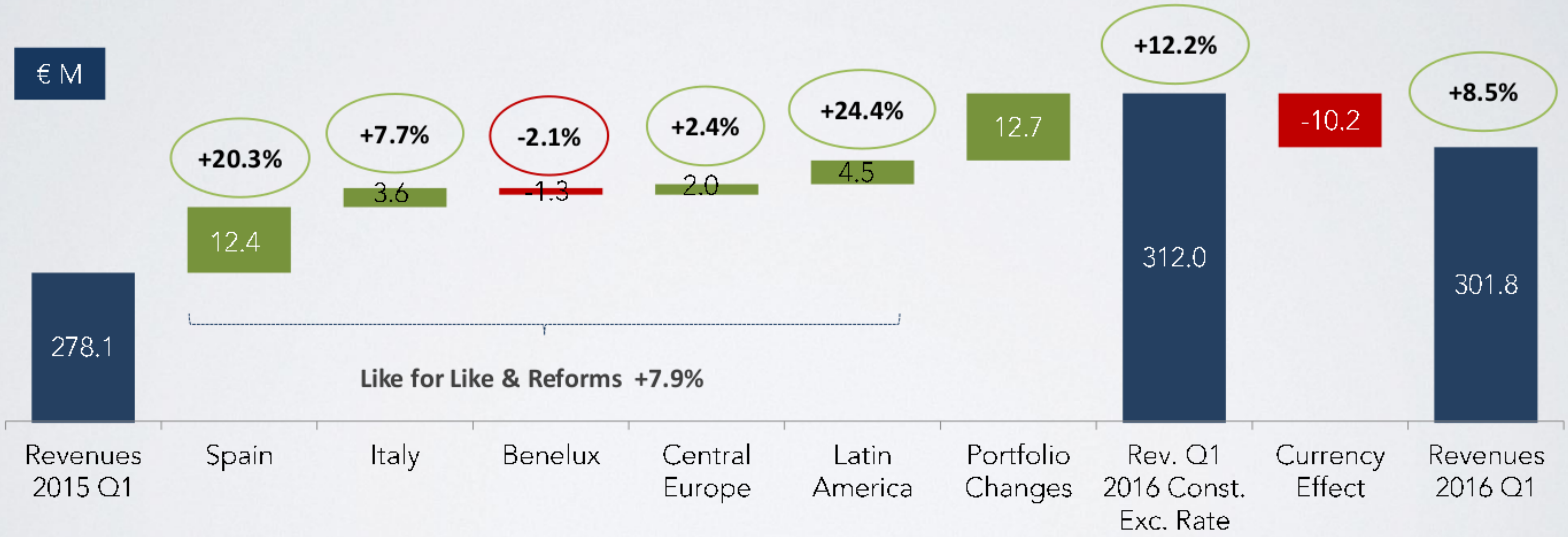


Growth contribution	+7.4%	+	+0.2%	+	+4.6%	=	+12.2%	−	-3.7%	=	+8.5%

[1] On its 2015 own base
[2] -€6.4M en LFL

REPORTED REVENUE GROWTH SUPPORTED BY ALL GEOGRAPHIES

- Spain: +20.3%. Outstanding performance above high teens guidance
- Italy: +7.7%. In line with the guidance of high single digit
- Benelux: mid single digit target excluding reforms achieved (+5.9% LFL). Reforms of the quarter negatively impacted in -€3.7M but in line with the plan. LFL Brussels evolution (-17%) offset by the better performance of Amsterdam (+28%)
- Central Europe: +2.4%. Low single digit growth including reforms ahead of guidance. Impact of timing of Easter estimated c.-€1.6M and in line with the plan
- LatAm: +24.4% excluding currency effects . Very positive trend in local currency across all markets

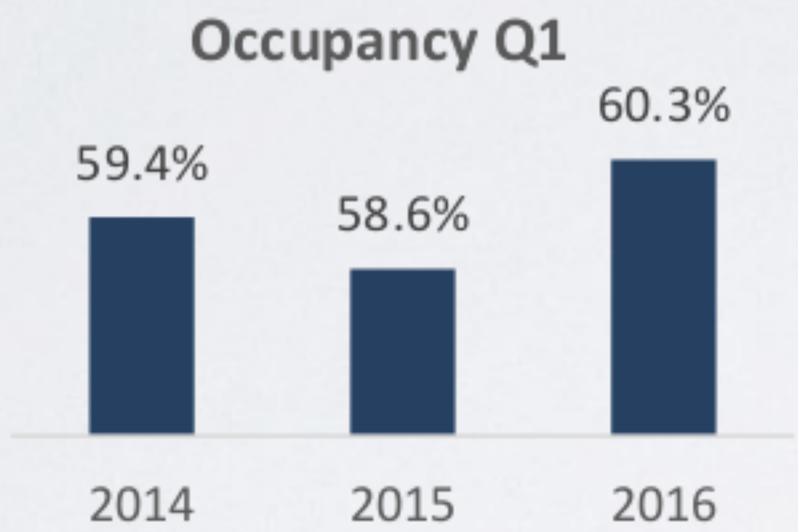


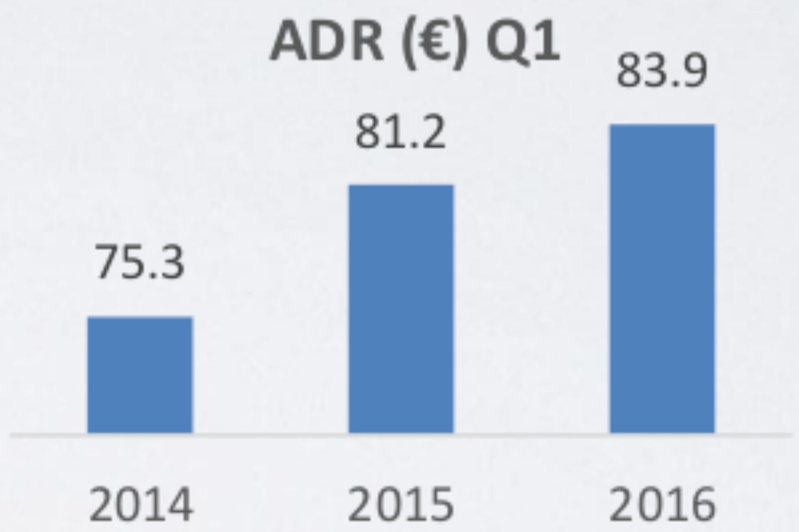
Revenue LFL	+18.2%	+5.3%	+5.9%	+2.7%	+27.5%
Total Revenue	+18.6%	+12.6%	-2.4%	+2.3%	+22.0%

Total Rev. LFL ex. currency effect = +9.2%
Total Rev. LFL = +6.4% (reported)

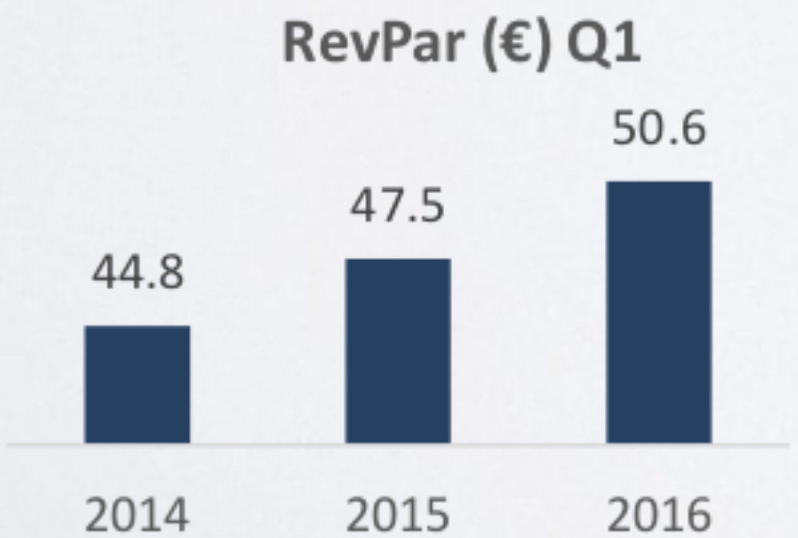
SIGNIFICANT BETTER REVPAR PERFORMANCE AHEAD OF COMPETITORS

- Successful tactical approach of a combined mix of Occupancy/ADR taking into account the seasonality of the Business across the year (Q1 '16 has an occupancy of 8 b.p lower than the average of the rest of the quarters of 2015)
  - RevPar: +6.5% (52% through ADR). At constant exc. Rate +10.0% (69% through ADR)
  - ADR: +3.4% or +€2.7. At constant exc. Rate +6.9% or +€5.6 enabled by refurbishments and pricing strategy
  - Occupancy: strong demand growth in Spain (+11.3%) and Italy (+4.7%)





- Ability to grow prices ahead of competitors (STR*):
  - Positive evolution of the ADR relative growth vs competitors in a low season quarter. Relative RevPar increase +7.8% vs competitors
  - Occupancy / ADR mix strategy has enabled to replace the segmentation change started in 2015, with a remarkable higher occupancy growth: NHH +5.5% vs -1.9% for competitors

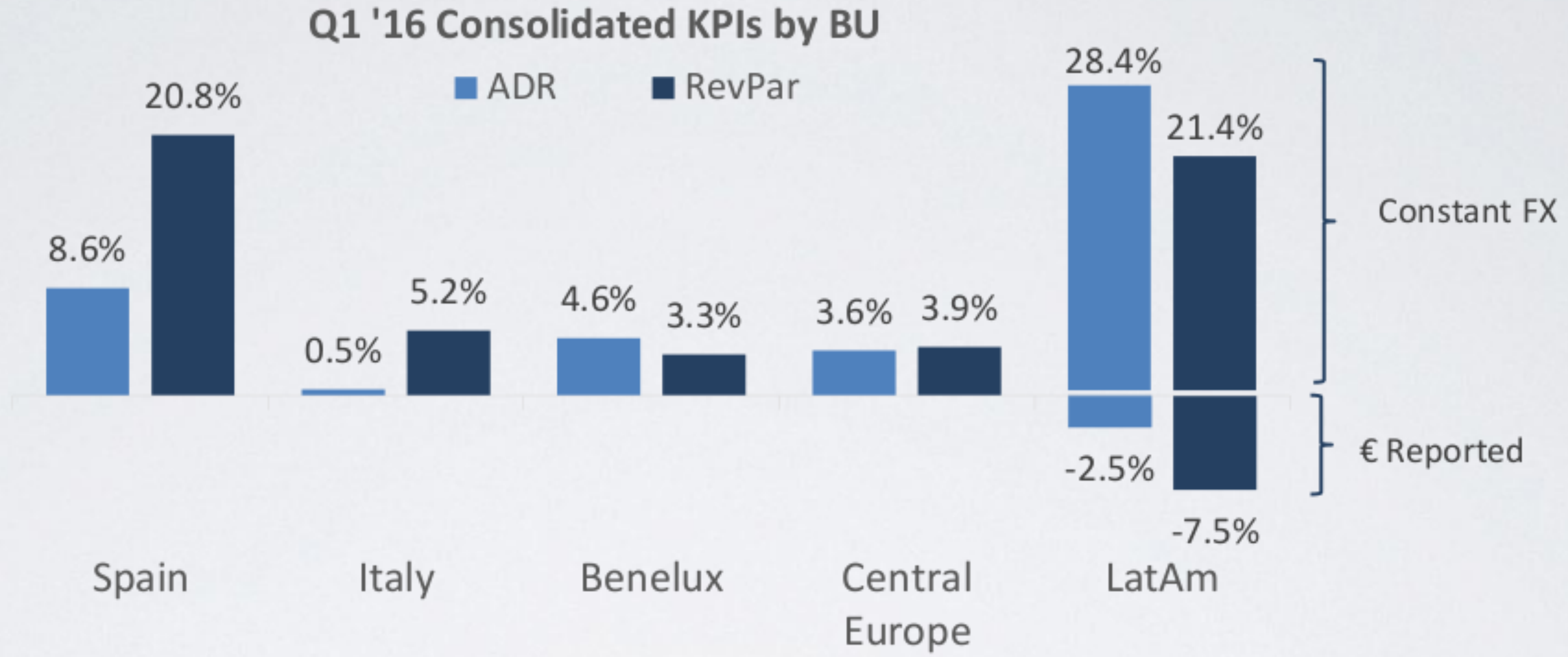


	RevPar % var		"Relative" RevPar
	NH	Comp Set	RGI % var
Total NHH	11.0%	3.2%	7.8%
Spain	19.5%	6.8%	12.6%
Italy	4.2%	-2.8%	7.0%
Benelux	6.8%	5.9%	0.8%
Central Europe	5.3%	0.2%	5.1%

(*) STR/MKG/Fairmas Competitive Set Average Growth

SUSTAINED GROWTH IN ALL REGIONS AND BETTER PERFORMANCE OF OTHER REVENUES

- RevPar growth across all markets with an outstanding double digit growth in Spain and remarkable LatAm at constant exchange rate:



RevPar LFL	19.9%	2.7%	7.2%	4.6%	-6.4% / +30.3% w. constant FX

- Room Revenues grew at +10.3% above RevPar growth (+6.5%) due to new openings and Hoteles Royal (from March 2015)
- Food & Beverage & Other Revenue grew at +7.3% , allowing the Group to achieve a Total Revenue growth of +8.5%
- Online revenue grew at +20% during Q1 '16

	RevPar	Available Rooms	Room Rev.	F&B & Other Rev.	Total Rev.
Revenue Evolution Q1 '16	+6.5%	+2.5%	+10.3%	+7.3%	8.5%

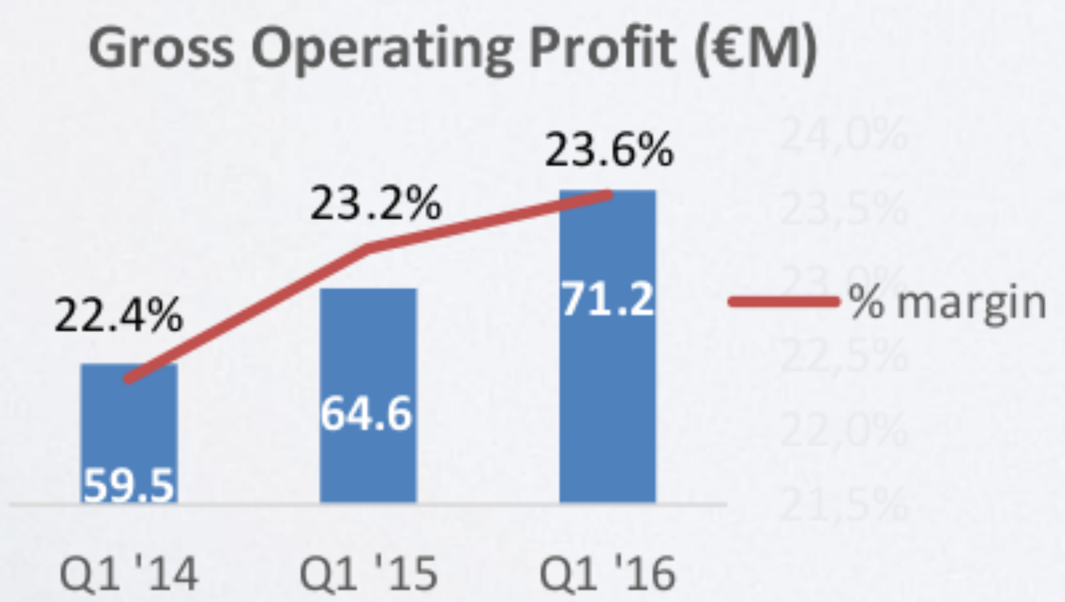
IMPROVEMENT OF EBITDA (+30%) DESPITE CURRENCY AND PHASING IMPACTS

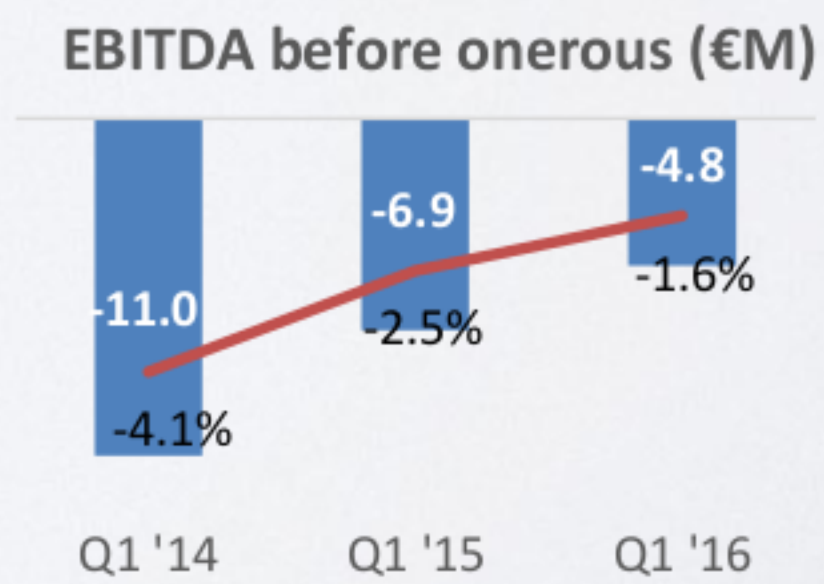
(€ million)	NH Hotel Group			
	Q1 2016	**Q1 2015***	**Q1 2016 / Q1 2015**	
	M Eur.	M. Eur	M. Eur	%
TOTAL REVENUES	**301.8**	**278.1**	**23.7**	**8.5%**
Staff Cost	(121.5)	(115.1)	(6.4)	5.6%
Operating expenses	(109.1)	(98.4)	(10.7)	10.9%
GROSS OPERATING PROFIT	**71.2**	**64.6**	**6.6**	**10.2%**
Lease payments and property taxes	(76.0)	(71.5)	(4.5)	6.3%
EBITDA BEFORE ONEROUS	**(4.8)**	**(6.9)**	**2.0**	**29.7%**

** Includes Hoteles Royal from March 4, 2015*

- EBITDA amounted to -€4.8M (+29.7%). In addition to the negative impact of currency effects and reforms, EBITDA is also affected by commissions phasing, rent linearization and property taxes
- +5.6% increase in **Payroll cost.** 44% of this growth is explained by the non comparable perimeter. +3.7% increase in LFL, 55% explained by phasing and severance costs in line with the plan
- +10.9% increase of **Operating expenses** and +8.8% excluding perimeters changes. 56% of this LFL growth is explained by higher commissions (higher share of OTAs with higher revenues and phasing impacts)
- **Lease** increases is linked to portfolio changes (€1.8M; openings and Hoteles Royal), rent linearization impact (€1.7M) and variable rent components. Additionally **property tax** accrual phasing impacted with €1.0M

- **GOP conversion** excluding impacts of the phasing and severance compensations is 46%. Furthermore, the **conversion at EBITDA** level excluding property tax accrual phasing and rent linearization reached 38%
- Including above impacts the reported conversion rate is 28% at GOP and 9% at EBITDA level in line with the plan for the year to achieve EBITDA target





NET PROFIT EVOLUTION AFFECTED BY FINANCIAL INCOME IN Q1 2015

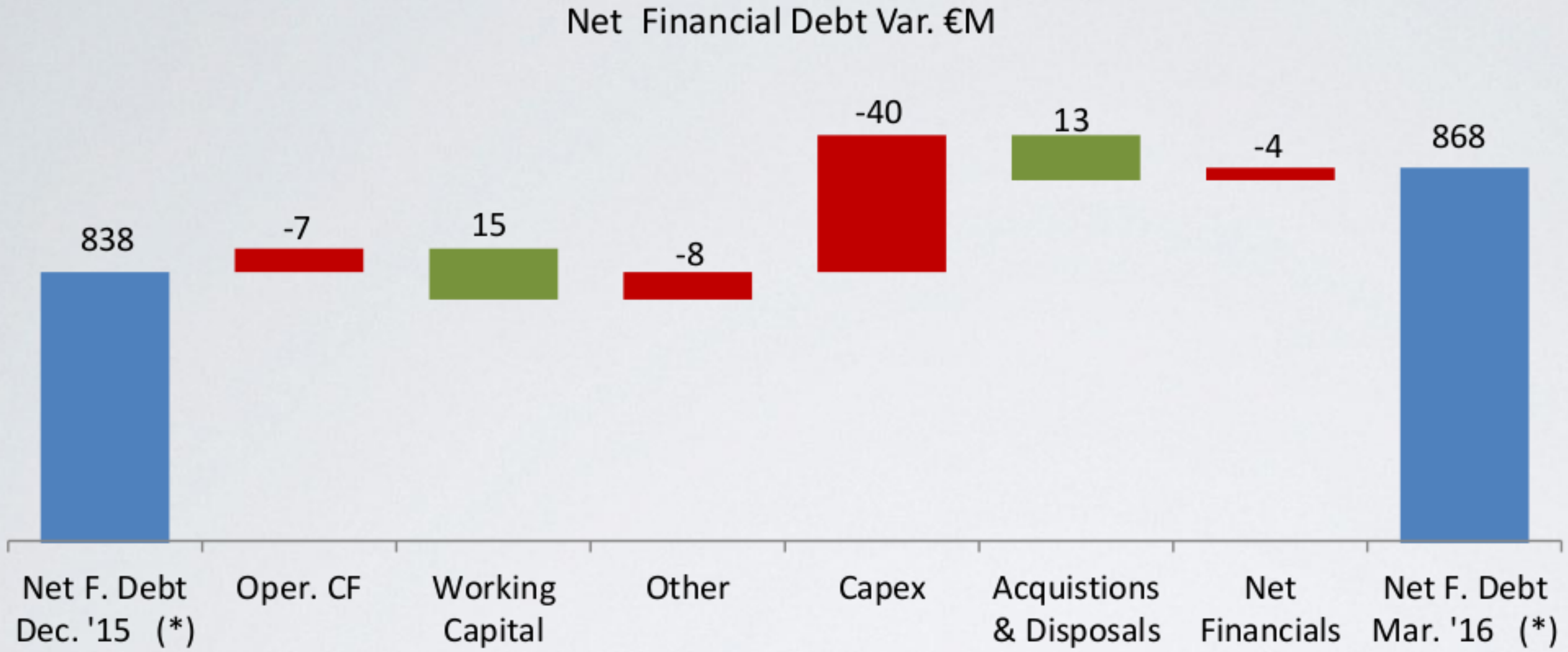
(€ million)	Q1 2016	Q1 2015*	Q1 2016 / Q1 2015	
	M Eur.	M. Eur	M. Eur	%
EBITDA BEFORE ONEROUS	**(4.8)**	**(6.9)**	**2.0**	**29.7%**
Onerous contract reversal provision	1.3	2.6	(1.4)	(52.3%)
EBITDA AFTER ONEROUS	**(3.6)**	**(4.2)**	**0.7**	**(15.6%)**
Depreciation	(24.2)	(22.2)	(2.0)	9.0%
EBIT	**(27.7)**	**(26.4)**	**(1.3)**	**(5.1%)**
Interest expense	(11.7)	(7.8)	(3.9)	50.2%
Income from minority equity interests	(0.1)	(0.0)	(0.1)	400.0%
EBT	**(39.5)**	**(34.2)**	**(5.3)**	**(15.6%)**
Corporate income tax	2.4	6.4	(4.1)	(63.2%)
NET INCOME before minorities	**(37.1)**	**(27.8)**	**(9.4)**	**(33.8%)**
Minority interests	(0.6)	(0.4)	(0.1)	34.1%
NET RECURRING INCOME	**(37.7)**	**(28.2)**	**(9.5)**	**(33.8%)**
Non Recurring EBITDA	1.8	(0.8)	2.6	322.2%
Other Non Recurring items	(3.7)	(0.1)	(3.6)	(3270.6%)
NET INCOME including Non-Recurring	**(39.6)**	**(29.1)**	**(10.5)**	**(36.1%)**

** Includes Hoteles Royal from March 4, 2015*

- Net Income impacted by:
  - Lower onerous contract reversal (-€1.4M)
  - Higher depreciation due to refurbishment capex (+€2.0M)
  - Interest expense variation explained by the positive exchange rate impact of +€4.2M in Q1 '15
  - Lower corporate income tax (-€3.6M) due to phasing of taxes according to fiscal NOLs generation (phasing) effect
  - Other non recurring items variance is mainly due higher non recurring depreciation in 2016 and to last year positive effect of exchange rate of +€5.0M in Q1 '15

- For comparative purposes, homogenizing Q1 '15 Net Result reducing tax effect (€3.6M) and financial currency effects (€9.6M), net result in Q1 '16 (-€39.6M) would have improved by +€2.7M (+6.4%) vs Q1 '15 proforma (-€42.3M)

CAPEX FINANCED BY ASSET DISPOSALS & WORKING CAPITAL RECOVERY



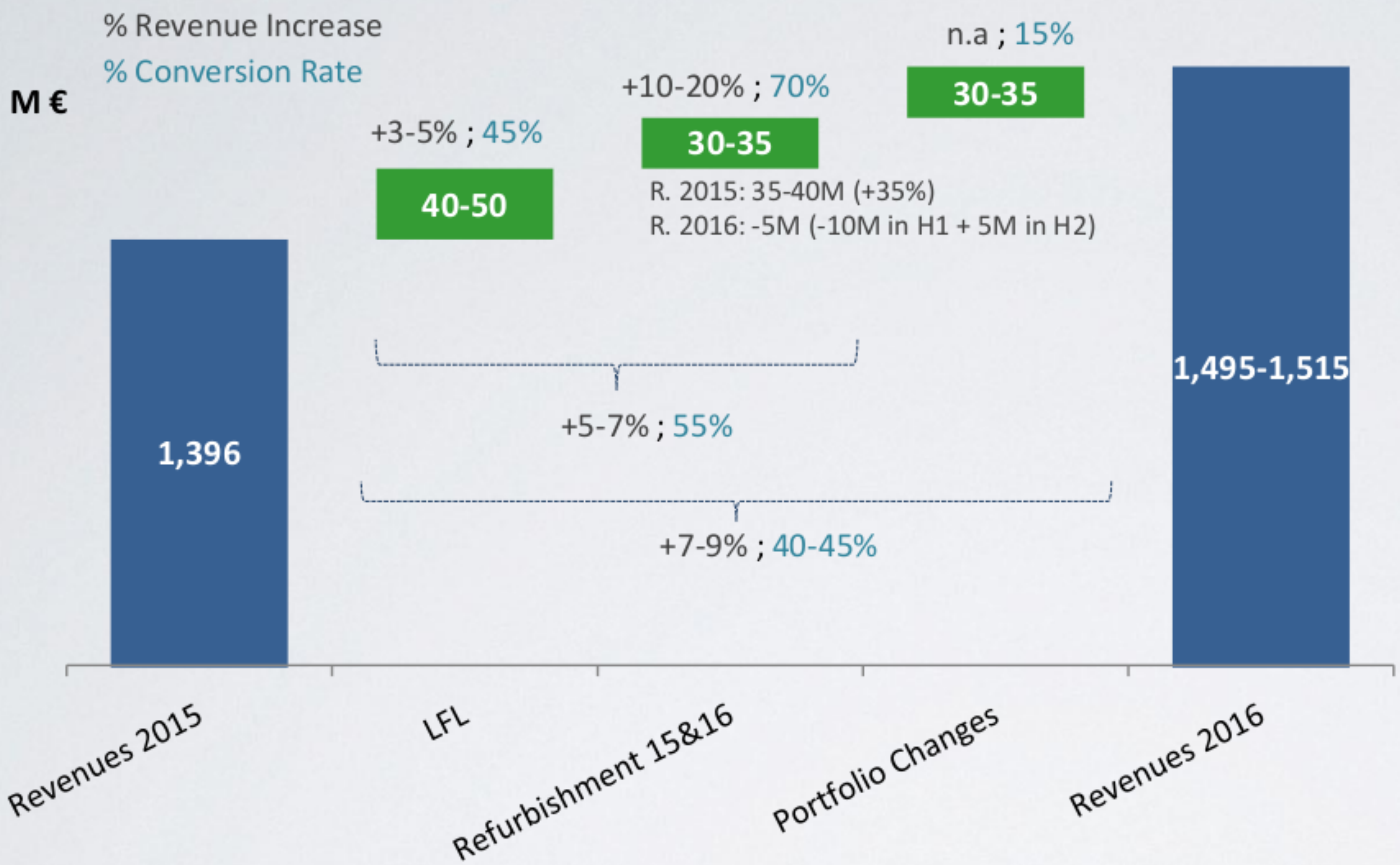
31st March 2016
Gross Financial Debt: €920M
Net Financial Debt: €868M

(*) NFD excluding accounting adjustments for the portion of the convertible bond treated as Equity. arrangement expenses and accrued interest. Including these accounting adjustments. the Adj. NFD would be €848M at 31st of Mar. 2016 and €807m at 31st of Dec. 2015.

- Negative Cash Flow generation period due to seasonality of the business:
  - (-) Negative Operating Cash Flow -€7M
  - (+) Working capital improvement: from average collection period of 31 days in Dec. 2015 to 27 days in March 2016
  - (-) Other: mainly related to VAT payments
  - (-) Capex outflow -€40M to carry out reforms on low season period (Q1)
  - (+) Asset disposals of €17M and China JV contribution (-€4.1M)
- Asset disposals progress on track: (€140m expected in 2016):
  - As of 10th of May 37% achieved
  - 50% of the target to be achieved as of end of May
  - Two assets expected to be sold before September

  80- 85% of the year target expected by September
- Asset Valuation: The external appraisal as of Dec. 2015 of the assets within the security package of the Bank Debt and High Yield Bond amounted to €1,069M an increased of +16% (+€146M, from €923M as of Dec. 2014)

2016 GUIDANCE ON TRACK



EBITDA 2016E before onerous reversal
≈ €200M
40%-45% conversion rate
Including:
Severance (€3M)
Rent Linearization (€5M)
≈ €190M

Positive Net Recurring Income

Deleverage 2016	
NFD/ Recurring EBITDA	c. 4.0x (vs 5.6x in 2015)
Capex Investments	€167M (o/w 50% is repositioning)
Asset Disposals	€140M (May 50%; Sept 80-85%)

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