NH Collection Madrid Eurobuilding, Spain

Q2 2016 Results Presentation

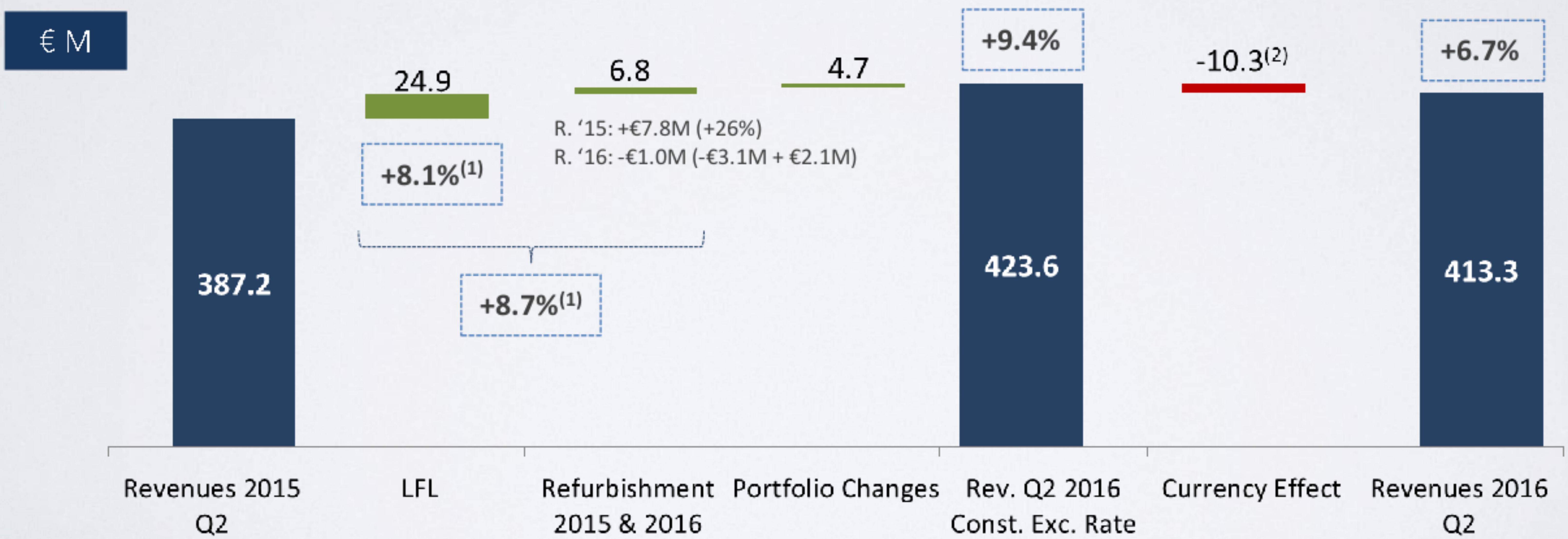
BUILDING UP THE NEW NH

28th July 2016

NH | HOTEL GROUP

EXCELLENT REVENUE PERFORMANCE CONTINUES IN Q2 2016

- Q2' 16 Revenue growth of +6.7% reaching €413.3M (+€26.1M) with a growth in the LFL perimeter of +5.7% . Revenue evolution affected by:
    - Negative currency impact in Latin America: -€10.3M
    - Refurbished hotels in Q2 ' 16: -€3.1M
    - Lower contribution from the Milan Expo in Q2' 15: -€3.2M
    - Negative impact from Belgium hotels: -€1.6M in LFL perimeter
- Isolating the currency effect (Argentine Peso -38%; Colombian Peso -18% and Mexican Peso -17%):
    - Consolidated revenues would have increased by +9.4% (+€36.4M) including refurbishments and changes in perimeter
    - LFL revenue would have improved by +8.1% (+€24.9M)

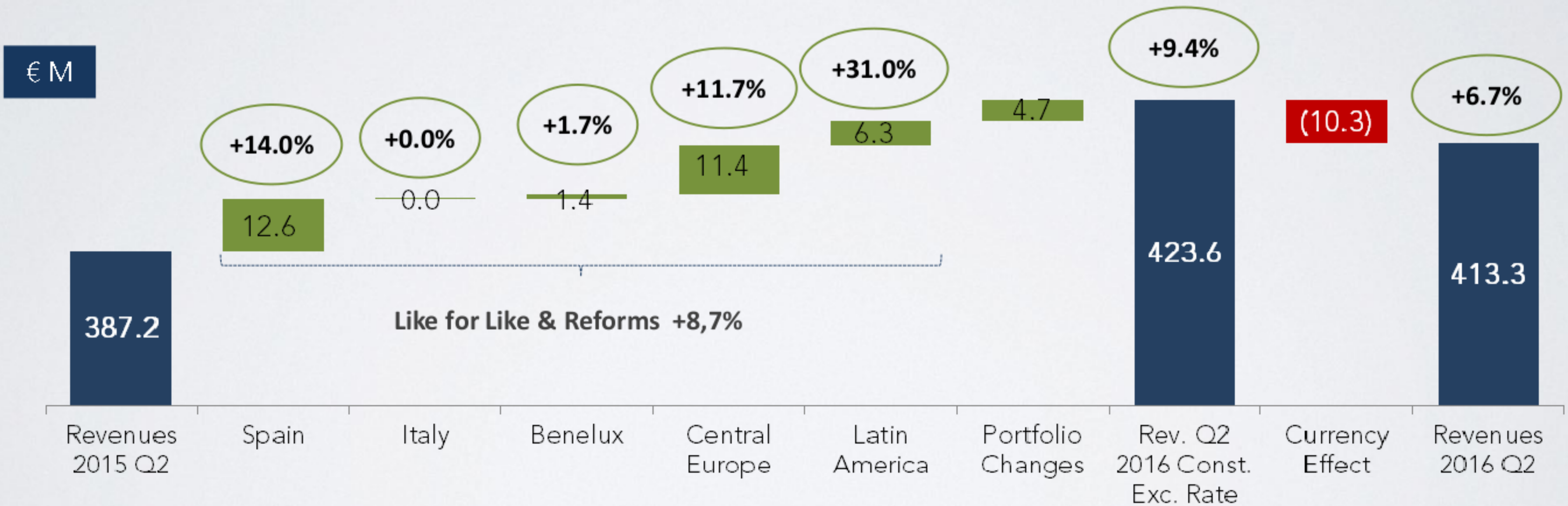


Growth Contribution	+6.4% +	+1.7% +	+1.2% =	+9.4% −	-2.7% =	+6.7%

(1) On its 2015 own base. With real exchange rate growth is +5.7%
(2) -€7.3M in LFL

Q2' 16 REVENUE GROWTH IN KEY MARKETS

- Spain: +14.0% growth in LFL&R. 80% of the RevPar growth from average prices. Good behavior in Madrid and excellent performance in Barcelona and Valencia with RevPar increases of +17.6% and +22.3% respectively
- Italy: 2015 reforms as well as the good performance of secondary cities fully compensate the loss from the Milan Expo in Q2 2015 (€3.2M contribution). Including new openings total revenue growth is +4.8%
- Benelux: LFL growth excluding reforms of +4.6% despite the lower contribution of Belgium LFL in the quarter (- €1.6m, -16%). Hotels under reform in Q2 had a negative impact of -€2.9M in line with the plan. Both effects have been offset by a better performance in Holland LFL (+€3.4m; +8%)
- Europa Central: revenue growth of +11.7% in LFL&R with an increase in prices of +9.5% (75% of the RevPar growth)
- LatAm: very positive trend in local currency in all markets (+31.0%). Evolution affected by exchange rate

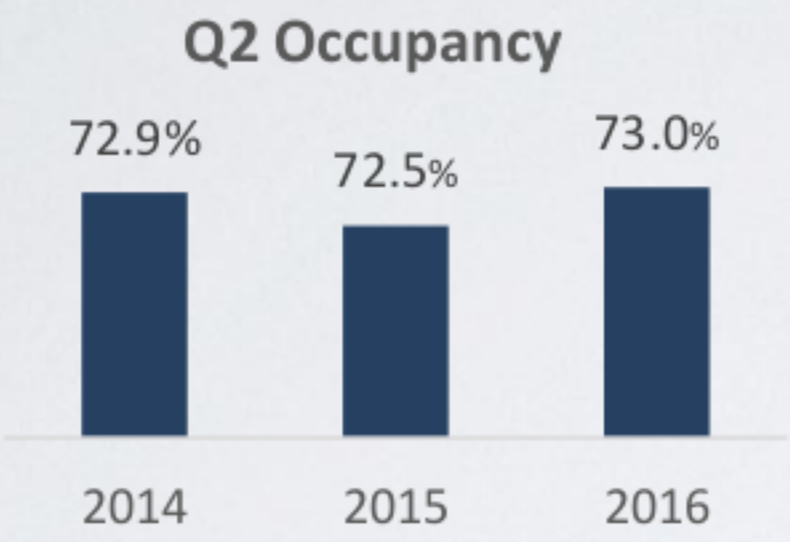


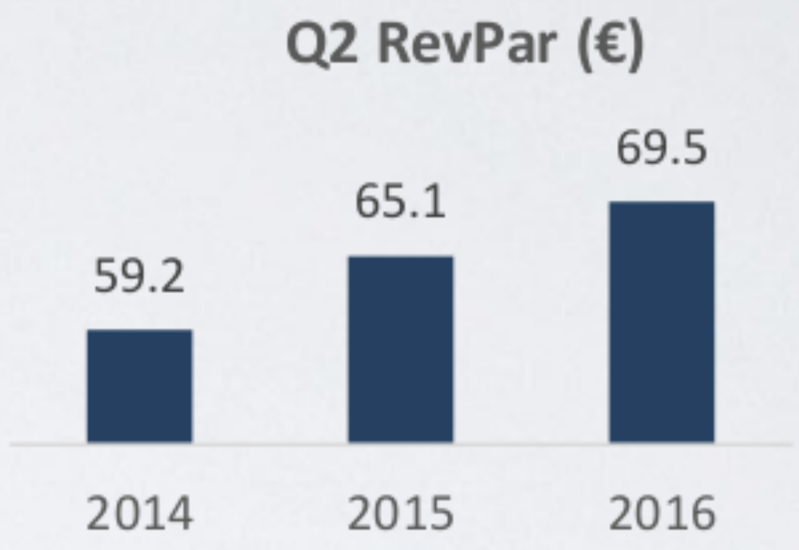
Revenue LFL	+11.0%	-2.3%	+4.6%	+9.1%	+28.8%
Total Revenue	+13.8%	+4.8%	+2.5%	+11.7%	+17.2%

Ex- Currency	Reported
+8.1%	+5.7%
+9.4%	+6.7%

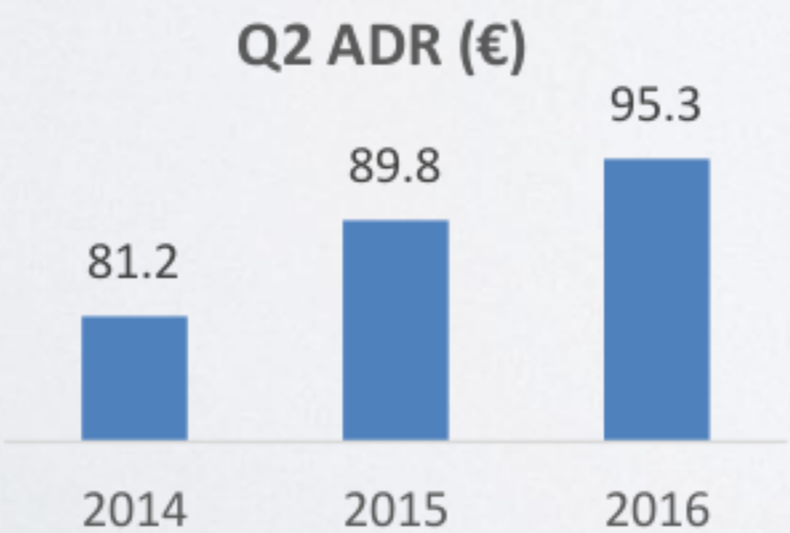
SIGNIFICANT IMPROVEMENT IN THE REVPAR EVOLUTION AND BETTER THAN COMPETITORS

- Compared to Q1, lowest demand quarter with 50% growth through occupancy, Q2 confirms the RevPar growth strategy through ADR expected to continue during the second half of the year:
  - RevPar: +6.7% (91% growth through ADR)
  - ADR: reaching €95.3, representing an increase of +6.1% (+€ 5.5)
  - Occupancy: it remains at high levels for a quarter of high demand





- Ability to grow prices ahead of competitors (STR*):
  - Positive ADR evolution growth relative to competitors in a quarter of high demand. Relative ADR +3.0b.p vs competitors
  - In Italy the strategy in the city of Milan in 2016 is to continue maintaining high absolute RGI through volume, due to have increased prices in 2015 over competitors (+5.2 b.p). The growth level in RGI in Q2 is +1.0 b.p
  - Remarkable is the performance in Benelux with an increase of +11.5% vs.+5.0% of the competitive set. In Brussels RGI growth of +5.8 b.p in Q2 comes for ARI growth of +6.8 b.p

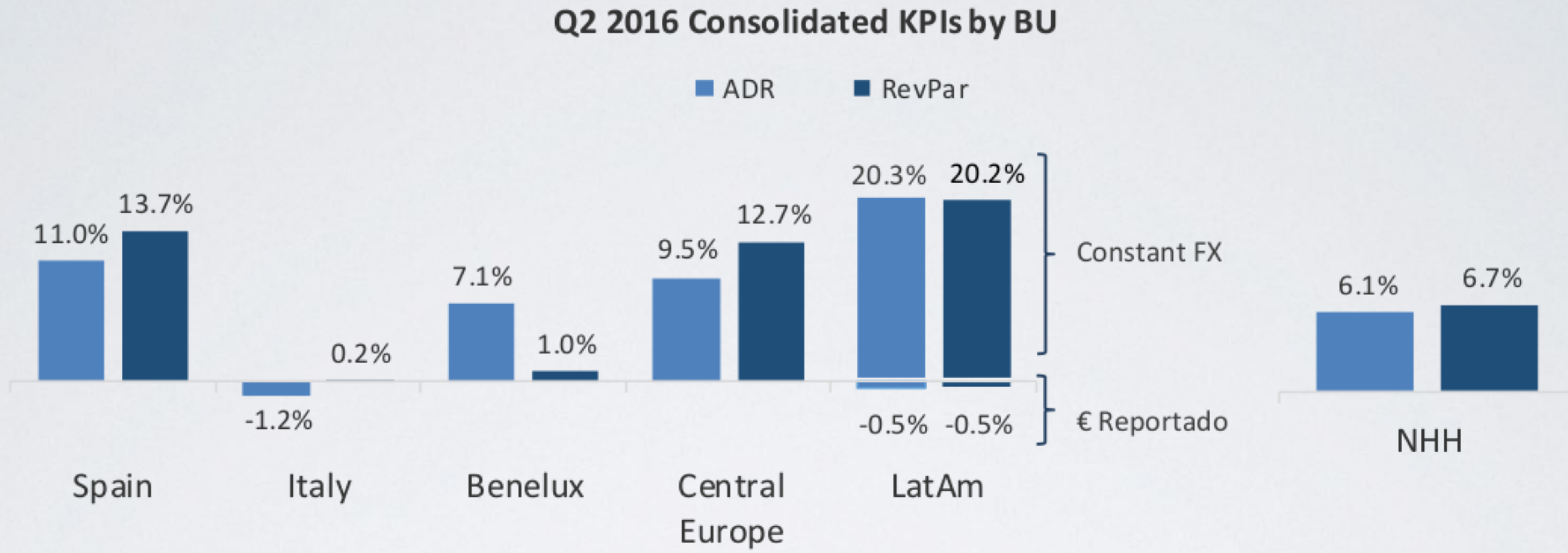


	ADR % var		"Relative" ADR
	NH	Compset	ARI % var
Total NHH	**+5.6%**	**+2.7%**	**+3.0p.b**
Spain	+11.8%	+6.3%	+5.5p.b
Italy	-11.6%	-9.2%	-2.4p.b
Benelux	+11.5%	+5.0%	+6.5p.b
Central Europe	+13.0%	+6.4%	+6.6p.b

Source: STR/MKG/Fairmas Competitive Set Average Growth

REMARKABLE GROWTH IN SPAIN AND CENTRAL EUROPE AND BETTER EVOLUTION IN OTHER REVENUES

- Remarkable double-digit RevPar growth in Spain, Central Europe and Latam with constant exchange:



RevPar LFL	**+12.6%**	**-5.2%**	**+3.8%**	**+10.8%**	**-7.8% / +26.2% w. constant FX**

- Room revenues grew +6.7% in line with the Q2 RevPar growth
- Food & Beverage & Other Revenues grew at a similar rate (+6.8%), allowing the Group to achieve a Total Revenue growth in Q2 of +6.7%
- Online revenue grew +21% in the first six months of the year

	RevPar	Available Rooms	Room Rev.	F&B & Other Rev.	Total Rev.
Revenue Evolution Q2 2016	+6.7%	+0.0%	+6.7%	+6.8%	+6.7%

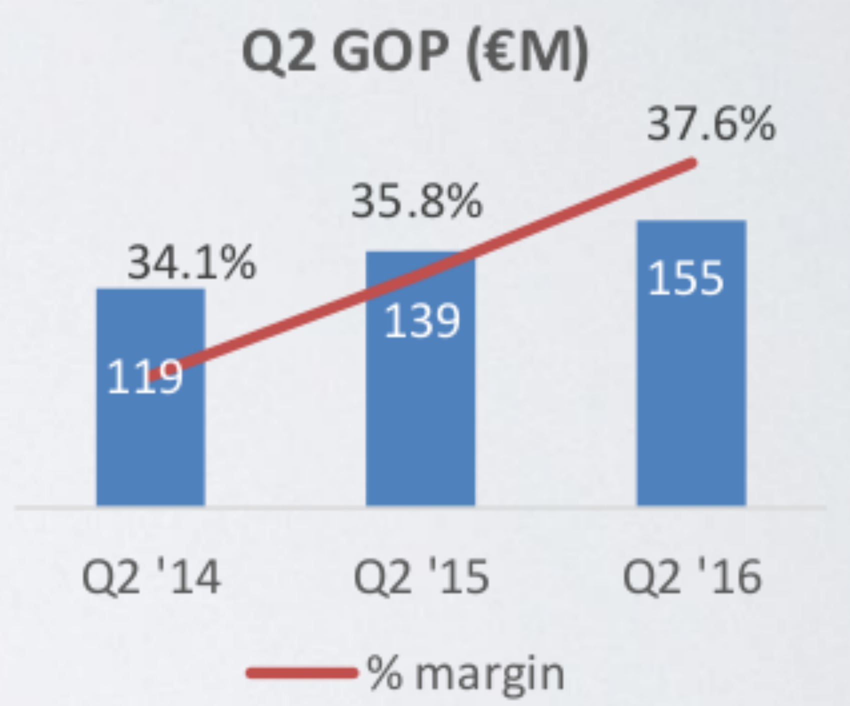
HIGH REVENUE CONVERSION IN Q2 IMPROVING EBITDA BY +21%

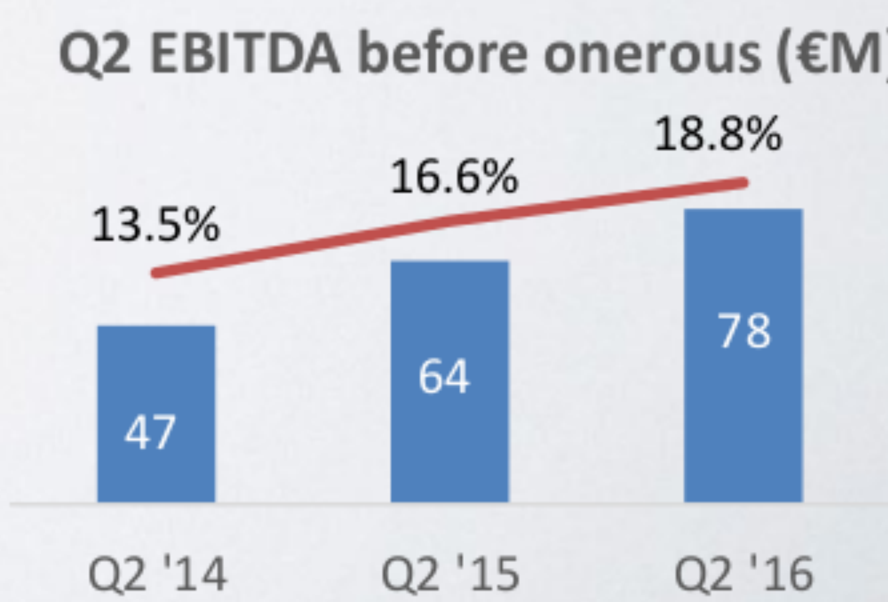
NH HOTEL GROUP P&L ACCOUNT

(€ million)	Q2 2016	Q2 2015	Var.		6M 2016	6M 2015*	Var.	
	M Eur.	M. Eur	M. Eur	%	M Eur.	M. Eur	M. Eur	%
TOTAL REVENUES	**413.3**	**387.2**	**26.1**	**6.7%**	**715.1**	**665.3**	**49.8**	**7.5%**
Staff Cost	(132.9)	(129.0)	(3.9)	3.0%	(254.4)	(244.1)	(10.4)	4.2%
Operating expenses	(125.0)	(119.6)	(5.4)	4.5%	(234.1)	(218.0)	(16.1)	7.4%
GROSS OPERATING PROFIT	**155.4**	**138.6**	**16.8**	**12.1%**	**226.5**	**203.2**	**23.4**	**11.5%**
Lease payments and property taxes	(77.5)	(74.4)	(3.1)	4.2%	(153.5)	(145.9)	(7.6)	5.2%
EBITDA BEFORE ONEROUS	**77.8**	**64.2**	**13.7**	**21.3%**	**73.0**	**57.3**	**15.7**	**27.4%**

** Includes Hoteles Royal from March 4, 2015*

- 2Q EBITDA reached €77.8M (+21.3%), despite the negative currency effect (-€1.7M in EBITDA with -€10.3m in revenue), non contribution of Expo Milan in Q2 2015 (+€2.4M), weak performance of Belgium (-€0.8M) and finally the accounting effect of rent linearization (-€1.5M)
- +3.0% growth in staff costs in Q2 due to the higher level of activity in Spain and Central Europe and the redundancy payments related to the ordinary business (+€0.7M)
- The increase of +4.5% in operating costs in Q2 is fully explained by higher commissions related to business improvement and the evolution of sales channels
- Leases and property taxes increases by +€3.1M in Q2 linked to changes in perimeter (€1.3M), the accounting impact of rent linearization (€1.5M) and variable components of contracts
- Q2 revenue conversion to GOP is 64% and at EBITDA level conversion reached 52%
- In the first semester, EBITDA reached €73.0M, implying a growth of +27.4% and a conversion ratio of is 32% in line with the plan to achieve the EBITDA target for the year (40-45% conversion) with an expected greater conversion in the second half. Adjusting leaving indemnities (€1.8M) and rent linearization (€3.9M) proforma conversion in the semester reaches 43%





SIGNIFICANT Q2 IMPROVEMENT IN RECURRING NET PROFIT AND POSITIVE NET INCOME IN THE SEMESTER

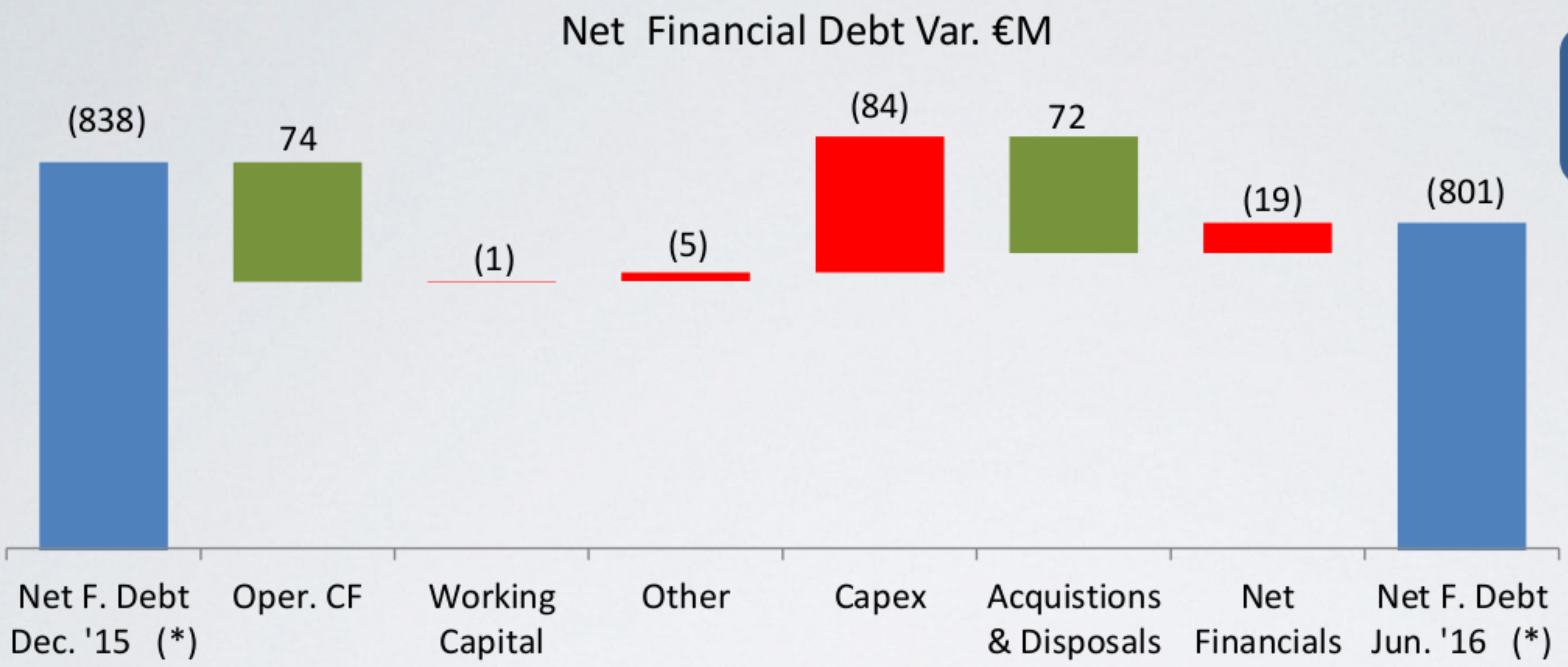
NH HOTEL GROUP P&L ACCOUNT

(€ million)	Q2 2016	Q2 2015	Var.		6M 2016	6M 2015*	Var.	
	M Eur.	M. Eur	M. Eur	%	M Eur.	M. Eur	M. Eur	%
EBITDA BEFORE ONEROUS	**77.8**	**64.2**	**13.7**	**21.3%**	**73.0**	**57.3**	**15.7**	**27.4%**
Onerous contract reversal provision	1.7	2.6	(0.9)	(34.9%)	3.0	5.2	(2.3)	(43.6%)
EBITDA AFTER ONEROUS	**79.5**	**66.8**	**12.8**	**19.1%**	**76.0**	**62.6**	**13.4**	**21.5%**
Depreciation	(25.5)	(23.8)	(1.7)	7.1%	(49.6)	(45.9)	(3.7)	8.0%
EBIT	**54.1**	**43.0**	**11.1**	**25.8%**	**26.4**	**16.6**	**9.7**	**58.6%**
Interest expense	(12.3)	(14.5)	2.1	(14.8%)	(24.0)	(22.3)	(1.8)	7.9%
Income from minority equity interests	0.2	(0.1)	0.3	(599.9%)	0.1	(0.1)	0.2	(314.3%)
EBT	**42.0**	**28.5**	**13.5**	**47.5%**	**2.5**	**(5.7)**	**8.2**	**143.2%**
Corporate income tax	(8.4)	(12.0)	3.5	(29.4%)	(6.1)	(5.6)	(0.5)	9.5%
NET INCOME before minorities	**33.5**	**16.5**	**17.0**	**103.3%**	**(3.6)**	**(11.3)**	**7.7**	**68.0%**
Minority interests	(1.3)	(0.8)	(0.5)	68.1%	(1.9)	(1.2)	(0.7)	56.6%
NET RECURRING INCOME	**32.2**	**15.7**	**16.5**	**105.0%**	**(5.5)**	**(12.5)**	**7.0**	**56.0%**
Non Recurring EBITDA	32.7	(6.1)	38.9	n.a.	34.5	(7.0)	41.5	n.a.
Other Non Recurring items	(15.6)	2.1	(17.8)	n.a.	(19.3)	2.0	(21.4)	n.a.
NET INCOME including Non-Recurring	**49.3**	**11.7**	**37.6**	**321.4%**	**9.7**	**(17.4)**	**27.1**	**155.9%**

** Includes Hoteles Royal from March 4, 2015*

- Improvement in Q2 in recurring Net Income of +€16.5m reaching €32.2M due to the business improvement:
  - Higher depreciation due to refurbishment capex (-€1.7M)
  - Lower interest expenses (+€2.1M) due to the positive impact of the refinancing agreed in the second half of 2015
  - Lower corporate taxes (+€3.5M) due to incentives and active fiscal losses
- Q2 variation in other non-recurring items is mainly due to capital gains from asset disposals net of provisions and the accelerated depreciation due to reforms
- In the first 6 months of the year the Group Net Recurring Income improved by +€7.0m (+56%) and with the positive contribution of non-recurring activity, leads to achieve a positive Net Income of €9.7M, compared to a loss of -€17.4M in the same period of 2015

CASH FLOW GENERATION IN THE PERIOD WITH CAPEX FINANCED WITH NON CORE ASSETS DISPOSALS



30th June 2016
Gross Financial Debt: (€887M)
Net Financial Debt: (€801M)

(*) 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 €777M at 30th June 2016 and €809m at 31st Dec. 2015

- €37.2M reduction in net financial debt in the first half of the year due to the favorable cash generation in the period with capex being financed with non core asset disposals
- Positive cash generation in the semester:
  - (+) Operating Cash Flow +€74M
  - (-) Working Capital: the recovery of working capital since second half of 2015 is confirmed, therefore no investment in working capital is registered in the first half of the year
  - (-) Other: mainly related to VAT payments and expenses phasing
  - (-) Capex investments: -€84M
  - (+) Asset Disposals +€75.8M and China JV contribution (-€4.1M)

NON CORE ASSET DISPOSAL UPDATE AND RATING IMPROVED

- Asset Disposals:
  - Out of the €140M divestment target for 2016, as of 30th June, transactions amounting to net cash of €75,8M have been closed and together with transactions signed in July, 73% of the target for the year is reached

	Net Cash 2016
As of 30th June 2016	**€75.8M**
Month of July	€25.9M (€5.0M to cash in August)
As of 28th July 2016	**€101.7M**

  - EBITDA loss on annual basis for the asset disposal target of the year would be €6-7M, out of which €3.5-4M correspond to transactions already signed
  - Taking into account last 12 months, leverage ratio is reduced from 5.6x in December 2015 to 4.6x in June 2016. Given the level reached in the disposal of non-strategic assets, the 4.0x (NFD / EBITDA 2016) leverage ratio target for the end of the year is confirmed

	Dic. 2015	June 2016
LTM EBITDA	150	165
Net Financial Debt	838	801
NFD/LTM EBITDA	5.6x	4.8x

- Moody's Rating B2, outlook stable (27th July, 2016)
  - Moody's Investors Service has assigned to NHH a first-time corporate family rating of B2. The outlook on the rating is stable
  - "NH Hotels' B2 rating primarily reflects the company's established European platform that we expect to benefit from the implementation of its comprehensive turnaround plan, improved liquidity and asset-lighter focus"

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