NH Collection Madrid Eurobuilding, Spain

Q3 2016 Results Presentation

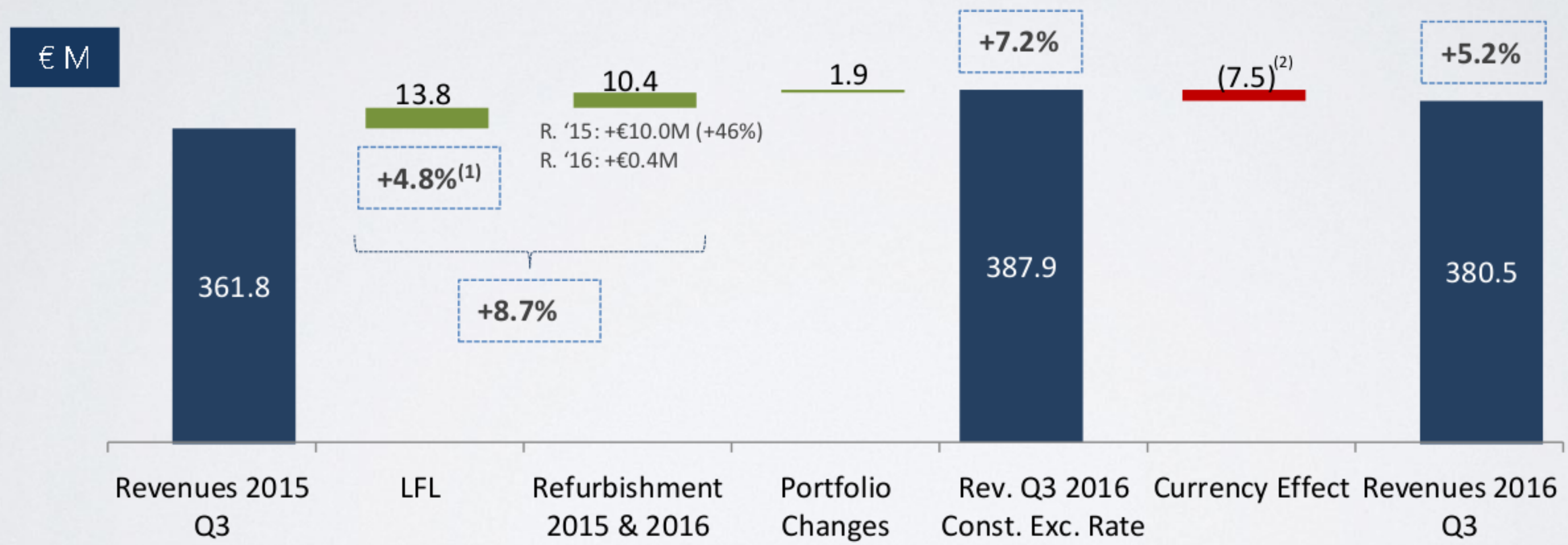
BUILDING UP THE NEW NH

15th November 2016

NH | HOTEL GROUP

SOLID REVENUE PERFORMANCE CONTINUES IN Q3 2016

- Revenue growth of +5.2% in Q3 ‘16 reaching €380.5M (+€18.7M). Isolating the negative currency effect (-€7.5M), revenues would have increased by +7.2%
- Revenue in Q3 affected by:
  - Tough comparison in Italy from the strongest quarter of Milan Expo in 2015: -€10.1M
  - Lower contribution of Belgium due to security issues (-€3.8M, -29%) compared to Q3 ‘15
- LFL & Refurbished hotels grew +8.7% at constant exchange rate (+5.2% reported)
  - Isolating reforms, LFL revenue growth of +4.8% with constant FX (+2.5% reported) affected by Milan Expo 2015 and Belgium

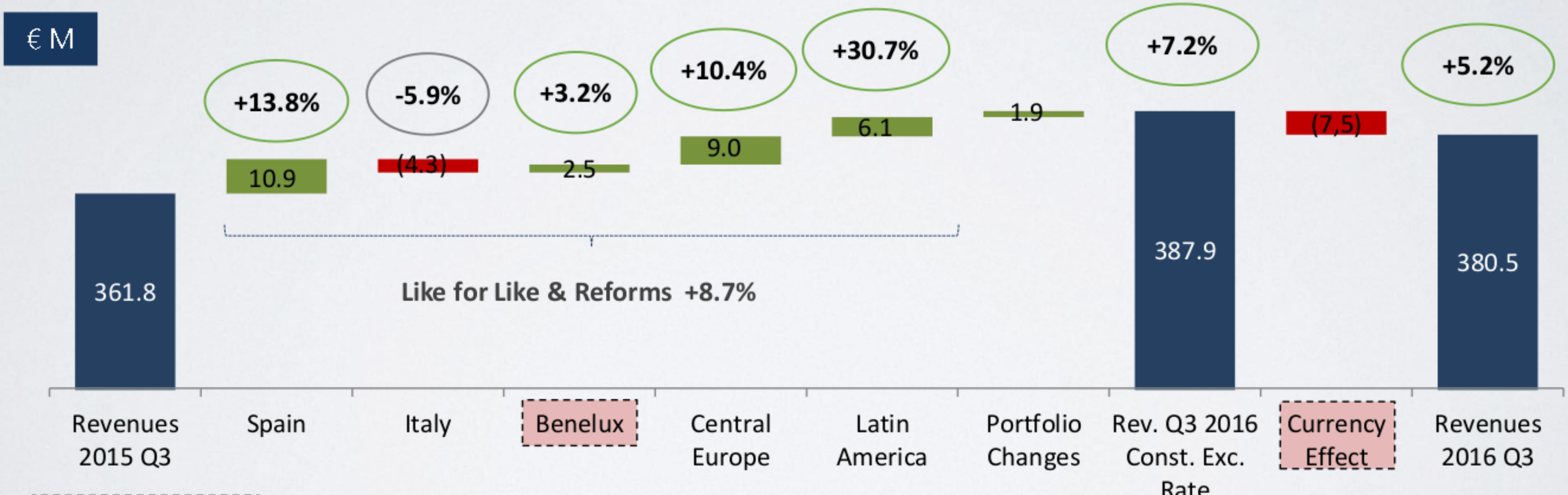


Growth Contribution	+3.8%	+	+2.9%	+	+0.5%	=	+7.2%	−	-2.1%	=	+5.2%

(1) On its 2015 own base. With real exchange rate growth is +2.5%
(2) -€6.6M in LFL

Q3 2016 REVENUE GROWTH IN KEY MARKETS DESPITE "EXTERNAL" FACTORS

- Spain: +13.8% growth in LFL&R, being LFL +11.2% and Reforms +26%. 75% of the RevPar growth from ADR. Good RevPar behavior in Madrid (+9.2%), Barcelona (+12.4%) and excellent performance in Valencia (+21.8%)
- Italy: -5.9% decrease in LFL&R as Q3 '15 was the highest contribution of Milan Expo with -€10.1M in revenues. Adjusting this impact, revenue growth would have been +9.4%, explained by the good performance of Rome LFL (+€0.7m,+8%) and secondary cities
- Benelux: +3.2% revenue growth in LFL&R despite the lower contribution of Belgium hotels, both in the LFL perimeter (-€1.4M, -19%) and in the refurbished hotels (-€2.4M, -45%), fully compensated by a better performance in Holland both in LFL perimeter (+€2.1M, +5%) and in the refurbished hotels (+€3.1M, +21%). LFL revenue grew +1.5%
- Central Europe: revenue growth of +10.4% in LFL&R with an increase in prices of +8.6% (70% of the RevPar growth). Excluding reforms LFL revenue grew +4.7%
- LatAm: very positive trend in local currency in all markets (+30.7%). Evolution affected by exchange rate

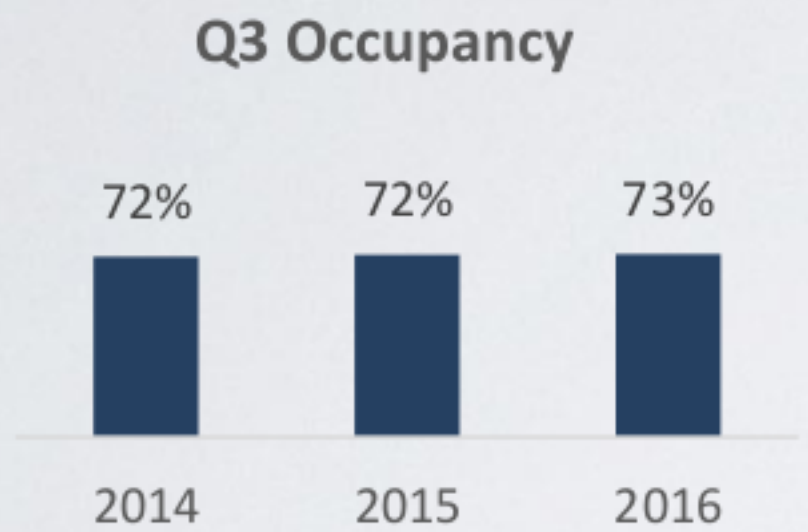


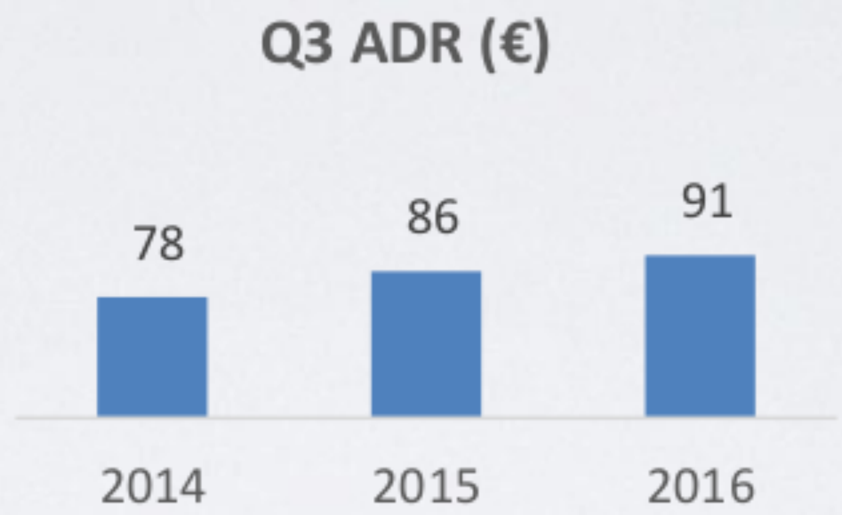
External Factors

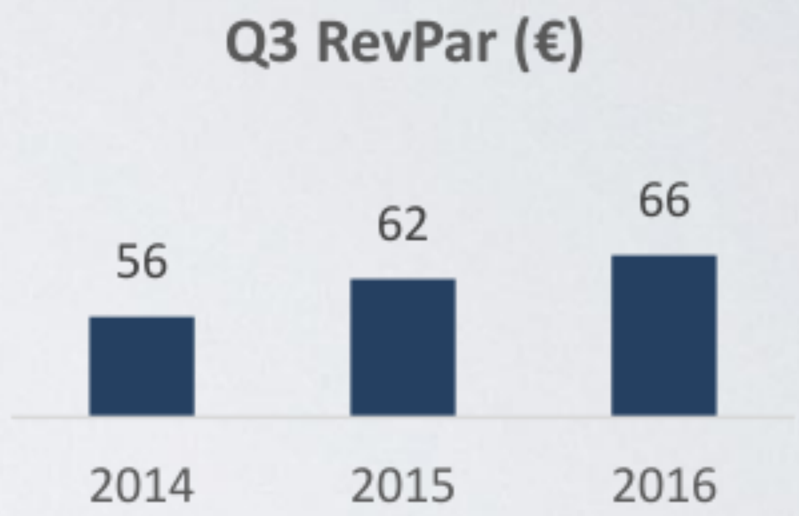
							Ex- Currency		**Reported**
Revenue LFL	+11.2%	-6.6%	+1.5%	+4.7%	+28.9%		+4.8%		+2.5%
Total Revenue	+11.4%	-2.8%	+5.9%	+9.4%	+16.0%		+7.2%		+5.2%

SIGNIFICANT IMPROVEMENT IN THE REVPAR EVOLUTION AND BETTER THAN COMPETITORS

- Q3 confirms the RevPar growth strategy through ADR for the year:
  - RevPar: +6.1% (95% growth through ADR)
  - ADR: reaching €90.9, representing an increase of +5.8% (+€5.0)
  - Occupancy: it remains at high level being July mid-season, August low-season and September high-season







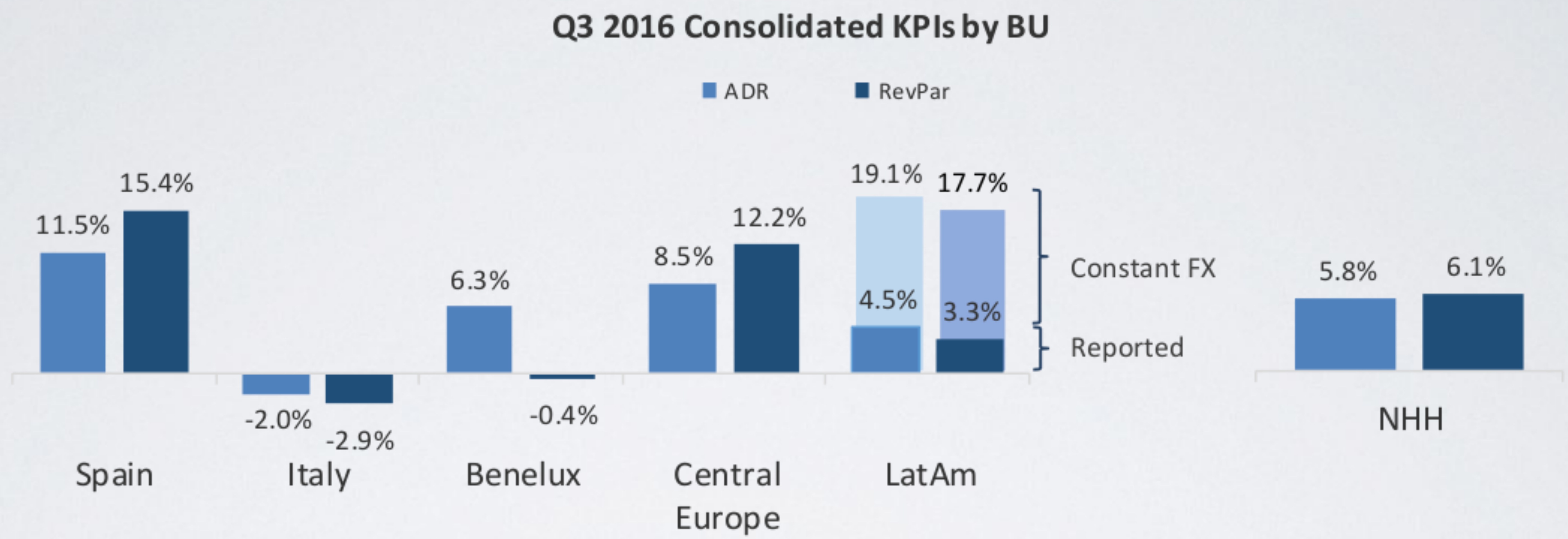
- Ability to grow prices ahead of competitors:
  - +1.3% of higher ADR growth relative to competitors
  - In Italy the strategy in the city of Milan in 2016 is to continue maintaining RGI through volume, due to having increased prices in 2015 ahead of competition (+5.8 b.p). In Italy the RGI in Q3 is still 101.6
  - Remarkable is the performance in Benelux with an increase of +4.6% vs. -2.2% of the competitive set. NH continues maximizing its market opportunities both in Amsterdam (Relative ADR +3p.p; Relative RevPar +6p.p) and as well in Brussels (Relative ADR +12p.p; Relative RevPar +1p.p)

Q3	ADR % var		"Relative" ADR
	NH	Compset	var
Total NHH	**0.6%**	**-0.7%**	**1.3 p.p.**
Spain	12.1%	6.1%	6.0 p.p.
Italy	-16.2%	-10.6%	-5.7 p.p.
Benelux	4.6%	-2.2%	6.8 p.p.
Central Europe	6.9%	3.5%	3.5 p.p.

Source: STR/MKG/Fairmas Competitive Set Average Growth

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

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



RevPar LFL	**+13.5%**	**-7.7%**	**-2.7%**	**+6.6%**	**-4.4% / +23.9% w. constant FX**

- Room revenues grew +5.5%
- Food & Beverage & Other Revenues grew at a slightly lower rate (+4.3%), allowing the Group to achieve a Total Revenue growth in Q3 of +5.2% (+7.2% with constant Exchange rate)
- Online revenue grew +22% in the first nine months of the year. Loyalty members passed 6.5M (+28%)

+27% EBITDA GROWTH WITH +2.3p.p. MARGIN IMPROVEMENT IN Q3 AND +1.8p.p IN 9M

NH HOTEL GROUP P&L ACCOUNT

(€ million)	Q3 2016	Q3 2015	Var.		9M 2016	9M 2015*	Var.	
	M. Eur	M. Eur	M. Eur	%	M. Eur	M. Eur	M. Eur	%
TOTAL REVENUES	**380.5**	**361.8**	**18.7**	**5.2%**	**1,095.5**	**1,027.1**	**68.4**	**6.7%**
Staff Cost	(130.2)	(127.9)	(2.3)	1.8%	(384.7)	(372.0)	(12.7)	3.4%
Operating expenses	(122.2)	(118.6)	(3.6)	3.0%	(356.3)	(336.7)	(19.6)	5.8%
GROSS OPERATING PROFIT	**128.0**	**115.2**	**12.8**	**11.1%**	**354.6**	**318.4**	**36.1**	**11.3%**
Lease payments and property taxes	(76.5)	(74.7)	(1.8)	2.4%	(230.0)	(220.6)	(9.4)	4.3%
EBITDA BEFORE ONEROUS	**51.5**	**40.6**	**11.0**	**27.1%**	**124.6**	**97.9**	**26.7**	**27.3%**
Margin % of Revenues	13.5%	11.2%		2.3%	11.4%	9.5%		1.8%

** Includes Hoteles Royal from March 4, 2015*

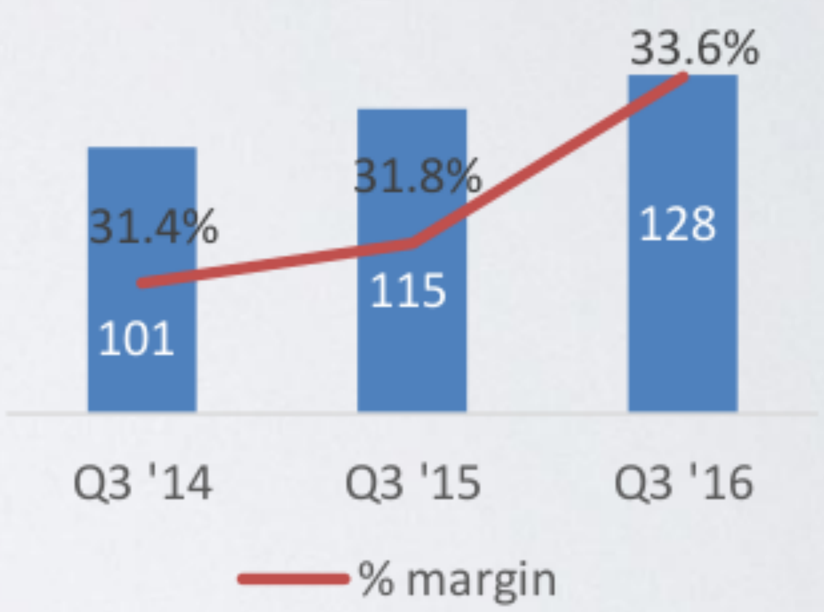
Q3

- EBITDA reached €51.5M (+27.1%) with a margin of 13.5% (11.2% in Q3' 15), despite the high contribution of Expo Milan in 3Q 2015 (+€10.1M in revenues, +€7.8M in EBITDA), weak performance of Belgium in the quarter (-€3.8M in revenues, -€1.5M in EBITDA), negative currency effect (-€7.5M in revenues, -€1.2M in EBITDA) and finally the accounting effect of rent linearization (-€1.8M) reported as non-recurring in 2015
- +1.8% growth in staff costs due to the higher level of activity in Spain and Central Europe
- The increase of +3.0% in operating costs is fully explained by higher commissions related to business improvement and the evolution of sales channels
- Leases and property taxes increases by +€1.8M in Q3 considering that changes in perimeter (+€0.7M), the accounting impact of rent linearization (€1.8M) and variable components of contracts offset by the reduction of fixed leases

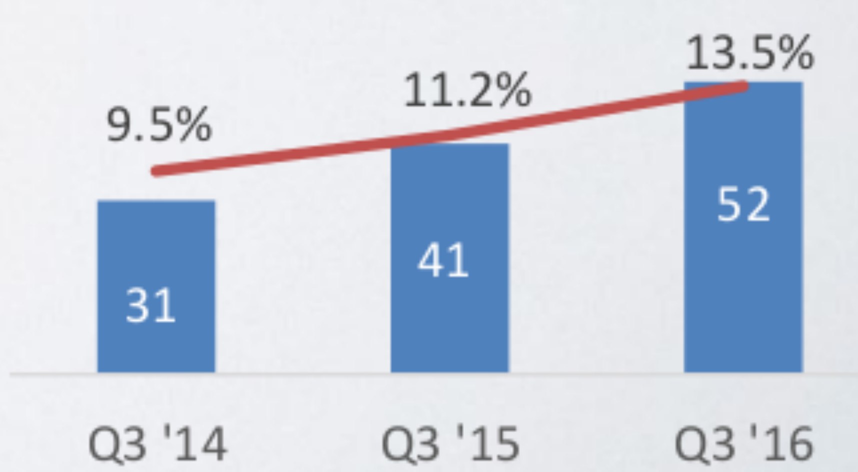
9M

- EBITDA reached €124.6M, implying a growth of +27.3% and a conversion ratio of 39%
- Margin improvement of +1.8 p.p, from 9.5% in 2015 to 11.4% in 2016
- Adjusting leaving indemnities (€0.8M) and rent linearization (€5.0M) proforma conversion reaches 47% in 9M

Q3 GOP (€M)

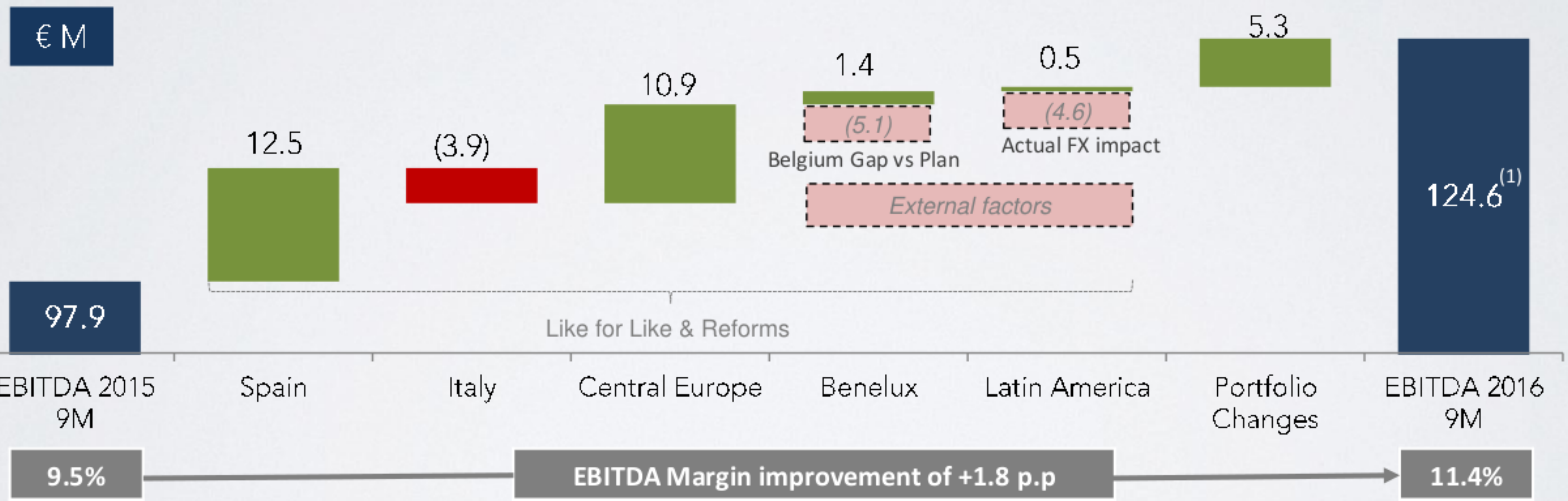


Q3 EBITDA before onerous (€M)



EBITDA GROWTH AND MARGIN IMPROVEMENT IN 9M DESPITE "EXTERNAL" FACTORS

- Spain: EBITDA reached €23.3M, representing an increase of +€12.5M (50% from LFL and 50% from Refurbishments 2015)
- Italy: decrease of -€3.9M fully explained by the 9M EBITDA contribution from Milan Expo '15 of -€10.0M (-€13.3M in revenues) , partly offset by the good performance of Rome and secondary cities in the year
- Central Europe: the positive trade fair calendar allows a revenue increase of +8.2% resulting in an EBITDA increase of +€10.9M
- Benelux: lower contribution of Belgium in 9M vs Plan of the period (-€5.1M in EBITDA, -56%) and vs 9M '15 (-€3.2M or -44%). In the B.U the opportunity cost of hotels under reform in 2016 is -€4.4M, fully compensated by a +18% EBITDA increase in Holland LFL
- LatAm: -€4.6M of negative currency effect at EBITDA level out of -€27.9M in revenues
- Portfolio Changes: +€3.0M from higher contribution of Hoteles Royal and +€2.0M in Spain from the exit of hotels under lease contracts with negative contribution. Upside impact of new openings (+€18.3M in revenues in 9M) , primarily in Italy, do not contribute at EBITDA level (+€0.4M in 9M) during first years



- External factors have continued in October but have been minimized at Recurring Net Income level
- Reforms execution in 2016 in Benelux and Germany have been carried out according to the planned schedule to collect the "Ramp up" in 2017

(1) Includes -€5.0M of rent linearization and -€0.8M of leaving indemnities (non recurring in 2015). Adjusting these 2 items proforma EBITDA conversion in 9M reaches 47% (39% reported)

POSITIVE RECURRING NET INCOME IN 9M WITH A SIGNIFICANT IMPROVEMENT IN Q3

NH HOTEL GROUP P&L ACCOUNT

(€ million)	Q3 2016	Q3 2015	Var.		9M 2016	9M 2015*	Var.	
	M. Eur	M. Eur	M. Eur	%	M. Eur	M. Eur	M. Eur	%
EBITDA BEFORE ONEROUS	**51.5**	**40.6**	**11.0**	**27.1%**	**124.6**	**97.9**	**26.7**	**27.3%**
Margin % of Revenues	13.5%	11.2%		2.3%	11.4%	9.5%		1.8%
Onerous contract reversal provision	1.2	2.4	(1.2)	(48.3%)	4.2	7.7	(3.5)	(45.1%)
EBITDA AFTER ONEROUS	**52.8**	**43.0**	**9.8**	**22.8%**	**128.8**	**105.5**	**23.2**	**22.0%**
Depreciation	(25.7)	(24.0)	(1.7)	7.3%	(75.3)	(69.9)	(5.4)	7.8%
EBIT	**27.1**	**19.0**	**8.1**	**42.4%**	**53.4**	**35.6**	**17.8**	**50.0%**
Interest expense	(12.9)	(12.8)	(0.2)	1.4%	(37.0)	(35.0)	(1.9)	5.5%
Income from minority equity interests	(0.2)	0.3	(0.5)	(151.5%)	(0.0)	0.3	(0.3)	(107.7%)
EBT	**14.0**	**6.6**	**7.4**	**112.2%**	**16.4**	**0.9**	**15.6**	**1811.6%**
Corporate income tax	(3.1)	(0.7)	(2.4)	326.7%	(9.2)	(6.3)	(2.9)	46.5%
NET INCOME before minorities	**10.8**	**5.8**	**5.0**	**85.4%**	**7.2**	**(5.4)**	**12.7**	**233.5%**
Minority interests	(0.9)	(1.1)	0.2	(20.4%)	(2.7)	(2.3)	(0.5)	20.2%
NET RECURRING INCOME	**10.0**	**4.8**	**5.2**	**109.3%**	**4.5**	**(7.7)**	**12.2**	**158.4%**
Non Recurring EBITDA	7.6	(6.5)	14.1	n.a.	42.1	(13.5)	55.6	n.a.
Other Non Recurring items	(5.8)	5.2	(11.0)	n.a.	(25.1)	7.3	(32.4)	n.a.
NET INCOME including Non-Recurring	**11.8**	**3.5**	**8.3**	**236.8%**	**21.5**	**(13.9)**	**35.4**	**254.9%**

** Includes Hoteles Royal from March 4, 2015*

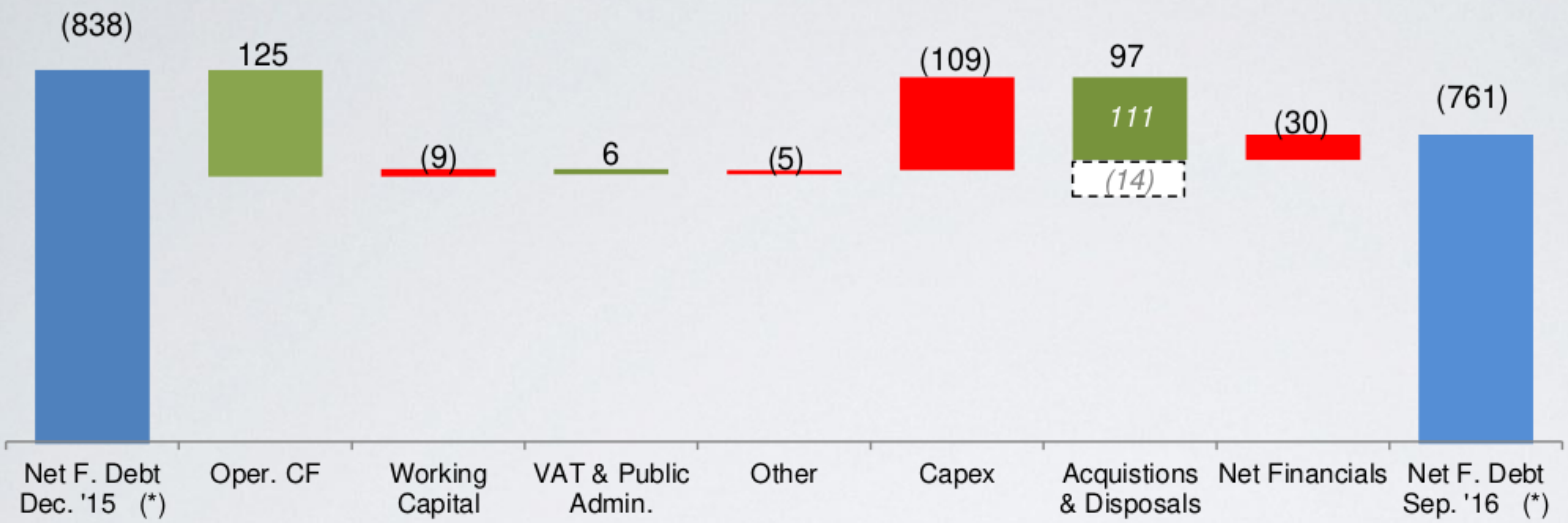
Q3

- Improvement in recurring Net Income of +€5.2m reaching €10.0M due to the business improvement despite:
  - Higher depreciation due to refurbishment Capex (-€1.7M)
  - Higher corporate taxes (-€2.4M) due to achieving a higher EBT partly offset by incentives and tax losses recorded
- Variation in other non-recurring items is mainly due to capital gains from not core asset disposals and the non cash accelerated amortization of the arranging loan expenses of debt refinanced in Q3' 16 (-€3.4M)

9M

- Positive Net Recurring Income reaching €4.5M compared to the loss of -€7.7M in 2015, which represents an improvement of +€12.2M. Including the contribution of non-recurring activity, mainly from non core asset disposal, total Net Income reached €21.5M, compared to a loss of -€13.9M in the same period of 2015

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



30th September 2016
Gross Financial Debt: (€903M)
Cash: €142M
Net Financial Debt: (€761M)

(*) 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 (€739M) at 30th Sept. 2016 and (€809M) at 31st Dec. 2015

- €76M reduction in net financial debt in the nine months 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 first nine months:
  - (+) Operating Cash Flow +€125M, including -€10.6M of credit card expenses and taxes paid of -€7.4M
  - (-) Working Capital: one-off payments to suppliers, via confirming, explains mainly the investment in the period. Average collection period from 36 days in Dec. '15 to 27 days in Sept. '16
  - (+) VAT refunds of +6M
  - (-) Other: mainly explained by treasury stock and leaving indemnities of the recurring business
  - (-) Capex investments: -€109M
  - (+) Asset Disposals of +€111M. Cash outs of China JV contribution(-€4.1m) and Donnafugata Put Option (-€10.3M)
  - (-) Net Financials includes -€4.5M related to the recent refinancing (pending -€4.5M in Q4)

REFINANCING, RATING IMPROVEMENT AND NON CORE ASSET DISPOSAL UPDATE

- Refinancing:
  - Issuance of 7Y €285m Senior Secured Notes due 2023 to refinance short term bank debt ahead of 2017/2018 maturities:
    - ✓ Extend maturity and enhance financial and operational flexibility
    - ✓ Include flexibility in the collateral based on deleverage
    - ✓ Satisfactory pricing of 3.75%
  - Subscription of Long term Revolving Credit Facility "RCF" (3 +2 years) with automatic renewal once the HY 2019 is refinanced:
    - ✓ Increase liquidity and support the corporate rating of the Group
    - ✓ Pari-passu with existing HY Bond due 2019 and new HY due 2023 (RCF secured only with drawn amount)
- Corporate Rating improvement:

MOODY'S First-time corporate family rating of B2 reflects "the turnaround plan, improved liquidity and asset-lighter focus" (July 27, 2016)

S&P Corporate rating upgraded To 'B' on "improved operating performance and adequate liquidity" (August 1, 2016)

Fitch Ratings Corporate rating upgraded To 'B' on "improved liquidity and better structural and cyclical performance" (September 30, 2016)

- Asset Disposals:
  - Out of the €140M divestment target for 2016, as of 30th September, transactions amounting to €125M (€111M cash in 2016 and €14M in 2017) have been closed reaching 90% of the target
  - 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
- Deleverage Target:
  - Taking into account last 12 months, leverage ratio is reduced from 5.6x in 31st Dec. 2015 to 4.3x in 30th Sept. 2016

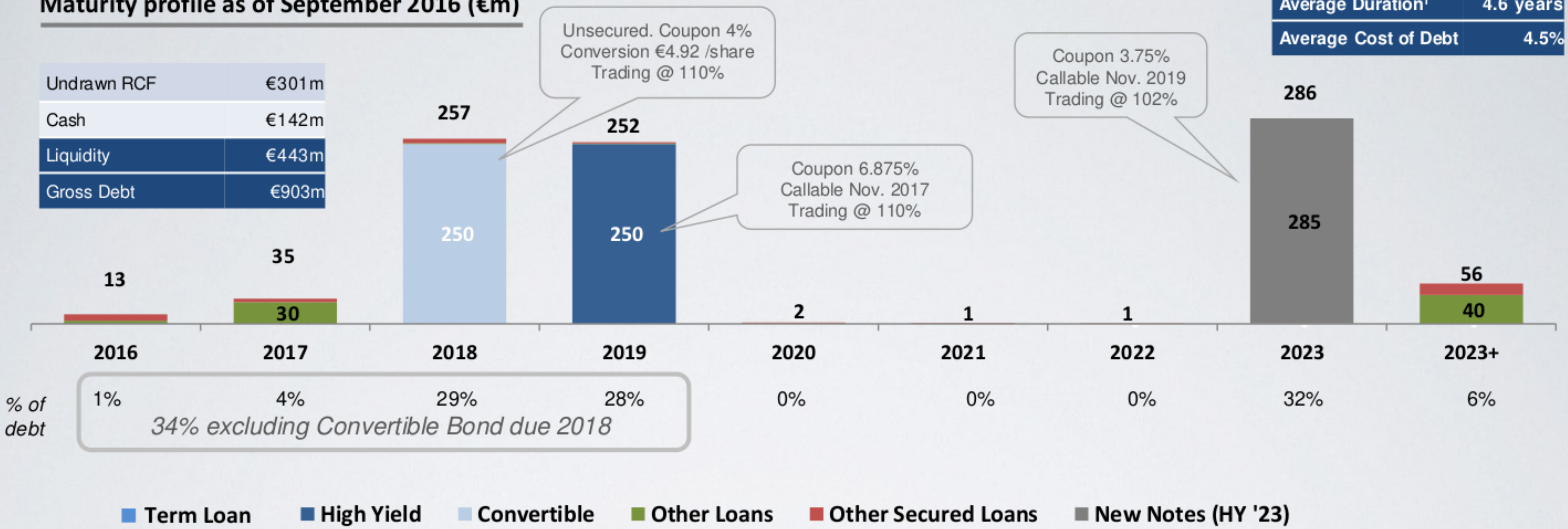
	Dic. 2015	Sept. 2016
Net Financial Debt	838	761
NFD/LTM EBITDA	5.6x	4.3x

ANNEX: DEBT MATURITY SCHEDULE POST REFINANCING

Maturity profile as of September 2016 (€m)

Undrawn RCF	€301m
Cash	€142m
Liquidity	€443m
Gross Debt	€903m

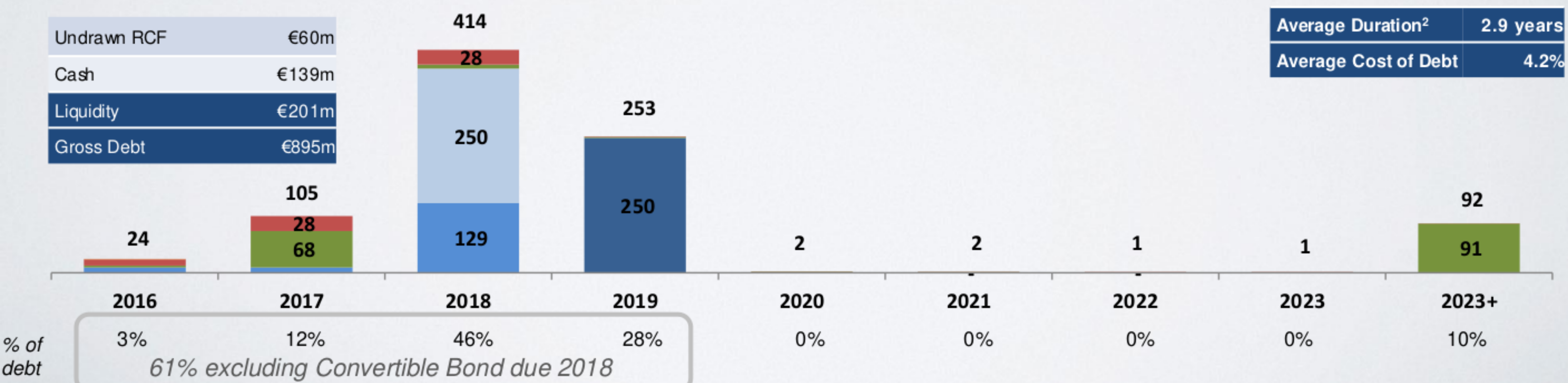
Average Duration[1]	4.6 years
Average Cost of Debt	4.5%



Pro forma Maturity profile as of September 2016 without Refinancing(€m)

Undrawn RCF	€60m
Cash	€139m
Liquidity	€201m
Gross Debt	€895m

Average Duration[2]	2.9 years
Average Cost of Debt	4.2%



[1] Excludes Subordinated Loan €40M due 2037 / [2] Excludes Subordinated Loans €75M due 2037

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