Q1 2017 RESULTS PRESENTATION

BUILDING UP THE NEW NH

11th of May 2017

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NH Collection Barcelona Gran Hotel Calderon, Spain

A message from the CEO

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"Dear Shareholders,

I am delighted to present a strong set of first quarter results. We performed strongly in all our business units and in particular showed outstanding results in Spain and Benelux, allowing us to report in the first quarter of the year the highest revenue growth since 2007 and positive recurring EBITDA, first time since 2012, implying a significant improvement in the net result.

The Company continues to focus on cash generation, deleveraging and improvements in efficiency. We are continuing to benefit from the repositioning and strong macro environment in many of our core markets. In addition, our brands continue to outperform peers in the respective local markets.

The Board also wishes to give clarity on the dividend policy going forward and the proposal for fiscal year 2016 proves that shareholder remuneration is essential and as such will look to implement a stable and progressive dividend policy that is still consistent with the debt reduction targets of the company.

In addition the Board has also approved a long term incentive plan, linked to the share price performance, to remunerate key employees."

Ramón Aragonés
CEO, NH Hotel Group

Q1 2017 highlights

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Robust Revenue up +8.9% (+€27m) vs Q1 2016, the highest since 2007

- Revenue Like for Like ("LFL") +6.6%
- Growth in all markets and excellent performance in Benelux (+16.6%) and Spain (+12.1%)
- RevPar +11.9%: combined growth strategy of ADR (+5.5%) and Occupancy (+6.0%) in a traditionally weak quarter

Positive recurring EBITDA first time since 2012

- Reaching €10.8m, an increase of +€15.6m, due to a remarkable 58% EBITDA conversion rate from incremental revenues to EBITDA

Significant reduction of Q1 negative net profit

- Q1 is the weakest quarter of the year, however NHH achieved +€14.9m from -€39.6m in Q1 2016 to -€24.8m

Net Financial Debt in line (€750m) with 2016 year-end

- Successful €115m TAP issuance (YTM 3.17%) of HY 2023 in April 2017
  - Repayment €150m of HY 2019 (coupon 6.875%)
  - Average cost reduced and maturities extended
- Disposal of New York hotel on track
  - Significant interest from buyers with several non binding offers in vacancy and Sale&Leaseback
  - Closing expected in early Q4 2017

Financial Targets

- Strong Q1 & visibility for Q2 reinforce high end of the EBITDA guidance for 2017: €225m
- 2017 trend and visibility consolidate the positive outlook for 2018:
  - Growth in key markets, driven by Spain and Benelux
  - Second year of ramp-up from 2016 repositioning
  - Efficiency Phase II: €7-10m additional savings

Dividend proposal for the year 2016 and new incentive Plan aligned to profitability and share price performance subject to AGM approval

Key financial metrics

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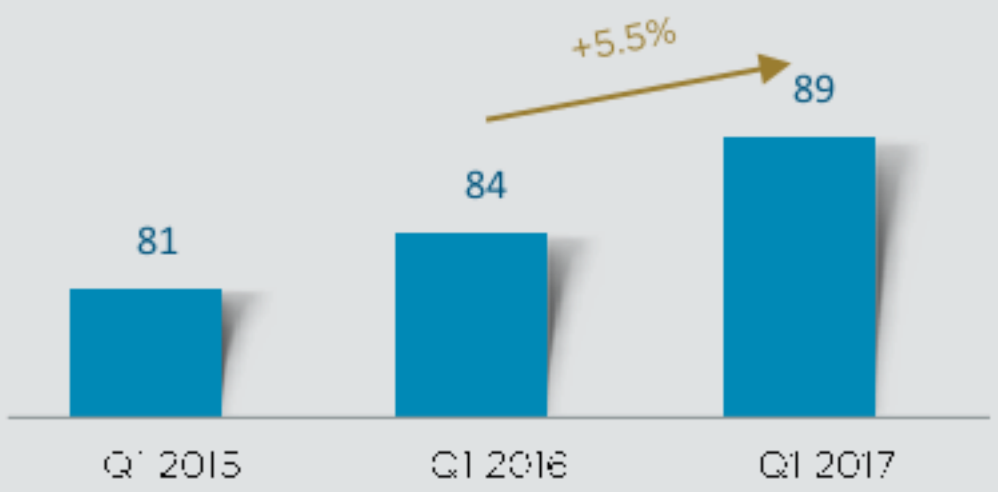
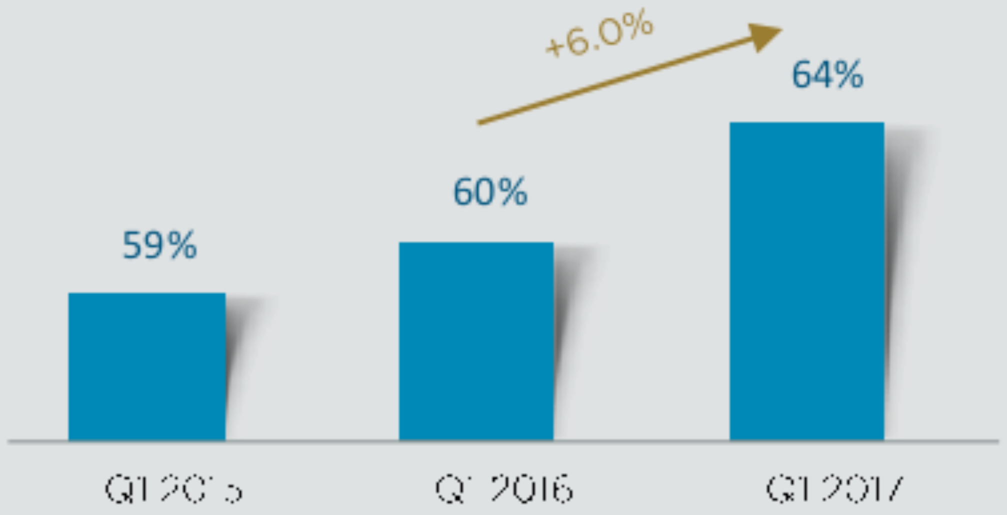
ADR Q1 (€)

- +5.5% price increases (+€4.7) reaching €89
- +4.4% CAGR in the period 2015-2017 (+€7.3)



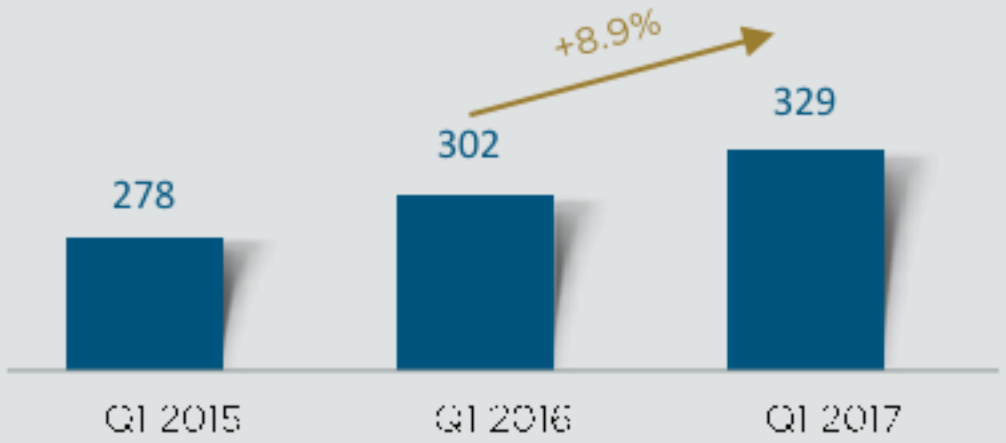
Occupancy Q1 (%)

- +6.0% activity increase or +3.6 p.p.
- Strong demand in Benelux (+10.9%) and Spain (+7.2%)



Revenues Q1 (€m)

- +€27m revenue growth (+8.9%) with a strong performance in Benelux and Spain
- +8.7% CAGR from 2015, an increase of more than €50m

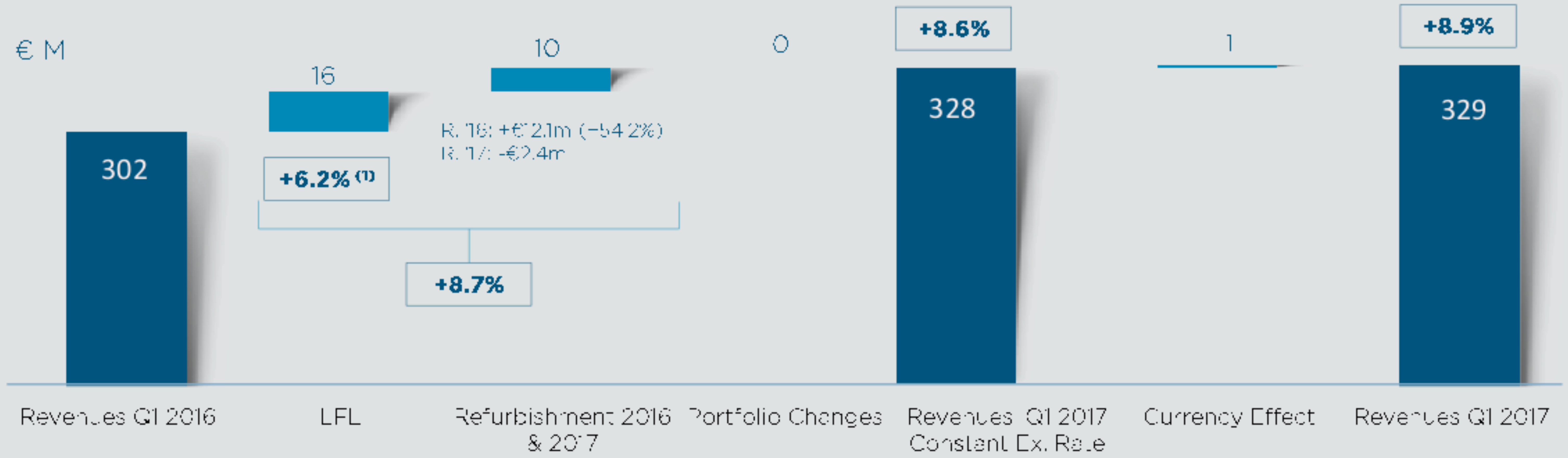


Recurring EBITDA Q1 (€m)

- +€15.6m vs Q1 2016 due to a sound 58% conversion rate from incremental revenues to EBITDA
- First time since 2012 of positive recurring EBITDA in the first quarter of the year

Solid revenue performance continues in Q1 2017

- **Revenue growth of +8.9%** vs. Q1 2016 reaching €329m (+€27m)
  - Highest revenue increase since 2008 in the first quarter of the year
  - Easter shift contributed with c. +2.0% and the loss of one business day with c. -1.3%
- **LFL & Refurbished hotels** grew +8.7% at constant exchange rate (+9.0% reported)
  - LFL revenue grew +6.2% with constant FX (+6.6% reported)
  - 2016 refurbished hotels increased revenues in Q1 2017 by +€12m
- Portfolio changes: new openings revenue contribution compensate the higher number of rooms closed



Growth Contribution	+5.3%	+	+3.2%	+	+0.1%	=	+8.6%	+	+0.3%	=	+8.9%

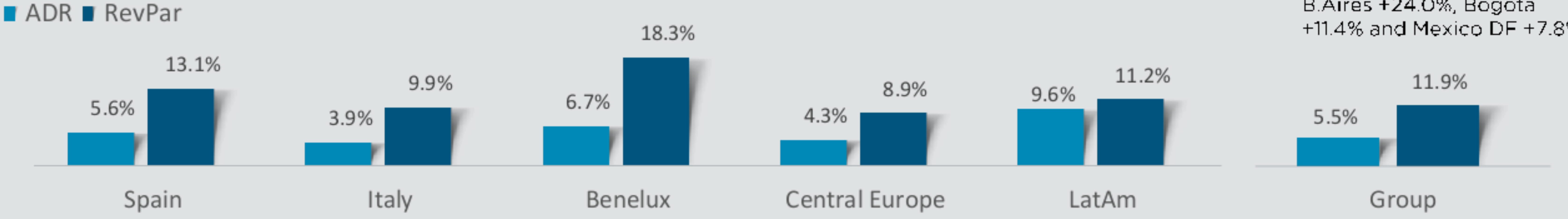
(1) On its 2016 own base. With real exchange rate growth is +6.6%

Combined Occupancy & ADR growth in a traditionally weak quarter

- **+11.9% RevPar increase in Q1 2017, 50% through Occupancy in a low contribution quarter**
  - RevPar growth across all markets with an outstanding double digit growth in Benelux and Spain

- **LFL RevPar grew +8.4%:**
  - Benelux: Brussels +17.1% and Amsterdam +3.7%
  - Spain: Madrid +12.0% and Barcelona +10.6%
  - Italy: Milan +4.3% and Rome +2.6%
  - Central Europe: Berlin +12.1% and Frankfurt +6.5%
  - LatAm (FX reported): B.Aires +24.0%, Bogota +11.4% and Mexico DF +7.8%

Q1 2017 Consolidated KPIs by BU



- **Relative RevPar outperformance of +3.1p.p in top cities vs. competitors** through a mix of higher relative ADR (+1.6 p.p.) and relative activity (+1.4 p.p.)

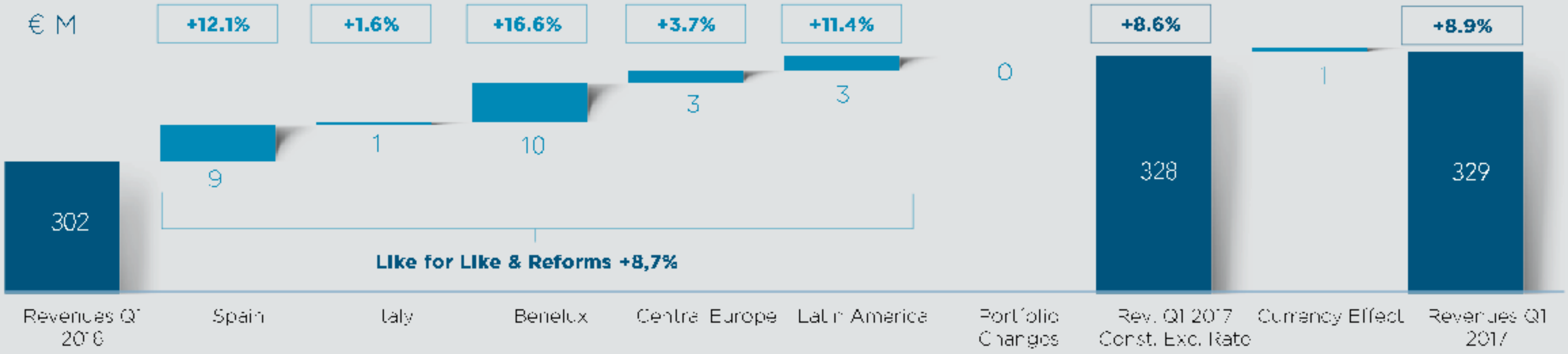
Q1 2017	ADR % var.		"Relative" ADR	"Rel." RevPar
	NHH	Comp.Set	Var.	Var.
Spain	7.0%	3.6%	3.4 p.p.	8.3 p.p.
Italy	2.0%	0.9%	1.1 p.p.	2.2 p.p.
Benelux	9.8%	7.2%	2.6 p.p.	10.9 p.p.
Central Europe	4.5%	5.0%	-0.5 p.p.	-2.9 p.p.
Total NHH	3.4%	1.9%	1.6 p.p.	3.1 p.p.

Source: STR/MKG/Farmas Competitive Set, Average Growth

- **Remarkable performance in:**
  - **Madrid:** Relative ADR +3.7 p.p. ; RevPar +10.3 p.p.
  - **Barcelona:** Relative ADR +1.1 p.p. : RevPar +10.1 p.p.
  - **Amsterdam**: Relative Occupancy +14.3 p.p. ; RevPar +13.2 p.p.
  - **Brussels**: ADR preserved with lower occupancy (Relative ADR +9.3 p.p. ; RevPar +6.3 p.p.)
- In Central Europe the fall is explained by the extraordinary performance of Munich during Q1 2016 (refugee crisis) which lead to a RevPar increase of +13% (vs -2% Comp. Set.)

Revenue growth in all key markets

- **Spain:** +12.1% growth in LFL&R, being LFL +7.7%. Remarkable LFL performance of Madrid (+9.6%) and Barcelona (+10.6%)
- **Italy:** +2.9% growth in LFL and +1.6% including the leased hotel under reform in Turin funded by the owner. The closing of 3 hotels with 554 rooms in 2016 explains the difference between RevPar and Revenues
- **Benelux:** LFL Revenue growth of +4.5% supported by the higher activity level in Brussels (+13.5% in LFL). Including the ramp-up from 2016 renovations, revenue grew +16.6%
- **Central Europe:** +5.5% revenue growth in LFL, higher than the +3.7% LFL&R due to 2016 renovations concluded in 2017
- **LatAm:** +11.4% growth in LFL&R with constant exchange rate. Including positive impact of currency reported LFL&R increased +13.3% or +€4.0M



						Ex-Currency	Reported
Revenue LFL	+7.7%	+2.9%	+4.5%	+5.5%	+9.4%	+6.2%	+6.6%
Total Revenue	+10.9%	+0.2%	+21.5%	+2.1%	+11.5%	+8.6%	+8.9%

Positive recurring EBITDA in Q1: first time since 2012

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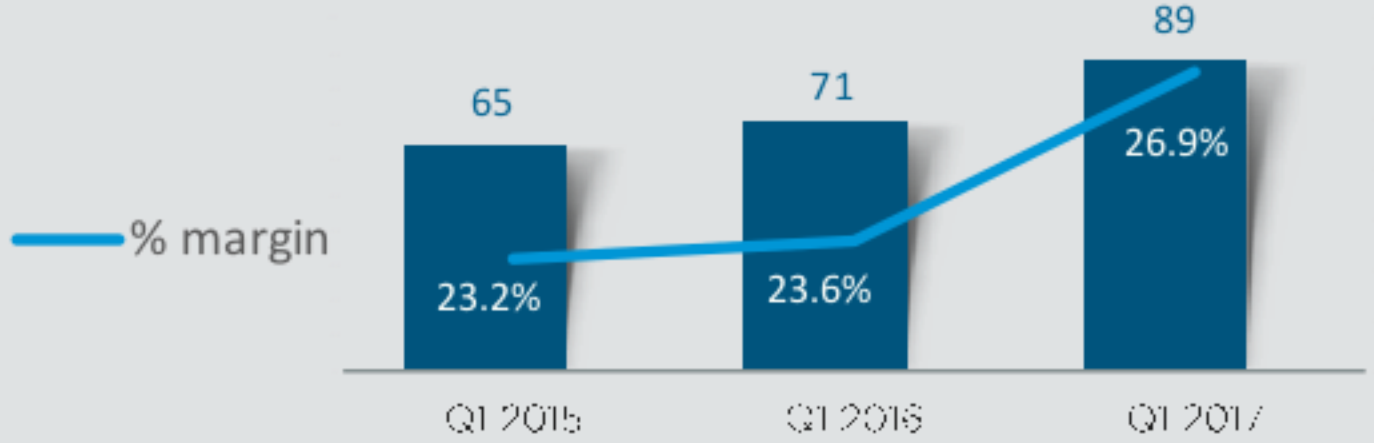
NH Hotel Group P&L

€ million / Recurring Activity	Q1 2017	Q1 2016	VAR.	
	M. Eur	M. Eur	M. Eur	%.
TOTAL REVENUES	**328.6**	**301.8**	**26.8**	**8.9%**
Staff Cost	(125.6)	(121.5)	(4.1)	3.4%
Operating expenses	(114.4)	(109.1)	(5.4)	4.9%
GROSS OPERATING PROFIT	**88.6**	**71.2**	**17.4**	**24.4%**
Lease payments and property taxes	(77.8)	(76.0)	(1.8)	2.4%
EBITDA BEFORE ONEROUS	**10.8**	**(4.8)**	**15.6**	**n.a.**

- **Cost control despite occupancy growth** resulting in an improvement in GOP of +€17.4m (+24.4%)
  - +3.4% increase in **Payroll cost** and +4.9% in **Operating Expenses** due to higher activity (+6.0% occupancy) and variable costs
  - GOP margin improved by +3.3 p.p. , reaching 26.9%
- Lease payments and property taxes increases -€1.8m (+2.4%), out of which variable lease components explain 58% of the increase
- **Recurring EBITDA before onerous** reaches €10.8m, an increase of +€15.6m
  - Remarkable 58% EBITDA conversion rate from incremental revenues to EBITDA

Gross Operating Profit (€m)



Recurring EBITDA (€m)

Net Result improves due to significant EBITDA growth

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NH Hotel Group P&L Account

€ million	Q1 2017	Q1 2016	VAR.	
	M. Eur	M. Eur	M. Eur	%.
EBITDA BEFORE ONEROUS	**10.8**	**(4.8)**	**15.6** [1]	**n.a.**
Margin % of Revenues	3.3%	1.6%	4.9 p.p	n.a.
Onerous contract reversal provision	1.0	1.3	(0.3)	20.6%
EBITDA AFTER ONEROUS	**11.8**	**(3.5)**	**15.3**	**n.a.**
Depreciation	(25.8)	(24.2)	(1.6)	6.5%
EBIT	**(14.0)**	**(27.7)**	**13.7**	**49.5%**
Interest expense	(14.1)	(11.7)	(2.4) [2]	20.5%
Income from minority equity interest	(0.0)	(0.1)	0.1	n.a.
EBT	**(28.1)**	**(39.5)**	**11.4**	**28.8%**
Corporate income tax	1.0	2.4	(1.3) [3]	55.3%
NET INCOME BEFORE MINORITIES	**(27.1)**	**(37.2)**	**10.1**	**27.1%**
Minorities interests	(0.6)	(0.6)	(0.0)	5.4%
NET RECURRING INCOME	**(27.7)**	**(37.7)**	**10.1** [4]	**26.7%**
Non Recurring EBITDA	7.1	1.8	5.3	n.a.
Other Non Recurring items	(4.1)	(3.7)	(0.4)	n.a.
NET INCOME INCLUDING NON-RECURRING	**(24.8)**	**(39.6)**	**14.9** [5]	**37.5%**

1. **Recurring EBITDA before onerous reaches €10.8m, an Increase of +€15.6m**

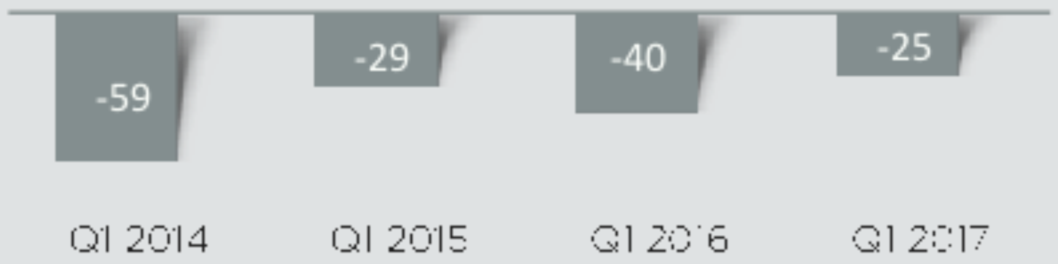
2. **Financial Expenses:** the issuance of HY 2023 in Sept. 2016 to refinance bank debt maturing in 2017&2018 extending maturities explains the higher interest expense
   - Significant reduction in average cost of debt after April refinancing: €115m TAP issuance HY 2023 yield to maturity of 3.17% to repay €150m of HY 2019 with a coupon of 6.875%

3. **Taxes:** the use of tax incentives compensates the higher taxable base due to business improvement and the reversal of tax holding provision (-€1.9m) in Spain (RD3/2016)

4. **Net Recurring Income:** +€10.1m improvement reaching a negative profit of -€27.7m in Q1 2017 compared to -€37.7m in Q1 2016

5. **Total Net Income:** Although Q1 is the weakest quarter of the year (20% of revenues), the improvement of +€14.9m is significant. In Q1 the capital gains from asset rotation further improves net result reporting a negative net income of -€24.8m in Q1 2017 compared to -€39.6m in Q1 2016

Total Net Result (€m)



Net Financial Debt in line with 2016 year-end in a traditionally low performing quarter

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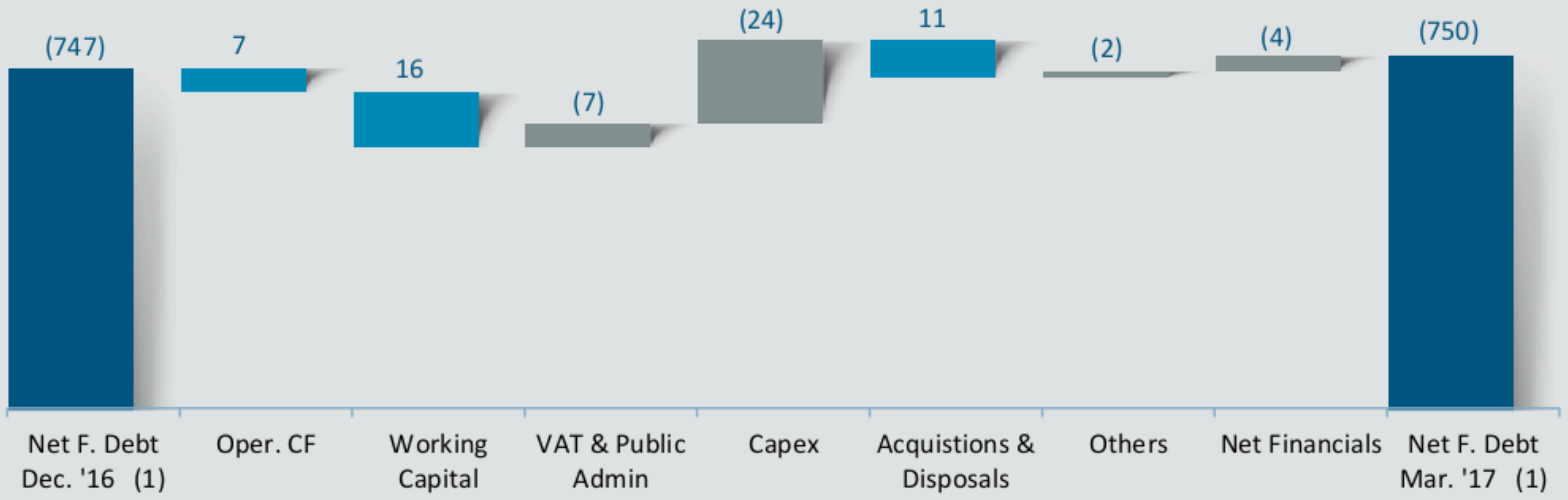
Operating cash flow and asset rotation fully finance the repositioning capex and last payment of 2015 Hoteles Royal



Financial Position: 31st March 2017
Gross Financial Debt: (€878m)
Cash: €128m
Net Financial Debt: (€750m)

Treasury Stock in B/S not included in cash position[2]
Number of shares: 9.4m
Market Value: €41.7m

- **(+) Operating Cash Flow** +€6.9m, including -€3.5m of credit card expenses and taxes paid of -€4.1m
- **(+) Working Capital:** improvement due to a lower average collection period (from 23 days in December. 2016 to 19 days in March. 2017)
- **(-) Capex payments:** -€24m in Q1 2017 mainly due to 2016 repositioning capex payment

(1) 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 (€725m) at 31st Dec. 2016 and (€738m) at 31st Mar. 2017

- **(+) Acquisitions & Disposals:** +€30.5m, out of which Sale & Leaseback NH Malaga contributed +€22.2m, and -€19.6m final payment of 2015 Hoteles Royal acquisition
- **(-) Other:** payment of legal provisions
- **(-) Net Financials:** -€4.1m interest paid

(2) As of 31st March 2017, the Company had 9,430,980 treasury shares in its balance sheet, of which 9m shares correspond to a loan of securities linked to the convertible bond issue in November 2013. Of those 9m shares, as of 31st March 2017, 7,173,219 had been returned and are therefore held by NHH although they remain available to the financial institutions. In August 2016 the Company purchased 600,000 treasury shares and in March 2017 the Company has delivered 169,020 shares to management under the Long Term Incentive Program, resulting in a net amount of 430,980. Treasury stock in € calculated with the price per share as of 31st of March 2017 (€4.42 per share)

Tap issuance along with cash to repay €150m of HY 2019

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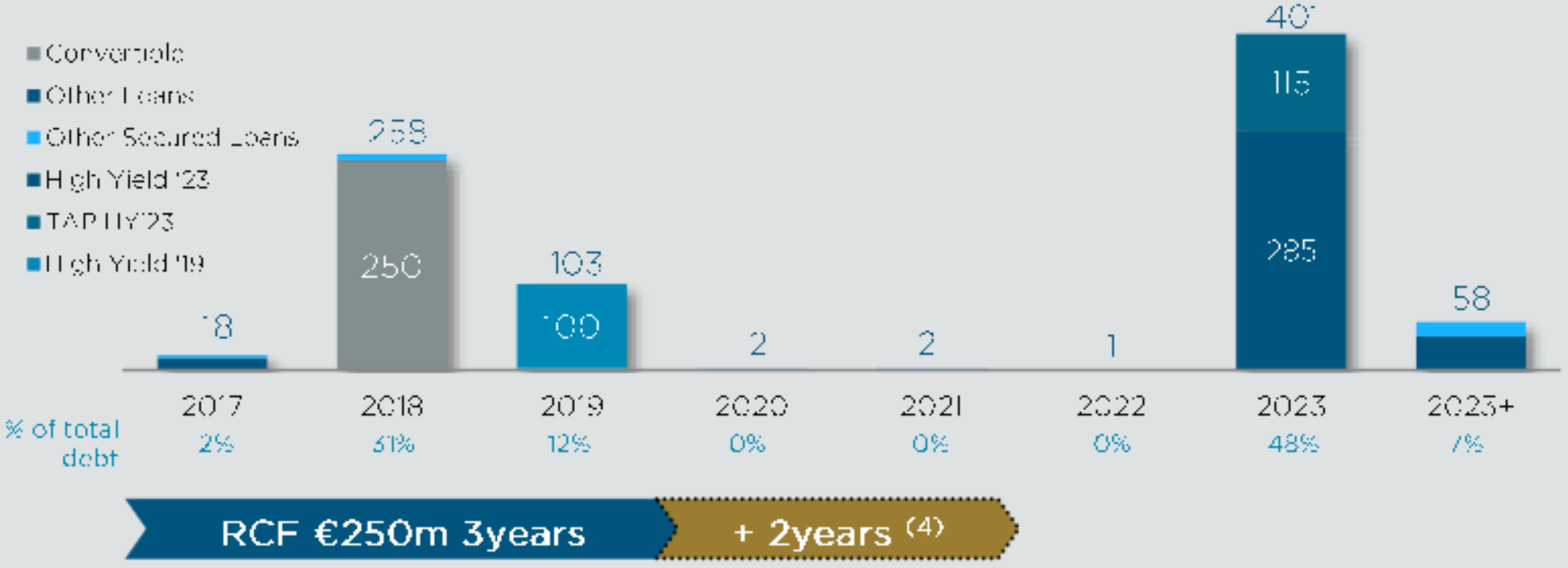
- In April 2017, NHH has used the **€115m** proceeds from the issuance of a **Tap** (YTM 3.17%) **of the High Yield Bond due 2023, alongside with cash to repay €150m** of the existing **High Yield Bond due 2019** (coupon 6.875%) with the objective of:
  - **Reduce average cost of debt from 4.7% to 4.1%**
    - €115m TAP yield to maturity of 3.17%
  - Reduce gross debt by €35m
  - **Extend average maturity from 4.0 to 4.6 years**[1], proforma as of March 2017

Sources	€m	Uses	€m
2023 Senior Secured Tap proceeds (€115m @ 103.375)	119	Repayment of the 6.875% bond [2] (€150m @107.9)	166
Cash	49	Transaction costs	2
Total sources	*168*	*Total uses*	*168*

Pro-forma maturity profile as of 31st March 2017: Gross Financial Debt €843M [3]



Key terms:
- Unsecured Convertible Bond: €250m, Nov. 2018, fixed rate 4%, conversion price €4.92
- High Yield Bond '19: €100m. Nov. 2019. fixed rate 6.875%. Callable from Nov. 2017 at 103%
- High Yield '23: €400m, Oct. 2023, fixed rate 3.75%. Callable from Oct. 2019 at 102%. Additional 10% annually from 2018
- Revolving Credit Facility: Undrawn. €250m (3+2 years with automatic renewal with the refinance of HY Bond due 2019), E +1.85%

Corporate Rating Improvement:

Rating	NHH	HY'19	HY'23
S&P	B	BB	BB
Fitch	B ⬆	BB	BB
Moody's	B2	n/a	Ba3

⬆ Positive Outlook

(1) Excluding subordinated loan due 2037 / (2) Including accrued interests / (3) Financial Debt excluding accounting adjustments / (4) Automatic extension of maturity from 2019 to 2021 upon future refinancing of HY2019

New Long Term Incentive Plan ("LTIP") aligned to shareholders return

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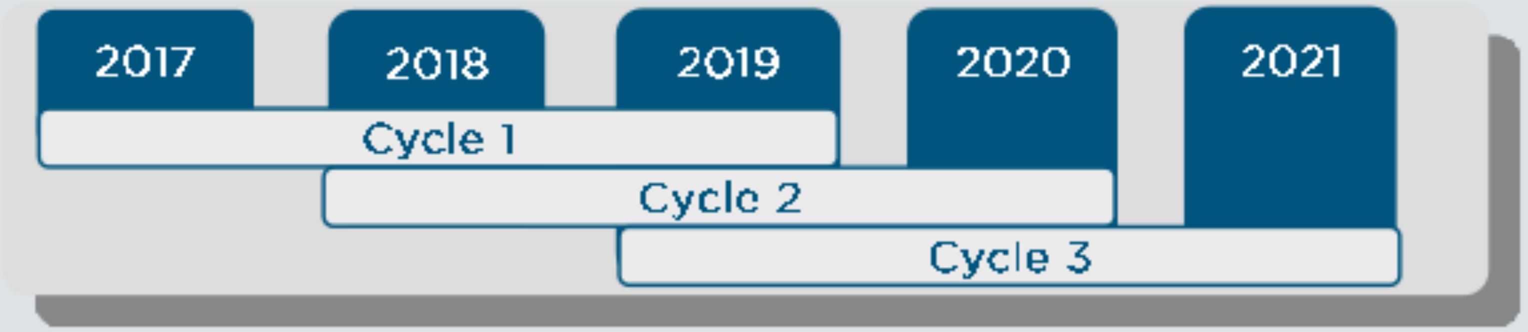
- The Plan is divided into 3 independent overlapping cycles with a vesting period of 3 years each, granted annually



- Performance shares aimed for c.100 beneficiaries upon fulfillment of the following new objectives (25% each) aligned to shareholder value creation:
  - Profitability (on a yearly basis and compared to target of each year)
    - Recurring EBITDA
    - Net Recurring Profit
  - Market performance:
    - Share Price: revaluation of the share price considering the average price of the last 30 trading sessions of the year

Objective	Share price			% accomplishment
	2017-2019	2018-2020	2019-2021	
Minimum	€6,0	€6,6	€7,26	100%
Maximum	≥€7,2	≥€7,92	≥€8,72	120%

    - Relative sectorial TSR (Index Dow Jones EUROPE STOXX Travel & Leisure)

- Following Proxy Advisors and Good Governance Code recommendations clawback and stock ownership policy clauses will be attached.

- Further details of the LTIP proposal are disclosed in the AGM materials

Visibility for H1 reinforces 2017 guidance

Strong Q1 & good visibility for Q2 reinforce high end of the EBITDA guidance for 2017: €225m

- Leverage Ratio 3.0x – 3.25x
- Disposal of the NY hotel on track
  - With NY disposal below 3.0x

Current trend and 2017 visibility consolidate the positive outlook for 2018 additionally supported by:

- Growth in key markets, particularly fuelled by Spain and Benelux
- Second year of ramp-up from 2016 repositioning
- Efficiency Plan phase II: €7-10m additional savings

Increase in owned asset valuation: €1.9bn (+0.1bn)

- Supported by operative improvement despite exits and Brussels impact
- Capex invested
- Higher base of unencumbered assets

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