12 MONTH PRELIMINARY SALES AND RESULTS 2014

26th February 2015

INVESTOR RELATIONS
investor.relations@nh-hotels.com
T: +34 91 396 05 02

- **NH exceeds market expectations, improving its net result by +76% (reducing losses of -€39.8M in 2013 to -€9.6M in 2014) in the first year of the strategy plan's implementation,** highlighting the new value proposition and prices strategy, beginning of the repositioning Capex and implementation of the IT system transformation plan.

- **Recurring EBITDA adjusted with the disposal of assets (€+5.5M) would have improved in 2014 by +7.0% to € 131.7M compared to €123.1M the previous year (€+8.6M)** fulfilling the guidance of the year. Further adjusting the negative exchange rate effect (€+3.8M), growth would have been +10.1%. Taking into account both effects, recurring EBITDA improves by +2.5%, reaching 126,2M € (€+3.1M).

- The performance of the **second half of the year was stronger than in the first half: recurring income grew by +3.0% (vs. -1.1% in H1)** due to an increase of **RevPar of +4.1% (vs. +2.6% in H1) and an improvement in its composition**, with **prices rising +2.7% (vs. +0.2% in H1). With all this recurring EBITDA in the second half of the year grows +14.4% (vs. -13.3% in H1).**

- **The RevPar LFL grew by +2.4% in the last quarter and +4.2% at constant exchange rate, with 99% of the RevPar growth through average prices,** despite the unfavourable events registered in the month of October. In this quarter the months of November and December performed very positively, with a remarkable price increase at around +5%.

- The audited information does not substantially change the amount put forward two weeks ago (the EBITDA is higher by €+4.2M due to the increased reversal of provisions)

- **All regions reported a positive performance of the RevPar LFL, both in the last quarter of the year** (Latin America in constant exchange rate**) and over the year as a whole**.

- **Recurring income adjusted with asset disposals (€+20.7M) would have improved in 2014 by +2.7% to €1,285.8M from €1,252.6M the previous year (€+33.3M).** Additionally adjusting the negative effect of the exchange rate (€+17.1M) growth would have been +4.0%. Considering both effects, recurring income improves by +1.0%, reaching €1,265.1M (€+12.5M).

- **Total recurring operating expenses** including leases and adjusted for asset disposals **have grown over the year by +2.2% (€+24.7M)**, reaching €1,154.1M from €1,129.5M the year before. Additionally adjusting the effect of currency, growth would have been **+3.4% (€+37.9M).** Including both effects, total operating expenses increased in the year +0.8%, reaching € 1,138.9M (€+9.4M).

- **Staff costs** rose by +2.2% (€+10,0M). 47% of this increase (€+4.7M) is explained by the **increased activity of the group** in the year (+2.2% rise in consolidated occupancy) and the effect of inflation. A 15% increase is motivated by higher wages through collective agreements in Central Europe and the rest (€+3.9M), is due to higher **expenses at the group level due to the strengthening** of the following **teams**: operations, commercial, web, revenue management and marketing, which began to be incorporated in the last quarter of 2013 according to the plan.

- **Other operating expenses increase by +2.3% compared to the previous year (€+9.1M)** which is actually under the planed budget. Of this increase, €+2.5M corresponds to extraordinary expenses related to the implementation of the strategic plan. Removing this effect, expenses would have risen only by +1.6%, below the increase in activity of the group.

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- **The recurring net result improved by +47.3% after minorities.**

- The key initiatives of the Strategic Plan develops positively in terms of timing and execution.

- Announcement of the **acquisition of Hoteles Royal** in the month of February 2015 for **€65.6 million** (net of the sale of NH Bogotá Parque 93). Family business of **20 hotels with 2,257 rooms** and 2 plots for construction of hotels, along with an extensive portfolio of projects, one of which is currently under construction (Panama). **High component of asset-light:** 83% of the rooms are operational variable leases and management contracts. NH becomes a key operator in Colombia, gaining a significant presence in Chile and a solid platform of potential expansion in Latin America.

- On the 13th of February an agreement was signed with four Spanish financial institutions for a **mortgage loan with the hotel NH Carlton as guarantee for the sum of €40 million with a financial cost of Euribor +275bp with final maturity in November 2017**. The funds are destined for the early repayment of the IMI mortgage loan (Euribor +425bp, maturing in 2015, 5 Italian hotels as guarantee). Additionally, similar alternatives are being explored for other mortgage loans in several areas.

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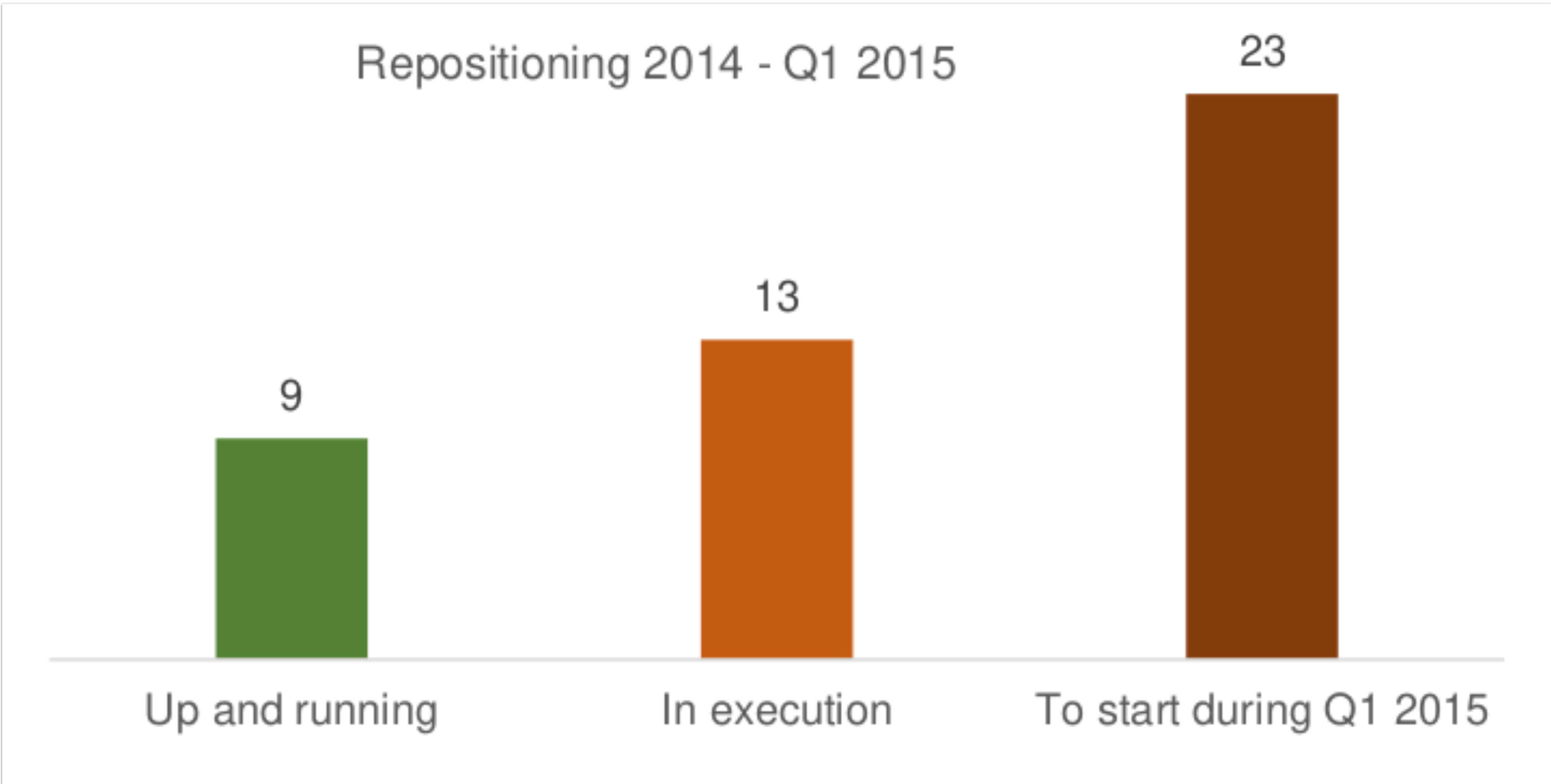
Outlook for 2015 and Status of the Strategic Plan:

- **2015**: RevPar growth between +5% and +7% is forecasted for the year. The recurring EBITDA will grow by around 25% compared to the previous year including the contribution of Hoteles Royal from 1st of March 2015.
- **Repositioning Plan**:



The plan is progressing as expected. Completed renovations such as the NH Collection Palazzo Barocci (Venice), NH Alonso Martínez (Madrid), NH Firenze (Florence), NH Berlin Mitte (Berlin), NH Collection Eurobuilding (Madrid), NH Collection Abascal (Madrid) and NH Gran Hotel de Zaragoza (Zaragoza), have achieved an average RevPar growth of +15.8% between October and December.

- **Brand**: In the last quarter of 2014 both the NH Collection campaign and the program for SMEs "NH Corporate" were launched. NH Collection with 29 hotels by the end of 2014 (reaching 52 hotels in 2015) is beginning to show its potential both in terms of quality (with better scores even in hotels which have not been subject to refurbishment) and prices:

ADR Increase 2014	H1	H2	Total
NH Collection	1.8%	7.1%	4.4%
NH 4* - Key cities	0.4%	3.8%	2.1%
NH 4* - Other	0.3%	1.8%	1.1%

Marketing efforts of last year have led to improved recognition and recommendation of the brand, obtaining improvements of several positions in Italy, Holland and Germany and maintaining the leading position in Spain. We continue to strengthen our position in MICE particularly in terms of technology (holographic telepresence and state of the art video conference) having entered into several commercial and collaboration agreements.

The NH Rewards loyalty program reached 4.5 million members by the end of January, 31% of whom joined in the last 12 months. The increase in members in the top categories is remarkable. The NH Rewards Corporate campaign, launched in Spain in 2014 is being launched in other regions with the aim of implementing the program in 50 companies / year.

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T: +34 91 396 05 02

- **Pricing & Revenue Management**: The new architecture of B2C tariffs, types of room and the price strategy by destination have been fully implemented in all the hotels and the pricing project has been initiated for the MICE/groups segment.

  In key destinations (Amsterdam, Brussels, Madrid, Barcelona) the change of segmentation has been initiated with readjustments of price strategies and hotels indexation by destination. Results for the month of December, +6.8% of ADR for NH vs. +2.9% for direct competitors, improving the trend for the Sept-Nov period (+3.9%) in these key destinations.

- **IT:** The month of January ended with the migration of the back office systems in Italy and therefore four BU have now migrated. The next BU is America planned for the first half of 2015. The front office migration continues in Spain which now has 105 and starting in Benelux in October with 25 hotels. The final target for this year is considering migration of 100% hotels. In January the new website for NH Collection brand (www.nh-collection.com) was launched and in March we will implement the Hesperia website.

- **Support functions:** Italy joins the Spain, Benelux and Central Europe BU where implementation of the shared services centre has been completed. The transition of America is expected for the first half of 2015.

- **Disposal of assets and portfolio optimization:** disinvestments in 2014 raised €244M, mainly due to the disposal of 97% of Sotogrande, exceeding the target of €125 million and minimizing the EBITDA loss originally assumed. In January 2015 the NH Bogotá Parque 93 hotel was sold, as part of the restructuring of capital in the region following the acquisition of the Hoteles Royal.

  The portfolio optimization plan forecasted the exit of 44 hotels in the period 2013-2014. By the end of 2014 the exit of 30 hotels had been achieved, maintaining 14 within the company as a result of agreements reached with their owner (improved economic conditions or investment undertakings). The 2015 target affects 13-15 hotels.

- **Leases**: due to the nature of the agreements (increased number of renegotiations vs. cancellations), the target set for the year with regard to the impact on EBITDA was exceeded, obtaining an annual saving of €10.7M, of which €6.0M are of long term nature.

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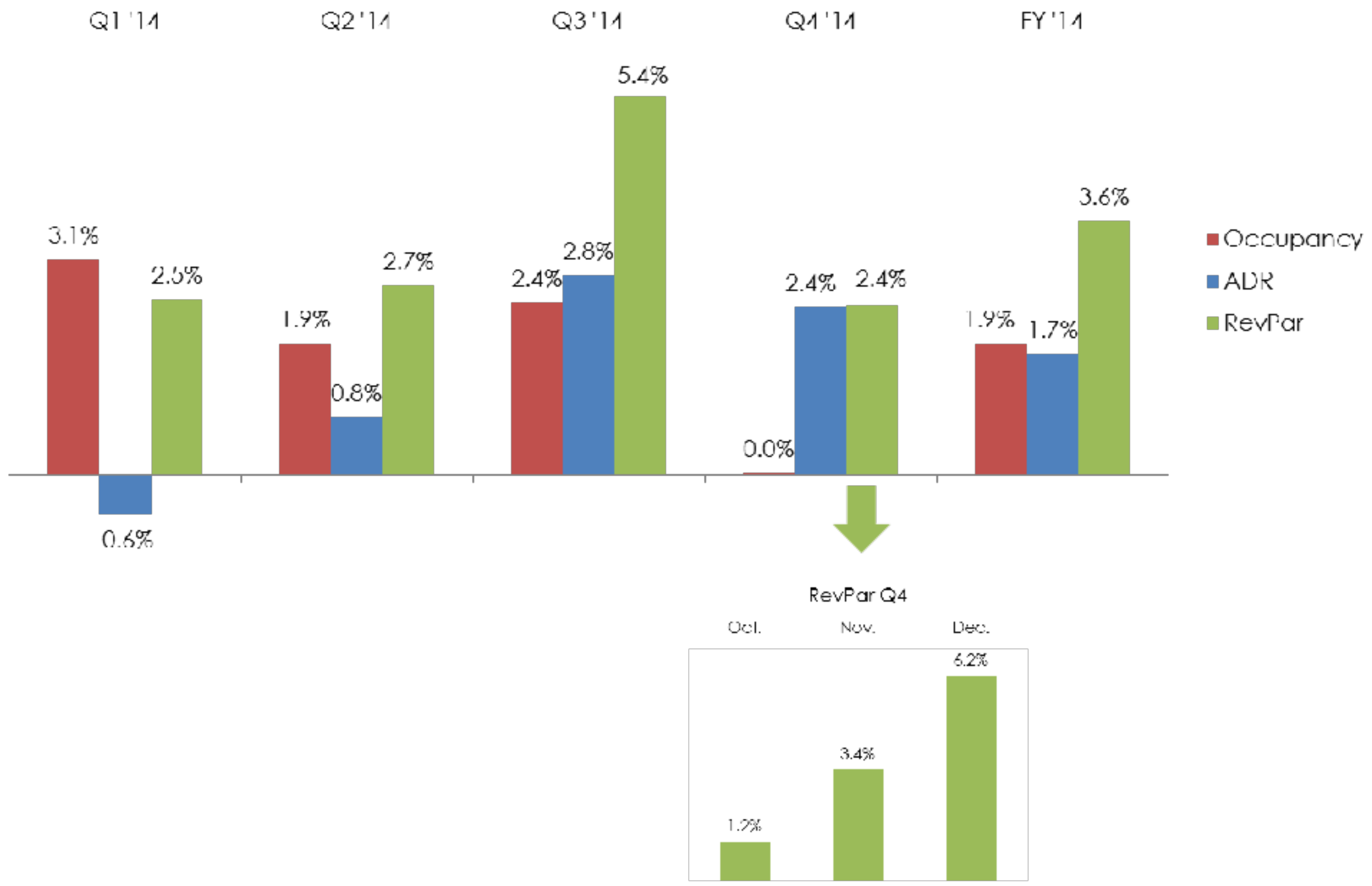
NH HOTEL GROUP REVPAR 12 MONTHS 2014

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2014	2013	2014	2013	% Var	2014	2013	% Var	2014	2013	% Var
Spain & Portugal "Like for like"	10,426	10,395	65.24%	64.23%	1.57%	67.25	65.25	3.07%	43.87	41.91	4.69%
B.U. SPAIN	11,985	12,601	63.88%	62.48%	2.23%	69.57	66.65	4.37%	44.44	41.65	6.70%
Italy "Like for like"	6,656	6,725	65.88%	64.46%	2.20%	95.88	92.28	3.90%	63.16	59.49	6.18%
B.U. ITALY	7,242	7,380	65.18%	63.17%	3.18%	95.43	90.98	4.90%	62.20	57.47	8.23%
Benelux "Like for like"	8,384	8,384	67.58%	66.87%	1.06%	86.27	85.65	0.72%	58.30	57.28	1.79%
B.U. BENELUX	8,428	8,655	67.30%	66.99%	0.47%	86.20	87.21	-1.16%	58.02	58.42	-0.69%
Central Europe "like for like"	12,628	12,627	72.63%	71.34%	1.82%	77.72	76.88	1.10%	56.45	54.84	2.94%
B.U. CENTRAL EUROPE	12,628	12,627	72.63%	71.34%	1.82%	77.72	76.88	1.10%	56.45	54.84	2.94%
TOTAL EUROPE "LIKE FOR LIKE"	38,094	38,131	68.32%	67.21%	1.65%	79.91	78.37	1.96%	54.59	52.67	3.64%
TOTAL EUROPE CONSOLIDATED	40,283	41,263	67.57%	66.26%	1.98%	80.27	78.53	2.22%	54.24	52.03	4.24%
Latin America "Like for like"	3,180	3,180	69.38%	66.49%	4.34%	62.43	63.44	-1.58%	43.31	42.18	2.69%
LATINAMERICA CONSOLIDATED	3,180	3,277	69.38%	66.23%	4.75%	62.43	63.20	-1.21%	43.31	41.85	3.48%
NH HOTELES "LIKE FOR LIKE"	41,274	41,311	68.40%	67.15%	1.86%	78.54	77.23	1.69%	53.72	51.86	3.58%
TOTAL CONSOLIDATED	43,463	44,541	67.70%	66.26%	2.18%	78.93	77.40	1.98%	53.44	51.28	4.21%

2014 was the first year that an increase in the ADR had been achieved since 2011.

Quarterly evolution:



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	Business Unit Evolution														
"Like For Like"	Occupancy					ADR					RevPar				
% Var	Q1 '14	Q2 '14	Q3 '14	Q4 '14	FY '14	Q1 '14	Q2 '14	Q3 '14	Q4 '14	FY '14	Q1 '14	Q2 '14	Q3 '14	Q4 '14	FY '14
Spain	1.5%	1.0%	2.2%	0.9%	1.6%	1.0%	0.5%	6.5%	3.9%	3.1%	2.5%	1.5%	8.8%	4.8%	4.7%
Italy	2.2%	1.6%	3.1%	2.4%	2.2%	0.6%	5.6%	4.6%	3.8%	3.9%	2.8%	7.3%	7.9%	6.3%	6.2%
Benelux	4.3%	2.1%	0.4%	-2.4%	1.1%	-1.5%	0.8%	-0.6%	3.7%	0.7%	2.8%	2.9%	-0.2%	1.2%	1.8%
Central Europe	0.9%	2.2%	3.5%	0.4%	1.8%	0.3%	-0.6%	4.2%	0.1%	1.1%	1.2%	1.7%	7.8%	0.5%	2.9%
TOTAL EUROPE	2.0%	1.7%	2.4%	0.3%	1.6%	0.1%	1.3%	3.5%	2.4%	1.9%	2.1%	3.0%	6.0%	2.6%	3.6%
Latin America real exchange rate	16.4%	3.3%	3.2%	-2.5%	4.3%	-7.0%	-6.4%	-6.8%	1.8%	-1.6%	8.3%	-3.4%	-3.8%	-0.7%	2.7%
NH HOTELS	**3.1%**	**1.9%**	**2.4%**	**0.0%**	**1.9%**	**-0.6%**	**0.8%**	**2.8%**	**2.4%**	**1.7%**	**2.5%**	**2.7%**	**5.4%**	**2.4%**	**3.6%**
Latin America cst exchange rate	16.4%	3.3%	3.2%	-2.5%	4.3%	18.6%	22.0%	20.2%	27.8%	21.9%	38.0%	26.0%	24.0%	24.6%	27.2%

RevPar Evolution and Recurring results

- The evolution of the RevPar LFL in the last quarter of the year (+2.4% and +4.2% at a constant exchange rate) consolidates the growth reported in previous quarters, 4Q' 2013 (+2.7%), 1Q' 2014 (+2.5%), 2Q' 2014 (+2.7%) and 3Q' 2014 (+5.4%). The change in its composition, since the second quarter, with increases in average prices obtaining, after two years of falls, an increase in prices in Q4' 2014 of +2.4% and +4.2% at constant exchange rate. It should be pointed out that 99% of the RevPar growth in Q4 is through the average prices.
- The RevPar LFL evolution over the year as a whole (+3.6% and +5.1% at constant exchange rate) also includes growth of average prices (+1.7% and +3.2% at constant exchange rate) as well as increase in occupancy levels (+1.9%).
- During 2014 the process of optimizing segmentation was initiated, facing periods of strong adjustments which have reduced occupancy levels in order to achieve a stabilization in sustainable growth of qualitative RevPar.
- In comparison with the market, the growth of competition in RevPar is based fundamentally on volume with a contribution of just 30% via ADR (vs. 60% of NH Hotel Group according to STR data). In Q4, NH grew by +3.2% in ADR in hotels with competitive set (representing approximately 40% of the company's portfolio) and competition +1.7%, doubling the market trend.
- During Q4, as well as in the previous quarters, all the business units had a positive performance in terms of RevPar LFL (Latin America in constant exchange rate). Within this evolution, the BU in Italy stand out with a growth of RevPar LFL of+6.3% (60% per prices) and the BU in Spain, with a RevPar LFL growth of +4.8% (80% per prices).
- At 12 months, all the business units complied with positive performance in RevPar LFL, with positive growth, in all of these, both at price level (Latin America in constant exchange rate) and in terms of occupancy.
- Expectations for Q1 2015 are very positive, with forecasts for RevPar LFL growth greater than 4% and 100% based on ADR.
- Consolidated revenue in 2014 would have grown by +4.0%, (€+50.3M), aside from the effects of having lost €-17.1M due to the effect of the exchange rate and €-20.7M resulting from the exit of hotels from the scope of consolidation. Including these effects, the increased income is +1.0% (€+12.5M).

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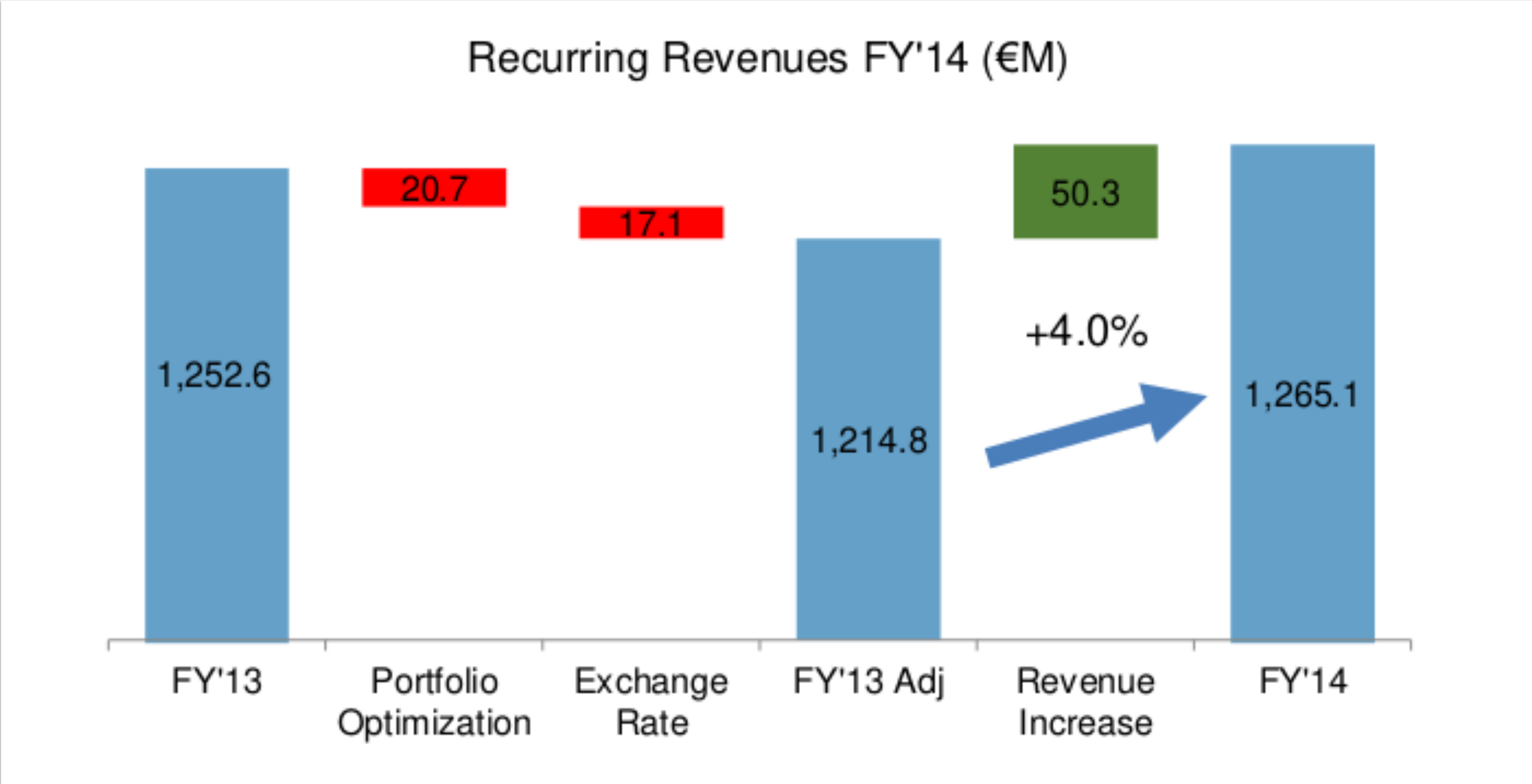
investor.relations@nh-hotels.com
T: +34 91 396 05 02



- Staff costs rose by +2.2% (€+10,0M). 47% of this increase (€+4.7M) is explained by the increased activity of the group in the year (+2.2% rise in consolidated occupancy) and the effect of inflation. A 15% increase is motivated by higher wages through collective agreements in Central Europe and the rest (€+3.9M), is due to higher expenses at the group level due to the strengthening of the following teams: operations, commercial, web, revenue management and marketing, which began to be incorporated in the last quarter of 2013 according to the plan.

- Other operating expenses increase by +2.3% compared to the previous year (€+9.1M) which is actually under the planed budget. Of this increase, €+2.5M corresponds to extraordinary expenses related to the implementation of the strategic plan. Removing this effect, expenses would have risen only by +1.6%, below the increase in activity of the group.

- As a result the reduced rent charges (-2.1%), the recurring EBITDA in the year reached €126.2M compared to €123.1M for the previous year, obtaining an improvement of +2.5% (€+3.1M), despite the lack of contribution from hotels which have left the consolidation perimeter €-5.5M and the negative effect of the exchange rate €-3.8M at EBITDA level. Without considering these effects, the recurring EBITDA would have improved by +10.1% compared to the previous year.

- Therefore, the recurring net result of the Company has improved by +47.3%.

Since Q2, the Group's Real Estate activity was classified as Available for Sale and is included under the "Other non-recurring items" heading, accordingly, the income statement only includes hotel activity.

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investor.relations@nh-hotels.com
T: +34 91 396 05 02

B.U. Spain

- The Spanish business unit has experienced a very favourable performance in the fourth quarter of the year with a RevPar LFL growth of +4.8%, 80% of which is explained by the growth in price level (+3.9%) and greater than the previous quarters. Performance was particularly notable in October (+7.6%) and December (+4.4%).
- By cities, Madrid continues to show the improvement already noted in the previous 9 months, Barcelona continues with a weak performance and other important cities such as Valencia and Seville continue to show significant indications of growth, in Seville mainly through volume although also with growth of prices, and in Valencia by 98% due to increases in prices.
- Accumulated at 12 months, the business unit also showed good results, with a growth of RevPar LFL of +4.7% (65% due to price increases). Madrid is particularly significant as its performance has been excellent with a RevPar LFL of +9.2% (with greater price increases +5.9% than occupancy +3.2%).
- In terms of comparable revenue, a growth of +5.3% was registered compared to the previous year (€+13.1M), greater than the RevPar due to the good performance of the food and beverage revenue €+4.5M (+8.2%). During this period operating costs have increased by +5.7% (€+9.4M), 57% of which is accounted for by labour costs (€+5.4M).
- Regarding personnel, half is explained by the strong growth of F&B revenues mentioned above and the other half derives from the greater level of activity (+1.6%), as well as improved service in order to adjust hotels to the new NH standard. The remaining increase in operating costs (€+4.0M) corresponds to variable costs (i.e. consumption, room materials, laundry etc.) which rose with the increased activity of the business unit and implementation of new standards in the NH experience.
- As a result the GOP LFL grew by +4.6% with an increase of €+3.7M. As a result of the reduction in lease payments of -7.6%, the EBITDA LFL is situated at €21.3M compared to €12.4M for the previous year, obtaining an excellent performance in both absolute (€+8.9M) and in relative values (+71.3% vs 2013).
- Forecasts for Q1 2015 show positive performance of this business unit with a better evolution in both Madrid and Barcelona above the remainder of the cities.

B.U. Italy

- The Italian business unit has experienced an excellent performance in the fourth quarter of the year with a RevPar LFL growth of +6.3%, 60% explained by the growth in price level (+3.8%) and greater than the growth in occupancy (+2.4%), continuing with the good performance registered in previous quarters (Q2 +7.3% and Q3 +7.9%).
- Milan has shown good performance compared to the market with a price index above the competition. In this key destination, the RevPar from Q2 grows +6.5% (93% based on ADR) vs. 3.1% of the competition (68% based on ADR).
- In the year overall, the business unit also presented very positive results with a RevPar LFL of +6.2% (63% as a result of the price increases). The city of Milan is remarkable with an increase of +7.0% (78% via prices).
- The figure for comparable revenue registered a growth of +4.2% compared to the previous year (€+8.6M), lower than the RevPar increase (+6.2%), due to the lower performance of the other revenue. During this same period, operating costs have increased by +3.4% (€+4.6M), 87% of which is accounted for by other operating costs (€+3.6M). Labour costs have experienced an excellent performance, increasing by a mere +1.3%.

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T: +34 91 396 05 02

- The variation of other operating costs is mainly explained by the increased F&B consumption (in line with the increase in F&B revenue of +1.9%) and the room materials (corresponding to implementation of new NH standards) and the increase in commission costs €+1.4M resulting from greater intermediated sales.
- As a result the GOP LFL grew by +5.9% with an increase of €+4.0M. EBITDA LFL reaches €31.6M compared to €28.1M for the previous year, obtaining an excellent performance in both absolute (€+3.4M) and in relative terms (+12.2% vs 2013).
- The perspectives for the first quarter of 2015 continue to be positive, with a month of February having an extremely positive events schedule and March with a more negative schedule. We are expecting RevPar growth via price increases and adjusted levels of occupancy.

B.U. Benelux

- This business unit obtained in the last quarter a slightly higher level of RevPar than in the previous year (+1.2%), with good performance of average prices (+3.7%) and occupancy levels below those of the previous year (-2.4%), as a result of events which were not held this year and readjustment of segmentation of tariffs, the results of which will be seen in the coming months.
- Accumulated at 12 months, this business unit has shown a lower performance of the RevPar, with a growth of just +1.8% (with increases of +1.1% in occupancy and +0.7% in prices). This performance was caused mainly by the failure to hold conferences this year in Amsterdam in the third quarter.
- Comparable income for the year increased by +1.5% (€+4.2M) in line with RevPar evolution. The excellent evolution of operating costs +0.9% (€+1.5M) is due above all to the reduction in energy costs because of the milder winter, and to a lesser degree, due to a change in the calculation of city tax in Belgium and the drop in credit card commissions.
- As a consequence an increase was obtained in the GOP LFL of +2.6% (€+2.6M) and, given the -3.6% reduction in the lease payments, the EBITDA LFL increased by +7.9% (€+4.3M) reaching €58.6M.
- Forecasts for the first quarter of 2015 show a positive performance in this business unit which will be progressive. In Amsterdam we expect above average performance, whereas in the conference hotels which have not yet been refurbished, we are expecting a lower performance compared to the market.

B.U. Central Europe

- This business unit experienced lower development in the fourth quarter with a RevPar LFL growth of +0.5%, with occupancy levels (+0.4%) and prices (+0.1%) similar to those of the previous year, mainly due to the scheduling of trade fairs and events in the second quarter of 2014.
- In the last 12 months this business unit has obtained an increase in RevPar LFL of +2.9% (+1.1% in prices and +1.8% in occupancy).
- Compared to market, the performance of the ADR in Berlin market is remarkable. In the year we grew by +4.6% in ADR vs. +2.4% of the competition.
- The increase in RevPar LFL in the year (+2.9%) has managed to boost comparable revenue by +1.8% (€+6.6M), at a lower percentage due to the lower performance of other income (basically explained by the fact of fewer trade fairs). The increase in operating costs of +2.8% (€+6.3M), was produced by the combination of the increase in labour costs (+3.5%, €4.2M) and other operational costs (+2.1%, €2.2M). Approximately 36% of the labour costs rose due to the increased activity (occupancy +1.8%), 36% due to revision of agreements (c. 3.0%), and 28% due to the rise in room cleaning costs, and reorganization of the business unit which was being managed under the aegis of Benelux last year.

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investor.relations@nh-hotels.com
T: +34 91 396 05 02

- Regarding other operating costs, these correspond mainly to variable costs (i.e. consumption, material for rooms, laundry etc.) that increases with a higher activity and improved standards, and the increase in maintenance costs (€+0.8M) by adapting to legal standards for risk prevention in the hotels.
- As a result a similar result to the level of GOP LFL +0.2% (€+0.3M) was obtained compared to the previous year and a similar increase to the EBITDA LFL +0.6% (€+0.2M) due to having managed to maintain lease payments, obtaining an EBITDA LFL of €+34.1M.
- For Q1 2015 good data is expected from RevPar through price increases with a slight fall in occupancy resulting from actions designed to raise the structural ADR of the BU which are being implemented with strong segmentation adjustments.

B.U. The Americas

- Latin America showed, at constant exchange rates, an increase of RevPar LFL for the whole region in Q4 of +24.6%, explained basically by a significant price increase of +27.8%.
- Accumulated at 12 months this business unit has experienced growth of the RevPar LFL at constant exchange rates of +27.2%, 80% of which is explained by price increases +21.9%.
- At real exchange rate, and despite the depreciation of the Argentine currency and its effect on surrounding countries, the LFL income figure rose by +2.9%, a percentage above the RevPar LFL +2.7% due to the higher fees of the hotels managed in the area. The good performance of operating costs with an increase of +2.2%, below the level of increased occupancy (+4.3%), led to a rise in the GOP LFL of +4.0% and in the EBITDA LFL of +3.1%, €+0.7M.
- By regions, Mexico has experienced good performance of the RevPar LFL in Q4, increasing by +10.1% at constant exchange rate, as a result of the evolution of the ADR (+14.9%). Accumulated at 12 months, the increase is +11.9%. For Q1 2015, it is hoped to continue this growth with a greater component in prices than in occupancy.
- In South America highlight the case of Argentina, with growth of the RevPar LFL in Q4 of +40.1%, motivated by the strong growth of the ADR +45.1% at constant exchange rate. Accumulated at 12 months, South America showed a +40.2% increase (Argentina +47.1%). For Q1 2015 the perspectives are favourable due to events such as the Dakar Rally in Buenos Aires and Cordoba during the month of January and medical conferences in March.
- The weight of recurring revenues in Latin American economies amount to 6.1% of the total group in 2014 and due the current split of contracts in the region, 33% of rooms owned, 7% leased and 60% managed, potential fluctuations in the exchange rate affect very limitedly to the consolidated results.

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RECURRING HOTEL ACTIVITY 2014 VS 2013			
(€ million)	**2014 12 months**	**2013 12 months**	**%DIFF.**
SPAIN	258.44	245.34	5.3%
ITALY	212.88	204.26	4.2%
BENELUX	284.74	280.58	1.5%
CENTRAL EUROPE	367.85	361.28	1.8%
AMERICA	77.96	75.80	2.9%
REVENUES "LIKE FOR LIKE" HOTELS	**1,201.87**	**1,167.26**	**3.0%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**63.21**	**85.30**	**(25.9%)**
RECURRING REVENUES	**1,265.08**	**1,252.56**	**1.0%**
SPAIN	174.56	165.16	5.7%
ITALY	141.16	136.54	3.4%
BENELUX	182.56	181.01	0.9%
CENTRAL EUROPE	229.32	223.00	2.8%
AMERICA	50.00	48.92	2.2%
GASTOS OPERATIVOS HOTELES "LIKE FOR LIKE"	**777.59**	**754.62**	**3.0%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**95.68**	**99.54**	**(3.9%)**
RECURRING OPERATING EXPENSES	**873.27**	**854.16**	**2.2%**
SPAIN	83.88	80.18	4.6%
ITALY	71.72	67.73	5.9%
BENELUX	102.18	99.57	2.6%
CENTRAL EUROPE	138.54	138.29	0.2%
AMERICA	27.95	26.88	4.0%
GOP HOTELES "LIKE FOR LIKE"	**424.28**	**412.64**	**2.8%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**(32.47)**	**(14.24)**	**(128.0%)**
RECURRING GOP	**391.81**	**398.40**	**(1.7%)**
RENTAS E IMPUESTOS DE PROPIEDAD "LIKE FOR LIKE"	**256.24**	**262.06**	**(2.2%)**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**9.40**	**13.30**	**(29.3%)**
RECURRING RENTS AND PROPERTY TAXES	**265.64**	**275.36**	**(3.5%)**
SPAIN	21.27	12.42	71.3%
ITALY	31.57	28.14	12.2%
BENELUX	58.57	54.30	7.9%
CENTRAL EUROPE	34.09	33.87	0.6%
AMERICA	22.54	21.85	3.1%
EBITDA HOTELES "LIKE FOR LIKE"	**168.04**	**150.58**	**11.6%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**(41.87)**	**(27.54)**	**(52.0%)**
RECURRING EBITDA	**126.17**	**123.04**	**2.5%**

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RECURRING HOTEL ACTIVITY 2014 VS 2013						
(€ million)	2014 Q4	2013 Q4	%DIFF.	2014 12 months	2013 12 months	%DIFF.
SPAIN	65.75	62.67	4.9%	258.44	245.34	5.3%
ITALY	53.72	51.11	5.1%	212.88	204.26	4.2%
BENELUX	73.77	72.76	1.4%	284.74	280.58	1.5%
CENTRAL EUROPE	95.65	95.60	0.1%	367.85	361.28	1.8%
AMERICA	23.84	21.75	9.6%	77.96	75.80	2.9%
REVENUES "LIKE FOR LIKE" HOTELS	**312.75**	**303.89**	**2.9%**	**1,201.87**	**1,167.26**	**3.0%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**17.53**	**16.68**	**5.1%**	**63.21**	**85.30**	**(25.9%)**
RECURRING REVENUES	**330.28**	**320.57**	**3.0%**	**1,265.08**	**1,252.56**	**1.0%**
SPAIN	41.90	40.54	3.3%	174.56	165.16	5.7%
ITALY	34.91	33.96	2.8%	141.16	136.54	3.4%
BENELUX	46.50	47.65	(2.4%)	182.56	181.01	0.9%
CENTRAL EUROPE	54.54	57.83	(5.7%)	229.32	223.00	2.8%
AMERICA	14.40	12.87	11.9%	50.00	48.92	2.2%
GASTOS OPERATIVOS HOTELES "LIKE FOR LIKE"	**192.25**	**192.85**	**(0.3%)**	**777.59**	**754.62**	**3.0%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**25.24**	**18.77**	**34.4%**	**95.68**	**99.54**	**(3.9%)**
RECURRING OPERATING EXPENSES	**217.49**	**211.62**	**2.8%**	**873.27**	**854.16**	**2.2%**
SPAIN	23.86	22.13	7.8%	83.88	80.18	4.6%
ITALY	18.81	17.15	9.7%	71.72	67.73	5.9%
BENELUX	27.27	25.11	8.6%	102.18	99.57	2.6%
CENTRAL EUROPE	41.12	37.77	8.9%	138.54	138.29	0.2%
AMERICA	9.44	8.88	6.3%	27.95	26.88	4.0%
GOP HOTELES "LIKE FOR LIKE"	**120.49**	**111.04**	**8.5%**	**424.28**	**412.64**	**2.8%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**(7.70)**	**(2.09)**	**(268.5%)**	**(32.47)**	**(14.24)**	**(128.0%)**
RECURRING GOP	**112.79**	**108.95**	**3.5%**	**391.81**	**398.40**	**(1.7%)**
RENTAS E IMPUESTOS DE PROPIEDAD "LIKE FOR LIKE"	**63.15**	**65.51**	**(3.6%)**	**256.24**	**262.06**	**(2.2%)**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**2.73**	**2.00**	**36.5%**	**9.40**	**13.30**	**(29.3%)**
RECURRING RENTS AND PROPERTY TAXES	**65.88**	**67.51**	**(2.4%)**	**265.64**	**275.36**	**(3.5%)**
SPAIN	8.27	5.26	57.2%	21.27	12.42	71.3%
ITALY	8.92	7.32	21.9%	31.57	28.14	12.2%
BENELUX	16.96	13.92	21.9%	58.57	54.30	7.9%
CENTRAL EUROPE	15.29	11.34	34.8%	34.09	33.87	0.6%
AMERICA	7.90	7.70	2.6%	22.54	21.85	3.1%
EBITDA HOTELES "LIKE FOR LIKE"	**57.34**	**45.53**	**25.9%**	**168.04**	**150.58**	**11.6%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**(10.43)**	**(4.09)**	**(154.9%)**	**(41.87)**	**(27.54)**	**(52.0%)**
RECURRING EBITDA	**46.91**	**41.44**	**13.2%**	**126.17**	**123.04**	**2.5%**

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Consolidated Income Statement

NH HOTEL GROUP P&L ACCOUNT						
(€ million)	Q4 2014	Q4 2013	2014/2013	12M 2014	12M 2013	2014/2013
	M Eur.	M. Eur	Var. %	M Eur.	M. Eur	Var. %
Hotel Revenues	330.3	320.6	3.0%	1,265.1	1,252.6	1.0%
TOTAL REVENUES	**330.3**	**320.6**	**3.0%**	**1,265.1**	**1,252.6**	**1.0%**
Staff Cost	(114.6)	(109.7)	4.5%	(460.0)	(450.0)	2.2%
Operating expenses	(102.9)	(101.9)	1.0%	(413.2)	(404.1)	2.3%
GROSS OPERATING PROFIT	**112.8**	**109.0**	**3.5%**	**391.8**	**398.4**	**(1.7%)**
Onerous contract reversal provision				16.1	12.4	30.0%
Lease payments and property taxes	(69.4)	(70.5)	(1.5%)	(281.7)	(287.7)	(2.1%)
EBITDA	**46.9**	**41.4**	**13.2%**	**126.2**	**123.1**	**2.5%**
Depreciation	(23.7)	(21.4)	11.1%	(89.1)	(88.9)	0.3%
EBIT	**23.2**	**20.1**	**15.4%**	**37.0**	**34.2**	**8.4%**
Interest expense	(10.5)	(14.8)	(28.7%)	(49.9)	(57.9)	(13.9%)
Income from minority equity interests	(1.8)	2.8	165.1%	(2.0)	1.9	(207.4%)
EBT	**10.8**	**8.1**	**32.9%**	**(14.9)**	**(21.9)**	**32.0%**
Corporate income tax	1.4	(7.2)	(119.7%)	(4.1)	(13.4)	(69.8%)
NET INCOME before minorities	**12.2**	**0.9**	**1230.4%**	**(18.9)**	**(35.2)**	**46.3%**
Minority interests	(0.1)	(1.0)	(92.1%)	0.9	1.0	(15.4%)
NET RECURRING INCOME	**12.2**	**(0.1)**	**13611.1%**	**(18.0)**	**(34.2)**	**47.3%**
Non Recurring EBITDA	(5.2)	(11.8)	56.3%	3.0	20.8	(85.7%)
Other Non Recurring items	25.9	(17.6)	247.2%	5.5	(26.4)	120.9%
NET INCOME including Non-Recurring activity	**32.9**	**(29.5)**	**211.4%**	**(9.6)**	**(39.8)**	**76.0%**

- **Leases:** The Company succeeded in reducing total lease payments in the 12 months of 2014 by -2.1%, due to the renegotiation of contracts, mainly in Spain and Italy, and due to the cancellation of contracts with negative contribution, also offsetting increases in negotiations in prior years and CPI reviews. In the 12 months of 2014, 61 actions took place with respect to leased hotels, and four lease agreements were terminated with a cost of €0.7M. With these initiatives annualized savings of €10.7M were obtained, of which approximately €6.0M were stable in the long term. In the fourth quarter annualized savings of €0.8M were achieved.
- **Financial expenses:** In 2014 net financial expenses rose to 49.9M€, a reduction of -13.9% compared to the previous year. This fact is largely due to the drop in the Euribor, the reference interest rate for most of the group debt at a variable rate, and the reduction of the debt and margins as a result of refinancing most of the group's debt formalized in November 2013.
- **Corporate tax:** the difference with the previous year basically corresponds to activation of tax losses in 2014.
- **Non-Controlling Interests:** these mainly show results attributable to the NH Hotel Group partner in the Italian business unit up to the acquisition of 44.5% remaining capital of NH Italy at the end of June.

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Non-recurring activity:

- **Non-recurring EBITDA**: The variation in EBITDA is due to the fact that last year greater capital gains were included for the sale of NH Gran Hotel Krasnapolsky than those registered this year for the disposal of Amsterdam Centre hotel and Harrington Hall, as well as non-recurring costs which mainly include costs deriving from outsourcing of cleaning and administration services, provisions for risks and costs and cancellation of leasing contracts.
- **Other non-recurring items:** mainly the effect deriving from the sale of Sotogrande (Cádiz) and by entering the rest of the Sotogrande activity as available for sale. Furthermore, taxes are included resulting from the sale of the Amsterdam Centre, differences in exchange rate and deterioration of the tax losses carried forward in Spain due to the change in tax rate from 30% to 25%, effective from 2015 and in two years.

Financial debt and liquidity

As of 31/12/2014	Maximum			Debt maturities *				
Data in Euro million	Available	Availability	Drawn	2015	2016	2017	2018	≥ 2019
Senior Credit Facilities								
Syndicated Term Loan Facility	114.3	-	114.3	19.0	19.0	76.3	-	-
Syndicated Revolving Credit Facility	66.7	56.7	10.0	-	-	10.0	-	-
Senior Secured Notes due 2019	250.0	-	250.0	-	-	-	-	250.0
Total debt secured by the Collateral	**431.0**	**56.7**	**374.3**	**19.0**	**19.0**	**86.3**	**-**	**250.0**
Other Secured loans	126.2	2.5	123.7	31.0	48.8	26.2	6.7	11.1
Total secured debt	**557.2**	**59.2**	**498.0**	**50.0**	**67.8**	**112.5**	**6.7**	**261.1**
Senior Unsecured Convertible Bonds due 2018	228.2	-	228.2	-	-	-	228.2	0.0
Unsecured loans	27.6	6.4	21.2	21.2	-	-	-	-
Subordinated loans	75.0	-	75.0	-	-	-	-	75.0
Total unsecured debt	**330.7**	**6.4**	**324.3**	**21.2**	**0.0**	**0.0**	**228.2**	**75.0**
Arranging loan expenses			(19.6)	(1.4)	(0.3)	(2.3)	(5.4)	(10.3)
Accrued interests			4.7	4.7	-	-	-	-
Total debt	**887.9**	**65.6**	**807.4**	**74.4**	**67.5**	**110.2**	**229.5**	**325.8**
Cash and cash equivalents **			200.1					
Net debt			**607.3**					

* According to original amortization schedules
** Does not include the market value of nine million treasury shares we lend to the joint lead managers of the convertible bonds.

Note: Net debt as of 31/12/2014, incorporating the nominal amount of the convertible bond for the sum of 250 million Euros and excluding arranging debt expenses and accrued interests rose to 644 million Euros.

- The net debt of the Group at the end of 2014 is €607.3M, reduced by €142.M compared to the previous year (€745.4M). The reduction is explained by the ordinary and extraordinary repayments of the year, as well as the greater amount of cash as a result of the Sotogrande sale.

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New Agreements and Openings

Between 1 January 2014 and 31 December 2014, the NH Hotel Group signed a management agreement in Havana, Cuba, with 220 rooms, which was opened on 1 February this year, a management agreement in Trento, Italy, with 89 rooms whose opening is envisaged for the first quarter of 2015, a lease agreement in São Paulo (Brazil) with 174 rooms, expected to be opened in 2016, a management agreement in Lima, Peru, with 164 rooms and which will enter into operation in 2016 (variable rent) in Marseilles, France, expected to be opened at the end of 2016 and a management contract in Oporto, Portugal, with 107 rooms and which opened in February 2015.

New Hotel Openings from 1st January to 31st December 2014

City	Contract	# Rooms	Opening
La Habana, Cuba	Management	220	2014
Trento, Italy	Management	89	2015
Sao Paulo, Brasil	Leased	174	2016
Lima, Peru	Management	164	2016
Marseille, France	Leased	169	2016
Porto, Portugal	Management	107	2015
		923	

New Openings

During the first quarter of 2014 the first NHOW hotel opened in Rotterdam Holland with 278 rooms along with the 4 star NH Capri La Habana with 220 rooms. In the second quarter a 4 star hotel opened in Parma Italy, with 120 rooms and the Venice hotel has been refurbished, adding 15 rooms bringing the total to 59. There were no new openings during the third quarter of the year. In the final quarter a 4 star hotel was opened in Turin, NH Collection Torino Piazza Carlina with 160 rooms

New Hotel Openings from 1st January to 31st December 2014

Hotels	City	Contract	# Rooms
Nhow Rotterdam	Rotterdam, The Netherlands	Management	278
NH Capri, La Habana	La Habana, Cuba	Management	220
NH Parma	Parma, Italy	Leased	120
Ext NH Palazzo Barocci	Venice, Italy	Leased	15
Collection Torino Piazza Carlina	Torino, Italy	Management	160
Total New Openings			**793**

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Asset Management

Sale of assets

At the beginning of June, the sale & lease back of the NH Amsterdam Centre Hotel was announced with 232 rooms for a total of €52.4 million. The lease yield was 6.3% minimizing the estimated EBITDA loss, leading to a coverage of operating profit (GOP) of 1.8x. In net terms, the gain recognized was €3.9 million and cash amounted to €45M. The contract lasts 20 years with four extensions of 10 years each. This operation opens the door to future collaboration with Fonciere des Regiones, which enables the presence of the NH Hotel Group in France, especially in Paris.

In August, the 25% holding in the NH Harrington Hall hotel in London was sold for €17M, and it ceased to be managed from 13 August 2014.

Lastly, the sale of 97% in Sotogrande was announced with a value of €225 million; excluding the international business NH has complied with its commitment to sell assets, amply exceeding its initial target of €125M, minimizing the EBITDA loss originally assumed.

Hotels that left NH Group from 1st January to 31st December 2014

Hotels	City	Date	Contract	# Rooms
NH Agustinos	Berrioplano, Spain	January	Management	60
NH Delta	Tudela, Spain	January	Franchise	43
NH Castellar	Castellar de la Frontera, Spain	February	Management	74
NH Lotti	Paris, France	March	Management	159
NH Santander Parayas	Santander, Spain	March	Leased	103
NH Las Rozas	Madrid, Spain	April	Management	80
NH La Florida	Madrid, Spain	April	Management	41
NH Aravaca	Madrid, Spain	April	Management	38
NH Inglaterra	Granada, Spain	May	Leased	36
NH Palacio de Oriol	Santurce, Spain	May	Leased	88
NH Algeciras Suites	Algeciras, Spain	May	Management	73
NH Alanda	Marbella, Spain	May	Management	199
NH Orus	Zaragoza, Spain	June	Leased	53
NH Harrington Hall	London, UK	August	Management	200
Hesperia del Port	Barcelona, Spain	November	Management	48
Hesperia Getafe	Madrid, Spain	December	Management	112
Hesperia Emperatriz	Madrid, Spain	December	Management	158
Hesperia Isla la Toja	Isla la Toja, Spain	December	Management	104
NH Tropen	Amsterdam, Netherlands	December	Management	80
NH Suites Prisma	Madrid, Spain	December	Leased	110
Total Exits				**1.859**

A project for management of 96 rooms in Segovia, Spain has been cancelled.

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HOTELS IN OPERATION BY COUNTRY AS OF DECEMBER 31ST 2014

BUSINESS UNIT	COUNTRY	TOTAL		LEASED			OWNED		MANAGED		FRANCHISE	
		Hotels	Rooms	Call Option	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
B.U. SPAIN	SPAIN	144	18,046	3	81	9,634	13	1,975	43	5,852	7	585
B.U. SPAIN	PORTUGAL	2	165	-	2	165	-	-	-	-	-	-
B.U. SPAIN	ANDORRA	1	60	-	-	-	-	-	1	60	-	-
B.U. ITALY	ITALY	51	8,265	1	32	5,320	14	2,078	5	867	-	-
B.U. BENELUX	HOLLAND	35	6,709	4	17	2,673	16	3,290	2	746	-	-
B.U. BENELUX	BELGIUM	10	1,554	-	2	437	8	1,117	-	-	-	-
B.U. BENELUX	FRANCE	2	397	-	2	397	-	-	-	-	-	-
B.U. BENELUX	ENGLAND	1	121	-	1	121	-	-	-	-		
B.U. BENELUX	SOUTH AFRICA	2	242	-	1	198	1	44	-	-	-	-
B.U. BENELUX	LUXEMBOURG	1	148	1	1	148	-	-	-	-	-	-
B.U. CENTRAL EUROPE	GERMANY	59	10,438	10	54	9,438	5	1,000	-	-	-	-
B.U. CENTRAL EUROPE	AUSTRIA	6	1,183	1	6	1,183	-	-	-	-	-	-
B.U. CENTRAL EUROPE	SWITZERLAND	4	522	-	3	400	1	122	-	-	-	-
B.U. CENTRAL EUROPE	CZECH REPUBLIC	2	577	-			-	-	2	577	-	-
B.U. CENTRAL EUROPE	ROMANIA	2	161	-	1	83	-	-	1	78	-	-
B.U. CENTRAL EUROPE	HUNGARY	1	160	-	1	160	-	-	-	-	-	-
B.U. CENTRAL EUROPE	SLOVAQUIA	1	117	-	-	-	-	-	1	117	-	-
B.U. CENTRAL EUROPE	POLAND	1	93	-	-	-	-	-	-	-	1	93
B.U. CENTRAL EUROPE	UNITED STATES	1	242	-	-	-	1	242	-	-	-	-
B.U. LAS AMERICAS	MEXICO	12	1,984	-	4	581	4	681	4	722	-	-
B.U. LAS AMERICAS	ARGENTINA	13	2,050	-	-	-	11	1,525	2	525	-	-
B.U. LAS AMERICAS	DOMINICAN REPUBLIC	4	2,011	-	-	-	-	-	4	2,011	-	-
B.U. LAS AMERICAS	VENEZUELA	3	1,195	-	-	-	-	-	3	1,195	-	-
B.U. LAS AMERICAS	URUGUAY	1	136	-	-	-	1	136	-	-	-	-
B.U. LAS AMERICAS	COLOMBIA	1	137	-	-	-	1	137	-	-	-	-
B.U. LAS AMERICAS	HAITI	1	72	-	-	-	-	-	1	72	-	-
B.U. LAS AMERICAS	CUBA	1	220						1	220		
B.U. LAS AMERICAS	CHILE	1	122	-	-	-	1	122	-	-	-	-
OPEN HOTELS		**363**	**57,127**	20	**208**	**30,938**	**77**	**12,469**	**70**	**13,042**	**8**	**678**

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SIGNED PROJECTS AS OF DECEMBER 31st 2014

After the latest negotiations and after the cancellation of several signed projects, the number of hotels and rooms pending opening is as shown below.

BUSINESS UNIT	COUNTRY	TOTAL		LEASED			OWNED		MANAGED	
		Hotels	Rooms	Call Option	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
B.U SPAIN	PORTUGAL	1	107	-	-	-	-	-	1	107
B.U ITALY	ITALY	2	293	-	1	204	-	-	1	89
B.U BENELUX	FRANCE	1	169	-	1	169	-	-	-	-
B.U THE AMERICAS	PERU	1	164	-	-	-	-	-	1	164
B.U THE AMERICAS	PANAMA	1	200	-	-	-	1	200	-	-
B.U THE AMERICAS	BRASIL	2	354	-	2	354	-	-	-	-
B.U THE AMERICAS	CHILE	1	146	-	-	-	-	-	1	146
B.U THE AMERICAS	MEXICO	1	142	-	-	-	-	-	1	142
TOTAL PROJECTS		**10**	**1,575**	-	**4**	**727**	**1**	**200**	**5**	**648**

Committed investment relating to the hotels described above by year of execution:

	2015	2016
Expected Investment (€M)	10.3	7.5

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