9 MONTH PRELIMINARY SALES AND RESULTS 2014

3rd November 2014

NH | HOTEL GROUP

NH HOTELS

NH COLLECTION

nhow

Hesperia RESORTS

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

- **The LFL RevPar rose by +5.4% in the third quarter and by 7.2% at a constant exchange rate.**
- **Improvement in the breakdown of the RevPar: Prices have risen above the growth in occupancy for the first time** (prices represent 52% of the increase in RevPar)**.**
- **Consolidated recurring EBITDA rose by +16.2% in Q3,** to **€33.5M as compared with €28.9M** last year **(€+4.7M).**

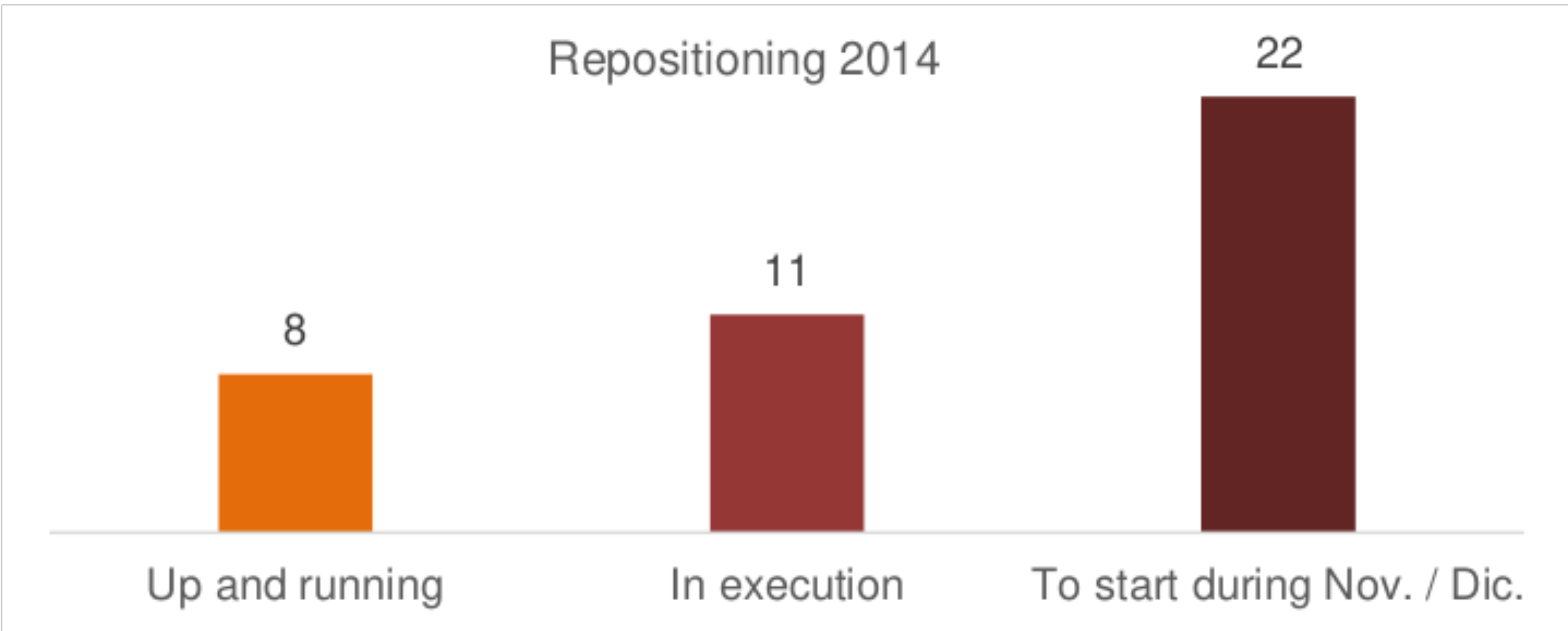
- **The whole Group except Benelux (representing 20% of the total rooms), reported a positive performance of the LFL RevPar** (Latin America in actual exchange rate). In Q3, Benelux obtained a similar level to the previous year (-0.2%), due to events not held this year in September which have affected the positive performance reported in July and August, despite NH Hotel Group's performance in the month of September has been better than the market.
- **Consolidated revenue rose by +3.0% (€+9.4M)** despite having lost €-4.4M as a result of the exchange rate and €-3.3M as a result of hotels exits. **The growth of €+17.1M, isolating these effects, represents an increase of +5.5%.**
- **Total operating costs rose by 3.1% (€+6.7M)** in Q3, being **4.1% the increase in payroll costs and 2.1% in other operating costs.**
- Staff costs rose by 4.1% (+€4.5 M), out of which 78% (+ € 3.5M) is explained by **the increased activity of the group** in the quarter (+2.3% rise occupancy and +1.8% in food & beverage sales). The rest (+€1.0M) is due to the increase in **corporate expenses related to the strengthening** of the operational, commercial, web, revenue management and marketing, which began to incorporate in the last quarter of 2013 as expected in the plan.
- **Other operating expenses (+ 2.1%, € 2.1M) is in line with the company budget**. Furthermore, €+0.5 M corresponds to expenses related to the implementation of the strategic plan. Removing this, the expenses would have risen 1.6%, below the increase in the group's activity.
- **For the first time in the year,** Q3 witnessed **an increase in consolidated GOP, +2.7% (+€2.7M),** and a nominal reduction in rent payments continued to be recorded, which boosted EBITDA by 16.2%.
- **Accordingly, recurring net income was up +28.1% in Q3 before minority interests and up +15.1% after minority interests.**
- The key initiatives of the Strategic Plan have evolved positively in terms of time and execution.
- In September, the company signed an agreement with **HNA Group** to arrange a **Joint Venture** in order to develop **a portfolio of hotels in China under management contracts** with HNA and with third parties. Both groups will contribute €8M to develop a prototype hotel and to promote the brand.
- Mid-October witnessed the announcement of the **sale of the 97% stake in Sotogrande** with a **value of €225M (€178M of net cash)**, **excluding the international business**. With this transaction, **NH meets its commitment in terms of asset disposals**, amply exceeding its initial target of €125M, **minimizing the EBITDA loss** originally assumed.

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

Outlook 2014 and Status of the Strategic Plan

- **2014**: the guidance for the year is maintained, which considers a growth in RevPar of between +3% and +5%, with an increased weight in the second semester as a result of the implementation of a series of revenue initiatives of the Strategic Plan. Recurring EBITDA should grow between 5% and 10% compared to previous year, adjusted for asset disposals of 2013.

- **Repositioning Plan**:



The plan progresses in line with expectations. The refurbishments of NH Collection Palazzo Barocci (Venice), NH Alonso Martínez (Madrid), NH Firenze (Florence), NH Berlin Mitte (Berlin), NH Collection Eurobuilding and NH Collection Abascal (Madrid) obtained an **average growth of 26.1% in RevPar** since their opening month. This increase is above that estimated and is affected by the excellent performance of the city of Madrid in September.

- **Brand**: In September, the Marketing campaign for the New NH in Spain and Italy was launched, to advertise the implementation of "brilliant basics" (new beds, showers, TVs, breakfast, etc.). The NH Collection campaign and the SMEs "NH Companies" programme are currently being launched. The NH Rewards loyalty-building programme notched up 4M members, of which 25% joined in the last 12 months. Also, we continue to reinforce our position in MICE, with special emphasis on technology (holographic telepresence and latest generation videoconferencing).

- **Pricing & Revenue Management**: The B2C Pricing project, which would enable a new price architecture to be put into place by destination and room type, has been implemented at 54% of the hotels (mainly Spain, Benelux and part of Latin America). The first results show a positive trend in room revenue and in the ADR. The full expected date of execution of this project is December 2014. Also, the indexation process for our main destinations, which refers to the relative prices among hotels in a single destination, as well as the definition of floor prices for the renovated assets and Collection will be completed by the end of the year.

  The Collection hotels are showing positive growth in prices since the implementation of new brand standards and signage.

ADR Increase	Q3 2014
NH Collection	9%
NH 4* - Key cities	4%
NH 4* - Other	3%

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

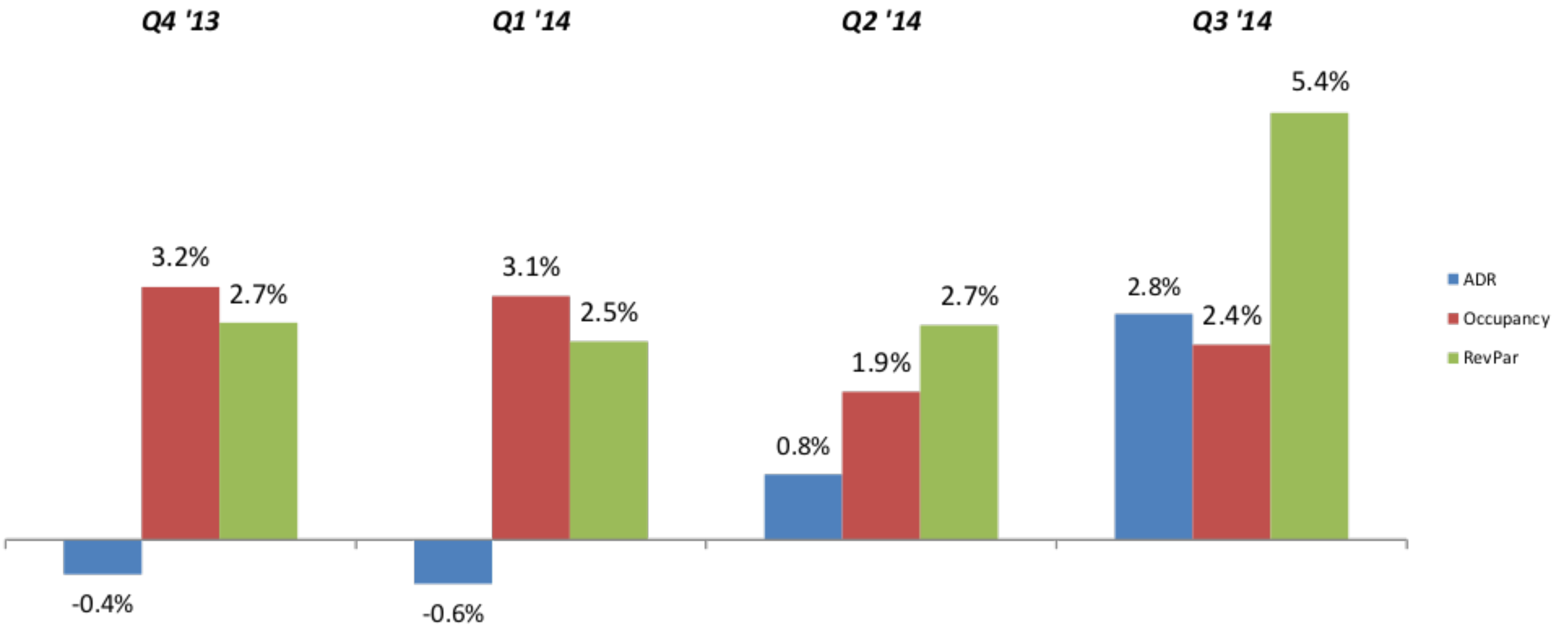
- **IT:** The migration of back office systems in Central Europe was concluded in October, accordingly, three BUs have now been migrated, together with Spain and Benelux. The following BU to be migrated is Italy, envisaged for January. Front-office migration has continued in Spain since July and began in Benelux at the end of October. With respect to the integration of the new web page, the domains in Italy and the Netherlands were launched at the beginning of September, in Germany at the end of October, and Spain and ".com" is expected to be launched by November, together with the "nhcollection" domain. Functionality has improved, increasing the conversion due to simplifying the purchase process.
- **Support functions:** Central Europe joins the Spain and Benelux BUs in which the implementation of the shared services center was completed. The remaining business units will be undertaken in the first quarter of 2015.
- **Asset Sales and portfolio optimization:** At the end of September, divestments amounted to €62M of net cash, mainly due to the sale and lease back of the NH Amsterdam Centre. With the announcement of the sale of 97% in Sotogrande, the initial target of €125M was amply exceeded, minimizing the EBITDA loss originally assumed. The portfolio optimization plan included the exit of 44 hotels in 2013-2014. At the end of the third quarter of 2014, the Company succeeded in exiting 28 hotels, maintaining 13 within the Company thanks to agreements reached with their owners (improved economic conditions or investment commitments). In the last quarter, the Company is expected to exit the remaining three hotels.
- **Leases**: due to the nature of the agreements (increased number of renegotiations vis-à-vis cancellations), the target set for the year with regard to the impact on EBITDA was exceeded, obtaining an annualized saving of €9.9M in the nine months, of which €4.3M are of a permanent nature.

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

NH HOTEL GROUP REVPAR 9 MONTHS 2014

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2,014	2,013	2,014	2,013	% Var	2,014	2,013	% Var	2,014	2,013	% Var
Spain & Portugal "Like for like"	10,423	10,389	65.92%	64.79%	1.74%	67.14	65.31	2.80%	44.25	42.31	4.58%
B.U. SPAIN	12,033	12,671	64.11%	62.80%	2.09%	69.33	66.73	3.90%	44.45	41.91	6.06%
Italy "Like for like"	6,656	6,725	66.36%	64.98%	2.13%	96.33	92.69	3.94%	63.93	60.23	6.15%
B.U. ITALY	7,218	7,380	65.78%	63.92%	2.91%	95.64	91.29	4.76%	62.91	58.35	7.81%
Benelux "Like for like"	8,384	8,384	68.86%	67.38%	2.19%	85.27	85.50	-0.27%	58.72	57.62	1.91%
B.U. BENELUX	8,428	8,731	68.60%	67.56%	1.54%	85.19	87.61	-2.76%	58.44	59.19	-1.26%
Central Europe "like for like"	12,628	12,627	73.03%	71.39%	2.30%	76.74	75.70	1.38%	56.05	54.05	3.70%
B.U. CENTRAL EUROPE	12,628	12,627	73.03%	71.39%	2.30%	76.74	75.70	1.38%	56.05	54.05	3.70%
TOTAL EUROPE "LIKE FOR LIKE"	38,091	38,125	69.00%	67.58%	2.10%	79.40	78.02	1.77%	54.79	52.72	3.91%
TOTAL EUROPE CONSOLIDATED	40,307	41,409	68.14%	66.62%	2.28%	79.71	78.32	1.76%	54.31	52.18	4.08%
Latin America "Like for like"	3,180	3,180	68.01%	63.54%	7.04%	60.46	64.21	-5.84%	41.12	40.80	0.79%
LATINAMERICA CONSOLIDATED	3,180	3,288	68.01%	63.43%	7.22%	60.46	63.93	-5.42%	41.12	40.55	1.41%
NH HOTELES "LIKE FOR LIKE"	41,271	41,305	68.93%	67.27%	2.46%	77.96	77.01	1.23%	53.73	51.81	3.72%
TOTAL CONSOLIDATED	43,487	44,697	68.13%	66.39%	2.63%	78.30	77.31	1.28%	53.35	51.33	3.94%

Quarterly Evolution



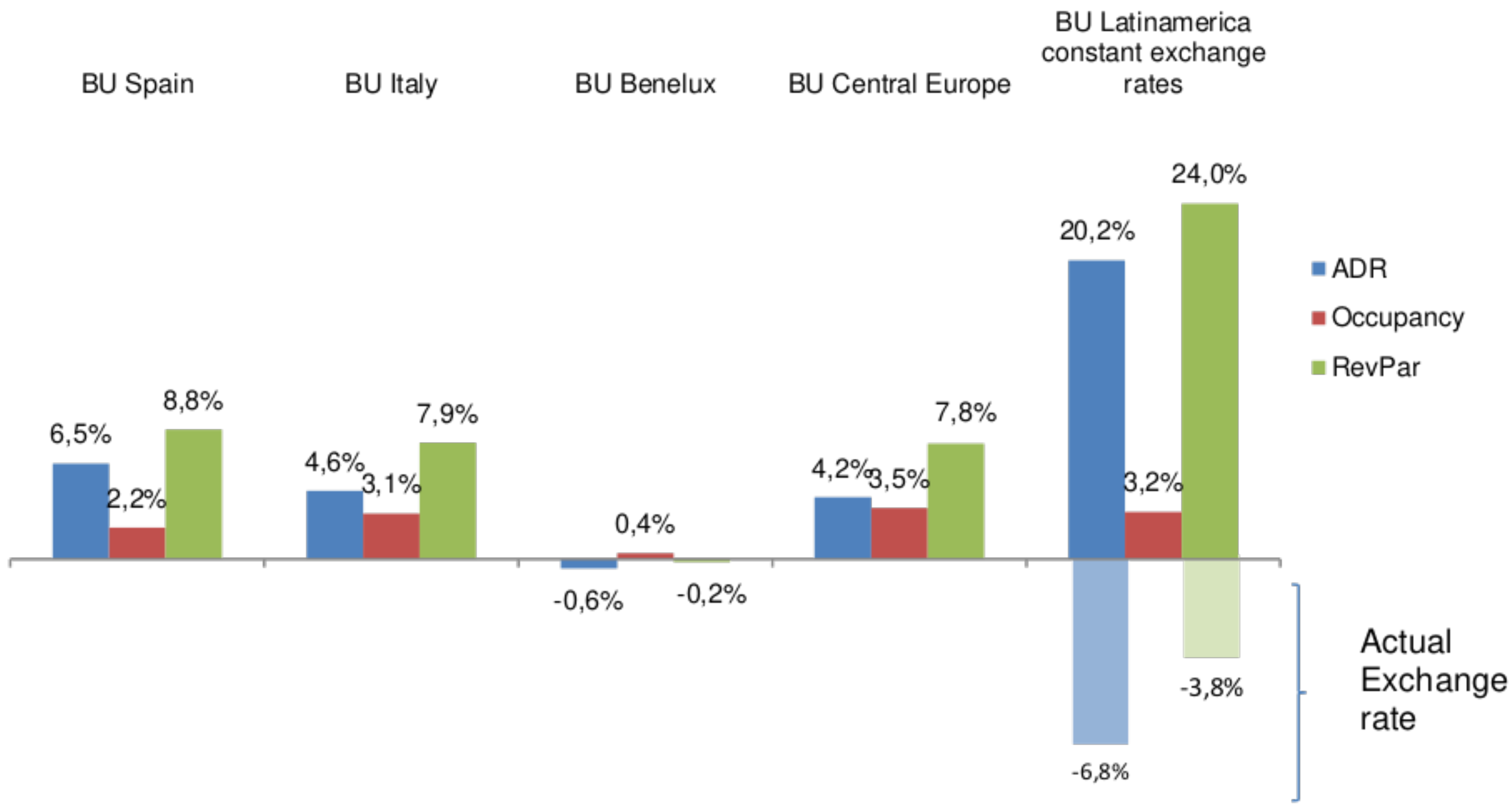
	Business Unit Evolution											
"Like For Like"	Occupancy				ADR				RevPar			
% Var	Q4 '13	Q1 '14	Q2 '14	Q3 '14	Q4 '13	Q1 '14	Q2 '14	Q3 '14	Q4 '13	Q1 '14	Q2 '14	Q3 '14
Spain	1.3%	1.5%	1.0%	2.2%	-2.6%	1.0%	0.5%	6.5%	-1.3%	2.5%	1.5%	8.8%
Italy	2.0%	2.2%	1.6%	3.1%	1.7%	0.6%	5.6%	4.6%	3.8%	2.8%	7.3%	7.9%
Benelux	3.3%	4.3%	2.1%	0.4%	-2.6%	-1.5%	0.8%	-0.6%	0.6%	2.8%	2.9%	-0.2%
Central Europe	3.2%	0.9%	2.2%	3.5%	3.1%	0.3%	-0.6%	4.2%	6.4%	1.2%	1.7%	7.8%
TOTAL EUROPE	2.5%	2.0%	1.7%	2.4%	0.2%	0.1%	1.3%	3.5%	2.6%	2.1%	3.0%	6.0%
Latinamerica constant exchange rate	11.7%	16.4%	3.3%	3.2%	4.6%	18.6%	22.0%	20.2%	16.8%	38.0%	26.0%	24.0%

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

RevPar Trend and Recurrent Hotel Activity

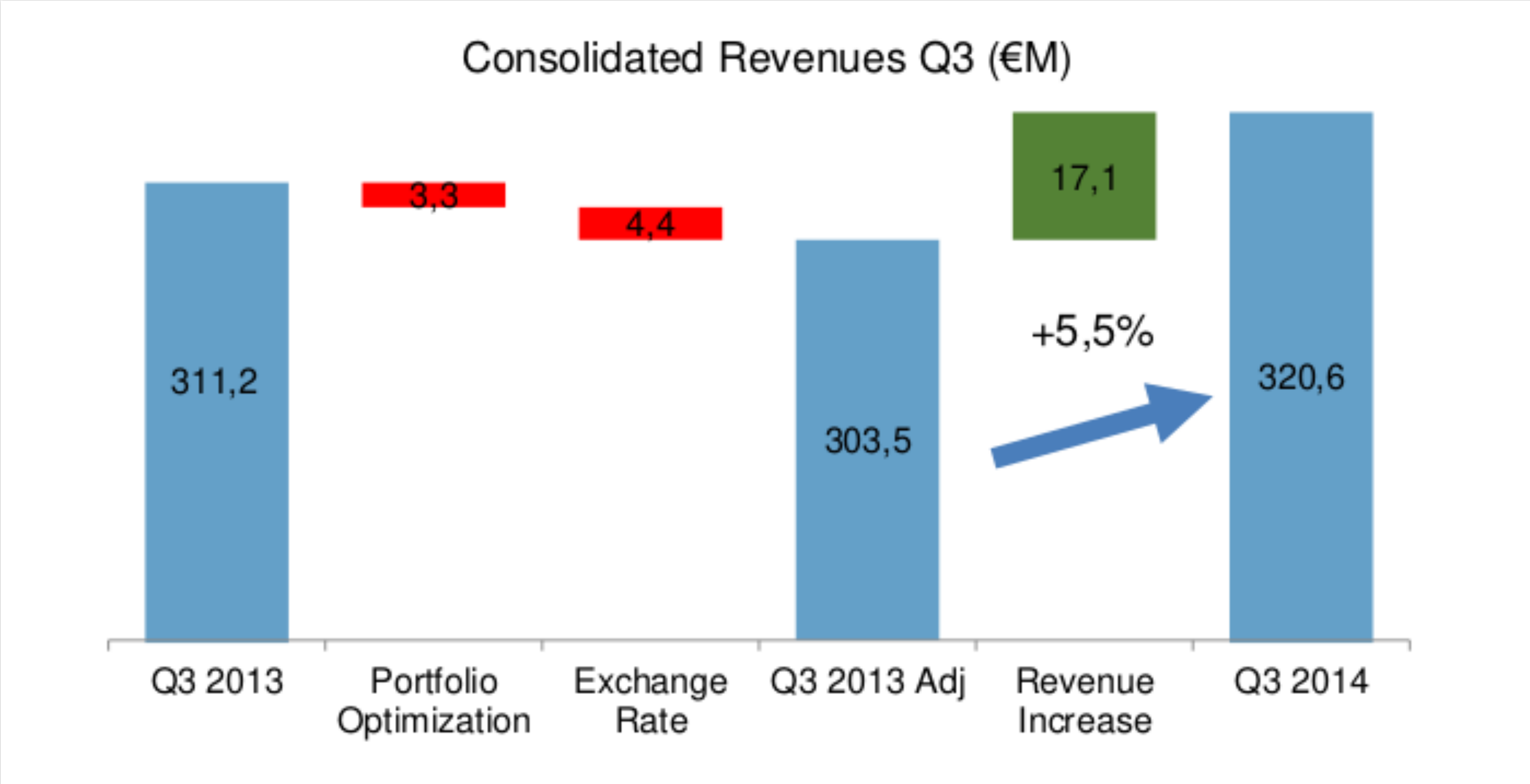
- The evolution of the LFL RevPar in the third quarter of the year (+5.4% and +7.2% at a constant exchange rate) consolidates the growth reported in the last quarters, 4Q' 2013 (+2.7%), 1Q' 2014 (+2.5%) and 2Q' 2014 (+2.7%). The change in the RevPar mix commenced in the previous quarter continued to improve with an increase in the level of average prices, obtaining, following two years of falls, an increase in prices in Q3' 2014 of +2.8% and +4.7% at a constant exchange rate (Q2' 2014 +0.8% and +2.5% at a constant exchange rate).

- In Q3, as in Q1 and Q2, all business units performed positively in LFL RevPar (Latin America in constant currency) except Benelux which in Q3 obtained a similar level to the previous year (-0.2%). Within this evolution, noteworthy is the BU in Spain, with a growth of the LFL RevPar of +8.8% (74% thanks to the average price), the BU in Italy with growth of +7.9% (58% due to the price) and the BU in Central Europe with an increase in the RevPar of +7.8% (54% by average price).



- Compared to competitors, Italy outperformed the market in RevPar terms by 1.4% and 2.0% in ADR as a result of the rise in average prices, the adjustments to the marketing strategy and pricing.
- The increase in consolidated revenues was €+9.4M (+3.0%), despite having lost €-4.4M as a result of the negative evolution of the exchange rate and €-3.3M as a result of the exit of hotels from the portfolio.

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



- Staff costs rose by 4.1% (+€4.5M), out of which 78% (+ € 3.5M) explained by the increased activity of the group in the quarter (+2.3% rise occupancy and +1.8% in food & beverage sales). The rest (+€1.0M) is due to the increase in corporate expenses related to the strengthening of the operational, commercial, web, revenue management and marketing, which began to join the group in the last quarter of 2013 as expected in the plan.

- Other operating expenses (+ 2.1%, € 2.1M) is in line with the company budget. Furthermore, €+0.5M corresponds to expenses related to the implementation of the strategic plan. Removing this, the expenses would have risen 1.6%, below the increase in the group's activity.

- As a result of the foregoing and the reduced leases expenses (-2.9%), the recurring EBITDA in the third quarter reached €33.5M vs. €28.9M of the previous year, obtaining an improvement of +16.2% (+€4.7M), despite the lack of contribution of the hotels which have been excluded from the scope of consolidation (€-0.1M) and the negative effect of the exchange rate (€-1.2M) at EBITDA level.
- Accordingly, the Company's recurring net revenue improved by +15.1% (+28.1% before minority interests).

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

B.U. Spain

- The business unit Spain experienced the highest LFL RevPar growth of all BUs in the third quarter of the year (+8.8%), thanks to the significant increases in price levels (+6.5%), far higher than in previous quarters (74% of the RevPar growth in terms of price) and to the performance of the occupancy rate (+2.2%) in line with previous quarters. We highlight the sound performance in the months of August (+12.1%) and September (+12.2%), as a result of the significant increase in average prices both in August (+8.8%) and in September (+7.2%), and the good performance of occupancy (+3.1% in August and +4.6% in September).
- By city, Madrid, backed by the recovery in destination demand, continued to show the improvement already seen in the previous semester, with an excellent performance of LFL RevPar in Q3 (+24.9%),

especially via an increase in ADR (+19.3%) which generates 77% of the RevPar growth. Barcelona continued to perform weakly. Other important cities such as Valencia and Seville continued to show significant signs of growth, mainly in terms of volume although also obtaining increases in prices.

- Comparable revenue grew +7.4% compared to Q3'2013 (+€4.6M). During this period, there was an increase in operating expenses of +5.9% (+€2.5m), out of which 60% are staff costs. With regard to personnel, half is explained by the strong increase in food & beverage and meeting rooms revenues (+12.4%). The other half comes from the higher level of activity (+2.2%) and the improved service to adapt hotels to the new NH standard. The remaining increase in operating expenses corresponds to variable costs (i.e. F&B purchases, amenities, laundry, etc.) that increased in line with the higher activity.
- As a consequence, LFL GOP grew +10.5% with an increase of +€2.1M. By reducing the level of lease payments, LFL EBITDA amounted to €6.7m compared to €2.7M last year, reaching the highest growth rate both in absolute (+€ 4.0M) and in relative terms (+ 149.1% vs Q3 2013).
- Q4 projections predict the positive performance of this business unit, both in secondary cities and in Madrid, backed by significant improvements in key hotels (i.e. NH Collection Eurobuilding) and a commercial strategy in line with the growing destination demand.

B.U. Italy

- The Italian business unit experienced the second-highest growth in terms of its LFL RevPar in Q3 (+7.9%, 58% of growth relating to prices), continuing the sound performance reported in the preceding quarter (Q2 RevPar LFL+7.3%), thanks to the growth in Q3 of price levels (+4.6%) above the increase in the occupancy rate (+3.1%).
- We also highlight August, with a rise in LFL RevPar of +12.6%, equally due to the improved performance of prices and occupancy.
- Compared to the market, Rome should be highlighted with a RevPar growth of +4.6%, as a result of a change in customer segmentation in favor of Business to Consumer (B2C) rates with a higher ADR potential.
- Also highlight the city of Milan, whose prices rose by +7.6% in the quarter. Milan also performed strongly vs. competitors, with +5.0% and +4.3% in ADR and RevPar respectively, compared to last year.
- LFL revenue improved by +5.6% (€+2.8M in the quarter). The performance of operating costs +3.1% (€+1.1M), below the increase in revenue, enabled an improvement of GOP LFL of +10.8% (€+1.7M). As in Spain, the reduction in lease figures continued, producing a rise in EBITDA LFL in Q3 both in relative terms (+23.9%) and in absolute terms (+€1.5M) to €7.9M.
- The forecast for the fourth quarter continues to be positive.

B.U. Benelux

- The Benelux business unit experienced the weakest performance in Europe in Q3 with a RevPar level similar to last year (-0.2%) with a slight fall in averages prices (-0.6%) and occupancy levels similar to those of 2013 (+0.4%). The main reason was the poor performance of the market RevPar in September (-6.2%), as a result of congresses held in Amsterdam last year which were not celebrated this year.
- Noteworthy was the improvement in prices compared to the market in Amsterdam in August and September, with a RevPar growth of 1.3%, virtually all of which was generated through ADR, with certain adjustments in occupancy.
- Comparable revenue in the quarter fell by -1.1% due to the RevPar performance and the evolution of other revenues. In this same period, operating costs were contained (+0.7%), causing a drop in the LFL GOP of just €-1.1M and in the LFL EBITDA of €-0.2M, generating €15.1M.

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

- With respect to the last quarter of this year, a negative performance is expected in October as a result of events which were not held this year, and November and December are expected to be marked by the sound performance of Amsterdam due to the price readjustment strategies.

B.U. Central Europe

- This business unit experienced a RevPar growth in Q3 of +7.8% (54% due to the average price), thanks to the rise in price levels (+4.2%), far higher above those of previous quarter, and to the increase in occupancy rates (+3.5%), also higher than in previous quarters.
- This increase is due mainly to the sound performance reported in July, August and September, although especially in September with an increase in the RevPar of +9.9%, mainly due to the increase in the ADR (+8.0%) and, to a lesser extent, in occupancy (+1.7%), due to changes in segmentation being implemented throughout the whole business unit.
- By city, we highlight Berlin and Frankfurt, with a RevPar growth exceeding +10% (in Berlin mainly via the increases in ADRs). Hotels in Switzerland and Austria also performed strongly in Q3 with growth of +9.2% in both countries.
- In the market comparison, we highlight a RevPar growth in Frankfurt (+1.6%,100% due to an increase in the average price) and in Hamburg (+1% and ADR growth of 2%)
- The LFL RevPar increase in Q3 (+7.8%) has driven comparable revenues to +6.0% (+€5.4M), slightly lower growth caused by other revenues (mainly explained by the lower number of fairs). The 10% increase in operating expenses (+€5.5M) occurs both in payroll expenses (+9.8%, €2.6M) and in other operating expenses (+10.7%, € 2.9M). Roughly 50% of the payroll grows due to the increased activity (occupancy +3.5% and a +3.7% increase in food & beverage revenues), and the rest due to review of collective labor agreements (c. 4.0%), the increase in housekeeping costs, and the reorganization of the business unit, that was partially managed under the umbrella of Benelux last year.
- Regarding other operating expenses, in line with the budget of the year, are again affected by the increased activity of the business unit. In addition, a portion of these expenses is related to specific marketing campaigns implemented during the summer (in other business units started in April) and the commercial efforts made before the website launch, all of them extraordinary.
- The increase in revenues nearly offsets increased operating expenses (+€5.5M), showing a decrease of €-0,1M in LFL GOP and €-0.7M in LFL EBITDA, after absorbing the CPI impact on leases.
- Promising figures are expected for Q4 in most destinations, as a result of advertising campaigns and of measures taken to increase the structural ADR that are being implemented. The city of Düsseldorf however will suffer from the lack of recurring events.

B.U. Latin America

- The Latin America at constant exchange rates reported an increase in the LFL RevPar for the region in Q3 of +24.0%, mainly due to a significant price increase of +20.2%.
- At the actual exchange rate, and due to the depreciation of the Argentinean currency and its effect in periphery countries, the LFL Revenue figure in Q3 was reduced by -1.0% which, tied to an increase in operating costs (+2.4%) due to the rise in activity levels (+3.2%), generated a fall in GOP LFL and in EBITDA LFL of €-0.5M.
- By region, Mexico performed well in Q3 (+12.4%), especially in terms of ADR (+8.9%) at a constant exchange rate. In Q4, growth is expected to continue with a higher price component.

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

- In Mercosur we highlight Argentina, with a growth in its ADR of +38.6% at a constant exchange rate. In terms of occupancy, all segments were affected by the negative impact of the Brazilian World Cup. In Q4, the levels of occupancy prior to the Brazilian World Cup are expected to be recovered and the ADR will continue to rise significantly.

RECURRING HOTEL ACTIVITY 2014 VS 2013						
(€ million)	**2014 Q3**	**2013 Q3**	**%DIFF.**	**2014 9 months**	**2013 9 months**	**%DIFF.**
SPAIN	66.70	62.12	7.4%	192.69	182.67	5.5%
ITALY	53.29	50.48	5.6%	159.16	153.16	3.9%
BENELUX	70.64	71.44	(1.1%)	210.97	207.81	1.5%
CENTRAL EUROPE	95.57	90.16	6.0%	272.20	265.68	2.5%
AMERICA	19.69	19.89	(1.0%)	54.11	54.04	0.1%
REVENUES "LIKE FOR LIKE" HOTELS	**305.89**	**294.10**	**4.0%**	**889.13**	**863.37**	**3.0%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**14.72**	**17.13**	**(14.1%)**	**45.67**	**68.62**	**(33.4%)**
REVENUES	**320.61**	**311.23**	**3.0%**	**934.80**	**931.99**	**0.3%**
SPAIN	44.41	41.95	5.9%	132.66	124.62	6.5%
ITALY	35.48	34.41	3.1%	106.25	102.58	3.6%
BENELUX	44.91	44.58	0.7%	136.05	133.36	2.0%
CENTRAL EUROPE	60.30	54.80	10.0%	174.78	165.17	5.8%
AMERICA	12.57	12.27	2.4%	35.60	36.04	(1.2%)
GASTOS OPERATIVOS HOTELES "LIKE FOR LIKE"	**197.67**	**188.01**	**5.1%**	**585.34**	**561.77**	**4.2%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**22.20**	**25.17**	**(11.8%)**	**70.44**	**80.77**	**(12.8%)**
OPERATING EXPENSES	**219.87**	**213.18**	**3.1%**	**655.78**	**642.54**	**2.1%**
SPAIN	22.29	20.17	10.5%	60.03	58.06	3.4%
ITALY	17.82	16.08	10.8%	52.91	50.58	4.6%
BENELUX	25.73	26.86	(4.2%)	74.91	74.45	0.6%
CENTRAL EUROPE	35.26	35.35	(0.3%)	97.42	100.52	(3.1%)
AMERICA	7.12	7.62	(6.6%)	18.51	18.00	2.8%
GOP HOTELES "LIKE FOR LIKE"	**108.22**	**106.09**	**2.0%**	**303.79**	**301.60**	**0.7%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**(7.48)**	**(8.04)**	**6.9%**	**(24.77)**	**(12.15)**	**(103.8%)**
GOP	**100.74**	**98.05**	**2.7%**	**279.02**	**289.45**	**(3.6%)**
RENTAS E IMPUESTOS DE PROPIEDAD "LIKE FOR LIKE"	**63.88**	**65.84**	**(3.0%)**	**193.09**	**196.56**	**(1.8%)**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**3.32**	**3.35**	**(0.9%)**	**6.67**	**11.29**	**(41.0%)**
RENTS AND PROPERTY TAXES	**67.20**	**69.19**	**(2.9%)**	**199.76**	**207.85**	**(3.9%)**
SPAIN	6.65	2.67	149.1%	13.01	7.16	81.6%
ITALY	7.85	6.33	23.9%	22.65	20.82	8.8%
BENELUX	15.15	15.35	(1.3%)	41.61	40.39	3.0%
CENTRAL EUROPE	8.86	9.58	(7.5%)	18.80	22.53	(16.6%)
AMERICA	5.83	6.32	(7.7%)	14.64	14.15	3.4%
EBITDA HOTELES "LIKE FOR LIKE"	**44.34**	**40.25**	**10.2%**	**110.69**	**105.05**	**5.4%**
OPENINGS, CLOSINGS, REFURBISHMENTS AND OTHERS	**(10.80)**	**(11.39)**	**5.2%**	**(31.43)**	**(23.45)**	**(34.1%)**
RECURRING EBITDA	**33.54**	**28.86**	**16.2%**	**79.26**	**81.60**	**(2.9%)**

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

Consolidated Income Statement

NH HOTEL GROUP P&L ACCOUNT						
(€ million)	Q3 2014	Q3 2013	2014/2013	9M 2014	9M 2013	2014/2013
				M Eur.	M. Eur	Var. %
Hotel Revenues	320.6	311.2	3.0%	934.8	932.0	0.3%
TOTAL REVENUES	**320.6**	**311.2**	**3.0%**	**934.8**	**932.0**	**0.3%**
Staff Cost	(116.1)	(111.6)	4.1%	(345.4)	(340.3)	1.5%
Operating expenses	(103.7)	(101.6)	2.1%	(310.3)	(302.2)	2.7%
GROSS OPERATING PROFIT	**100.7**	**98.1**	**2.7%**	**279.0**	**289.5**	**(3.6%)**
Onerous contract reversal provision				12.6	9.4	(33.5%)
Lease payments and property taxes	(70.2)	(72.3)	(2.9%)	(212.3)	(217.3)	(2.3%)
EBITDA	**33.5**	**28.9**	**16.2%**	**79.3**	**81.6**	**(2.9%)**
Depreciation	(22.8)	(22.6)	1.0%	(65.4)	(67.5)	(3.1%)
EBIT	**10.7**	**6.3**	**70.6%**	**13.9**	**14.1**	**(1.6%)**
Interest expense	(12.4)	(8.9)	38.3%	(39.3)	(43.2)	(8.8%)
Income from minority equity interests	(1.7)	(0.2)	(714.3%)	(0.2)	(0.9)	78.3%
EBT	**(3.3)**	**(2.8)**	**(16.5%)**	**(25.7)**	**(30.0)**	**14.4%**
Corporate income tax	(1.3)	(3.6)	(63.2%)	(5.5)	(6.2)	11.3%
NET INCOME before minorities	**(4.6)**	**(6.4)**	**28.1%**	**(31.2)**	**(36.2)**	**13.9%**
Minority interests	(0.2)	0.8	(118.5%)	1.0	2.1	(53.2%)
NET RECURRING INCOME	**(4.8)**	**(5.6)**	**15.1%**	**(30.2)**	**(34.1)**	**11.5%**
Non Recurring EBITDA	6.2	(2.8)	322.8%	8.1	32.6	(75.0%)
Other Non Recurring items	(1.0)	(2.1)	51.7%	(20.3)	(8.8)	(130.9%)
NET INCOME including Non-Recurring activity	**0.4**	**(10.4)**	**103.5%**	**(42.4)**	**(10.3)**	**(310.1%)**

Financial performance and other relevant facts

- **Leases:** The Company succeeded in reducing total lease expenses in the first nine months of 2014 by -2.3%, 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 first nine months of 2014, 55 actions took place with respect to leased hotels, and four lease agreements were terminated with a cost of €0.7M. With these initiatives it has been possible to achieve annualized savings of €9.9M, of which €4.3M are permanent. In Q3 annualized savings represent €1.8M.
- **Minority Interests:** mainly show losses attributable to the NH Hotel Group partner in the Italian business unit. With the acquisition of the remaining 44.5% of NH Italy's capital, and since the General Shareholders Meeting at the end of June, this item has remained virtually unchanged.

Non-recurring activity

The change in EBITDA is due to the fact that last year's figure mainly included the revenue relating to the capital gain from the sale of NH Gran Hotel Krasnapolsky and this year's figure includes the capital gains from the sales of the Amsterdam Centre and Harrington Hall hotels, together with non-recurring expenses which

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

included mainly costs arising from the outsourcing of housekeeping and administration services, as well as the termination of lease agreements.

- **Other non-recurring items:** mainly includes the effect from the recognition of Sotogrande's activity (Real Estate and touristic assets) as "Available for sale" and the taxes arising from the sale of the Amsterdam Centre, exchange rate differences and the non-inclusion this year of Equity swap revenues which covered the stock option plan.

Debt and liquidity

As of September 30, 2014	Maximum			Debt maturities *				
€ million	Available	Availability	Drawn	2014	2015	2016	2017	≥ 2018
Senior Credit Facilities								
Syndicated Term Loan Facility	133.3	-	133.3	19.0	19.0	19.0	76.3	-
Syndicated Revolving Credit Facility	66.7	66.7	-	-	-	-	-	-
Senior Secured Notes due 2019	250.0	-	250.0	-	-	-	-	250.0
Total debt secured by the Collateral	**450.0**	**66.7**	**383.3**	**19.0**	**19.0**	**19.0**	**76.3**	**250.0**
Other Secured loans	147.3	5.6	141.6	8.2	26.9	18.0	48.1	40.4
Total secured debt	**597.3**	**72.3**	**525.0**	**27.2**	**45.9**	**37.0**	**124.5**	**290.4**
Senior Unsecured Convertible Bonds due 2018	226.9	-	226.9	-	-	-	-	226.9
Unsecured loans	17.6	12.6	5.0	5.0	-	-	-	-
Subordinated loans	75.0	-	75.0	-	-	-	-	75.0
Total unsecured debt	**319.5**	**12.6**	**306.9**	**5.0**	**0.0**	**0.0**	**0.0**	**301.9**
Arranging loan expenses			(20.5)	(0.6)	(0.6)	(0.8)	(2.3)	(16.1)
Accrued interests			17.3	17.3				
Total debt	**916.8**	**84.9**	**828.7**	**48.8**	**45.3**	**36.1**	**122.1**	**576.3**
Cash and cash equivalents **		156.9	72.1					
Net debt			**756.6**					

* 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.

- The Group's net debt at the end of the third quarter of 2014 was €756.6M, an increase of €31.8M compared to end H1 2014 (€724.8M). The rise was mainly due to the investments in the repositioning Capex.

New Signings and Openings

Between 1st of January 2014 and 30th of September, NH Hotel Group signed a management contract in Havana, Cuba, with 220 rooms, which was opened on the 1st of February this year; a management agreement in Trento, Italy, with 89 rooms whose opening is expected for Q1 2015; a lease agreement in Sao Paulo (Brazil) with 174 rooms, expected to be opened in 2016; a management agreement in Lima, Peru, with 164 rooms and which will be open in 2016 and a variable rent in Marseilles, France, expected to be opened at the end of 2016.

New Hotel Openings from 1st January to 30th September 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
		816	

New Openings

In the first quarter of 2014, the 3rd NHOW hotel opened its doors in Rotterdam, the Netherlands, with 278 rooms; and a new four star (NH Capri) opened in Havana with 220 rooms. In the second quarter, the four-star hotel in Parma, Italy opened with 118 rooms, and the Venice hotel was refurbished, increasing the number of rooms by 15, up to 59

New Hotel Openings from 1st January to 30th September 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	118
Ext NH Prague	Prague, Czech Republic	Management	8
Ext NH Palazzo Barocci	Venice, Italy	Leased	15
Total New Openings			**631**

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

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 €52.4M. The lease yield was 6.3% minimising the estimated EBITDA loss, leading to a GOP coverage (GOP) of 1.8x. The capital gain was €3.9M and net cash amounted to €45M. The contract length is 20 years with four extensions of 10 years each. This operation opens the door to future collaboration with Fonciere des Regiones, which will help to establish 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 NH Hotel Group do not manage the hotel any longer.

Lastly, the sale of 97% in Sotogrande was announced for a value of €225M. NH has met its commitment to sell assets, amply exceeding its initial target of €125M, minimising the EBITDA loss originally assumed.

Hotels that left NH Group from 1st January to 30th September 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
Total Exits				**1.247**

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

HOTELS IN OPERATION BY COUNTRY AS OF SEPTEMBER 30TH 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	149	18.578	3	82	9.744	13	1.975	47	6.274	7	585
B.U. SPAIN	PORTUGAL	2	165	-	2	165	-	-	-	-	-	-
B.U. SPAIN	ANDORRA	1	60	-	-	-	-	-	1	60	-	-
B.U. ITALY	ITALY	50	8.105	1	32	5.320	15	2.280	3	505	-	-
B.U. BENELUX	HOLLAND	36	6.789	4	17	2.673	16	3.290	3	826	-	-
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		**368**	**57.579**	20	**209**	**31.048**	**78**	**12.671**	**73**	**13.182**	**8**	**678**

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

SIGNED PROJECTS AS OF SEPTEMBER 30TH 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	SPAIN	1	96	-	-	-	-	-	1	96
B.U ITALY	ITALY	3	452	-	1	204	-	-	2	248
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		**11**	**1.723**	-	**4**	**727**	**1**	**200**	**6**	**796**

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

	2014	2015	2016
Expected Investment (€M)	2.1	10.3	6.8

NH | HOTEL GROUP

NH HOTELS

NH COLLECTION

nhow

Hesperia RESORTS

www.nh-hotels.com