6M 2013 PRELIMINARY SALES AND RESULTS

Madrid, 30th of August 2013

NH HOTELES, S.A.

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Better LFL RevPar evolution in the second quarter (Q2 -0.34%) than in the first one (Q1 -1.48%), showing in the semester a decline of -0.78% and with **Central Europe and Italian business units with positive evolution**. The fall in average prices has been mostly offset by the increase in occupancy.

In the **months of June and July LFL RevPar grew +1.89% and +2.39% respectively**. **All business units** with the exception of Spain, which is reducing the fall, **show RevPar growth in July**. This business improvement is **consolidating during the month of August**, being able to anticipate a possible change in trend, not seen since the last quarter of 2011.

All **saving initiatives** contemplated in the budget of the year **are being met** and in the first six months **operating expenses** grew by **+1.4% with much higher activity levels**.

Highlights

- Despite the **growth in occupancy compared to the first semester of 2012 (+3.48% LFL), revenues fell by -3.1%** as a result of the **exclusion from the scope of consolidation** of hotels no longer belonging to the Group, **the slowdown of sales in the MICE and restaurant business** (with a reduction of **-3.09%**), and the fall in **average prices (-4.11% LFL)**. **Recurring EBITDA** stands at **€+50.9 million** and the **net profit** is **positive** due to net capital gains generated by non-recurring activity.
- The Company **continued to succeed in reducing lease costs** during 2013, more than offsetting increases from negotiations in previous years and CPI adjustments.
- **Collective dismissals in Italy and Spain:** in the first semester of 2013, two collective dismissal processes were performed in Italy and in Spain, in order to improve efficiency and flexibility. In Italy, the process commenced at the end of 2012 and continued in 2013, focusing on the outsourcing of the room cleaning activity at more than 20 hotels, which will represent a saving in annual terms of €7.5 million. In Spain, the process has already been successfully completed, with most of the measures already having been implemented, principally, as in Italy, the outsourcing of the cleaning activity at 20 hotels. In annual terms, such measures will represent a saving of approximate €8 million. These measures have been implemented since the mid of the second quarter and, accordingly, they will be much more visible in the second semester of the year. The two processes were achieved with the agreement of the trade union representatives, guaranteeing the re-placement of a significant part of the affected workers.
- NH Hoteles, S.A., through its Dutch subsidiary NH HOTELES PARTICIPATIES N.V., **sold the 468-room hotel THE GRAND HOTEL KRASNAPOLSKY AMSTERDAM**, **for a gross sales price of €157 million**. NH retains a Management Agreement for a period of 25 years (with estimated management fees exceeding €2 million per year). The disposal implied **gross capital gains for the NH Group amounting to €42 million**. The price has already been paid in full. The owner assumed to invest close to €40 million in two years.

2013

- **2013 outlook**: The Company had forecasted a weak first semester and the results are in line with budget, therefore, the outlook announced at the beginning of the year is maintained: a slight increase in revenues for the year and growth in the recurring EBITDA of between +5% and +10%, excluding the effect of the disposal of the NH Krasnapolsky hotel.

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- **Strategic and Operational Initiatives:** the Company continues to progress at the right pace in the 5-year Strategic Plan. Main initiatives include re-designing the NH brand, segmenting and optimizing its portfolio, updating its product and reinventing the 'NH experience'.
- **Sale of assets**: The Company has met its target for the year: €100 million before the 30th of June, reaching €157 million with the sale of the NH Krasnapolsky, and €140 million of net cash received. The asset disposal plan envisaged divestments amounting to €250 million that, after the sale of NH Krasnapolsky, the Company expects to generate the remaining €110 million over the coming months.

RevPar Evolution

- In the first quarter of 2013 LFL RevPar decreased by -1.48%, while in the second quarter performance improved, with a decrease of only -0.34%.
- Remarkable is the positive evolution during the months of June and July, with LFL RevPar growth of +1.89% and +2.39% respectively.
- Although all business units in the first semester presented positive evolution in occupancy rates with negative price growth, two different performances were identified in RevPar: firstly, the business units of Central Europe and Italy which had positive evolutions (+3.95% and +2.09%, respectively) and, secondly, the business units of Spain, Benelux and Latin America, with negative performance in the second quarter, but better than in Q1, due to the positive evolution in the month of June and confirming this trend during the months of July and August.

B.U. Spain

- The second quarter performed better than the first quarter (Q1 -4.71% and Q2 -3.53%), as a result of the lesser fall in average prices but also with reduced growth in occupancy, resulting in a six-month LFL RevPar of (-3.93%), as a consequence of decreases in average prices (-5.40%) and increases in occupancy levels (+1.55%). Isolating the month of June, LFL RevPar increase was +2.53%. Although in the month of July this evolution has been negative (-2.03%), the month of August seems to turn again to positive growth. The city of Barcelona continues to perform better than the remaining cities.

B.U. Italy

- In the second quarter the evolution improved with respect to the first one (Q1 +0.69% and Q2 +2.67%), as a consequence of the reduced fall in average prices. The six-month LFL RevPar figure increased compared to last year (+2.09%), due to a strong increase in occupancy (+5.04%) and reduced average prices (-2.81%). Individually June and July presented LFL RevPar growth of +5.72% and +2.20% respectively, anticipating a better third quarter confirmed with August evolution.

B.U. Benelux

- Better results were obtained in the second quarter (Q1 -4.82% and Q2 -3.92%), as a consequence of the reduced fall in average prices (Q1 -7.39% and Q2 -3.57%). In the first semester, LFL RevPar decreased -4.42%, with higher occupancy rates than in the previous year (+0.67%), but with a -5.06% decline in average prices. Although in June RevPar evolution was still negative, performance in the month of July has been positive (+3.12%), and with August perceived evolution, it seems that third quarter evolution will be positive.

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B.U. Central Europe

- In Q2 continues to get the best performance with an increase in LFL RevPar of +3.28%. This business unit has continued to show a very positive performance, achieving in the first half the strongest growth, with an increase of LFL RevPar (+3.95%), driven primarily by strong growth in occupancy (+6.70%) but with decline in prices (-2.58%). Isolating the months of June and July, LFL RevPar growth +5.43% and +5.26% respectively, anticipating an even better third quarter than the first six months. Excluding the effect of the DRUPA fair in Dusseldorf which is held every four years and which was held last year, average prices in this business unit only declined by -0.7%. In general, all of the German cities reported high levels of occupancy, most notably with an increase in RevPar of over 20% in Munich.

B.U. The Americas

- The second quarter has performed much better than the first quarter (Q1 -12.30% and Q2 +0.74%) both in terms of occupancy and prices, although we highlight that in Q1, occupancy fell by 4.31% and in Q2 it increased by +8.12%. Accumulated at six months, representing the Group's highest fall, the LFL RevPar contracted (by -5.73%), with higher occupancy levels (+1.98%) and a stark decrease in average prices (-7.56%), extremely affected by the negative evolution in exchange rates. At a constant exchange rate, the decrease in average prices and RevPar would have been -2.63% and -0.70% respectively. Very good performance in the months of June and July with LFL RevPar growth of +8,36% and +14,78% respectively, which together with the evolution seen in August, let us anticipate a very good third quarter.
- Latin America showed highly varying trends in its main markets. Mexico has stood out positively, with RevPar increases of over 9%, boosted by a healthy increase in occupancy. Argentina, however, has performed very weakly both in terms of prices and occupancy, due to a decrease in demand from its two main client markets (Brazil and Spain). Third-quarter expectations involved clear improvements for Argentina and the continuing good progress of the business in Mexico.

NH HOTELES KPI 6 MONTHS 2013

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2.013	2.012	2.013	2.012	% Var	2.013	2.012	% Var	2.013	2.012	% Var
Spain & Portugal "Like for like"	12.274	12.275	62,74%	61,78%	1,55%	67,42	71,27	-5,40%	42,29	44,03	-3,93%
B.U. SPAIN	12.960	13.537	61,69%	60,44%	2,07%	67,09	70,15	-4,37%	41,39	42,40	-2,39%
Italy "Like for like"	6.603	6.576	63,34%	60,30%	5,04%	90,16	92,77	-2,81%	57,10	55,94	2,09%
B.U. ITALY	7.575	7.543	61,76%	58,03%	6,44%	93,32	95,06	-1,83%	57,64	55,16	4,49%
Benelux "Like for like"	8.428	8.428	64,42%	63,99%	0,67%	86,73	91,34	-5,06%	55,87	58,45	-4,42%
B.U. BENELUX	8.886	8.896	65,08%	64,58%	0,78%	90,11	95,07	-5,21%	58,65	61,39	-4,47%
Central Europe "like for like"	12.627	12.627	69,03%	64,69%	6,70%	77,27	79,31	-2,58%	53,34	51,31	3,95%
B.U. CENTRAL EUROPE	12.627	12.842	69,03%	64,31%	7,33%	77,27	78,93	-2,10%	53,34	50,76	5,08%
TOTAL EUROPE "LIKE FOR LIKE"	39.932	39.906	65,18%	62,92%	3,59%	78,40	81,59	-3,92%	51,10	51,34	-0,47%
TOTAL EUROPE CONSOLIDATED	42.047	42.818	64,62%	62,03%	4,17%	79,77	82,37	-3,16%	51,55	51,10	0,88%
Latin America "Like for like"	3.151	3.151	59,54%	58,39%	1,98%	63,88	69,11	-7,56%	38,04	40,35	-5,73%
LATINAMERICA CONSOLIDATED	3.288	3.288	59,92%	57,29%	4,59%	64,68	70,02	-7,63%	38,76	40,12	-3,38%
NH HOTELES "LIKE FOR LIKE"	43.083	43.057	64,77%	62,59%	3,48%	77,42	80,74	-4,11%	50,14	50,54	-0,78%
TOTAL CONSOLIDATED	45.335	46.106	64,28%	61,70%	4,19%	78,75	81,55	-3,44%	50,62	50,32	0,61%

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Recurring Results

In the first semester of 2013, income dropped €20.32 million (-3.1%) as a result of the:

- Fall in hotel activity of -2.4% (-€15.49M), mainly due to:
  - Exclusions from the scope of consolidation of hotels. The most significant closures of last year were: NH Condor (1st of April), NH Mercader (16th of April) and NH Trier (2nd of July). The exclusions of hotels in current year are: the leased hotels NH Abashiri and NH Girona; the NH Villa in Coslada and NH Califa hotels, which became a franchise agreement from leased contracts, and in the last four days of June the NH Krasnapolsky hotel became a hotel under management. The joint effect of all these exclusions from the scope amounted to €5.1 million, which represents 33% of the fall in sales.
  - Fall in in revenues of F&B (-3.09%). The deterioration in the income of F&B had less impact on GOP than the room's revenue. Spain and Central Europe experienced a sharper dip in these businesses, with decreases of between -4% and -6%, while Benelux and Italy recorded slightly poorer sales than the previous year (-2%). Latin America performed positively with a +14% increase in the restaurant business, in spite of a decrease in rooms revenue.
  - Decrease in the ADR.
- Decrease in income from the real estate business of -50.1% (-€4.83 million), affected by the change in accounting regulations. See the explanation in the Real Estate Activity section analyzed below.

Regarding operating costs, the efforts implemented to boost the Company's efficiency have enabled these costs to grow by a mere +0.4% in absolute terms, in spite of the increase in the occupancy (+3.48% in terms of LFL), which rose to 64.77% in 2013 from 62.59% in 2012, plus the effect of having to absorb inflation.

- Thanks to the containment plans launched in 2012, personnel expenses increased by +0.9% with respect to the previous year, despite having levels of activity above those of the previous year, having strengthened sales teams and the effects of inflation.
- Labor force adjustments implemented since the mid-second quarter will have more visibility in the second half of the year. Already in the month of July these costs were reduced by -4.8% and accumulated to 7 months shows total containment.
- Other direct management costs rose +1.9%, due to an increase in commissions (because of the greater number of commissioned sales) and an increase in extraordinary IT systems expenditures (in line with the new systems plan being implemented in the Company), and an increase in energy costs.
- Real Estate cost of sales decreased by 97.8% due to the regulatory changes mentioned in the first paragraph of the Real Estate section.

As announced in the previous report, the Group continues to focus its efforts on both personnel expenses in Spain and Italy (with a much higher personnel cost over sales than the rest of the business units), and the lease payments from these business units. It has achieved significant decreases in both of these areas and business units.

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By market (LFL hotel activity):

- **Spain** is the business unit which experienced the worst deterioration in income (-5.7%) at six months. The evolution of the Spanish market explains the largest part of the fall in Group income. Despite the reduction in operating expenses (-1.0%), mainly due to decreased personnel expenses (-1.7%) and lower lease costs (-14.6%), the sharp fall in income meant the business unit did not achieve growth either in terms of GOP or of EBITDA.
- **Italy** obtained slightly lower income than the preceding year (-0,7%), and is the only business unit which succeeded in increasing its GOP with respect to the previous year (+8,1%, obtaining a GOP margin of 31.0% as compared with 28.5% in the previous year) as well as its EBITDA (+43.6%). This business unit's improved efficiency was particularly notable, with a -4.2% decrease in operating expenses, and significantly lower personnel costs (-10.7%). It also managed to reduce its lease expenses (by -6.0%).
- **Benelux** presented the second largest fall in 6-month income (-3.6%), primarily due to a drop in average prices. Operating expenses increased by +2.7% as a result of the increase in personnel expenses (+3.7%), due to the rise in employee benefit costs and in the collective agreement. It is the business unit which contributes the most EBITDA to the Group due to the greater proportion of hotels owned.

- **Central Europe** is the only business unit which succeeded in increasing income with respect to last year (+1.0%). This unit was affected by the DRUPA fair in Dusseldorf which is held every four years and which was held last year. The effect of this fair was a fall of €2.80 million in income and of €2.79 million in terms of GOP. Operating expenses rose by +8.0%, as a result of the increased level of activity, the rise in personnel expenses (new Booking Office established in Berlin last October), increased energy expenses (since the renewable energy law entered into force), and due to the rise in commission.

- **The Americas** presented a fall in income of -1.6%, mainly due to the depreciation of the Argentine peso of 14% with respect to the preceding year. The inflationary spiral in Argentina has continued to drive business unit costs up (+8.2%), in spite of the decrease in income, and this has caused both GOP and EBITDA to fall.

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RECURRING HOTEL ACTIVITY 2013 VS 2012						
(€ million)	**2013 2Q**	**2012 2Q**	**%DIF**	**2013 6 months**	**2012 6 months**	**%DIF**
SPAIN	84.07	88.25	(4.7%)	147.94	156.96	(5.7%)
ITALY	56.86	56.60	0.5%	96.63	97.28	(0.7%)
BENELUX	73.19	75.20	(2.7%)	136.52	141.65	(3.6%)
CENTRAL EUROPE	94.66	93.30	1.5%	175.42	173.69	1.0%
AMERICA	18.18	17.29	5.1%	33.11	33.66	(1.6%)
REVENUE LIKE FOR LIKE HOTELS	**326.96**	**330.65**	**(1.1%)**	**589.62**	**603.23**	**(2.3%)**
OPENINGS, CLOSINGS, REFURBISH. & OTHER 13/12	**28.26**	**30.39**	**(7.0%)**	**37.09**	**38.97**	**(4.8%)**
REVENUE	**355.22**	**361.04**	**(1.6%)**	**626.71**	**642.20**	**(2.4%)**
SPAIN	56.71	57.22	(0.9%)	108.57	109.71	(1.0%)
ITALY	36.11	36.49	(1.0%)	66.62	69.52	(4.2%)
BENELUX	43.52	43.62	(0.2%)	92.79	90.32	2.7%
CENTRAL EUROPE	58.48	54.52	7.3%	115.45	106.91	8.0%
AMERICA	13.45	11.64	15.6%	24.93	23.03	8.2%
OPEX LIKE FOR LIKE HOTELS	**208.28**	**203.48**	**2.4%**	**408.35**	**399.50**	**2.2%**
OPENINGS, CLOSINGS, REFURBISH. & OTHER 13/12	**19.06**	**20.97**	**(9.1%)**	**28.00**	**30.29**	**(7.6%)**
OPERATING EXPENSES	**227.34**	**224.45**	**1.3%**	**436.35**	**429.79**	**1.5%**
SPAIN	27.37	31.03	(11.8%)	39.38	47.24	(16.6%)
ITALY	20.75	20.11	3.2%	30.01	27.75	8.1%
BENELUX	29.68	31.58	(6.0%)	43.73	51.33	(14.8%)
CENTRAL EUROPE	36.18	38.79	(6.7%)	59.97	66.78	(10.2%)
AMERICA	4.72	5.66	(16.5%)	8.18	10.63	(23.0%)
GOP LIKE FOR LIKE HOTELS	**118.69**	**127.17**	**(6.7%)**	**181.27**	**203.73**	**(11.0%)**
OPENINGS, CLOSINGS, REFURBISH. & OTHER 13/12	**9.19**	**9.42**	**(2.5%)**	**9.09**	**8.68**	**4.8%**
GOP	**127.88**	**136.59**	**(6.4%)**	**190.36**	**212.41**	**(10.4%)**
LEASES&PT LIKE FOR LIKE HOTELS	**66.47**	**70.79**	**(6.1%)**	**133.36**	**139.85**	**(4.6%)**
OPENINGS, CLOSINGS, REFURBISH. & OTHER 13/12	**2.85**	**1.88**	**51.5%**	**5.62**	**4.78**	**17.5%**
LEASES & PROPERTY TAXES	**69.32**	**72.67**	**(4.6%)**	**138.98**	**144.63**	**(3.9%)**
SPAIN	8.80	8.62	2.1%	1.65	3.08	(46.6%)
ITALY	11.31	9.98	13.3%	11.33	7.89	43.6%
BENELUX	18.63	20.50	(9.1%)	21.15	29.41	(28.1%)
CENTRAL EUROPE	10.13	12.87	(21.3%)	8.28	15.30	(45.8%)
AMERICA	3.36	4.40	(23.8%)	5.49	8.20	(33.0%)
EBITDA LIKE FOR LIKE HOTELS	**52.22**	**56.37**	**(7.4%)**	**47.91**	**63.88**	**(25.0%)**
OPENINGS, CLOSINGS, REFURBISH. & OTHER 13/12	**6.34**	**7.55**	**(15.9%)**	**3.47**	**3.90**	**(10.9%)**
EBITDA	**58.56**	**63.92**	**(8.4%)**	**51.38**	**67.78**	**(24.2%)**

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Income statement

NH HOTELES, S.A. P&L ACCOUNT						
(€ million)	**Q2 2013**	**Q2 2012**	**2013/2012**	**6 M 2013**	**6M 2012**	**2013/2012**
Hotel Revenues	355.2	361.0	(1.6%)	626.7	642.2	(2.4%)
Real estate sales and other	2.7	6.3	(56.7%)	4.8	9.6	(50.1%)
TOTAL REVENUES	**358.0**	**367.3**	**(2.6%)**	**631.5**	**651.8**	**(3.1%)**
Real estate cost of sales	(0.1)	(3.1)	(97.4%)	(0.1)	(4.0)	(97.8%)
Staff Cost	(120.6)	(118.1)	2.1%	(233.7)	(231.7)	0.9%
Operating expenses	(109.3)	(109.5)	(0.2%)	(207.6)	(203.7)	1.9%
GROSS OPERATING PROFIT	**128.1**	**136.7**	**(6.3%)**	**190.2**	**212.4**	**(10.5%)**
Onerous contract reversal provision				6.3	1.9	(227.6%)
Lease payments and property taxes	(72.7)	(74.5)	(2.4%)	(145.6)	(146.9)	(0.9%)
EBITDA	**58.6**	**64.0**	**(8.4%)**	**50.9**	**67.4**	**(24.6%)**
Depreciation	(23.8)	(28.7)	(16.9%)	(47.8)	(56.2)	(15.0%)
EBIT	**34.8**	**35.3**	**(1.5%)**	**3.1**	**11.2**	**(72.4%)**
Interest expense	(17.6)	(11.9)	47.6%	(34.8)	(24.7)	41.0%
Income from minority equity interests	(2.5)	(0.4)	(488.4%)	(3.5)	(0.4)	(837.8%)
EBT	**14.7**	**23.0**	**(36.1%)**	**(35.2)**	**(13.8)**	**(154.6%)**
Corporate income tax	(7.6)	(8.0)	(4.6%)	(1.3)	(2.9)	54.2%
NET RESULT before minorities	**7.0**	**15.0**	**(53.0%)**	**(36.5)**	**(16.7)**	**(118.6%)**
Minority interests	(3.0)	(1.1)	167.9%	1.6	3.9	(60.1%)
NET RECURRING RESULT	**4.0**	**13.8**	**(71.1%)**	**(35.0)**	**(12.8)**	**(172.8%)**
Non Recurring EBITDA	36.9	(4.2)	983.5%	35.4	(7.7)	558.8%
Other Non Recurring items	0.8	(5.2)	114.6%	(0.3)	(7.1)	95.8%
NET RESULT including Non-Recurring activity	**41.7**	**4.4**	**843.2%**	**0.1**	**(27.6)**	**100.4%**

Financial performance and Other

- **Leases:** The Company was able to reduce its lease costs in the first semester of 2013 with respect to the previous year (-0.9% decrease), offsetting increases in negotiations from previous years and CPI adjustments. In the first semester of the year, 40 actions were taken on leased hotels with negative EBITDA, thus making it possible to cancel four lease agreements. During the second half, additional lease reductions are anticipated to those already obtained.
- **Depreciation:** Expenses for depreciation have been reduced (-15%) as a consequence of the impairment provision recorded in 2012.
- **Net Debt and Financial Expenses**: Net Financial Debt was reduced from €990.6 million at the 31st of March 2013 to €686.2 million at the 30th of June 2013, as a result of the capital increase of HNA entering into the shareholder structure and the reduction in debt with the disposal of the NH Krasnapolsky hotel together with the ordinary repayment schedule of the syndicated loan. On the other side, in this second quarter, working capital was normalized together with labor force dismissals and leases contract terminations. The increase in financial expenses is due to the increased spreads of the new financing, both the syndicated loan from April 2012 and the loan relating to NH Italy agreed in July 2012, that will be notice

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the following quarter (during four months in the first case the financial expense last year was significantly lower).

- **Minority Interests:** mainly show losses attributable to the NH Hotels partner in the Italian business unit.

Non-recurring EBITDA

In the first semester of 2012, €-7.7 million in non-recurring expenses were included at EBITDA level, most of which were severance payments due to staff restructuring.

In 2013, €+35.4 million of income was included in the EBITDA, which incorporated mainly the capital gain for the disposal of the NH Krasnapolsky hotel.

Other non-recurring items

- **Impairment:** An impairment provision was recorded in the first semester of 2012 for €9.72 million. After the high provision recorded at 2012 year-end, it has not been necessary to increase the impairment provision this year.
- **Change in the fair value of financial instruments:** this includes firstly the reduction of the provision in reference to the Equity Swap which covers the Option Plan approved in 2007 and which, as a result of the rise in the share price since the end of 2012 (from €2.61 to €2.74), has a positive sign. This provision is reversible, to the extent that the share price recovers until the final expiry of the plan in the second semester of 2013, and until then does not represent a cash outflow. Secondly, it also includes the market value of the Group's interest rate derivatives which, due to their negative performance in the semester, contribute adversely in this line, one effect being offset by the other.

Real Estate Activity

- On the 1st of January 2013, the IFRS 11 Joint Arrangements standard took effect, eliminating the possibility of proportional consolidation for jointly-controlled companies (which is the case of Residencial Marlin and los Alcornoques in Sotogrande), thus making it necessary to use the equity method. This change has had a significant impact on the fiscal year 2013 sales figures, since these companies' sales will no longer be included under income in the Consolidated Income Statement.
- Real estate activities have dropped to €4.81 million from the €9.64 million recorded for the same period last year. Five of Residencial Marlin's apartments were recorded in a public deed in the first semester of 2013 for a total of €1.13 million*, this is in comparison to the eleven homes recorded in a public deed in the same period in 2012 for a total of €4.49 million.

(*) This income is not included under Income in the Real Estate Activity of the profit and loss account due to the regulatory changes implemented under the IFRS 11 Joint Arrangements.

Considering the same accounting criteria in the period, the decline in sales is -6.6%, equivalent to € -0.3 M.

At the end of August and after the good deeds trend in the months of July and August, total number of apartments sold in the year amounted to 14 units.

- The EBITDA was €-0.50 million, compared to €-0.34 million in the same period of the previous year. The worst EBITDA from fiscal 2013 is mainly due to the decrease in apartment sales (for the reasons described in the previous paragraph), and due to the termination of the Sotogrande Golf Services consultancy activity. The net result was €-3.92 million, compared to €-6.02 million the previous year. The Company's net results have improved because at June 2012 it recognized an inventory impairment provision of €-3.0 million and incurred €-0.56 million in severances payments.

- At 30th of June 2013, Sotogrande had sales commitments pending recognition for a total of €3.43 million. These sales relate to the Ribera del Marlin property that is pending being recorded in a public deed by the purchasers (€3.03 million) and berths in La Marina (€0.40 million).

New Agreements and Openings

From the 1st of January 2013 to the 30th of June 2013, NH Hotels has not signed any new contract.

New Openings

In the first six months of 2013, the Hesperia WTC Valencia (Venezuela) hotel increased the number of its rooms by 18 to 294, and the NH Puebla hotel (Mexico) increased the number of its rooms by 52 to 180.

New Hotel Openings from January 1st to June 30th 2013

Hotels	City	Contract	# Rooms
Ext. Hesperia WTC Valencia	Valencia, Venezuela	Management	18
Ext. NH Puebla	Puebla, Mexico	Management	52
Total New Openings			**70**

Asset Management

Sale of Non-Strategic Assets

On the 24th of June, NH Hotels announced the sale of the Hotel Krasnapolsky in Amsterdam, the Netherlands, for a gross sales price of €157 million, with NH retaining a management agreement for a 25-year period (with estimated management fees exceeding €2 million per year). The disposal implied gross capital gains for the NH Group amounting to €42 million. The buyer will invest nearly €40 million in refurbishing the hotel. The EBITDA generated by the hotel in 2012 was €16.2 million.

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Hotels that left the NH Group from the 1st of January to the 30th of June 2013

Hotels	City	Contract	# Rooms
NH Abashiri	Valencia, Spain	Leased	168
NH Girona	Gerona, Spain	Leased	115
Hesperia Park Hotel Troya	Tenerife, Spain	Management	318
NH Liberty	Messina, Italy	Management	51
NH Royal Palace	Messina, Italy	Management	103
Total Exits			**755**

In February, the lease agreement for the NH Abashiri hotel (Valencia, Spain), which incurred losses, was terminated.

In March, the Group terminated the lease agreement for the NH Girona hotel in Spain, which generated losses.

On the 1st of March, the NH Califa hotel in Cordoba, Spain, with 65 rooms, ceased to be operated under a lease agreement to be operated under a franchise contract.

The Hesperia Park Troya hotel in Adeje, Tenerife, ceased to be managed by the Group.

On the 30th of April, two hotels located in Messina, Italy, with 51 and 103 rooms, respectively, ceased to be managed by the Group.

Eleven projects signed and pending to be opened, with a total of 1,094 rooms (551 rooms under a lease arrangement and with an investment of €7.13 million, and 543 rooms under a management arrangement), were cancelled. Six projects were located in Spain, two in Italy, two in Hungary and 1 in the Czech Republic.

On the 30th of June, the NH Puerto de Sagunto hotel in Spain with 99 rooms, ceased to be operated under a lease agreement to be operated under a franchise contract, and on the 26th of June, the NH Krasnapolsky hotel ceased to be an owned hotel to become a management agreement.

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HOTELS ON OPERATION BY COUNTRIES AS OF JUNE 30TH 2013

BUSINESS UNIT	COUNTRY	TOTAL		LEASED			OWNED		MANAGED		FRANCHISE	
		Hotels	Rooms	Call Option	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
B.U. SPAIN	SPAIN	168	20.076	3	89	10.265	16	2.428	55	6.790	8	593
B.U. SPAIN	PORTUGAL	2	165	-	2	165	-	-	-	-	-	-
B.U. SPAIN	ANDORRA	1	60	-	-	-	-	-	1	60	-	-
B.U. ITALY	ITALY	50	8.085	1	32	5.300	15	2.280	3	505	-	-
B.U. BENELUX	HOLLAND	35	6.509	4	16	2.441	17	3.520	2	548	-	-
B.U. BENELUX	BELGIUM	10	1.550	-	2	434	8	1.116	-	-	-	-
B.U. BENELUX	FRANCE	3	556	-	2	397	-	-	1	159	-	-
B.U. BENELUX	ENGLAND	2	321	-	1	121	-	-	1	200		
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	521	-	3	399	1	122	-	-	-	-
B.U. CENTRAL EUROPE	CZECH REPUBLIC	2	579	-			-	-	2	579	-	-
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. LAS AMERICAS	MEXICO	13	2.092	-	5	689	4	681	4	722	-	-
B.U. LAS AMERICAS	ARGENTINA	13	2.049	-	-	-	11	1.524	2	525	-	-
B.U. LAS AMERICAS	DOMINICAN REPUBLIC	3	1.261	-	-	-	-	-	3	1.261	-	-
B.U. LAS AMERICAS	VENEZUELA	3	1.165	-	-	-	-	-	3	1.165	-	-
B.U. LAS AMERICAS	UNITED STATES	1	242	-	-	-	1	242	-	-	-	-
B.U. LAS AMERICAS	URUGUAY	1	136	-	-	-	1	136	-	-	-	-
B.U. LAS AMERICAS	COLOMBIA	1	137	-	-	-	1	137	-	-	-	-
B.U. LAS AMERICAS	CHILE	1	122	-	-	-	1	122	-	-	-	-
OPEN HOTELS		**386**	**58.168**	20	**216**	**31.421**	**82**	**13.352**	**79**	**12.709**	**9**	**686**

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NH HOTELES AGREED PROJECTS AS OF JUNE 30TH 2013

Following the latest negotiations and after the cancellation of several signed projects, the number of hotels and rooms pending to be opened would be the following.

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	4	674	-	3	515	-	-	1	159
B.U BENELUX	HOLLAND	1	278	-	-	-	-	-	1	278
B.U THE AMERICAS	HAITI	1	72	-	-	-	-	-	1	72
B.U THE AMERICAS	VENEZUELA	-	25	-	-	-	-	-	-	25
B.U THE AMERICAS	PANAMA	1	200	-	-	-	1	200	-	-
B.U THE AMERICAS	MEXICO	1	135	-	-	-	-	-	1	135
TOTAL PROJECTS		**9**	**1.480**	-	**3**	**515**	**1**	**200**	**5**	**765**

Committed investment corresponding to the aforementioned hotels by year of execution:

	2013	2014	2015
Expected Investment (€ million)	4.9	0.4	0