

SALES AND RESULTS

Third Quarter 2018

12th November 2018



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HOTELS


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Hesperia
RESORTS

9M 2018 Main Financial Aspects ⁽¹⁾

- **Revenue growth of +3.6%** (+5.5% at constant rates), **reaching €1.197m** (+€41m) in the first nine months of the year, despite 2018 renovations (-€12m) and negative currency impacts (-€22m).
 - In the **like-for-like** ("LFL") perimeter, excluding refurbishments and perimeter changes, revenue grew +2.5% (+5.0% at constant rates):
 - Strong evolution in Europe, with growth of +3.6%. It is worth noting the positive performance of Benelux (+7.0%), Italy (+4.4%) and Central Europe (+3.1%). Spain (+0.7%; +2.0% excluding Barcelona) was affected by the robust LFL growth in 2017 (+11%) and the situation in Barcelona.
 - Latin America was adversely affected by currency.
 - Above-market relative RevPAR growth of +1.7 p.p. in top cities, on the relative increase of ADR (+1.1 p.p.) and higher relative occupancy (+0.5 p.p.), supported by perceived quality improvements.
 - **Including hyperinflation accounting effect (IAS 29) revenue growth is +3.0%.**
 - **Q3: revenue grew +2.9%** (+5.0% at constant exchange rates) **reaching €411m** (+€12m). LFL growth in Europe was +2.3% on the strong evolution of Benelux (+6.4%) and Central Europe (+4.8%). Italy performed well (+2.0%), despite the negative impact trade fair calendar in Milan in September. Difficult comparison in Spain (-3.2%) due to a remarkable Q3 2017 LFL performance (+12%; schedule of congresses in Madrid) and the situation in Barcelona.
- **Increase in RevPAR of +2.0% in the first nine months, with ADR growth** (+1.5%; +€1.4) accounting for 73% of the RevPAR increase; **occupancy** rose +0.5% to 71.6%. It is worth noting the RevPAR growth in Benelux (+7.0%) and Italy (+4.8%). Spain had a difficult comparison (strong schedule of congresses in 2017 and the situation in Barcelona) and LatAm was adversely affected by currency.
 - **Q3:** RevPAR grew +2.0% with an 85% contribution from prices (ADR +1.7%); the occupancy rate remained stable (+0.3%). Strong RevPAR performance in Central Europe (+6.7%) and Benelux (+5.7%).
- Revenue growth together with cost controls allowed to close the first nine months of the year with **Recurring EBITDA⁽²⁾ growth of +10%, reaching €187m**, which represents an **increase of +€17m and a margin of 15.7%** (+0.9 p.p.). **The conversion rate of incremental revenue to EBITDA is 41%.** Excluding refurbishments and perimeter changes, the LFL conversion rate reached 62%.
 - **Including hyperinflation accounting effect (IAS 29) Recurring EBITDA reached €185.3m.**
 - **Q3:** EBITDA⁽²⁾ grew +7.6%, an increase of +€5m to €72m, while margin improved +0.8 p.p. to 17.6%.
- **Significant increase in Recurring Net Income** (+€24m, and higher than EBITDA growth), **reaching €51m in the first nine months** on business improvements and lower financial costs due to a reduction in financial indebtedness.
- **Total Net Income reached €100m**, an improvement of +€75m compared to the same period in 2017. The comparison is positively affected by the higher net capital gains from asset rotation.
 - **Total Net Income including hyperinflation accounting effect (IAS 29) would reach €106.7m.**
- **Reduction of net financial debt to €208m** (compared to €655m as of 31 Dec. 2017), following the early conversion of the Convertible Bond (€250m) in June 2018, the favourable **operating cash flow generation**, and the contribution from asset rotation strategy.

(1) Business performance figures exclude hyperinflation accounting (IAS 29) impact explained in p. 3 and p. 10.

(2) Recurring EBITDA before onerous reversal and capital gains from asset disposals and excluding IAS 29 impact

➤ **Implementation of accounting standard IAS 29** (detail of financial information with impacts in annex p. 16):

The following is an explanation of the effect on the Group's results as of 30 September 2018 on financial reporting in hyperinflationary economies. The application of this standard impacts the Group's results in Argentina and its effects on business figures from 1st January 2018 are:

- Revenue: -€7.0m
- Recurring EBITDA: -€2.0m
- Total Net Income: +€7.1m, mainly explained by the revaluation of fixed assets in Argentina
- Balance Sheet: +€43m in net equity due to the historic revaluation of assets in Argentina partly reduced by deferred tax and minorities

➤ **Minor International Group Takeover Bid:**

- Offer targeting all of NH share capital, excluding shares owned by Minor International (46.4%).
- Acceptance period: 8th October – 22nd October.
- Offer results (26th October): acceptance of 187.3 million shares, representing 88.85% of the targeted shares.
- Settlement: 31st October.
- After the tender offer, Minor International holds 369.2 million shares of NH Hotel Group, representing 94.1% of the share capital comprised of 392.2 million shares.
- Management team of NH has started to work with Minor International to define the new Strategic Plan of NH identifying synergies across both complementary businesses, with the aim of maximizing shareholder value.

➤ **Resolution of the management contract of Grupo Inversor Hesperia S.A. (GIHSA) due to change of control:**

- Management contract signed in March 2017 for 28 hotels (c. 4,000 rooms) in Spain for a duration of nine years. Investment of €38.6m (€31m net investment due to the compensation of €7m received for the early termination of the previous contract). Payment schedule: €17m on the signing date, €10m in April 2018, and €11.6m in April 2019 (not disbursed).
- Resolution: notification sent by GIHSA on 4th September 2018 due to the expected change in control resulting from the Minor International takeover bid. Contract resolution signed on 31st October 2018 with an effective resolution date of 30th November 2018.
- Compensation: €20.1m net price return (guarantee granted in 2017) and withdrawal of NH's third payment (€11.6m) in April 2019. Reimbursement expected the 30th November 2018.
- The net price return (€20.1m) together with the management fees received since 2017 (€7.5m in 2017 and €7m in 2018E) and the buyback of the Hesperia brand (€1.4m), allows NH to make profitable the investment made in 2017 & 2018.

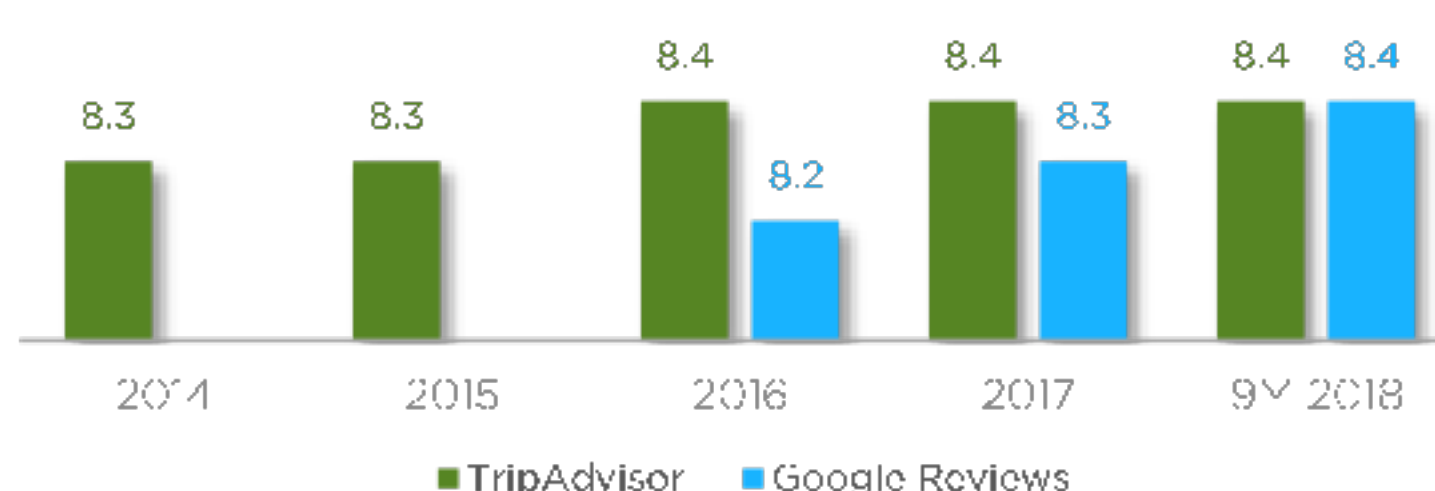
2018 Outlook

- We confirm our target of **€260m EBITDA⁽¹⁾** and **update the reduction in the net financial debt ratio to 0.8-1.0x by 31st December 2018** compared to the initial 1.0-1.2x target.

(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals and excluding IAS 29 impact

Other Highlights

- **Repositioning Plan:** In the first nine months of 2018 the following hotels are affected by refurbishments: NHC Palacio de Castellanos, NH Málaga, NH Plaza de Armas, NH Balboa, NH Imperial Playa, NH Madrid Paseo de la Habana and NH Jolly Madison Towers in the BU of Spain. NHC Milano Porta Nuova, NH Pontevecchio and NHC Roma Centro in Italy. NH Schiphol in Benelux and NH Berlin Alexanderplatz, NHC Frankfurt City, NHC München Bavaria and NH Vienna Airport, in Central Europe and NHC Bogotá WTC Royal in Latin America. The opportunity cost, as lower revenues due to the refurbishments was -€12.0m compared with the first nine months of 2017, mainly due to the refurbishments of hotels in New York, Germany and Italy.
- **Brand:** NH had 384 hotels and 59,602 rooms as of 30th September 2018, of which 78 hotels and 12,344 rooms are NH Collection (21% of the portfolio), showing in the first nine months of the year their potential both in terms of prices (+40% higher price; ADR NH Collection €124 vs ADR NH €89) and quality (with improvements also in non-refurbished hotels). NH Hotel Group focuses on quality measurement using new sources of information and surveys, thus significantly increasing both the volume of reviews and the evaluations received.



- **Pricing & Revenue Management:** Higher relative RevPAR growth of +1.7 p.p. in the main cities compared to our competitors, through higher ADR (+1.1 p.p.) and occupancy (+0.5 p.p.):
 - Outstanding growth in Italy with a relative RevPAR of +7.1 p.p. on higher ADR and occupancy, driven by the favourable performance of Rome.
 - Good results in Benelux with a 1.2 p.p. higher increase in relative RevPAR on higher occupancy.
 - Central Europe: +0.3 p.p. variation in relative RevPAR on higher ADR with the main cities showing a positive trend.
 - Spain: +1 p.p. relative RevPAR on the lower decline in ADR and similar occupancy trends.

9M 2018	ADR % var.		"Relative" ADR	"Relative" Occupancy	RevPAR % var.		"Relative" RevPAR
	NH	Compset	Var.	Var.	NH	Compset	Var.
Total NH	2.6%	1.4%	1.1 p.p.	0.5 p.p.	4.8%	3.2%	1.7 p.p.
Spain	-1.7%	-2.7%	1.0 p.p.	0.0 p.p.	0.0%	-1.0%	1.0 p.p.
Italy	5.4%	1.4%	4.0 p.p.	2.9 p.p.	8.5%	1.4%	7.1 p.p.
Benelux	4.0%	4.8%	-0.9 p.p.	2.0 p.p.	8.8%	7.5%	1.2 p.p.
Central Europe	4.0%	2.1%	1.9 p.p.	-1.5 p.p.	4.2%	3.9%	0.3 p.p.

- **Asset Rotation:**
 - In February 2018, the sale and leaseback of the NH Collection Amsterdam Barbizon Palace Hotel was recorded for a gross amount of €155.5m and an estimated net post-tax cash of c.€122m. Taxes will be paid during the course of 2018.
 - In addition, three hotels with 381 rooms were signed in the first nine months of 2018, two of which are leased in Hannover and Hamburg under the NH brand, and the third one under a management contract in Havana with the NH Collection brand.

Q3 RevPAR evolution ⁽¹⁾:

Note: The “Like for Like plus Refurbishments” (LFL&R) criteria includes hotels renovated in 2017 and 2018

	NH HOTEL GROUP REVPAR Q3 2018/2017										
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2018	2017	2018	2017	% Var	2018	2017	% Var	2018	2017	% Var
Spain & Others LFL & R ⁽²⁾	11,052	11,300	74.7%	75.6%	-1.2%	93.3	96.7	-3.6%	69.7	73.1	-4.7%
B.U. Spain Consolidated ⁽²⁾	11,587	11,745	74.7%	75.9%	-1.6%	93.4	97.1	-3.8%	69.8	73.7	-5.3%
Italy LFL & R	7,181	7,185	72.7%	72.0%	0.9%	123.3	120.5	2.3%	89.6	86.8	3.3%
B.U. Italy Consolidated	7,325	7,185	72.4%	72.0%	0.6%	124.0	120.5	2.9%	89.8	86.8	3.5%
Benelux LFL & R	8,214	8,209	78.0%	75.0%	3.9%	107.1	103.6	3.4%	83.5	77.7	7.4%
B.U. Benelux Consolidated	8,914	8,366	77.3%	74.9%	3.2%	105.8	103.2	2.5%	81.8	77.3	5.7%
Central Europe LFL & R	11,792	11,819	79.5%	79.0%	0.7%	88.2	83.7	5.4%	70.1	66.1	6.1%
B.U. Central Europe Consolidated	12,056	12,056	79.6%	78.8%	1.0%	88.0	83.3	5.7%	70.0	65.7	6.7%
Total Europe LFL & R	38,239	38,513	76.5%	75.8%	0.9%	100.0	98.2	1.8%	76.5	74.5	2.7%
Total Europe Consolidated	39,882	39,352	76.3%	75.9%	0.6%	99.8	98.0	1.8%	76.2	74.4	2.4%
Latinamerica LFL & R	5,236	5,236	61.9%	63.8%	-3.1%	71.5	71.4	0.2%	44.3	45.5	-2.6%
Latinamerica Consolidated	5,568	5,425	61.2%	62.6%	-2.2%	70.6	71.4	-1.1%	43.2	44.6	-3.1%
NH Hotels LFL & R	43,475	43,749	74.7%	74.4%	0.5%	97.2	95.5	1.8%	72.7	71.0	2.3%
Total NH Consolidated	45,450	44,777	74.5%	74.3%	0.3%	96.9	95.3	1.7%	72.2	70.8	2.0%

(1) Does not include IAS 29 impact

(2) Includes France and NY

- **+2% increase in RevPAR** with an **85% contribution from prices** (ADR +1.7%; +€1.6) and virtually stable occupancy levels (+0.3%). Very good trends in Central Europe and Benelux. Difficult comparison in Spain (strong calendar of conferences in 2017 and Barcelona evolution), while LatAm was affected by currency.
- Remarkable **RevPAR growth** in:
 - **Central Europe:** +6.7% on an increase in prices of +5.7% and activity of +1.0%, helped by a better trade fair calendar and a warmer summer. Outstanding LFL trends in Munich (+20%), Berlin (+14%), Frankfurt (+7%) and secondary cities (+4%).
 - **Benelux:** +5.7% on an increase in prices of +2.5% and activity of 3.2%, due to strong LFL trends in Brussels (+13%, on higher occupancy), Amsterdam (+6%), and secondary cities in the Netherlands (+6%).
 - **Italy:** +3.5% on an increase in prices of +2.9% and +0.6% in occupancy, driven by good LFL performance in Rome (+8%) and secondary cities (+5%). Milan (-4%) was adversely affected by the schedule of fairs in September.
- **Spain** experienced a -5.3% decline in consolidated RevPAR on a difficult comparison to the same quarter in 2017 (LFL RevPAR +15%). Madrid fell -6% due to the celebration of a relevant congress in September 2017 and the situation in Barcelona (-11%). Secondary cities experienced +1% growth in the quarter.
- With regard to the Group's **activity level** in the third quarter, occupancy increased **+0.3% (+0.2 p.p.)**. It is worth noting the growth in Benelux (+3.2%; +2.4 p.p.) on the recovery of Brussels. Meanwhile, occupancy fell -2.2% (-1.4 p.p.) in LatAm and -1.6% (-1.2 p.p.) in Spain on a difficult comparison with the previous year.

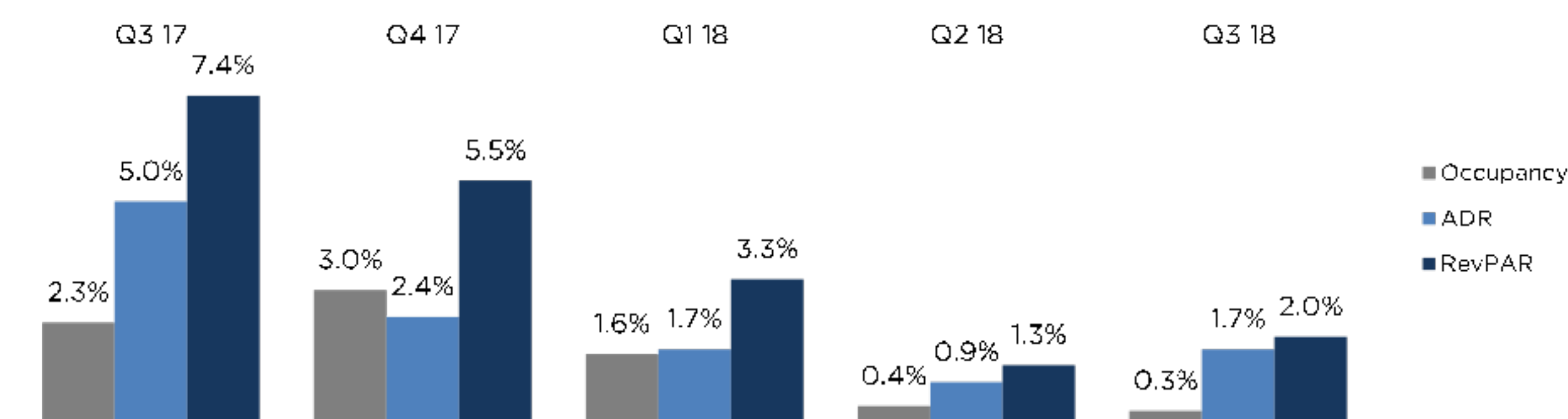
9M RevPAR evolution ⁽¹⁾:

- **+2.0% increase in RevPAR** with a **73% contribution from prices** (ADR +1.5%; +€1.4) and a +0.5% boost in **occupancy**. It is worth noting the growth in Benelux (+7.0%) and Italy (+4.8%). Difficult comparison in Spain (strong trade fair calendar in 2017 and the situation in Barcelona), while LatAm was adversely affected by the currency evolution.

NH HOTEL GROUP REVPAR 9M 2018/2017											
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2018	2017	2018	2017	% Var	2018	2017	% Var	2018	2017	% Var
Spain & Others LFL & R ⁽²⁾	11,025	11,263	74.4%	74.1%	0.4%	93.7	94.6	-1.0%	69.7	70.1	-0.6%
B.U. Spain Consolidated ⁽²⁾	11,604	11,746	74.1%	74.3%	-0.3%	93.5	94.6	-1.1%	69.3	70.3	-1.4%
Italy LFL & R	7,152	7,156	70.6%	69.5%	1.5%	120.9	117.1	3.2%	85.3	81.5	4.7%
B.U. Italy Consolidated	7,235	7,156	70.4%	69.5%	1.3%	121.2	117.1	3.5%	85.4	81.5	4.8%
Benelux LFL & R	8,213	8,200	73.1%	70.8%	3.3%	109.7	104.9	4.6%	80.2	74.2	8.1%
B.U. Benelux Consolidated	8,896	8,328	72.7%	70.7%	2.7%	108.8	104.4	4.2%	79.1	73.9	7.0%
Central Europe LFL & R	11,889	11,656	74.0%	73.9%	0.1%	87.8	85.7	2.4%	65.0	63.4	2.5%
B.U. Central Europe Consolidated	12,061	11,893	74.1%	73.8%	0.3%	87.5	85.4	2.5%	64.8	63.0	2.8%
Total Europe LFL & R	38,279	38,275	73.3%	72.5%	1.1%	100.2	98.0	2.2%	73.4	71.1	3.3%
Total Europe Consolidated	39,797	39,124	73.1%	72.5%	0.8%	99.9	97.7	2.3%	73.1	70.9	3.1%
Latinamerica LFL & R	5,236	5,223	61.5%	62.6%	-1.8%	71.6	77.1	-7.1%	44.1	48.2	-8.6%
Latinamerica Consolidated	5,538	5,373	60.5%	61.4%	-1.5%	71.1	77.1	-7.8%	43.0	47.3	-9.0%
NH Hotels LFL & R	43,515	43,498	71.9%	71.3%	0.8%	97.2	95.8	1.5%	69.9	68.3	2.3%
Total NH Consolidated	45,335	44,496	71.6%	71.2%	0.5%	97.0	95.6	1.5%	69.4	68.0	2.0%

(1) Does not include IAS 29 impact

(2) Includes France and NY

Evolution of Consolidated Ratios by quarter:


Consolidated Ratios	Occupancy					ADR					RevPAR				
	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18
Spain ⁽²⁾	2.2%	3.0%	1.2%	-0.4%	-1.6%	13.3%	5.7%	4.8%	-2.6%	-3.8%	15.8%	8.9%	6.1%	-3.0%	-5.3%
Italy	-2.6%	2.6%	3.2%	0.3%	0.6%	8.7%	7.5%	6.5%	2.4%	2.9%	5.9%	10.3%	9.9%	2.8%	3.5%
Benelux	5.2%	5.6%	2.6%	2.2%	3.2%	7.4%	5.4%	6.4%	4.2%	2.5%	13.0%	11.3%	9.1%	6.5%	5.7%
Central Europe	4.7%	1.8%	2.1%	-0.2%	1.0%	-2.9%	-2.9%	-2.6%	2.9%	5.7%	1.7%	-1.2%	-0.6%	2.7%	6.7%
TOTAL EUROPE	2.8%	3.1%	2.0%	0.3%	0.6%	5.7%	3.4%	3.4%	1.7%	1.8%	8.7%	6.6%	5.5%	2.0%	2.4%
Latin America real exc. rate	-1.4%	2.8%	-1.9%	0.0%	-2.2%	-2.8%	-5.9%	-13.1%	-8.1%	-1.1%	-4.2%	-3.3%	-14.8%	-7.9%	-3.1%
NH HOTEL GROUP	2.3%	3.0%	1.6%	0.4%	0.3%	5.0%	2.4%	1.7%	0.9%	1.7%	7.4%	5.5%	3.3%	1.3%	2.0%

RECURRING HOTEL ACTIVITY *								
(€ million)	2018 Q3	2017 Q3 ⁽¹⁾	DIFF. 18/17	%DIFF.	2018 9M	2017 9M ⁽³⁾	DIFF. 18/17	%DIFF.
SPAIN ⁽¹⁾	100.4	105.2	(4.8)	(4.6%)	303.6	306.9	(3.3)	(1.1%)
ITALY	74.7	73.0	1.7	2.3%	217.1	209.3	7.8	3.7%
BENELUX	89.7	84.5	5.1	6.1%	258.2	241.6	16.7	6.9%
CENTRAL EUROPE	100.1	95.4	4.7	4.9%	283.5	273.9	9.6	3.5%
AMERICA	30.9	32.5	(1.5)	(4.8%)	92.2	99.9	(7.7)	(7.8%)
TOTAL RECURRING REVENUE LFL&R	395.8	390.7	5.2	1.3%	1,154.6	1,131.6	23.0	2.0%
OPENINGS, CLOSINGS & OTHERS	15.6	9.1	6.5	71.7%	42.4	24.1	18.3	75.7%
RECURRING REVENUES	411.5	399.8	11.7	2.9%	1,196.9	1,155.7	41.2	3.6%
	0.00	0.00	0.00	0.0%				
SPAIN ⁽¹⁾	63.0	65.7	(2.8)	(4.2%)	189.7	193.3	(3.5)	(1.8%)
ITALY	44.5	44.8	(0.3)	(0.6%)	130.5	130.5	0.0	0.0%
BENELUX	54.8	53.4	1.4	2.6%	162.4	156.5	5.9	3.8%
CENTRAL EUROPE	62.1	60.8	1.3	2.1%	184.1	179.4	4.6	2.6%
AMERICA	21.3	23.2	(2.0)	(8.5%)	65.2	72.4	(7.2)	(10.0%)
RECURRING OPEX LFL&R	245.6	248.0	(2.4)	(0.9%)	731.9	732.1	(0.2)	(0.0%)
OPENINGS, CLOSINGS & OTHERS	10.5	6.0	4.5	76.0%	29.2	17.2	12.0	69.7%
RECURRING OPERATING EXPENSES ⁽²⁾	256.1	253.9	2.2	0.9%	761.1	749.3	11.8	1.6%
SPAIN ⁽¹⁾	37.4	39.5	(2.1)	(5.2%)	113.9	113.7	0.2	0.2%
ITALY	30.2	28.3	2.0	6.9%	86.6	78.9	7.7	9.8%
BENELUX	34.9	31.2	3.7	12.0%	95.8	85.1	10.8	12.6%
CENTRAL EUROPE	38.0	34.6	3.5	10.0%	99.4	94.4	5.0	5.3%
AMERICA	9.6	9.2	0.4	4.6%	27.0	27.5	(0.5)	(1.9%)
RECURRING GOP LFL&R	150.2	142.7	7.5	5.3%	422.7	399.5	23.2	5.8%
OPENINGS, CLOSINGS & OTHERS	5.1	3.1	2.0	63.6%	13.2	6.9	6.3	90.9%
RECURRING GOP	155.4	145.9	9.5	6.5%	435.9	406.4	29.5	7.2%
SPAIN ⁽¹⁾	22.8	22.1	0.7	3.0%	68.4	67.3	1.1	1.6%
ITALY	12.5	12.4	0.1	0.9%	38.2	37.8	0.5	1.2%
BENELUX	14.8	12.9	1.9	14.9%	43.5	38.6	4.9	12.7%
CENTRAL EUROPE	26.1	26.1	0.1	0.3%	79.0	76.9	2.2	2.8%
AMERICA	3.1	3.1	0.0	1.4%	9.1	9.8	(0.7)	(6.7%)
RECURRING LEASES&PT LFL&R	79.4	76.5	2.8	3.7%	238.2	230.3	7.9	3.4%
OPENINGS, CLOSINGS & OTHERS	3.6	2.1	1.6	75.8%	10.3	5.7	4.5	79.6%
RECURRING RENTS AND PROPERTY TAXES	83.0	78.6	4.4	5.6%	248.5	236.0	12.4	5.3%
SPAIN ⁽¹⁾	14.7	17.4	(2.7)	(15.7%)	45.5	46.3	(0.9)	(1.8%)
ITALY	17.7	15.8	1.8	11.7%	48.3	41.1	7.3	17.7%
BENELUX	20.1	18.3	1.8	9.9%	52.3	46.5	5.9	12.6%
CENTRAL EUROPE	11.9	8.5	3.4	39.6%	20.4	17.6	2.9	16.3%
AMERICA	6.5	6.1	0.4	6.2%	17.9	17.7	0.1	0.8%
RECURRING EBITDA LFL&R	70.9	66.2	4.7	7.1%	184.5	169.2	15.3	9.0%
OPENINGS, CLOSINGS & OTHERS	1.5	1.1	0.4	40.6%	2.9	1.2	1.7	144.7%
RECURRING EBITDA EX. ONEROUS PROVISION	72.4	67.3	5.1	7.6%	187.4	170.4	17.0	10.0%

^(*) Business figures exclude the IAS 29 accounting standard on financial reporting in hyperinflationary economies

⁽¹⁾ The New York hotel and France are included in the Business Unit of Spain

⁽²⁾ For the allocation of central costs, the distribution criterion used is the GOP level of each business unit

⁽³⁾ From Q2 2018, rebates from procurement have been reclassified as less cost of procurement instead of an income in the total revenue figure (Q1 2018 and 2017 figures also reclassified for comparison purposes)

Recurring Results by Business Unit (LFL&R basis)

Spain B.U. (*):

- Q3: -4.7% decline in RevPAR in Q3, given the difficult comparison with the same period in 2017, a relevant congress that took place in September 2017 in Madrid, in addition to Barcelona evolution.
- 9M: -0.6% decline in RevPAR despite a difficult comparison with the previous year. ADR fell -1.0% and occupancy +0.4%. It is worth noting the evolution of RevPAR LFL in secondary cities (+3.8%). Madrid had a stronger trade fair calendar in 2017 and Barcelona had negative evolution since October 2017.
 - LFL revenue achieved positive growth of +0.7% (+2.0% excluding Barcelona), despite an excellent 9M 2017 performance (+11% LFL revenue) and the situation in Barcelona (-4.4%). Madrid grew +0.8% despite the strong trade fair calendar in 2017. Including refurbishments, total revenue fell -1.1% primarily due to New York (-€6.7m).
 - Operating expenses declined -1.8% (-€3.5m) in the first nine months.
 - GOP rose +0.2% (+€0.2m) to €113.9m, while lease payments increased by +€1.1m (+1.6%).
 - All in, in the first nine months of the year, EBITDA decreased -1.8% (-€0.9m) to €45.5m with a stable margin (-0.1 p.p.) of 15.0%.

(*) Includes the New York hotel and France

Italy B.U.:

- Q3: +3.3% RevPAR growth in the third quarter on an increase of +2.3% in prices (71% weight) and +0.9% in occupancy, achieving a revenue growth of +2.3%, despite being a quarter in which Milan was negatively affected by a relevant fair that took place in September 2017.
- 9M: +4.7% RevPAR growth in the first nine months with ADR up +3.2% (+€3.7) and occupancy up +1.5%. Outstanding performance of RevPAR LFL in Rome (+9.7%), secondary cities (+4.8%), and Milan (+4.4%).
 - The foregoing allows for LFL revenue growth of +4.4% with a strong performance in Rome (+9.5%). Solid growth in Milan (+4.5%) despite the schedule of fairs in the third quarter. Including the -€2.4m opportunity cost to renovate two hotels in Rome and Milan, LFL&R revenue growth was +3.7% (+€7.8m).
 - Operating expenses remained stable in the first nine months, while GOP grew +9.8% (+€7.7m) to €86.6m.
 - Subsequently, 9M EBITDA improved +€7.3m (+17.7%) to €48.3m, with a margin increase of +2.6 p.p. to 22.3%.

Benelux B.U.:

- Q3: +7.4% RevPAR growth in the third quarter on an increase of +3.4% in prices and +3.9% in occupancy. (Brussels continues to recover and increased demand in Dutch Conference Centres). Revenues grew +6.1% on the outstanding performance of Brussels, Amsterdam and Dutch secondary cities.
- 9M: Strong RevPAR growth of +8.1% on an increase of +4.6% in prices and +3.3% in occupancy. It is worth noting the RevPAR LFL growth of Brussels (+14.3%, 75% on higher occupancy), Amsterdam (+7.0%) and secondary cities in the Netherlands (+7.9%).
 - This led to a strong LFL&R revenue growth of +6.9% (+€16.7m), given the positive performance of Brussels (+13.1%), Amsterdam (+6.9%) and secondary cities (+4.9%).
 - Operating expenses in the first nine months increased +3.8% (+€5.9m) on higher activity levels.

- Thus, GOP in the first nine months grew +12.6% (+€10.8m), while leases rose +€5.9m (+12.6%) explained by the leaseback of the hotel sold in Amsterdam early in the year.
- Subsequently, EBITDA climbed +12.6% (+€5.9m) to €52.3m, representing a margin of 20.3% (+1.0 p.p.).

Central Europe B.U.:

- Q3: +6.1% RevPAR growth in Q3 on an increase of +5.4% in prices (88% weight) and +0.7% in occupancy up to 79.5%. Strong LFL revenue growth in the quarter (+4.8%) due to a slightly favourable calendar of fairs and a warmer summer. Including the hotels refurbished in 2017 and the opportunity cost of -€2.6m for two hotels under refurbishment in 2018, revenue rose +4.9% (+€4.7m) in LFL&R.
- 9M: +2.5% RevPAR growth in the first nine months with ADR up +2.4% (95% weight) and occupancy practically stable (+0.1%). Good performance in top cities.
 - LFL&R revenue grew +3.5% (+€9.6m) on a slightly favourable calendar of fairs and despite the -€4.9m opportunity cost to renovate three hotels during the year.
 - Operating expenses rose +2.6% in the first nine months (+€4.6m), mainly due to the higher cost of the hotels renovated in 2017. GOP grew +5.3% (+€5m) to €99.4m.
 - In the first nine months of the year, EBITDA improved +16.3% (+€2.9m) to €20.4m.

Americas B.U. ⁽¹⁾:

- Q3: -2.6% decline in RevPAR in the third quarter, explained by the strong negative currency evolution in Argentina (-85%) and Mexico (-5%). At constant exchange rates, LFL&R revenue growth of the BU reached +19.2% in Q3, and with real exchange rates, revenue fell -4.8% with no impact on EBITDA.
- 9M: -8.6% decline in RevPAR in the first nine months, due entirely to negative currency evolution with no impact on EBITDA:
 - By region, Mexico shows revenue growth of +5.3% in local currency. Taking currency evolution into account (-8%), revenue fell -2.8% at real exchange rates.
 - In Argentina, revenue increased +52% at constant rates, due primarily to a hike in average prices resulting from hyperinflation. Including the negative currency impact (-64%), reported revenue is -7.3%.
 - In Hoteles Royal, revenue fell -1.6% in local currency and including the -6% currency devaluation, revenue fell -7.2%.

(1) Does not include IAS 29 impact in Argentina

Consolidated Income Statement

NH HOTEL GROUP P&L ACCOUNT ⁽¹⁾									
(€ million)	Q3 2018	Q3 2017 ⁽⁴⁾	Var.		9M 2018	9M 2017 ⁽⁴⁾	Var.		9M 2018 with Hyperinflation ⁽⁵⁾
	€ m.	€ m.	€ m.	%	€ m.	€ m.	€ m.	%	
TOTAL REVENUES	411.5	399.8	11.7	2.9%	1,196.9	1,155.7	41.2	3.6%	1,190.0
Staff Cost	(135.1)	(133.7)	(1.4)	1.0%	(402.4)	(396.2)	(6.2)	1.6%	
Operating expenses	(121.0)	(120.2)	(0.8)	0.7%	(358.7)	(353.1)	(5.6)	1.6%	
GROSS OPERATING PROFIT	155.4	145.9	9.5	6.5%	435.9	406.4	29.5	7.2%	
Lease payments and property taxes	(83.0)	(78.6)	(4.4)	5.6%	(248.5)	(236.0)	(12.4)	5.3%	
EBITDA BEFORE ONEROUS	72.4	67.3	5.1	7.6%	187.4	170.4	17.0	10.0%	185.3
Margin % of Revenues	17.6%	16.8%		0.8 p.p.	15.7%	14.7%		0.9 p.p.	
Onerous contract reversal provision	0.6	1.0	(0.4)	(43.3%)	1.9	3.1	(1.2)	(39.2%)	
EBITDA AFTER ONEROUS	73.0	68.3	4.7	6.9%	189.2	173.4	15.8	9.1%	
Depreciation	(27.7)	(27.1)	(0.6)	2.1%	(82.3)	(81.0)	(1.3)	1.6%	
EBIT	45.3	41.2	4.1	10.0%	107.0	92.5	14.5	15.7%	
Interest expense	(4.6)	(12.0)	7.4	(61.6%)	(24.9)	(41.5)	16.6	(40.0%)	
Income from minority equity interests	(0.0)	(0.0)	0.0	(53.7%)	(0.1)	0.0	(0.1)	N/A	
EBT	40.7	29.2	11.5	39.4%	82.0	51.0	31.0	60.9%	
Corporate income tax	(12.1)	(9.8)	(2.3)	24.0%	(29.0)	(21.2)	(7.8)	36.6%	
NET INCOME before minorities	28.6	19.4	9.2	47.1%	53.0	29.7	23.3	78.3%	
Minority interests	(0.8)	(1.0)	0.2	(19.0%)	(2.3)	(2.7)	0.4	(14.9%)	
NET RECURRING INCOME	27.8	18.4	9.3	50.6%	50.7	27.1	23.7	87.5%	
Non Recurring EBITDA ⁽²⁾	15.0	(1.1)	16.1	N/A	101.4	8.8	92.6	N/A	
Other Non Recurring items ⁽³⁾	(7.5)	(0.5)	(7.0)	N/A	(52.5)	(11.4)	(41.1)	N/A	
NET INCOME including Non-Recurring	35.2	16.8	18.4	109.6%	99.6	24.4	75.1	N/A	106.7

(1) Excludes hyperinflation accounting effect (IAS 29) unless explicit indication

(2) Includes gross capital gains from asset rotation

(3) Includes taxes from asset rotation

(4) From Q2 2018, rebates from procurement have been reclassified as less cost of procurement instead of an income in the total revenue figure (Q1 2018 and 2017 figures also reclassified for comparison purposes)

(5) Includes the application of accounting standard on hyperinflation (IAS 29) in Argentina since January 1, 2018

9M 2018 Comments:

- **Revenue growth of +3.6%** (+5.5% at constant rates), **reaching €1.197m** (+€41m) in the first nine months of the year, despite 2018 renovations (-€12m) and negative currency impacts (-€22m).
 - In the **like-for-like** ("LFL") perimeter, excluding refurbishments and perimeter changes, revenue grew +2.5% (+5.0% at constant rates):
 - Strong evolution in Europe, with growth of +3.6%. It is worth noting the positive performance of Benelux (+7.0%), Italy (+4.4%) and Central Europe (+3.1%). Spain (+0.7%; +2.0% excluding Barcelona) was affected by the robust LFL growth in 2017 (+11%) and the situation in Barcelona.
 - Latin America was adversely affected by currency.
 - **Including hyperinflation accounting effect (IAS 29) revenue growth is +3.0%.**
- **Evolution of costs:** cost controls in the first nine months despite higher occupancy (+0.5%).
 - **Personnel costs** rose +1.6% (-€6.2m). The effect of perimeter changes (openings and closings) explains the entirety of the increase.
 - **Other direct operating costs** rose +1.6% (-€5.6m), due to perimeter changes.

- **GOP improvement of +€29.5m (+7.2%).** GOP margin improved +1.2 p.p. in the first nine months, reaching 36.4% with a conversion rate of 71%.
- **Leases and property taxes** climbed -€12.4m (+5.3%). Perimeter changes (openings and closings) account for 37% of the total increase, the hotels renovated in 2017 account for 14%, and the variable components of contracts account for 19% of the variation.
- Revenue growth and cost controls allowed to close the first nine months of the year with **Recurring EBITDA⁽¹⁾ growth of +10%, reaching €187m**, which represents an **increase of +€17m and a margin of 15.7%** (+0.9 p.p.). The **conversion rate of incremental revenue to EBITDA is 41%**. Excluding refurbishments and perimeter changes the LFL conversion rate reached 62%.
 - **Including hyperinflation accounting effect (IAS 29), Recurring EBITDA reached €185.3m** (+€15m; +8.8%).
- **Depreciations:** -€1.3m increase due to the repositioning investments in 2017 and 2018.
- **Financial costs:** -€16.6m reduction explained mainly by:
 - Refinancing April 2017 (TAP €115m 2023 Bond & €150m 2019 Bond repayment): +€1.7m net coupon savings and +€3.2m savings in arrangement costs.
 - Repayment of the 2019 Bond in November 2017 (€100m): +€5.1m net coupon savings.
 - Early redemption of the Convertible Bond: coupon savings (+€3.9m) and (-€0.9m) for accounting write-off of the equity portion and arrangement costs. Annual cash savings of €10m from 2019.
 - The rest is mainly explained by the dollarization of cash balances in Argentina, which given the depreciation of ARS versus USD, generates a financial income.
- **Corporate tax:** the higher amount of corporate taxes (-€7.8m) is largely due to the improved performance of EBT (-€8.6m), partially offset by a lower adjustment of non-deductible financial expenses (+€0.7m).
- **Significant increase in Recurring Net Income** (+€23.7m and higher than EBITDA growth) **reached €50.7m in the first nine months** on business improvements and lower financial costs.
- **Total Net Income reached €99.6m**, an improvement of +€75.1m compared to the same period in 2017. The comparison is positively affected by the higher net capital gains from asset rotation.
 - **Including the hyperinflation accounting effect (IAS 29), Total Net Income is €106.7m.** The positive impact is the result of the financial income from the appreciation of fixed assets in Argentina.

Q3 2018 Comments ⁽¹⁾:

- **Revenue growth of +2.9%** (+5% at constant rates) **reaching €411m** (+€12m), despite 2018 renovations and the negative currency impact in the quarter.
 - In the **like-for-like** ("LFL") perimeter, excluding refurbishments and perimeter changes, revenue grew +1.7% (+4.3% at constant rates):
 - Solid evolution in Europe, with growth of +2.3%. It is worth noting the positive performance of Benelux (+6.4%) and Central Europe (+4.8%). Italy also performed well (+2.0%) despite the lower trade fair calendar in Milan in September. Spain (-3.2%) had a difficult LFL comparison with Q3 2017 (+12%; schedule of congresses in Madrid) and the situation in Barcelona.

(1) Does not include IAS 29 impact

- Latin America was adversely affected by currency.
- Effective cost controls enabled **Recurring EBITDA to grow 7.6% to €72.4m**, representing an increase of +€5.1m with a **margin of 17.6%** (+0.8 p.p.).
- **Significant increase in recurring net profit of +€9.3m** (higher than EBITDA growth), reaching €27.8m, on business improvements and lower financial costs.
- **Total net profit reached €35.2m** in the third quarter on the positive effect of net gains from asset turnover.

Financial Debt and Liquidity

As of 30/09/2018 Data in Euro million	Maximum Available	Availability	Drawn	Repayment schedule								
				2018	2019	2020	2021	2022	2023	2024	2025	Rest
Senior Credit Facilities												
Senior Secured Notes due 2023	400.0	-	400.0	-	-	-	-	-	400.0	-	-	-
Senior Secured RCF due in 2021	250.0	250.0	-	-	-	-	-	-	-	-	-	-
Total debt secured by the same Collateral	650.0	250.0	400.0	0.0	0.0	0.0	0.0	0.0	400.0	0.0	0.0	0.0
Other Secured loans ⁽¹⁾	33.2	-	33.2	0.8	2.8	2.6	2.5	2.1	6.1	1.3	0.9	14.0
Total secured debt	683.2	250.0	433.2	0.8	2.8	2.6	2.5	2.1	406.1	1.3	0.9	14.0
Unsecured loans and credit facilities ⁽²⁾	108.7	100.2	8.5	1.6	1.2	0.3	-	-	5.4	-	-	-
Subordinated loans	40.0	-	40.0	-	-	-	-	-	-	-	-	40.0
Total unsecured debt	148.7	100.2	48.5	1.6	1.2	0.3	0.0	0.0	5.4	0.0	0.0	40.0
Total Gross Debt	831.9	350.2	481.7	2.4	3.9	2.9	2.5	2.1	411.5	1.3	0.9	54.0
Cash and cash equivalents ⁽³⁾			(273.3)									
Net debt			208.4									
Arranging loan expenses			(15.7)	(0.8)	(3.1)	(3.2)	(3.2)	(2.8)	(2.2)	(0.0)	(0.0)	(0.3)
Accrued interests			7.9	7.9								
IFRS 9 ⁽⁴⁾			(7.7)	(0.3)	(1.2)	(1.4)	(1.6)	(1.8)	(1.5)			
Total adjusted net debt			192.9									

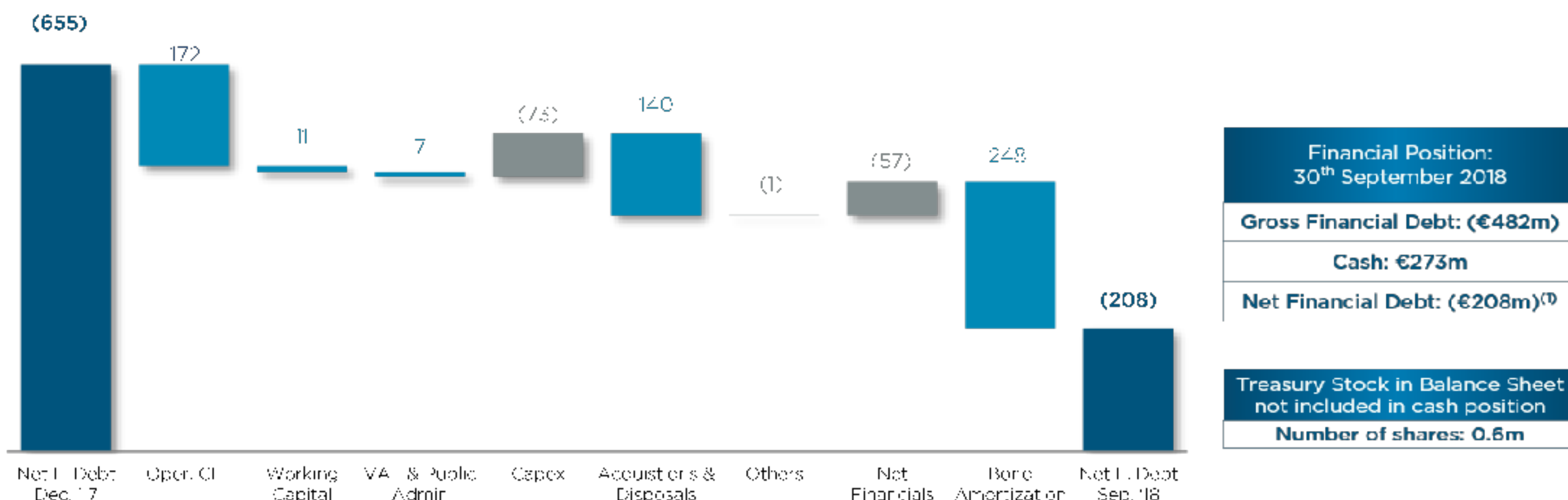
⁽¹⁾ Bilateral mortgage loans.

⁽²⁾ Comprises debt facilities with amortization schedule. The availability amount comprises: 62.5M€ under credit facilities and 37.8M€ under NY capex loan to be drawn up to 25 July 2020.

⁽³⁾ Not included in cash position. As of 30 September 2018, the Company had 600,000 treasury shares in its balance sheet. Treasury stock calculated with the price as of 30/09/18 (€6.285 per share) totals 3.8M€.

⁽⁴⁾ The new IFRS 9 regulation about Accounting Treatment of Financial Assets and Liabilities has become enforceable on the 1st of January 2018. The application of this accounting rule has involved an impact in the Balance of NH Hotel Group on the 1st of January of €8.6 million, as lower debt amount (registered against the Reserves, according to the rule), as a consequence of 2017 improved refinancing conditions, compared to the ones previously existing (€7.7M by 30/09/18 as per the financial expense registered in Q3).

- **Reduction of net financial debt to €208m (compared to €655m as of 31 Dec. 2017)** following the early redemption of the Convertible Bond (€250m) in June 2018, the favourable **operating cash flow generation** and the contribution of the asset rotation strategy.
- As of 30th September 2018, the company had cash amounting to €273.3m and available credit lines amounting to €312.5m, €250m of which correspond to the long-term syndicated credit facility signed in September 2016 (maturity 2021).
- Change of Control clauses:
 - €250m syndicated credit facility: Waiver obtained by unanimity of lenders on 6th September 2018. Maturity preserved in 2021.
 - €400m Bond 2023: NH has offered bond-holders to repurchase all outstanding 2023 Bond at 101% of principal amount. The tendered amount reached €3.2m of total nominal.

9M 2018 Net Financial Debt Evolution


- (1) Net Financial Debt excluding accounting adjustments arrangement expenses €15.7m, accrued interest -€7.9m and ⁽²⁾ IFRS 9 adjustment €7.7m. Including these accounting adjustments, the Adj. NFD would be (€193m) at 30th September 2018 and (€637m) at 31st Dec. 2017
- (2) The new IFRS 9 regulation about Accounting Treatment of Financial Assets and Liabilities has become enforceable on the 1st January 2018. The application of this accounting rule as a result of the better refinancing conditions achieved in 2017, compared with the previous conditions, has involved an impact in NH Hotel Group of €8.6m as of the 1st January 2018 (€7.7m as of 30th September 2018 as per the financial expense)

Cash flow generation in the first nine months of the year:

- (+) Operating cash flow: +€172m, including -€12.6m of credit card expenses and -€18.9m in taxes (excluding -€23.5m from Barbizon income tax).
- (+) Working capital: solid recovery in accounts receivable together with a reduction in the average payment period, offset by strong revenue growth.
- (-) Capex payments: -€73.5m in the first nine months of 2018 (2018 guidance of roughly €125m although the figure may be reduced by the schedule of payments deferred to early 2019).
- (+) Acquisitions and Disposals: +€130.6m from the Barbizon sale and leaseback transaction in Q1, net of taxes (€23.5m paid in the first nine months and €9m pending payment in Q4). The remainder corresponds to other asset rotation transactions and to the second payment on the Hesperia contract.
- (-) Other: payment of legal provisions.
- (-) Net financial cash flows and dividends: -€57.2m that includes -€16.9m from net financial costs and -€39.8m from dividend payments (-€0.6m to minority shareholders).
- (+) Early redemption of the convertible bond (€250m) in June 2018. €1.7m paid in cash.

Appendix

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Hesperia
RESORTS

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Appendix I: In accordance with the Directives published by the ESMA in relation to Alternative Performance Measures (APMs), below it has been defined and reconciled the APMs used by the Group within the Results Publication of 9 months of 2018.

In addition, the abridged consolidated financial statements as at 30 September 2018 are shown below which include the effects of the application of IAS 29 "Financial information in hyperinflation economies " that concern the incorporation of the consolidated financial statements of the business unit of Argentina:

NH HOTEL GROUP, S.A. AND SUBSIDIARIES
ABRIDGED CONSOLIDATED BALANCESHEETS AT 30 SEPTEMBER 2018 AND 31 DECEMBER 2017
 (Thousand Euros)

	30/09/2018 *	31/12/2017 **		30/09/2018 *	31/12/2017 **
NON-CURRENT ASSETS:					
Good will	112,732	111,684	TOTAL EQUITY	1,484,703	1,151,976
Intangible assets	145,539	151,083			
Property, plant and equipment	1,612,153	1,583,164	NON-CURRENT LIABILITIES		
Investments accounted for using the equity method	9,335	9,419	Debt instruments and other marketable securities	382,857	387,715
Non-current financial investments-	75,153	75,895	Debts with credit institutions	74,281	71,246
<i>Loans and accounts receivable not available for trading</i>	63,761	65,154	Other financial liabilities	710	12,481
<i>Other non-current financial investments</i>	11,392	10,741	Other non-current liabilities	44,937	38,976
Deferred tax assets	135,974	137,996	Provisions for contingencies and charges	50,477	50,413
Other non-current assets	16,497	16,448	Deferred tax liabilities	178,699	167,433
Total non-current assets	2,107,383	2,085,689	Total non-current liabilities	731,961	728,264
CURRENT ASSETS:			CURRENT LIABILITIES:		
Non-current assets clas sified as held for sale	43,427	109,166	Liabilities associated with non-current assets classified as held for sale	2,690	2,377
Inventories	9,895	9,809	Debt instruments and other marketable securities	3,967	246,195
Trade receivables	135,757	132,582	Debts with credit institutions	5,080	11,724
Non-trade receivables-	46,361	42,786	Other financial liabilities	12,380	11,618
<i>Tax receivables</i>	29,396	23,743	Trade and other payables	259,581	222,951
<i>Other non-trade debtors</i>	16,965	19,043	Taxpayables	79,666	45,860
Cash and cash equivalents	273,306	80,249	Provisions for contingencies and charges	7,431	8,971
Other current assets	12,715	11,423	Other current liabilities	41,384	41,768
Total current assets	521,461	386,015	Total current liabilities	412,179	591,464
TOTAL ASSETS	2,628,844	2,471,704	NET ASSETS AND LIABILITIES	2,628,844	2,471,704

(*) IAS 29 adjustment included

(**) Presented for comparison purpose only. IAS 29 adjusted

NH HOTEL GROUP, S.A. AND SUBSIDIARIES
**CONSOLIDATED COMPREHENSIVE PROFIT AND LOSS STATEMENT AT 30 SEPTEMBER 2018
AND 30 SEPTEMBER 2017
(Thousands of euros)**

	30/09/2018*	30/09/2017**
Revenues	1,183,818	1,150,615
Other operating income	4,267	9,533
Net gains on disposal of non-current assets	2,073	9,781
Procurements	(54,419)	(56,019)
Staff costs	(311,770)	(316,322)
Depreciation and amortisation charges	(85,579)	(83,818)
Net Profits/(Losses) from asset impairment	3,311	1,916
Other operating expenses	(623,453)	(605,265)
Variation in the provision for onerous contracts	1,855	3,053
Other operating expenses	(625,308)	(608,318)
Gains on financial assets and liabilities and other	(1,281)	3
Profit (Loss) from entities valued through the equity method	(265)	3
Financial income	2,678	1,868
Change in fair value of financial instruments		(7)
Financial expenses	(27,106)	(55,511)
Net exchange differences (Income/(Expense))	2,513	(5,689)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	94,787	51,088
Income tax	(38,676)	(24,071)
PROFIT FOR THE PERIOD - CONTINUING	56,111	27,017
Profit (loss) for the year from discontinued operations net of tax	54,494	127
PROFIT FOR THE PERIOD	110,605	27,144
Exchange differences	3,678	(16,390)
Income and expenses recognised directly in equity	3,678	(16,390)
TOTAL COMPREHENSIVE PROFIT	114,283	10,754
Profit / (Loss) for the year attributable to:		
Parent Company Shareholders	106,657	24,467
Non-controlling interests	3,948	2,677
Comprehensive Profit / (Loss) attributable to:		
Parent Company Shareholders	111,049	10,138
Non-controlling interests	3,234	616
	0.29	0.07

(*) IAS 29 adjustment included

(**) Presented for comparison purpose only. Unaudited balances

NH HOTEL GROUP, S.A. AND SUBSIDIARIES
**ABRIDGED CONSOLIDATED CASH FLOW STATEMENTS PRODUCED IN THE NINE-MONTH PERIODS
 ENDED 30 SEPTEMBER 2018 AND 2017**
 (Thousands of euros)

	30.09.2018	30.09.2017 (*)
1. OPERATING ACTIVITIES		
Consolidated profit (loss) before tax:	82,347	51,088
Adjustments:		
Depreciation of tangible and amortisation of intangible assets (+)	84,769	83,818
Impairment losses (net) (+/-)	(3,311)	(1,916)
Allocations for provisions (net) (+/-)	(1,855)	(3,053)
Gains/Losses on the sale of tangible and intangible assets (+/-)	(2,073)	(9,781)
Gains/Losses on investments valued using the equity method (+/-)	62	(3)
Financial income (-)	(2,693)	(1,868)
Financial expenses and variation in fair value of financial instruments (+)	43,843	55,518
Net exchange differences (Income/(Expense))	(3,660)	5,689
Profit (loss) on disposal of financial investments	1,281	(3)
Other non-monetary items (+/-)	4,708	2,785
Adjusted profit (loss)	203,418	182,274
Net variation in assets / liabilities:		
(Increase)/Decrease in inventories	(86)	(23)
(Increase)/Decrease in trade debtors and other accounts receivable	(5,313)	(6,888)
(Increase)/Decrease in other current assets	50	5,476
Increase/(Decrease) in trade payables	16,611	3,089
Increase/(Decrease) in other current liabilities	6,918	5,877
Increase/(Decrease) in provisions for contingencies and expenses	(2,203)	(3,723)
(Increase)/Decrease in non-current assets	484	64
Increase/(Decrease) in non-current liabilities	1,681	565
Income tax paid	(42,401)	(12,993)
Total net cash flow from operating activities (I)	179,159	173,718
2. INVESTMENT ACTIVITIES		
Finance income	231	794
Investments (-):		
Group companies, joint ventures and associates	(1,000)	(20,265)
Tangible and intangible assets and investments in property	(83,466)	(70,687)
Non-current financial investments	(671)	-
	(85,137)	(90,952)
Disinvestment (+):		
Group companies, joint ventures and associates	85	62
Tangible and intangible assets and investments in property	20,843	32,692
	154,168	32,754
Total net cash flow from investment activities (II)	90,190	(57,404)
3. FINANCING ACTIVITIES		
Dividends paid out (-)	(39,765)	(17,738)
Interest paid on debts (-)	(29,695)	(45,334)
Financial expenses for means of payment	(12,594)	(12,094)
Interest paid on debts and other interest	(17,101)	(33,240)
Variations in (+/-):		
Equity instruments	-	-
- Treasury shares	-	-
Debt instruments:		
- Bonds and other tradable securities (+)	-	115,000
- Bonds and other tradable securities (+)	(1,700)	(150,000)
- Loans from credit institutions (+)	6,340	-
- Loans from credit institutions (-)	(10,157)	(9,823)
- Other financial liabilities (+/-)	(1,405)	(353)
Total net cash flow from financing activities (III)	(76,382)	(108,248)
4. GROSS INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	192,967	8,066
5. Effect of exchange rate variations on cash and cash equivalents (IV)	181	-
6. Effect of variations in the scope of consolidation (V)	(96)	(51)
7. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV+V)	193,052	8,015
8. Cash and cash equivalents at the start of the financial year	80,249	136,733
9. Cash and cash equivalents at the end of the financial year (7+8)	273,301	144,748

(**) Presented for comparison purposes only. Unaudited balances.

A) Definitions

EBITDA: Result before tax of continuing operations and before: net result from the disposal of non-current assets, depreciation, net loss from asset impairment, the result on disposal of financial investments, the result of entities valued by the equity method, financial income, change in the fair value of financial instruments, financing costs (except for credit card costs, which are considered to be operating cost) and net exchange differences. This APM is used to measure the purely operating results of the Group.

RevPAR: The result of multiplying the average daily price for a specific period by the occupancy in that period. This APM is used for comparison of average income per hotel room with other companies in the sector.

Average Daily Rate (ADR): The ratio of total room revenue for a specific period divided by the rooms sold in that specific period. This APM is used to compare average hotel room prices with those of other companies in the sector.

LFL&R (Like for like with refurbishments): We define LFL with refurbishments as the group of fully operated hotels in a 24-month period plus the refurbishments made in the last two years. It excludes those hotels that have just been opened or closed and that have therefore not been fully operational for 24 months. This APM is used to analyse operating results for the year in a manner comparable with those of previous periods excluding the impact of hotel refurbishments.

Below it has been provided a breakdown of the "Total Revenues" line split into "LFL and refurbishments" and "Openings, closings and other effects" to illustrate the above explanation:

		9M 2018	9M 2017
		M €.	M €.
Total revenues	A+B	1,196.9	1,155.7
Total recurring revenue LFL & Refurbishment	A	997.8	973.7
Openings, closing & others	B	199.1	182.0

It has been provided a reconciliation for the "Total Revenues" line in Point II for the period of nine months ended 30 September 2018.

Net Financial Debt: Gross financial debt less cash and other equivalent liquid assets, excluding accounting adjustments for the portion of the convertible bond treated as equity, arrangement expenses and accrued interest. Gross financial debt includes both non-current liabilities and current obligations for bonds and other negotiable securities and debt to lending institutions.

Capex: Investments made on assets for improvement and development that have meant a cash outflow during the year. Obtained from the investments in fixed and intangible assets and property investments shown on the statement of cash flows on the consolidated financial statements.

GOP (Gross operating profit): The gross operating profit obtained from EBITDA plus costs of leases and property taxes, as follows:

Conversion Rate: This measures the proportion of revenue that has been transferred to EBITDA. It is calculated by dividing the change in EBITDA by the change in total revenue.

B) Reconciliation of the APM to the most directly reconcilable item, subtotal or total in the financial statements:

The following significant APMs are contained in the Earnings Report of 9 months of 2018:

I. ADR y RevPAR

Earnings Report of 9 months of 2018 details the cumulative evolution of RevPAR and ADR in the following tables:

NH HOTEL GROUP REVPAR 9M 2018/2017											
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2018	2017	2018	2017	% Var	2018	2017	% Var	2018	2017	% Var
Spain & Others LFL & R	11,025	11,263	74.4%	74.1%	0.4%	93.7	94.6	-1.0%	69.7	70.1	-0.6%
Total B.U. Spain	11,604	11,746	74.1%	74.3%	-0.3%	93.5	94.6	-1.1%	69.3	70.3	-1.4%
Italy LFL & R	7,152	7,156	70.6%	69.5%	1.5%	120.9	117.1	3.2%	85.3	81.5	4.7%
Total B.U. Italy	7,235	7,156	70.4%	69.5%	1.3%	121.2	117.1	3.5%	85.4	81.5	4.8%
Benelux LFL & Refur.	8,213	8,200	73.1%	70.8%	3.3%	109.7	104.9	4.6%	80.2	74.2	8.1%
Total B.U. Benelux	8,896	8,328	72.7%	70.7%	2.7%	108.8	104.4	4.2%	79.1	73.9	7.0%
Central Europe LFL & R	11,889	11,656	74.0%	73.9%	0.1%	87.8	85.7	2.4%	65.0	63.4	2.5%
Total B.U. Central Europe	12,061	11,893	74.1%	73.8%	0.3%	87.5	85.4	2.5%	64.8	63.0	2.8%
Total Europe LFL & R	38,279	38,275	73.3%	72.5%	1.1%	100.2	98.0	2.2%	73.4	71.1	3.3%
Total Europe Consolidated	39,797	39,124	73.1%	72.5%	0.8%	99.9	97.7	2.3%	73.1	70.9	3.1%
Latinamerica LFL & R	5,236	5,223	61.5%	62.6%	-1.8%	71.6	77.1	-7.1%	44.1	48.2	-8.6%
Latinamerica Consolidated	5,538	5,373	60.5%	61.4%	-1.5%	71.1	77.1	-7.8%	43.0	47.3	-9.0%
NH Hotels LFL & R	43,515	43,498	71.9%	71.3%	0.8%	97.2	95.8	1.5%	69.9	68.3	2.3%
Total NH Consolidated	45,335	44,496	71.6%	71.2%	0.5%	97.0	95.6	1.5%	69.4	68.0	2.0%

Below it is explained how the aforementioned data has been calculated:

		9M 2018	9M 2017
		€ Thousand	€ Thousand
A	Room revenues	856,473	824,392
	Other revenues	334,300	326,223
	Revenues according to profit & loss statement	1,190,773	1,150,615
B	Thousand of room nights	8,837	8,627
A / B = C	ADR	96.9	95.6
D	Occupancy	71.6%	71.2%
C x D	RevPAR	69.4	68.0

II. INCOME STATEMENT 9 MONTHS OF 2018 AND 2017

The Earnings Report of 9 months breaks down the table entitled "Recurring hotel activity" obtained from the "Consolidated Income Statement" appearing in the same Earnings Report.

Below it has been provided a conciliation between the consolidated income statement and the abridged consolidated comprehensive income statements:

9M 2018

	Income Statements	Reclassification according to the Financial Statements and adjusted by IAS 29	Financial expenses for means of payment	Outsourcing	Assets Disposal	Scrapping and non recurring depreciation	Claims, severance payments and other non recurring	P&L according to the Financial Statements*	
APM Total revenues	1,196.9	(1,196.9)	-	-	-	-	-		
Revenues	-	1,182.1	-	-	1.7	-	0.0	1,183.8	Revenues
Other operating income	-	4.3	-	-	-	-	-	4.3	Other operating income
APM TOTAL REVENUES	1,196.9	(10.6)	-	-	1.7	-	0.0	1,188.1	
Net gains on disposal of non-current assets	-	-	-	-	14.5	(12.5)	-	2.1	Net gains on disposal of non-current assets
APM Staff Cost	(402.4)	2.5	-	89.5	-	-	(1.5)	(311.8)	Staff costs
APM Operating expenses	(358.7)	(188.0)	12.4	(89.5)	-	-	(1.6)	(625.3)	Other operating expenses
Procurements	-	(54.4)	-	-	-	-	-	(54.4)	Procurements
APM GROSS OPERATING PROFIT	435.9	(250.5)	12.4	-	16.3	(12.5)	(3.0)	198.7	
APM Lease payments and property taxes	(248.5)	248.5	-	-	-	-	-	-	
lease payments and property taxes nr									
APM EBITDA BEFORE ONEROUS	187.4	(2.0)	12.4	-	16.3	(12.5)	(3.0)	198.7	
APM Onerous contract reversal provision	1.9	-	-	-	-	-	-	1.9	Variation in the provision for onerous contracts
APM EBITDA AFTER ONEROUS	189.2	(2.0)	12.4	-	16.3	(12.5)	(3.0)	200.5	
Net Profits/(Losses) from asset impairment	-	2.5	-	-	0.8	0.0	-	3.3	Net Profits/(Losses) from asset impairment
APM Depreciation	(82.3)	(3.3)	-	-	-	-	-	(85.6)	Depreciation and amortisation charges
APM EBIT	107.0	(2.8)	12.4	-	17.0	(12.4)	(3.0)	118.2	
Gains on financial assets and liabilities and other	-	(1.3)	-	-	-	-	-	(1.3)	Gains on financial assets and liabilities and other
APM Interest expense	(24.9)	10.2	(12.4)	-	-	-	-	(27.1)	Finance costs
Finance Income	-	2.7	-	-	-	-	-	2.7	Finance income
Change in fair value of financial instruments	-	-	-	-	-	-	-	-	Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	2.5	-	-	-	-	-	2.5	Net exchange differences (Income/(Expense))
APM Income from minority equity interests	(0.1)	(0.2)	-	-	-	-	-	(0.3)	Profit (loss) from companies accounted for using the equity method
APM EBT	82.0	11.2	-	-	17.0	(12.4)	(3.0)	94.8	Profit (loss) before tax from continuing operations
APM Corporate Income Tax	(29.0)	(4.1)	-	-	(5.6)	-	-	(38.7)	Income tax
APM Net Income before minorities	53.0	7.0	-	-	11.5	(12.4)	(3.0)	56.1	Profit for the financial year - continuing
Profit/ (Loss) for the year from discontinued operations net of tax	-	(0.8)	-	-	55.3	-	-	54.5	Profit (loss) for the year from discontinued operations net of tax
APM NET INCOME before minorities	53.0	6.2	-	-	66.8	(12.4)	(3.0)	110.6	Profit for the financial year - continuing
APM Minority interests	(2.3)	(1.6)	-	-	-	-	-	(3.9)	Non-controlling interests
APM Net Recurring Income	50.7	4.6	-	-	66.8	(12.4)	(3.0)	106.7	Profits for the year attributable to Parent Company Shareholders
APM Non Recurring EBITDA	101.4	-	-	-	(104.4)	-	3.0		
APM Other Non Recurring items	(52.5)	2.5	-	-	37.6	12.4	-		
APM NET INCOME including Non-Recurring	99.6	7.0	-	-	-	-	-	106.7	Profits for the year attributable to Parent Company Shareholders

* Adjusted by IAS 29

9M 2017

	Income Statements	Redasification according to the Financial Statements	Rebates	Financial expenses for means of payment	Outsourcing	Assets Disposal	Scrapping and non recurring depreciation	Claims, severance payments and other non recurring	P&L according to the Financial Statements
APM Total revenues	1,168.6	(1,168.6)	-	-	-	-	-	-	
Revenues	-	1,163.5	(12.9)	-	-	-	-	-	1,150.6 Revenues
Other operating income	-	9.5	-	-	-	-	-	-	9.5 Other operating income
APM TOTAL REVENUES	1,168.6	4.5	(12.9)	-	-	-	-	-	
Net gains on disposal of non-current assets	-	-	-	-	-	11.8	(2.0)	-	9.8 Net gains on disposal of non-current assets
APM Staff Cost	(393.9)	0.1	-	-	82.8	-	-	(5.2)	(316.3) Staff costs
APM Operating expenses	(368.2)	(164.9)	-	12.1	(82.8)	(0.9)	-	(3.6)	(608.3) Other operating expenses
Procurements	-	(68.9)	12.9	-	-	-	-	-	(56.0) Procurements
APM GROSS OPERATING PROFIT	406.4	(229.3)	-	12.1	-	10.9	(2.0)	(8.9)	
APM Lease payments and property taxes	(236.0)	236.0	-	-	-	-	-	-	-
APM EBITDA BEFORE ONEROUS	170.4	6.8	-	12.1	-	10.9	(2.0)	(8.9)	
APM Onerous contract reversal provision	3.1	-	-	-	-	-	-	-	3.1 Variation in the provision for onerous contracts
APM EBITDA AFTER ONEROUS	173.4	6.8	-	12.1	-	10.9	(2.0)	(8.9)	
Net Profits/(Losses) from asset impairment	-	2.9	-	-	-	-	(0.9)	-	1.9 Net Impairment losses
APM Depreciation	(81.0)	(2.9)	-	-	-	-	-	-	(83.8) Depreciation
APM EBIT	92.5	6.8	-	12.1	-	10.9	(2.9)	(8.9)	
Gains on financial assets and liabilities and other	-	-	-	-	-	-	-	-	0.0 Gains on financial assets and liabilities and other
APM Interest expense	(41.5)	(2.0)	-	(12.1)	-	-	-	-	(55.5) Finance costs
Finance Income	-	1.9	-	-	-	-	-	-	1.9 Finance income
Change in fair value of financial instruments	-	-	-	-	-	-	-	-	(0.0) Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	(5.7)	-	-	-	-	-	-	(5.7) Net exchange differences (Income/(Expense))
APM Income from minority equity interests	0.0	-	-	-	-	-	-	-	0.0 Profit (loss) from companies accounted for using the equity method
APM EBT	51.0	1.0	-	-	-	10.9	(2.9)	(8.9)	51.1 Profit (loss) before tax from continuing operations
APM Corporate Income Tax	(21.2)	(2.8)	-	-	-	-	-	-	(24.1) Income tax
APM Net Income before minorities	29.8	(1.8)	-	-	-	10.9	(2.9)	(8.9)	27.0 Profit for the financial year - continuing
Profit/ (Loss) for the year from discontinued operations net of tax	-	0.1	-	-	-	-	-	-	0.1 Profit (loss) for the year from discontinued operations net of tax
APM NET INCOME before minorities	29.8	(1.6)	-	-	-	10.9	(2.9)	(8.9)	27.1 Profit for the financial year - continuing
APM Minority interests	(2.7)	-	-	-	-	-	-	-	(2.7) Non-controlling interests
APM Net Recurring Income	27.1	(1.6)	-	-	-	10.9	(2.9)	(8.9)	24.5 Profits for the year attributable to Parent Company Shareholders
APM Non Recurring EBITDA	8.8	(6.8)	-	-	-	(10.9)	-	8.9	
APM Other Non Recurring items	(11.4)	8.4	-	-	-	-	2.9	-	
APM NET INCOME including Non-Recurring	24.5	-	-	-	-	-	-	-	24.5 Profits for the year attributable to Parent Company Shareholders

III. DEBT AND STATEMENT OF CASH FLOWS AS AT SEPTEMBER 2018 AND DECEMBER 2017
III.1 Debt presented in the earnings report of 9 Months 2018.

As of 30/09/2018 Data in Euro million	Maximum Available	Availability	Drawn	Maturities					
				Year 1	Year 2	Year 3	Year 4	Year 5	Remainder
Mortgage loans	33,221	-	33,221	2,931	2,683	2,514	2,338	6,278	16,478
Fixed rate	18,765	-	18,765	580	580	677	677	717	15,533
Variable rate	14,456	-	14,456	2,350	2,102	1,838	1,661	5,561	944
Subordinated loans	40,000	-	40,000	-	-	-	-	-	40,000
Variable rate	40,000	-	40,000	-	-	-	-	-	40,000
Senior secured notes	400,000	-	400,000	-	-	-	-	-	400,000
Fixed rate	400,000	-	400,000	-	-	-	-	-	400,000
Unsecured loans	46,252	37,752	8,500	2,674	367	18	-	5,441	-
Variable rate	46,252	37,752	8,500	2,674	367	18	-	5,441	-
Secured RCF	250,000	250,000	-	-	-	-	-	-	-
Variable rate	250,000	250,000	-	-	-	-	-	-	-
Credit lines	62,471	62,466	5	5	-	-	-	-	-
Variable rate	62,471	62,466	5	5	-	-	-	-	-
Borrowing at 30/09/2018	831,943	350,217	481,726	5,610	3,049	2,533	2,338	11,719	456,478
Arrangement expenses	(15,680)	(8)	a (15,687)	(3,257)	(3,203)	(3,358)	(2,744)	(2,919)	(207)
IFRS 9	(7,749)	-	b (7,749)	(1,201)	(1,357)	(1,530)	(1,722)	(1,934)	(6)
Accrued interests	7,890	-	c 7,890	7,890	-	-	-	-	-
Adjusted total debt at 30/09/2018	816,405	350,210	466,180	9,042	(1,510)	(2,356)	(2,128)	6,866	456,265
Adjusted total debt at 31/12/2017	1,033,225	316,345	716,880	257,919	292	(371)	(643)	(624)	460,307

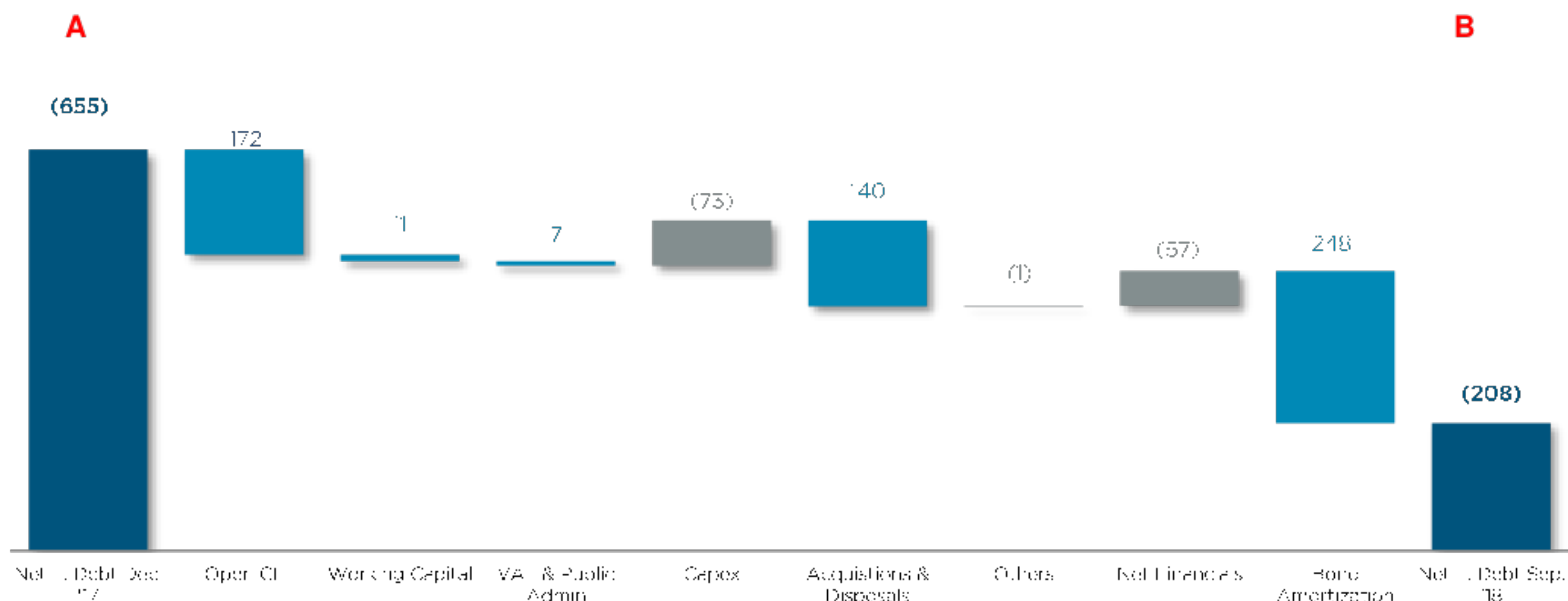
The above debt table has been obtained from the consolidated financial statements that have been filed.

III.2 Statement of cash flows included in the earnings report of 9 Months of 2018.

Net financial debt 30 September 2018 and 31 December 2017 has been obtained from the consolidated balance sheet at 30 September 2018 and from the consolidated financial statements for 31 December 2017 and is as follows:

	9/30/2018	12/31/2017	VAR.
<i>Debt instruments and other marketable securities according to financial statements</i>	382,857	387,715	
<i>Bank borrowings according to financial statements</i>	74,281	71,246	
<i>Bank borrowings and debt instruments and other marketable securities according to financial statements</i>	457,138	458,961	
<i>Debt instruments and other marketable securities according to financial statements</i>	3,967	246,195	
<i>Bank borrowings according to financial statements</i>	5,075	11,724	
<i>Bank borrowings and debt instruments and other marketable securities according to financial statements</i>	9,042	257,919	
<i>Total Bank borrowings and debt instruments and other marketable securities according to financial statements</i>	466,180	716,880	
<i>Arrangement expenses</i>	a 15,687	19,304	
<i>IFRS 9</i>	b 7,749		
<i>Convertible liability</i>		5,394	
<i>Borrowing costs</i>	c (7,890)	(6,024)	
<i>APM Gross debt</i>	481,726	735,554	
<i>Cash and cash equivalents according to financial statements</i>	(273,301)	(80,249)	
<i>APM Net Debt</i>	B 208,425	A 655,305	(446,880)

The following chart reconciles the change in net financial debt shown in the earnings report of 9 Months of 2018:

Evolution of Net Financial Debt of 9M 2018


To do so, it has been taken each heading from the statement of cash flows in the financial statements and shown the grouping:

	Oper. CF	Working capital	VAT & Public Admin	Capex	Acquisitions & Disposals	Others	Net Financials	Redemption Convertible Bond	Total
Total	(172.0)	(10.7)	(7.1)	73.5	(139.8)	0.9	56.6	(248.3)	(446.9)
Adjusted profit (loss)	203.4								203.4
Income tax paid	(18.9)								(18.9)
Financial expenses for means of payments	(12.6)								(12.6)
(Increase)/Decrease in inventories		(0.1)							(0.1)
(Increase)/Decrease in trade debtors and other accounts receivable		(5.3)							(5.3)
(Increase)/Decrease in trade payables		16.1							16.1
(Increase)/Decrease in VAT & public Administration			7.1						7.1
Tangible and intangible assets and investments in property				(73.5)					(73.5)
Change in the scope of consolidation					(0.1)				(0.1)
Group companies, joint ventures and associates					(1.6)				(1.6)
Tangible and intangible assets and investments in property					141.5				141.5
(Increase)/Decrease in current assets						0.3			0.3
(Increase)/Decrease in provision for contingencies and expenses						(2.2)			(2.2)
- Other financial liabilities (+/-)						(1.4)			(1.4)
Increase/(Decrease) in other non current assets and liabilities and others						2.2			2.2
Interests paid in debts and other interests (without means of payments)							(17.1)		(17.1)
Dividends paid							(39.8)		(39.8)
Finance Income							0.2		0.2
Redemption Convertible Bond								248.3	248.3

All of the aforementioned information has been obtained from the condensed consolidated statement of cash flows from 30 September 2018 which we include at the beginning of this document.

The aforementioned APMs have been defined and used from the standpoint of analysing the management of the business and the sector; the measures arising from the financial statements can be interpreted and are directly comparable to those of other groups in the sector and, therefore, APMs are not more relevant than the financial statements themselves. The earnings report, which includes the aforementioned APMs, is published at the end of each quarter to provide periodic information on the business' evolution and management to investors and analysts. In addition, half-yearly and annual financial statements are published complying with the filing requirements established in the applicable accounting regulations.

Appendix II: Portfolio changes & Current portfolio
New Agreements, Openings and Exits
Hotels Signed from 1st January to 30th September 2018

City / Country	Contract	# Rooms	Opening
La Habana / Cuba	Management	31	2018
Hannover / Germany	Leased	89	2020
Hamburg / Germany	Leased	261	2021
Total Signed Hotels		381	

Hotels Opened from 1st January to 30th September 2018

Hotels	City / Country	Contract	# Rooms
NH Collection Victoria La Habana	La Habana / Cuba	Management	31
NH Collection Marseille	Marseille / France	Leased	176
NH Brussels Bloom	Brussels / Belgium	Leased	305
NH Brussels EU Berlaymont	Brussels / Belgium	Leased	214
NH Monterrey La Fe	Monterrey / Mexico	Leased	152
NH Venezia Rio Novo	Venice / Italy	Leased	144
NH Collection Madrid Gran Vía	Madrid / Spain	Leased	94
NH Graz City	Graz / Austria	Leased	157
NH Essen	Essen / Germany	Leased	183
Total Openings			1,456

Hotels exiting from 1st January to 30th September 2018

Hotels	City / Country	Month	Contract	# Rooms
NH Lingotto Tech	Turin / Italy	January	Management	140
NH Shijiazhuang Financial Center	Shijiazhuang / China	January	Management	78
NH Puerto de Sagunto	Valencia / Spain	February	Franchised	99
NH Collection Royal La Merced	Cartagena / Colombia	May	Leased	9
NH Marquette	Heemskerk / The Netherlands	July	Owned	65
NH Barcelona Centro	Barcelona / Spain	July	Leased	156
NH Atlántico	La Coruña / Spain	August	Leased	199
Total Exits				746

HOTELS OPENED BY COUNTRY AT 30th SEPTEMBER 2018

Business Unit	Country	TOTAL		Leased			Owned		Management		Franchised	
		Hotels	Rooms	Call Option	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
BU Benelux	Belgium	13	2,134		5	1,017	8	1,117				
	Luxembourg	1	148	1	1	148						
	South Africa	1	198		1	198						
	The Netherlands	35	6,764	2	20	3,362	14	2,951	1	451		
	United Kingdom	1	121		1	121						
BU Benelux		51	9,365	3	28	4,846	22	4,068	1	451		
BU Central Europe	Austria	7	1,340	1	7	1,340						
	Czech Republic	3	581						3	581		
	Germany	58	10,444	3	53	9,444	5	1,000				
	Hungary	1	160		1	160						
	Poland	1	93								1	93
	Romania	2	159		1	83			1	76		
	Slovakia	1	117						1	117		
	Switzerland	4	522		3	400					1	122
BU Central Europe		77	13,416	4	65	11,427	5	1,000	5	774	2	215
BU Italy	Italy	51	7,823	1	35	5,531	13	1,803	3	489		
BU Italy		51	7,823	1	35	5,531	13	1,803	3	489		
BU Spain	Spain	130	16,257		72	8,721	13	1,957	40	5,187	5	392
	Portugal	3	278		2	171			1	107		
	Andorra	1	60						1	60		
	France	4	723		3	573			1	150		
	USA	1	242				1	242				
BU Spain		139	17,560		77	9,465	14	2,199	43	5,504	5	392
BU America	Argentina	15	2,144				12	1,524	3	620		
	Brasil	1	180		1	180						
	Colombia	14	1,691		14	1,691						
	Cuba	2	251						2	251		
	Chile	4	498				4	498				
	Dominican Republic	6	2,503						6	2,503		
	Ecuador	1	124		1	124						
	Haiti	1	72						1	72		
	Mexico	16	2,554		5	733	4	685	7	1,136		
	Uruguay	1	136				1	136				
	Venezuela	5	1,285						5	1,285		
BU America		66	11,438		21	2,728	21	2,843	24	5,867		
TOTAL OPEN		384	59,602	8	226	33,997	75	11,913	76	13,085	7	607

SIGNED PROJECTS AS OF 30th SEPTEMBER 2018

After the latest negotiations and cancellation of signed projects, the following hotels and rooms are still to be opened:

Business Unit	Country	TOTAL		Leased		Owned		Management	
		Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
BU Benelux	Belgium	1	180	1	180				
	The Netherlands	1	650	1	650				
	United Kingdom	1	190					1	190
BU Benelux		3	1,020	2	830			1	190
BU Central Europe	Germany	6	1,575	6	1,575				
BU Central Europe		6	1,575	6	1,575				
BU Italy	Italy	3	435	2	285			1	150
BU Italy		3	435	2	285			1	150
BU Spain	Spain	2	111	1	64			1	47
	France	1	148	1	148				
BU Spain		3	259	2	212			1	47
BU America	Chile	3	367					3	367
	Mexico	4	524	3	380			1	144
	Panama	2	283	1	83	1	200		
	Peru	2	429					2	429
BU America		11	1,603	4	463	1	200	6	940
TOTAL SIGNED		26	4,892	16	3,365	1	200	9	1,327

Details of committed investment for the hotels indicated above by year of execution:

	2018	2019	2020
Expected Investment (€ millions)	4.5	17.0	2.8

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