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NH | HOTEL GROUP
PART OF MINOR HOTELS

In compliance with the provisions of information pursuant to Article 17 of Regulation (EU) 596/2014 of 16 April 2014 on Market Abuse and Article 228 of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, and its complementary regulations, NH HOTEL GROUP, S.A. (hereinafter, "**NH Hotel Group**" or the "**Company**") hereby notifies the National Securities Market Commission (*Comisión Nacional del Mercado de Valores)* the following

SIGNIFICANT EVENT

The Board of Directors held today has formulated the Financial Accounts for the First Semester 2019 of NH Hotel Group, S.A. and group companies. The Accounts have been duly send to the CNMV through CIFRADOC/CNMV.

The Company encloses Press Release, Presentation of Results and Investor's Presentation, as well as conference call dial in for the conference regarding results presentation.

Madrid, 25th July 2019

Carlos Ulecia Palacios
General Counsel and Secretary of the Board

Communication Department
Press release

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- NH Hotel Group results -

EBITDA GROWTH OF 14%, STRONG FINANCIAL POSITION AND SHAREHOLDER'S REMUNERATION, HIGHLIGHTS OF NH HOTEL GROUP IN THE FIST HALF OF THE YEAR

REVENUES	EBITDA[1]	NET RECURRING INCOME
+4.6%	+14%	83%
Total: 821.5 M€	Total: 130.6 M€ *Including IFRS16: 256.9M€*	Total: 41.9 M€ *Including IFRS16: 36.1 M€*
ADR	**OCCUPANCY**	**REVPAR**
+4.7%	+0.5%	+5.3%
102.3 €	70.6%	72.2 €

Figures excludes the impact of IFRS 16 to facilitate the comparison, unless expressly stated to the contrary

- 1H19 results –

- **Total Group revenue increased by 4.6% to €822 million, driven by a strong performance across all the European markets, with momentum particularly favourable in Spain**
- **Revenue per available room (RevPAR) registered growth of 5.3%, due almost entirely to growth in the average daily rate, which was 4.7% higher at €102.3, without undermining occupancy (+0.5%)**
- **EBITDA[1] was €16 million higher at €131 million (€257 million including the impact of IFRS 16) thanks to business momentum and cost control, the factors primarily responsible for the profit growth in the first half**
- **The Group's recurring net profit increased by a significant 83% in the first half to €41.9 million (€36.1 million including the impact of IFRS 16), similarly due to stronger business volumes but also lower finance costs**
- **Including non-recurring items, the reported net profit was €40 million and the comparison with the same half of previous year is affected by the net gains recognised on assets disposed in the first half of 2018**
- **NH Hotel Group has closed the first half of the year with a net financial debt of -€204 million and a cash position of €245 million**

(1) Recurring EBITDA before the reversal of provisions for onerous contracts and gains from asset sales and excluding the impact of first-time application of IFRS 16

- **After being approved by the General Shareholder´s Meeting, the Company has paid out a gross dividend €0.15 per share (approx. €59 millions), aligned with the shareholder's remuneration policy announced**

- Strategic initiatives with Minor International -

- **A number of agreements were announced during the second quarter of the year under which NH Hotel Group will operate Minor International's hotels in Portugal and Brazil, adding an estimated €13 million to annual EBITDA**

- **In early March, both groups agreed to introduce the luxury brand, Anantara Hotels, Resorts & Spas, in Spain with an agreement to operate the hotel Villa Padierna Palace (located in Marbella)**

Madrid, 25 July 2019 - Today, NH Hotel Group presented its results for the first half of 2019, a set of earnings which evidences the momentum being sustained by the Group in recent years and marked by significant growth in the main profit headings and financial metrics. According to Ramón Aragonés, CEO of NH Hotel Group, *"the strong start to the year continued throughout the second quarter of 2019, which was characterised by stronger revenue growth on the back of a higher ADR which, coupled with control cost, drove healthy cash flow generation while maintaining low debt level. In parallel, the integration and joint plans with Minor International have been progressing as expected and are showing the first signs of materialisation in the form of the agreements announced during the first half for the operations of Minor Hotels' establishments in Portugal and Brazil and the introduction of the Anantara Hotels, Resorts & Spas brand in Spain, to be operated by NH Hotel Group".*

- 1H19 results -

The Group reported overall revenue growth of 4.6% to €822 million in the first half of 2019, despite adverse currency effects in Latin America and the opportunity cost implied by the hotels being refurbished during the period. The topline growth was driven by a strong performance in the hotel business in Europe, particularly in Spain, where the recovery already underway in Barcelona was amplified by an excellent performance in Madrid (due to a stronger conference line-up and the final of the Champions League in June), as well as a positive evolution in the secondary cities. While the performance in Spain was extraordinarily positive in the first half, the rest of the European markets were also very strong, with Benelux, Central Europe and Italy standing out in the second quarter in comparison to the start of the year.

Revenue per available room (RevPAR), the most important business metric in the hotel business, registered growth across all of the Group's business units reaching an overall growth of 5.3%. Of that growth, 4.7% is attributable to growth in the average daily rate (ADR), which went from €97.7 in the first half of 2018 to €102.3 this year. Occupancy, meanwhile, also increased by 0.5%. The improvement in the key business metrics was also tangible in the feedback provided by users about their experiences at the Group's hotels via the main online search engines. The TripAdvisor score increased from 8.4 points out of 10 to 8.6, while the Google Reviews score improved from 8.5 to 8.6 points.

Revenue growth combined with cost control meant that the Group's recurring EBITDA[(1)] increased by 14% year-on-year to €131 million (€257 million including the impact of IFRS 16), implying margin expansion of 1.3 percentage points compared to the first half of 2018.

The improvement in business and lower finance costs have driven a significant growth of 82% in recurring net profit (€41.9 million; €36.1 million including the impact of IFRS 16), compared to €23 million in the first half of 2018. Layering in non-recurring items leaves reported net profit at €40 million, down €24 million year-on-year, shaped by the less net gains recognised on assets disposed (+€57 million of in the first half of 2018).

NH HOTEL GROUP P&L ACCOUNT

(€ million)	6M 2019 Reported	6M 2019 ex IFRS 16	6M 2018 Reported	Var. 6M ex IFRS16	
	€ m.	€ m.	€ m.	€ m.	%
TOTAL REVENUES	821.5	821.5	785.5	36.1	4.6%
GROSS OPERATING PROFIT	301.7	301.7	280.5	21.1	7.5%
EBITDA BEFORE ONEROUS	256.9	130.6	115.0	15.6	13.6%
NET RECURRING INCOME	36.1	41.9	23.0	19.0	82.7%
NET INCOME including Non-Recurring	39.9	45.7	64.3	(18.6)	(29.0%)

Cash flow generation during the first half left cash at €245 million and net financial debt at the low level of €204 million at the June close, despite having invested €85 million and paid out €59 million in dividends (€0.15 per share, paid out against 2018 profits on 14 June 2019).

(1) Recurring EBITDA before the reversal of provisions for onerous contracts and gains from asset sales and excluding the impact of first-time application of IFRS 16

- Portfolio evolution -

At the June close, NH Hotel Group was operating 369 hotels and 57,356 rooms. The Company continues to improve the quality of their hotel portfolio. During the first half of 2019, the Group refurbished 22 hotels, six of which in Spain, another six in Italy, three in Benelux, four in Central Europe and the last three in Latin America. In addition to the hotels signed up under the scope of the strategic agreement with Minor in Portugal (13 hotels), the Group added five new hotels to its portfolio (located in Spain, Italy, Andorra and Mexico).

- Strategic initiatives with Minor International -

In the wake of the takeover bid by Minor International in the last quarter of 2018, and as foreshadowed in its prospectus with regards to the search for a far-reaching transaction that would allow NH Hotel Group to operate the establishments run by the former in Portugal and Brazil, a number of enabling agreements materialised at the end of June. Minor International agreed to sell three hotels in Lisbon to funds managed by Invesco Real Estate, which will be operated by NH Hotel Group under a long-term sustainable lease agreement with the new owner. In parallel, NH Hotel Group entered into an agreement with Minor International for the management of another nine of the latter chain's hotels in Portugal and the provision of management advisory at its two establishments in Brazil. Those agreements will contribute an estimated €13 million to NH Hotel Group's annual EBITDA.

Elsewhere, in April 2019, Minor Hotels and NH Hotel Group announced an agreement for the operation by the latter of the hotel Villa Padierna Palace, located in Marbella, in the south of Spain, a property to be rebranded under Minor Hotels' luxury brand, Anantara Hotels, Resorts & Spas. The two groups are thus aligning their interests in order to make the most of the opportunities for expanding their brands and rebranding existing properties.

APPENDIX

Hotel business performance in 1H19 by market

Ratios: like-for-like hotel data + hotels under refurbishment
EBITDA figures: recurring EBITDA before the reversal of provisions for onerous contracts and gains from asset sales, excluding the impact of IFRS 16

Spain. Revenue climbed by 10% to €218.8 million in the first half, fuelled by the ongoing recovery in Barcelona, an excellent performance in Madrid, shaped by a strong line-up of congresses and the celebration of the Champions League Final, and a good performance in the secondary cities. RevPAR increased by 9.2%, 7.8pp of which is attributable to growth in the ADR and 1.3pp to occupancy. As a result, EBITDA increased by 26.8% to €34.7 million.

Italy. First-half revenue registered growth of 3.3% to €147.1 million. Rome led the gains while Milan recovered from a weaker start to the year due to a less favourable trade fair line-up. RevPAR in Italy rose by 3.1%, thanks to growth in the ADR of 2.6% and in occupancy of 0.5%, while EBITDA came in at €34.1 million, growth of 11.6% year-on-year.

Benelux. Brussels and Amsterdam were the main momentum drivers in this region, where revenue increased by 0.7% to €173.1 million (+2.7% excluding the impact of a hotel under refurbishment in Amsterdam). The conference-oriented hotels recovered their momentum in the second quarter, having suffered somewhat during the first quarter when the number of congresses dipped. RevPAR growth was 2.2%, thanks to growth in the ADR of 1.2% and in occupancy of 1.0%. Lastly, EBITDA, at €31 million (-3.6%), was affected by the temporary loss of business due to the refurbishment of an important hotel in Amsterdam and an increase in costs as a result of the application of collective bargaining agreements.

Central Europe. A favourable trade fair schedule in Munich and in Austria contributed to revenue growth of 1.9% to €182.7 million in 1H19 (+2.6% excluding the impact of the hotels under refurbishment). RevPAR increased by 4.3%, thanks to growth in the ADR of 3.2% and in occupancy of 1%, to leave EBITDA in the region 0.7% higher at €9 million.

Americas. Revenue in this region registered growth of 1% (real exchange rate) to €61 million. RevPAR growth was 0.2%. By region: Mexico posted topline growth of 3.9% (real exchange rate); although Argentina sustained sharp growth due to hyperinflation, significant currency devaluation left revenue 1.4% lower at real exchange rate; and in Colombia and Chile, revenue decreased by 6.6%, affected by surplus supply in Bogota and currency weakness. EBITDA in Latin America was €12.6 million, growth of 11.6% from 1H18.

About NH Hotel Group

NH Hotel Group (www.nhhotelgroup.com) is a consolidated multinational player and a leading urban hotel operator in Europe and America, where it operates over 350 hotels. Since 2019, the Company works with Minor Hotels in the integration of their hotel brands under a single corporate umbrella with presence in over 50 countries worldwide. Together, both Groups have a portfolio of over 500 hotels articulated around eight brands: NH Hotels, NH Collection, nhow, Tivoli, Anantara, Avani, Elewana and Oaks - that comprise a broad and diverse range of hotel propositions connected to the needs and desires of today's global travellers.

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H1 2019 RESULTS PRESENTATION

25th of July 2019

NH Toulouse Airport

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NH HOTELS · NH COLLECTION HOTELS · nhow HOTELS · TIVOLI HOTELS & RESORTS · ANANTARA HOTELS·RESORTS·SPAS · AVANI Hotels & Resorts · elewana COLLECTION · OAKS

Message from the CEO

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"Dear Shareholders,

*In line with the performance of the start of the year, the Group's momentum remained robust in Q2. **The Group's operating trend and business improvement continues in H1 2019** with a combination of sound **revenue growth of +4.6%,** prices contributing 90% of the RevPAR evolution, and cost control measures leading to margin improvements.*

***At constant exchange rate, revenue grew +6.3%. Strong growth in Europe of +4.5%** with an excellent performance in Spain (+9.6%). Solid growth in Benelux (+2.7%), Central Europe (+2.6%) and Italy (+1.7%).*

***H1 EBITDA, excluding IFRS 16 accounting impacts for comparison purposes, reached €130.6m (+€15.6m; +13.6%).** Including IFRS 16, reported EBITDA reached €256.9m. **Sustained business improvement together with lower financial costs has allowed to increased Reported Net Recurring income by +€13m vs reported H1 2018** reaching €36m and despite IFRS 16 impacting -€6m. Total Net Income (including non recurring activity) amounted €40m, down from €64m posted in H1 2018, reflecting lower capital gains (H1 2018: +€57m).*

***Strong cash flow generation allows to preserve a low Net Financial Debt (-€204m)** with **a solid cash position of €245m,** despite capex investments (-€85m) and dividend disbursement (-€59m) in the semester.*

*NH and Minor have signed an arm's length transaction to enable **NH to operate Minor's hotels in Portugal and Brazil.** The operational transfer of the Tivoli portfolio from Minor to NH proves the **alignment of interests and represents the first milestone of the integration**. NH will operate 3 hotels in Lisbon under a long-term sustainable lease agreement. The rest of the portfolio, 10 hotels in Portugal and the 2 hotels in Brazil, will be operated under a management contract with Minor.*

*The Annual General Meeting held last May **approved a gross dividend for the financial year 2018, equivalent to €0.15 per outstanding share** that has been paid on June 14th, implying a **disbursement of c. €59m** and aligned with the dividend policy previously announced."*

Ramón Aragonés
CEO, NH Hotel Group

Note: IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

H1 2019 highlights

- **H1: Revenue growth of +4.6% reaching €822m (+€36m)**
  - Revenue Like for Like ("LFL") growth of +4.6% (+6.6% exc. FX)
    - Solid growth in Europe of +4.5% with an outstanding performance in Spain (+9.6%)
  - RevPAR: +5.3%, 90% through ADR which grew (+4.7%; €102)

- **Q2: Revenue growth of +5.3% reaching €469m (+€24m)**
  - Revenue Like for Like growth of +5.3% (+7.0% exc. FX) with strong evolution in Spain (+10.8%) and Benelux (+4.0%)
  - RevPAR: +6.5%, 100% through ADR which grew (+6.5%; €110)

- **H1 Recurring EBITDA[(1)] of €131m (+€16m; +14%) with a margin improvement of +1.3 p.p.**
  - Remarkable 43% EBITDA conversion rate
  - Reported EBITDA of €257m

- **Significant Reported Net Recurring Income growth in H1 reaching €36m (+€13m)**, due to the business improvement, lower financial costs and despite IFRS 16 impacting -€6m

- **Reported Total Net Income reached €40m**
  - -€24m down vs. H1 2018 reflecting the lower capital gains from asset rotation (H1 2018: +€57m)

- **Strong Financial metrics:**
  - Net financial debt reached -€204m with a solid cash position (€245m)
  - Long term RCF available undrawn €250m

- **Dividend:**
  - AGM approval in May of a gross dividend of €0.15 (€59m) per outstanding share for 2018 financial year paid in June 2019

Note: IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

Key financial metrics

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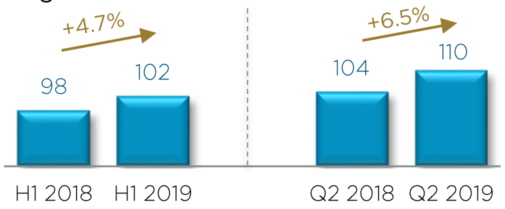
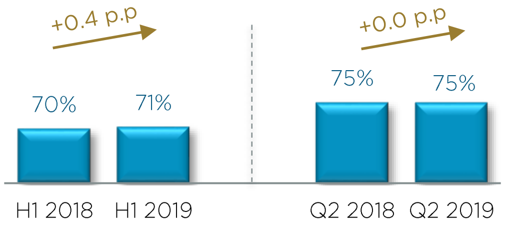
ADR (€)

- H1: +4.7% price increase (+€4.6) reaching €102 contributing with 90% of RevPAR growth. Remarkable growth in Spain (+9.1%) and Central Europe (+4.0%)
- Q2: +6.5% price increase (+€6.8) contributing with 100% of RevPAR growth



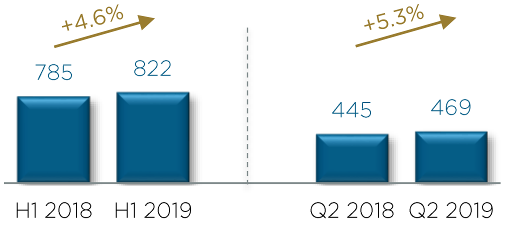
Occupancy (%)

- H1: +0.5% activity increase (+0.4 p.p.) up to 71%. Strong demand growth in Spain (+1.1%) boosted by Barcelona recovery
- Q2: activity remained flat at 75%



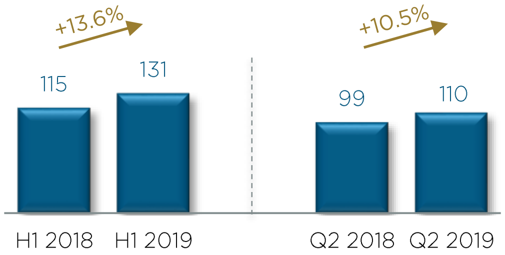
Revenues (€m)

- H1: +€36m revenue growth (+4.6%) with an outstanding growth in Spain
- Q2: +€24m (+5.3%). Excellence performance of Spain and solid growth in Benelux



Recurring EBITDA[(1)] (€m)

- H1: +€16m (+13.6%) due to a 43% revenue conversion rate reaching €131m and a margin of 15.9% (+1.3 p.p.)
- Q2: +€10m (+10.5%) with a 23.4% margin (+1.1 p.p.)



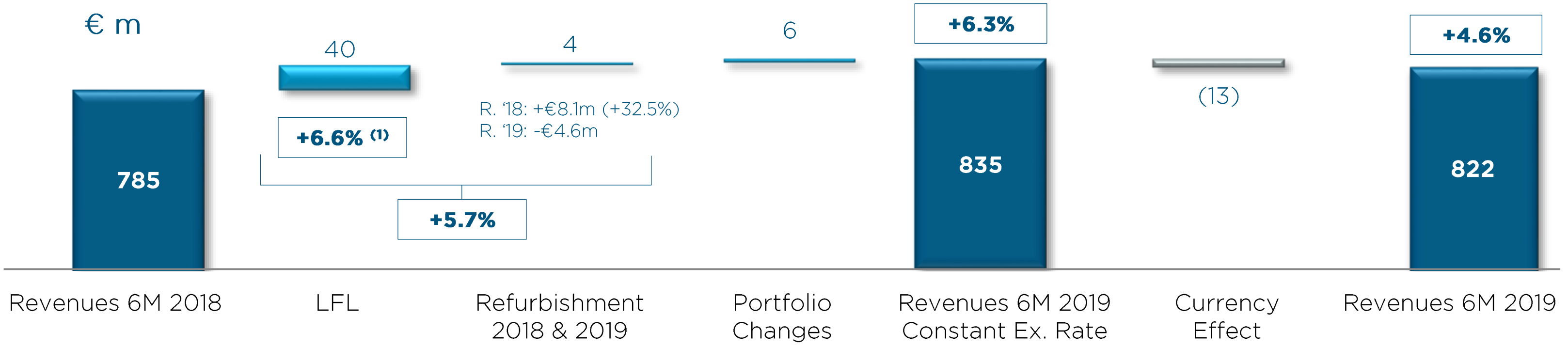
[(1)] Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

Solid revenue performance continues in H1 2019

- **Total Revenue growth of +4.6% reaching €822m (+€36m), despite 2019 reforms (-€5m opportunity cost) and the negative currency effect (-€13m). +6.3% revenue growth at constant exchange rate**
  - Revenue Like for Like ("LFL"): +6.6% with constant FX (+4.6% reported):
    - Strong growth in Europe of +4.5% with an excellent performance in Spain (+9.6%). Solid growth in Benelux (+2.7%) with an improvement in Q2 and Central Europe (+2.6%). Italy (+1.7%) also improving the trend from Q1
  - Including the refurbished hotels, LFL&R grew +5.7% with constant FX (+4.0% reported)
    - 2018 refurbished hotels increased revenues by +€8.1m (+32.5%)
    - 2019 opportunity costs for renovations (-€4.6m): mainly from 3 hotels (Naples, Amsterdam and Munich)

Revenue Split	Var. H1 2019
Available Rooms	+0.0%
RevPAR	+5.3%
Room Revenue	+5.1%
Other Revenue	+1.3%
Total Hotel Revenue	**+4.0%**
Non Hotel Revenue*	+€4.7m
Total Revenue	**+4.6%**

* Other + Capex Payroll Capitalization

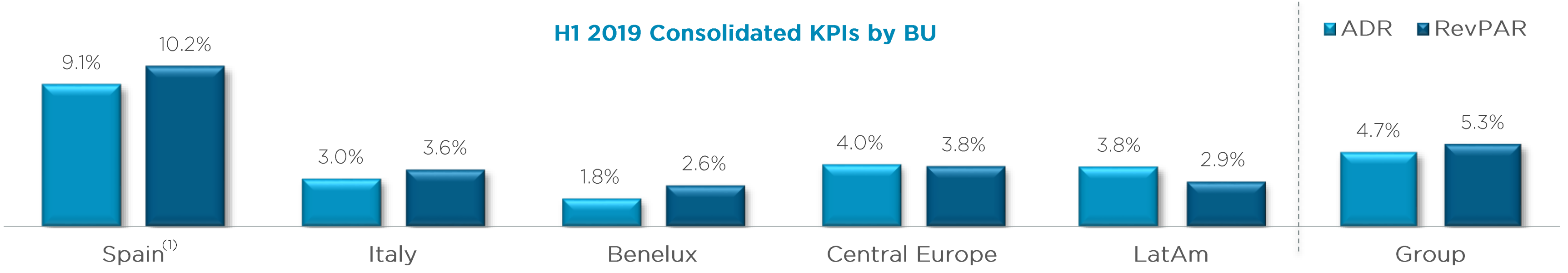


Growth Contribution	+5.1%	+	+0.5%	+	+0.8%	=	+6.3%	+	-1.7%	=	+4.6%

(1) On its 2019 own base. With real exchange rate growth is +4.6%

RevPAR growth supported by ADR (90% contribution)

- **+5.3% RevPAR increase in H1 2019, 90% through ADR**
  - All regions reported positive RevPAR and ADR performance with outstanding RevPAR growth in Spain (+10.2%).
  - ADR: +4.7% price increases (+€4.6) reaching €102.3. Remarkable growth in Spain (+9.1%) and Central Europe (+4.0%)
  - Occupancy: +0.5% activity increase (+0.4 p.p.) reaching 70.6%. Higher demand growth in Spain (+1.1%; +0.8 p.p.) boosted by the recovery in Barcelona, strong performance of Madrid and secondary cities
- **LFL (excluding reforms) RevPAR grew +5.2% in H1 2019**
  - Spain (+11%): Recovery continued in Barcelona (+16%; occupancy +7% and ADR +8%) and excellent performance of Madrid (+12%, mainly through ADR) with a strong Q2 due to congresses and Champions League Final. Solid performance of secondary cities (+7%)
  - Italy (+1%): Good performance of Rome (+4%) and Milan (flat) recovering the drag from Q1 negative trade fair calendar
  - Benelux (+4%): Recovery continued in Brussels (+9%; on higher occupancy). Good performance of Amsterdam (+4%) and congress centres hotels (+6%) with a stronger Q2 more than offsetting the weaker Q1
  - Central Europe (+4%): Favourable trade fair calendar in Munich (+19%) and Austria (+17%). Good performance of German secondary cities (+3%) and negative evolution in Frankfurt (-5%) affected mainly by the higher supply and a slightly negative trade fair calendar
  - LatAm (+2%; real exchange rate): Buenos Aires (+8%), Mexico DF (-2%) on lower occupancy and Bogota (+6%) with a strong Q1



(1) Includes France and New York. Spain ADR +9.3% and RevPAR +11.2%

Focus on market share and quality

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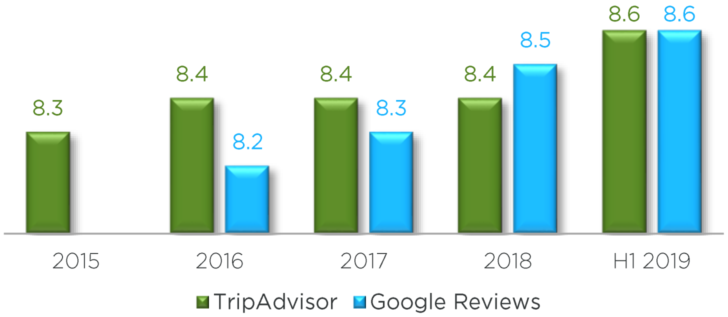
- **Relative RevPAR outperformance of +0.4 p.p. in top cities vs. competitors** mainly on higher occupancy (+2.0 p.p.) with a lower relative ADR (-1.7 p.p.)

H1 2019	ADR % var. NH	ADR % var. Comp. Set	"Relative" ADR Var.	"Rel." Occupancy Var.	"Rel." RevPAR Var.
Spain	8.5%	9.1%	-0.5 p.p.	1.8 p.p.	1.3 p.p.
Italy	0.8%	2.6%	-1.8 p.p.	-1.5 p.p.	-3.3 p.p.
Benelux	1.8%	2.6%	-0.9 p.p.	2.9 p.p.	2.1 p.p.
Central Europe	2.6%	5.9%	-3.3 p.p.	3.0 p.p.	-0.3 p.p.
Total NH	**3.7%**	**5.4%**	**-1.7 p.p.**	**2.0 p.p.**	**0.4 p.p.**

Source: STR / MKG Competitive Set Average Growth

- **Focus on quality**



- Solid performance in Spain with a relative RevPAR of +1.3 p.p. mainly explained by higher relative occupancy with strong performance of Valencia and Seville. The recovery of Barcelona translates in prices ahead of competition that resulted in slightly negative relative RevPAR evolution in the city
- Italy: -3.3 p.p. relative RevPAR explained by the extraordinary performance in H1 2018 (+4.4 p.p.) with relevant events in Milan and strong evolution of Rome
- Excellent result in Benelux with a relative RevPAR of +2.1 p.p. with strong evolution of Amsterdam despite a city tax increase
- Central Europe: -0.3 p.p. relative RevPAR variation with higher occupancy and mixed performance among main cities
- **Strong performance in:**
  - **Madrid:** Relative RevPAR +0.4 p.p.; Occupancy +3.4 p.p.
  - **Barcelona:** Relative RevPAR -0.6 p.p.; ADR +1.1 p.p.
  - **Amsterdam**: Relative RevPAR +2.9 p.p.; ADR +0.8 p.p.
  - **Berlin:** Relative RevPAR 0.0 p.p.; Occupancy +3.7 p.p.
  - **Frankfurt:** Relative RevPAR +1.2 p.p.; ADR -3.8 p.p.
  - **Rome:** Relative RevPAR +3.9 p.p.; ADR -2.8 p.p.
- NH Hotel Group has focused its efforts on measuring quality using new sources of information and surveys with an important increase of both the volume of reviews and evaluations received

Revenue performance by markets

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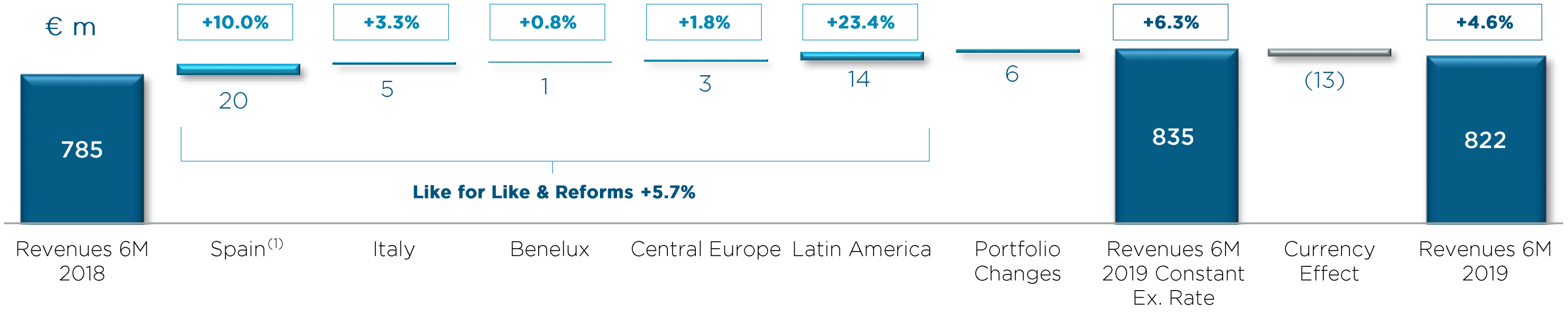
- **Spain:** +9.6% LFL growth explained by the continued recovery in Barcelona (+14.9%) and outstanding evolution of Madrid (+9.7%). Secondary cities grew +4.8%. Total Revenue grew +9.3% offsetting the contribution from 2018 Hesperia contract with the new openings (Madrid, Marseille, Toulouse and Marbella) and hotels refurbished

- **Italy:** +1.7% growth in LFL with a good evolution of Rome (+1.5%) and Milan (+0.8%) recovering the drag from Q1 negative trade fair calendar. Including refurbished hotels revenue grew +3.3%. Total revenue +5.0% boosted by the opening of 1 hotel in Venice

- **Benelux:** +2.7% LFL with a sustained recovery in Brussels (+8.3%). Good performance in Amsterdam (+2.6%) and congress centres hotels (+3.5%) fully offsetting the weaker Q1. Including the business loss of the refurbishment of a key hotel in Amsterdam (-€3.5m) and perimeter changes total revenue evolution grew +1.2%

- **Central Europe:** +2.6% LFL growth with a favorable fair calendar in Munich (+15.5%). Frankfurt (-6.5%) affected by higher supply and good evolution of German secondary cities (+3.8%). Including the business loss of a hotel refurbishment in Munich (-€2.2m) and perimeter changes (4 hotels opened and 3 closed) total revenue evolution grew +3.9%

- **LatAm:** +23.4% growth in LFL&R with constant exchange rate (+1.0% reported). By regions, Mexico revenues fell -3% at constant exchange rate and including the positive currency evolution (+6%) reported revenues increased +4%. Argentina revenues grew 83% in local currency and including the -85% currency depreciation, reported figure is -1%. Hoteles Royal revenue decreased -4% in local currency and including the currency evolution (-3%) reported figure fell -7%



	Spain	Italy	Benelux	Central Europe	Latin America
Revenue LFL	+9.6%	+1.7%	+2.7%	+2.6%	+24.9%
Total Revenue	+9.3%	+5.0%	+1.2%	+3.9%	+20.5%

Ex-Currency	Reported
+6.6%	+4.6%
+6.3%	+4.6%

[1] Includes France and New York.

H1 EBITDA(1) increased +14% with a 43% conversion rate

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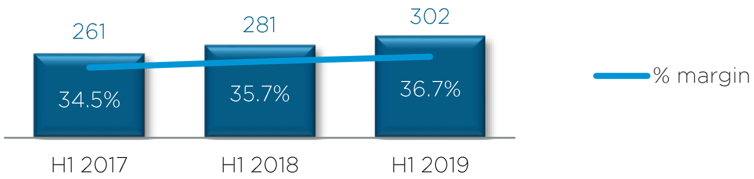
€ million	H1 2019 Reported €m.	IFRS 16 Adj. €m.	H1 2019 ex IFRS 16 €m.	H1 2018 Reported €m.	VAR. ex IFRS 16 €m.	%.
TOTAL REVENUES	**821.5**	**-**	**821.5**	**785.5**	**36.1**	**4.6%**
Staff Cost	(278.9)	-	(278.9)	(267.3)	(11.6)	4.4%
Operating expenses	(241.0)	-	(241.0)	(237.7)	(3.3)	1.4%
GROSS OPERATING PROFIT	**301.7**	**-**	**301.7**	**280.5**	**21.1**	**7.5%**
Lease payments and property taxes	(44.8)	(126.2)	(171.0)	(165.5)	(5.5)	3.3%
EBITDA BEFORE ONEROUS	**256.9**	**(126.2)**	**130.6**	**115.0**	**15.6**	**13.6%**

- **Cost control** in H1 2019 **despite the occupancy growth (+0.5%)**
  - **Payroll cost** increased +4.4% (partially explained by the increase of CLA agreements in Spain and Benelux) and **Operating Expenses** +1.4%. Impact of refurbished hotels and perimeter changes (openings and closings) explains 46% of the increase of total cost
- Improvement in **GOP** of +€21.1m (+7.5%). GOP margin improved by +1.0 p.p. due to an excellent conversion rate of 59%
- Adjusted lease payments and property taxes of €171.0m increased -€5.5m (+3.3%). Perimeter changes (openings and closings) partially offset the higher lease payments of 2018 reforms
- **Excluding IFRS 16, Recurring EBITDA before onerous in H1 2019 reached €130.6m (+€15.6m; +13.6%)** with a 43% conversion rate from incremental revenue to EBITDA. EBITDA margin reached 15.9% (+1.3 p.p.)

Gross Operating Profit (€m)



Recurring EBITDA (€m)(1)

Note: IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

Significant improvement in Net Recurring Income

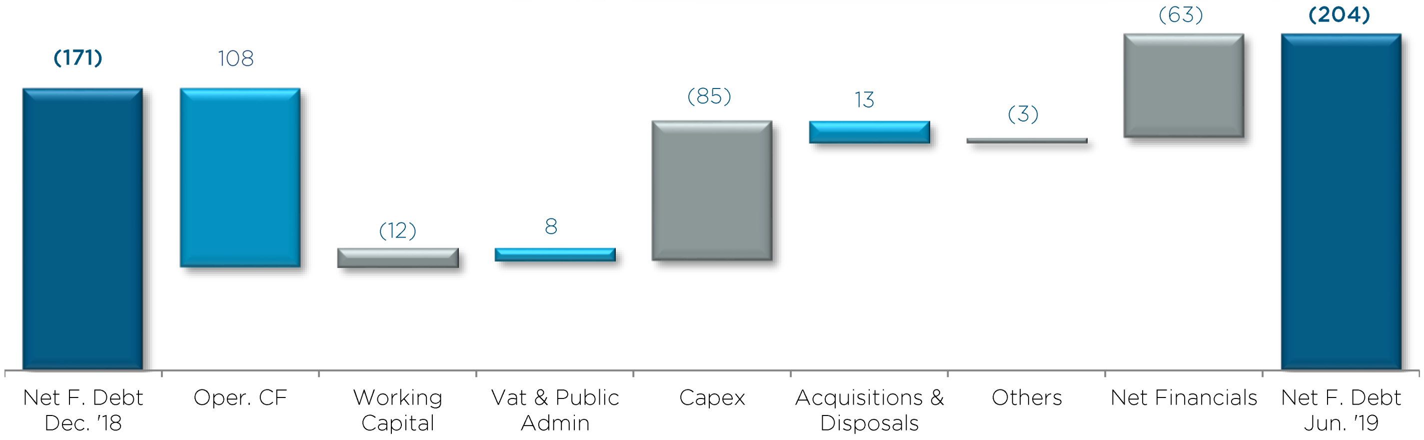
€ million	H1 2019 Reported €m.	IFRS 16 Adj. €m.	H1 2019 ex IFRS 16 €m.	H1 2018 Reported €m.	H1 VAR. ex IFRS 16 €m.	H1 VAR. ex IFRS 16 %.
EBITDA BEFORE ONEROUS	**256.9**	**(126.2)**	**130.6** 1	**115.0**	**15.6**	**13.6%**
Margin % of Revenues	31.3%	-	15.9%	14.6%	-	1.3p.p.
Onerous contract reversal provision	-	0.8	0.8	1.3	(0.5)	-35.7%
EBITDA AFTER ONEROUS	**256.9**	**(125.4)**	**131.4**	**116.3**	**15.2**	**13.1%**
Depreciation	(144.8)	88.4	(56.5)	(54.6)	(1.9) 2	3.5%
EBIT	**112.0**	**(37.1)**	**75.0**	**61.7**	**13.3**	**21.5%**
Interest expense	(56.8)	45.3	(11.5)	(20.3)	8.8 3	43.5%
Income from minority equity interest	0.0	-	0.0	(0.0)	0.1	N/A
EBT	**55.2**	**8.3**	**63.5**	**41.3**	**22.2**	**53.6%**
Corporate income tax	(17.3) 4	(2.4)	(19.8)	(16.9)	(2.9)	-16.9%
NET INCOME BEFORE MINORITIES	**37.9**	**5.8**	**43.7**	**24.4**	**19.3**	**79.1%**
Minorities interests	(1.8)	-	(1.8)	(1.5)	(0.3)	-22.2%
NET RECURRING INCOME	**36.1** 5	**5.8**	**41.9**	**23.0**	**19.0**	**82.7%**
Non Recurring EBITDA[1]	6.3	-	6.3	86.4	(80.0)	-92.7%
Other Non Recurring items[2]	(2.6) 6	-	(2.6)	(45.0)	42.4	94.3%
NET INCOME INCLUDING NON-RECURRING	**39.9** 7	**5.8**	**45.7**	**64.3**	**(18.6)**	**-29.0%**

[1] Includes gross capital gains from asset rotation

[2] Includes taxes from asset rotation

1. **Excluding IFRS 16, Recurring EBITDA before onerous reached €130.6m (+€15.6m; +13.6%).** Reported EBITDA amounted €256.9m with IFRS 16
2. **Depreciation:** slight increase of -€1.9m due to the impact of repositioning capex. Applying IFRS 16, reported figure reached €144.8m
3. **Financial Expenses:** decrease of +€8.8m mainly explained by the early redemption of the Convertible Bond in June 2018 and the partial early redemption of 2023 Bond of €43.2m in Q4 2018. With IFRS 16, reported figure is -€56.8m
4. **Taxes:** Corporate Income Tax of -€17.3m, -€0.4m higher than H1 2018 explained by a better EBT performance and deferred taxes arisen from IFRS 16 (+€2.4m)
5. **Reported Net Recurring Income:** improvement of +€13.2m vs. H1 2018 reported figure reaching €36.1m due to the business improvement, lower financial costs and despite IFRS 16 impacting -€5.8m
6. **Non Recurring Items:** reached €3.8m mainly due to net capital gains from asset rotation but significantly lower than in H1 2018
7. **Reported Total Net Income reached €39.9m,** -€24.5m lower than in H1 2018 reported due to the lower contribution of net capital gains from asset rotation (H1 2018: +€57m)

Cash Flow Evolution



Financial Position: 30th June 2019
Gross Financial Debt: (€449m)
Cash: €245m
Net Financial Debt: (€204m)(1)
Operating Lease Liability (under IFRS16): (€2,123m)
Total Net Debt with Operating Leases: (€2,327m)

- **(+) Operating Cash Flow:** +€108.4m, including -€9.2m of credit card expenses and taxes paid of -€27.2m
- **(-) Working Capital:** mainly explained by a lower overdue recovery from previous year due to optimized overdue levels, and some calendar effect related to the last weekend of June
- **(-) Capex payments:** -€84.6m paid in H1 2019
- **(+) Acquisitions & Disposals:** +€13.1m from NH Málaga II disposal in Q1 +€16.0m, JV China +€1.9m, Tivoli investment -€7.2m (going concern 3 lease contracts) and +€2.4m from deferred payments of operations of previous years
- **(-) Other:** mainly severance payments and legal provisions
- **(-) Net Financials & Dividends:** -€63.1m, including -€9.0m net interest expense, -€52.9m net ordinary dividend paid in June 14th (remaining amount paid in July) and -€1.2m minority dividend

(1) NFD excluding accounting adjustments for arrangement expenses €12.4m, accrued interest -€4.1m and IFRS 9 adjustment €7.7m. Including these accounting adjustments, the Adj. NFD would be (€188m) at 30th Jun. 2019 and (€153m) at 31st Dec. 2018

Strong deleverage achieved

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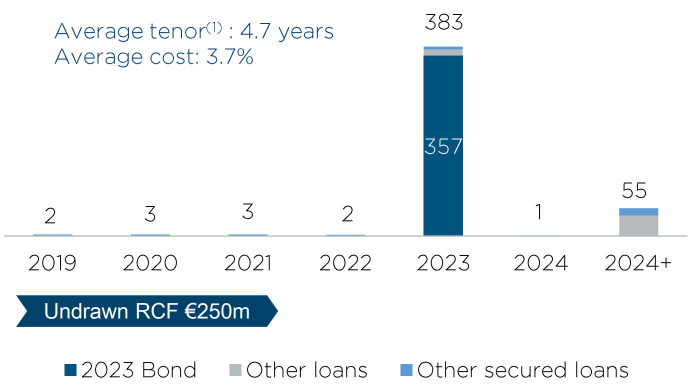
Debt Maturity Profile
30 June 2019: Gross debt (449€m)



Liquidity:

- Cash at bank: **€245m**
- Available credit lines: **€309m**, of which €250m is a Long Term RCF (maturity in September 2021)

Rating

Rating	NH	2023 Bond	Outlook
Fitch	B+	BB	Stable
Moody’s	B1	Ba3	Stable

FitchRatings

- On 26th March 2019 Fitch revised the Outlook on NH Hotel Group’s Long-Term Issuer Default Rating (IDR) to Stable from Positive and **affirmed the IDR at 'B+'** following the acquisition by Minor International of a 94.1% stake in NH Hotel Group
- Bond rating affirmed at BB

Moody’s

- On May 11th 2018, Moody´s **upgraded the corporate family rating of NH Hotel Group to ‘B1’ from ‘B2’** and changed the outlook from positive to stable
- Moody´s confirmed the ratings and outlook on May 31st 2019

(1) Excluding subordinated debt (2024+)

IFRS 16: Impact of new accounting standard from 2019

- The application of IFRS 16 started on January 1st, 2019 and establishes the recognition of operating leases as an asset for the right of use and a financial liability. An amortization expense of the asset is recorded separately from the interest expense of the lease liability
- NH has adopted the Modified Retrospective method, recording in the equity reserves the difference between Asset & Liability
- Impacts on Balance Sheet and P&L (without considering additions, cancellations or modifications of contracts that may occur after that date):

Impact on Balance Sheet 30/06/2019 (€ million)	IFRS 16
Right of Use	**1,753.2**
Deferred tax	**95.6**
Other assets (1)	(18.3)
TOTAL ASSETS	**1,830.5**
Total Equity	**(265.9)**
Operational leases liability	**2,122.8**
Other liabilities (2)	(26.4)
TOTAL LIABILITIES	**1,830.5**

(1) Elimination of linearization accounts
(2) Elimination of onerous provision (€6m) and linearization accounts

Impact in P&L in H1 2019 (€ million)	H1 2019 ex IFRS 16	IFRS 16 Adj.	H1 2019 Reported
Lease payments and property taxes	(171.0)	126.2	(44.8)
EBITDA BEFORE ONEROUS	**130.6**	**126.2**	**256.9**
Onerous contract reversal provision	0.8	(0.8)	-
Depreciation	(56.5)	(88.4)	(144.8)
EBIT	**75.0**	**37.1**	**112.0**
Interest expense	(11.5)	(45.3)	(56.8)
Corporate income tax	(19.8)	2.4	(17.3)
NET RECURRING INCOME	**41.9**	**(5.8)**	**36.1**

- No cash impact, leverage capacity or debt financial covenant

Tivoli Integration

Lease contract in Lisbon 3 hotels	▪ Minor has signed an agreement with Invesco Real Estate to sell 3 hotels and simultaneously NH will sign a long term sustainable lease contract with Invesco Real Estate starting end of July ▪ Counterpart: Invesco Real Estate ▪ Tenure: 20 years with rights of extension for NH totaling 40 additional years ▪ Variable lease with minimum guaranteed ▪ Sustainable long term contract: • Fixed rent coverage 1.9x [1] • Basket of Losses to limit downside ▪ NH is responsible for property tax and ordinary maintenance capex
Management contract in Portugal 9 hotels	▪ Counterpart: Minor ▪ Tenure: Initial period of 2 years ▪ Base Fee on Revenues + Incentive Fee on Operating Profit
Business Management agreement in Brazil 2 hotels	▪ Counterpart: Minor ▪ Tenure: 5 years ▪ Scope: support in budgeting process, performance and operational reviews, restructuring implementation, recruitment and human resources

Estimated EBITDA Contribution to NH on a full year basis c.€13m

[1] EBITDAR / Fixed Rent + Property Tax

Annex

- Q2 Revenue:
    - Per Perimeter
    - Per B.U.
- Q2 RevPAR
- Q2 P&L

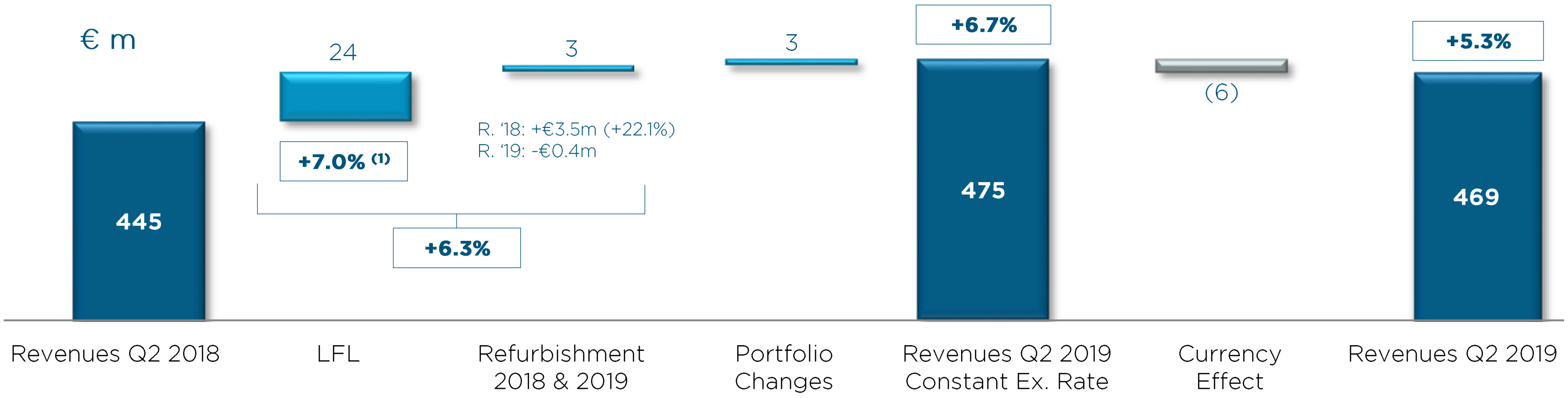
NH Collection Milano Porta Nuova

Solid revenue performance continues in Q2 2019

- **Total Revenue growth of +5.3% reaching €469m (+€24m), despite 2019 reforms (-€0.4m opportunity cost) and the negative currency effect (-€6m). +6.7% revenue growth at constant exchange rate**
  - Revenue Like for Like ("LFL"): +7.0% with constant FX (+5.3% reported):
    - Solid growth in Europe of +5.3% with an outstanding performance in Spain (+10.8%). Solid growth in Benelux (+4.0%) with an improvement in Q2 and Central Europe (+2.6%). Italy (+2.4%) also improving the trend from Q1
  - Including the refurbished hotels, LFL&R grew +6.3% with constant FX (+4.8% reported)
    - 2018 refurbished hotels increased revenues by +€3.5m (+22.1%)
    - 2019 opportunity costs for renovations (-€0.4m): mainly from 2 hotels (Amsterdam and Munich)

Revenue Split	Var. Q2 2019
Available Rooms	-0.1%
RevPAR	+6.5%
Room Revenue	+6.3%
Other Revenue	+0.5%
Total Hotel Revenue	**+4.8%**
Non Hotel Revenue*	+€2.5m
Total Revenue	**+5.3%**

* Other + Capex Payroll Capitalization

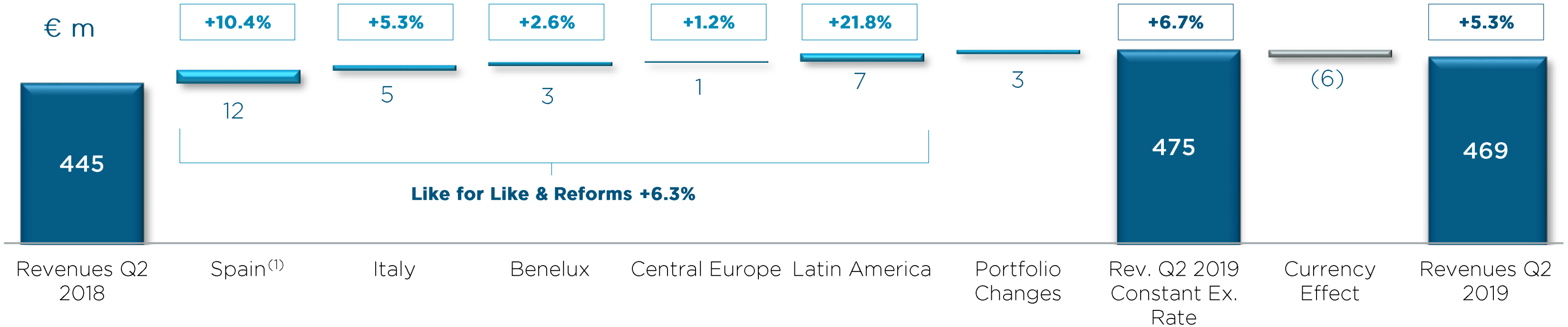


Growth Contribution	+5.3%	+	+0.7%	+	+0.7%	=	+6.7%	+	-1.4%	=	+5.3%

(1) On its 2019 own base. With real exchange rate growth is +5.3%

Revenue performance by markets

- **Spain:** +10.8% LFL growth with the continued recovery in Barcelona (+14.6%) and strong performance of Madrid (+10.5%). Secondary cities grew +5.5%. Total Revenue grew +9.9%, offsetting the contribution from Hesperia contract and 2 hotels closed with new openings (Madrid, Toulouse and Marbella) and hotels refurbished
- **Italy:** +2.4% growth in LFL with a better fair calendar in Milan (+3.8%). Including a hotel refurbished in Rome in 2018, LFL&R grew +5.3%. Total revenue +7.0% with the opening of 1 hotel in Venice
- **Benelux:** +4.0% LFL with the sustained recovery in Brussels (+6.7%), solid performance of Amsterdam (+3.8%) and congress centers hotels (+14.4%) with higher number of corporate events. Including the business loss of the refurbishment of a key hotel in Amsterdam (-€1.1m) and changes of perimeter total revenue grew +2.2%
- **Central Europe:** +2.6% LFL increase due to the favorable trade fair calendar in Munich (+7.8%) and strong performance in Austria (+15.9%). Frankfurt (-6.9%) negatively affected by an increase of supply and a slightly negative trade fair calendar. Secondary cities grew +3.1%. New openings (Essen, Mannheim; Leipzig and Graz) more than offset 3 hotels closed and the opportunity cost of the hotel being refurbished in Munich, reporting a total revenue growth of +3.6%
- **LatAm:** +21.8% growth in LFL&R with constant exchange rate (+0.9% reported). By regions, Mexico revenues fell -3% at constant exchange rate and including the positive currency evolution (+7%) reported revenues increased +4%. Argentina revenues grew 83% in local currency and including the -72% currency depreciation, reported figure is +6%. Hoteles Royal revenue decreased -4% in local currency and including the currency evolution (-5%) reported figure fell -10%



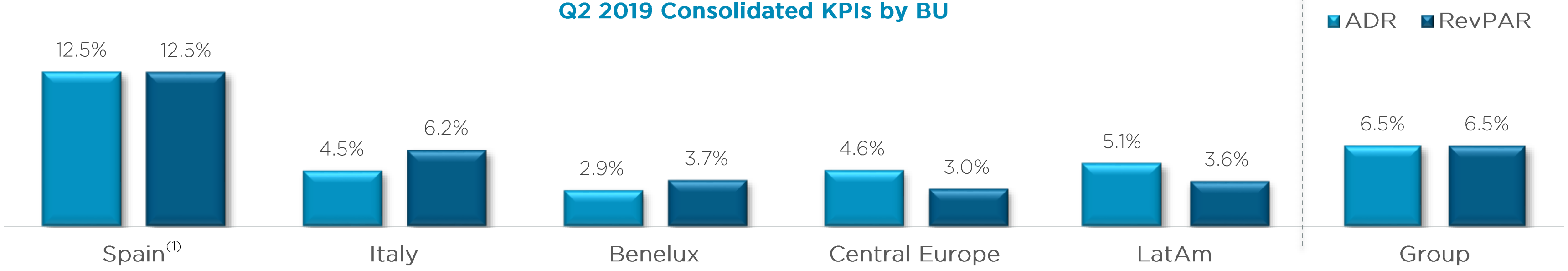
	Spain	Italy	Benelux	Central Europe	Latin America	Ex-Currency	Reported
Revenue LFL	+10.8%	+2.4%	+4.0%	+2.6%	+22.7%	+7.0%	+5.3%
Total Revenue	+9.9%	+7.0%	+2.2%	+3.6%	+18.4%	+6.7%	+5.3%

(1) Includes France and New York.

RevPAR growth supported by ADR (100% contribution)

- **+6.5% RevPAR increase in Q2 2019, 100% through ADR**
  - All regions reported positive RevPAR and ADR trend with outstanding RevPAR growth in Spain (+12.5%) and Italy (+6.2%)
  - ADR: +6.5% price increases (+€6.8) reaching €110.4. Remarkable growth in Spain (+12.5%), Central Europe (+4.6%) and Italy (+4.5%)
  - Occupancy: remained flat at 75.3%. Higher demand growth in Italy (+1.6%; +1.2 p.p.) boosted by the good performance of Rome
- **LFL (excluding reforms) RevPAR grew +6.3% in Q2 2019**
  - Spain (+13%): Recovery continued in Barcelona (+17%, both occupancy and ADR) and strong performance of Madrid (+15%, mainly from ADR due to congresses and Champions League Final) and secondary cities (+9%)
  - Italy (+3%): Good evolution of Milan (+4%) with positive trade fair calendar in Q2 and Rome (+3%)
  - Benelux (+5%): Recovery continued in Brussels (+7%). Strong performance of Amsterdam (+6%) and congress centres hotels (+19%) with higher number of corporate events
  - Central Europe (+4%): Favourable trade fair calendar in Munich (+11%) and Austria (+20%). Frankfurt (-8%) negatively affected by an increase of supply and a slightly negative trade fair calendar
  - LatAm (+2%; real exchange rate): Buenos Aires (+15%), Mexico DF (-2%) on lower occupancy and Bogota (-1%)

Q2 2019 Consolidated KPIs by BU



(1) Includes France and New York. Spain ADR +13.4% and RevPAR +13.9%

Significant improvement in Net Recurring Income

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€ million	Q2 2019 Reported €m.	IFRS 16 Adj. €m.	Q2 2019 ex IFRS 16 €m.	Q2 2018 Reported €m.	Q2 VAR. ex IFRS 16 €m.	Q2 VAR. ex IFRS 16 %.
TOTAL REVENUES	**468.9**	**-**	**468.9**	**445.2**	**23.6**	**5.3%** 1
Staff Cost	(145.3)	-	(145.3)	(137.3)	(8.0)	5.9%
Operating expenses	(126.9)	-	(126.9)	(125.1)	(1.7)	1.4%
GROSS OPERATING PROFIT	**196.7**	**-**	**196.7**	**182.8**	**13.8** 2	**7.6%**
Lease payments and property taxes	(23.3)	(63.6)	(86.9) 3	(83.6)	(3.4)	4.0%
EBITDA BEFORE ONEROUS	**173.4**	**(63.6)**	**109.7**	**99.3**	**10.4** 4	**10.5%**
Margin % of Revenues	37.0%	-	23.4%	22.3%	-	1.1p.p.
Onerous contract reversal provision	-	0.4	0.4	0.6	(0.2)	-35.3%
EBITDA AFTER ONEROUS	**173.4**	**(63.2)**	**110.2**	**99.9**	**10.2**	**10.2%**
Depreciation	(73.9)	44.9	(29.0)	(27.2)	(1.7) 5	6.4%
EBIT	**99.5**	**(18.3)**	**81.2**	**72.7**	**8.5**	**11.7%**
Interest expense	(28.8)	22.9	(5.9)	(9.7)	3.8 6	39.2%
Income from minority equity interest	(0.1)	-	(0.1)	(0.1)	0.1	-48.2%
EBT	**70.6**	**4.6**	**75.2**	**62.9**	**12.4**	**19.7%**
Corporate income tax	(16.5)	(1.5)	(18.0)	(16.0)	(2.0)	-12.8%
NET INCOME BEFORE MINORITIES	**54.1**	**3.1**	**57.2**	**46.9**	**10.3**	**22.0%**
Minorities interests	(0.7)	-	(0.7)	(1.0)	0.3	26.8%
NET RECURRING INCOME	**53.4** 4	**3.1**	**56.5**	**45.9**	**10.6**	**23.0%**
Non Recurring EBITDA(1)	2.7	-	2.7	0.2	2.5	N/A
Other Non Recurring items(2)	(1.4)	-	(1.4)	(3.5)	2.0	58.5%
NET INCOME INCLUDING NON-RECURRING	**54.6** 5	**3.1**	**57.7**	**42.6**	**15.1**	**35.4%**

1. **Revenue** grew +5.3% reaching €468.9m (+€23.6m)
2. **GOP:** cost control allows to report a growth of +€13.8m in the second quarter despite CLA agreements increases in Spain and Benelux reaching a margin of 42%. Conversion rate reached 59% (41% of the increase of total operating expenses explained by the non comparable perimeter)
3. **Adjusted lease payments and property taxes** of €86.9m increased -€3.4m (+4.0%)
4. **Excluding IFRS 16, Recurring EBITDA before onerous reached €109.7m (+€10.4m; +10.5%).** Reported EBITDA €173.4m with IFRS 16
5. **Depreciation:** slight increase of -€1.7m due to repositioning capex. Applying IFRS 16, reported figure reached €73.9m
6. **Financial Expenses:** decrease of +€3.8m mainly explained by the early redemption of the Convertible Bond in June 2018 and the partial early redemption of 2023 Bond of €43.2m in Q4 2018. With IFRS 16, reported figure is €28.8m
7. **Reported Net Recurring Income:** improvement of +€7.5m vs. Q2 2018 reported figure reaching €53.4m due to the business improvement, lower financials and despite IFRS 16 impact of -€3.1m
8. **Reported Total Net Income reached €54.6m,** +€12.0m higher than in Q2 2018 reported mainly due to the business improvement

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SALES AND RESULTS
1st Half 2019

July 25th, 2019

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H1 2019 Main Financial Aspects [(1)]

- **Revenue growth of +4.6%** (+6.3% at constant exchange rates) **reaching €822m** (+€36m) in the first half of the year, despite the 2019 refurbishments (-€5m opportunity cost) and the negative currency impact (-€13m).
  - **In like-for-like ("LFL") terms**, excluding refurbishments and perimeter changes, **revenue grew +4.6% (+6.6% at constant exchange rates)**:
    - Strong performance in **Europe with +4.5% growth.** Outstanding performance in Spain (+9.6%), while Benelux (+2.7%), Central Europe (+2.6%) and Italy (+1.7%) improved the evolution comparted to Q1.
    - Latin America was negatively impacted in part by the currency devaluation in Argentina.
  - **Q2: revenue grew by +5.3%** (+6.7% at constant exchange rates) **reaching €469m** (+€24m). With regard to the LFL growth of +5.3% (+7.0% at constant exchange rates), highlight the excellent performance in Spain (+10.8%) and the solid growth of Benelux (+4.0%), Central Europe (+2.6%) and Italy (+2.4%).

- **RevPAR was up +5.3% in the first half of the year with higher ADR** (+4.7%; +€2.2), **which accounted for 90% of the increase in RevPAR and an occupancy rate that grew +0.5%** to 70.6%. RevPAR and ADR grew in all regions and remarkable is the solid RevPAR performance in Spain (+10.2%), explained by the recovery of Barcelona and the excellent performance of Madrid and secondary cities.
  - Growth above the market (+0.4 p.p. of relative RevPAR) in the main cities due to higher relative increase in occupancy (+2.0 p.p.) with a lower relative ADR (-1.7 p.p.).
  - **Q2:** RevPAR grew by +6.5%, entirely through prices (ADR +6.5%), with the occupancy rate remaining stable at 75.3%. Growth of RevPAR and ADR in all markets, most notably the growth of RevPAR in Spain (+12.5%) and Italy (+6.2%).

- Revenue growth together with cost control enabled to close the first half of the year with a **recurrent EBITDA[(2)] growth of +14% reaching €131m, excluding the accounting impact of IFRS 16,** meaning an **increase of +€16m and a margin improvement of +1.3 p.p.** The conversion rate of the increase in revenue to EBITDA is 43%. Including accounting impact of IFRS 16, reported EBITDA amounts to €257m.
  - **Q2:** +10.5% EBITDA growth, which represents an increase of +€10m to €110m and an improvement in the margin of +1.1 p.p. to 23.4%.

- **Significant increase in Net Recurring Income reported in the first half of the year of +€13m vs. H1 2018 reported figure, reaching €36m** due to business improvement, lower financial expenses and despite the accounting impact of IFRS 16 in the amount of -€6m.

- **Reported Total Net income of €40m,** -€24m lower than the reported first half of 2018. The comparison is negatively affected by less net capital gains from asset rotation (H1 2018: +€57m).

- **The solid cash flow generation** in the first half of the year **allowed the level of net financial debt to remain low (-€204m)**, together with a **solid cash position of €245m**, despite Capex investments (-€85m) and the dividend payment (-€59m) in the first half of the year.

- **Dividend approved:** The gross dividend approved at the AGM in May for the financial year 2018, equal to **€0.15 gross per share** in circulation, was paid on 14 June, **implying a disbursement of €59m.**

(1) IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated
(2) Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

IFRS 16: Impact of new accounting standard from 1st January 2019

- IFRS 16 establishes the recognition on the balance sheet of operating leases, being added a financial liability equal to the present value of the fixed lease commitments and an asset for the right of use the underlying asset. Therefore, the interest expense of the liability is recorded separately from the depreciation expense of the right-of-use asset.

- The Group has applied the retrospective modified method, calculating the asset at the start date of each contract and the liability at the transition date. The difference between the two items is recorded as an adjustment in the consolidated reserves on the opening balance sheet.

Impact on Balance Sheet 30/06/2019 (€ million)	IFRS 16
Right of Use	1,753.2
Deferred tax	95.6
Other assets (1)	(18.3)
TOTAL ASSETS	1,830.5
Total Equity	(265.9)
Operational leases liability	2,122.8
Other liabilities (2)	(26.4)
TOTAL LIABILITIES	1,830.5

(1) Elimination of linearization accounts
(2) Elimination of onerous provision (€6m) and linearization accounts

Impact in P&L in H1 2019 (€ million)	H1 2019 ex IFRS 16	IFRS 16 Adj.	H1 2019 Reported
Lease payments and property taxes	(171.0)	126.2	(44.8)
EBITDA BEFORE ONEROUS	130.6	126.2	256.9
Onerous contract reversal provision	0.8	(0.8)	-
Depreciation	(56.5)	(88.4)	(144.8)
EBIT	75.0	37.1	112.0
Interest expense	(11.5)	(45.3)	(56.8)
Corporate income tax	(19.8)	2.4	(17.3)
NET RECURRING INCOME	41.9	(5.8)	36.1

  - No cash impact, leverage capacity or debt financial covenants.

Strategic initiatives with Minor

- NH and Minor have signed an agreement by which NH will operate Minor hotels in Portugal and Brazil. The operational transfer of Minor's Tivoli portfolio to NH shows an alignment of interests and represents the first milestone of the integration (in effect Q2 and Q3):
  - NH will operate 3 hotels in Lisbon under a sustainable long-term lease agreement with the new owner (Invesco Real Estate).
  - The rest of the portfolio (10 hotels in Portugal and 2 hotels in Brazil) will be operated under a management agreement with Minor.
  - These operating agreements were signed on an arm's-length basis, following a favourable report from the Audit and Control Committee, assisted by external advisors, and approval by the NH Board of Directors, without the proprietary directors that represent Minor.
  - This agreement will entail an estimated annual contribution of around €13m of EBITDA for NH.

- The Group continues working with Minor to identify and quantify the potential benefits of both supplementary businesses, the implementation of economies of scale with a broader customer base, and exploring development paths for all its brands in various geographical areas.

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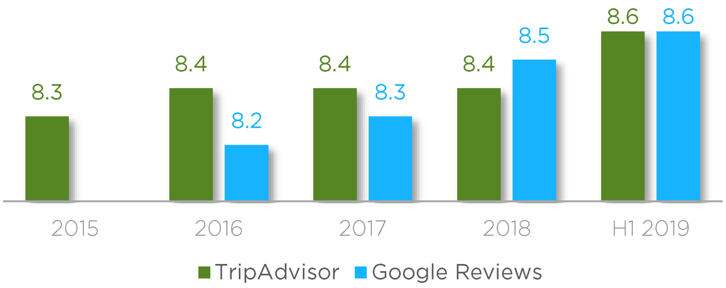
Other Highlights

- **Repositioning Plan:** In the first half of 2019 the following hotels are affected by refurbishments: NH Plaza de Armas, NH Luz Huelva, NH Logroño Herencia Rioja, NHC Madrid Paseo del Prado, NH Sants Barcelona and NH New York Jolly Madison Towers in the BU of Spain. NH Bologna de la Gare, NH Napoli Panorama, NH Palermo, NH Roma Villa Carpegna, NHC Roma Giustiniano and NH Milano Touring in Italy. NHC Amsterdam Flower Market, NH Brussels Airport and NH Luxembourg in Benelux and NHC Berlin Mitte Friedrichstrasse, NHC Berlin Mitte am Checkpoint Charlie, NH Hamburg Altona and NH Vienna Airport in Central Europe and NH Buenos Aires Crillón, NHC Buenos Aires Jousten and NH Mexico City Centro Histórico in Latin America. The opportunity cost, as lower revenues due to the refurbishments was -€4,6m compared with the first half of 2018, mainly due to the refurbishments of hotels in Naples, Amsterdam and Munich.
- **Brand:** NH had 369 hotels and 57,356 rooms as of 30th June 2019, out of which 80 hotels and 12,398 rooms are NH Collection (22% of the portfolio), showing their potential both in prices (+44% higher price; ADR NH Collection €131 vs ADR NH €91) 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 growth in relative RevPAR of +0.4 p.p. in the main cities vs. competitors through higher occupancy (+2.0 p.p.) with a lower ADR (-1.7 p.p.):
  - Solid performance in Spain with a relative RevPAR of +1.3 p.p. mainly explained by higher relative occupancy with strong performance of Valencia and Seville. The recovery of Barcelona translates in prices ahead of competition that resulted in slightly negative relative RevPAR evolution in the city.
  - Italy: -3.3 p.p. relative RevPAR explained by the extraordinary performance in H1 2018 (+4.4 p.p.) with relevant events in Milan and strong evolution of Rome.
  - Excellent result in Benelux with a relative RevPAR of +2.1 p.p. with strong evolution of Amsterdam despite a city tax increase.
  - Central Europe: -0.3 p.p. relative RevPAR variation with higher occupancy and mixed performance among main cities.

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H1 2019	ADR % var.		Relative" ADR	"Relative" Occupancy	RevPAR % var.		"Relative" RevPAR
	NH	Compset	Var.	Var.	NH	Compset	Var.
Total NH	**3.7%**	**5.4%**	**-1.7 p.p.**	**2.0 p.p.**	**7.1%**	**6.7%**	**0.4 p.p.**
Spain	8.5%	9.1%	-0.5 p.p.	1.8 p.p.	13.5%	12.1%	1.3 p.p.
Italy	0.8%	2.6%	-1.8 p.p.	-1.5 p.p.	1.5%	4.8%	-3.3 p.p.
Benelux	1.8%	2.6%	-0.9 p.p.	2.9 p.p.	4.5%	2.4%	2.1 p.p.
Central Europe	2.6%	5.9%	-3.3 p.p.	3.0 p.p.	6.3%	6.6%	-0.3 p.p.

➢ **New Agreements of the period:**

- In the first half of 2019, the Company signed agreements for 5 hotels: 3 lease agreements (1 Anantara in Marbella and 2 NH Collection in La Coruña and Rome) 2 management agreements (2 NH in Andorra and Aguascalientes), with a total of 431 rooms. In addition, following the agreement reached with Minor, operations of the hotels in Portugal began, 3 under lease agreements, 9 under management agreements and 1 franchise with the Tivoli, Avani and Anantara brands, with a total of 2,452 rooms (operating in Q2 and Q3).

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Q2 RevPAR Evolution:

Note: *The "Like for Like plus Refurbishments" (LFL&R) criteria includes hotels renovated in 2018 and 2019*

NH HOTEL GROUP REVPAR Q2 2019/2018

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2019	2018	2019	2018	% Var	2019	2018	% Var	2019	2018	% Var
Spain & Others LFL & R [1]	11,164	11,052	80.3%	80.2%	0.1%	110.9	99.6	11.3%	89.0	79.9	11.4%
B.U. Spain Consolidated [1]	11,800	11,746	79.6%	79.6%	0.0%	112.0	99.5	12.5%	89.1	79.2	12.5%
Italy LFL & R	7,186	7,156	77.4%	76.5%	1.2%	135.8	130.9	3.8%	105.1	100.1	5.0%
B.U. Italy Consolidated	7,330	7,258	77.4%	76.2%	1.6%	137.0	131.1	4.5%	106.0	99.8	6.2%
Benelux LFL & R	8,351	8,395	78.3%	77.7%	0.8%	124.4	121.5	2.3%	97.4	94.4	3.2%
B.U. Benelux Consolidated	8,870	8,979	77.9%	77.3%	0.8%	124.1	120.6	2.9%	96.7	93.2	3.7%
Central Europe LFL & R	11,462	11,578	75.8%	76.0%	-0.2%	93.3	90.2	3.5%	70.8	68.5	3.4%
B.U. Central Europe Consolidated	12,210	12,034	75.0%	76.1%	-1.5%	93.5	89.5	4.6%	70.1	68.0	3.0%
Total Europe LFL & R	38,163	38,181	78.0%	77.7%	0.4%	113.4	107.4	5.6%	88.4	83.4	6.0%
Total Europe Consolidated	40,210	40,017	77.4%	77.4%	0.0%	113.8	106.9	6.5%	88.1	82.7	6.5%
Latinamerica LFL & R	5,083	5,080	59.8%	61.3%	-2.3%	77.7	75.2	3.3%	46.5	46.1	0.9%
Latinamerica Consolidated	5,355	5,571	59.2%	60.1%	-1.4%	76.8	73.1	5.1%	45.5	43.9	3.6%
NH Hotels LFL & R	43,246	43,261	75.8%	75.7%	0.1%	110.1	104.3	5.5%	83.5	79.0	5.6%
Total NH Consolidated	45,565	45,589	75.3%	75.3%	0.0%	110.4	103.6	6.5%	83.1	78.0	6.5%

(1) Includes France and NY

- **RevPAR rose by +6.5%** in Q2, **100% of it through prices** (ADR: +6.5%; +€6.8) and an **occupancy** rate that remained stable at 75.3%. Growth of RevPAR and ADR in all regions, most notably the growth of RevPAR in Spain (+12.5%) and Italy (+6.2%).

- Remarkable **RevPAR growth** in:
  - **Spain**: +12.5% as a result of higher prices with stable activity. Highlight the recovery of Barcelona (+17%; on occupancy and ADR), the excellent performance in Madrid (+15%; mainly as a result of ADR) due to congresses and the Champions League final, and the solid performance in secondary cities (+9%).
  - **Italy**: +6.2%, with prices that grew by 4.5% and greater activity (+1.6%). Solid performance in Milan (+4%) with a positive trade fair calendar in Q2 that offset the negative performance in Q1 and in Rome (+3%).
  - **Benelux**: +3.7%, with growth in Brussels of +7%, solid performance in Amsterdam (+6%) and of conferences hotels (+19%) as a result of higher corporate events more than compensating the poor calendar of Q1.
  - **Central Europe**: +3.0% with higher prices (+4.6%) and less occupancy (-1.5%). Favourable trade fair calendar in Munich (+11%) and Austria (+20%). On the other hand, negative performance in Frankfurt (-8%) impacted mainly by the increase in the hotel offering and, to a lesser extent, the poor trade fair calendar.
  - **LatAm**: +3.6% with a +5.1% increase in ADR and lower occupancy (-1.4%). Buenos Aires (+15%), Mexico City (-2% due to a drop in occupancy) and Bogota (-1%).

- With regard to the Group's **level of activity** in the second quarter, occupancy remained flat at 75.3%. Growth in Italy is noteworthy of mention (+1.6%; +1.2 p.p.), driven by the good performance in Rome.

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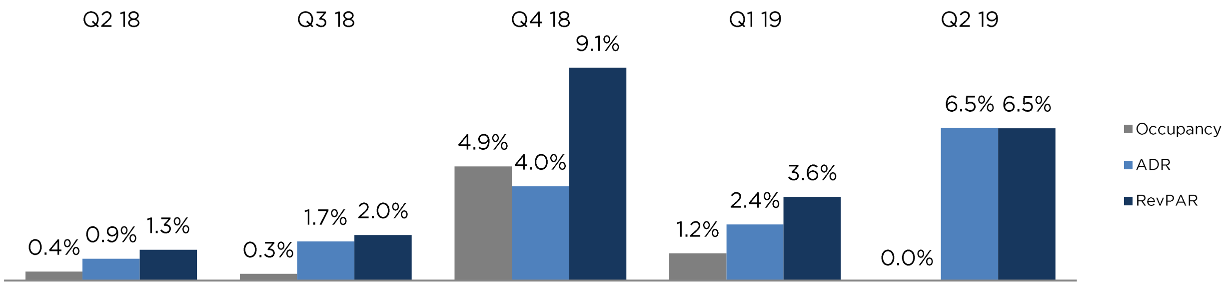
H1 RevPAR evolution:

- **RevPAR rose by +5.3%** in the first half of the year, **90% through prices** (ADR +4.7%; +€4.6) and **occupancy** grew by +0.5% to 70.6%. Growth of RevPAR and ADR in all markets, most notably the growth of RevPAR in Spain (+10.2%).

NH HOTEL GROUP REVPAR 6M 2019/2018

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2019	2018	2019	2018	% Var	2019	2018	% Var	2019	2018	% Var
Spain & Others LFL & R (1)	**11,164**	**11,011**	**75.4%**	**74.5%**	**1.3%**	**101.1**	**93.8**	**7.8%**	**76.3**	**69.8**	**9.2%**
B.U. Spain Consolidated (1)	11,741	11,614	74.8%	74.0%	1.1%	101.9	93.5	9.1%	76.3	69.2	10.2%
Italy LFL & R	**7,100**	**7,138**	**70.1%**	**69.7%**	**0.5%**	**122.3**	**119.2**	**2.6%**	**85.7**	**83.1**	**3.1%**
B.U. Italy Consolidated	7,244	7,190	70.0%	69.6%	0.6%	123.0	119.4	3.0%	86.1	83.1	3.6%
Benelux LFL & R	**8,266**	**8,393**	**71.4%**	**70.7%**	**1.0%**	**114.5**	**113.1**	**1.2%**	**81.8**	**80.0**	**2.2%**
B.U. Benelux Consolidated	8,785	8,887	71.1%	70.5%	0.8%	114.6	112.6	1.8%	81.5	79.4	2.6%
Central Europe LFL & R	**11,462**	**11,606**	**72.4%**	**71.6%**	**1.0%**	**92.0**	**89.1**	**3.2%**	**66.6**	**63.8**	**4.3%**
B.U. Central Europe Consolidated	12,201	12,062	71.5%	71.6%	-0.1%	92.0	88.5	4.0%	65.8	63.3	3.8%
Total Europe LFL & R	**37,991**	**38,148**	**72.6%**	**71.9%**	**1.0%**	**105.0**	**101.2**	**3.8%**	**76.3**	**72.7**	**4.9%**
Total Europe Consolidated	39,970	39,753	72.1%	71.7%	0.6%	105.4	100.7	4.6%	76.0	72.2	5.2%
Latinamerica LFL & R	**5,083**	**5,080**	**60.3%**	**61.7%**	**-2.3%**	**75.3**	**73.5**	**2.5%**	**45.4**	**45.3**	**0.2%**
Latinamerica Consolidated	5,353	5,549	59.5%	60.0%	-0.9%	74.5	71.8	3.8%	44.3	43.1	2.9%
NH Hotels LFL & R	**43,074**	**43,228**	**71.2%**	**70.7%**	**0.7%**	**102.1**	**98.3**	**3.8%**	**72.6**	**69.5**	**4.5%**
Total NH Consolidated	45,323	45,302	70.6%	70.3%	0.5%	102.3	97.7	4.7%	72.2	68.6	5.3%

Evolution of Consolidated Ratios by quarter:



Consolidated Ratios	Occupancy					ADR					RevPAR				
% Var	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
Spain (1)	-0.4%	-1.6%	7.4%	2.5%	0.0%	-2.6%	-3.8%	5.1%	4.7%	12.5%	-3.0%	-5.3%	12.9%	7.3%	12.5%
Italy	0.3%	0.6%	2.1%	0.1%	1.6%	2.4%	2.9%	3.0%	0.3%	4.5%	2.8%	3.5%	5.2%	0.4%	6.2%
Benelux	2.2%	3.2%	3.3%	0.9%	0.8%	4.2%	2.5%	2.6%	0.1%	2.9%	6.5%	5.7%	6.0%	1.0%	3.7%
Central Europe	-0.2%	1.0%	4.1%	1.4%	-1.5%	2.9%	5.7%	4.6%	3.3%	4.6%	2.7%	6.7%	8.8%	4.7%	3.0%
TOTAL EUROPE	0.3%	0.6%	4.5%	1.4%	0.0%	1.7%	1.8%	4.1%	2.2%	6.5%	2.0%	2.4%	8.7%	3.7%	6.5%
Latin America real exc. rate	0.0%	-2.2%	8.2%	-1.3%	-1.4%	-8.1%	-1.1%	5.2%	2.4%	5.1%	-7.9%	-3.1%	13.8%	1.1%	3.6%
NH HOTEL GROUP	**0.4%**	**0.3%**	**4.9%**	**1.2%**	**0.0%**	**0.9%**	**1.7%**	**4.0%**	**2.4%**	**6.5%**	**1.3%**	**2.0%**	**9.1%**	**3.6%**	**6.5%**

(1) Includes France and NY

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RECURRING HOTEL ACTIVITY *

(€ million)	2019 Q2	2018 Q2	DIFF. 19/18	%DIFF.	2018 6M	2017 6M	DIFF. 19/18	%DIFF.
SPAIN (1)	125.3	113.5	11.8	10.4%	218.8	198.9	19.9	10.0%
ITALY	89.0	84.5	4.5	5.3%	147.1	142.4	4.7	3.3%
BENELUX	102.7	100.1	2.6	2.6%	173.1	171.9	1.2	0.7%
CENTRAL EUROPE	97.0	95.7	1.3	1.3%	182.7	179.3	3.4	1.9%
AMERICA	31.3	31.1	0.3	0.9%	61.0	60.4	0.6	1.0%
TOTAL RECURRING REVENUE LFL&R	**445.3**	**424.9**	**20.4**	**4.8%**	**782.7**	**752.9**	**29.8**	**4.0%**
OPENINGS, CLOSINGS & OTHERS	**23.6**	**20.4**	**3.2**	**15.7%**	**38.8**	**32.5**	**6.2**	**19.2%**
RECURRING REVENUES	**468.9**	**445.2**	**23.6**	**5.3%**	**821.5**	**785.5**	**36.1**	**4.6%**
	0.00	0.00	0.00	0.0%				
SPAIN (1)	69.6	65.6	4.0	6.0%	134.2	126.3	7.9	6.2%
ITALY	46.2	45.7	0.5	1.1%	85.9	86.1	(0.2)	(0.3%)
BENELUX	60.1	58.2	1.9	3.2%	112.4	110.3	2.1	1.9%
CENTRAL EUROPE	60.2	59.4	0.8	1.3%	119.9	118.9	1.0	0.8%
AMERICA	21.7	21.9	(0.2)	(1.1%)	42.7	43.6	(1.0)	(2.2%)
RECURRING OPEX LFL&R	**257.8**	**250.9**	**6.9**	**2.8%**	**495.0**	**485.3**	**9.8**	**2.0%**
OPENINGS, CLOSINGS & OTHERS	**14.4**	**11.5**	**2.9**	**25.1%**	**24.8**	**19.7**	**5.1**	**26.0%**
RECURRING OPERATING EXPENSES (2)	**272.2**	**262.4**	**9.8**	**3.7%**	**519.9**	**505.0**	**14.9**	**3.0%**
SPAIN (1)	55.7	46.2	9.6	20.7%	84.7	72.6	12.1	16.6%
ITALY	42.8	38.8	4.0	10.3%	61.2	56.2	4.9	8.7%
BENELUX	42.6	41.9	0.7	1.6%	60.7	61.7	(0.9)	(1.5%)
CENTRAL EUROPE	36.8	36.3	0.5	1.3%	62.8	60.4	2.4	4.0%
AMERICA	9.7	9.1	0.5	5.6%	18.4	16.8	1.6	9.4%
RECURRING GOP LFL&R	**187.5**	**172.2**	**15.2**	**8.9%**	**287.7**	**267.7**	**20.0**	**7.5%**
OPENINGS, CLOSINGS & OTHERS	**9.2**	**10.6**	**(1.4)**	**(13.3%)**	**14.0**	**12.9**	**1.1**	**8.7%**
RECURRING GOP	**196.7**	**182.8**	**13.8**	**7.6%**	**301.7**	**280.5**	**21.1**	**7.5%**
SPAIN (1)	25.6	22.6	3.0	13.4%	50.0	45.2	4.7	10.5%
ITALY	14.0	12.9	1.1	8.1%	27.0	25.7	1.4	5.3%
BENELUX	15.2	15.1	0.1	0.6%	29.7	29.5	0.2	0.7%
CENTRAL EUROPE	26.6	25.5	1.1	4.1%	53.8	51.5	2.3	4.6%
AMERICA	2.8	2.7	0.1	3.7%	5.8	5.5	0.3	5.0%
RECURRING LEASES & PT LFL&R	**84.2**	**78.8**	**5.3**	**6.8%**	**166.3**	**157.4**	**8.9**	**5.7%**
OPENINGS, CLOSINGS & OTHERS	**2.8**	**4.7**	**(1.9)**	**(41.1%)**	**4.7**	**8.1**	**(3.4)**	**(42.0%)**
RECURRING RENTS AND PROPERTY TAXES (3)	**86.9**	**83.6**	**3.4**	**4.0%**	**171.0**	**165.5**	**5.5**	**3.3%**
SPAIN (1)	30.2	23.6	6.5	27.7%	34.7	27.3	7.3	26.8%
ITALY	28.8	25.8	2.9	11.4%	34.1	30.6	3.6	11.6%
BENELUX	27.3	26.8	0.6	2.2%	31.0	32.2	(1.2)	(3.6%)
CENTRAL EUROPE	10.2	10.7	(0.6)	(5.4%)	9.0	8.9	0.1	0.7%
AMERICA	6.9	6.5	0.4	6.4%	12.6	11.2	1.3	11.6%
RECURRING EBITDA LFL&R	**103.3**	**93.4**	**9.9**	**10.6%**	**121.4**	**110.2**	**11.1**	**10.1%**
OPENINGS, CLOSINGS & OTHERS	**6.4**	**5.9**	**0.5**	**9.1%**	**9.3**	**4.7**	**4.5**	**95.4%**
RECURRING EBITDA EX. ONEROUS PROVISION (3)	**109.7**	**99.3**	**10.5**	**10.5%**	**130.6**	**115.0**	**15.6**	**13.6%**

(*) IFRS 16 not included in business performance figures
(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) Rents and Recurring EBITDA exclude IFRS 16 accounting impact for comparison purposes

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Recurring Results by Business Unit (LFL&R basis) (*)

Spain B.U. (1)**:**

- Q2: RevPAR was up +11.4% in Q2, with an increase in prices of +11.3%, most notably including the excellent performance of Barcelona, Madrid and secondary cities. Revenue grew by +10.4%.
- H1: RevPAR rose by +9.2%, driven by the recovery of Barcelona (+15.9%; occupancy +7.4% and ADR +7.9%) and the excellent performance in Madrid (+12.5%; as a result of ADR) due to congresses and the Champions League final in June. ADR rose +7.8% and occupancy by +1.3%.
    - LFL Revenue grew by +9.6% due to the ongoing recovery of Barcelona (+14.9%) and the excellent performance of Madrid, which grew by +9.7% as a result of the events mentioned. Secondary cities grew by +4.8%. Including the refurbishments, LFL&R revenue grew by +10.0% mainly as a result of the contribution of the refurbishment of 3 hotels (2 in Madrid and 1 in Malaga).
    - Operating expenses rose +6.2% (-€7.9m) in the first half of the year, mainly due to increased occupancy (+1.1%), minimum wage increased by around 10% and CLA agreements.
    - GOP reached €84.7m, up +16.6% (+€12.1m) and leases +€1.7m (+10.5%).
    - EBITDA for the first half of the year grew by +26.8% (+€7.3m) to reach €34.7m with a margin that increased by +2.1 p.p. to 15.9%.

(1) Includes the New York hotel and France

Italy B.U.:

- Q2: RevPAR growth of +5.0% in the second quarter with an increase of +3.8% in prices (73% in weight) and +1.2% in occupancy. Remark the better performance in Milan (+4.2%) as a result of the improved trade fair calendar. Revenue increased by +5.3% in the quarter.
- H1: RevPAR grew +3.1% in the first half of the year with ADR up by +2.6% and occupancy by +0.5%. Remarkable performance in RevPAR LFL in Rome (+3.8%), while Milan (+0.2%) recovered in Q2 from the negative performance of the poor trade fair calendar in Q1.
    - LFL revenue growth of +1.7%. With regard to the main cities, Rome grew by +1.5% and Milan by +0.8%, thus recovering the loss of the first quarter. Including the scope of hotels being refurbished, LFL&R revenue grew by +3.3% (contribution of 2 hotels refurbished in 2018 in Rome and Milan more than offsetting the opportunity cost of the 2 hotels refurbished in 2019 in Rome and Naples).
    - Operating expenses fell by -0.3% while GOP grew by +8.7% (+€4.9m) to €61.2m.
    - EBITDA for the first half of the year increased +11.6% (+€3.6m) to €34.1m with a margin that grew +1.7 p.p. to 23.2%.

Benelux B.U.:

- Q2: RevPAR growth of +3.2% in Q2 with an increase of +2.3% in prices and +0.8% in occupancy. Revenue grew by +2.6%.
- H1: RevPAR growth of +2.2% with prices up +1.2% and +1.0% increase in occupancy. Remark the growth in LFL RevPAR in Brussels (+8.9%, due to higher occupancy) and Amsterdam (+4.4%). Conferences hotels (+6.2%) have recovered from the poor performance of Q1 as a result of higher corporate events in Q2.

(*) IFRS 16 not included in business performance figures

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- LFL revenues were up +2.7%, driven by the good performance in Brussels (+8.3%). Amsterdam grew by +2.6%, conferences hotels by +3.5%, which more than offset Q1. Including the business loss due to the refurbishment of a hotel in Amsterdam (-€3.5m), LFL&R revenue grew by +0.7%.
- Operating expenses rose by +1.9% in the first half of the year and GOP dropped by -1.5% (-€0.9m), mainly impacted by the increase in salaries related to the housekeeping staff and CLA agreements.
- These effects account for the -€1.2m fall in EBITDA to €31.0m.

Central Europe B.U.:

- Q2: RevPAR growth of +3.4% in the second quarter with an increase of +3.5% in prices and virtually stable occupancy at 76.0%. Revenue grew by +1.3% in the second quarter.
- H1: Solid growth in RevPAR of +4.3% in the first half of the year with ADR up by +3.2% and occupancy by +1.0%. Excellent performance in Munich +18.8% and Austria +17.3 with favourable trade fair calendars. Frankfurt (-4.9%) performed poorly as a result of greater supply in the city and, to a lesser extent, due to the weaker trade fair calendar.
  - LFL revenue grew by +2.6% as a result of the solid performance in Munich (+15.5%) and German secondary cities (+3.8%). Frankfurt's revenue dropped (-6.5%) as a result of the new offering. Including the business loss due to the refurbishment of a hotel in Munich (€-2.2m), offset in part by a hotel refurbished in 2018 in Berlin (+€1.1M), LFL&R revenue grew by +1.9% in the first half of the year.
  - Operating expenses remained virtually stable in the first half of the year (+0.8%; +€1.0m). GOP rose +4.0% (+€2.4m) to €62.8m.
  - The +4.6% increase in rentals caused EBITDA to remain stable in the first half of the year (+0.7%; +€0.1m) at €9.0m.

Americas B.U. (2):

- Q2: RevPAR was up +0.9% in the second quarter, with prices rising by +3.3% and a -2.3% drop in occupancy. At constant exchange rates the growth of the BU's LFL&R revenue is +21.8% in the quarter and at real exchange rates revenue rose by +0.9%.
- H1: RevPAR grew by +0.2% in the first half of the year, with prices increasing by +2.5%, while occupancy dropped by -2.3%.
  - By regions, revenue in Mexico was down -2.5% in local currency. However, with real exchange rate, revenue would have grown by +3.9% if we include the currency performance (+6%).
  - In Argentina, revenue grew +82.6% at constant exchange rates, mainly due to an increase in average prices due to hyperinflation. Reported revenue would have been down -1.4% if we take into account the strong currency devaluation (-85%).
  - At Hoteles Royal, revenue dropped by -4.0% in local currency and if we take into account the -3% devaluation in currency, revenue dropped by -6.6%.

(2) Includes IAS 29 impact in Argentina

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Consolidated Income Statement H1

NH HOTEL GROUP P&L ACCOUNT						
(€ million)	6M 2019 Reported	IFRS 16 Adj.	6M 2019 ex IFRS 16	6M 2018 Reported	Var. 6M ex IFRS16	
	€ m.	€ m.	€ m.	€ m.	€ m.	%
TOTAL REVENUES	**821.5**	**-**	**821.5**	**785.5**	**36.1**	**4.6%**
Staff Cost	(278.9)	-	(278.9)	(267.3)	(11.6)	4.4%
Operating expenses	(241.0)	-	(241.0)	(237.7)	(3.3)	1.4%
GROSS OPERATING PROFIT	**301.7**	**-**	**301.7**	**280.5**	**21.1**	**7.5%**
Lease payments and property taxes	(44.8)	(126.2)	(171.0)	(165.5)	(5.5)	3.3%
EBITDA BEFORE ONEROUS	**256.9**	**(126.2)**	**130.6**	**115.0**	**15.6**	**13.6%**
Margin % of Revenues	31.3%	-	15.9%	14.6%	-	1.3 p.p.
Onerous contract reversal provision	-	0.8	0.8	1.3	(0.5)	(35.7%)
EBITDA AFTER ONEROUS	**256.9**	**(125.4)**	**131.4**	**116.3**	**15.2**	**13.1%**
Depreciation	(144.8)	88.4	(56.5)	(54.6)	(1.9)	3.5%
EBIT	**112.0**	**(37.1)**	**75.0**	**61.7**	**13.3**	**21.5%**
Interest expense	(56.8)	45.3	(11.5)	(20.3)	8.8	43.5%
Income from minority equity interests	0.0	-	0.0	(0.0)	0.1	N/A
EBT	**55.2**	**8.3**	**63.5**	**41.3**	**22.2**	**53.6%**
Corporate income tax	(17.3)	(2.4)	(19.8)	(16.9)	(2.9)	(16.9%)
NET INCOME before minorities	**37.9**	**5.8**	**43.7**	**24.4**	**19.3**	**79.1%**
Minority interests	(1.8)	-	(1.8)	(1.5)	(0.3)	(22.2%)
NET RECURRING INCOME	**36.1**	**5.8**	**41.9**	**23.0**	**19.0**	**82.7%**
Non Recurring EBITDA (1)	6.3	-	6.3	86.4	(80.0)	(92.7%)
Other Non Recurring items (2)	(2.6)	-	(2.6)	(45.0)	42.4	94.3%
NET INCOME including Non-Recurring	**39.9**	**5.8**	**45.7**	**64.3**	**(18.6)**	**(29.0%)**

(1) Includes gross capital gains from asset rotation
(2) Includes taxes from asset rotation

H1 2019 Comments:

- **Revenue growth of +4.6%** (+6.3% at constant exchange rates) **reaching €822m** (+€36m) in the first half of the year, despite the 2019 refurbishments (-€5m opportunity cost) and the negative currency impact (-€13m).
  - In like-for-like ("LFL") terms, not including refurbishments and perimeter changes, revenue was up +4.6% (+6.6% at constant exchange rates) with a solid performance in Europe (+4.5%). Outstanding performance in Spain (+9.6%), while Benelux (+2.7%), Central Europe (+2.6%) and Italy (+1.7%) improved the evolution compared to Q1.
- **Cost evolution:** cost control in the first half of the year despite the growth in occupancy (+0.5%).
  - **Staff costs** rose by +4.4% (-€11.6m), which is partially explained by the increase in collective labour agreements in Spain and Benelux and **other direct operating expenses grew** by +1.4% (-€3.3m).

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The impact of the scope of hotels being refurbished (2018 and 2019) and the openings and closing explain 46% of the increase in total operating expenses.

- **Improvement of +€21.1m (+7.5%) at the GOP level**. The margin on revenues improved by +1.0 p.p. in the first half of the year with a conversion ratio of 59% for incremental revenue.

- **Leases and property taxes**, excluding the accounting impact of IFRS 16, reached €171.0m, up by -€5.5m (+3.3%). Changes in the perimeter due to openings and closings partially offset the higher leases due to the 2018 refurbishments. The reported figure applying IFRS 16 is €44.8m.

- Revenue growth together with cost control enabled to close first half of the year with a **recurrent EBITDA(2) growth of +13.6% reaching €130.6m, excluding the accounting impact of IFRS 16,** meaning an **increase of +€15.6m and a margin improvement of +1.3 p.p.** The conversion rate of the increase in revenue to EBITDA is 43%. Including the impact of IFRS 16, reported EBITDA amounts to €256.9m.

- **Depreciation**: increase of -€1.9m due to the impact of the repositioning investments. Including the accounting impact of IFRS 16, the reported figure is €144.8m.

- **Financial Expenses:** the +€8.8m improvement is mainly due to debt interest savings, explained by the early redemption of the convertible bond in June 2018 and by the partial early repayment of the 2023 bond amounting to €43.2m in Q4 2018. Including the impact of IFRS 16, the reported figure is €56.8m.

- **Corporate Income Tax of -€17.3m,** -€0.4m higher than H1 2018 explained by a better EBT performance and deferred taxes arisen from IFRS 16 (+€2.4m).

- **Significant increase in Net Recurring Income reported in the first half of the year of +€13.2m vs. H1 2018 reported figure, reaching €36.1m** due to business improvement, lower financial expenses and despite the accounting impact of IFRS 16 (-€5.8m).

- **Reported Total Net Income of €39.9m,** -€24.5m lower than the reported first half of 2018. The comparison is negatively affected by less net capital gains from asset rotation (H1 2018: +€57m).

Consolidated Income Statement Q2

NH HOTEL GROUP P&L ACCOUNT						
(€ million)	Q2 2019 Reported	IFRS 16 Adj.	Q2 2019 ex IFRS 16	Q2 2018 Reported	Var. Q2 ex IFRS16	
	€ m.	€ m.	€ m.	€ m.	€ m.	%
TOTAL REVENUES	**468.9**	**-**	**468.9**	**445.2**	**23.6**	**5.3%**
Staff Cost	(145.3)	-	(145.3)	(137.3)	(8.0)	5.9%
Operating expenses	(126.9)	-	(126.9)	(125.1)	(1.7)	1.4%
GROSS OPERATING PROFIT	**196.7**	**-**	**196.7**	**182.8**	**13.8**	**7.6%**
Lease payments and property taxes	(23.3)	(63.6)	(86.9)	(83.6)	(3.4)	4.0%
EBITDA BEFORE ONEROUS	**173.4**	**(63.6)**	**109.7**	**99.3**	**10.4**	**10.5%**
Margin % of Revenues	37.0%	-	23.4%	22.3%	-	1.1 p.p.
Onerous contract reversal provision	-	0.4	0.4	0.6	(0.2)	(35.3%)
EBITDA AFTER ONEROUS	**173.4**	**(63.2)**	**110.2**	**99.9**	**10.2**	**10.2%**
Depreciation	(73.9)	44.9	(29.0)	(27.2)	(1.7)	6.4%
EBIT	**99.5**	**(18.3)**	**81.2**	**72.7**	**8.5**	**11.7%**
Interest expense	(28.8)	22.9	(5.9)	(9.7)	3.8	39.2%
Income from minority equity interests	(0.1)	-	(0.1)	(0.1)	0.1	(48.2%)
EBT	**70.6**	**4.6**	**75.2**	**62.9**	**12.4**	**19.7%**
Corporate income tax	(16.5)	(1.5)	(18.0)	(16.0)	(2.0)	(12.8%)
NET INCOME before minorities	**54.1**	**3.1**	**57.2**	**46.9**	**10.3**	**22.0%**
Minority interests	(0.7)	-	(0.7)	(1.0)	0.3	26.8%
NET RECURRING INCOME	**53.4**	**3.1**	**56.5**	**45.9**	**10.6**	**23.0%**
Non Recurring EBITDA [1]	2.7	-	2.7	0.2	2.5	N/A
Other Non Recurring items [2]	(1.4)	-	(1.4)	(3.5)	2.0	58.5%
NET INCOME including Non-Recurring	**54.6**	**3.1**	**57.7**	**42.6**	**15.1**	**35.4%**

[1] Includes gross capital gains from asset rotation

[2] Includes taxes from asset rotation

Q2 2019 Comments:

- **Revenue grew by +5.3%** (+6.7% at constant exchange rates) **reaching €469m** (+€24m). With regard to the LFL growth of +5.3% (+7.0% at constant exchange rates), highlight the excellent performance in Spain (+10.8%) and the solid growth of Benelux (+4.0%), Central Europe (+2.6%) and Italy (+2.4%).

- **Operating profit grew by +€13.8m** in the second quarter, reaching a margin of 42%. The conversion rate reached 59% as a result of cost control. 41% of the increase in operating costs is explained by the non-comparable perimeter (refurbishments, openings and closings).

- **Leases and property taxes**, excluding the accounting impact of IFRS 16, reached €86.0m, up by -€3.4m (+4.0%). The reported figure with IFRS 16 is €23.3m.

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- Cost control allowed **growth in recurring EBITDA of +10.5% to €109.7m**, which represents an increase of +€10.4m with a **margin of 23.4%** (+1.1 p.p.). Including the impact of IFRS 16, reported EBITDA amounts to €173.4m.

- **Depreciation**: increase of -€1.7m due to the impact of the repositioning investments. Including the accounting impact of IFRS 16, the reported figure is €73.9m.

- **Financial Expenses:** the +€3.8m improvement is mainly due to debt interest savings, explained by the early redemption of the convertible bond in June 2018 and by the partial early repayment of the 2023 bond amounting to €43.2m in Q4 2018. With IFRS 16, the reported figure is €28.8m.

- **The reported Net Recurring Income improved by +€7.5m vs. Q2 2018 reported figure**, reaching €53.4m despite the accounting impact of IFRS 16 (-€3.1m).

- **The reported Total Net Income reached €54.6m** in the second quarter, +€12.0m greater than the same reported period of 2018 as a result of improvements in the business.

Financial Debt and Liquidity

As of 30/06/2019	Maximum			Repayment schedule								
Data in Euro million	Available	Availability	Drawn	2019	2020	2021	2022	2023	2024	2025	2026	Rest
Senior Credit Facilities												
Senior Secured Notes due 2023	356.9	-	356.9	-	-	-	-	356.9	-	-	-	-
Senior Secured RCF due in 2021	250.0	250.0	-	-	-	-	-	-	-	-	-	-
Total debt secured by the same Collateral	**606.9**	**250.0**	**356.9**	**0.0**	**0.0**	**0.0**	**0.0**	**356.9**	**0.0**	**0.0**	**0.0**	**0.0**
Other Secured loans (1)	30.9	-	30.9	1.6	2.6	2.5	2.1	6.1	1.3	0.9	0.8	13.1
Total secured debt	**637.8**	**250.0**	**387.8**	**1.6**	**2.6**	**2.5**	**2.1**	**362.9**	**1.3**	**0.9**	**0.8**	**13.1**
Unsecured loans (2)	45.8	24.4	21.3	0.9	0.4	0.2	0.2	19.7				
Unsecured credit lines	59.1	59.1	-	-	-	-	-	-	-	-	-	-
Subordinated loans	40.0	-	40.0	-	-	-	-	-	-	-	-	40.0
Total unsecured debt	**144.8**	**83.5**	**61.3**	**0.9**	**0.4**	**0.2**	**0.2**	**19.7**	**0.0**	**0.0**	**0.0**	**40.0**
Total Gross Debt	**782.6**	**333.5**	**449.1**	**2.4**	**3.0**	**2.7**	**2.3**	**382.6**	**1.3**	**0.9**	**0.8**	**53.1**
Cash and cash equivalents (3)			**(245.2)**									
Net debt			**203.9**	**2.4**	**3.0**	**2.7**	**2.3**	**382.6**	**1.3**	**0.9**	**0.8**	**53.1**
Arranging expenses			(12.4)	(1.5)	(3.0)	(2.9)	(2.5)	(2.0)	(0.1)	(0.1)	(0.1)	(0.4)
Accrued interests			4.1	4.1								
IFRS 9 (4)			(7.7)	(0.6)	(1.4)	(1.6)	(1.7)	(1.4)	(0.1)	(0.1)	(0.1)	(0.5)
Total adjusted net debt			**187.9**									

(1) Bilateral mortgage loans.

(2) Comprises debt with amortization schedules. The undrawn amount is related to the loan for NY capex with availability period until 25/07/2020.

(3) Does not include treasury stock. As of 30/06/19 the Group had 373,933 own shares, with €1.7m€ market value as of 30/06/2019 (€4.55/share).

(4) IFRS 9 - The new IFRS 9 related to the accounting treatment of financial assets and liabilities with implementation on 1 January 2018. The application of the new accounting rule as a result of improved terms and conditions of the 2017 refinancing, compared to former conditions, results in an impact on NH Hotel Group (accounted within reserves, according to the rule) of less debt for €8.6m as of 1 January 2018 (€7.7m as of 30 June 2019 due to financial expense accounted in the year and the positive impact of the refinancing of a mortgage loan in Chile with better terms and conditions than before).

- **The solid cash flow generation** in the first half of the year **allowed the level of net financial debt to remain low (-€204m),** together with a **solid cash position of €245m**, despite Capex investments (-€85m) and the dividend payment (-€59m) in the first half of the year.

- At 30th June 2019, the Company had €245m of cash and available credit lines of €309m, of which €250m relate to a syndicated credit line maturing on 29th September 2021.

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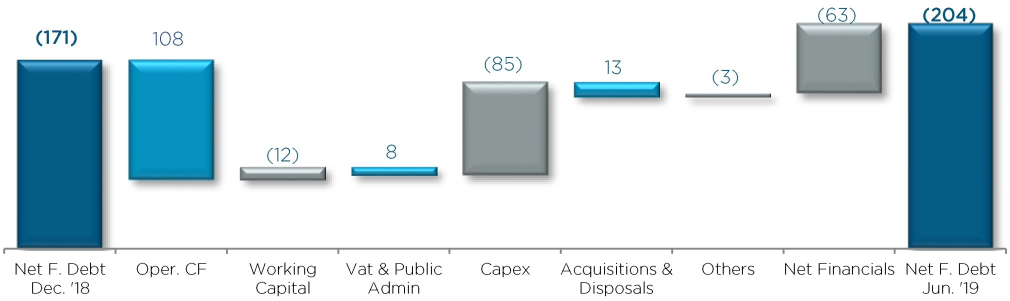
H1 2019 Net Financial Debt Evolution



Financial Position: 30th June 2019
Gross Financial Debt: (€449m)
Cash: €245m
Net Financial Debt: (€204m)(1)
Operating Lease Liability (under IFRS16): (€2,123m)
Total Net Debt with Operating Leases: (€2,327m)

(1) Net Financial Debt excluding accounting adjustments for arrangement expenses €12.4m, accrued interest -€4.1m and IFRS 9 adjustment €7.7m. Including these accounting adjustments, the adjusted net financial debt would be (€188m) at 30th June 2019 vs. (€153m) at 31st December 2018.

Cash flow generation in the first half of the year:

- (+) Operating cash flow: +€108.4m, including -€9.2m of credit card expenses and taxes paid of -€27.2m.
- (-) Working capital: Mainly explained by a lower overdue recovery from previous year due to optimized overdue levels, and some calendar effect related to the last weekend of June.
- (-) Capex payments: -€84.6m in the first half of the year.
- (+) Acquisitions and disposals: +€13.1m from NH Málaga II disposal (+€16.0m, net of VAT of -€3.4m), +€1.9m from the China JV closing, -€7.2m from the investment made to operate Tivoli hotels (going concern) and +€2.4m from deferred payments of previous years.
- (-) Others: Mainly severance payments and legal provisions.
- (-) Net financials and dividends: -€63.1m, including -€9.0m net interest expense, -€52.9m net ordinary dividend paid in June 14th (remaining amount paid in July) and -€1.2m minority dividend.

Appendix

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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 1st Half of 2019.

In addition, the abridged consolidated financial statements as at 30 June 2019 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; and IFRS 16, new accounting standard for leases:

NH HOTEL GROUP, S.A. AND SUBSIDIARIES

ABRIDGED CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2019 AND 31 DECEMBER 2018

(Thousand Euros)

	6/30/2019	12/31/2018		6/30/2019	12/31/2018
NON-CURRENT ASSETS:			**EQUITY:**		
Goodwill	109,443	109,432	Share capital	784,361	784,361
Assets for rights of use	1,753,219	-	Reserves of the parent company	776,942	681,068
Intangible assets	104,559	110,569	Reserves of fully consolidated companies	(334,938)	(44,723)
Real estate investment	3,027	-	Reserves of companies consolidated using the equity method	(23,935)	(23,436)
Property, plant and equipment	1,689,947	1,637,718	Exchange differences	(61,240)	(60,854)
Investments accounted for using the equity method	7,641	8,971	Treasury shares and shareholdings	(1,629)	(2,530)
Non-current financial investments-	46,442	54,126	Consolidated profit for the period	39,873	117,785
Loans and accounts receivable not available for trading	*35,753*	*42,598*	**Equity attributable to the shareholders of the Parent Company**	**1,179,434**	**1,451,671**
Other non-current financial investments	*10,689*	*11,528*	Non-controlling interests	53,826	52,351
Deferred tax assets	233,765	138,724	**Total equity**	**1,233,260**	**1,504,022**
Other non-current assets	-	13,427			
Total non-current assets	**3,948,043**	**2,072,967**			
			NON-CURRENT LIABILITIES		
			Debt instruments and other marketable securities	344,000	342,485
			Debts with credit institutions	85,046	71,473
			Liabilities for operating leases	1,957,886	-
			Other financial liabilities	1,679	1,762
			Other non-current liabilities	34,349	47,296
			Provisions for contingencies and charges	37,561	51,178
			Deferred tax liabilities	185,549	177,478
			Total non-current liabilities	**2,646,070**	**691,672**
CURRENT ASSETS:			**CURRENT LIABILITIES:**		
Non-current assets classified as held for sale	43,776	55,974	Liabilities associated with non-current assets classified as held for sale	2,545	2,456
Inventories	10,304	10,435	Debt instruments and other marketable securities	141	73
Trade receivables	126,170	106,601	Debts with credit institutions	3,934	4,881
Non-trade receivables-	45,193	38,195	Liabilities for operating leases	164,882	-
Tax receivables	*26,310*	*19,451*	Other financial liabilities	192	710
Other non-trade debtors	*18,883*	*18,744*	Trade and other payables	268,939	252,704
Account receivable with related entities	611	978	Tax payables	60,907	59,453
Cash and cash equivalents	245,214	265,869	Provisions for contingencies and charges	8,605	2,713
Other current assets	18,980	12,109	Other current liabilities	48,816	44,444
Total current assets	**490,248**	**490,161**	**Total current liabilities**	**558,961**	**367,434**
TOTAL ASSETS	**4,438,291**	**2,563,128**	**NET ASSETS AND LIABILITIES**	**4,438,291**	**2,563,128**

Note: For comparison purpose, it should be considered that Financial Statement at June 30, 2019 includes the application of NIIF 16, not considered at December 31, 2018, due to first application was January 1, 2019, and the application of NIC 29, considered in the second half of the year 2018.

NH HOTEL GROUP, S.A. AND SUBSIDIARIES

CONSOLIDATED COMPREHENSIVE PROFIT AND LOSS STATEMENT AT 2019 AND 2018

(Thousands of euros)

	30/06/2019	30/06/2018
Revenues	815,980	781,222
Other operating income	5,683	2,708
Net gains on disposal of non-current assets	2,609	75,513
Procurements	(37,102)	(37,019)
Staff costs	(216,054)	(210,504)
Depreciation and amortisation charges	(146,191)	(55,623)
Net Profits/(Losses) from asset impairment	588	501
Other operating expenses	(299,537)	(414,062)
Variation in the provision for onerous contracts	-	*1,287*
Other operating expenses	*(299,537)*	*(415,349)*
Gains on financial assets and liabilities and other	9	(85)
Profit (Loss) from entities valued through the equity method	7	(50)
Financial income	933	2,240
Change in fair value of financial instruments	81	-
Financial expenses	(66,694)	(32,364)
Result	(115)	-
Net exchange differences (Income/(Expense))	(222)	1,606
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**59,975**	**114,083**
Income tax	(17,813)	(48,042)
PROFIT FOR THE PERIOD - CONTINUING	**42,162**	**66,041**
Profit (loss) for the year from discontinued operations net of tax	(493)	(246)
PROFIT FOR THE PERIOD	**41,669**	**65,795**
Exchange differences	(514)	(8,249)
Income and expenses recognised directly in equity	**(514)**	**(8,249)**
TOTAL COMPREHENSIVE PROFIT	**41,155**	**57,546**
Profit / (Loss) for the year attributable to:		
Parent Company Shareholders	39,873	64,325
Non-controlling interests	1,796	1,470
Non-controlling interests in discontinued operations		
Comprehensive Profit / (Loss) attributable to:		
Parent Company Shareholders	39,487	56,790
Non-controlling interests	1,668	756

Note: For comparison purpose, it should be considered that Financial Statement at June 30, 2019 includes the application of NIIF 16, not considered at December 31, 2018, due to first application was January 1, 2019, and the application of NIC 29, considered in the second half of the year 2018.

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NH HOTEL GROUP, S.A. AND SUBSIDIARIES

ABRIDGED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED

30 JUNE 2019 AND 31 DECEMBER 2018

(Thousands of euros)

	Equity attributed to the Parent Company							
	Own Funds							
	Share Capital	Issue premium and reserves	Treasury shares and shareholdings	Profit for the year attributable to the Parent Company	Other equity instruments	Valuation adjustments	Non-controlling interest	Total Equity
Ending Balance at 31/12/2018	**784,361**	**612,909**	**(2,530)**	**117,785**	**-**	**(60,854)**	**52,351**	**1,504,022**
Accounting correction	-	16,212	-	(16,212)	-	-	-	-
Ending Balance at 31/12/2018	**784,361**	**629,121**	**(2,530)**	**101,573**	**-**	**(60,854)**	**52,351**	**1,504,022**
Adjustment for changes in accounting policies	-	(258,324)	-	-	-	-	(1,471)	(259,795)
Adjusted begining balance at 01/01/2019	**784,361**	**370,797**	**(2,530)**	**101,573**	**-**	**(60,854)**	**50,880**	**1,244,227**
Net profit (loss) for 2019	-	-	-	39,873	-	-	1,796	41,669
Exchange differences	-	-	-	-	-	(386)	(128)	(514)
Total recognised income / (expense)	**-**	**-**	**-**	**39,873**	**-**	**(386)**	**1,668**	**41,155**
Transactions with shareholders or owners	**-**	**(61,552)**	**970**	**-**	**-**	**-**	**(971)**	**(61,553)**
Distribution of dividends	-	(58,771)	-	-	-	-	(971)	(59,742)
Remuneration Scheme in shares	-	(2,781)	970	-	-	-	-	(1,811)
Other changes in equity	**-**	**108,824**	**(69)**	**(101,573)**	**-**	**-**	**2,249**	**9,431**
Transfers between equity items	-	101,573	-	(101,573)	-	-	-	-
Application NIC 29	-	7,909	-	-	-	-	2,249	10,158
Other changes	-	(658)	(69)	-	-	-	-	(727)
Ending balance at 31/03/2019	**784,361**	**418,069**	**(1,629)**	**39,873**	**-**	**(61,240)**	**53,826**	**1,233,260**

Note: For comparison purpose, it should be considered that Financial Statement at June 30, 2019 includes the application of NIIF 16, not considered at December 31, 2018, due to first application was January 1, 2019, and the application of NIC 29, considered in the second half of the year 2018.

	Equity attributed to the Parent Company							
	Own Funds							
	Share Capital	Issue premium and reserves	Treasury shares and shareholdings	Profit for the year attributable to the Parent Company	Other equity instruments	Valuation adjustments	Non-controlling interest	Total Equity
Ending Balance at 31/12/2017	**700,544**	**542,033**	**(39,250)**	**35,489**	**27,230**	**(157,542)**	**43,472**	**1,151,976**
Adjustment for changes in accounting policies	-	8,571	-	-	-	-	-	8,571
Application IAS 29	-	(50,724)	-	-	-	96,862	7,093	53,231
Adjusted balance at 31/12/2017	**700,544**	**499,880**	**(39,250)**	**35,489**	**27,230**	**(60,680)**	**50,565**	**1,213,778**
Net profit (loss) for 2018	-	-	-	117,785	-	-	6,722	124,507
Exchange differences	-	-	-	-	-	(174)	(2,013)	(2,187)
Total recognised income / (expense)	**-**	**-**	**-**	**117,785**	**-**	**(174)**	**4,709**	**122,320**
Transactions with shareholders or owners	**83,817**	**118,049**	**36,720**	-	(27,230)	-	**(2,375)**	**208,981**
Distribution of dividends	-	(39,158)	-	-	-	-	(729)	(39,887)
Convertible Bonds	83,817	156,022	35,691	-	(27,230)	-	-	248,300
Remuneration Scheme in shares	-	1,185	1,029	-	-	-	-	2,214
Other changes in equity	**-**	**(5,020)**	**-**	**(35,489)**	**-**	**-**	**(548)**	**(41,057)**
Transfers between equity items	-	35,489	-	(35,489)	-	-	-	-
Application IAS 29	-	(43,199)	-	-	-	-	(548)	(43,747)
Other changes	-	2,690	-	-	-	-	-	2,690
Ending balance at 31/12/2018	**784,361**	**612,909**	**(2,530)**	**117,785**	**-**	**(60,854)**	**52,351**	**1,504,022**

NH HOTEL GROUP, S.A. AND SUBSIDIARIES

ABRIDGED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019 AND 2018

(Thousands of euros)

	30.06.2019	30.06.2018
1. OPERATING ACTIVITIES		
Consolidated profit (loss) before tax:	**59,975**	**114,083**
Adjustments:		
Depreciation of tangible and amortisation of intangible assets (+)	146,191	55,623
Impairment losses (net) (+/-)	(588)	(501)
Allocations for provisions (net) (+/-)	-	(1,287)
Gains/Losses on the sale of tangible and intangible assets (+/-)	(2,609)	(75,513)
Gains/Losses on investments valued using the equity method (+/-)	(7)	50
Financial income (-)	(933)	(2,240)
	(81)	-
Financial expenses and variation in fair value of financial instruments (+)	66,694	32,364
	115	-
Net exchange differences (Income/(Expense))	222	(1,606)
Profit (loss) on disposal of financial investments	(9)	85
Other non-monetary items (+/-)	(876)	3,827
Adjusted profit (loss)	**268,094**	**124,885**
Net variation in assets / liabilities:		
(Increase)/Decrease in inventories	131	41
(Increase)/Decrease in trade debtors and other accounts receivable	(21,567)	2,169
(Increase)/Decrease in other current assets	(680)	(4,645)
Increase/(Decrease) in trade payables	9,120	3,484
Increase/(Decrease) in other current liabilities	8,516	(4,713)
Increase/(Decrease) in provisions for contingencies and expenses	(1,852)	(1,882)
(Increase)/Decrease in non-current assets	(6,946)	(362)
Increase/(Decrease) in non-current liabilities	(82)	*68*
Income tax paid	(27,174)	(14,049)
Total net cash flow from operating activities (I)	**227,560**	**104,996**
2. INVESTMENT ACTIVITIES		
Finance income	**103**	**141**
Investments (-):		
Tangible and intangible assets and investments in property	(84,587)	(54,080)
Non-current financial investments	-	(671)
	(84,587)	**(54,751)**
Disinvestment (+):		
Group companies, joint ventures and associates	1,903	85
Tangible and intangible assets and investments in property	18,436	154,647
	20,339	**154,732**
Total net cash flow from investment activities (II)	**(64,145)**	**100,122**
3. FINANCING ACTIVITIES		
Dividends paid out (-)	(54,089)	(1,103)
Interest paid on debts (-)	(18,279)	(24,011)
Financial expenses for means of payment	(9,210)	(8,218)
Interest paid on debts and other interest	(9,069)	(15,793)
Variations in (+/-):		
Debt instruments:		
- Bonds and other tradable securities (+)	-	(1,700)
- Loans from credit institutions (+)	14,100	-
- Loans from credit institutions (-)	(1,943)	(5,216)
	(123,341)	-
- Other financial liabilities (+/-)	(520)	(1,135)
Total net cash flow from financing activities (III)	**(184,072)**	**(33,165)**
4. GROSS INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	(20,657)	171,953
5. Effect of exchange rate variations on cash and cash equivalents (IV)	2	(362)
6. Effect of variations in the scope of consolidation (V)	-	(96)
7. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III-IV+VI)	(20,655)	171,495
8. Cash and cash equivalents at the start of the financial year	**265,869**	**80,249**
9. Cash and cash equivalents at the end of the financial year (7+8)	**245,214**	**251,744**

Note: For comparison purpose, it should be considered that Financial Statement at June 30, 2019 includes the application of NIIF 16, not considered at December 31, 2018, due to first application was January 1, 2019, and the application of NIC 29, considered in the second half of the year 2018.

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A) Definitions

EBITDA (excl. IFRS 16): 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:

		1H 2019 M Eur.	1H 2018 M Eur.
Total revenues	A+B	**821.5**	**785.5**
Total recurring revenue LFL & Refurbishment	A	782.7	753.0
Openings, closings & others	B	38.8	32.5

It has been provided a reconciliation for the "Total Revenues" line in Point II for the period of 1st half ended 30 June 2019.

Net Financial Debt (excl. IFRS 16): 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 1st half of 2019:

I. ADR and RevPAR

Earnings Report of 1st half of 2019 details the cumulative evolution of RevPAR and ADR in the following tables:

NH HOTEL GROUP REVPAR 6M 2019/2018

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2019	2018	2019	2018	% Var	2019	2018	% Var	2019	2018	% Var
Spain & Others LFL & R [1]	11,164	11,011	75.4%	74.5%	1.3%	101.1	93.8	7.8%	76.3	69.8	9.2%
B.U. Spain Consolidated [1]	11,741	11,614	74.8%	74.0%	1.1%	101.9	93.5	9.1%	76.3	69.2	10.2%
Italy LFL & R	7,100	7,138	70.1%	69.7%	0.5%	122.3	119.2	2.6%	85.7	83.1	3.1%
B.U. Italy Consolidated	7,244	7,190	70.0%	69.6%	0.6%	123.0	119.4	3.0%	86.1	83.1	3.6%
Benelux LFL & R	8,266	8,393	71.4%	70.7%	1.0%	114.5	113.1	1.2%	81.8	80.0	2.2%
B.U. Benelux Consolidated	8,785	8,887	71.1%	70.5%	0.8%	114.6	112.6	1.8%	81.5	79.4	2.6%
Central Europe LFL & R	11,462	11,606	72.4%	71.6%	1.0%	92.0	89.1	3.2%	66.6	63.8	4.3%
B.U. Central Europe Consolidated	12,201	12,062	71.5%	71.6%	-0.1%	92.0	88.5	4.0%	65.8	63.3	3.8%
Total Europe LFL & R	37,991	38,148	72.6%	71.9%	1.0%	105.0	101.2	3.8%	76.3	72.7	4.9%
Total Europe Consolidated	39,970	39,753	72.1%	71.7%	0.6%	105.4	100.7	4.6%	76.0	72.2	5.2%
Latinamerica LFL & R	5,083	5,080	60.3%	61.7%	-2.3%	75.3	73.5	2.5%	45.4	45.3	0.2%
Latinamerica Consolidated	5,353	5,549	59.5%	60.0%	-0.9%	74.5	71.8	3.8%	44.3	43.1	2.9%
NH Hotels LFL & R	43,074	43,228	71.2%	70.7%	0.7%	102.1	98.3	3.8%	72.6	69.5	4.5%
Total NH Consolidated	45,323	45,302	70.6%	70.3%	0.5%	102.3	97.7	4.7%	72.2	68.6	5.3%

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

		1H 2019 € Thousand	1H 2018 € Thousand
A	Room revenues	583,965	555,897
	Other revenues	232,015	225,325
	Revenues according to profit & loss statement	**815,980**	**781,222**
B	Thousand of room nights	5,710	5,692
A / B = C	**ADR**	**102.3**	**97.7**
D	Occupancy	70.6%	70.3%
C x D	**RevPAR**	**72.2**	**68.6**

II. INCOME STATEMENT 1st HALF OF 2019 AND 2018

The Earnings Report of 1st half 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:

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H1 2019

	Income Statements	Reclasification according to the Financial Statements	Financial expenses for means of payment	Oursourcing	Assets Disposal	Scrapping and non recurring depreciation	Claims, severance payments and other non recurring	P&L according to the Financial Statements	
APM Total revenues	821.5	(821.5)	-	-	-	-	-		
Revenues	-	813.4	-	-	2.6	-	-	816.0	Revenues
Other operating income	-	5.7	-	-	-	-	-	5.7	Other operating income
APM TOTAL REVENUES	**821.5**	**(2.4)**	**-**	**-**	**2.6**	**-**	**-**	**821.7**	
Net gains on disposal of non-current assets	-	**(0.0)**	-	-	3.5	(0.8)	-	2.6	Net gains on disposal of non-current assets
APM Staff Cost	(278.9)	-	-	60.5	-	-	2.4	(216.1)	Staff costs
APM Operating expenses	(241.0)	(5.8)	9.2	(60.5)	-	-	(1.4)	(299.5)	Other operating expenses
Procurements	-	(37.1)	-	-	-	-	-	(37.1)	Procurements
APM GROSS OPERATING PROFIT	**301.7**	**(45.4)**	**9.2**	**-**	**6.0**	**(0.8)**	**0.9**	**271.6**	
APM Lease payments and property taxes	(44.8)	45.4	-	-	(0.6)	-	-	-	
lease payments and property taxes nr									
APM EBITDA BEFORE ONEROUS	**256.9**	**-**	**9.2**	**-**	**5.4**	**(0.8)**	**0.9**	**271.6**	
APM Onerous contratc reversal provision	-	-	-	-	-	-	-	-	Variation in the provision for onerous contratcs
APM EBITDA AFTER ONEROUS	**256.9**	**-**	**9.2**	**-**	**5.4**	**(0.8)**	**0.9**	**271.6**	
Net Profits/(Losses) from asset impairment	-	1.3	-	-	-	(0.8)	-	0.6	Net Profits/(Losses) from asset impairment
APM Depreciation	(144.8)	(1.4)	-	-	-	-	-	(146.2)	Depreciation and amortisation charges
APM EBIT	**112.0**	**-**	**9.2**	**-**	**5.4**	**(1.6)**	**0.9**	**126.0**	
Gains on financial assets and liabilities and liabilities and other	-	0.0	-	-	-	-	-	0.0	Gains on financial assets and liabilities and other
APM Interest expense	(56.8)	(0.8)	(9.2)	-	-	-	-	(66.8)	Finance costs
Finance Income	-	0.9	-	-	-	-	-	0.9	Finance income
Change in fair value of financial instruments	-	-	-	-	-	-	-	0.1	Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	(0.2)	-	-	-	-	-	(0.2)	Net exchange differences (Income/(Expemse))
APM Income from minority equity interests	0.0	-	-	-	-	-	-	0.0	Profit (loss) from companies accounted for using the equity method
APM EBT	**55.2**	**0.0**	**-**	**-**	**5.4**	**(1.6)**	**0.9**	**60.0**	**Profit (loss) before tax from continuing operations**
APM Corporate Income Tax	(17.3)	(0.5)	-	-	-	-	-	(17.8)	Income tax
APM Net Income before minorities	**37.9**	**(0.5)**	**-**	**-**	**5.4**	**(1.6)**	**0.9**	**42.2**	**Profit for the financial year - continuing**
Profit/ (Loss) for the year from discontinued operations net of tax	-	(0.5)	-	-	-	-	-	(0.5)	Profit (loss) for the year form discontinued operations net of tax
APM NET INCOME before minorities	**37.9**	**(1.0)**	**-**	**-**	**5.4**	**(1.6)**	**0.9**	**41.7**	**Profit for the financial year - continuing**
APM Minority interests	(1.8)	0.0	-	-	-	-	-	(1.8)	Non-controlling interests
APM Net Recurring Income	**36.1**	**(1.0)**	**-**	**-**	**5.4**	**(1.6)**	**0.9**	**39.9**	**Profits for the year attibutable to Parent Company Shareholders**
APM Non Recurring EBITDA	6.3	-	-	-	(5.4)	-	(0.9)		
APM Other Non Recurring items	(2.6)	1.0	-	-	-	1.6	-		
APM NET INCOME including Non-Recurring	**39.9**	**-**	**-**	**-**	**-**	**-**	**-**	**39.9**	**Profits for the year attibutable to Parent Company Shareholders**

H1 2018

(IFRS 16 not considered due to first application was January 1, 2019)

	Income Statements	Reclasification according to the Financial Statements	Financial expenses for means of payment	Oursourcing	Assets Disposal	Scrapping and non recurring depreciation	Claims, severance payments and other non recurring	P&L according to the Financial Statements	
APM Total revenues	785.5	(785.5)	-	-	-	-	-		
Revenues	-	780.2	-	-	1.0	-	0.0	781.2	Revenues
Other operating income	-	2.7	-	-	-	-	-	2.7	Other operating income
APM TOTAL REVENUES	**785.5**	**(2.6)**	**-**	**-**	**1.0**	**-**	**0.0**	**783.9**	
Net gains on disposal of non-current assets	-	-	-	-	-	(11.8)	-	(11.8)	Net gains on disposal of non-current assets
APM Staff Cost	(267.3)	-	-	58.2	-	-	(1.4)	(210.5)	Staff costs
APM Operating expenses	(237.7)	(127.1)	8.2	(58.2)	-	-	(0.5)	(415.3)	Other operating expenses
Procurements	-	(37.0)	-	-	-	-	-	(37.0)	Procurements
APM GROSS OPERATING PROFIT	**280.5**	**(166.7)**	**8.2**	**-**	**1.0**	**(11.8)**	**(1.9)**	**109.3**	
APM Lease payments and property taxes	(165.5)	165.5	-	-	-	-	-	-	
lease payments and property taxes nr									
APM EBITDA BEFORE ONEROUS	**115.0**	**(1.2)**	**8.2**	**-**	**1.0**	**(11.8)**	**(1.9)**	**109.3**	
APM Onerous contratc reversal provision	1.3	-	-	-	-	-	-	1.3	Variation in the provision for onerous contratcs
APM EBITDA AFTER ONEROUS	**116.3**	**(1.2)**	**8.2**	**-**	**1.0**	**(11.8)**	**(1.9)**	**110.5**	
Net Profits/(Losses) from asset impairment	-	1.0	-	-	-	(0.5)	-	0.5	Net Profits/(Losses) from asset impairment
APM Depreciation	(54.6)	(1.0)	-	-	-	-	-	(55.6)	Depreciation and amortisation charges
APM EBIT	**61.7**	**(1.2)**	**8.2**	**-**	**1.0**	**(12.3)**	**(1.9)**	**55.4**	
Gains on financial assets and liabilities and liabilities and other	-	(0.1)	-	-	-	-	-	(0.1)	Gains on financial assets and liabilities and other
APM Interest expense	(20.3)	(3.9)	(8.2)	-	-	-	-	(32.4)	Finance costs
Finance Income	-	2.2	-	-	-	-	-	2.2	Finance income
Change in fair value of financial instruments	-	-	-	-	-	-	-	-	Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	1.6	-	-	-	-	-	1.6	Net exchange differences (Income/(Expemse))
APM Income from minority equity interests	(0.0)	-	-	-	-	-	-	(0.1)	Profit (loss) from companies accounted for using the equity method
APM EBT	**41.3**	**(1.3)**	**-**	**-**	**1.0**	**(12.3)**	**(1.9)**	**26.8**	**Profit (loss) before tax from continuing operations**
APM Corporate Income Tax	(16.9)	0.9	-	-	-	-	-	(16.0)	Income tax
APM Net Income before minorities	**24.4**	**(0.5)**	**-**	**-**	**1.0**	**(12.3)**	**(1.9)**	**10.7**	**Profit for the financial year - continuing**
Profit/ (Loss) for the year from discontinued operations net of tax	-	(0.2)	-	-	55.3	-	-	55.1	Profit (loss) for the year form discontinued operations net of tax
APM NET INCOME before minorities	**24.4**	**(0.7)**	**-**	**-**	**56.3**	**(12.3)**	**(1.9)**	**65.8**	**Profit for the financial year - continuing**
APM Minority interests	(1.5)	0.0	-	-	-	-	-	(1.5)	Non-controlling interests
APM Net Recurring Income	**23.0**	**(0.7)**	**-**	**-**	**56.3**	**(12.3)**	**(1.9)**	**64.3**	**Profits for the year attibutable to Parent Company Shareholders**
APM Non Recurring EBITDA	86.4	-	-	-	(88.3)	-	1.9		
APM Other Non Recurring items	(45.0)	0.7	-	-	32.0	12.3	-		
APM NET INCOME including Non-Recurring	**64.3**	**-**	**-**	**-**	**-**	**-**	**-**	**64.3**	**Profits for the year attibutable to Parent Company Shareholders**

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III. DEBT AND STATEMENT OF CASH FLOWS AS AT 30 JUNE 2019 AND 31 DECEMBER 2018

III.1 Debt presented in the earnings report of 1st Half 2019.

As of 30/06/2019	Maximum			Maturities			
Data in Euro million	Available	Availability	Drawn	Year 1	Year 2	Year 3	Remainder
Mortgage loans	**30,936**	-	**30,936**	**2,967**	**2,448**	**2,319**	**23,202**
Fixed rate	25,914	-	25,914	1,528	1,413	1,486	21,487
Variable rate	5,022	-	5,022	1,440	1,035	833	1,715
Subordinated loans	**40,000**	-	**40,000**	-	-	-	**40,000**
Variable rate	40,000	-	40,000	-	-	-	40,000
Senior secured notes	**250,000**	**250,000**	-	-	-	-	-
Fixed rate	250,000	250,000	-	-	-	-	-
Unsecured loans	**356,850**	-	**356,850**	-	-	-	**356,850**
Variable rate	356,850	-	356,850	-	-	-	356,850
Secured RCF	**45,761**	**24,430**	**21,331**	**1,135**	**242**	**173**	**19,780**
Variable rate	45,761	24,430	21,331	1,135	242	173	19,780
Credit lines	**59,088**	**59,088**	-	-	-	-	-
Variabel rate	59,088	59,088	-	-	-	-	-
Borrowing at 30/06/2019	**782,635**	**333,518**	**449,116**	**4,103**	**2,690**	**2,492**	**439,832**
Arrangement expenses	(12,440)	-	a (12,440)	(2,964)	(3,047)	(2,601)	(3,828)
IFRS 9	(7,650)	-	b (7,650)	(1,327)	(1,471)	(1,631)	(3,221)
Accrued interests	4,094	-	c 4,094	4,094	-	-	-
Adjusted total debt at 30/06/2019	**766,639**	**333,518**	**433,121**	**3,905**	**(1,828)**	**(1,740)**	**432,783**
Adjusted total debt at 31/12/2018	**769,271**	**350,359**	**418,912**	**4,954**	**(1,504)**	**(1,928)**	**417,390**

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

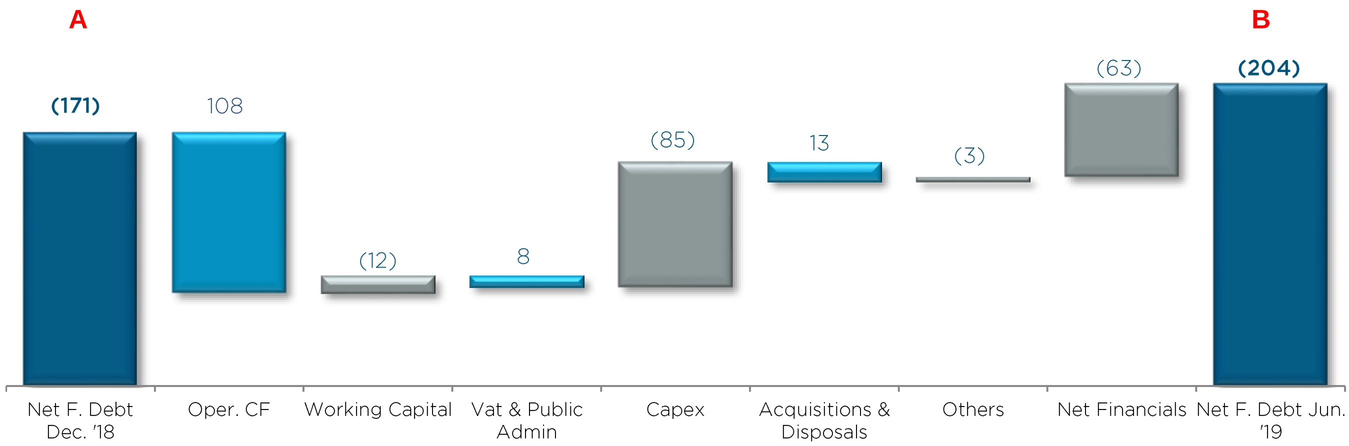
III.2 Statement of cash flows included in the earnings report of 1st Half of 2019.

Net financial debt as at 30 June 2019 and 31 December 2018 has been obtained from the consolidated balance sheet at 30 June 2019 and from the consolidated financial statements for 31 December 2018 and is as follows:

	6/30/2019	12/31/2018	VAR.
Debt instruments and other marketable securities according to financial statements	344,000	342,485	
Bank borrowings according to financial statements	85,046	71,473	
Bank borrowings and debt instruments ans other marketable securities according to financial statements	**429,046**	**413,958**	
Debt instruments and other marketable securities according to financial statements	141	73	
Bank borrowings according to financial statements	3,934	4,881	
Bank borrowings and debt instruments ans other marketable securities according to financial statements	**4,075**	**4,954**	
Total Bank borrowings and debt instruments ans other marketable securities according to financial statements	**433,121**	**418,912**	
Arrangement expenses	a 12,440	13,517	
IFRS 9	b 7,650	8,237	
Borrowing costs	c (4,094)	(4,091)	
APM Gross debt	**449,117**	**436,575**	
Cash and cash equivalents according to financial statements	(245,214)	(265,869)	
APM Net Debt	B **203,903**	A **170,706**	**33,197**
Liabilities for operating leases (Current and non current)	2,122,768	0	
APM Net with Debt IFRS 16	**2,326,671**	**170,706**	**2,155,965**

The following chart reconciles the change in net financial debt shown in the earnings report of 1st Half of 2019:

Evolution of Net Financial Debt H1 2019



To do so, it has been taken each heading from the statement of cash flows in the financial statements as at 30 June 2018 and shown the grouping:

	Oper. CF	Working capital	VAT & Public Admin	Capex	Acquistions & Disposals	Others	Net Financials	IFRS 16	Redemption Convertible Bond	Total
Total	(108.4)	11.6	(7.7)	84.6	(13.1)	2.9	63.1	-	-	32.9
Total	108.4	(11.6)	7.7	(84.6)	13.1	(2.9)	(63.1)	-	-	(32.9)
Adjusted profit (loss)	144.8									144.8
Income tax paid	(27.2)									(27.2)
Financial expenses for means of payments	(9.2)									(9.2)
(Increase)/Decrease in inventories		0.1								0.1
(Increase)/Decrease in trade debtors and other accounts receivable		(20.8)								(20.8)
(Increase)/Decrease in trade payables		9.1								9.1
(Increase)/Decrease in VAT & public Administration			7.7							7.7
Tangible and intangible assets and investments in property				(84.6)						(84.6)
Group companies, join ventures and associates					(5.3)					(5.3)
Tangible and intangible assets and investments in property					18.4					18.4
(Increase)/Decrease in current assets						(0.6)				(0.6)
(Increase)/Decrease in provision for contingencies and expenses						(1.9)				(1.9)
- Other financial liabilities (+/-)						(0.5)				(0.5)
5. Effect of changes in exchange rates on cash or equivalents						(0.1)				(0.1)
Increase/(Decrease) in other non current assets and liabilities and others						0.2				0.2
Interests paid in debts and other interests (without means of payments)							(9.1)			(9.1)
Dividends paid							(54.1)			(54.1)
Finance Income							0.1			0.1

All of the aforementioned information has been obtained from the condensed consolidated statement of cash flows from 30 June 2019, 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

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Appendix II: Portfolio changes & Current portfolio

New Agreements, Openings and Exits

Hotels signed from 1st January to 30th June 2019

City / Country	Contract	# Rooms	Opening
La Coruña / Spain	Leased	92	2019
Marbella / Spain	Leased	132	2019
Rome / Italy	Leased	42	2019
Aguascalientes / Mexico	Management	105	2021
Andorra la Vella / Andorra	Management	60	2019
Lisbon / Portugal*	Leased	119	2019
Lisbon / Portugal*	Leased	285	2019
Lisbon / Portugal*	Leased	279	2019
Vilamoura / Portugal	Management	280	2019
Carvoeiro / Portugal	Management	248	2019
Coimbra / Portugal	Management	100	2019
Lagos / Portugal	Management	296	2019
Portimao / Portugal	Management	196	2019
Vilamoura / Portugal	Management	383	2019
Sintra / Portugal	Management	30	2019
Sintra / Portugal	Management	77	2019
Vilamoura / Portugal	Management	103	2019
Evora / Portugal	Franchised	56	2019
TOTAL SIGNED HOTELS		**2,883**	

* Estimated formalisation: July 2019

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Hotels opened from 1st January to 30th June 2019

Hotels	City / Country	Contract	# Rooms
NH Mannheim	Mannheim / Germany	Leased	225
NH Collection Valencia Colón	Valencia / Spain	Management	47
NH Collection Mérida Paseo Montejo	Mérida / Mexico	Leased	120
Anantara Villa Padierna Palace Benahavís Marbella Resort	Marbella / Spain	Leased	132
NH Collection Santiago Casacostanera	Santiago / Chile	Management	85
NH Leipzig Zentrum	Leipzig / Germany	Leased	197
NH Collection A Coruña Finisterre	La Coruña / Spain	Leased	92
NH Porto Jardim	Oporto / Portugal	Management	79
AVANI Avenida Liberdade Lisbon	Lisbon / Portugal	Leased	119
Tivoli Avenida Liberdade Lisbon	Lisbon / Portugal	Leased	285
Tivoli Oriente Lisbon	Lisbon / Portugal	Leased	279
Anantara Vilamoura Algarve Resort	Vilamoura / Portugal	Management	280
Tivoli Carvoeiro Algarve Resort	Carvoeiro / Portugal	Management	248
Tivoli Coimbra	Coimbra / Portugal	Management	100
Tivoli Lagos Algarve Resort	Lagos / Portugal	Management	296
Tivoli Marina Portimão Algarve Resort	Portimao / Portugal	Management	196
Tivoli Marina Vilamoura Algarve Resort	Vilamoura / Portugal	Management	383
Tivoli Palácio de Seteais	Sintra / Portugal	Management	30
Tivoli Sintra	Sintra / Portugal	Management	77
The Residences at Victoria Algarve	Vilamoura / Portugal	Management	103
Tivoli Évora Ecoresort	Evora / Portugal	Franchised	56
TOTAL OPENINGS			**3,429**

Hotels exiting from 1st January to 30th June 2019

Hotels	City / Country	Month	Contract	# Rooms
NH Bogotá Metrotel Royal	Bogota / Colombia	January	Leased	336
NH Berlin Treptow	Berlin / Germany	April	Leased	126
TOTAL EXITS				**462**

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HOTELS OPENED BY COUNTRY AT 30TH JUNE 2019

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	148				
	South Africa	1	198		1	198						
	The Netherlands	35	6,782	2	20	3,362	14	2,969	1	451		
	United Kingdom	1	121		1	121						
BU Benelux		**51**	**9,383**	**2**	**27**	**4,698**	**23**	**4,234**	**1**	**451**		
BU Central Europe	Austria	7	1,340	1	7	1,340						
	Czech Republic	3	581						3	581		
	Germany	58	10,588	3	53	9,588	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	3	382		2	260					1	122
BU Central Europe		**76**	**13,420**	**4**	**64**	**11,431**	**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	106	12,786		74	9,057	13	1,957	14	1,380	5	392
	Portugal	17	2,809		5	854			11	1,899	1	56
	France	5	871		4	721			1	150		
	USA	1	242				1	242				
BU Spain		**129**	**16,708**		**83**	**10,632**	**14**	**2,199**	**26**	**3,429**	**6**	**448**
BU America	Argentina	15	2,144				12	1,524	3	620		
	Brasil	1	180		1	180						
	Colombia	13	1,355		13	1,355						
	Cuba	2	251						2	251		
	Chile	5	583				4	498	1	85		
	Dominican Republic	6	2,503						6	2,503		
	Ecuador	1	124		1	124						
	Haiti	1	72						1	72		
	Mexico	17	2,674		6	853	4	685	7	1,136		
	Uruguay	1	136				1	136				
BU America		**62**	**10,022**		**21**	**2,512**	**21**	**2,843**	**20**	**4,667**		
TOTAL OPEN		**369**	**57,356**	**7**	**230**	**34,804**	**76**	**12,079**	**55**	**9,810**	**8**	**663**

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SIGNED PROJECTS AS OF 30TH MARCH 2019

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

Business Unit	Country	TOTAL		Leased		Management	
		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	4	1,153	4	1,153		
BU Central Europe		**4**	**1,153**	**4**	**1,153**		
BU Italy	Italy	4	469	3	327	1	142
BU Italy		**4**	**469**	**3**	**327**	**1**	**142**
BU Spain	Spain	1	64	1	64		
	Andorra	1	60			1	60
BU Spain		**2**	**124**	**1**	**64**	**1**	**60**
BU America	Chile	2	281			2	281
	Mexico	5	629	2	260	3	369
	Panama	1	83			1	83
	Peru	2	429			2	429
BU America		**10**	**1,422**	**2**	**260**	**8**	**1,162**
TOTAL SIGNED		**23**	**4,188**	**12**	**2,634**	**11**	**1,554**

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

	2019	2020	2021
Expected Investment (€ millions)	18.6	6.2	0.1

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2019 Q2 Results Presentation Conference Call

Friday 26th of July 2019, 12.00 (CET)

NH Hotel Group invites you to take part in a conference call to discuss its results presentation:

Speakers	**Mr. Ramón Aragonés (CEO) and** **Ms. Beatriz Puente (CFO)**
Date	**26/07/2019**
Time	**12.00** (CET)

TELEPHONE NUMBER & PIN CODE FOR THE CONFERENCE
Participant's access - 10 minutes before the conference starts

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PLAYBACK

Telephone number for the playback:	+34 91 038 74 91
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